

Getting it Together:

An Inquiry into the Sharing of Government and Community Facilities

A draft report for further consultation and input

June 2009



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About the Victorian Competition and Efficiency Commission

The Victorian Competition and Efficiency Commission, which is supported by a secretariat, provides the Victorian Government with independent advice on business regulation reform and opportunities for improving Victoria's competitive position.

VCEC has three core functions:

- reviewing regulatory impact statements, measurements of the administrative burden of regulation and business impact assessments of significant new legislation
- undertaking inquiries referred to it by the Treasurer, and
- operating Victoria's Competitive Neutrality Unit.

For more information on the Victorian Competition and Efficiency Commission, visit our website at: www.vcec.vic.gov.au

Opportunity for further comment

You are invited to examine this draft report and provide comment on it within the Commission's public inquiry process. The Commission will be accepting submissions commenting on this report and will be undertaking further consultation before delivering a final report to the Government.

The Commission should receive all submissions by **5 August 2009**

Submissions may be sent by mail, fax, audio cassette or email.

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Terms of reference

Review of Sharing of Government and Community Facilities

I, John Lenders MP, pursuant to section 4 of the State Owned Enterprises (State Body—Victorian Competition and Efficiency Commission) Order (“the Order”), hereby direct the Victorian Competition and Efficiency Commission (“the Commission”) to conduct a review of the potential for increased sharing of government and community facilities throughout Victoria.

Background

Various initiatives already demonstrate the Government’s commitment to efficient government investment and better asset utilisation. For example, in December 2007 the Government released *Shared Facility Partnerships*, its guide to good governance for schools and the community. This focussed on facilities that can be shared by schools and the broader community, including libraries and resource centres, halls and meeting spaces, recreational/sporting facilities, information technology centres, and performing arts spaces. Similarly, the *Councils Reforming Business* project, being delivered in partnership with the Municipal Association of Victoria, aims to support councils to improve services and reduce costs for businesses through (amongst other things) a shared services program.

The current inquiry would examine the potential for increased sharing of government and community facilities in Victoria, both in relation to existing and new facilities. The review would identify the governance and commercial (including cost recovery and risk allocation) principles that should apply to shared facilities.

The review would also identify whether the sharing of facilities could enable the provision of new services that would otherwise not be viable, identifying governance principles that would apply in these circumstances, including principles to ensure that private sector investment is not crowded out.

The inquiry would examine the scope for sharing facilities in both metropolitan and regional Victoria.

Specific Issues to be Addressed

As part of the inquiry, the Commission should:

1. examine how much sharing of government and community facilities already takes place;
2. identify the benefits of shared facilities, in terms of efficiency, service delivery, land use and social inclusion;
3. identify any barriers to the more widespread role of shared facilities throughout Victoria, including barriers (a) arising from State Government and local government processes, and (b) arising from insurance, legal and institutional arrangements;
4. consider how the principles and experience of the sharing of school facilities can be used to guide further initiatives to share other government and community facilities;
5. identify innovative and effective examples of shared facilities (in Victoria or elsewhere);
6. identify the types of facilities that best lend themselves to sharing arrangements, including:
 - a) identifying areas where further sharing might take place;
 - b) considering the potential for consolidating the presence of government agencies including between (a) local governments (b) State Government and local governments and (c) State Government agencies);
 - c) identifying opportunities for the provision of additional facilities to the community that might not be viable unless sharing arrangements are in place, while at the same time ensuring that private initiatives are not crowded out;
7. identify what governance and commercial (including cost-recovery and risk-sharing) principles are appropriate when a facility is shared, identifying whether different models suit particular types of facility and uses;
8. consider the different uses that may arise in relation to public as opposed to private provision of shared facilities;
9. explore the current extent of and potential for increased sharing of public facilities with the private sector, and the governance and commercial principles that should apply in those circumstances; and
10. make recommendations about any changes required to government processes to achieve successful collaboration.

The Commission should take into account any substantive studies or inquiries undertaken elsewhere, including relevant developments in the Commonwealth and States, and best practices from OECD countries that may help it provide advice on this Reference.

The Commission should not examine the scope for further sharing of backroom functions (such as Information Technology and Human Resources functions), as these areas are already subject to ongoing analysis within Government.

Inquiry process

In undertaking this inquiry the Commission should have regard to the objectives and operating principles of the Commission, as set out in section 3 of the Order. The Commission must also conduct the inquiry in accordance with section 4 of the Order.

The Commission is to consult with key interest groups and affected parties, and may hold public hearings. The Commission should also draw on the knowledge and expertise of relevant State Government departments and agencies, including the Department of Education and Early Childhood Development and the Department of Planning and Community Development, as well as local government.

The Commission is to release an issue paper at the beginning of the inquiry process and produce a draft report, outlining recommendations for consultative purposes. A final report is to be provided to me within nine months of receipt of this reference.

JOHN LENDERS MP

Treasurer

Preface

The release of this draft report gives interested participants the opportunity to comment on the Commission's analysis in relation to its inquiry into sharing government and community facilities. The Commission will consider comments received prior to developing and presenting the final report to government.

In preparing this draft report, the Commission invited public submissions and consulted widely with a range of organisations, government departments, local governments and individuals. Stakeholder input has greatly assisted the Commission in reporting on the many facets of sharing facilities and in presenting a draft response to the Victorian Government on ways to encourage further sharing.

The Commission invites written submissions on the draft report. These submissions may address any of the issues covered by the Terms of Reference. In light of the submissions received, the Commission will hold further consultations as necessary.

At the conclusion of consultation on the draft report, the Commission will prepare a final report to be presented to the Victorian Government by September 2009. The Order in Council establishing the Commission says that the Treasurer should publicly release the final report and that the Victorian Government should publicly release a response to the final report within six months of the Treasurer receiving the report.

The Commission looks forward to receiving feedback on the draft report.

The Commissioners have declared to the Victorian Government all personal interests that could have a bearing on current and future work.

Robert Kerr

Presiding Commissioner

Deborah Cope

Commissioner

Dr Matthew Butlin

Chairman

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Abbreviations

ABS	Australian Bureau of Statistics
ACEV	Adult Community Education Victoria
AISV	Association of Independent Schools Victoria
AMES	Adult Multicultural Education Services
ANHLC	Association of Neighbourhood Houses and Learning Centres
att.	attachment
BER	Building the Education Revolution
CBD	central business district
CBI	Community Building Initiative
CCCA	Community Child Care Association of Victoria
CECV	Catholic Education Commission of Victoria
CIV	Community Indicators Victoria
COAG	Council of Australian Governments
DAC	Development Assessment Committee
DEECD	Department of Education and Early Childhood Development
DHS	Department of Human Services
DNRE	Department of Natural Resources and Environment
DOJ	Department of Justice
DOT	Department of Transport
DPCD	Department of Planning and Community Development
DSE	Department of Sustainability and Environment
DTF	Department of Treasury and Finance

DVC	Department for Victorian Communities
ERC	Expenditure Review Committee
GAA	Growth Areas Authority
GDP	Gross Domestic Product
GSP	Gross State Product
GVT	Growing Victoria Together
IT	information technology
JUA	joint use agreement
LIEF	Linkage Infrastructure, Equipment and Facilities
LSWT	Local Schools Working Together
MACVC	Ministerial Advisory Committee for Victorian Communities
MAV	Municipal Association of Victoria
NJC	Neighbourhood Justice Centre
OECD	Organisation for Economic Cooperation and Development
OVGA	Office of the Victorian Government Architect
PEB	Programme on Educational Building
PIA	Planning Institute of Australia
PPP	public private partnership
PSPs	Precinct Structure Plans
PViS	<i>Partnerships Victoria</i> in Schools
RIS	regulatory impact statement
SCPDP	School and Community Partnerships – Demonstration Project
SRP	Student Resource Package
SRV	Sport and Recreation Victoria

sub.	submission
sum.	roundtable summary
trans.	roundtable transcript
U3A	University of the Third Age
VCOSS	Victorian Council of Social Service
VCSG	Victorian Community Support Grants Program
VHA	Victorian Healthcare Association
VICSES	Victoria State Emergency Service
VLGA	Victorian Local Governance Association
VSP	Victorian Schools Plan

Glossary

Act	A Bill that has been passed by Parliament, received Royal Assent and become law.
community group	A group that organises activities for or provides services (such as recreational, leisure, cultural and educational activities/services) to the community. Some examples include sporting clubs, senior citizen's groups and adult education organisations.
community infrastructure	Broadly defined as the complex system of physical facilities, programs, and social networks that aim to improve people's quality of life. These services, networks and physical assets work together to form the foundation of a strong neighbourhood.
community strengthening	A sustained effort to increase connectedness, active engagement and partnerships among members of the community, community groups and organisations in order to enhance social, economic and environmental objectives.
externalities	Externalities refer to situations where the actions of an individual affect the welfare of one or more other individuals and where those effects are not associated with market transaction or bargain between the parties. These 'spillover' effects may be positive or negative. If they have a positive effect, it may be desirable to encourage more. If the impact is negative, social welfare may be improved by a reduction in the harmful activity.
Growing Victoria Together	<i>Growing Victoria Together</i> is a ten-year vision that articulates what is important to Victorians and the priorities the Government has set to build a better society.
legislation	Laws passed by Parliament, or subordinate legislation being statutory rules made under powers delegated by Parliament.
liveability	Liveability reflects the wellbeing of a community and represents the many characteristics that make a location a place where people want to live.

Melbourne 2030

Melbourne 2030 — Planning for Sustainable Growth (released in 2002) is the Victorian Government's 30-year plan to manage growth and change across metropolitan Melbourne and surrounding regions.

not for profit organisation

An organisation providing services to the community (such as a charitable, religious or sporting organisation) that does not distribute profits to its members or owners. Such organisations typically are community (rather than government) based, have a governance structure, and their members are often volunteers.

physical asset

A physical asset is a tangible asset such as land, buildings, furnishings, equipment, structures, sportsgrounds, public spaces, roads and car parks.

planning scheme

A statutory document that sets out objectives, policies and provisions relating to the use, development, protection and conservation of land in the area to which it applies. Each municipality in Victoria has its own planning scheme.

policy development

The process of formulating the direction of new primary and subordinate legislation, codes of practice, preparation of regulatory impact statements and business impact assessments, as well as policies on funding programs, community information or other activities. It includes consultation on these matters.

public goods

Public goods can be considered a special type of externality where amounts are available for consumption by everybody in the community simultaneously (it may be valued differently by different individuals). Because consumption of the public good is 'non-rivalrous' (consumption by one person does not affect the amount available to others), and 'non-excludable' (people cannot be prevented from consuming the good), private provision is likely to fall short of the social optimum because payments for services cannot be enforced.

regulation

The imposition of some rules, supported by government authority, intended to influence behaviour and outcomes. The Organisation for

Economic Co-operation and Development defines the term as ‘the instruments by which governments place requirements on enterprises, citizens and government itself, including laws, orders and other rules issued by all levels of government and by bodies to which governments have delegated regulatory powers’.

shared facility

A physical asset that is (1) owned, funded, or leased by government or the community (2) used by more than one group (3) for a range of activities that share buildings, rooms or open spaces at the same time (concurrently) or at different times (sequentially).

spillovers

Such effects arise because not all of the benefits and costs of a transaction are captured by the parties to that transaction.

subsidiarity

The subsidiarity principle suggests governance functions should be assigned to the level of government that is best placed to deliver functions in pursuit of joint policy goals and requires that decisions should be taken by an entity as close as practicable to the people affected by those decisions.

transaction costs

These costs include bargaining and decision costs for the owners, managers and users in negotiating a mutually acceptable sharing arrangement. Such costs are likely to be incurred during the identification, negotiation and funding of sharing arrangements.

Key messages

- Despite the information on sharing of facilities being patchy and incomplete, it is clear there is already extensive sharing of government and community facilities in Victoria, ranging from occasional use of existing facilities to ongoing arrangements to use new purpose built facilities. Two surveys conducted by the Commission have added to this information but significant gaps remain.
- Shared facilities generally bring benefits; including improving service delivery and expanding the scope of services (especially in interactions between service providers), encouraging social connectedness within communities, facilitating access to and participation in activities (particularly among disadvantaged groups), improving efficiency (especially in maintenance costs) and better use of land. The mix of benefits varied across the range of shared facilities.
- But there are also costs to sharing and sharing may not suit all groups or types of activities. Moreover, sharing is not an end in itself, but a means to better outcomes.
- While sharing agreements vary widely, successful arrangements are characterised by appropriate resourcing, governance and institutional arrangements, committed leadership, early planning, active management and community involvement.
- Many sharing arrangements have developed from the grass roots level and have not required explicit planning or government intervention. The individuals involved have decided that the benefits of sharing outweigh the costs.
- Overall, the Commission considers that in many areas gains can be achieved from increasing the sharing of government and community facilities in Victoria, building in particular on the experience of those involved in sharing in the past, including in schools. Some modest increased participation by the private sector could be part of this.
- There are four types of actions governments can take to increase the number and prospects of success of shared facilities.
 - Reducing the burden of administration and regulations, rules and obligations that affect shared facilities — for example, by providing template agreements, portals, fit-for-purpose governance standards and booking facilities.
 - Providing better support for community groups in forming and managing shared facilities — for example, greater access to facilitation, brokering and mentoring, and building a store of lessons learned to facilitate continuous learning and improvement.
 - Improving the flexibility and efficiency of government resources used to support shared facilities.
 - Improving the process for identifying sharing opportunities.

Overview

Victorians have been 'getting it together' through shared facilities for over a century. The many mechanics institute halls spread throughout the state and the history of many sporting clubs and community groups are testaments to the community building and self help contributions of many groups and leaders. There may be as many as 15 000 to 20 000 shared facilities in Victoria.

Government policies and funding have contributed to the sharing of facilities for some time. But what has been the outcome, and what are the costs and benefits? What approach should the government take, and how should it focus efforts to increase the scope and benefits of sharing? How can it support good outcomes and build on local knowledge and enthusiasm? To what extent is sharing facilities a means to achieving better delivery of services, rather than an end in itself?

Box 1 Collingwood Neighbourhood Justice Centre

The Collingwood Neighbourhood Justice Centre (NJC) is a local Magistrates' Court with a difference. The NJC has attempted to redefine the way a court engages with the community. It has, on average, 97 bookings per month for use of its rooms and facilities by people and groups from the community. The NJC has held launches, Annual General Meetings, a community market, indigenous events, provided space for arts projects, and a venue for a local choir.

Further discussion of the Collingwood NJC is provided in appendix C as a case study.

Source: sub. 57, pp. 2-4.

This inquiry commissioned by the Victorian Government seeks to explore these issues. This draft report presents preliminary analysis and recommendations for community feedback before a final report goes to Government in September 2009.

A wide variety of sharing

Examples of shared facilities abound in Victoria, and there is much diversity in scale, purpose and complexity. There is no single definition of what is a 'shared facility'. Many participants commented on the nature of shared facilities and how the term should be defined. In light of the comments received the Commission has developed a definition of shared facilities for the purpose of this inquiry (box 2).

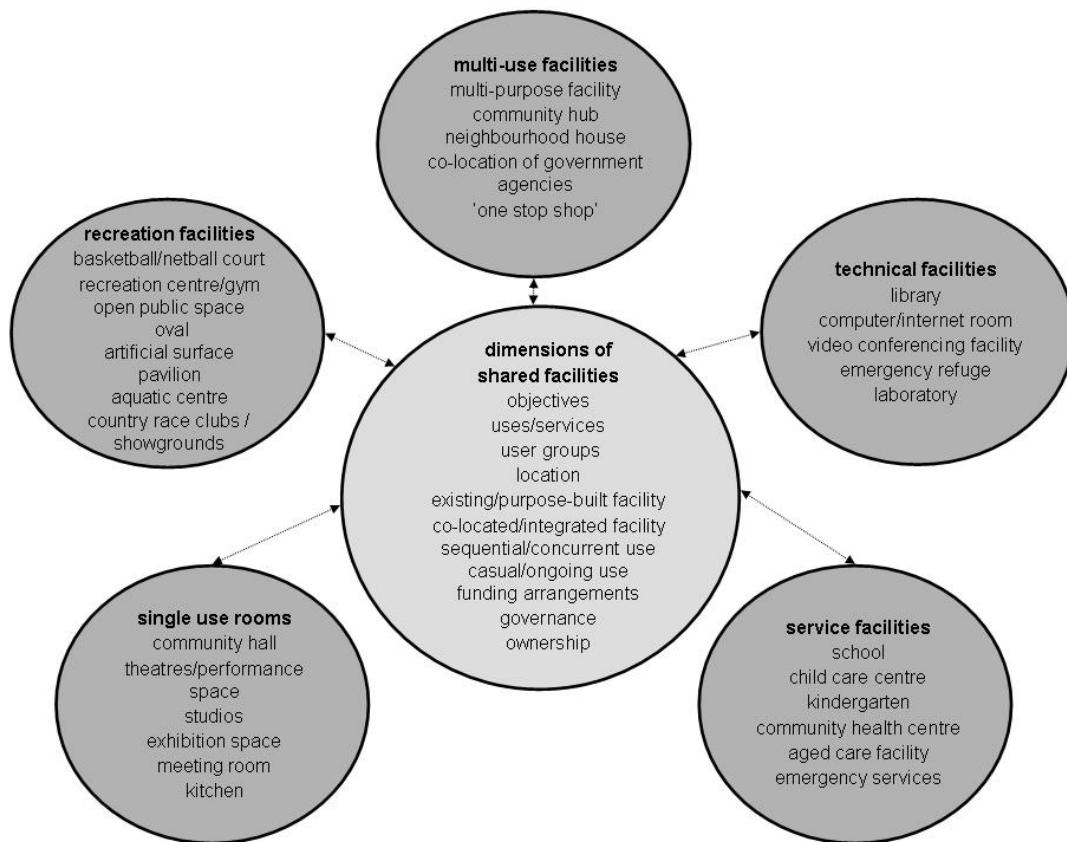
Box 2 A Definition of Shared Facilities

Based on feedback from participants, the Commission has defined shared facilities as:

A physical asset that is (1) owned, funded, or leased by government or the community (2) used by more than one group (3) for a range of activities that share buildings, rooms or open spaces at the same time (concurrently) or at different times (sequentially).

The Commission has classified the types of shared facilities as multi-use facilities, recreation facilities, service facilities, single-use rooms and technical facilities. The diversity of potential shared facilities and their dimensions is illustrated in figure 1.

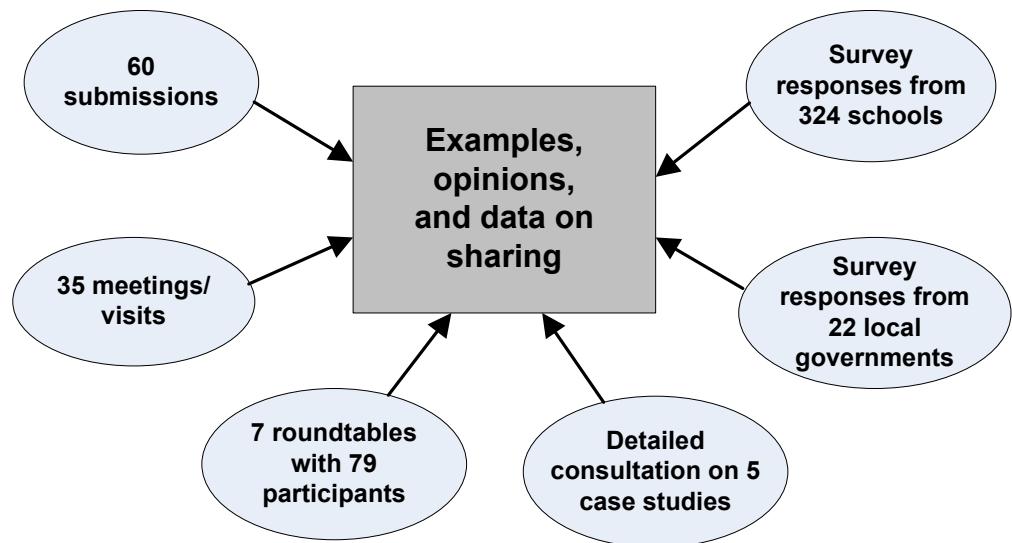
Figure 1 Typology of shared facilities and dimensions



Although the Commission has gathered many examples of shared facilities, the information and data available is patchy and incomplete. Submissions, visits and roundtables were supplemented by surveys of schools and local governments. The inquiry process and information sources are summarised in figure 2. It was clear during the inquiry that there was a great deal of consistency in the views

raised by participants and insights from the examples of shared facilities presented to the Commission.

Figure 2 Conduct of the Inquiry



The Commission discovered, amongst other things, that:

- Local councils are the main providers of community facilities with up to 500 facilities in some council areas for use by the community.
- Of the 1577 Victorian government schools, as many as two-thirds might share their facilities in some way.
- Victoria's 12 000 crown land reserves and public land (such as state and national parks) often have public facilities, managed by around 7000 committees of management or Parks Victoria.
- Over 500 mechanics institutes remain in Victoria, mostly as community halls (sub. 17, p. 1).
- Much sharing is undertaken informally without complex agreements or being organised through official channels.
- Many community groups, independent from government, make their facilities available for sharing. For example, in Cardinia Shire, 49 out of 105 community groups make their facilities available to other users (sub. 42, p. 6).

Local governments and schools feature strongly

The extent of sharing of local government facilities is driven by the large number of community facilities they own and manage (box 3).

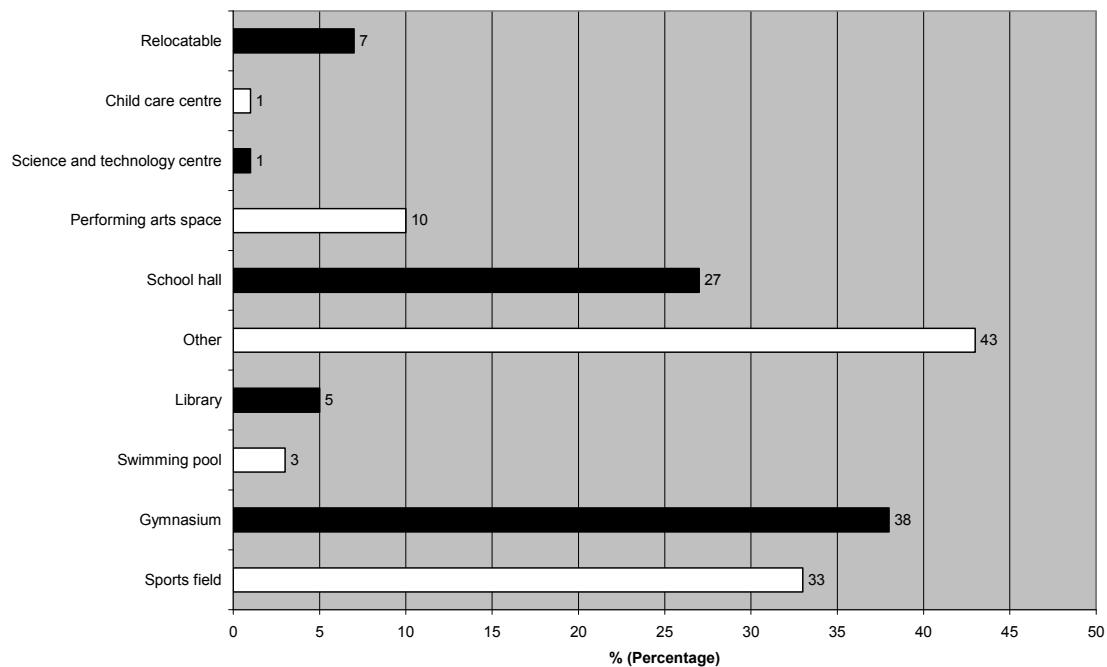
Box 3 Examples of a local government's shared facilities

City of Melbourne – Over 100 facilities and 560 hectares of open space.

- 3 libraries
- 8 council child care centres
- 3 neighbourhood houses
- Family & children's resource centre
- 4 senior service centres
- 4 aquatic facilities
- 10 sporting pavilions
- 7 rowing facilities
- A golf course
- 7 maternal & child health centres
- 3 multi-purpose facilities
- Town hall
- Multicultural community centre
- A 'range' of arts spaces
- 40 sports grounds
- 8 tennis facilities
- 2 lawn bowls centres
- 560 hectares of parks and gardens
(sub. 29 pp. 1–2).

Sharing is common in Victorian schools. Extrapolating from the survey results, up to two thirds of schools may be sharing at least one facility. Most sharing is fairly simple, with limited use of Joint Use Agreements and almost half of all sharing takes place with only one type of organisation (figure 3).

Figure 3 Types of facilities shared at government schools^{a,b}



^a 'Other' includes permanent classrooms, grounds and playgrounds, multi-purpose rooms, specialist rooms such as arts, IT and music. ^b Total does not equal 100 per cent as schools may report sharing more than one type of facility.

Changing trends and opportunities

The use of shared facilities is occurring against a back drop of changing trends in Victoria:

- Population growth is creating new communities and opportunities to promote sharing.
- An ageing population and immigration is translating into new facility and service needs in many areas.
- More complex and sophisticated needs within communities are being driven by factors such as changing work patterns and increased sharing of work roles in the family (sub. 25, p. 2).
- Drought conditions in Victoria are affecting sports grounds in particular.
- Demographic influences and pressures to share facilities are evident in provincial areas. According to the Department of Education and Early Childhood Development (DEECD):

Rural communities... often have limited choice in terms of available infrastructure that can be shared due to population size and geographic location. Schools can be the only major government/community infrastructure in the area. (sub. 55, p. 16)

Survey results and submissions to the inquiry suggest opportunities for greater sharing to take place. In some cases there is unsatisfied demand for sharing, for example, sporting facilities. At the same time some assets may be under-utilised, for example, some schools.

Government policies relate to sharing

Many Victorian Government policies relate to the sharing of facilities. Policy objectives are variously:

- high-level and direct: for example, the government believes school facilities should be shared
- inferred: for example, the government encourages stronger communities
- indirect: for example, some government grants recognise sharing as a qualifying criteria.

And there are many sources of funding, with the primary provider of grants being the Department of Planning and Community Development (DPCD), which administers 70 grants. DEECD's funding for schools can provide for gyms and other school facilities that can be used for sharing. The Department of Sustainability and Environment manages crown land, with various management arrangements over 7000 of these reserves.

The 79 local governments in Victoria are also crucial to the development and operation of shared facilities.

According to the *Victorian Local Government Act 1989*, Council must provide and maintain community infrastructure in the municipal district. Council is required to ensure that facilities provided by the Council are accessible and equitable. (sub. 35, p. 1)

And the Commonwealth Government provides funding through grant programs that can be used to develop shared facilities, for example through support for schools and local government grants.

While there are many sources of funding for shared facilities, and the benefits of sharing are often acknowledged, there is not much co-ordination of all this activity. Capital funding does not give systematic recognition of on-going costs. And there is little evidence of contingent funding or evaluation of the benefits of sharing. The aim should be to achieve the government's policy objectives in the most appropriate manner. Sharing should be used when it is the most appropriate policy response — sharing is a means to an end, it is not an end in itself.

Getting a handle on the benefits of sharing

The Commission's analysis suggests that effective sharing arrangements have potentially significant benefits for the community. Although the extent of these benefits is likely to vary across different sharing arrangements, they arise from: (1) enhanced service delivery and quality of services for individuals and communities; (2) more socially connected communities; (3) increased access and participation by individuals in a broader range of activities, and; (4) better use of government and community resources. But there are also additional costs arising from sharing arrangements, including higher transaction, management and operating costs, which may fall disproportionately on some groups.

The private sector and community groups have incentives to share facilities without government involvement and there are several areas in which this is currently occurring in Victoria. So there are good reasons to share and many groups and individuals are aware of them. However, there are several important reasons — notably spillover benefits and the non-market nature of many transactions — which means that private and community arrangements will not result in the optimal level of sharing.

There is accordingly scope for the government to support additional sharing opportunities, but only where this represents the best way of achieving its objectives. To do so, government needs to prioritise its focus on those areas where demand for community facilities is the strongest. It also needs to focus, at a practical level, on addressing the most significant barriers that prevent optimal

sharing arrangements from emerging, and building on those factors which underpin successful shared facilities.

In the absence of data to measure the benefits of sharing facilities, the Commission has relied on a priori reasoning validated against practical experience. There is a strong theoretical case for government intervention to support non-market arrangements and externalities associated with shared facilities. This theory is confirmed by a high degree of consistency in the evidence of participants, including those who meet the costs of facilities. Moreover, in the five case studies the Commission has assessed, the reported benefits met or exceeded expectations.

Nonetheless, government processes to support shared facilities are not costless. As far as possible, the Commission's draft recommendations seek to add to or use existing processes in order to achieve extra benefits at marginal cost.

Success factors and impediments

Participants offered many views — expressed in submissions and roundtable discussions — on the factors that contribute to successful shared facilities and the impediments to good outcomes. From this information, the Commission has drawn out the main factors that appear to contribute to successful sharing. In addition, a large number of possible impediments to good outcomes were also identified.

Box 4 Champion: Caroline Springs Partnership

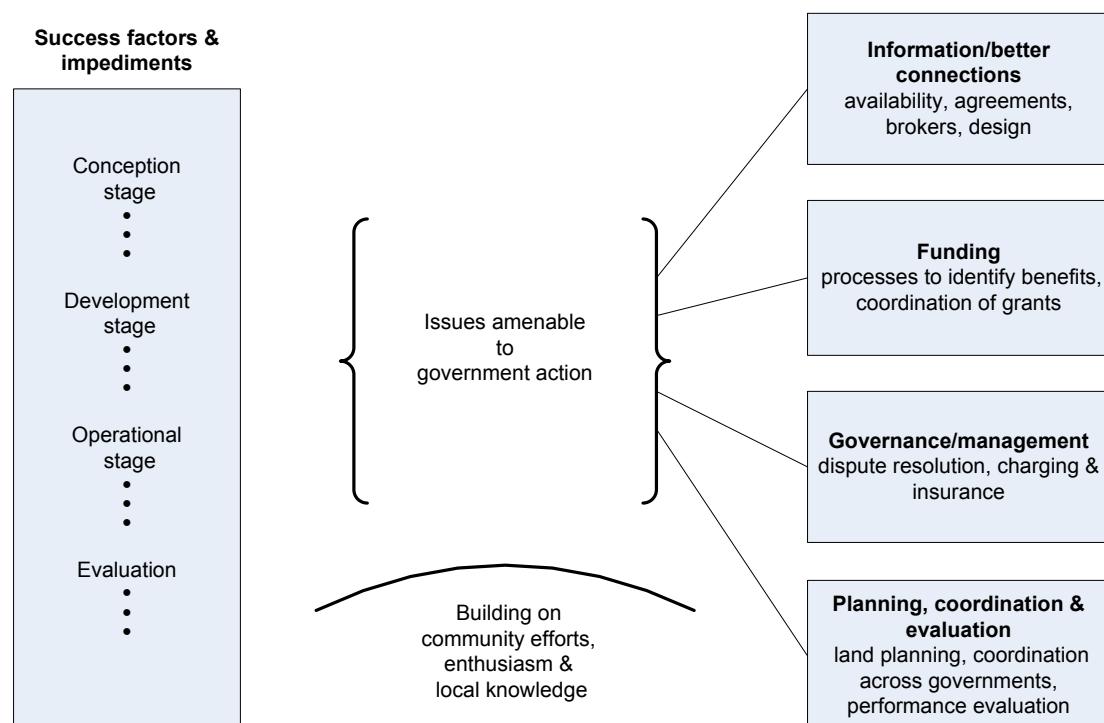
According to the Schools and Community Partnerships - Demonstration Project (SCPDP), a number of people interviewed mentioned the importance of getting third party endorsements for the vision of the partnership. In terms of endorsements, many organisations involved felt that having their local MP and other ministers support the initiative and say that it was worth giving a try had created momentum and given them some authorisation to approach departments. It had also given them a boost in confidence and helped them stay motivated. Throughout the life of the partnership, the vision was also propagated to the community through local media and professional groups through presentations at national and international forums. This had also helped keep up momentum and confidence.

Source: SCPDP, sub. 25, p. 10.

The Commission considered the most critical impediments or barriers to achieving successful shared facility arrangements. Guided by the terms of reference and its own research, the Commission has focused on barriers in the following areas that are amenable to government action:

- information about the demand for and supply of shared facilities (chapter 6), including information regarding:
 - availability of shared facilities
 - sharing agreements and brokers
 - facility design.
- funding processes for shared facilities (chapter 7) including:
 - government processes
 - coordination of funding streams.
- governance and management of shared facilities (chapter 8) including:
 - facility management
 - dispute resolution procedures
 - charging principles and insurance arrangements.
- planning, coordination and evaluation of shared facility projects (chapter 9) including:
 - planning processes
 - coordination across providers and government
 - performance evaluation.

Figure 4 Focusing recommendations



Source: VCEC.

In a number of instances, including planning and coordination, the Commission has formed tentative conclusions but seeks additional information to test them.

Better connection and better guidance

Better connections between what is wanted and what is available is a starting point for improving the benefits of shared facilities. Information can help identify sharing opportunities of which groups may have been unaware and help bridge the gap between available facilities and user groups looking to access facilities. There is already a lot of experience with sharing — spreading good practice and applying it broadly could help speed up the process of getting projects up and reducing transaction costs.

The sharing already taking place provided examples of good practices that can help inform future projects. However, the information is often not well disseminated. In some cases, such as schools, there is significant guidance and information available, but still some need for help. And in non-school cases the amount of information available is mixed and what is available is not collected nor is it easily accessible.

Box 5 **Information accessibility**

The lack of an accessible portal so that user groups could get information on what facilities are available was raised by the City of Monash:

There is no single portal (eg a register of all community facilities) in the local community where a community group can articulate a need for meeting space with their special requirements and then get access to such a space. (sub. 56, p. 2)

Source: City of Monash, sub. 56.

The Commission's recommendations aim to draw together the information on availability of facilities and best practices in setting up shared facilities in a more complete and readily accessible manner. In particular, the Commission's analysis and recommendations in chapter 6 aim to:

- reduce the burden of administration and regulations imposed on shared facilities — for example, by providing template agreements, portals, fit-for-purpose governance standards and booking facilities.
- providing modest support to strengthen selected success factors — for example, by greater access to facilitation, brokering and mentoring.

Focusing funding

Funding is crucial to the success of many shared facilities as such facilities are generally conceived and operated outside the market sector. The challenge is not

to simply respond by offering greater funding — although it is not surprising that there is much well-motivated demand for government funding to contribute towards shared government and community facilities. The challenge is to ensure the best use is made of existing funds and that they are allocated to those projects which maximise the benefits flowing to the Victorian community.

Box 6 Funding processes: education facilities

Hobsons Bay City Council noted that state government funding and decision-making processes can be inflexible and make it difficult to conclude effective sharing arrangements.

First, the proposed development of the Altona North Library involved the Council leasing land from Bayside Secondary College. However, the Council was concerned that the maximum lease term that DEECD offered was 30 years (with two 10 year extensions) compared to 'an anticipated engineered life of 100 years' for the library. In addition, the Council was concerned that DEECD's original intention that the site should be leased at commercial rates would have made a 'not-for-profit' library unviable.

Second, the Council noted that the capital funding for integrated children's facilities is prescriptive in terms of the mix of services that must be offered. Moreover, the council noted that funding is not available to support the co-ordination of different services, which is important to realising the benefits of shared facilities in the delivery of integrated services.

Source: Hobsons Bay Council, sub. 14, pp. 10–11.

Determining the best application of government resources is difficult. There is little information on best practice to guide reform. The Commission is not aware of any examples where other jurisdictions are doing this better than Victoria — so there is no 'pre-packaged' solution that Victoria can follow.

The government contributes resources to shared facilities in various forms. The Commission considered five issues that arise from funding arrangements: capital funding, grants funding, whole of life funding and cost shifting, service delivery and return on government assets.

The Commission's analysis of funding arrangements focuses on:

- funding of capital projects and the need to consider the social costs and benefits of capital projects in the decision making process.
- grants provided to third parties, especially approaches to lessening the hurdles of grant provision and increasing flexibility to assign grants to projects.
- whole of life funding and cost shifting, including the need to consider all funding sources and requirements throughout the life of a project.
- the opportunities for better service delivery through shared facilities and the subsequent impact on government resources.

- return on government assets, encompassing the allocation and use of existing assets and opportunities for improving the return from such assets.

The Commission's recommendations in chapter 7 focus on improving the efficiency of current funding initiatives, rather than recommending greater levels of funding for shared facilities at this time.

Good governance

Appropriate governance and commercial arrangements are required if shared facilities are to operate effectively and enjoy ongoing success. However, the governance and commercial arrangements that are appropriate depend on the type of facility and local circumstances, as poor or inappropriate governance and commercial arrangements can significantly reduce the success of shared facilities.

Governance relates to the framework of principles, structures, processes and accountabilities that enable an organisation to function effectively, conform with its legal and regulatory requirements, and meet community and stakeholder expectations of probity and openness. While there is wide agreement that governance arrangements are important, it is also agreed that there is no single model applicable to all situations.

There was, however, more agreement on the principles that lie behind good governance arrangements. DEECD has published guidance on good governance for shared facility partnerships (box 7).

Box 7 Principles of good governance

DEECD has identified eight principles of good governance for shared facility partnerships:

- (1) Transparency – decisions are based on clear criteria and are able to be scrutinised
- (2) Accountability – responsibilities are clearly allocated to each partner
- (3) Participation – each partner and other stakeholders should have input into the operation of the partnership and the facility
- (4) Consensus-oriented – there should be a shared understanding of the objectives and management of the partnership
- (5) Responsiveness – the partnership should be able to respond to new circumstances
- (6) Effectiveness and efficiency – the project should match the available resources and achieve the best possible result
- (7) Integrity and stewardship – the project must be delivered legally and ethically
- (8) Leadership – all partners are responsible for the leadership and delivery of the project.

Source: DEECD 2007, pp. 7–8.

The eight principles of good governance identified by DEECD provide a useful starting point for developing a broader framework for examining governance arrangements — however, the challenge for those on the ground is to turn these principles into working governance models suited to the complexities and challenges of shared facilities.

The Commission found that there is some guidance available on governance structures and arrangements for shared facilities – especially for educational facilities. However, other material is more difficult to find and less comprehensive. Hence there is value in DPCD preparing guidelines to facilitate good governance arrangements for community groups operating in shared facilities. Participation in mentoring programs would also be of value.

Commercial arrangements are also important. However, there is also little guidance on commercial arrangements and cost recovery principles for owners or users of shared facilities. The Commission has therefore recommended in chapter 8 the preparation of cost recovery principles to guide those in shared facilities.

To the extent that competitive neutrality may be an impediment to further sharing of government and community facilities, compliance with the pricing guidance suggested by the Commission is likely to reduce uncertainty so that:

- all groups are aware of the situations in which applying competitive neutrality principles is important
- competitive neutrality does not constrain sharing in situations in which charges below market rates are appropriate.

Finally, insurance issues were raised by a number of participants. However, there was little 'hard' evidence provided and the Commission seeks further information on the extent to which insurance costs have affected the ability of community organisations to use shared facilities and on the extent to which there is duplication of insurance coverage.

Long term opportunities: planning to increase sharing

As well as dealing with existing problems, ensuring that the benefits from sharing are maximised requires a long term perspective. The Commission has considered how to improve the capacity of the Victorian Government to identify and prepare for opportunities for shared facilities.

Box 8 Identifying opportunities

In discussing the Wendouree West development (see appendix C), the Principal of the Yuille Park P-8 Community College stated that:

... Wendouree would never have happened if it hadn't have been for two regional directors with a vision and cooperation ... [who] put aside departmental competition and were able to deliver this facility to their credit. (trans. 4 pp. 48–49)

Source: trans. 4, pp. 48–49.

The Commission's analysis in chapter 9 focuses on:

- The decision making processes used by different levels of government — the Commission considers that there is scope to build on existing initiatives to increase the likelihood that sharing arrangements are identified and, where they represent the best means of achieving the government objectives, developed.
- sharing information on the forward investment plans of different levels of government — the Commission has sought further information on how to improve co-ordination and consultation between the State and local governments in Victoria on service delivery and land use planning. But there is also scope for the Commonwealth Government to improve its funding processes in respect of shared facilities. The costs of extra processes need to be weighed against the extra benefits of sharing.
- evaluation and dissemination lessons learned — it is also important to evaluate the cost-effectiveness and performance of shared facilities. Such information would further assist the identification and development of effective sharing arrangements in the future.

Moving forward by building on success

There was widespread support and enthusiasm for the inquiry and participants thought the time was right for such an inquiry. Moreover, the Commission is conscious that the same enthusiasm and local knowledge has underpinned the creation and running of many community facilities over the years. Recommendations that simply sought to centralise decision making would run the risk of dampening that enthusiasm.

This is not to say to the Commission has not found scope to improve current Victorian arrangements. But the experience to date has given the Commission confidence that there is a solid basis upon which to build and there is no need to implement a radically new model.

Progress is best made in a step-wise manner through improving processes and information as experience grows. For example, it will take time to build a better

picture of the full costs and benefits of sharing facilities and incorporating this information into the process of assessing grant applications. The objective is to develop good processes to ensure good outcomes.

Victoria has wide experience with shared facilities and with the build up of knowledge, there is every reason to expect Victoria to be able to share its experience and good practices. Improving processes, information and guidance material would also help encourage sharing of facilities in Victoria.

The collection and publication of much of this information on a shared facilities portal administered by DPCD would be a valuable resource, not only for the Victorian community, but also to those interested in shared facilities in other states and the Commonwealth.

Draft recommendations and information requests

Chapter 6: Better connections: information, good practice, and better guidance

Draft recommendation 6.1

That to increase the benefits from existing shared facilities, the Victorian Government commence a two-year program, co-ordinated by the Department of Planning and Community Development, to build up a reasonably comprehensive picture of shared facilities. That within the next 12 months:

- The Department of Planning and Community Development, in consultation with the Municipal Association of Victoria, set up a program to identify existing best practice local government databases that facilitate public access to information on shared facilities and their availability, and offer an IT based solution to each local government.
- The Department of Education and Early Childhood Development, as part of its management of government schools, collect information on the level of sharing and facilities that are available for additional sharing to allow the contribution sharing makes to education to be maximised, and instruct schools to provide information on sharing to local governments on request.
- The Department of Sustainability and Environment in its management of crown land and associated facilities under Committees of Management, bring up to date the list of facilities and committees, and provide it to relevant local governments on request.

In addition, that:

- On request, other departments provide information to local governments about facilities that are shared and available for additional sharing. If necessary the relevant department should audit its facilities if this information is not available from other sources.
- The Department of Planning and Community Development collect information on other community facilities that are potentially available for sharing (conducting an audit to collect this information if needed) and provide that information to relevant local governments on request.

Draft recommendation 6.2

That to improve the success rate of new proposals for shared facilities, the Department of Planning and Community Development act as a catalyst for the selective use of brokers to facilitate sharing, including:

- (1) within nine months, training a small number of its staff to be available on projects that would benefit from such support
- (2) within 18 months providing information about brokers on a web-based shared facilities portal (recommendation 10.1). This information would include:
 - information on the role of the broker, and how it differs depending on the complexity of the shared arrangements
 - a checklist to identify under which circumstances a broker may be beneficial to the arrangements
 - a set of questions for parties to ask potential brokers.
- (3) For grants funding starting in 2010-11, independent brokers should be actively considered for projects over \$10 million that involve three or more stakeholder groups.

Draft recommendation 6.3

That the Department of Education and Early Childhood Development, starting in 2010, include in its reporting systems with schools an opportunity for school principals to indicate how the department can further support principals in sharing school and community facilities.

That the Department of Education and Early Childhood Development subsequently report back to principals on the issues raised and how it responded to those issues.

Draft recommendation 6.4

That to improve the effectiveness of non-school shared facilities, the Department of Planning and Community Development, in consultation with the Municipal Association of Victoria, develop and disseminate within 12 months shared agreement templates for non-school facilities, in the form of:

- templates for simpler hire or licence agreements
- guidelines for creating joint use agreements for more complex arrangements.

Templates and guidelines would draw on the experience from the Department of Education and Early Childhood Development, and also seek an appropriate balance of responsibilities between parties.

Draft recommendation 6.5

That to lessen delays in preparing new shared facilities involving schools, that the Department of Education and Early Childhood Development commit to a target period of time of six months for the completion of joint use agreements involving government schools. The Department of Education and Early Childhood Development would give progress reports to parties and publicly report actual times against this target.

That other departments involved with joint use agreements would also set similar target time periods and publish outcomes against those targets.

Information request:

The Commission seeks advice on whether the six months time proposed above is appropriate for DEECD and other departments with the intention to include a specific recommended times in the final report.

Draft recommendation 6.6

To improve design outcomes for shared facilities, that the Office of the Victorian Government Architect provide, within 12 months, the following information to be included in the Department of Planning and Community Development web-based shared facilities portal (recommendation 10.1):

- a list of recent shared facilities and architect contact details
- a list of questions for parties to ask prospective architects
- a set of principles of good design for shared facilities
- examples of innovative and effective design solutions.

Chapter 7: Improving funding-based incentives to share

Draft recommendation 7.1

That to improve capital expenditure decisions as they relate to achieving the Government's objectives through the sharing of facilities, the following actions be undertaken:

- When Ministers bring forward capital expenditure proposals for funding consideration commencing as soon as possible and at the latest in 2010–11, they (i) indicate whether the sharing of a facility is feasible, and if so (ii) demonstrate that the preferred option for the design and operation of the facility maximises the net benefits for the community, including by exploiting any suitable sharing opportunities.
- The Department of Treasury and Finance guidelines for new capital expenditure include guidance for departments on how to identify and assess the social benefits of options for the design and operation of a shared facility, to be prepared within 12 months.
- The Treasurer, as part of the annual budget process commencing in 2011–12, report on relevant funding decisions that have exploited opportunities to share facilities.

Draft recommendation 7.2

That to improve the assessment of proposals for new school funding, the Department of Education and Early Childhood Development include in its formula for funding new and existing schools, an assessment of the consequences for educational objectives from shared facilities, from 2010-11.

Information request:

Is it feasible for other departments to contribute funding towards school facilities that are reasonably expected to be used for sharing, where DEECD funding is insufficient to achieve the full benefits of sharing? Is this also feasible for other levels of government, such as local councils? If this is not a feasible option, are there other ways to allow extra funding to allow school facilities to be shared more effectively?

Draft recommendation 7.3

That to assess factors beyond capital requirements, the approval for state government grants administered by the Department of Planning and Community Development, starting in 2010–11, take into account whether the proposed project has adequately identified and considered the factors important to successful sharing, such as:

- consultation
- feasibility studies and planning
- brokers or facilitators
- ongoing management.

The Department of Planning and Community Development, starting in 2010–11, allow greater flexibility within its grants for applicants to apply for funding to meet the costs of these processes.

Draft recommendation 7.4

That to improve the success rate of grant proposals for shared facilities, the Department of Planning and Community Development, starting in 2010–11, simplify the process for applying for funding across multiple grants, by only requiring one application per facility, rather than one application per grant. Applications would then be assessed against all eligible grants.

Draft recommendation 7.5

That to improve the coordination of grant proposals between government departments, the Secretaries' Committee, supported by the Department of Planning and Community Development, trial case manager and project team approaches to grants administration for an 18 month period.

- For smaller projects, a case manager may be appointed. The case manager would be responsible for coordinating all state government grants, irrespective of which department is providing the grants. The case manager would undertake liaison between different departments.
- For more complex funding arrangements, a project team across departments should be established, where each relevant department is represented by an officer who is able to make decisions on behalf of their department.

This trial would commence by June 2010.

Draft recommendation 7.6

That to improve the assessment of proposals and grants for new shared facilities, business cases (where needed and not currently undertaken) and grant applications for shared facilities, starting in 2010, include a section in which applicants are required to demonstrate consideration of all funding requirements over the life of the project.

Information request:

Are there deficiencies or impediments to decision making that mean that the potential for, or the benefits of, sharing are not fully considered in the government processes for reallocating the use of assets? Are current management and governance arrangements for community facilities on public and Crown land sufficient for capturing wider social benefits; if not, what changes could be made? Are the current processes for managing surplus government assets sufficiently considering sharing and community benefits?

Chapter 8: Governance, management and commercial arrangements

Information request:

The Commission seeks specific examples where groups believe that the cost of governance obligations imposed on them is not commensurate with the potential risks involved.

Draft recommendation 8.1

That the Department of Planning and Community Development prepare, within 12 months, guidelines for good governance arrangements for community groups operating in shared facilities. The guidelines for shared facilities would be sufficiently detailed to ensure predictability in how the governance process operates.

The guidelines would provide:

- specific guidance for 'small', 'medium' and 'large' shared facilities
- guidance on the different governance structures for the development and operational phases of a shared facility
- provide guidance on different forms of community engagement and involvement that are appropriate during the start-up and on-going operation of a shared facility
- direction on the responsibilities of partners and users of the facility that should be incorporated in agreements
- advice on setting up management boards

- advice on getting the right people involved
- advice on dispute resolution procedures.

The guidelines would also embed the principle of proportionality to limit unnecessary administrative burdens on the shared facilities.

Draft recommendation 8.2

That to increase the support for skill development among community organisations involved in shared facilities the Department of Planning and Community Development, for grants applications starting in 2010, assess opportunities for those involved in the governance and operation of shared facilities to be supported by existing mentoring programs, including that run by Leadership Victoria, and pass contact details on to these mentoring programs on request.

Draft recommendation 8.3

That to assist those involved in shared facilities to develop and understand good approaches to pricing the Department of Treasury and Finance, within 12 months, prepare guidance on cost recovery principles to be applied to shared facilities. The guidance would address the following:

- consistency with existing guidelines applying to state government activities
- consistency with the Victorian Government's policies on competitive neutrality
- comments in this report on how that policy would relate to shared facilities including recognising that provisions to waive charges for specified reasons can be appropriate.

The Victorian Competition and Efficiency Commission endorse the guidelines as they relate to competitive neutrality. This guidance would be supported by supplementary guidance prepared by:

- The Department of Education and Early Childhood Development in relation to the application of cost recovery principles to government schools
- The Department of Planning and Community Development, in consultation with the Municipal Association of Victoria, for application to shared facilities, other than government schools that are owned or funded by the Department and/or local governments.

Information request:

The Commission seeks further evidence on the extent to which insurance costs have affected the ability of community organisations to use shared facilities and on the extent to which there is duplication of insurance coverage.

Information request:

Given that the private sector has an incentive to seek out profitable opportunities, what, if any, impediments exist to prevent greater private sector involvement in shared government and community facilities?

Chapter 9: Long term opportunities to increase sharing

Information request:

The Commission seeks further information and comment on the advantages and disadvantages of the following approach to improving information flows across government:

That each local government should provide their four year Strategic Resource Plan to each state government department once they have been adopted by council (they are currently provided to the Minister for Local Government).

That each state government department should review local council Strategic Resource Plans to identify and then discuss, in conjunction with the Department of Planning and Community Development (as the department responsible for local government), with the relevant local council whether potential sharing opportunities could contribute to policy objectives for inclusion in its budget submission.

That the asset strategy and multi-year strategy prepared by state government departments as part of the annual budget process should be provided to local councils on a confidential basis once they have been finalised OR that the Department of Planning and Community Development should act as a channel to share information from state government departmental asset and multi-year strategies with local councils.

That a key contact or contacts within each department (at the head office or regional office as appropriate) and each local council be nominated to facilitate discussions between state government departments and local councils on sharing opportunities. Given their role in facilitating exchanges between local and State government agencies, could Regional Management Forums also be given a role in collating and facilitating these discussions?

Draft recommendation 9.1

That the Department of Planning and Community Development, in consultation with the Department of Education and Early Childhood Development and the Municipal Association of Victoria, develop options for streamlining the planning process for shared facilities, such as: including a threshold test where certain activities do not require a planning permit. These options should be put to the Minister for Planning within 12 months and then be released for public consultation.

Draft recommendation 9.2

That, to increase the likelihood that shared facilities in Victoria achieve value for money and support stronger communities, the Victorian Government, within six months, propose improvements to funding programs administered by the Commonwealth Government by:

- providing sufficient time for applicants (including schools and community groups) to identify and develop opportunities for effective sharing arrangements
- adjusting funding conditions that act as a disincentive to sharing facilities (for example, limits on the use of capital funding provided to non-government schools), unless such conditions are necessary to achieve other policy objectives
- consult with a view to aligning the information requirements and timelines for the submission of applications and approval of funding for shared facilities across different levels of government.

Draft recommendation 9.3

That the Department of Education and Early Childhood Development and the Department of Planning and Community Development, in consultation with the Municipal Association of Victoria, independently evaluate a sample of shared facility arrangements within two years. To improve learnings from shared facilities, the results of these evaluations be widely disseminated to stakeholders, including via the proposed portal (draft recommendation 10.1).

Draft recommendation 9.4

That the budget for any shared facility funded by the Victorian Government where the government's total contribution is greater than \$2 million set aside funds to undertake an ex post evaluation of the benefits and costs of that facility. To improve learnings from shared facilities, the results of these evaluations should be widely disseminated to stakeholders, including via the proposed portal (draft recommendation 10.1).

Chapter 10: Bringing it all together

Information request:

The Commission seeks information and, if possible, data on the magnitude and nature of cost advantages resulting from sharing government and community facilities.

Draft recommendation 10.1

That to facilitate better connection between users and suppliers of shared facilities and to facilitate access to information, the Department of Planning and Community Development develop and host a web-based shared facilities portal. This portal would provide facility owner and managers as well as potential facility users with a central repository of information and best practices in relation to shared facilities. The portal would commence within 12 months, and be built up over time.

1 Introduction

This chapter provides the background to the inquiry and outlines the inquiry process and approach taken by the Commission in preparing the report. It also outlines the structure of the report.

1.1 Background to the inquiry

The terms of reference for the inquiry note that the Victorian Government is pursuing a range of initiatives to promote the efficient and effective use of public assets to deliver services that meet a range of community needs. Sharing government and community facilities is one way of achieving this objective.

Sharing government and community facilities also supports and encourages strong cohesive communities.

Although there are economic and social advantages from sharing some facilities, there does not appear to be a strong body of research from other jurisdictions to guide policy development. Nonetheless, examples of shared facilities abound.

1.2 The Commission's approach

The Commission has undertaken this inquiry into shared government and community facilities in accordance with the terms of reference for the inquiry. Key aspects of the terms of reference include:

- the purpose and scope of the inquiry
- a requirement to take account of any other substantive studies or inquiries undertaken on shared facilities.

1.2.1 Purpose and scope of the inquiry

The terms of reference indicate that the inquiry:

... would examine the potential for increased sharing of government and community facilities, both in relation to existing and new facilities.

The terms of reference note that the inquiry will examine the scope for sharing facilities in both metropolitan and regional Victoria.

The potential scope of the inquiry is very broad. Sharing facilities by and with schools is obviously part of the inquiry. However, this inquiry is about more than just schools and extends to all government and community facilities. In fact, measured by the extent of sharing, the diversity of organisations involved in

using shared facilities and the number of facilities available to be shared, schools are an important minority.

In setting the scope for the report the terms of reference direct the Commission to examine and make recommendations within nine months on:

- how much sharing of government and community facilities already takes place — including identifying innovative and effective examples of shared facilities
- the efficiency, service delivery, land use and social inclusion benefits of sharing facilities
- the types of facilities that best lend themselves to sharing arrangements — and the governance and commercial principles that should apply to shared facilities
- the potential for increased sharing of facilities — including identifying barriers to the more widespread role of shared facilities throughout Victoria and changes required to government processes to achieve successful collaboration among the government, community and private sectors.

The full terms of reference are included at the beginning of the report.

The terms of reference also state that the ‘Commission should not examine the scope for further sharing of backroom functions (such as Information Technology and Human Resources functions), as these areas are already subject to ongoing analysis within Government’.

In addition, in considering issues raised during the inquiry the Commission has been guided by the Order in Council which established the Commission, section 3(5) of which requires the Commission to operate under the following principles:

- (a) the provision of analysis and advice that is independent and rigorous;
- (b) an overarching concern for the wellbeing of the community as a whole, rather than the interests of particular industries or groups.

1.2.2 What are shared facilities?

The terms of reference direct the Commission to consider the potential for increased sharing of ‘government and community facilities’ in Victoria.

There is no agreed definition of a shared government and community facility. As part of the issues paper for the inquiry seeking participants’ comments, the Commission suggested the following ‘working definition’:

A physical asset that is (1) owned or funded by government or the community (2) used by a variety of different groups (3) for a range of activities that can be undertaken at the same time (concurrently) or at different times (sequentially).

Participants' comments focused on three aspects of the working definition:

- (1) the focus on physical assets
- (2) the definition of community and the ownership and funding of assets
- (3) types of sharing or activities undertaken.

The focus on physical assets

In general, participants supported the focus on physical assets, for example Wellington Shire Council stated that:

We support the definition's focus on sharing of physical assets. Most of the sharing arrangements involving our Council are based on the sharing of physical assets. ...

Careful consideration needs to be given before extending the definition to ensure the 'sharing' concept is not lost and becomes too difficult to manage. (sub. 11, p. 1)

In addition, the Department of Education and Early Childhood Development (DEECD) (sub. 55, p.11) suggested that the definition of physical assets includes open spaces such as ovals in addition to built structures. It was not the Commission's intention to exclude such assets from consideration.

Others suggested a wider focus, for example, Hobsons Bay City Council argued that:

... the focus on physical assets precludes consideration of the benefits which could be achieved by greater sharing of 'backroom' administrative functions and information technology systems ... (sub. 14, p. 4)

The Commission accepts that there are likely to be benefits resulting from increased sharing of 'backroom' functions. However, the terms of reference for the inquiry explicitly excluded consideration of these issues from the inquiry. The Commission notes that increased sharing of physical facilities may also lead to increased sharing of 'backroom' functions.

During the inquiry the Commission has focused on the sharing of physical assets — to be defined broadly and to include sporting ovals, parks and other open spaces.

The definition of community and the ownership and funding of assets

A number of participants, for example DEECD (sub. 55, p. 11) and the Victorian Council of Social Service (VCOSS) (sub. 38, p. 3) raised the definition of 'community' as it relates to community facilities. For example, VCOSS stated that:

While it seems clear that "government" refers primarily to the State and Local but perhaps also Commonwealth Government, it is not clear, nor adequately defined what a community facility might be. (sub. 38, p. 3)

Related to the definition of community facilities is the question of who owns or funds the facility. The City of Whitehorse stated that:

It would be important that the definition of 'shared facilities' considers those facilities that have been built by community groups or private clubs located on Council land. There is good reason to consider facilities on private land. Opportunities for shared use of facilities exist with the private sector and should be considered as part of the definition. (sub. 45, p. 6)

The Commission has not sought to tightly define community but notes that facilities that are fully funded by members of a group or club on private land are not the primary focus of the recommendations made in this report — even though many may consider private clubs to be 'community facilities'. Such groups may, however, benefit from many of the recommendations, for example, providing information on good practice. In many cases, not-for-profit and community groups choose to share their facilities, for instance, private schools. Recommendations that make this process easier will benefit such groups and encourage them to share more often.

On the other hand, facilities that receive at least some funding from government (Commonwealth, state or local) or rely on fund raising (where funds were raised for a facility that was intended to be available for use by others) for the facilities' existence, would be clearly included in the Commission's definition of community facilities.

The Department of Planning and Community Development (DPCD) also noted that some facilities are leased by the Government and community groups and suggested that:

There are examples of shared facilities that are privately owned and funded (such as the schools being constructed under the Partnerships Victoria in Schools model), but leased and used by the Government and the community. These do not appear to be outside the terms of reference of the Committee, but they do appear to be outside the Commission's draft definition. The Commission may wish to consider modifying the definition to include facilities 'owned, funded or leased' by the Government or community. (sub. 58, p. 15)

Types of sharing

There is a range of different models by which facilities can be shared. The Commission's working definition highlighted simply concurrent and sequential use. However, participants indicated that there is a wider range of models and more complexity than is implied in the Commission's definition.

For example, Hume City Council (sub. 43, p. 9) noted that there are a number of different models of sharing facilities, including: shared service models; integrated service models; co-location models; shared precinct models; joint-use models; and shared access models. DPCD noted that:

... facilities can be shared/co-located/integrated in a variety of ways, including:

- a single facility that has multiple uses;
- services housed in the same facility;
- a number of facilities located on the same land parcel;
- services with pooled funding, single management and support functions;
- several closely located facilities with agreements to share common functions. (sub. 58, p. 16)

Hobsons Bay City Council also noted the range of types of sharing that can take place which are captured in the Commission's working definition:

The current working definition encompasses everything from fee-for-hire arrangements for spaces which accommodate disparate ranges of groups with little in common other than payment for use of the same space, to facilities which have been intentionally designed/managed to try to achieve specific objectives. (sub. 14, p. 4)

One consideration is that different groups may use different terms to describe their sharing arrangements and such terms may not be consistent across groups. For example, the term 'co-location' means different things to different people.

The Commission's investigations cover a wide range of mechanisms for sharing from simple hire agreements to more complex arrangements. To assist in the grouping of sharing arrangements for the purposes of analysis and consistency of terminology, the Commission has defined the following broad types of sharing arrangements:

- making space in an existing facility available to other groups
- co-location and sharing parts of the facility, such as meeting spaces
- co-locating services with common client groups
- proactively attempting to form partnerships and develop synergies between the groups involved in the sharing.

The Commission recognises that, in practice, these categories may overlap for some facilities. The categories have been chosen, however, because they reflect different benefits from sharing. They can be linked to the best approach to planning, management and governance of facilities, because they include the relationships among parties involved and the project's complexity. These types of arrangements are discussed in more detail in chapter 3.

Shared facilities: the Commission's definition

In light of the comments received from participants the Commission has revised its definition of shared facilities for the purposes of this inquiry to be:

A physical asset that is (1) owned, funded, or leased by government or the community (2) used by more than one group (3) for a range of activities that share buildings, rooms or open spaces at the same time (concurrently) or at different times (sequentially).

1.2.3 Other reviews of shared facilities

The terms of reference require the Commission to:

... take into account any substantive studies or inquiries undertaken elsewhere, including relevant developments in the Commonwealth and States, and best practices from OECD countries that may help it provide advice on this reference.

As noted in the introduction, there does not seem to be very much material available to guide policy development in this area. One substantive study was undertaken by the NSW Legislative Assembly's Standing Committee on Public Works, which produced an *Inquiry into the Joint Use and Co-location of Public Buildings* (2004).

DEECD has also produced several documents on sharing school faculties which highlight good practice examples and which provide guidance in relation to sharing to both schools and potential users (for example DEECD 2007 and 2008b).

The Organisation for Economic Co-operation and Development (OECD) has hosted a Programme on Educational Building (PEB) since 1972.¹ The main themes of the program's work are:

- improving the quality and suitability of educational facilities thus contributing to the quality of education
- ensuring that the best possible use is made of the very substantial sums of money which are spent on constructing, running and maintaining educational facilities
- giving early warning of the impact on educational facilities of trends in education and in society as a whole (OECD 1998, p. 3).

As part of its work the PEB drew together case studies from Finland, Italy, Japan, the Netherlands, Quebec, Sweden and the United Kingdom in a publication *Under One Roof: The Integration of Schools and Community Services in*

¹ In January 2009 the PEB was renamed the Centre for Effective Learning Environments.

OECD Countries (OECD 1998). It has also published a number of other papers on sharing school facilities in its journal *PEB exchange*.

1.3 Conduct of the inquiry

The Commission advertised the inquiry in the press and by circular to those who, according to a preliminary analysis, were likely to be interested. In January 2009, the Commission released an issues paper and invited any interested party to make a submission to the inquiry. The Commission also wrote to a number of individuals and government departments and agencies to seek their input. The terms of reference and inquiry particulars were listed on the Commission's website (www.vcec.vic.gov.au).

The Commission has so far received 60 submissions from interested parties, including community organisations, government departments, local governments, businesses, academics and private individuals. In addition, the Commission met with 35 individuals or organisations (in some cases multiple times to meet different people within the organisation) to identify and assess the issues relevant to this inquiry. The Commission visited nine shared facilities in metropolitan Melbourne and in provincial areas, and spoke to people in detail about a number of others. In addition, the Commission prepared five detailed case studies (appendix C).

As part of the consultation process, the Commission held seven roundtables on specific topics (including two roundtables in provincial Victoria) involving 79 participants.

To gather data on the extent and type of sharing taking place the Commission conducted on-line surveys of all Victorian Government schools and all Victorian local governments.

During the inquiry, the Commission also undertook extensive desk-based research, drawing on published reports and papers, academic studies and web-based information sources and held a telephone meeting with the OECD to ensure that the Commission was aware of relevant international work and experience. The Commission took account of the *Charter of Human Rights and Responsibilities Act 2006* (Vic.) and considers that this report is consistent with the human rights set out in the Charter.

1.4 Structure and focus of the report

The draft report is divided into two major parts. Part A provides much of the background and scene-setting for the inquiry. Part B is a more detailed examination of issues about which the Commission has made recommendations for change.

Part A comprises the following chapters:

- The policy context (chapter 2)
- The extent of shared government and community facilities in Victoria (chapter 3)
- Shared facilities: the Commission's approach (chapter 4)
- Shared facilities: success factors and impediments (chapter 5)

Part B of the report comprised the following chapters:

- Better connections: information, good practice, and better guidance (chapter 6)
- Improving funding-based incentives to share (chapter 7)
- Governance, management and commercial arrangements (chapter 8)
- Long term opportunities to increase sharing (chapter 9)

The draft report is drawn together in chapter 10, which assembles the Commission's recommendations and summarises the Commission's response to the terms of reference.

Supporting appendices provide:

- Information on parties consulted during the course of the inquiry through meetings, roundtable discussions and submissions (appendix A).
- A discussion of the costs and benefits of shared facilities (appendix B).
- Case studies of shared facilities (appendix C).

1.4.1 Focus of the report

After analysing the areas that are important to the success of shared facilities and how changing government processes could improve the opportunities for and benefits from sharing most, the Commission identified four overarching themes for this report. These themes are:

- reducing the burden of administration and regulation, rules and obligations that affect shared facilities
- providing better support for community groups in forming and managing shared facilities
- increasing the flexibility and efficiency of government resources used to support shared facilities
- improving the process for identifying opportunities.

Part A

2 The policy context

2.1 Introduction

This chapter will discuss the policy context, objectives and frameworks for sharing facilities of the Victorian Government and its departments, local government, and the Commonwealth Government.

According to McShane:

The co-location of community facilities and services is arguably the most far-reaching policy trend in current facility planning and management in Australia. (McShane 2006, p. 272)

2.2 Victorian Government objectives and strategic planning for sharing of facilities

The Victorian Government has objectives for sharing facilities, which are outlined in a number of policies. These objectives are, variously:

- high-level and direct: for example, the government believes school facilities should be shared
- inferred: for example, the government encourages stronger communities
- indirect: for example, some government grants recognise sharing as a qualifying criterion.

The Victorian Government's policy framework for shared facilities is largely established by two documents: *Growing Victoria Together* and *A Fairer Victoria*.

Growing Victoria Together includes several relevant high level goals to:

- improve outcomes for Victorians ('valuing and investing in lifelong education', 'high quality, accessible health and community services', 'safe street, homes and workplaces')
- strengthen Victorian communities ('building cohesive communities and reducing inequalities')
- achieve these goals in an efficient and financially sustainable way ('sound financial management') (Government of Victoria 2005a).

One of the five broad visions of the *Growing Victoria Together* policy is 'Caring Communities' with the high-level goal of 'building friendly, confident and safe communities'. One target of this goal is to increase the 'extent and diversity of participation in community, cultural and recreational organisations' (Government of Victoria 2005a, pp. 16–17).

Because the key characteristics of sharing include greater community engagement, encouraging diversity in activities, improving access to facilities, and increasing the use of facilities, such sharing could potentially contribute to achieving the goals of *Growing Victoria Together*.

The government's commitment to stronger communities, efficient investment and enhanced asset utilisation is further outlined in the policy *A Fairer Victoria*. This policy is the government's framework for addressing disadvantage, creating opportunity and promoting inclusion and participation. *A Fairer Victoria* has been in place since 2005 with annual commitments of funding totalling \$4 billion to 2008 (sub. 55, p. 5).

A Fairer Victoria identifies five key objectives:

- (1) improving access to universal services (with a focus on improving services for children, young people and older Victorians)
- (2) reducing barriers to opportunities to participate in economic and social life
- (3) supporting disadvantaged groups
- (4) supporting disadvantaged places (in both new and existing communities)
- (5) making it easier to work with government (by developing new ways of working with communities).

The 2005 *A Fairer Victoria* included a commitment to 'encourage schools to enter into partnerships with local government and community groups to enable the use of school facilities by local communities' (sub. 55, p. 5). The most recent update to the policy in 2008 built on this by positing that 'beyond places for learning, schools are important social hubs for children and families to connect' and that the government would 'continue to support new partnerships that bridge schools to the wider community, developing facilities for increased use by all the community' (Government of Victoria 2008a, p. 33).

Through the *Growing Victoria Together* and *A Fairer Victoria* policies, it is clear that it is not just a government objective to have shared facilities, but to have shared facilities as a means to achieve other, broader social policy objectives. This is consistent with McShane's theory that there has been a 'renewed interest in community as a public policy objective' (McShane 2006, p. 272) and HM Leisure Planning's view that 'buildings are a tool, not an endpoint' (sub. 5, p. 3).

Strategic planning

Growing Victoria Together provides the basis for assessing the Government's short and medium term priorities and policy choices (DTF 2005b, p. 4). Internal departmental planning processes establish the relationship between the Government's high level goals and departmental strategic priorities, outputs and

investment, and supports Ministerial decisions on the allocation of resources through the annual budget process.

Each year the Government's budget priorities are determined by the Expenditure Review Committee (ERC) of Cabinet, taking into account the Government's high level goals, the fiscal and economic outlook, Ministerial and departmental proposals and other relevant information. This stage provides an opportunity for Ministers to identify specific output and investment priorities, including cross-portfolio initiatives that they wish to consider in further detail. ERC then considers detailed proposals from Ministers for additional funding for output and investment priorities and decisions here form the basis for the announcements in the annual State budget.

Capital planning

A key element of the budget and departmental planning processes is an integrated asset management approach comprising:

- an asset strategy, which explains how the department's existing asset base (including asset renewals and disposals) and new investment proposals to dispose or renew existing assets (based on, for example, desired service levels and expected demographic changes) will meet the Government's objectives and departmental priorities.
- an asset management plan which gives effect to the asset strategy by considering investment options and setting out the preferred approach, including specific projects (and their funding, timelines and risk management). This plan should provide a basis for considering the appropriate mix of asset and non-asset solutions within and across departments.
- a multi-year strategy, which draws on the asset strategy and asset management plan to present a consolidated ten year view of planned asset and related proposals.

This strategic framework requires departments to undertake a strategic assessment of their investment programs and individual projects. At this level, departments need to undertake a strategic assessment of the investment need and the expected benefits and costs of different options. A business case is then prepared for specific proposals to confirm the preferred option, including further analysis of the costs and benefits, the procurement strategy and risk management strategy. The Gateway review process provides an external quality assurance mechanism for investment programs and large projects to test the investment need, the estimated costs and benefits and the delivery strategy.

2.2.1 Department of Planning and Community Development

The primary provider of grants that fund shared facilities is the Department of Planning and Community Development (DPCD), which is responsible for administering approximately 70 grants. The role of DPCD is to ‘lead and support the development of liveable communities’ (DPCD website). DPCD includes the function of the former Department for Victorian Communities (DVC). McShane argued that the establishment of DVC was the Victorian Government’s adoption of ‘community’ as the overarching administration logic for local government (McShane 2006, p. 270).

DPCD’s *Victorian Community Support Grants* (VCSG) Program funds community infrastructure projects undertaken by local government and not-for-profit community organisations. Since June 2004, the program has provided \$48.9 million towards 172 projects valued at \$254.5 million (sub. 58, p. 19). Facilities funded under the VCSG program include multipurpose community centres, community hubs, youth centres and public play spaces. The grants are not available for facilities that are funded through other state government programs (including health facilities, schools and sporting facilities) but can be used for shared elements of these facilities that have a multipurpose function.

One of the criteria for projects funded under the VCSG Program is that they should aim to ‘create more accessible and multipurpose community facilities which meet the needs of a range of community organisations and groups’ (sub. 58, p. 19).

Funds for the VCSG are appropriated from the Community Support Fund, a trust fund established by the *Gambling Regulation Act 2003*, which receives 8.33 per cent of hotel gaming turnover on electronic gaming revenues (DPCD 2008e, p. 170). In 2007-08, the revenue for the fund was \$101.5 million and expenditure was \$94.1 million (DPCD 2008e, p. 170). (Funding for the VCSG Program is only one area of expenditure for this fund, which also directs money to problem gambling, youth programs, counselling programs and the Victorian Veterans Fund.)

DPCD’s *Community Facility Funding Program* supports local councils in the development of community sport and recreation facilities. One criterion for assessing grant applications for planning projects is whether the proposal ‘encourages innovative approaches to maximise... flexible joint funding arrangements, co-location and place management’ (DPCD 2008c, p. 14). The guidelines also note the importance of collaboration between councils and schools to encourage greater use of school sport and recreation facilities (DPCD 2008c, p. 6). Funding for facilities is for both multipurpose and specialist single-purpose facilities (DPCD 2008c, p. 17).

Many DPCD grants are provided only to councils. However, councils often apply for funding on behalf of community groups.

Table 2.1 shows a summary of the grants currently available from DPCD that support shared facilities in Victoria.

Table 2.1 DPCD funding for shared facilities^a

<i>Grant Program</i>	<i>Maximum amount per project</i>	<i>Total funding (if known)</i>
Community Facility Funding Program – Major Facilities <i>Building or upgrading community sport and recreation facilities that are innovative, effectively managed, environmentally sustainable and well-used.</i>	\$500 000	Unknown
Community Facility Funding Program – Minor Facilities <i>Develop or upgrade community sport and recreation facilities.</i>	\$60 000	Unknown
Community Facility Funding Program – Planning <i>Plan for future community sport and recreation provision through better information collection, community consultation and strategic planning.</i>	\$30 000	Unknown
Community Facility Funding Program – Aquatic Access / Better Pools <i>Improving the ability of local government to build or upgrade community aquatic and recreation facilities.</i>	\$2.5 million	Unknown
Community Facility Funding Program – Seasonal Pool Renewal <i>Rejuvenating seasonal swimming pools in small communities in rural and regional Victoria and in councils isolated from an aquatic centre that provides all year round aquatic opportunities.</i>	\$200 000	Unknown
Victorian Multicultural Commission Community Grants Program – Building and Facilities Improvement Category	Up to \$15 000	Unknown
Country Football and Netball Program <i>To develop facilities in particular areas of need including: football, netball and umpire facilities, shared community, club and social facilities, multi-use facilities or lighting.</i>	\$60 000	Unknown
Drought Relief for Community Sport and Recreation <i>Funding for water management of sporting grounds.</i>	\$100 000	Unknown
Men's Shed Program <i>Building of new Men's Sheds in areas of high need across Victoria.</i>	\$50 000	\$2 million over four years

(continued next page)

Table 2.1 DPCD funding for shared facilities^a (continued)

Modernising Neighbourhood Houses <i>Funding to co-locate, redevelop or upgrade technology or improve disability access to Neighbourhood Houses across Victoria.</i>	Four levels between \$10 000 and \$100 000	Unknown
Synthetic Bowls Surfaces <i>Installation of synthetic bowling greens.</i>	\$60 000	Unknown
Victorian Community Support Grants – Building Community Infrastructure <i>Building or upgrading community centres and other community infrastructure to create more accessible multipurpose facilities.</i>	\$1 million	Funded from the Community Support Fund
Victorian Community Support Grants – Planning <i>Contributes to planning projects proposed by local governments and community partnerships that respond to emerging community need. Funding can be provided for planning to address community strengthening, resource or infrastructure needs.</i>	\$30 000	Funded from the Community Support Fund

^a These grant programs are not exclusively for shared facilities but funding guidelines state that it may be used for a shared facility and encourages the sharing of facilities. Total amounts are unknown as the Grants@DPCD website does not list the total available and/or the total amount is not included in DPCD's Annual Report. Each grant is often part of a larger funding program.

Source: DPCD 2007b.

DPCD also supports shared facilities through community engagement and a number of activities are underway to implement this, including:

- reforming the grants process so that it operates from an ‘investment’ paradigm that sees resources leveraged to respond to local priorities
- simplifying administrative processes for shared facilities
- regional teams helping with the identification and prioritisation of local projects for funding (sub. 58, p. 14).

Growth Areas Authority

The Growth Areas Authority (GAA) is an independent statutory body established in 2006. The GAA’s mission includes fostering new communities in Melbourne’s growth areas by ensuring that ‘infrastructure, services and facilities are provided in a coordinated and timely manner’ (GAA (nd)).

In 2008, the GAA released a report titled *A Strategic Framework for Creating Liveable New Communities* to help ensure that the planning of new communities contributed to the future liveability of those communities. One of the four liveability goals identified in the report was the creation of ‘healthy, safe and socially connected communities [which] have strong networks and provide good access to the services and facilities that people need’ (GAA 2008a, p. 11). An

objective of this goal was to deliver ‘accessible community facilities and infrastructure’, particularly facilities that would increase the ‘interconnections of services’ to strengthen community infrastructure (GAA 2008b, p. 12). Sharing facilities can contribute to all of these goals and objectives.

The GAA is responsible for developing Precinct Structure Plans (PSPs), which are master plans for new communities of between 10 000 to 30 000 people in the growth areas of Melbourne. PSPs map community facilities, roads, shopping centres, schools, parks, housing, native vegetation, employment and connections to transport with the goal of creating diverse, compact and well connected communities.

GAA’s aim is to complete 40 PSPs by 2012, creating around 90 000 new homes. As of December 2008, nine PSPs had been completed. Twenty-one PSPs are in planning or preparation and ten are yet to begin (GAA 2008b).

2.2.2 Department of Education and Early Childhood Development

Schools are important focal points within communities. They not only support the Victorian Government’s stated commitment to provide high quality education, but also influence a neighbourhood’s physical fabric, sense of community and sense of place.

Policies

The Department of Education and Early Childhood Development (DEECD) has initiatives and programs that support the sharing of school facilities.

The Department’s overarching *Blueprint for Education and Early Childhood Development* states:

We will promote schools and other children’s centres as community hubs, through co-location and integration of services and increased use of school facilities. This will include seeking partnerships to fund multi-purpose facilities on school grounds. (DEECD 2008b, p. 30)

DEECD funds schools through student-based funding, school-based funding and targeted initiatives.

- Student-based funding is the major source of funding, providing money for core student learning and equity. This funding is paid annually through the Student Resource Package (SRP) and is based on student enrolments.
- School-based funding provides for infrastructure (cleaning, maintenance, utilities and other minor works) and programs specific to individual schools (for example, school buses, instrumental music and Koorie educators).

- Targeted initiatives include programs with specific targeted criteria and/or time spans. (DEECD 2009a).

Box 2.1 DEECD resource allocation processes

Funding for schools to meet the Government's education priorities is allocated by DEECD on the basis of a school facility schedule for capital funding, and the SRP for operational funding:

- the school facility schedule sets out the number of facilities (such as classrooms and specialist facilities) to be provided for each school and is based on expected long term enrolments. The permanent facility entitlement for an individual school is set as a proportion of the expected long term enrolment, with additional facilities provided as necessary (for example, relocatable classrooms).
- the SRP is an annual payment to schools which is based on a school's actual enrolment each year. The SRP establishes a per student 'price' payment that varies according to the educational needs of different age groups and other relevant factors (for example, supplementary funding is available for rural schools).

Individual schools are able to build facilities that are above the entitlement (based on the school facility schedule), but such facilities need to be funded by the school – for example, through other grants or third party funding. Where a school wishes to enter into a formal joint-use agreement to develop shared facilities, such agreements require the approval of the Minister for Education.

DEECD does not specifically fund the sharing of facilities. Funding for facilities is based on each school's projected long term enrolment. This projection establishes the entitlement for each school through a school facilities schedule and therefore the total level of funding. Adjustments are made for equity. According to the school's entitlement, based on projected enrolments, the department provides funds for gymnasiums and other school facilities that could potentially be shared.

A Fairer Victoria

In 2007, *A Fairer Victoria* included commitments to develop better guidance on partnerships between schools and local communities, and to simplify funding processes (sub. 55, p. 5). As part of meeting this commitment, DEECD 'has undertaken extensive consultation with government and education stakeholders to develop a detailed analysis of the benefits, limitations and challenges' of the government's co-location and shared facilities policies (sub. 55, p. 9). The four broad areas of focus for DEECD in meeting the government's shared facilities and co-location agenda are:

- (1) working with stakeholders for better alignment of planning and funding processes across three tiers of government, including assessing existing consultation processes

- (2) legal arrangements, guidelines, communication and templates
- (3) planning and resourcing of children's centres and other facilities shared by the community
- (4) identifying best practice governance and operational management arrangements.

The Victorian Schools Plan (VSP)

The Victorian Schools Plan (VSP) is the government's ten-year plan to rebuild, renovate or extend every government school by 2017. There are three main strands for managing this investment: (i) rebuilding, renovating and extending existing schools, (ii) school regenerations, which involve a planned response by groups of schools, communities and DEECD to improve education within a local area, and (iii) building new schools. The VSP includes a focus on increasing the sharing of school facilities (sub. 55, p. 5). For example, under the VSP, new buildings are designed and constructed to be assets for the whole community. The VSP also acknowledges the potential benefits of co-location. For example, a \$20 million specialist science school has been built adjacent to the Science Technology Research Innovation Precinct, Victoria's 'science and technology hub', at the Clayton campus of Monash University. This will allow high school students to access university facilities (DEECD 2009b).

Building Futures

Building Futures sets out a six-step framework for developing and managing capital projects in schools. Generally, schools identify potential capital projects in consultation with their communities and other educational providers. Proposals are then refined to clearly identify the educational rationale and a feasibility study is prepared to assess the benefits, costs and deliverability of a preferred option. DEECD regional offices are involved in scrutinising and prioritising proposals at a regional level and DEECD head office provides advice to the Minister for Education on state-wide investment priorities, which are announced in the State budget. The framework requires that schools be designed to 'support community engagement' by 'identifying and predicting' the potential impact of projects on other providers, government services and community agencies. Opportunities for the co-location of services and multi-use facilities are considered as part of the project planning and assessment phases of Building Futures (DET 2006a).

Guidelines for shared facilities

DEECD has two publications providing guidance to schools on shared facilities.

Schools as Community Facilities: Policy Framework and Guidelines (2005), assists government schools and communities to develop innovative partnerships in shared school facilities by outlining:

- an overview of the opportunities and benefits of sharing facilities, including identifying the features of successful partnerships
- specific guidelines to help develop partnerships and shared facilities, including providing information on types of agreements (hire, licence, development and joint use agreements); the steps involved in establishing an agreement; and the terms and conditions that should be included in the agreement (for example, arrangements for managing the facility, planning, insurance).

The *Shared Facilities Partnerships Guide* (2007) assists schools, communities and local and state government agencies to plan for, and maintain, successful partnerships by encouraging the establishment of effective governance arrangements. It provides:

- recommended governance processes and structures for planning, developing and managing a shared facility partnership.
- links to tools and other sources of advice that can assist those involved in developing and managing partnership projects.

Early childhood sector

Since mid-2007, responsibility for early childhood development has rested with DEECD after the integration of this program area from the Department of Human Services (DHS). This means that DEECD is responsible for kindergarten, child care, maternal and child health service delivery, and early childhood programs.

In 2003, the Victorian Government committed to building 95 children's centres. A children's centre provides kindergarten integrated with long day care, maternal and child health services, early childhood intervention services, family services and a range of family programs. There are 48 centres open and 22 in the planning or construction stage (sub.55, p.14). The co-location of children's centres on school sites is promoted 'in new and existing facilities where this meets local needs' (DEECD 2008b, p. 20). Of the 70 built or approved centres, 21 are on or near school sites (sub. 55, p. 14). The remaining 25 centres have not yet been identified, but will be funded until 2011 under the *Children's Capital Program* initiative of \$38.6 million over four years. For each children's centre, DEECD provides \$500 000 with the balance of funding coming from local councils.

Other initiatives

DEECD is also progressing the government's commitments to shared facility partnerships and co-location through new models of infrastructure provision. A public private partnership (PPP) is being used to build 11 schools in Melbourne's growth areas in the *Partnerships Victoria in Schools* (PViS) Project.

The PViS Project aims to ‘support community engagement by providing and maximising opportunities for community use’ of schools (DEECD 2008a, p. 8). The successful tenderer has partnered with the YMCA to provide selected community facilities:

- a community hub at six schools, with long day care, out of hours care and community space. Each hub will have a full-time community liaison manager who will coordinate community access to the school facilities and work in close partnership with each school to develop its links with the community
- a pool at one school, which will be available for community use out of school hours. (sub. 55, p. 16)

A set of protocols is also being developed between DEECD and MAV as part of the 2008 *Victorian State-Local Government Agreement* to provide a framework for:

- agreements related to the operation of specific programs
- funding between the department and specific councils
- policies and plans at a statewide, regional or local level (sub. 48, p. 6).

The development of these protocols will better allow joint use agreements between DEECD and local councils for shared facilities, such as children’s centres, to be negotiated.

2.2.3 Other Victorian Government departments

Other Victorian Government departments have an interest in sharing facilities. This may involve co-location of departments and services, or departments owning land or buildings suitable for shared use.

Department of Treasury and Finance

The Department of Treasury and Finance (DTF) encourages the co-location of government departments and local government. As part of the ‘Transit Cities’ initiative (part of *Melbourne 2030*), DTF worked to improve access to services, such as information centres and child care services, on the ground floor of government buildings. This is consistent with Initiative 1.2.1 of *Melbourne 2030*, which says that the Government would:

Lead by example in decisions by State government departments and agencies on the location of new health, education, justice, community and administrative facilities. (Government of Victoria 2005b)

Furthermore, Policy 1.2 of *Melbourne 2030* includes a commitment to locate:

...significant new education and health facilities – including secondary schools, university and TAFE campuses, libraries and hospitals... as well as justice, community and administrative facilities... in or on the edge of Principal or

Major Activity Centres... Such co-location will help share resources and will make the most of infrastructure and transport services. (Government of Victoria 2005b)

DTF is also responsible for the acquisition and sale of Victorian Government land.

Department of Justice

One of goals of the Department of Justice (DOJ) is ‘fair communities’ through the protection and improvement of access to basic rights (sub. 57, p. 1). For DOJ, the objectives of sharing and co-location are ‘to enhance justice services to the community, achieve efficiency gains, and provide opportunities for joint initiatives...’ and the department is ‘committed to co-locating agencies and business units wherever appropriate’ (sub. 57, p. 1). Sharing of DOJ facilities takes place in the courts, racing and emergency services portfolios.

Department of Sustainability and Environment

The Department of Sustainability and Environment (DSE) manages crown land and public land under the *Crown Land (Reserves) Act 1978* and the *Land Act 1958*, respectively. In a wide range of cases, these assets are actually, or potentially, available for use as shared facilities.

Crown land

Crown land is a class of public land provided for the enjoyment and benefit of the people of Victoria. Crown land reserves support amenities and uses such as halls, libraries, theatres, showgrounds, gardens, bushland, zoos, foreshores, sports ovals, tennis courts, playgrounds, swimming pools and rail trails. Victoria has over 12 000 crown land reserves totalling 550 000 hectares (DSE 2008).

DSE may delegate the management of crown land to other parties to manage on its behalf. These managers are responsible for the day-to-day operation, improvement, maintenance and control of the land for its intended use. These managers include Parks Victoria, local government, other government agencies, and committees of management or trusts.

Committees of management are responsible for a large number of the community facilities that are, or could be, shared on crown land. Such committees can be constituted by locally elected or appointed citizens, a local council, statutory bodies or trustees. Unreserved crown land is managed directly by DSE and can also be leased. There are approximately:

- 1300 reserves managed by local committees of management (generally locally interested persons)
- 2800 reserves managed by local councils as committees of management

- 3000 reserves managed by statutory bodies or government agencies (DSE 2008).

DSE provides a guide for committees of management, which outlines their responsibilities and powers for the management, improvement, maintenance and control of the reserve (DNRE 2002). Revenue for the management of the land is generally raised by each committee from grants, user fees, rentals, fundraising and donations and must be directed to activities associated with the land (DNRE 2002, p. 7-1). DSE does not provide recurrent funding to the committees, but from time to time will offer grant programs. There are no current examples, although recent examples include the Caravan and Camping Parks Improvement Program and the Stewardship and Action Program. DSE also has a public risk line item in their annual budget which provides funding, as required, for works on public or crown land.

Public land

Public land is government-owned land that includes national and other parks, state forests, and public reserves. This land represents 16.5 per cent of land in Victoria (sub. 32, p. 1). Parks Victoria is DSE's service delivery partner tasked with managing public land and the built facilities on that land, such as visitor centres, halls, pavilions, sports fields and golf courses.

Parks Victoria is involved in several programs that encourage shared use of community facilities. As part of the *Active City Strategy*, Parks Victoria is working with DPCD to provide new community sports fields in existing metropolitan parks (sub. 32, p. 1). Parks Victoria is also engaging with the education and health sectors to seek partnership opportunities to co-locate facilities and manage the use of open space as part of the *Healthy Parks, Healthy People Initiative* (sub. 32, p. 1).

Department of Human Services

Within the health sector, DHS has a focus on integrated service delivery. Its Departmental Plan 2008-09 highlights 'establishing new connections across the organisation and across government' to better deliver services (DHS 2008, p. 7). The Department aims to provide:

...integrated and coordinated delivery around the needs of people, rather than service types, professional boundaries, organisational structures, program funding or reporting requirement. (DHS 2008, p. 19)

In some service areas, this coordination has been assisted by co-locating services. Several examples of this were announced in the 2009-10 State Budget:

- \$19 million was provided for the redevelopment of the Alexandra District Hospital, providing a new integrated hospital and community health service.

A new ambulance station will be co-located on the site as part of the redevelopment.

- \$5 million to assist Disability Day Services to establish co-located facilities where disability supports are integrated with other community services.
- The final stage of the Warrnambool Hospital redevelopment was funded with \$26.2 million to form a single Integrated Care Centre comprised of allied health services, rehabilitation, mental health functions and community health facilities.

DHS is primarily involved in shared facilities through ‘one-stop-shop’ community hubs that include public and community health services. For example, at the Clayton Community Centre, *MonashLink* operates as the DHS service provider as one component in a wider community centre. Further detail on the Clayton Community Centre is provided in appendix C as a case study.

The Department’s Capital Development Guidelines specifically recognise sharing of facilities. When developing a Service Plan for a project involving a range of services, the plan must ‘consider opportunities for sharing facilities and staff between service areas to gain economies of scale and increase efficiency’ (DHS 2007).

Department of Transport

The Department of Transport (DOT) has some interest in shared facilities, but it is not a major focus of its activities. New initiatives are improving the coordination of land use and transport planning and DOT works with DPCD and local government to deliver solutions tailored to local communities.

In provincial Victoria, DOT shares its facilities with VicRoads at five regional offices. DOT sees benefits in sharing facilities around train stations; for example, an independently-run café is located at Middle Brighton train station. There may also be potential for some other modes of transport to be shared, for instance some school bus services may have the capacity to provide broader public transport services. DOT has no specific grants programs for shared facilities.

VicTrack

VicTrack is the Victorian government rail agency responsible for adding commercial value to the state’s public transport (primarily rail) assets, and for maintaining and managing rail infrastructure not leased to the Director of Public Transport.

VicTrack manages one of the largest land portfolios in Victoria. The Business Leasing Unit manages 1030 commercial, business and retail leases. The Community Leasing Unit manages some 800 land parcels for use as neighbourhood open space parkland, cultivation and grazing. An additional 195 permits are dedicated to beautification and regeneration of key community sites,

allowing community groups to improve the ecology and biodiversity of VicTrack land (VicTrack website). An example of this is in the City of Darebin, where Fairfield railway station is used by the local University of the Third Age group. Darebin Council also uses VicTrack land for facilities such as scout halls, car parking and community gardens (sub. 44, p. 7).

2.3 Local government

There are 79 local government councils in Victoria. Councils provide a range of support services and facilities to assist people and groups in their municipality. Local councils are crucial to the development and operation of shared facilities in Victoria.

Councils are required (Part 6 of the *Victorian Local Government Act 1989*) to prepare four year Council Plans, which set out the strategic objectives of the council, explain how these objectives will be met and how success will be measured. Council Plans are required to be submitted to the Minister for Local Government upon completion and each council must consider annually whether the Council Plan requires any adjustment over the remainder of its term.

Council Plans also incorporate a four year Strategic Resource Plan, which is usually updated annually on a rolling four year basis, and which sets out in further detail the financial and non financial resources (such as infrastructure, staffing, etc) necessary to achieve the council's strategic objectives. Each financial year, councils also prepare an annual budget, which sets out how specific activities will be funded and how these contribute to the council's strategic objectives.

Councils are also responsible for regulating land use planning. Land-use planning is concerned with the use of land and the impact of these uses on individuals and communities, including balancing different interests (for example, balancing efficient land use and the provision of community infrastructure with amenity issues, such as traffic flow and noise).

The *Planning and Environment Act 1987* establishes the framework for land use planning in Victoria. As the planning authority, local councils are generally responsible for preparing, amending and administering local planning schemes and assessing planning permits (DPCD 2007c). More specifically, local planning schemes incorporate:

- (1) the Victoria Planning Provisions, which contain mandatory provisions that must be included in all planning schemes (the State Planning Policy Framework sets out general requirements for planning schemes and particular requirements applying to specific land uses or developments) and provide a template for local planning schemes;
- (2) the Local Planning Policy Framework, incorporating a Municipal Strategic Statement and local planning policies, which sets out the long-term vision

for land use and development within a community and explains the basis for specific zone and overlay requirements.

Planning schemes apply to all public and private land in Victoria. However, exemptions may be granted by the Governor in Council. Several Ministers, including the Minister for Education (where land is being used for an educational purpose), are exempt from local planning schemes. In such circumstances, it is regarded as good practice for the relevant Minister to consult effectively with the planning authority (DPCD 2007c, p. 2).

In its submission to the inquiry, Melbourne City Council noted that:

According to the *Victorian Local Government Act 1989*, Council must provide and maintain community infrastructure in the municipal district. Council is required to ensure that facilities provided by the Council are accessible and equitable. (sub. 35, p. 1)

A number of local governments have policies that encourage sharing of facilities. For example, Melbourne City Council's 'Infrastructure for Community Services Policy and Planning Framework' states that:

The primary goal is to lead to the development of a sustainable network of planned integrated and flexible community facilities providing services, activities, and opportunities for community development in neighbourhoods across the municipality. (sub. 35, p. 1)

Other local councils who provided submissions to the inquiry also have policies on sharing facilities. Hobsons Bay City Council's vision for community facilities is outlined in their Community Facilities Planning Principles (June 2008):

The Community will have access to a range of well maintained, well managed and appropriately designed and located facilities. These facilities will provide spaces for a diverse mix of activities and will make a significant contribution to enhancing the vibrancy and connectedness of the Hobsons Bay Community. (sub. 14, p. 12)

Other local councils who provided details of their community facility policies included Wyndham (sub. 18, attachment), Greater Geelong (sub. 27, p. 2), Knox (sub. 31, pp. 4–6) and Whitehorse (sub. 45, p. 5). The 25 submissions to the inquiry from local governments illustrated their extensive involvement in shared facilities.

Councils have a strong resource commitment to shared facilities, funding capital works, contributing fully or partially to operating and maintenance costs, and funding personnel to facilitate sharing (for example, community development officers). The facilities and services provided by local councils are often funded through partnerships between the State and/or Commonwealth government. However, some services may charge user fees to offset costs.

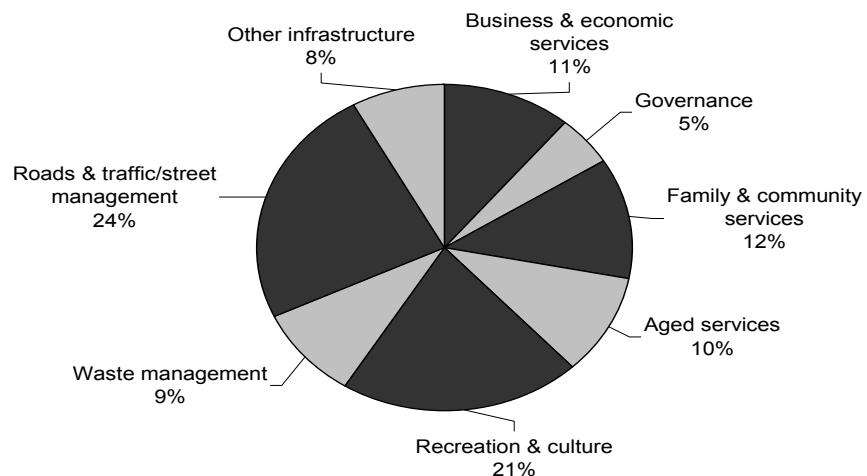
Around 10 per cent of local government revenue is derived from general grants from the Commonwealth Government. These funds are allocated by the Victorian Grants Commission, an independent statutory body operating within DPCD, in accordance with the *Local Government (Financial Assistance) Act 1995*. In 2008-09, the Commission allocated \$440 million in untied grants to Victorian councils (DPCD 2009b). As discussed in 2.2.1, councils can also apply for specific ‘one off’ or fixed term Victorian government grants to fund a range of specific projects. These include capital projects that involve building infrastructure, such as a new library, pool or community centre, and establishing new programs. These grants are sourced through DPCD and their Grants@DPCD program.

Recurrent funding can be sought from the state or federal government to help pay for the operational costs of particular services or activities such as:

- child care programs (family day care, occasional care, centre based care, maternal and child health)
- public libraries
- neighbourhood houses.

Figure 2.1 below illustrates the main areas of expenditure for a typical Victorian council. It shows that approximately one-third of expenditure is spent on family and community services and recreation and culture, two of the categories that are most likely to include shared facilities.

Figure 2.1 Expenditure of a typical Victorian council, 2003-04



Source: DPCD 2006.

A discussion of the extent of sharing of facilities undertaken by local government is included in chapter 3, with an analysis of a survey sent to all local councils in Victoria.

2.4 Commonwealth Government

The Commonwealth Government provides funding through grant programs that can be used to develop shared facilities.

Non-school facilities

As part of the Nation Building Economic Stimulus Plan, the *Community Infrastructure Program* is a once-off \$800 million scheme to fund local government to build and renew local infrastructure. The program has two components: \$250 million allocated among all local councils in Australia, and \$550 million determined on a competitive basis for larger-scale projects. Eligible projects include community centres, sports grounds and facilities, community recreation spaces, libraries, town halls, swimming pools, youth centres, senior citizens' centres and playgroup centres (Department of Infrastructure, Transport, Regional Development and Local Government 2009, p. 3 and p. 9). However, the funding is not available for ongoing operation and maintenance costs (Department of Infrastructure, Transport, Regional Development and Local Government 2009, p. 2). The criteria for assessment do not explicitly include sharing. However, the nature of projects that can be built using the funding implies that many facilities built under the *Community Infrastructure Program* will be shared facilities.

The *Better Regions Program* assists in delivering local infrastructure and community projects in regional Australia. Like the *Community Infrastructure Program*, the *Better Regions Program* is not assessed by whether a facility will involve sharing. However, the funding has been used to fund shared community facilities. For example, the Spring Creek Community House in Torquay was provided \$450 000 in 2007 for extensions and renovations.

Finally, the *Linkage Infrastructure, Equipment and Facilities* scheme fosters collaboration by supporting the cooperative use of national and international research facilities. The scheme funds large-scale initiatives so that expensive infrastructure, equipment and facilities can be shared by researchers in partnered organisations. The objectives of the scheme include encouraging 'institutions to develop collaborative arrangements among themselves... to develop research infrastructure' and support 'large-scale cooperative initiatives involving two or more institutions, thereby allowing expensive facilities to be shared' (Australian Research Council 2009). In 2008, five Victorian universities were awarded grants for the development of research facilities. A team from the University of Melbourne was granted \$233 000 to develop a high-speed, three-dimensional, x-ray fluoroscope for the accurate measurement of human joint movement. This

facility will be shared with Victoria University, LaTrobe University and National ICT Australia.

School sector

The *Local Schools Working Together* (LSWT) pilot program is part of the Commonwealth Government's 'Education Revolution' and promotes 'the creation of first class shared educational facilities' (DEEWR 2008b, p. 2). \$62.5 million is being invested across Australia over three years to 'fund innovative collaborations between schools and other partners to address shared infrastructure needs that are not met by existing facilities' (DEEWR 2008b, p. 3). The funding will be shared across about 25 projects with up to \$2.5 million for each project (DEEWR 2008b, p. 3). The rationale of the LSWT program is based on a 'response to the challenge of finding new ways to resource schools to ensure they provide high quality and stimulating educational experiences for students' (DEEWR 2008b, p. 4). One way of achieving this is 'to provide infrastructure support to more students... through sharing some of the infrastructure resources between schools' (DEEWR 2008b, p. 4).

Box 2.2 **Victorian projects funded under the Local Schools Working Together pilot program**

Box Hill High School in partnership with RMIT University, Deakin University and several local schools – \$2.3 million for the construction of a science and technology hub.

Edenope College in partnership with St Malachy's School – \$1.1 million for the installation of a synthetic turf oval enabling schools and the community to access an athletics track and sporting field.

Ivanhoe East Primary School in partnership with Mother of God Primary School – \$1 million for the construction of multipurpose learning facility with performing arts centre and before and after school care.

Sebastopol College in partnership with Redan and Sebastopol Primary Schools – \$2.5 million for the construction of a community multi-use precinct with gym, flexible learning spaces, community meeting rooms, kitchen, rehearsal and performance centre, and occasional childcare facility.

Source: DEEWR 2008a.

The *Capital Grants Program* offers supplementary funds to build and improve school capital infrastructure. This program covers all schools whether government, independent or Catholic. The program is not assessed based on sharing of facilities, but can be used for multi-purpose facilities designed to be shared (DEEWR (nd)).

Recently, the Commonwealth Government announced further investment in education through *Building the Education Revolution* (BER). Under BER guidelines, schools must agree to ‘provide access at no, or low, cost to the community... [including] reasonable access by any community or not-for-profit groups’ (DEEWR 2009b, p. 6). To recoup recurrent costs for cleaning and maintenance, schools may charge a low fee for use of the facility by the community. Through the BER initiative, the local community will have access to new libraries and other multipurpose facilities.

Box 2.3 *Building the Education Revolution* initiatives

Primary Schools for the 21st Century

Commits to building or upgrading large-scale infrastructure in all Australian primary schools, Prep – Year 12 schools, and special schools. Over \$2 billion will be available for new or upgraded facilities at Victorian government primary schools, with approximately \$3 billion in total across Victorian schools.

National School Pride Program

\$304 million to invest in maintenance and minor building works across all Victorian schools.

Science and Language Centres for 21st Century Secondary Schools

\$1 billion nation-wide to build around 500 new science laboratories and language learning centres in secondary schools.

Source: sub. 55, pp. 6–7.

Table 2.2 summarises Commonwealth Government funding for shared facilities.

Table 2.2 Commonwealth funding for shared facilities in Victoria

<i>Grant program</i>	<i>Maximum amount</i>	<i>Total funding (if known)</i>
Local Schools Working Together <i>For shared school infrastructure.</i>	Approximately \$2.5 million across 25 projects	\$62.5 million (Australia-wide) over three years
Capital Grants Program <i>Supplementary capital funding for government, Catholic and independent schools.</i>	157 projects of varying amounts	\$288.65 million over 2005-08 in Victoria
Building the Education Revolution <i>Facilities built under this initiative must be made available for community use.</i>	N/A	Approximately \$3 billion in Victoria

(continued)

Table 2.2 Commonwealth funding for shared facilities in Victoria (continued)

Linkage Infrastructure, Equipment and Facilities <i>Supporting the cooperative use of national and international research facilities.</i>	N/A	Unknown
Better Regions Program <i>Delivery of local infrastructure.</i>	N/A	\$176 million over four years (Australia-wide)
Community Infrastructure Program <i>Funding local government to build and renew local infrastructure.</i>	N/A	\$800 million (Australia-wide)

2.5 Summing up

This chapter discusses the policy context, objectives and frameworks for shared facilities in the Victorian Government and its departments, local government and the Commonwealth Government.

It has found that there are a multitude of policies that guide shared facilities in Victoria and that there are many different funding streams from all levels of government that can contribute to shared facilities. Whilst the benefits of sharing facilities are generally acknowledged, funding is not well coordinated among departments and across the three levels of government. The funding provided towards shared facilities is mostly capital funding, with no systematic recognition of ongoing operating costs. Furthermore, there is no evidence of any evaluation of funding for shared facilities to confirm the benefits of sharing.

The extent of sharing of facilities in Victoria will now be outlined in chapter 3.

3 The extent of shared government and community facilities in Victoria

3.1 Introduction

In drafting the inquiry terms of reference for the Commission, the Government recognised that there is little consolidated information on the amount of sharing in Victoria. Even within sectors such as schools that are centrally and regionally coordinated, comprehensive information is not collected. The terms of reference therefore ask the Commission to ‘examine how much sharing of government and community facilities already takes place’ and ‘identify innovative and effective examples of shared facilities.’

The Commission’s research has confirmed that the information necessary to comprehensively analyse the amount of sharing taking place is not available. This chapter, however, illustrates the extent and scope of sharing by developing a classification of different types and dimensions of shared facilities. This classification demonstrates the diversity of facilities that are shared in Victoria.

Next, the chapter draws together available evidence on the nature and extent of current sharing, including discussions of innovative and effective examples. This evidence has been supplemented by new information compiled from submissions to this inquiry and two surveys undertaken by the Commission.

There are, however, still considerable gaps in the data available to the Commission. Some departments, such as the Department of Human Services (DHS) and Department of Primary Industries, appear to manage or fund a range of shared facilities, but lists of these facilities are not publicly available. The Department of Sustainability and Environment (DSE) also manages large amounts of public land. While anecdotal evidence indicates that structures that are, or could be, shared exist on many of these properties, the Commission has not seen a comprehensive register of these assets.

Finally, the chapter outlines how changing social and economic influences are also driving changes in how facilities are shared and the need for sharing arrangements to be aware of and responsive to such changes in the future.

3.2 A classification of shared facilities

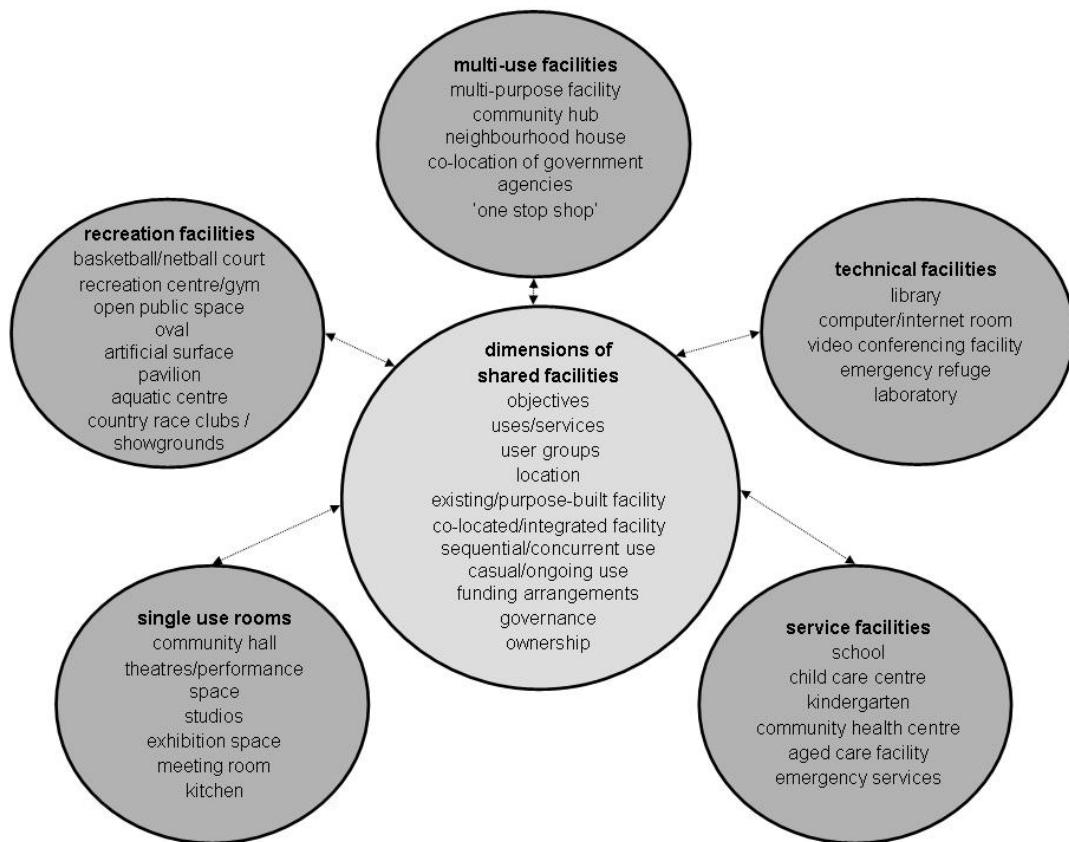
Chapter 1 defined shared facilities for the purpose of this inquiry. The following figures develop that definition. They establish a framework for looking at the types of facilities that are shared and the issues that affect those shared

arrangements. This framework supports the development of the report and its recommendations.

Figure 3.1 shows the five broad types of facilities identified by the Commission that have the potential to be shared, and a range of different dimensions which affect these types of facilities. The five types identified are:

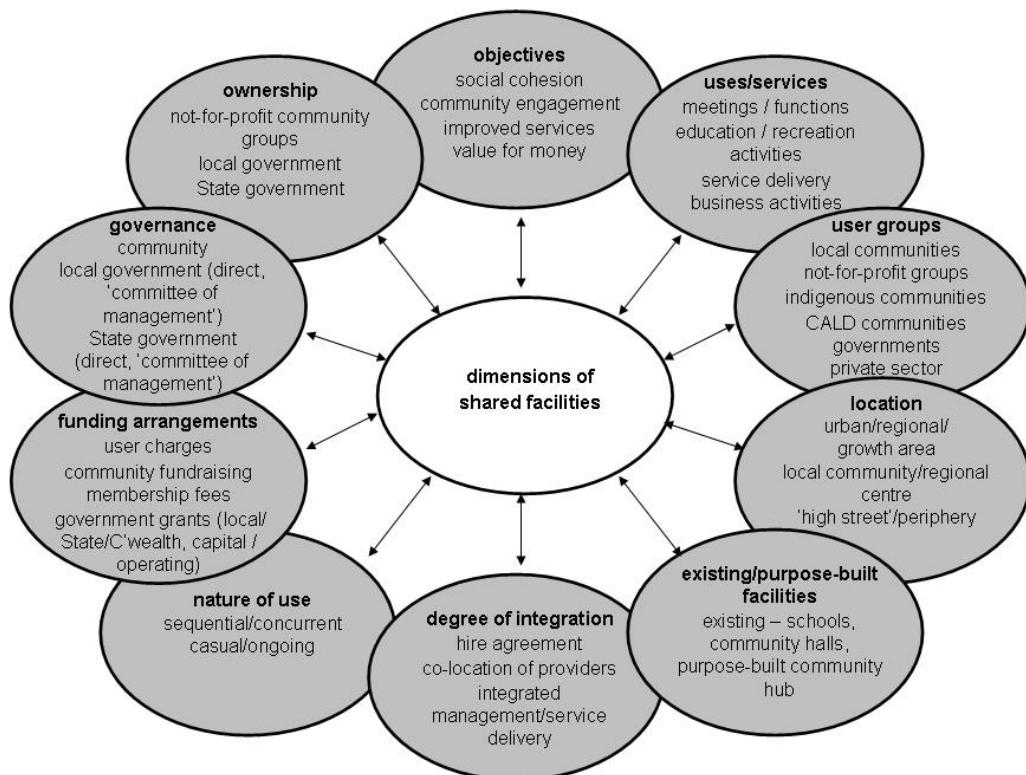
- (1) multi-use facilities
- (2) recreation facilities
- (3) service facilities
- (4) single-use rooms
- (5) technical facilities.

Figure 3.1 Typology of shared facilities and dimensions



Examples of each type of facility are also included in figure 3.1. The examples provided are not a comprehensive list of all of the possible facilities in each type. The dimensions of these facilities are further expanded in figure 3.2.

Figure 3.2 The dimensions of shared facilities



A key feature of shared facilities is their diversity. There is diversity in the types of facilities that can be shared, the potential uses and users, and the range of possible benefits. This diversity is also reflected in how facilities are managed and governed. The analysis and recommendations in the report have been developed with this diversity in mind. The report recognises that the location and management of facilities needs to reflect the services delivered and the needs of user groups. Therefore, harnessing the ideas and input of users is very important, as is designing the management and governance of facilities so that they are fit-for-purpose and capable of delivering the service and outcomes needed by the community.

3.3 Extent of shared facilities

The Commission has been asked to document the current extent of sharing of facilities in Victoria. Generally, it has been found that there is limited data available, and that within the data there are gaps on the extent of shared facilities. By considering the facilities that may be potentially available for sharing, such as

those run by councils, crown land reserves under management, schools and sporting fields, the Commission ‘guesstimates’ that there may be as many as 15 000 to 20 000 shared facilities in Victoria. At a high level, the Commission has discovered that:

- Local councils are the main providers of community facilities with up to 500 facilities per council for use by the community, depending on the municipality.
- Of the 1577 Victorian government schools, as many as two-thirds of schools might share their facilities in some way.
- According to the Director (Public Affairs) of the Association of Independent Schools of Victoria, internal research suggests about 55 per cent of independent schools make their playing fields and sporting facilities available and about three quarters of independent schools make a classroom or other space available for community use (trans. 1, p. 43).
- Victoria’s 12 000 crown land reserves and Public land (such as state and national parks) often have public facilities, managed by around 7000 committees of management or Parks Victoria.
- Over 500 mechanics institutes remain in Victoria, mostly as community halls (sub. 17, p. 1).
- Much sharing is undertaken informally without complex agreements or being organised through official channels.
- Many community groups, independent from government, make their facilities available for sharing. For example, in Cardinia Shire, 49 out of 105 community groups make their facilities available to other users (sub. 42, p. 6).

Although the Department of Planning and Community Development (DPCD) is one of the main providers of funds to community facilities in Victoria they have limited data on usage patterns and the extent of sharing that takes place, as the department rarely owns the facilities it funds (sub. 58, p. 16). The department did plan to undertake a state-wide audit of community infrastructure around 2006 but this was not completed.

To improve the available data, the Commission surveyed government schools and local councils, the results of which are discussed in this chapter. Because of the complexity of ownership and management arrangements, caution is needed in interpreting the survey results presented below. There may be double counting across sectors, as a facility owned by the state or local government could be managed by a not-for-profit organisation, or groups from several sectors may jointly own the same facility.

3.3.1 Non-school shared facilities

Victorian government departments and agencies

Victorian government departments and agencies often share facilities among themselves (co-location), own and operate facilities shared by others, own land that can be shared, or house facilities that are potentially shared. The discussion in this section includes examples of three types of sharing.

First, there are examples of government departments being co-located in provincial areas and, increasingly in urban areas, as part of a more general policy to relocate government employees to Central Activities Districts. For example, the 2009-10 Victorian State Budget included \$17.4 million for the fit out of a new government services building and service centre in Broadmeadows to be shared by DHS, Department of Justice (DOJ) and the Department of Education and Early Childhood Development (DEECD) (Government of Victoria 2009, pp. 344–45).

Second, a good example of how state government departments are involved in sharing facilities more broadly was provided to the Commission by DOJ. At the County Court, facilities are used by external parties on a fee for service basis. Examples include the hiring of court rooms for ‘mock court’ training by organisations such as law firms, Worksafe and universities, and for mediation by law firms (sub. 57, p. 2). The Magistrates’ Court of Victoria is supportive of sharing its facilities in principle, and courts are sometimes used by local councils for meetings. More sharing is prohibited by the design of the majority of courts, which does not encourage or facilitate sharing, and the cost of staffing the courts after hours (sub. 57, p. 2). The best example of a shared facility in DOJ is that of the Collingwood Neighbourhood Justice Centre (box 3.1).

Box 3.1 Collingwood Neighbourhood Justice Centre

The Collingwood Neighbourhood Justice Centre (NJC) is a local Magistrates’ Court with a difference. The NJC has attempted to redefine the way a court engages with the community. It has, on average, 97 bookings per month for use of its rooms and facilities by people and groups from the community. The NJC has held launches, Annual General Meetings, a community market, indigenous events, provided space for arts projects, and a venue for a local choir.

Further discussion of the Collingwood NJC is provided in appendix C as a case study.

Source: sub. 57, pp. 2-4.

DOJ also has many examples of sharing in the racing portfolio. Many racing tracks are located on crown land, which is designated for racing and recreation purposes. According to DOJ:

The vast majority of these Crown Land reserves involve use by other sports and non-sporting community agencies... There are many instances where local football, soccer and hockey fields are located within the race course proper... There are also a number of examples (Yarra Valley Racing Complex is a prime example) where the bookmaker betting ring has been upgraded and appropriately marked to accommodate netball and basketball on non-race days. (sub. 57, p. 4)

Racing club facilities are also used for community events and festivals, private functions and for meeting or educational purposes. The scope for increased sharing of racing facilities is currently being investigated under the Regional Racecourse Revitalisation Project (sub. 57, p.5).

The Victoria State Emergency Service (VICSES) is also supportive of the shared use and provision of government and community facilities. VICSES uses local council-provided facilities and shares the use of these facilities (meeting rooms, for example) in many locations with other community groups (sub. 13, p. 1).

Finally, as discussed in chapter 2, DSE is responsible for crown and public land in Victoria. According to Dr Ian McShane:

The colonial system of Crown Land reservation... supplied the basic land resource for the construction of community or local-level facilities such as churches, sports grounds, pavilions, libraries and so on. This system – administered by state and local government authorities – continues to underpin community provision. (sub. 30, p. 3)

Of the more than 12 000 crown land reserves in Victoria, around 7000 are formally managed by committees of management (DSE 2008). Crown land reserves support a range of amenities and uses. The full extent of facilities on crown and public land and the extent of sharing of those facilities is unknown, nor is it known how many committees of management are operating as intended. Public land covers 16.5 per cent of the land area of Victoria (sub. 32, p. 1). Parks Victoria is the government agency responsible for the management of Public land on behalf of DSE and the built facilities on this land. Again, DSE has not made any data on the extent of facilities on public land available to the Commission.

Local government

The 79 councils in Victoria are the main provider of community shared facilities. The 25 submissions to the inquiry from councils, combined with the results of a Commission survey, give a good idea of the extent of facilities operated by local councils (box 3.2).

Box 3.2 Extent of local government's shared facilities

The extent of sharing of local government facilities is driven by the large number of community facilities they own and manage and their policy of maximising community benefit from those facilities. According to the Municipal Association of Victoria (MAV):

Local government provides more than 100 different services and is responsible for tens of billions of dollars worth of assets and infrastructure including town halls, recreation and leisure facilities, libraries and parks. Councils are committed to ensuring that facilities are managed in a way to maximise their value for the community and are used in an integrated fashion to improve wellbeing and connectedness. (sub. 48, p.3)

A number of councils provided the Commission with information on the facilities they operate that are potentially shared.

Hobsons Bay City Council – Controls and maintains around 125 community facilities (not all are shared facilities, some are single-use) (sub. 14, p. 3).

City of Greater Geelong – Operates in excess of 500 facilities for community use (sub. 27, p. 2).

Knox City Council – Responsible for 270 buildings where council is the land owner, building owner, building occupant, or a combination (sub. 31, att. A, p.1).

City of Melbourne – Over 100 facilities and 560 hectares of open space.

- 3 libraries
- 8 council child care centres
- 3 neighbourhood houses
- Family & children's resource centre
- 4 senior service centres
- 4 aquatic facilities
- 10 sporting pavilions
- 7 rowing facilities
- A golf course
- 7 maternal & child health centres
- 3 multi-purpose facilities
- Town hall
- Multicultural community centre
- A 'range' of arts spaces
- 40 sports grounds
- 8 tennis facilities
- 2 lawn bowls centres
- 560 hectares of parks and gardens
(sub. 29 pp. 1-2).

One example of a successful shared facility owned by local government is the Clayton Community Centre in the City of Monash. The centre consolidated existing, disconnected local government services (including a pool, youth centre, maternal and child health services and library) in the one facility along with the co-location of *MonashLink*, an independent community health service provider. Further detail on the Clayton Community Centre is included in appendix C.

Other examples of local government facilities include:

- Fawkner Park being used daily by South Yarra Primary School and Christ Church Grammar School as their playground and for physical education and school sport (sub. 29, p. 5).

- A pavilion made available to DEECD by Banyule City Council for a program targeting disconnected youth (sub. 49, p. 3).
- An athletics track in the City of Whitehorse (sub. 45, p. 8) managed by an independent association and available for use by athletics clubs, little athletics clubs, schools, and local soccer clubs.
- The Sunbury Neighbourhood House, co-located in the Hume Leisure Centre (sub. 43, pp. 14–15).
- The SportLink recreation facility in the City of Whitehorse (sub. 45, p. 9), which has four indoor courts, four outdoor courts, a multipurpose room, a community room, change rooms, office space, and a café. SportLink is used by at least nine different user groups and sporting organisations.
- Lang Lang Community Centre provides space for businesses and community groups, as well as free internet for the public (sub. 42, p. 4).
- The Highett Community Hub, which co-locates a youth club, seniors centre, neighbourhood house, kindergarten and counselling services (sub. 10, p. 5).
- The John Pandazopolous Hall, which is the City of Casey’s Multicultural Seniors Centre (sub. 22, p. 7). The hall is home to nine seniors clubs.
- The offices of the Warrnambool City Council host three staff from Regional Development Victoria and two staff from DPCD (sub. 41, p. 6).
- Libraries that have community spaces available.

Local government survey results

As part of the inquiry, the Commission surveyed all 79 Victorian local councils to discover more about the extent of shared facilities. The survey asked questions about facility ‘types’ (for example sporting fields, pools, libraries and community halls) rather than individual facilities.

Twenty-two responses were received from local councils. Responses ranged from comprehensive to only covering a couple of examples of shared facilities in the local government area. The survey results are useful as a general indication of sharing in local government facilities, but were not relied on as representative of all local councils in Victoria, or as a basis for firm conclusions.

The survey results suggested that the most common facilities owned by councils are sports fields, community halls, and child care centres and kindergartens, and that sharing of facilities takes place predominantly with community groups, schools (government and non-government) and business.

One of the more interesting results was that a clear majority of the reported council facilities were built to be shared. This is quite different to results from the school survey, which indicated that only approximately a quarter of facilities were built with sharing in mind.

There is some further discussion on other elements of the survey, such as governance and funding, in subsequent chapters of the report.

Community groups and not-for-profit organisations

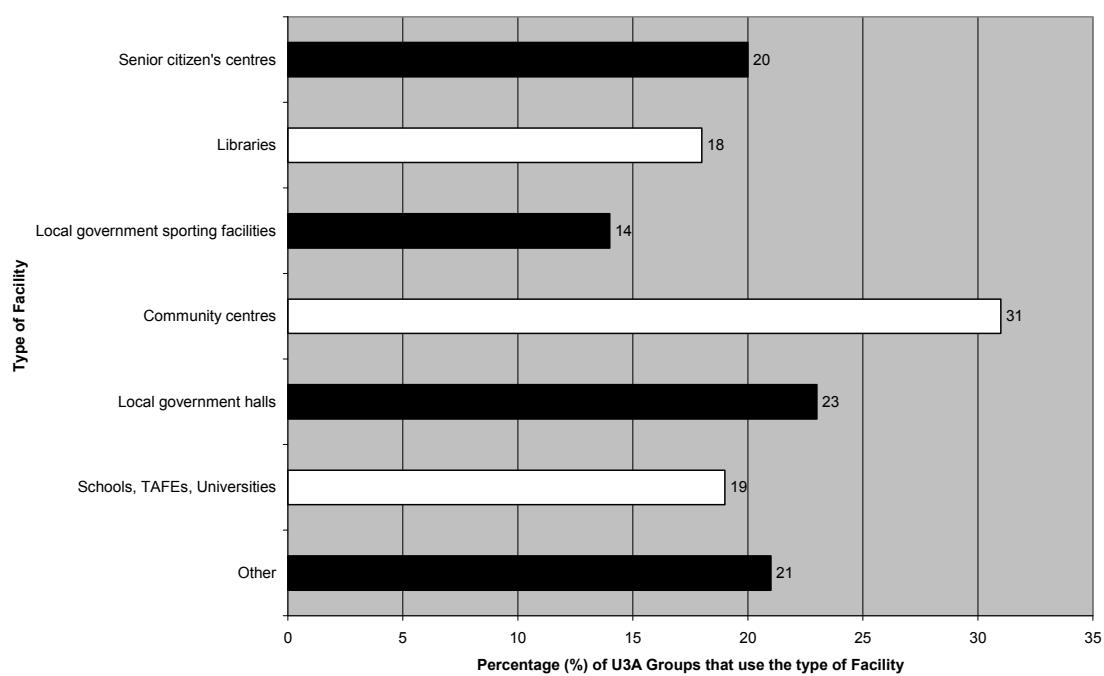
According to the Victorian Council of Social Service, sharing facilities is a natural part of partnership arrangements for many in the community services sector (sub. 38, p. 2).

Many shared facilities in Victoria are operated by the not-for-profit sector or community groups. It is estimated that some 120 000 community organisations operate in Victoria (SCOP 2007). Some have made a considered decision to invest in a facility, while others, including some small groups, may operate from premises donated or purchased many years ago (sub. 51, p. 2). In addition, many local government facilities receive contributions from the community sector. A few illustrative examples showing the diversity of these arrangements include:

- Five of Victoria University's 11 campuses having sport, recreation and fitness facilities that are used by the university as well as by local schools, sporting groups, community groups, recreational groups, special needs groups, elite sporting clubs and individual community members (sub. 21, p. 1).
- The sharing of facilities in the arts community. According to the Arts Industry Council of Victoria:

sharing facilities has long been a feature of the environment within which the arts sector works. Many artists and arts organisations operate with limited resources so the pooling of those resources at hand with like-minded individuals/organisations is seen as an attractive option. The sharing of facilities may occur between artists/arts organisations or between members of the arts and other sectors. (sub. 15, p. 2)
- Neighbourhood houses are an important community asset. The Association of Neighbourhood Houses and Learning Centres represents around 350 houses, most of the approximately 360 houses in Victoria (ANHLC). Neighbourhood houses generally provide activities, courses and programs and may also offer childcare and playgroups. Houses are generally established in council-owned buildings sometimes with other community organisations.
- Football Federation Victoria undertook a survey in 2008, which showed that 50 per cent of clubs share with other groups and 50 per cent have their own facilities. The majority of clubs that share do so with cricket clubs (Chief Executive Officer, Football Federation Victoria, trans. 2, p. 16).
- Use of existing community facilities by the University of the Third Age (U3A) as shown in figure 3.3.

Figure 3.3 Use of shared facilities by U3A Groups, February 2009^{a,b}



a 'Other' includes neighbourhood houses, churches, private homes, railway stations, retirement villages, learning centres and town halls. **b** Total does not equal 100 per cent as some groups may use more than one facility.

Source: sub. 47, p. 2.

Examples of shared facilities owned or operated by the not-for-profit sector:

- YMCA will provide community facilities at six government schools as part of DEECD's *Partnerships Victoria* in Schools Project, a public private partnership (PPP). More broadly, YMCA operates and facilitates community facilities and programs in over 100 Victorian communities.
- Visy Cares, an organisation that establishes community projects in locations where Visy has large manufacturing sites or areas of substantial community need. Each Visy Cares project is owned by its surrounding community. As at April 2008, there were seven Visy Cares projects in operation. One such project is a youth services centre in Dandenong which has service providers for young people located in the one building, rather than them being located throughout the municipality. The \$1 million capital cost came from contributions by the Victorian Government Community Support Fund, the City of Greater Dandenong, the corporate and local business sector, philanthropists and the local community. The centre delivers services to

young people and their families from over 50 postcode areas and the number of contacts with youth is in excess of 25 000 per annum (Visy Cares).

- Philanthropic trusts, such as the Helen MacPherson Smith Trust, that fund community facilities.

Other not-for-profit groups that may also own and manage shared facilities include churches, charities and welfare agencies, sport associations and mechanics institutes.

3.3.2 Shared school facilities

There are 1577 government schools in Victoria. These schools have approximately 29 000 buildings with about 7.2 million square metres of floor space (including 3.7 million square metres of teaching space). The depreciated replacement values of the buildings and associated land are \$4.3 billion and \$6.4 billion respectively (VAGO 2008, p. 7).

As discussed in chapter 2, DEECD has an objective to promote schools as community hubs (DEECD 2008b, p. 30) and this is supported by policies, frameworks and guidelines. According to the department, there are around 200 joint use agreements (JUAs) in place — the majority of these JUAs relate to the construction and subsequent use of school facilities. However, the full extent of sharing is difficult to quantify as schools have the ability to hire/licence school facilities at a local level (Project Officer, DEECD, trans. 1, p. 38). One example of a JUA is at Mornington Secondary College (box 3.3).

DEECD does not keep data on all sharing of school facilities. The (approximate) 200 registered JUAs do not capture licence and hire agreements, which do not have to be registered with the department, nor the informal sharing of school facilities that takes place with no requirement to notify DEECD. For example, Orbost Secondary College allows a local theatre group to use the school's theatre at no cost to rehearse and put on performances (Principal, Orbost Secondary College, trans. 7, pp. 69–71). Anecdotally it's not uncommon for four to five groups to be using a government school each week — this gives a rough sense of the amount of sharing that takes place (Director (Policy and Strategy) DPCD, trans. 1, p. 41).

Box 3.3 Mornington Secondary College

'One of the success stories of joint-use agreements' (Assistant Principal, trans. 1, p. 19) is Mornington Secondary College's \$2.4 million three-court indoor basketball stadium. The stadium was built in association with the Mornington District Basketball Association. Funding for the stadium came from DEECD, a Department of Transport and Regional Services grant, and the Mornington District Basketball Association (sub. 2, p. 1).

According to the school assistant principal, the stadium:

... came about because we [the school and basketball association] both were aware that community facility funding was there. The basketball association has sites provided by the Mornington Shire but the number of participants was greater than they could cope, so they were looking for another facility. Collectively we saw the benefit for our students and they saw it for their membership as well. I think the driving force was the fact that the money was being made available for communities and schools to forge partnerships. (trans. 1, p. 31)

The facility operates between 9.00am and 11.00pm six days a week and on Sunday from 9.00am to 8.00pm. The Basketball Association has its own clubrooms, offices and canteen for after-hours use. The school has its own change rooms, staff room and store rooms. Of the three courts, two are shared and there is one show court which is not used by the school. According to the assistant principal, 'when you create the facility it's having a look at how things are going to operate effectively for both partners (trans. 1, p. 82).

The operation of the JUA is:

... a matter of us [the school and basketball association] getting together on a monthly basis and spending just three-quarters of an hour to look at what are the issues that have cropped up... It comes back to having those discussions with the partners (Assistant Principal, trans. 1, pp. 75–76)

In the Victorian non-government school sector, the Association of Independent Schools Victoria (AISV) represents 220 schools and the Catholic Education Commission of Victoria (CECV) represents 487 schools. The Director (Public Affairs) of the AISV noted that:

Internal research suggests about 55 per cent of independent schools make their playing fields and sporting facilities available and about three quarters of independent schools make a classroom or other space available for community use. (trans. 1, p. 43)

Schools sometimes construct a facility by pooling resources with other schools and then sharing the facility (box 3.4).

Box 3.4 Potato Shed, Geelong

The Potato Shed is a multi-arts facility shared between Bellarine Secondary College and St Ignatius College which is available for use by the community. It consists of a black box theatre that seats 250 people, rehearsal rooms, a green room, dressing rooms, foyer and box office and kitchen. The facility can be used for dance, drama, yoga, performances, festivals, exhibitions, outdoor events, meetings and conferences. According to the Manager (Planning and Infrastructure), Catholic Education Office Melbourne:

From the point of view of Catholic Education, all parties are pleased with the outcome. While the JUA was a long, slightly protracted process, it has delivered a usable agreement which actually works. In fact, the school is now hoping to expand the facility together with the other stakeholders. (trans. 1, p. 70)

Government school survey results

In addition to the local government survey, the Commission surveyed all Victorian government schools to discover more about the extent of sharing in schools.

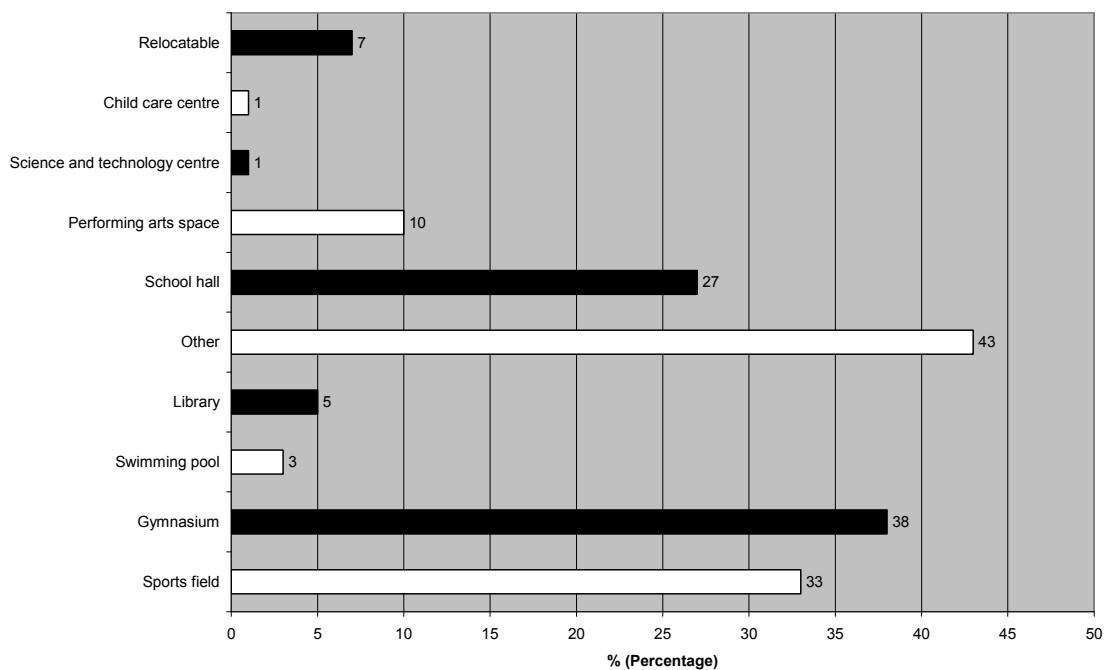
Three hundred and twenty four responses (20 per cent of all schools) were received, of which 102 reported no sharing.

Generally, if the statistics were extrapolated to the full number of Victorian government schools, around two-thirds of all schools might be expected to share at least one of their facilities with one-third not sharing any facilities. Most sharing was fairly simple, with limited use of formal JUAs and almost half of all sharing took place with only one type of organisation.

As might be expected, the most commonly shared facilities are the big facilities at secondary schools, such as gymnasiums and sports fields. The most shared types of DEECD-owned facilities are ‘other’ (43 per cent) which includes permanent classrooms, grounds and playgrounds, multi-purpose rooms, and specialist rooms such as art, music and information technology. The second most shared type of school facility was gymnasiums (38 per cent), followed by sports fields (33 per cent) and school halls (27 per cent). This is illustrated in figure 3.4 below.

DEECD owns 83 per cent of facilities that are shared on its land, with 10 per cent owned by a local council, and 4 per cent jointly owned by DEECD and another entity.

Figure 3.4 Types of facilities shared at government schools^{a,b}



a 'Other' includes permanent classrooms, grounds and playgrounds, multi-purpose rooms, specialist rooms such as arts, IT and music. **b** Total does not equal 100 per cent as schools may report sharing more than one type of facility.

Three-quarters of DEECD-owned facilities that are shared existed prior to being shared, with only a quarter of DEECD facilities purpose-built with sharing in mind. For shared facilities that schools use, which are not owned by DEECD, a higher proportion (43 per cent) were purpose-built for sharing. All swimming pools reported were purpose-built for sharing, as were a high proportion of performing arts spaces and gymnasiums.

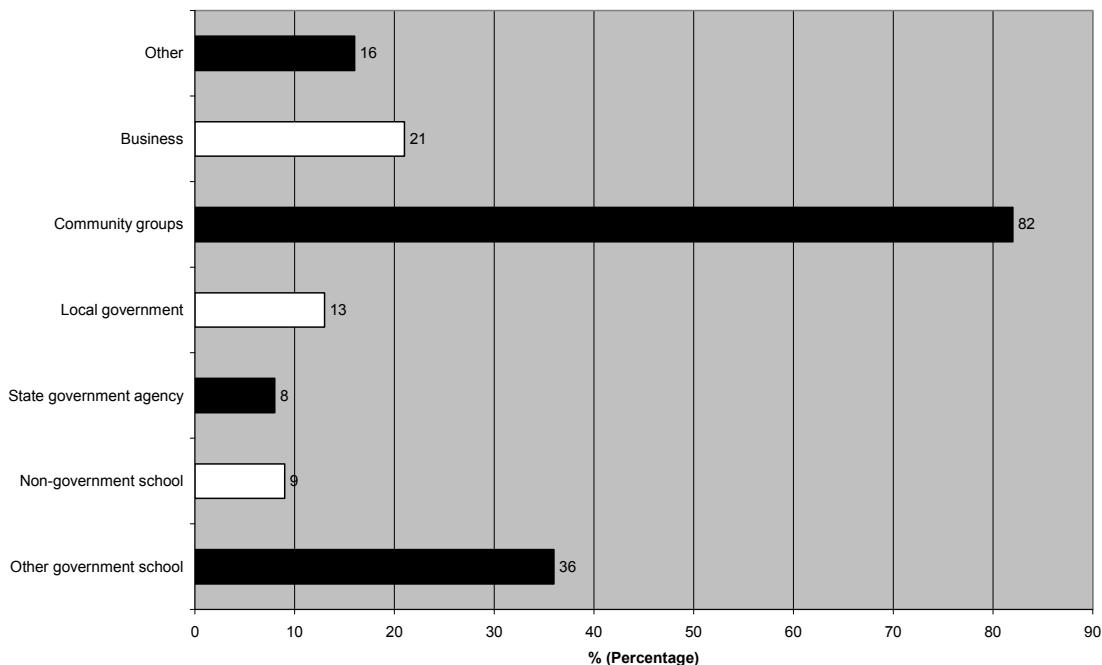
Sharing across many different types of groups appears limited. Almost half (48 per cent) of DEECD-owned shared facilities are only shared with one type of organisation. Twenty-seven per cent of facilities are shared with two types of organisations. Only a quarter of facilities are shared with three or more types of organisations.

Limited diversity in use is also illustrated in the types of activities that take place in shared facilities in schools. Almost half (47 per cent) of DEECD-owned shared facilities are used for only one type of activity. Around one-third (31 per cent) have two types of activities occurring, with only 22 per cent having three or more activities taking place. This is in contrast with shared facilities that schools

use but do not own, where only 37 per cent are used for only one type of activity and 35 per cent are used for three or more different types of activities.

Figure 3.5 shows that DEECD-owned facilities are most commonly shared with community groups, other government schools and business.

Figure 3.5 Other organisations using DEECD-owned shared school facilities^a



^a Total does not equal 100 per cent as a facility may be shared with more than one type of organisation.

Broadly, the survey results show that there is a level of unused facilities in Victorian government schools and capacity for more sharing. Subsequent chapters analyse other parts of the survey, including governance arrangements, capital cost breakdowns and cost recovery details.

3.3.3 Private sector

The private sector can be involved in shared facilities in a range of ways:

- Providing a service within a broader facility, for example the café at the SportLink recreation facility in the City of Whitehorse (sub. 45, p. 9).
- Contributing to a shared facility. For example, the Hume Global Learning Centre was partially funded with contributions from Ford Australia and The Age Newspaper (sub. 43, p. 9).

- Using a facility (for example, leasing space). The theatre at Clayton Community Centre is sometimes leased for business meetings.
- Sharing linked to a commercial centre (for example, a library in a shopping centre).

In the course of the inquiry to date, the Commission has not found many examples of large scale private involvement. There were a number of instances in which private businesses provided services in shared facilities, such as child care or café operators. However, there were fewer cases in which the private sector is a significant partner in funding, facilitating or operating the shared facilities. Some exceptions to this included:

- Delfin Lend Lease being involved in the Caroline Springs Partnership. Private sector property developers, such as Delfin, are undertaking major residential developments in Victoria and other Australian states. For these developers, the provision of high quality services and facilities can help to attract and retain residents to these developments. Moreover, efficient land use planning, including the development of shared facilities, can help to reduce the costs of these facilities and/or increase the availability of land for alternative uses. The development at Caroline Springs (see case study in appendix C) provides an example where a private sector developer is constructing community infrastructure (including shared facilities) in partnership with governments and communities.
- Recreation and leisure facilities, such as sports stadiums, recreation centres, swimming pools, and indoor sports centres can be owned or managed by private entities. Private operators face strong incentives to ensure that the services provided are meeting consumer preferences and that the assets are fully utilised. According to HM Leisure Planning, many indoor aquatic leisure centres achieve strong financial returns by offering:

...high quality facilities; attractive, inviting settings; excellent management (which often has a totally commercial basis) and programming, large numbers of professional staff; a diverse mix of offerings; good parking; their large size and good marketing. (sub. 5, p. 2)
- *Axiom Education Victoria* building and operating 11 government schools under a PPP contract with the Victorian government in the *Partnerships Victoria* in Schools Project. It is intended that most of these schools will include shared facilities.

3.4 Utilisation

A key, but not the only, indicator of the scope for additional sharing is whether there is unused capacity among existing facilities. However, as with data on the number of shared facilities, the data on the intensity of use of shared facilities is

also limited. What data is available supports a conclusion that utilisation rates vary considerably among facilities.

It appears that the utilisation of existing sporting facilities may be high for some sports. VicSport claims that lack of facilities is the largest factor constraining participation, resulting in some sports and clubs being turned away or having limits placed on the number of clubs allowed (sub. 7, p. 9). The same may be the case in regional areas of Victoria, for example the Spring Creek Community House is booked out most of the time (see case study in appendix C).

In other cases, it is argued that utilisation rates may be lower: One estimate places the utilisation rate of council facilities at closer to 50 per cent ‘because they have not been designed or retrofitted, programmed, scheduled, managed and promoted effectively’ (sub. 5, p. 7) and the City of Knox reported that sharing of community and government facilities is currently ‘limited’ within the municipality (sub. 31, p. 2).

The government school survey results suggested that there is a level of unused facilities in Victorian government schools and capacity for more sharing.

3.5 Changing trends

The use of shared facilities is occurring against a back drop of changing trends in Victoria. These changes are resulting in new needs and priorities for communities:

- Population growth is creating new communities and opportunities to promote sharing.
- An ageing population and immigration are translating to new facility and service needs in many areas.
- More complex and sophisticated needs within communities are being driven by factors such as changing work patterns and increased sharing of work roles in the family.
- Drought conditions in Victoria are affecting sports grounds in particular.
- Demographic influences and pressures to share facilities are evident in provincial areas. According to DEECD:

Rural communities... often have limited choice in terms of available infrastructure that can be shared due to population size and geographic location. Schools can be the only major government/community infrastructure in the area. (sub. 55, p. 16)

A submission to the inquiry from Parks and Leisure Australia noted that ‘with increasing populations, there is more demand for facilities. This reinforces the importance of improving the use of existing facilities’ (sub. 39, p. 2). An

increasing population creates extra demand for facilities and services. Facilities also need to evolve to changing tastes driven by evolving demographics.

As noted by the City of Melbourne, these changing trends potentially affect what needs to be delivered in shared facilities now (sub. 35, pp. 1–2). Such changes can affect the demand for shared spaces and the pattern of use of facilities. They also encourage consideration of future needs of communities and how that will influence shared facilities and their design and how facilities can be designed flexibly to adapt to those changes over time.

3.6 Summing up

Sharing of facilities is currently substantial and diverse. This chapter illustrated the rich picture of sharing taking place in Victoria with local government featuring strongly in the sharing of facilities.

The discussion on changing trends illustrated the need for flexibility and a continuing focus on the best approaches to sharing.

Survey results and submissions to the inquiry suggest that there appear to be opportunities for greater sharing, including in schools. In other cases, the need for greater sharing is indicated by excess demand for activities such as soccer; so that existing and new facilities need to be used as efficiently as possible if this demand is to be met. The outstanding question is how these opportunities for greater sharing can be identified and met. This question will be addressed in the coming chapters.

4 Shared facilities: the Commission's approach

4.1 Introduction

The Commission's terms of reference ask it to identify the benefits of shared facilities and also to: identify the types of facilities that lend themselves to sharing; identify any barriers to a more widespread role for shared facilities; and to recommend changes to government processes to achieve successful collaboration. To analyse these issues, the Commission needs to establish the appropriate role for government in shared facilities and where government should target its involvement.

From the Commission's consultations so far it is evident that there is no generally understood framework for weighing up the pros and cons of sharing facilities or for considering the role of government in an area like shared facilities. This chapter therefore looks at these issues from a theoretical perspective. The following chapter tests this perspective against evidence from real life examples of sharing and the views of participants.

All the avenues of investigation support the same conclusions:

- (1) effective sharing arrangements have large potential benefits, but the potential costs should not be ignored.
- (2) the private sector and community groups have some incentives to share facilities without government involvement.
- (3) but without government action the nature and extent of sharing will be less than is desirable, with beneficial opportunities lost.
- (4) if government is to be involved in sharing arrangements it needs to target its action to where the net benefits are greatest. This will only occur if government is clear on its objectives and it focuses on those areas in which the demand for shared facilities is strong.

4.2 Benefits and costs of shared facilities

The Commission's framework provides a basis for weighing the range of benefits and costs and whether there are potentially net benefits for the community from sharing facilities. The nature and extent of the benefits and costs will vary across different shared facility arrangements and can be difficult to measure.

Making greater use of shared facilities therefore appears to be a feasible option for achieving the Victorian Government's objectives. But sharing facilities is not

appropriate in all circumstances and in some situations other approaches may result in higher net benefits for Victorians.

4.2.1 Benefits of shared facilities

Shared facilities generate important social benefits for individuals and communities by: contributing to the delivery of additional and higher quality services; strengthening communities; and encouraging participation in a broader range of activities. Other benefits could arise from reduced costs and improved use of scarce resources — through better use of existing assets and better investment decisions. Further discussion of the potential benefits of sharing facilities is included in appendix B.

Improved service delivery

Shared facilities may help to generate better outcomes for Victorians by improving services in two ways (1) the delivery of higher quality services and (2) improved access to services for users.

Making use of shared facilities can support the delivery of higher quality services to users by:

- co-locating services that facilitate a smoother transition for users between different services – examples include the co-location of early years services and schools, which facilitates a seamless transition and developmental pathway for young children (Department of Education and Early Childhood Development (DEECD), sub. 55, p. 4) and the co-location of health services with wider support services, which helps to provide a continuum of care (Dr Ian McShane, sub. 30, p. 5).
- providing opportunities for individuals and groups to access a wider choice of services by bundling together a range of services and activities. For example, co-location of a meeting place for retirees and a council library in the Rosedale Multipurpose Centre created an opportunity for older members of the community to read to pre-school children.
- improving working conditions and learning opportunities for staff, which can improve productivity and help to identify new ways of delivering services. Staff development can occur because there are additional opportunities to informally share knowledge with colleagues and to develop a better understanding of the role of co-located services (Wilkin et al 2003, p. 66). Shared facilities can also increase the safety of staff — for example, the co-location of community nurses at the Clayton Community Centre lead to a greater feeling of personal safety as nurses were no longer operating as sole practitioners (appendix C).

- helping build links between service providers and the broader community, which can in turn contribute to better outcomes. For example, evidence from the United Kingdom indicates that delivering community services through schools can help to increase the engagement of parents with the school and hence parental involvement in their child's learning. (Wilkin et al 2003, p. 70).

Shared facilities can also make it easier for users to access services. At the Collingwood Neighbourhood Justice Centre, for example, co-locating justice and support services on a single site makes it easier (and more likely) for clients to use these services, while the shared facility at Wendouree West appears to have increased both pre-school and schools attendance (appendix C).

Social connectedness

The importance of strong communities in which people feel a sense of belonging is well recognised. Strengthening civil society by building reciprocal connections between individuals and within communities can help to enhance the scope for collective action as well as supporting better outcomes (in the form of improved education outcomes, lower crime and faster economic growth) (Putnam 1995, pp. 66–67).

Shared facilities can help to strengthen communities in three main ways. First, the process by which shared facilities emerge (for example, through community meetings, fundraising and lobbying governments) can help to build a common understanding of key issues and establish connections between previously separate individuals and groups. For example, the Rosedale Multipurpose Centre, was overseen by a local steering committee involving the Wellington Shire Council and the local community (including the local neighbourhood house, health centre and pre-school) and involved significant community engagement, support and commitment to ensure a successful outcome (sub. 11, pp. 1–2).

Secondly, being involved in the management and governance of shared facilities enables people to develop new skills and can help them to become more confident in dealing with diverse groups of people. These attributes can encourage people to take on other positions of leadership within their communities (Pope and Warr 2005, pp. 10–12; DVC 2006, p. 14).

Finally, by providing spaces where people can mix and meet, shared facilities can help individuals and groups feel more valued and to feel part of a broader community (DVC 2006, p. 11). One of the benefits of this can be a reduction in the vandalism of community assets. For example, the Principal of Thomastown Secondary College noted that:

...by building those relationships [with the community] we've got people who actually now share that ownership, you know so we'll have people that talk to us

and look after it and look out for it ... in terms of things like vandalism or destruction [it is] virtually non-existent in the last three years and so for us it was very much ... [one of our] goals that we set out to achieve and touch wood, I think we have. (trans. 3, p. 61)

When communities have a substantial involvement in the development, operation and use of a shared facility this is likely to be a good indicator that enhanced social connectedness is a likely outcome. But sharing arrangements are not the only way of achieving these benefits and the case needs to be made that sharing is the best way to enhance social connectedness.

Greater access and participation

Opening up existing facilities to individuals and communities or investing in purpose-built shared facilities can increase opportunities, particularly for disadvantaged groups and communities, to access and participate in a broader range of activities. For example, the Carlton Primary-Community Learning project uses the local primary school to provide a range of activities (such as homework clubs for primary and secondary students) for local residents, most of whom come from Africa and for whom English is a second language (sub. 24, pp. 1–2). Similarly, National Disability Services Victoria noted that being able to share community infrastructure will help to make it easier for people with disabilities to participate in community activities (sub. 20, p. 1).

Better asset utilisation

Additional benefits can also arise through better use of resources to deliver additional services to users more quickly and at a lower cost than would otherwise be the case. More specifically, pooling resources can enable the construction of larger and more specialised facilities and can help to provide a broader range of high quality services. Examples of these benefits include:

- at Caroline Springs, sharing sports grounds between three school and the local football club resulted in the provision of a higher quality (drought proof) oval and helped to reduce the total footprint of the schools from 20 hectares to 14 hectares (appendix B).
- the Clayton Community Centre was specifically designed to reduce the duplication of facilities and was partly funded by selling surplus land that will now be used for an aged care facility (appendix C).
- sharing facilities may enable the provision of additional services, particularly, but not exclusively in regional communities (Moorabool Shire Council, sub. 8, p. 4; Wellington Shire Council, sub. 11, p. 1; DEECD, sub. 55, p. 16).
- greater utilisation of shared facilities can increase safety and security for users and reduce vandalism due to ‘passive surveillance’ (City of Whitehorse,

sub. 45, p. 16), which can in turn reduce the costs of repairing and maintaining a shared facility.

There are several approaches that could be used to quantify these asset utilisation benefits. Business cases could, for example, compare the estimated costs of a shared facility option with the costs of different service delivery models. Similarly, it should be possible to identify the actual costs of shared facilities through a range of approaches, including benchmarking the costs and utilisation of shared facilities with other approaches (City of Whitehorse, sub. 45, p. 15). The Commission is, however, not aware of any systematic analysis of the net cost advantages of shared facilities in Victoria or in other jurisdictions.

4.2.2 Costs of shared facilities

Even though sharing arrangements can reduce the total cost of providing services and activities for communities, there may also be some additional costs, compared to ‘going it alone’ for the owners, managers and users of shared facilities. Such costs may be significant and may also fall disproportionately on different stakeholders. Further discussion of the potential costs of shared facility arrangements is included in appendix B.

Higher capital and operating costs

The owners of shared facilities may face additional capital and operating costs when other users are allowed to use their facility. Higher capital costs may arise from building new facilities (or retro-fitting existing facilities) to meet the requirements of different users—for example, indoor sports facilities may require a larger court area and additional facilities to enable their use by different sports. Higher operating costs may include increased insurance cover (for facility owners or users), maintenance (due to damage or wear and tear), utilities and consumables (such as electricity and toilet consumables), cleaning and security (Adult Multicultural Education Services, sub. 19, p. 4; City of Darebin, sub. 44, p. 5; City of Whitehorse, sub. 45 p. 11).

Although these additional costs may be lower than under other arrangements (for example, building separate facilities), any extra costs are borne, in the first instance, by the facility owner(s). Unless these costs can be recovered from users (through capital funding or user charges) or facility owners perceive that there are broader benefits for them from shared use, owners may not be prepared to incur such costs.¹

¹ Under these circumstances, the private marginal costs borne by facility owners exceed the marginal benefit to the community of using the shared facility—which makes it unlikely that these facilities will be shared.

Transaction costs

There can also be bargaining and decision costs for the owners, managers and users in negotiating a mutually acceptable sharing arrangement. These costs are likely to be incurred during the identification, negotiation and funding of sharing arrangements.

First, there can be costs associated with community engagement (through meetings and other mechanisms) to understand local preferences on the scope, delivery and demand for local services. In some cases, these costs can be significant — particularly where there are strong community concerns regarding the sharing facilities with different groups (City of Boroondara, sub. 53, p. 2).

Second, there can be additional costs in negotiating agreements on the design, ownership, financing, management and use of shared facilities (DEECD, sub. 55, p. 20). Such agreements may take some time to conclude to the satisfaction of all parties and different parties may seek specialist legal or financial advice as part of the negotiation process. In part, such costs may arise because the nature and extent of certain risks are likely to be different for shared facility arrangements that involve multiple parties, including the financial risks for the remaining parties if one party decides to withdraw.

Third, the sponsors of a shared facility may need to spend time and money obtaining funding for shared facilities from a range of different sources, notably from different agencies within government and across different levels of government (Wellington Shire Council, sub. 11, p. 2). The process of applying for and aggregating funding from numerous sources can be complex and time consuming, particularly for larger projects.

Management costs

Owners and managers of shared facilities may also incur additional costs from implementing, monitoring and enforcing sharing arrangements. These additional costs could include managing bookings for a facility, monitoring use and locking up after other users have finished (Mont Albert Primary School, sub. 40, p. 3). In some cases, for example school principals, managing the use of a shared facility may be an additional requirement — which could divert attention from their core responsibilities.² In other, larger shared facilities there may be a need to employ a dedicated facility manager (Municipal Association of Victoria, sub. 48, p. 6).

Amenity costs

There may also be amenity costs arising from the use of shared facilities that fall on ‘third parties’, rather than on facility owners, managers or users (Dr Ian

² This is a further example of a case in which the private marginal cost may exceed the marginal social benefit, resulting in a disincentive to sharing.

McShane, sub. 30, p. 5). Not all shared facilities generate amenity costs, but where more people use a facility over a longer period there may be additional noise and congestion from car parking that adversely affects local residents.

Unintended consequences of sharing

Poorly designed sharing arrangements can have unintended consequences, including:

- reduced access to services and a disconnection with smaller communities when facilities and services are consolidated on larger sites with limited links to public transport (Montgomery 2005, p. 11; Dr Ian McShane, sub. 30, p. 5).
- adverse impacts when inappropriate user groups mix — for example, when school and community libraries share facilities there may be concerns if students excluded from school for disciplinary reasons are able to use the library as a member of the public during class time, or heightened risks that students may access inappropriate material through shared internet terminals (School Library Association of Victoria, sub. 37, p.2).
- that certain groups may, in practice, be excluded from having access to facilities — for example, where kindergartens are co-located with community centres, the Cardinia Shire Council noted that some members of the community may not consider it appropriate for other groups, such as disadvantaged youth groups, to have access to space in the facility (sub. 42, p. 3).

4.3 Incentives to provide shared facilities

In the absence of government involvement there is a number of reasons why individuals and communities will naturally seek to share facilities — notably in response to market and community incentives.

4.3.1 Incentives for private provision of shared facilities

Well-functioning markets provide a framework for individuals and businesses to make choices that best reflect their preferences. Markets generally work well when they are characterised by clearly defined and enforced property rights, limited concentration of market power, good information, choice and low transaction costs.

Within this framework, the price paid by individuals for a good or service reveals the value that they attach to that good or service and signals to producers how, where and when (or even if) they should provide these goods and services. A market framework also encourages a continuous learning process that creates incentives for businesses to innovate and ensure that they provide services and

facilities that meet the changing needs of individuals and communities. As Hobsons Bay City Council noted:

In a commercial arrangement ... a private entity must remain relevant to its customers/clients to ensure its continued success. (sub. 14, p. 14)

Some stakeholders have, however, questioned the role that commercial incentives and the private sector can play in shared facilities and service delivery. For example, the Community Child Care Association of Victoria noted:

... the tensions that inevitably exist between commercial and community enterprises ... Our experience suggests that there are some limited circumstances in which the development of relationships with business may be mutually beneficial; however there are times when these relationships are highly counterproductive to the fundamental purposes of the community services sector. (sub. 28, p. 4)

In practice, private provision of community services via shared facilities occurs at range of different levels in Victoria today — usually either through direct provision of services and facilities or as a facility manager. For example, chapter 3 notes that:

- the provision of high quality services and facilities can help to attract and retain residents to large privately developed residential estates. The development of shared facilities can help to reduce the costs of these facilities and/or increase the availability of land for alternative uses.
- private operators of recreation and leisure facilities, such as sports stadia, recreation centres and swimming pools, face strong incentives to ensure that the services provided are meeting consumer preferences and that the assets are fully utilised.

Market frameworks do support the delivery of goods and services via shared facilities and privately owned shared facilities can and do operate in a range of circumstances. But shared facilities often operate in areas in which market forces are weak or may not provide the best means of achieving the community's desired outcomes.

4.3.2 Community/not for profit provision of shared facilities

Goods and services (including through shared facilities) are also provided by a range of community and not-for-profit organisations. The Productivity Commission notes that:

The absence of a profit motive enables the pursuit of activities which, while valuable to the community, might not be undertaken by business. For many not for profit organisations, this willingness to act in the interests of the community, and the perception that they exist to 'do good', can have significant impacts on

the contributions made by not for profit organisations. This additional value comes from the generation of trust, altruistic motives of volunteer workers (and often paid workers who earn less than their market wage) and enhanced organisational effectiveness driven by a focus on meeting the needs of users rather than maximising profits. (PC 2009, p. 19)

Community and not-for-profit organisations adopt a broad range of forms and undertake a broad range of activities. Community-based organisations tend to be small, locally-based, volunteer organisations that act as a focus for community activity (Thake 2006, pp. 14–16). They do so, for example, by establishing and enhancing community networks (such as through social and sporting clubs, religious organisations and local support networks) and by investing in local physical, social and intellectual assets (for example, environmental groups and local historical societies) (PC 2009, pp. 20–21).

Community and not-for-profit organisations also play an important role in delivering services — either informally to members of the organisation and the local community, or in the provision of public services to the broader community. At a local level, neighbourhood houses are community-owned and managed organisations that combine volunteer support, locally-raised funds and government funding to provide a range of general services that meet local community needs (ANHLC 2003, pp. 1–2). On a larger scale, the Brotherhood of St Laurence, a welfare organisation based in Melbourne, undertakes a mix of charitable and government funded service activities (including employment, aged care and refugee support services) and broader policy and advocacy activities (Smyth 2007).

At one level, community and not-for profit organisations face similar incentives to commercial entities — for example, if such organisations are not able to fully cover their costs, then the services that they provide and even the organisation itself may not be sustainable. But, as noted above, community and not-for profit organisations also face quite different incentives to those faced by commercial businesses.

In particular, many such organisations are resource constrained — for example, they do not generate significant income from the sale of goods or services and the communities they are drawn from and serve may have limited resources. When faced with limited resources, organisations have a strong incentive to identify and pursue least cost approaches to providing services to their stakeholders. Additionally, the motives of volunteers (such as an altruistic desire to serve their community) and the social relationships (which can involve high levels of trust) that underpin many community and not-for-profit organisations can make it easier to identify and implement different service delivery models.

These different incentives can mean that community and not-for-profit organisations will provide a range of services and use a range of service models, including the use of shared facilities, in circumstances in which the private sector would not normally become involved. Examples of shared facilities developed through the work of volunteers and community and not-for-profit organisations are set out in chapter 3 and include, sporting facilities, art facilities and the University of the Third Age.

But, just as market incentives may not be sufficient to ensure the optimal level of sharing arrangements by private firms, there may also be other barriers to the provision of shared facilities via community and not-for-profit organisations.

4.4 Limits to market and community approaches

There may be several factors that limit the ability of private entities and community and not-for-profit organisations to provide the appropriate level of shared facilities in Victoria. In these circumstances, Victorians are potentially foregoing some of the efficiency, service delivery and social cohesion benefits that may arise from sharing.

4.4.1 Spillovers

The under or over-provision of shared facilities could arise due to spillover effects. Such effects arise because not all of the benefits and costs of a transaction are captured by the parties to that transaction. For example, uncounted spillover benefits might arise from the social cohesion and community strengthening effects of sharing facilities, while spillover costs could include the noise and congestion impacts on local residents from additional and/or more intensive use of such facilities.

The discussion of the benefits of shared facilities in section 4.2.1 suggests that the spillover effects arising from such facilities appear to be largely, although not exclusively, positive. In these circumstances, the greatest risk is that shared facilities will be under-provided, especially by the private sector. For example, the private operators of sports and recreation facilities will tend to focus on attracting high value customers and be less likely to encourage participation by disadvantaged groups—despite the potential social connectedness and participation benefits (SCOP 2007, p. 73).

Community and not-for-profit organisations tend to adopt a broader perspective and hence may be more likely to respond to positive spillovers—but even these organisations may not necessarily recognise the full benefits of shared facilities in their decision making processes. This may in part reflect that there can be unplanned and unexpected synergies among providers at shared facilities that contribute to better outcomes. For example, informal links between the health

centre and the library co-located in the Rosedale Multipurpose Centre in Gippsland led to a display in the library to raise awareness of the role of diet and exercise in reducing the risk of preventable diseases such as diabetes.

Positive spillovers may also be ignored by community and not-for-profit groups if they focus on the needs of their primary client groups and do not appreciate the wider benefits to other groups that can be generated by sharing arrangements.

4.4.2 Non-market transactions

The provision of certain goods and services, particularly by community and not-for-profit organisations, may be supplied to consumers free of charge or at prices that are significantly below the cost of production. While there are real benefits to society arising from these transactions, the providers do not earn significant revenue and thus may find it difficult to access the inputs (including shared facilities) necessary to sustain the provision of these goods and services. Neighbourhood houses, for example, typically do not fully recover the costs of delivering services to their communities and rely on a range of different funding sources (see, for example, appendix C).

Moreover, when such non-market transactions involve activities with positive spillovers (such as the provision of services to vulnerable individuals and groups), the risk of under provision of these goods and services may be even greater.

4.4.3 Transaction costs

As noted previously, transaction costs are incurred by parties in the production and exchange of goods and services. Not all transaction costs are significant and there is a range of mechanisms that affected parties can use to reduce transaction costs, such as third-party information providers. However, where such costs are significant relative to the value of the transaction being completed, then what would otherwise be socially desirable transactions, including the development and use of shared facilities, may not take place.

The discussion in section 4.2.2 highlighted that transaction costs are likely to be significant for sharing arrangements. First, bargaining and decision costs will arise from engaging with communities, negotiating sharing agreements and aggregating funding. Second, monitoring and enforcement costs will arise from the need to, for example, manage bookings for a facility.

Other transaction costs could arise if consumers spend time and money trying to find a good or service that meets their needs. Such costs may be relevant for

shared facilities if, for example, a community group is trying to find a hall or room to hold a meeting.

4.4.4 Asymmetric or incomplete information

Parties may also lack information about the benefits, costs or risks of a transaction or one party may be better informed than the other. Such information problems make transactions more expensive to complete or increase the risks associated with the transaction to the point at which socially beneficial transactions do not take place.

One issue is that the owners and potential users of shared facilities may not be aware of potential sharing opportunities. This is unlikely to be a significant issue for private operators, such as privately operated sport and recreation facilities, which face commercial incentives to maximise the use of their facilities and hence to actively seek and attract customers.

Community and not-for-profit groups face slightly different incentives. As noted in section 4.3.2, the limited resources available to community and not-for-profit groups can encourage them to make the best use of their assets — although the incentives to share with other groups may be weaker in some cases. For example, some community groups may perceive that they have specific needs or that there are risks from sharing facilities with other groups (City of Boroondara, sub. 53, p. 2).

Community groups may, however, be better able to identify sharing opportunities in some circumstances due to their closeness to the communities that they serve. The Spring Creek Community House, for example, has grown organically over time and includes three rooms that are available for regular and casual users (appendix C).

Agency problems

Related problems can arise when one party engages another to undertake a task on its behalf, but instead the other party pursues its own, different interests. Such problems are not always significant, notably when relationships are characterised by high levels of trust (as may be, though is not always, the case in community and not-for-profit organisations) or when there are frequent, repeat transactions.

But in other circumstances it may be difficult and costly to resolve these problems and beneficial transactions may not occur. For example, it could be costly to achieve effective sharing arrangements when it is difficult to ensure the users of a facility take responsibility for their actions, such as cleaning up when they use a shared space.

Similarly, where there are complex relationships between different parties that have (or perceive that they have) different interests, opportunities to share facilities may not be pursued. For example, if school principals expect to face additional costs from managing shared facilities with little perceived educational benefit, they may be reluctant to implement government policies to promote sharing.

4.4.5 Public goods

Some types of shared facilities may also be under-provided because they have the characteristics of a public good, that is they are non-excludable (it is difficult or prohibitively costly to prevent individuals using the facility) and non-rival (use by one group does not prevent others from using it — up to a capacity constraint). In such circumstances, providers will choose not to supply the public good or service because they are unable to fully recover the cost to them of producing it. For example, unenclosed public spaces (such as crown land, local parks and other open spaces) may be regarded as having public good characteristics.

However, there are relatively few pure public goods. Indeed several types of shared facility identified in chapter 3 can be characterised as club goods, from which it is easy to exclude non-contributing consumers. Examples include swimming pools, recreation centres and enclosed sports fields. Based on a public good argument the case for public provision of these goods is less clear, though there may be other rationales for government provision.

4.5 The right conditions for sharing facilities

The factors described in the previous section may limit the ability of private entities and community and not-for-profit organisations to provide the appropriate level of shared facilities. Where this is the case, there may be a role for government to mitigate some of these factors and create the right conditions for effective shared facility arrangements to emerge.

In considering the appropriate scope for government involvement, there needs to be a clear statement of the desired objectives to be achieved through shared facilities. Greater sharing of government and community facilities is not an end in itself but a means of achieving a broader set of desired economic and social outcomes.

Government action should therefore focus on sharing facilities if the benefits of doing so are greater than the costs and shared facilities are the best means of achieving the desired outcomes. One important way of doing this is to ensure that government action is focused on those areas in which demand for shared facilities by individuals and communities is strongest.

4.5.1 Government objectives for shared facilities

The Victorian Government's stated objectives and policy framework for shared facilities are summarised in chapter 2 and are derived from a range of sources. For the purposes of this inquiry, the Commission considers that the Victorian Government's relevant objectives are to:

- strengthen communities and improving service delivery by:
 - delivering higher quality services through the improved identification and exploitation of synergies between different services, particularly in areas like education, health and public safety
 - improving access to services by conveniently grouping services in a single, appropriately positioned location
 - providing more opportunities for people to get involved and interact, strengthening the connections between and across individuals and communities
- provide opportunities for disadvantaged individuals and groups to participate in a broader range of activities
- achieve value for money by reducing the cost of delivering services, potentially enabling additional and earlier investment in services.

These objectives involve a mixture of the effectiveness and reach of social benefits, and cost efficiency considerations. Making greater use of shared government and community facilities is one way of achieving the Victorian Government's objectives — but it is not the only one. The challenge is to encourage appropriate shared facility arrangements that achieve these objectives in a way that maximises the net benefits for Victorians.

4.5.2 Establishing the ‘authenticity of demand’

To increase the likelihood that government action maximises the net benefits for Victorians, there needs to be a way of ensuring that shared facilities are developed when and where they are highly valued by individuals and communities. In short, the government needs to establish the strength or ‘authenticity’ of demand for shared facilities.

In market transactions, willing purchasers of goods and services define their preferences by their actions. In such circumstances, the price paid by individuals for a good or service reveals the value they attach to that good or service and signals to producers how, where and when (or even if) they should provide these goods and services. In the absence of markets and, in particular, where goods and services are provided at little or no cost, demand is encouraged and will generally exceed supply.

Alternative behaviours and signals are thus needed to test how much individuals and communities really value the services and outcomes delivered through shared facilities. However, alternative measures of potential demand need to be selected carefully. Some, such as surveys, are likely to exaggerate the intensity of demand because it is costless to individuals to signal interest. How then can the ‘authenticity’ of demand be identified in a way that services can be ranked by their value to the community thereby enabling limited available resources to be put to their highest value uses?

Other behaviours may better reveal the actual preferences of individuals and communities. For example, demand for ‘free’ public schools can be reflected in the size of the school zone, the price of houses within the zone, and/or waiting lists to enrol in the school. Similarly, at a community level, demand for services and facilities may be reflected in local behaviour, such as the willingness to put time and effort into the facility. This could include organising groups, planning for services, fundraising locally, and applying for grants. Such behaviours may also give confidence in the sustainability of shared facility arrangements, which require ongoing governance.

However, some people most in need of the services to be derived from shared facilities (for example, supportive networks) may be those least able or likely to organise and plan in a group. In these cases, demand may be best authenticated by drawing on lessons learned from delivering services in comparable areas and trialling and evaluating innovative approaches.

4.6 Summary

The preceding discussion has highlighted that effective sharing arrangements have potentially significant benefits for the community. Although the extent of these benefits is likely to vary across different sharing arrangements, they arise from (1) enhanced access to better quality services for individuals and communities (2) more socially connected communities (3) increased access and participation by individuals in a broader range of activities and (4) better utilisation of government and community resources. But there are also additional costs arising from sharing arrangements, including higher transaction, management and operating costs, which may fall disproportionately on different groups.

The private sector and community groups have some incentives to share facilities without government involvement and there are several areas in which this is currently occurring in Victoria. However, there are several important reasons — notably spillover benefits and the non-market nature of many transactions — which mean that private and community arrangements alone will result in too little sharing.

Accordingly there is scope for the government to support additional sharing opportunities, but only where this represents the best way of achieving its objectives. To do so, government needs to prioritise its focus on those areas where demand for community facilities is strongest. It also needs to focus, at a practical level, on addressing the most significant barriers that prevent optimal sharing arrangements from emerging, and building on those factors which underpin successful shared facilities.

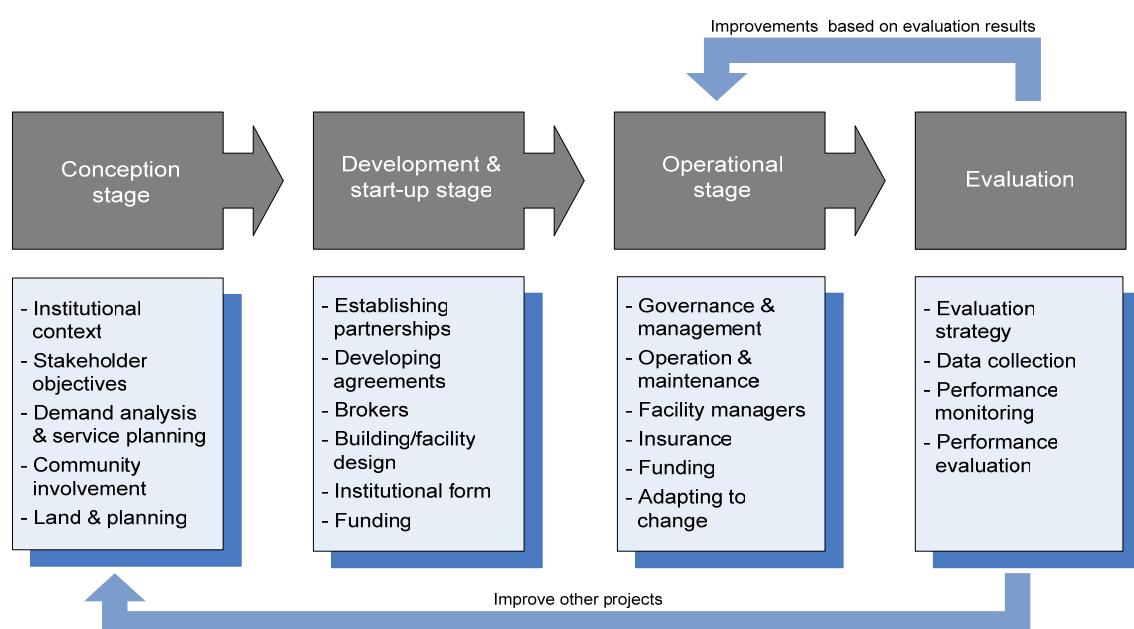
5 Shared facilities: success factors and impediments

5.1 Introduction

In response to the terms of reference, the Commission asked interested parties for information on the factors that have led to successful shared facility arrangements. Information was also sought on any barriers to a more widespread role for these facilities in Victoria. Participants, in submissions and roundtable discussions, provided a considerable amount of information on these aspects of the inquiry. This chapter reports participants' views on (1) the factors that contribute to successful shared facilities and (2) impediments to achieving successful outcomes. It then draws out what the Commission considers to be the key success factors, and identifies possible impediments that the Commission examines in subsequent chapters.

The discussion in this chapter is broadly organised according to the key stages in the life-cycle of a shared facility—that is, the conception, development, operation and evaluation stages—as illustrated in figure 5.1. Although the figure categorises project considerations into different stages for presentational purposes, some considerations may apply to more than one stage and some of the stages are likely to overlap.

Figure 5.1 Key stages in the life-cycle of a shared facility



Source: VCEC.

To give comprehensive coverage to the issues raised by participants, a wide range of factors is described in this chapter. For some large-scale shared facilities, many or all of these factors are relevant. However, it needs to be understood that many shared facilities are small scale, involving modest premises and one or two community groups. The full array of success factors or the complete list of impediments would not necessarily apply to smaller cases of sharing. The chapter needs to be interpreted with that in mind.

5.2 Conception stage

Participants commented on various aspects of the conception stage of a shared facility including setting stakeholder objectives, identifying community needs and harnessing community support.

5.2.1 Stakeholder objectives

In addition to the Victorian Government's general objectives (chapter 2), other stakeholders have more specific objectives regarding shared facilities. These objectives are likely to have developed within the generally favourable institutional environment that the Government has signalled.

Local government objectives

Some local governments have set objectives in relation to sharing facilities. For instance, one of the principles that underpin the City of Whitehorse's *Recreation Strategy Plan* (2004–2009) is that the 'provision of recreational facilities shall maximise shared usage and flexibility to meet changing community needs and aspirations' (sub. 45, p. 4). A number of other local councils who provided submissions to the inquiry have policies on community facilities and/or sharing facilities (see, for example, Hobsons Bay City Council, sub. 14, p. 12; Wyndham City Council, sub. 18, att. 1, pp. 1–10).

Such objectives, broadly expressed, can signal the local government's attitude and intent to share facilities. But they may not facilitate the evaluation of facilities because such broad objectives do not lend themselves to measurement.

Although the broad objectives for local governments may be similar, local circumstances and conditions are likely to influence the policies or strategies of individual councils. For example, some planning and development issues related to shared facility projects may differ significantly between 'greenfield' sites or sites in regional Victoria and 'brownfield' sites in urban areas that are surrounded by existing development (section 5.2.3). Further, in regional Victoria, resource capacity and population dispersal may constrain options.

School objectives

The Department of Education and Early Childhood Development (DEECD) supports increased community use of school facilities and the development of shared facilities in its *Blueprint for Education and Early Childhood Development* (DEECD 2008b, p. 30). Community use of school infrastructure is also embedded in the Government's infrastructure plans and policies, such as the *Victorian Schools Plan*, *Building Futures* and *Schools as Community Facilities: Policy Framework and Guidelines* (chapter 2).

Even with consistent educational goals, individual schools may have quite different approaches to community engagement depending on their location, infrastructure, community needs and the level of support from various levels of government. A summary of the objectives identified in submissions includes:

- *Building social capital*: providing facilities to the local community with the objective of building relationships within the community, and to groups that would not otherwise be able to access facilities. This objective is of particular relevance to schools in isolated communities.
- *Raising capital*: while the primary objective of schools in entering into shared arrangements is not about saving money, having a number of contributors may enable a facility to be built that may not otherwise have been built.
- *Enhancing or maintaining services*: using any returns from hiring out facilities to enhance equipment within the facility itself, for example, repairing or purchasing sports equipment.
- *Community participation*: extent to which levels of community participation can be increased, and the ability for community groups to operate in a cost-effective way through the use of public assets.

Objectives of community organisations

As noted in chapter 3, a diverse range of community groups (such as sporting, recreation, senior citizens, adult education, child care, arts and cultural organisations) uses shared facilities in Victoria. For sporting and recreation organisations, obtaining access to facilities is a key way of encouraging community participation in sport, recreational, cultural and leisure activities (VicSport, sub. 7, p. 9; Parks and Leisure Australia, sub. 39, p. 2).

Similarly, access to facilities is seen as important for providing child care, adult education services and community activities (Mechanics Institutes of Victoria, sub. 17, p. 1; Adult Multicultural Education Services (AMES), sub. 19, p. 9; Community Child Care Association of Victoria (CCCAV), sub. 28, p. 1; University of the Third Age (U3A) Network-Victoria, sub. 47, p. 2). In addition, Arts Victoria viewed broad community use of dedicated arts facilities as having

the potential to lead to increased access to professional arts practice and enabling increased participation in arts activity (sub. 59, p. 3).

Shared vision and aligned objectives

Moving from the broad objectives of the Victorian and local governments, the examples outlined above indicate that the objectives of the parties in a joint facility are more finely tuned to their individual needs and circumstances. Furthermore, the parties may have quite different objectives depending on whether their perspectives come from being:

- a primary user (for example, a football club, which is the principal occupant and user of a sports oval)
- a secondary user (for example, a cricket club which, uses the sports oval on a regular basis)
- an occasional user (for example, a community group, which uses the sports oval to hold a cultural festival).

Stakeholder objectives may also differ because of values. For instance, some parties may view affordable access to community services as being paramount whereas other parties may be driven primarily by commercial returns. A key determinant of success identified in roundtable discussions was the need for partners to have shared or matching values (sum. 1, p. 1). Similar points were expressed in submissions (Association of Neighbourhood Houses and Learning Centres (ANHLC), sub. 34, p. 5; City of Darebin, sub. 44, p. 5).

Many participants commented on the need for a common or at least not incompatible collective vision among stakeholders in a shared facility. For example, Hume City Council stated that:

Successfully shared facilities require a commonly shared vision, commitment to that vision and backed up by rigorous and collaborative planning, design and implementation of the facility. (sub. 43, p. 26)

Parks Victoria also noted that it is important to establish a shared vision and understanding of asset management (sub. 32, p. 2).

Moreover, Frankston City Council pointed to the need for common agreed objectives for all the services working within a shared facility (sub. 26, p. 1). Bayside City Council expressed a similar point (sub. 10, p. 2). Some participants emphasised that the objectives of each party in sharing arrangements need to be clear and communicated to all parties (sum. 1, p. 1).

While shared vision and values assist in aligning stakeholder objectives, a number of factors — that can impede this alignment — were noted in submissions and roundtable discussions:

- *Incompatible uses and users:* A number of councils commented on the incompatibility of some shared service uses and/or user groups (Wellington Shire Council, sub. 11, p. 2; City of Casey, sub. 22, p. 10; City of Greater Geelong, sub. 27, p. 7; Hume City Council, sub. 43, p. 34). Some participants argued that certain facilities should not be co-located (for example, a court room and a school facility) because the user groups are not compatible (sum. 5, p. 3). Moreover, some uses may be incompatible; for instance, where the seasons of different sports clubs wishing to use the same facilities overlap. The City of Whitehorse noted that ‘seasonal creep’ (that is, lengthening sporting seasons) creates challenges in sharing facilities (sub. 45, p. 8).
- *Divergent values:* Sharing arrangements may not proceed in some cases because user groups hold different values. For example, one of the factors that influences whether schools will share facilities is their values and philosophies. The Principal of Thomastown Secondary College noted that sometimes the school decides not to enter into agreements with particular organisations based on the values taught in the school (trans. 1, p. 32).
- *Lack of shared vision:* Auslib Library Consulting and the School Library Association of Victoria cited the lack of a shared mission and vision as one of the factors behind the failure to develop and sustain good joint use libraries particularly school/public libraries in Victoria (sub. 1, pp. 3–4; sub. 37, p. 1).
- *Misconceptions about scope for sharing:* Some user groups may hold misconceptions about the potential for sharing facilities. For example, the City of Boroondara reported that there is a common perception among user groups that a facility is not suitable for multi-use because their specific needs require sole or predominant use of the facility. The council noted that, with goodwill and compromise, other users’ needs can usually be accommodated (sub. 53, p. 2).
- *Unrealistic expectations:* Managing users’ expectations about shared facilities can be an issue. For example, Banyule City Council claimed that DEECD holds unrealistic expectations about securing unrestricted access to council owned/managed sporting facilities to support curriculum based initiatives (sub. 49, p. 5). Some councils contended that unrealistic expectations are often placed on local government facility providers by peak sporting bodies that relate to the dimensions and minimum equipment standards for pavilions and sportsgrounds (City of Melbourne, sub. 29, p. 3; City of Boroondara, sub. 53, p. 3). Users also hold expectations about councils’ responsibilities (section 5.4.4).
- *Reluctance to share:* Entrenched interests can sometimes inhibit sharing. The Municipal Association of Victoria (MAV) noted that where groups have used a facility for a long time or have put money into maintaining a facility,

there can be a reluctance to share facilities with other groups (sub. 48, p. 5). Moreover, some groups may be reluctant to move from their current locations to shared facilities in new locations to avoid losing existing customers and volunteers. Broadly similar points were made in other submissions (Hobsons Bay City Council, sub. 14, p. 9; City of Whitehorse, sub. 45, p. 7; City of Boroondara, sub. 53, p. 2). According to the Department of Planning and Community Development (DPCD), there may be a lack of incentives for facility or land managers to provide wider access to facilities, due to statutory or business requirements for them to focus on their ‘core business’ (sub. 58, p. 27).

Participants also identified the location and design of facilities as important issues upon which stakeholders need to reach agreement. (These are discussed in section 5.3.4.)

5.2.2 Identifying community needs and harnessing community support

Participants indicated that critical ingredients for the success of shared facilities include service planning that identifies community needs and mechanisms that build community support for shared facility proposals.

Identifying potential users of shared facilities

Many participants highlighted demand analysis and service planning as success factors. For example, Knox City Council argued that there is a need for all service providers to undertake service planning and demand analysis to understand service needs into the future. The council considered that collaborative local area planning between Victorian, federal and local governments enables planning to be based on good local research, community engagement and an integrated approach to facility development (sub. 31, p. 8).

Broadly similar views were expressed in numerous submissions (Wyndham City Council, sub. 18, p. 2; City of Darebin, sub. 44, p. 6; City of Whitehorse, sub. 45, p. 7; Moreland City Council, sub. 46, pp. 3-4; Victorian Local Governance Association (VLGA), sub. 52, p. 4).

Predicting the potential demand for services in greenfield sites or growth areas is likely to be more challenging than for sites in established areas (that is, brownfield sites) for which data on actual demand may be available. The Victorian Council of Social Service (VCOSS) expressed concern about the availability and affordability of meeting and other community spaces in newer private sector developments:

Often these are not adequately planned into developments or there are only time limited requirements to provide community facilities. While a range of

developers have done a good job in creating a diversity of shared open spaces, there are less quality examples of decent built facilities for sharing. (sub. 38, p. 10)

Some participants noted that ‘build and hope’ strategies can be very costly. For example, Adult Community Education Victoria (ACEV) argued that building facilities and then inviting community groups to use them does not work (sub. 51, p. 4). The Victorian Healthcare Association (VHA) stated that:

There are many examples in Victoria in which facilities have been built without community input under the ‘if you build it, they will come’ principle. This process does not necessarily mean that the building will be utilised by the appropriate stakeholders, resulting in waste and misuse of current properties. (sub. 16, p. 3).

The lack of service area planning can therefore result in mismatches between the demand for and supply of services.

Community consultation and engagement

Many participants noted the importance of community consultation in seeking to identify local needs and shared goals. For instance, Moreland City Council argued that a sound consultative base to decision making is needed to ensure cost effective and efficient solutions to shared facility issues (sub. 46, p. 5). VHA noted that a community facility is best utilised when a sense of ownership around its development has been developed through community engagement (sub. 16, p. 3). Box 5.1 outlines an example of how community support played a major role in the establishment of a shared facility.

Box 5.1 Community support: Leopold Indoor Neighbourhood Centre

When Leopold Primary School was scheduled for a total rebuild after the original building was found to be collapsing on its foundations, a community committee formed to lobby for a shared use facility to be built. The primary school was entitled to a large multipurpose area. The committee aimed to attract additional funding for a larger area that would offer a range of options in a community suffering from a lack of communal space and recreational facilities. The community rallied local support and attracted local, state and federal government grants to build the Leopold Indoor Neighbourhood Centre.

Source: The Leopold Indoor Neighbourhood Centre Committee, sub. 36, p. 3.

Community engagement was viewed as a key success factor, resulting in committed parties who have a strong demonstrated interest in sharing facilities. Commenting on the Rosedale Multipurpose Centre, Wellington Shire Council reported that significant community engagement helped build support and

commitment. At the same time, the council noted that the lack of community engagement has been a major factor in the failure of these types of initiatives in other locations (sub. 11, p. 2).

Community leadership and proactive facilitation

Consultations indicated that much sharing is driven by local communities who identify a need for facilities in their area; such sharing often gives form to existing community connections. Some participants provided examples of local leadership and facilitation of projects. The City of Darebin outlined the example of Croxton Playground (box 5.2).

Box 5.2 Local initiative: Croxton Playground

Croxton Playground was developed jointly by the Darebin City Council, Croxton School and the local community. Local residents contacted the school and the council about the possibility of upgrading the play facilities accessible from the rear of the school. Negotiations led to the development of a joint use and development agreement. Playground specialists were employed who designed the playground to meet the special needs of the Croxton School and local residents.

Source: City of Darebin, sub. 44, p. 11.

This highlights the important role that local communities can play in developing shared facility arrangements.

Skills and resourcing

ACEV noted that local government support for community management — including governance training and networking for volunteers — works well (sub. 51, p. 3). That said, DEECD indicated that there is a need for greater support for local councils and schools in understanding and navigating processes for sharing facilities (sub. 55, p. 19). Participants' views on facility management skills are discussed in section 5.4.2.

5.2.3 Land and infrastructure planning

Participants raised issues relating to land, greenfield and brownfield sites, and planning regulations and processes. The importance of upfront planning incorporating connections between facilities was highlighted in roundtable discussions. For example, the Manager of Recreation and Open Space Planning (City of Ballarat) stated that:

... in Delacombe, one of the things that has happened out there is that the previous developers have created cul de sacs which actually prevent people from connecting and part of the issue now is to open up those cul de sacs that creates roads or pathways for people to access various things. (trans. 4, p. 58)

It is therefore critical to identify pathways or connections between a joint use facility and other facilities or services (such as the hospital precinct, shopping centre, and school and recreational facilities). Public transport was held to be particularly important.

Land acquisition and size

When planning new facilities, securing adequate land is a key step. According to DPCD, land acquisition is a significant issue — which becomes more complex as further partners are added to a sharing arrangement — with typical problems including:

- high upfront expense for land
- lack of suitable contiguous land or inability to purchase adjacent sites or a site of sufficient size
- developers having ‘land banked’ areas of land, making strategic purchases difficult (sub. 58, p. 27).

Some councils reported that DEECD standards for school grounds act as a constraint on shared facilities. For example, Colac Otway Shire stated that:

... the current two court sport facility at Bluewater Fitness Centre in Colac does not meet any state sporting association regulations specifically regarding court size, run-off areas etc. While this is not considered necessary for school requirements it does significantly impact community sport and recreation organisations, and opportunities. (sub. 50, p. 3)

Similar points were made in some other submissions (Wyndham City Council, sub. 18, p. 3; City of Casey, sub. 22, p. 3; City of Greater Geelong, sub. 27, p. 4).

Moreover, Wyndham City Council contended that DEECD land size standards do not include provisions for school provided community facilities. The council also argued that DEECD policy severely limits car parking space on school sites, often resulting in over-flow onto surrounding roads or into council provided car parks (sub. 18, p. 3).

Greenfield and brownfield sites

Many participants indicated that land and planning considerations differ between greenfield sites and regeneration projects in brownfield areas. For example, a Member of the Executive of the Public Libraries Victoria Network reported that, in areas that are already highly developed, there is often a difficulty in finding available land upon which to build a joint use facility (trans. 1, p. 78). In contrast, in growth areas, there is greater potential to incorporate the facility into new communities but more difficulty in identifying community needs and preferences.

Planning regulations and processes

A number of submissions commented on the requirement for government schools to obtain planning permits if they plan to share a facility, which may act as an impediment to sharing. For example, the City of Monash noted that schools must seek a permit for after-hours use by third parties — even if it is for the same or a similar use that occurs for the school alone (box 5.3). Other participants also commented on planning permits or regulations (VicSport, sub. 7, pp. 19–20; City of Whitehorse, sub. 45, p. 19; City of Boroondara sub. 53, p. 4).

Box 5.3 Planning permits: after-hours use of schools

There is a legal requirement that schools must seek a planning permit for after-hours use by third parties, even if it is for the same or similar use. This legal requirement places additional burdens on schools and is clearly a barrier in schools sharing their facilities. The council strongly believes that the planning regulations need to be amended to remove this burden; thus facilitating greater sharing of school facilities that can lay dormant after 4.00 pm on weekdays, and on weekends and school holidays.

Source: City of Monash, sub. 56, p. 3.

Some participants noted differences in the planning requirements between government and private schools. For example, Cardinia Shire Council stated that:

... independent/private schools have different statutory planning requirements from State schools, for instance, with parking. Independent schools are required to provide adequate parking on their site, whereas State schools may have their parking inadvertently subsidised by local government on streets nearby. (sub. 42, p. 3)

In addition, some participants claimed that the planning permit process — which requires councils to receive and consider objections to proposals — can impede the progress of other shared facility proposals not just in schools. For instance, some residents may object to the location of a proposed shared facility in their area because of potential noise, traffic and parking problems (sum. 2, p. 3). This is known as the ‘not in my backyard’ effect. Opposition from some sections of the community can result in a refusal to grant a permit or conditions placed on a facility.

There were various views on the opportunity for the community to make objections to proposed shared facilities. For example, the City of Whitehorse noted that, although the planning permit process provides for objections, this can jeopardise opportunities for sharing facilities or, at the very least, create lengthy delays (sub. 45, p. 19).

At the same time, some participants expressed concern that exemptions from the planning permit process foreclose the opportunity for community consultation. According to Colac Otway Shire, the planning exemption for government schools reduces the opportunity for objections or external input to proposed DEECD developments (sub. 50, p. 2). And, a Manager from Bayside City Council noted that, as a result of recent changes to the Victorian Planning Provisions, council projects over \$1 million on council land for community purposes do not need to go through the planning permit process (trans. 2, p. 98).

5.3 Development and start-up stage

Key elements of the development stage include establishing partnerships among stakeholders, developing agreements and designing and building facilities. Some participants saw a useful role for champions and brokers across the development stage of shared facilities. They can also play a role during the conception stage.

5.3.1 Establishing partnerships

Participants in roundtable discussions indicated that establishing effective partnerships between stakeholders is a critical ingredient for successful facilities (sum. 4, p. 2). This was also reflected in submissions; for example, AMES and Hume City Council saw strong partnerships as an important success factor (sub. 19, p. 7; sub. 43, p. 27).

The School and Community Partnerships – Demonstration Project (SCPD) and DEECD outlined what they viewed as the key elements of a successful partnership, namely:

- the right decision-makers at the table with commitment and willingness to contribute
- a shared vision, clear objectives and good processes
- champions and early results
- a good broker with appropriate skills and attributes (sub. 25, pp. 8–10; sub. 55, p. 12).

In roundtable discussions, participants noted that processes need to work through the different understandings of stakeholders, and be flexible in responding to the different needs of different communities — what might work well in one area may not be appropriate in another. It is therefore important that the language used in consultations and negotiations is understandable to all partners and stakeholders. The Employment Learning Coordinator at Wendouree West Community Learning Hub stated that ‘government has a language of its own, it’s not always the language the community speak or understand’ (trans. 4, p. 18). The City of Darebin argued that general

bureaucratic processes, particularly from the state government, can stymie fruitful and honest partnerships (sub. 44, p. 5). Institutional processes are discussed in section 5.3.5.

5.3.2 Developing and finalising agreements

While the drafting of sharing agreements may be initiated in the conception stage of a shared facility, they are typically finalised in the development stage. Many participants indicated a need for clear predetermined agreements with some built-in flexibility. Although there are various types of agreements (that is, hire, lease and joint use agreements (JUAs)), most comments focused on JUAs between schools and other parties. There are around 200 JUAs in place (chapter 3).

According to DEECD, it is critical for all parties to explore their aims and requirements of a partnership before commencing the development of a JUA (sub. 55, p. 18). Similarly, Colac Otway Shire argued that the introduction of formal agreements needs to occur at the start of the planning phase to ensure design, construction, management, operations and maintenance aspects are all considered together (sub. 50, p. 2).

Allocating different responsibilities to various parties can lead to complexities which, to a large extent, will depend on the size and nature of the facility and its intended uses. In particular, allocating responsibilities for maintenance can be a ‘deal breaker’. VicSport noted that, if no stakeholder is willing to be ultimately responsible for maintenance costs, it is not uncommon for negotiations and finalisation of the agreement to break down (sub. 7, p. 17). (The funding of maintenance is discussed in section 5.4.4.)

Participants, especially councils, provided substantial feedback on JUAs. For example, Bayside City Council stated that:

In our experience school principals and Council officers find the complexity and time required for joint usage agreements almost overwhelming. Without adequate and proper support (policy, guidelines, etc,) the potential to realise a successful outcome is likely to be compromised and diminished. (sub. 10, p. 2)

Banyule City Council stated that a number of local governments have reported major stumbling blocks around the standard agreement generally used by DEECD with negotiations taking up to two years or longer (sub. 49, p. 5).

Similarly, VicSport argued that these agreements are often lengthy and inflexible. It stated that the agreements have a number of clauses that are not allowed to be changed — relating to financial arrangements, membership of management committee, dispute resolution mechanisms and termination — which can complicate discussions and make the process time consuming. This can be overly

burdensome for smaller sporting groups which are largely comprised of volunteers (sub. 7, pp. 17–18).

Some participants pointed to the cost of legal advice as an impediment to shared facility arrangements. For instance, Parks and Leisure Australia stated that:

... the development of JUAs has become increasingly legalistic. We now have to refer draft agreements to a lawyer which is costly ... (sub. 39, p. 4)

According to Hume City Council, agreements for sharing government and community facilities with state government departments have required considerable use of legal advice and senior officer time to interpret legal implications (sub. 43, p. 30).

DEECD has, however, recognised the complexities of JUAs, which it realises can be time consuming and costly to prepare (sub. 55, p. 20). DEECD's response to these issues is noted in chapter 6.

5.3.3 Champions and brokers

A number of participants highlighted the role of 'champions' and 'brokers' in developing shared facility projects.

Hume City Council noted that a strong and committed champion was a condition for success in some shared facility projects (sub. 43, pp. 13, 18). Similar points were expressed by DEECD and DPCD (sub. 55, p. 12; sub. 58, p. 28). Champions were identified as a success factor in various projects such as the Collingwood Neighbourhood Justice Centre, the Rosedale Multipurpose Centre and the Caroline Springs Partnership (box 5.4).

Box 5.4 Champion: Caroline Springs Partnership

According to SCPDP, a number of people interviewed mentioned the importance of getting third party endorsements for the vision of the partnership. In terms of endorsements, many organisations involved felt that having their local MP and other ministers support the initiative and say that it was worth giving a try had created momentum and given them some authorisation to approach departments. It had also given them a boost in confidence and helped them stay motivated. Throughout the life of the partnership, the vision was also propagated to the community through local media and professional groups through presentations at national and international forums. This had also helped keep up momentum and confidence.

Source: SCPDP, sub. 25, p. 10.

Another success factor identified by some participants was the use of brokers to facilitate partnerships (HM Leisure Planning, sub. 5, p. 3; SCPDP, sub. 25, p. 8; ANHLC, sub. 34, p. 8; DPCD, sub. 58, p. 24). HM Leisure Planning stated that:

... almost universally, success in sharing is where a strong professional who has a degree of disinterest in personal outcomes is the key to success. In France they are called *animateurs*. ... An *animateur* can give broad skills to community members who then become a united constituency. (sub. 5, p. 3)

A broker can have a number of roles including facilitating the partnership, coordinating development of agreements and funding proposals, and facilitating consultation. According to SCPDP, which was responsible for managing the Caroline Springs Partnership, the effectiveness of the broker was attributed to:

- a high level of communication, networking, facilitation and negotiation skills
- a detailed knowledge and understanding of the workings of state and local government
- a high level of community involvement at the leadership level (for example in local clubs and organisations) (sub. 25, p. 8).

In addition, ANHLC noted that facilitators have been used in the development of neighbourhood houses and learning centres. The association indicated that any facilitator needs to be skilled and impartial (sub. 34, p. 8).

5.3.4 Facility design

Location and design features were generally viewed as important factors for the success of shared facilities.

Siting of facilities

Many participants considered that the siting of facilities is critical to their use and success. Locating many shared facilities close to transport and other community services was seen as important. For example, Hume City Council noted that the Hume Global Learning Centre is highly accessible to the business centre, transport and the shopping centre (sub. 43, p. 11). ACEV stated that:

Glenroy Neighbourhood Learning Centre sits in a very functional community hub close to transport including child care, aged care, adult learning and neighbourhood house. (sub. 51, p. 3)

VLGA noted that the City of Port Phillip had established community hubs with nearby access to public transport and other services (sub. 52, p. 7). Similar views were expressed by National Disability Services (sub. 20, p. 1) and AMES (sub. 19, p. 7). U3A Network-Victoria also supported the concept of co-locating or clustering related buildings close to public transport (sub. 47, p. 2).

Conversely, the lack of public transport or car parking were seen as barriers to successful shared facilities (Wyndham City Council, sub. 18, p. 3; City of Casey, sub. 22, p. 10; City of Melbourne, sub. 29, p. 3; VCOSS, sub. 38, p. 11;

Warrnambool City Council, sub. 41, p. 9; City of Whitehorse, sub. 45, p. 7; City of Boroondara, sub. 53, p. 4).

A number of submissions identified poor siting of facilities as a barrier to success. For example, the Public Libraries Victoria Network argued that the main reason that public libraries in schools does not work is because:

... most schools are not suitably located... They are generally not on main roads or near shopping centres and lack parking facilities. ... Joint use school-community libraries work best in situations such as Upper Riccarton Community and School Library in New Zealand where the library fronts onto a main street and has its own entrance. (sub. 6, pp. 2–3)

In addition, Arts Victoria noted that it is rare for school-based performing arts spaces to have street frontage (sub. 59, p. 12).

Design features

Design quality is important to the success of shared facilities. The Associate Victorian Government Architect stated that good design requires a clear brief:

You only get a clear brief by having a clear vision and objectives which prioritise good design, and that often comes from these sorts of workshops ... around engagement on key concerns, and people brainstorming ideas right at the very start, with the design team. ... That also relates to design, so getting all of the needs on the table – it's very much about user-designer engagement. (trans. 5, p. 64).

In the case of the Collingwood Neighbourhood Justice Centre, design workshops, which involved the community, were a critical success factor in the design of the centre (appendix C). ACEV considered that support for community groups through the design process helps ensure that their needs are not left behind (sub. 51, p. 3).

Some participants considered that shared facilities need to be purpose built. Wyndham City Council's policy on JUAs states that design and construction standards should be 'fit for purpose' (sub. 18, att. 1, p. 8). MAV argued that design needs to ensure that, if a facility is for a specialised purpose (such as a theatre), then in making it multi-purpose, this use is not constrained (sub. 48, p. 6). That said, some participants commented that buildings are often designed according to a generic need rather than a tailored need (Chief Executive Officer, Orbost Regional Health, trans. 7, p. 80).

A number of participants pointed to the limitations of existing buildings. For instance, Parks and Leisure Australia stated that:

A large proportion of facilities in the municipality were built over 30 years ago for use by a single group. The facilities aren't 'fit for purpose', meaning many of

the spaces don't meet the needs of what they are being used for, or they have been significantly modified. (sub. 39, p. 6)

Some councils reported that many of their facilities are ageing and do not lend themselves to shared use due to their structural condition or design/layout, which does not meet contemporary standards (such as those required for disability access) or changed uses (Hobsons Bay City Council, sub. 14, p. 7; City of Whitehorse, sub. 45, p. 2).

Changing patterns in service use can expose the inadequacies of many older or poor building designs. Adapting existing facilities to provide new services or suit different uses is often expensive. Parks and Leisure Australia viewed poor or inflexible design — often caused by a ‘one shape fits all’ approach — as a barrier (sub. 39, p. 2). Similarly Cardinia Shire Council identified, as a barrier, arrangements that do not allow for change of use or new uses in the future (sub. 42, p. 2) and the City of Whitehorse considered that new facilities can be designed with flexible features (sub. 45, p. 13).

A number of participants also pointed to the need for adequate storage in shared facilities (Knox City Council, sub. 31, p. 6; Cardinia Shire Council, sub. 42, p. 5; U3A Network-Victoria, sub. 47, p. 1).

Finally, several participants commented on the selection of architects and builders. The Associate Victorian Government Architect argued that the design quality of the outcome needs to be a heavily weighted key selection criterion (trans. 5, pp. 82–83). Colac Otway Shire claimed that, with DEECD led projects, there is little opportunity to have input to the selection process for professional services such as project architects and construction firms (sub. 50, p. 2).

5.3.5 Institutional arrangements

Some participants indicated that institutional arrangements for shared facilities are complex, time consuming and often disproportionate for the issues involved. For example, Warrnambool City Council cited as a barrier ‘the sometimes over-complex institutional arrangements or bureaucratic process … that can confuse or compromise sharing arrangements’ (sub. 41, p. 9). The City of Whitehorse contended that the legal and regulatory framework can be onerous and resource intensive (sub. 45, p. 7). According to Parks and Leisure Australia, a strategic framework is needed to make the concept of shared facilities work (sub. 39, p. 2).

The timeliness of processes was raised in a number of submissions. For example, Mornington Secondary College pointed to lengthy timelines for local councils and processing of information through relevant departments (sub. 2, p. 3). According to SCPDP, the most significant challenge faced by the partners at Caroline Springs was the inflexible institutional arrangements including slow decision-making systems, inflexible rules and institutions (sub. 25, p. 10). The

City of Whitehorse commented that, while the DEECD process to establish partnerships is very clear and structured, implementation can be a long, drawn out process (sub. 45, p. 18). Concern was expressed that it may be difficult to maintain the enthusiasm of community groups in the face of long delays.

Some participants pointed to inconsistencies in policies and duplication of processes. For example, Banyule City Council stated that:

The DEECD document titled Schools as community facilities – policy framework supports the development of shared use arrangements for school facilities. However both the Visitors to school policy and the Legal Liability and other matters policy both stress that schools are not public places either during or outside of school hours. (sub. 49, p. 7)

In roundtable discussions, some participants reported that there is much duplication of government processes and that these could be better coordinated and streamlined (trans. 4, p. 98; sum. 4, p. 2).

A number of councils also pointed to provisions in the Education Act as an impediment to increased sharing. Banyule City Council argued that, under the Act, DEECD could decide to ‘take over’ the use of the space for education purposes at any time, creating uncertainty for the council’s investment in shared facilities (sub. 49, p. 6). Similarly, the City of Whitehorse stated that it is generally hesitant to invest on DEECD land because of past school closures and lost investment (sub. 45, p. 15). Other councils raised similar concerns about security of tenure and their investments (City of Greater Geelong, sub. 27, p. 7; Cardinia Shire Council, sub. 42, p. 3; City of Darebin, sub. 44, p. 6; City of Monash, sub. 56, p. 3).

The results of this concern were illustrated by the Commission’s survey of government schools in which only a small proportion of buildings on school land are owned by local government.

5.3.6 Securing funding

Securing adequate funding is critical to a shared facility project moving through the development stage. (Funding of governance structures and operational expenses is discussed in section 5.4.4.)

Funding from multiple sources

Funding for shared facilities may come from a number of sources. For example, seven different funding sources — including contributions from government and the community — were obtained to cover the costs of constructing the Rosedale Multipurpose Centre (Wellington Shire Council, sub. 11, p. 2). Commenting on the Hume Global Learning Centre, Hume City Council observed that funding contributions from a range of sources allow for the planning, design and

function of a community building which surpasses one where a single source of funding was available (sub. 43, p. 11).

The Executive Officer of the Gippsland Area Consultative Committee highlighted the role of community funding, stating that:

... the most successful projects have been the ones where community groups have contributed some of the dollars – whether that be cash contributions, or whether that be in kind. There has been a bundling of commitment from various groups that has made the best projects work so well. (trans. 7, p. 106)

At the same time, a number of participants reported difficulties in securing adequate funding from multiple sources. Some participants noted that, while there is a range of potential sources of funding, the scale of available funding does not always match the total costs of shared facilities (sum. 3, p. 2). Moorabool Shire Council also reported that orchestrating funding at the required levels of government was an issue that could impede the progress of shared facilities (sub. 8, p. 5).

Funding processes and conditions

Some participants considered that diversity in funding sources can complicate processes (sum. 6, p. 2). Wellington Shire Council noted that the funding processes of federal and state governments are sometimes lengthy and complicated, consuming significant resources and time. The council found government funding arrangements to be a significant barrier:

Council ... was unable to lodge one application for funding for the project with Government; but rather had to dissect the project to apply within set funding models with different guidelines. (sub. 11, p. 2)

Hobsons Bay City Council commented that state government funding and decision making processes can be inflexible (box 5.5).

Some councils considered that funding requirements are overly prescriptive. For example, the City of Greater Geelong argued that government funding criteria to facilitate the development of shared facilities can be too prescriptive, limiting opportunities for developing local models responsive to local needs and priorities (sub. 27, p. 7). Several other participants argued for a more flexible funding approach (Wellington Shire Council, sub. 11, p. 4; U3A Network-Victoria, sub. 47, p. 2).

Box 5.5 Funding processes: education facilities

Hobsons Bay City Council noted that state government funding and decision-making processes can be inflexible and make it difficult to conclude effective sharing arrangements.

First, the proposed development of the Altona North Library involved the Council leasing land from Bayside Secondary College. However, the Council was concerned that the maximum lease term that DEECD offered was 30 years (with two 10 year extensions) compared to 'an anticipated engineered life of 100 years' for the library. In addition, the Council was concerned that DEECD's original intention that the site should be leased at commercial rates would have made a 'not-for-profit' library unviable.

Second, the Council noted that the capital funding for integrated children's facilities is prescriptive in terms of the mix of services that must be offered. Moreover, the council noted that funding is not available to support the co-ordination of different services, which is important to realising the benefits of shared facilities in the delivery of integrated services.

Source: Hobsons Bay Council, sub. 14, pp. 10–11.

Moreover, the Shire of Strathbogie suggested that 'non-alignment of capital budget timeframes between different agencies' was another reason for difficulties in gaining departmental support for projects requiring close collaboration with external agencies (sub. 3, p. 3). Similarly, DEECD also noted that state and local government processes do not always align (sub. 55, p. 19).

The preparation of rigorous business plans or project proposals can be critical for successfully securing funding for shared facility projects. However, DEECD noted that, in some cases, joint use proposals do not proceed because partners have not prepared appropriate business plans and/or fully addressed the financial viability of the facility (sub. 55, p. 18).

5.4 Operational stage

Many participants commented on operational issues such as governance structures, charging principles, insurance, facility management and funding.

5.4.1 Governance and management

Participants generally considered good governance and management as a critical success factor for well functioning shared facilities. For example, the City of Boroondara stated that good governance structures are necessary for the longevity of the facility use (sub. 53, p. 5). Other participants also highlighted the importance of governance structures and management systems for shared facilities involving multiple parties (City of Casey, sub. 22, p. 10; Hume City Council, sub. 43, p. 27; ACEV, sub. 51, p. 3; DPCD, sub. 58, p. 25).

Key elements of good governance identified by participants include appropriate stakeholder representation, clear allocation of responsibilities and risks, clear decision making and dispute resolution protocols and appropriate charging principles. Numerous participants also supported ‘whole of life’ funding.

Stakeholder representation

Having a strong interest in a shared facility is a key requirement to adding value in a governance committee. While many participants highlighted the importance of governance structures (such as project or management committees) which include key stakeholders, it was also recognised that committees need to be manageable and focused. For instance, according to SCPDP, one of the most important lessons of the partnership in Caroline Springs arose from:

... an early decision not to include some parties in the partnership because the effort to maintain relationships was too great when the work was peripheral to these groups. Instead these groups were linked to partnership activities through the creation of broad communication channels. (sub. 25, p. 9)

SCDPD argued that this decision made the processes more effective because it provided a structure with smaller more focused goals for partners to develop and test the arrangements. SCPDP also argued that opening the partnership up to a very broad range of parties could have created a wish list of activity that was overwhelming and too difficult to manage (sub. 25, p. 9).

Responsibilities and risk allocation

A number of submissions commented on the roles and responsibilities of different partners in shared facility projects. Clear identification of responsibilities was seen as a success factor. For example, Colac Otway Shire stated that:

Development of clear governance structures early in the planning stages is mandatory to ensure all roles and responsibilities are clearly identified and established. (sub. 50, p. 3)

Similarly, the City of Boroondara considered that there must be clear agreement about who is responsible for the maintenance and replacement of assets, and the ongoing costs (sub. 53, p. 5). Other participants expressed similar views (CCCAV, sub. 28, p. 2; City of Melbourne, sub. 29, p. 4; Parks and Leisure Australia, sub. 39, p. 4; Warrnambool City Council, sub. 41, p. 9).

From the opposite perspective, some participants reported that a lack of clarity in responsibilities acts as an impediment to successful sharing. For example, according to the City of Whitehorse, the lead role for project partnerships is often unclear and council often finds itself taking a lead role due to the broader community benefit. The council also contended that, from its experience with

shared partnerships, particularly with schools, the state government shifts risk to local government and the community (sub. 45, p. 14). DEECD also cited, as a barrier to sharing, a lack of understanding between parties of each other's roles and obligations (sub. 55, p. 20).

Decision-making protocols and dispute resolution

According to Victoria University, a lack of clear management protocols is a barrier to sharing facilities (sub. 21, p. 3). MAV argued that protocols need to be developed, which allow for transparent decision-making processes:

Since shared facilities usually have one owner and many users, clear decision-making processes also need to be established to ensure fairness and incorporation of all relevant stakeholder interests. (sub. 48, p. 5).

A number of participants commented on dispute resolution mechanisms for shared facility partnerships. The Chairperson of Wendouree West Community House and Learning Centre noted that there may be difficulties in identifying which department to approach when there are problems between partners, and pointed to the need for independent dispute resolution procedures (trans. 4, p. 102). Other participants, such as ACEV (sub. 51, p. 3), also identified a role for dispute resolution or grievance procedures.

Charging principles

Several submissions commented on cost recovery principles. For example, Colac Otway Shire claimed that cost recovery and risk sharing is not occurring due to the lack of management principles in place (sub. 50, p. 4).

At the same time, a number of participants viewed cost recovery principles as a barrier to sharing facilities especially for community groups. CCCAV stated that 'some school cultures may see community use as an opportunity to charge commercial rents to service capital loan repayments' (sub. 28, p. 2). According to U3A Network-Victoria, cost recovery measures by some schools mean that U3As cannot afford to pay:

One example given was an increase from \$500 per annum in 2008 to \$6000 proposed in 2009. That U3A class can no longer operate. There are similar cases with LGAs [local government authorities]. (sub. 47, p. 1)

In addition, the Mechanics Institutes of Victoria noted that some councils who seek full cost recovery on the use of sporting facilities in connection with institutes appears to run counter to the provision of community facilities (sub. 17, p. 3).

Frankston City Council argued that rental charges are a significant barrier for community groups accessing facilities (sub. 26, p. 4). And Hobsons Bay City Council considered that, while commercial arrangements are best assessed

according to the nature of the shared arrangement, true cost recovery would make access to shared facilities virtually impossible for many groups (sub. 14, p. 14).

5.4.2 Facility management and availability

The quality of facility management was considered by some participants to underpin the successful operation of shared facilities. For instance, the City of Boroondara stated that:

Irrespective of the management structure it is advisable to appoint professional and competent managers to manage a facility. A good manager can maximise usage of a facility even if the facility has some poor design restraints. ... Maximum occupancy requires employing appropriately skilled staff to manage and program the facility. (sub. 53, p. 5)

The council also argued that a manager be appointed early so that operational and maintenance requirements can be incorporated into the design phase (sub. 53, p. 5).

At the same time, some participants pointed to a lack of facility management skills as a barrier to successful sharing. For example, Colac Otway Shire stated that:

It should be acknowledged that often such facilities are managed and administered by a combination of school administrators and volunteers who do not necessarily have appropriate skills or experience in facility management or business practices. (sub. 50, p. 4)

Sometimes, the burden falls on school principals or assistant principals, who may be no better equipped in this area. Parks and Leisure Australia also commented on the lack of management skills within partnership stakeholders (sub. 39, p. 2).

Moreover, information on the availability of facilities influences opportunities for sharing. The City of Whitehorse highlighted the importance of accurate information being available to the community (sub. 45, p. 17). A number of participants pointed to a lack of information regarding the availability of and access to facilities as a barrier to more widespread sharing (see, for instance, City of Monash, sub. 56, p. 2). Further examples are presented in chapter 6.

5.4.3 Insurance

Many participants cited the cost of insurance as an impediment to shared facilities (sum. 1, p. 2). These comments related mainly to schools and community groups. For example, Mont Albert Primary School considered that insurance is a limitation to sharing facilities. The school stated that the premium

for public liability and indemnity would require a significant overhaul, which would come at a significant cost (sub. 40, p. 2).

In addition, DEECD reported that insurance arrangements can make it costly for community organisations to use school facilities (sub. 55, p. 20). Warrnambool City Council stated that community clubs and organisations may be required to hold a higher level of insurance cover as a cost of participating in a shared facility (sub. 41, p. 9). MAV reported that, in many multi-use centres, community groups have to pay their own insurance, preventing many groups from accessing these facilities because they cannot afford the costs (sub. 48, p. 5).

A number of other submissions also commented on insurance issues (Mornington Secondary College, sub. 2, p. 3; Victorian State Emergency Service, sub. 13, p. 1; Arts Industry Council Victoria, sub. 15, p. 5; Mechanics Institutes of Victoria, sub. 17, p. 4; City of Whitehorse, sub. 45, p. 7; U3A Network-Victoria, sub. 47, p. 2).

5.4.4 Funding governance and operation

Many participants commented on the funding of governance and operation of shared facilities.

Funding governance and management

The City of Greater Geelong argued that the provision of resources for the ongoing coordination of integrated services and activities is important for the success of shared facilities, noting that:

International evidence has clearly identified that this element is integral to the successful delivery of integrated multi-service models operating from shared facilities. (sub. 27, p. 7)

Some submissions contended that inadequate funding for governance acted as an impediment to successful shared facilities. For example, the City of Monash argued that the lack of coordination amongst stakeholders is largely due to no funding stream being available from the state government to facilitate opportunities (sub. 56, p. 3). Hobsons Bay City Council argued that the funding available for the development of integrated children's facilities offers no support for the ongoing coordination of the services which will be housed in the facilities (sub. 14, p. 10). In Orbost, a committee of management of one or two members survived more on goodwill and borrowed time than funding or support from the Department of Sustainability and Environment (DSE), although the shire council provides assistance (Principal, Orbost Primary School, trans. 7, pp. 42–43).

According to Banyule City Council, it would be ideal to have up-front funding provided for the development of a governance process and establishment of a

management committee as part of the capital project and recurrent funding to support the governance structure (sub. 49, p. 6). ACEV considered that recurrent state government funding should be provided to community organisations to enable long term planning and to peak organisations to provide governance support for their member organisations (sub. 51, p. 3).

Funding operation and maintenance

In roundtable discussions, participants considered that the ‘elephant in the room’ is the lack of funding for ongoing maintenance and operation of a shared facility — after the initial capital funding has been provided (sum. 4, p. 1).

The City of Whitehorse argued that the standard DEECD agreement does not recognise the ‘whole of life’ costs of a shared facility including capital, management, operational, renewal and maintenance funding:

There have been situations where a capital contribution from a school is considered appropriate with no further financial contribution towards operational costs. This places additional pressure on Council and the community to manage the Whole of Life Cycle costs. (sub. 45, p 21)

Councils reported that they are often expected to pay for operational expenses. According to Banyule City Council, there seems to be an expectation among joint users that — if local government is involved — it will chair management committees, provide reception staff, coordinate and pay for the maintenance of buildings and take the lead role in the management of the shared facility. However, the council contended that there never seems to be external funding available for this purpose and many local authorities end up having to commit ongoing resources to the management of these centres (sub. 49, p. 6).

Broadly similar points were expressed by some other councils (City of Darebin, sub. 44, p. 5; City of Monash, sub. 56, p. 3). The City of Darebin stated that:

Operating costs (particularly utilities, depreciation, legal and insurance costs) associated with shared facilities often if not always are borne by the local government authority. Some financial contribution may be made by the other user group during the operations, however, our experience would suggest Council often needs to provide further subsidy to ensure the ongoing operations of any such facility. (sub. 44, p. 5)

Participants indicated that there often appears to be a lack of understanding among partners about who is responsible for ongoing operating costs. Commenting on the resourcing of children’s centres, DEECD reported that there is uncertainty about responsibilities for funding and maintenance often involving multiple players (that is, federal, state and local government) (sub. 55, p. 20). This uncertainty may stem from a lack of clarity over the roles and responsibilities of different parties (section 5.4.1).

The level of recurrent funding also affects access to facilities. For example, the Family Relationships Institute reported that many community centres are vacant on weeknights and weekends (when adult education courses usually take place), noting that the problem is the cost of using these centres at these times, including the cost of security staff opening the centres and heating/cooling (sub. 33, p. 1).

Cost shifting

A number of participants commented on perceived cost shifting between levels of government. For example, the City of Boroondara argued that DEECD's recent practice of maintaining minimal green space in schools while pursuing Government policy of locating schools adjacent to council provided open space can be perceived as cost shifting (sub. 53, p. 4). Similar concerns were shared by some other participants (Parks and Leisure Australia, sub. 39, p. 3; Cardinia Shire Council, sub. 42, p. 2).

At the same time, DEECD noted the risk that co-located children's centres may impact on school resources (sub. 55, p. 20).

5.5 Evaluation

Although many participants pointed to examples of successful shared facilities, some types of facilities have not worked well. For example, the School Library Association of Victoria stated that:

The success of joint-use libraries has proven to be limited (both from a financial and community use perspective) in that, in a majority of cases, these have reverted to separate libraries within a few years of operation. (sub. 37, p. 1)

Similar views were expressed by Auslib Library Consulting and the Public Libraries Victoria Network (sub. 1, p. 2; sub. 6, p. 2). At the same time, Auslib Consulting argued that other places in Australia and overseas have successful joint use libraries and the success factors are now well identified (sub. 1, p. 2).

Performance evaluation can be useful in identifying the critical success factors for shared facilities. Gauging the success of a shared facility involves assessing its performance (or outcomes) against the objectives set by stakeholders. Key aspects of performance assessment include establishing a baseline, collecting performance data, and the evaluation of this data.

Few submissions commented on performance evaluation and the extent to which it is applied to shared facilities in Victoria. The importance of evaluation was recognised in some submissions, which also indicated that some recent projects will be evaluated (Hume City Council, sub. 43, p. 17; Carlton Primary Community Learning, sub. 24, p. 19). However, according to Hobsons Bay City

Council, sharing arrangements are not subject to formal evaluation and that observations regarding benefits are often anecdotal or based on perception (sub. 14, p. 7).

5.6 Key success factors and impediments

Inquiry participants have pointed to a large number of success factors and possible impediments, as summarised in this chapter. Based on this input, the Commission has distilled the key factors that appear to underpin successful shared facilities and potential impediments to good outcomes.

Successful shared facility arrangements are likely to depend on a combination of underlying factors or drivers. Table 5.1 lists the key success factors based on participants' input. The factors are organised by life-cycle stage of a shared facility.

Table 5.1 Success factors by stage of project

<i>Conception stage</i>	<i>Development stage</i>	<i>Operation stage</i>	<i>Evaluation</i>
Sound strategic framework	Strong & effective partnerships	Focused & workable governance structures	Performance evaluation strategy
Compatible services & partners	Champions to support & endorse projects	Clear, agreed roles & responsibilities	Development & collection of performance indicators
Shared vision & aligned objectives	Skilled, knowledgeable & impartial brokers	Clear decision making & dispute resolution protocols	Performance monitoring, evaluation & reporting
Strong community engagement	Clear, understandable agreements with built-in flexibility	Appropriate charging principles	
Good governance structures	Well-sited, purpose-built & adaptable facilities close to public transport	Skilled facility management	
Adequate skills in planning, governance & management	Community input into facility design	Capacity to manage change	
Service area planning & demand analysis	Accessing architects & builders with shared facilities experience	'Whole of life' funding	
Sound, well-prepared project proposals			

The Commission has sought to distil, from submissions and roundtable discussions, the success factors that are applicable across most types of shared facility. That said, at a more detailed level, there are likely to be success factors that will be specific to particular types of facility.

Table 5.2 lists possible impediments to successful outcomes from shared facilities based on participants' input. Many of these possible impediments are the flipside of the success factors listed in table 5.1.

Table 5.2 Possible impediments by stage of project

<i>Conception stage</i>	<i>Development stage</i>	<i>Operation stage</i>	<i>Evaluation</i>
Incompatible services & partners	Complex, lengthy & inflexible agreements	Unwieldy governance structures	Lack of an evaluation strategy
Lack of a shared vision	Time consuming & bureaucratic process to negotiate agreements	Unclear roles, responsibilities & obligations	Lack of, or poor baseline data & performance indicators
Absent, unclear or unaligned objectives	Cost of legal advice	Lack of, or unclear, decision making & dispute resolution protocols	Lack of, or poor, monitoring, evaluation & reporting
Unrealistic expectations, misconceptions & reluctance to share	Lack of a project champion &/or a skilled broker	Lack of facility management skills	
Lack of, or poor, service planning & demand analysis	Poor siting & design of existing facilities	Lack of information about availability of & access to facilities	
Weak community engagement	Lack of secure storage	Cost of insurance coverage	
Lack of skills & support in planning, management & governance	Use of generic facility design	Inadequate funding for governance structures & ongoing expenses	
Poorly prepared project proposals	Lack of community input into design		
Difficulties in acquiring sufficient & suitable land	Inconsistencies in government policies & duplicated processes		
Incompatible facility standards & planning regulation anomalies	Difficulties in securing adequate funding from disparate sources		
Opposition from local residents	Costly, lengthy & inflexible funding processes		
Statutory provisions creating uncertainty			

5.6.1 Conception stage

Getting the right partners working together early on in the project is critical to any shared facility. Selection of project partners will depend significantly on whether the services and/or users of the proposed facility are compatible.

Facilities work best when the partners have a shared vision and aligned objectives. Objectives that clearly express outcomes and are measurable, will aid performance assessment. Where the objectives, interests and/or values of various parties differ greatly, this is likely to be a barrier to forming a successful partnership.

For arrangements that are intended to involve community use, community engagement is crucial. Providing a platform for community enthusiasm and existing interconnections can help. Active participation by the community, in the different stages of a project, is likely to result in better outcomes. There are examples of community leadership in Victoria where the local community identified a need for services and actively sought funding for a shared facility. Where service providers are developing a project proposal, community consultation is essential for identifying local needs and providing input into the design of the facility so that it meets these needs. It is also about getting community ownership of the project so they will use the facility and interact with other users.

A further success factor is establishing governance structures (such as project and management committees) to oversee a project through its various stages. Governance structures need to support effective consultation, partnership building and decision making. It is also important that governance structures have or can access necessary skills in planning, management and governance. However, institutional arrangements for shared facilities in Victoria have been criticised for being inflexible, time consuming and duplicated.

While many sharing arrangements can emerge without planning, there will be many opportunities lost without effective planning. Planning needs to identify demand and facilitate the supply of facilities. Demand analysis will enable service providers to understand current and potential future needs in the area served by the facility. This is critical information for determining the location, size and configuration of the facility. Service planning may involve collaborative local area planning between service providers to deliver integrated solutions that avoid duplication. That said, participants expressed concerns about the complexity and inconsistency in planning arrangements, particularly across levels of government.

Funding arrangements were criticised for being fragmented and uncoordinated, with a concern that sharing could be misused to shift costs from state to local government. In addition, preparing a sound project proposal is important in seeking funding. However, the lack of a proposal, or a poorly prepared one, is a barrier to securing funding.

5.6.2 Development stage

As with the conception stage, the need to maintain strong partnerships was seen as critical. While broad consultation is still important, it is now necessary to have a focused and skilled group capable of making decisions.

Project champions are needed to maintain support and independent brokers that facilitate the process can be useful. A skilled broker can play an important role in aligning the interests and objectives of different stakeholders. Where stakeholders disagree on particular aspects on the proposed facility, a broker can help stakeholders work towards mutually acceptable outcomes. A broker can also coordinate consultation, and project and funding proposals.

The processes and decisions made at the developmental stage can have a substantial impact on the speed with which the project is realised and its long term success.

Clear, well understood agreements are central to a project's success and the efficiency of the agreement making process is critical to timely project completion. Parties need to understand their ongoing rights and obligations. The negotiation of formal agreements at the start of the development stage will ensure that the design, construction, management, operations, insurance, dispute resolution procedures, security and maintenance are all considered together in a coherent way. There can be a tension between developing clear agreements and allowing some flexibility. An appropriate balance needs to be achieved. Agreements with some built-in flexibility can be tailored to local circumstances and are likely to reduce the incidence of disputes and the need for renegotiation. Linked to agreements is the need for organisations to have access to the skills and resources to fulfil their obligations.

In addition, well designed facilities will engender community ownership, serve the needs of all users and be capable of adapting as needs change. A key factor for facilities that provide services to the wider community is that they are located close to transport and other services, and are accessible with a street frontage. Another key factor is that facilities, to the extent possible, should be built to meet the needs of the local community, rather than built to a generic design. It is therefore important that facility design is informed by community input. Facilities with flexible design features will be better able to cater for changing future service demands.

The expertise of architects and builders will influence the quality of shared facilities, which, in turn, impacts on services. Those architects, who gain experience from designing shared facilities, will develop specialised knowledge and skills. Accessing architects and builders with this expertise is more likely to lead to successful facilities and service outcomes.

5.6.3 Operational stage

Whether a shared facility actually achieves its objectives will depend on how well it is managed over time. This requires good governance, which is proportionate to the size of the organisations involved and provides the funding and skills support needed to make it work. Governance also needs to support continuing understanding among partners of their roles and obligations. Some participants reported a lack of clarity in the roles and responsibilities of facility partners. These structures need to be robust enough to not be vulnerable to changes in personnel.

The successful operation of a facility will also depend on staff who have the skills and resources (including time) to effectively manage the facility. For large complex facilities, a dedicated facilities manager has been linked to success. That said, there are concerns among some participants that there is lack of facility management skills and inadequate funding for governance structures and their support.

A key success factor is that funding covers the ‘whole of life’ costs of a shared facility. Key components of life-cycle costs include the costs of design and construction, operation and maintenance. Detailed and accurate costing of these components is essential in developing funding applications. Funding on a life-cycle basis is more likely to ensure that a facility is adequately maintained and staffed to allow access to service users. This begins at the development stage but is essential in the operation stage.

5.6.4 Evaluation

Few participants commented on performance evaluation. Those that did noted that, while many benefits and some costs of shared facilities are difficult to measure, collecting information on success and failure, and disseminating that information has benefits for future projects. Lessons learned can also help improve the operation of existing facilities. The development of a baseline dataset and key performance indicators enables ongoing evaluation of whether the facility is achieving its intended outcomes.

5.6.5 Focusing on issues for government action

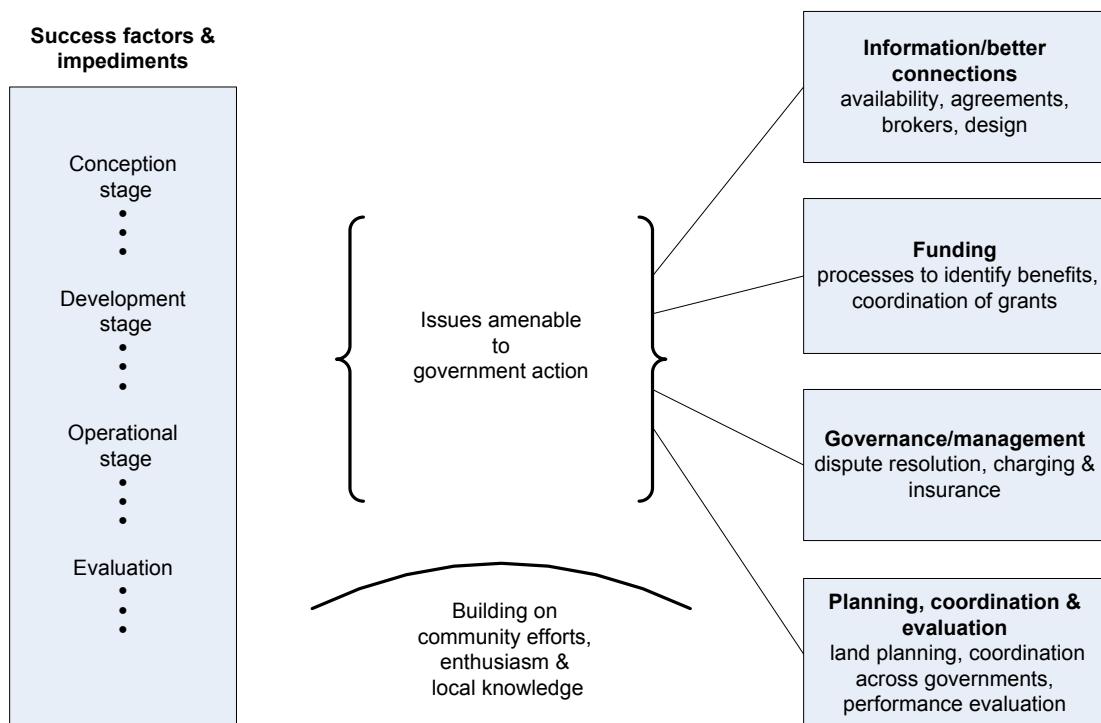
This distillation of the key factors appearing to underpin successful shared facilities and potential impediments to good outcomes needs to provide the basis for recommendations for improvement. Part B (chapters 6–10) of this draft report sets out the further analysis leading to recommendations.

In focusing on issues amenable to government action, the Commission has sought to build on what is working. In particular, recommendations need to

build on, rather than displace, the community origins of many success factors, including local efforts, enthusiasm and knowledge.

Further, the Commission's recommendations are directed towards the Victorian Government, as the commissioning body of this inquiry. Nonetheless, as the analysis makes clear, local government and the Commonwealth Government are also involved in shared facilities and some linkages for the Victorian Government to follow through are developed. The diagram (figure 5.2) represents how the Commission has focused the draft recommendations.

Figure 5.2 Focusing recommendations



Source: VCEC.

In the absence of data to measure the benefits of sharing facilities, the Commission has relied on *a priori* reasoning for government intervention to support non-market arrangements and externalities. This is validated by a high degree of consistency in the evidence of participants, including those who meet the costs of facilities. Moreover, in the five case studies the Commission has assessed, the reported benefits met or exceeded expectations.

Nonetheless, government processes to support shared facilities are not costless. As far as possible, the Commission's draft recommendations seek to add to or use existing processes in order to achieve extra benefits at marginal cost.

5.7 Summing up

This chapter summarised inquiry participants' views — expressed in submissions and roundtable discussions — on the factors that contribute to successful shared facilities and the impediments to good outcomes. From this information, the Commission has drawn out the main factors that appear to contribute to successful sharing. In addition, a large number of possible impediments to good outcomes were also identified.

Subsequent chapters of this draft report examine what the Commission considers to be the most critical impediments or barriers to achieving successful shared facility arrangements. Guided by the terms of reference and its own research, the Commission has focused on barriers in the following areas that are amenable to government action:

- information about the demand for and supply of shared facilities (chapter 6), including information regarding:
 - availability of shared facilities
 - sharing agreements and brokers
 - facility design.
- funding processes for shared facilities (chapter 7) including:
 - government processes
 - coordination of funding streams.
- governance and management of shared facilities (chapter 8) including:
 - facility management
 - dispute resolution procedures
 - charging principles and insurance arrangements.
- planning, coordination and evaluation of shared facility projects (chapter 9) including:
 - planning processes
 - coordination across providers and government
 - performance evaluation.

Part B

6 Better connections: information, good practice, and better guidance

6.1 Introduction

The Commission concludes that there are likely to be unexploited opportunities to increase sharing government and community facilities that will benefit the Victorian community, based on surveys and participants' views and the numerous examples of potential opportunities that were presented in evidence to the Commission.

Better connections between what is wanted and what is available is a starting point for improving the benefits of shared facilities. Information can help identify sharing opportunities of which groups may have been unaware and help bridge the gap between available facilities and user groups looking to access facilities. There is already a lot of experience with sharing — spreading good practice and applying it broadly could help speed up the process of getting projects up and reduce transaction costs.

This chapter looks at information to identify sharing opportunities, getting ideas up and running and designing and building shared facilities.

6.2 Unexploited opportunities

A number of types of facilities are commonly shared with multiple user groups. Chapter 3 discussed the extent of sharing and it was concluded that while there is currently a great deal of sharing occurring, it seems that there is still scope to increase the utilisation of shared facilities.

Participants also highlighted that there was unmet demand for shared facilities and at the same time under-utilised facilities, creating new opportunities to share — that is, there are unexploited opportunities to increase sharing. The following quotations from submissions provide a number of specific examples of unmet demand. Mornington Secondary College noted that:

Currently there is a “Little Athletics” club which is situated on a public reserve. This organisation has outgrown the oval that they are currently using and are looking to relocate. The oval is not the full size required for athletics as well as parking and club facilities being inadequate. The Shire is looking for an alternative venue for Little Athletics to be placed. The shire is currently investigating two sites, one of which is the college and the other is a reserve on the outskirts of the township. (sub. 2, p. 2)

The Victorian Healthcare Association (VHA) argued that:

Much of Victoria's existing health service infrastructure is nearing the end of its useful life, with significant infrastructure unable to be further 'patched up'. There is currently a lack of space and infrastructure in areas of high need and high socio-economic disadvantage. As health needs become more complex and less linear, the challenge is how to design processes and systems that ensure health for all and sustainable development. Similarly, the cost of sharing facilities through rent agreements is rising exponentially within Victoria due to a lack of adequate infrastructure. Therefore, infrastructure strategies must be based on both the need to replace or upgrade existing stock, and the need to invest in additional infrastructure to meet increasing demand created by population growth and ageing. The VHA believes more work is needed to ensure transparent systems and processes are in place to prioritise funding based on need and ensure high quality health services for Victorians into the future. (sub. 16, pp. 2–3)

Hume City Council also noted demand from community groups:

It is the experience of this Council that there is a high demand for affordable meeting spaces, places and office accommodation. Close consideration is required in the financial modelling of shared facilities in order that smaller community groups are not excluded in its use due to cost factors. (sub. 43, p. 25)

In addition to the data presented in chapter 3, participants also argued that there was excess capacity available in existing facilities, which, with some adaptation could be used more intensively. For example, HM Leisure Planning argued that:

There is scope to increase sharing in all areas of government and community facilities. I have estimated that many Council facilities are doing no more than 50% of what they could be doing for the community because they have not been designed or retrofitted, programmed, scheduled, managed and promoted effectively. I believe established communities have 90-95% of the builds they need but they are incapable of meeting 100% of needs because of these shortcomings. All too often in response, Councils build "new mistakes" instead of fixing old ones. It seems easier but it is very wasteful. (sub. 5, p. 7)

Additional capacity can also come from finding new ways to share facilities to help meet some of the existing demand. For example, Parks and Leisure Australia noted the potential to access existing elite level facilities:

Community access to elite level sporting clubs/venues: There are a number of elite sporting facilities in the city (e.g. MCG, Tennis Centre, Etihad Stadium) which provide limited access or affordable options for community participation. The cost for use of these facilities is likely to be prohibitive for junior and other community sporting groups and individuals, (they are largely available for paying spectators). (sub. 39, p. 4)

But there may also be very 'micro' or specific areas in which there is scope to increase sharing. For example, the Victorian Council of Social Service noted that:

Victoria is the only state in Australia with a dedicated school bus network, with its own complex set of regulations, as distinct from school children travelling on a public transport system as in other states.

School buses are a valuable transport resource for rural communities which could be better utilised to meet community transport needs. This is particularly important in areas where there are few if not no alternative public transport options available to communities. (sub. 38, p. 12)

Throughout the Commission's consultations, participants from all sectors, state and local government and community and business groups, all asserted that there is scope for greater sharing of facilities in Victoria. The remainder of this chapter considers the way in which the provision of information and spreading best practice can aid in the realisation of some of these unexploited opportunities.

6.3 Information to identify sharing opportunities

It is impossible to get effective sharing without the capacity to match the demand for facilities with their availability or supply. Information is an essential part of this matching as providing information about what facilities are available and when, can help link the demand and supply for shared facilities — thereby encouraging sharing where it is appropriate. There are two elements to the information required:

- identifying what facilities are available to be shared
- providing a mechanism for potential users to identify when they are available and be able to access them.

Participants suggested that there are potentially two types of problems with the availability of information on facilities. Some argue that basic data on what facilities are available for sharing needs to be collected. Others suggested that information that is available needs to be more readily accessible.

6.3.1 Identifying facilities available to be shared

A number of participants during the inquiry argued that there was a lack of consolidated information gathered on what facilities were potentially available to be shared. For example, in his submission to the inquiry, Dr Ian McShane noted that:

Several years ago, the Department of Victorian Communities planned to undertake a state-wide audit of community facilities, but changing departmental priorities meant the project did not proceed. (sub. 30, p. 2)

Moyne Shire Council noted that the problem of identifying what is available exists even in relation to school facilities:

There needs to be some identification of what schools have to offer in terms of facilities/resources so that they can be matched to the broader community needs. (sub. 54, p. 3)

The City of Whitehorse also noted the need for information on available facilities to be made accessible to potential users:

Communication is another important consideration for increasing opportunities for sharing facilities. Generally Council is the first point of contact for the community when seeking access to community facilities. While it may not be the responsibility of Council to be communicating the availability of facilities on non Council owned land it is important that information is being circulated across facility managers to ensure accurate information is available for the community. (sub. 45, p. 17)

In relation to sporting facilities, VicSport recommended auditing and ranking sporting facilities, including, for example, identifying whether they have both male and female change facilities available. There is also potential to share other facilities that may be owned or operated by state and local government or community groups.

It is important to recognise, however, that while a comprehensive database of available facilities has benefits, it may be costly to collect and maintain this information. One way to ensure that the benefits of such a data collection exercise outweigh its costs is to target groups or types of assets — such as schools, sporting facilities and meeting rooms — which have more potential for sharing and there is potentially high demand.

6.3.2 Information about availability and access

Throughout the inquiry, participants have suggested that there is a problem with information about what shared facilities are available for use and at what times. Many user groups argued that it was hard to identify facilities that are available for their group to use. Even when simple lists of facilities are available this may not be sufficient. The Executive Officer for Corporate Projects at Moorabool Shire Council stated that:

We do have that [a list of facilities] available. Mind you, we don't have a lot of facilities available so our list is quite specific. We do have a fair level of demand - we're a community group, we need a space, where's the space? (trans. 4, p. 39)

The lack of an accessible portal so that user groups could get information on what facilities are available was raised by the City of Monash:

There is no single portal (eg a register of all community facilities) in the local community where a community group can articulate a need for meeting space with their special requirements and then get access to such a space. (sub. 56, p. 2)

Cardinia Shire Council (sub. 42, p. 5) argued in favour of a database or register of available community facilities, including information on cost and potential uses of the space. The University of the Third Age (U3A) Network of Victoria (sub. 47, p. 2) also argued that local governments should have a role in maintaining a list of facilities available to be shared with community groups and other users.

Similarly, the Chief Operating Officer of Our Community stated that a barrier to sharing was knowing what facilities are available:

How do people get access to knowledge instead of making 20 phone calls to 20 different facilities to find out what's available? Now, that's a real barrier at the moment for people just booking a hall for hiring. And why isn't that sort of information on the Web? (trans. 3, p. 55)

The extent to which the lack of information on available facilities was an issue varied across state government departments and local government areas and approaches were not necessarily consistent. A Program Adviser from the Municipal Association of Victoria (MAV) stated that:

Some councils do have that on their Website and I know increasingly councils have been auditing all their buildings to try and document what facilities are available where - and looking at software packages that allow people to browse for themselves, to identify a suitable building available to book, but probably again ,they all do something a bit different, so that's not a standard arrangement. (trans. 3, p. 55)

Similarly, Dr Ian McShane noted that:

There has been recent interest in the potential of digital technologies to promote the efficient and sustainable use of public resources, through, for example, lowering the transaction costs involved in matching needs and resource availability. (sub. 30, p. 6)

Many of the facilities that community groups seek to access are owned or operated by local governments. But the capacity of local government to provide this information varies and there is little consistency of systems across local governments. While some local governments will have the capacity to investigate relevant information technology (IT) based systems for providing information on the availability of facilities, others are more resource constrained.

Particularly for smaller local governments that are resource constrained, there may be benefits in not duplicating similar efforts across local governments. This is illustrated by the benefits local governments have achieved from participating

in the Councils Reforming Business initiative. This initiative, being implemented through Local Government Victoria:

... supports 13 projects involving 53 councils working together to develop regional procurement clusters, standard documentation and processes for regional and sector-wide procurement. (sub. 58, p. 26)

Spreading information on best practice and what other local governments are doing is another way to provide information to those local governments that are unable to devote significant resources to investigating and evaluating booking systems. The MAV is in a position to collect information on best practice from local governments and disseminate it to other local governments — perhaps via their website or a Department of Planning and Community Development (DPCD) supported portal (chapter 10).

There is sufficient evidence to show that such a booking system is both practical and possible as some local governments have such a system and Delfin is developing an internet based booking portal to use in Caroline Springs (appendix C). Arts Victoria also provided an example of an internet based booking system:

Creative Spaces is a website that was launched in 2009 to provide information on spaces, venues and studios around Victoria that are available for artists and arts organisations to develop and present their work. Individuals and organisations can also list their spaces and use the site to learn how to transform an existing space into one suitable for the arts. (sub. 59, p. 15)

The benefits of having a booking system with all available facilities in a certain area can also indicate/validate how well demand is meeting supply. This could be a tool for evaluating whether or not new facilities are required now or in the future. For example, if the meeting rooms are constantly booked out, this would suggest that more meeting rooms may need to be provided in the near future (longer term planning issues are discussed further in chapter 9).

The collection of such information on the nature of facilities available and potential demand is also of use to schools and the Department of Education and Early Childhood Development (DEECD). This information would allow the contribution sharing makes to educational objectives to be maximised. For example identifying:

- areas in which sharing increases parental engagement with the schools, such as in Wendouree West (appendix C)
- situations in which sharing increases the opportunities for extra-curricular activities that contribute to educational outcomes.

Overall, such a system would not affect the priority various organisations give to sharing. For instance, it would still allow schools to keep education as their

primary focus and share their facilities when this is consistent with their primary objectives. Once an organisation has decided to share its facilities, however, consolidating information on facilities across regions would help match facility owners and potential users and assist long-term regional planning.

Draft recommendation 6.1

That to increase the benefits from existing shared facilities, the Victorian Government commence a two-year program, co-ordinated by the Department of Planning and Community Development, to build up a reasonably comprehensive picture of shared facilities. That within the next 12 months:

- The Department of Planning and Community Development, in consultation with the Municipal Association of Victoria, set up a program to identify existing best practice local government databases that facilitate public access to information on shared facilities and their availability, and offer an IT based solution to each local government.
- The Department of Education and Early Childhood Development, as part of its management of government schools, collect information on the level of sharing and facilities that are available for additional sharing to allow the contribution sharing makes to education to be maximised, and instruct schools to provide information on sharing to local governments on request.
- The Department of Sustainability and Environment in its management of crown land and associated facilities under Committees of Management, bring up to date the list of facilities and committees, and provide it to relevant local governments on request.

In addition, that:

- On request, other departments provide information to local governments about facilities that are shared and available for additional sharing. If necessary the relevant department should audit its facilities if this information is not available from other sources.
- The Department of Planning and Community Development collect information on other community facilities that are potentially available for sharing (conducting an audit to collect this information if needed) and provide that information to relevant local governments on request.

6.4 Getting ideas up and running

As demonstrated by participants' feedback on success factors and barriers to shared facilities (chapter 5), the experience of many involved in such facilities is

that the process for getting ideas up and running can be complex and time consuming. Depending on the nature and size of the project, there can be lots of issues to consider in setting up agreements and deciding how to go forward. The costs (financial and time) to facility owners and potential users of setting up sharing agreements can be a significant barrier to sharing.

Participants suggested that brokers can help in some situations to get projects up and running by playing a facilitation role. Improved information in the form of templates and guidance material may also help reduce these costs and result in agreements getting up and running sooner, thereby bringing forward the benefits from sharing facilities. In addition, improved guidance can reduce the risk of facilities operating without clearly defined roles and responsibilities.

Appropriate and effective consultation processes are also important in getting sharing ideas up and running. Issues around consultation are discussed in chapter 8.

6.4.1 Brokers

An element of best practice in many past projects has been the use of a broker (chapter 5). A broker is an agent who helps to manage the relationships between various stakeholders, representing the interests of all parties but remaining neutral. The role of the broker may be different in each circumstance, depending on the needs of the stakeholders.

The School and Community Partnerships — Demonstration Project (sub. 25, p. 8) argued that 'having a highly skilled broker was seen as critical to the partnership's success'. The broker's (referred to as a Director) role:

... involved two major activities. The first was to build and mediate relationships between partners and other organisations and act as a conduit of information between parties. This included advocating on behalf of, and showcasing the work of, the partnership.

The second activity was to set up and run planning working groups to focus on the development of community, education and health infrastructure. The planning groups included a health services and a recreation working group and pre-existing library services and education services groups. (sub. 25, p. 5)

Many other participants also supported the important role played by brokers in ensuring successful sharing arrangements (chapter 5).

The broker's role is broadly to facilitate the consideration, management and mediation of the interests of the multiple user groups or parties involved in the arrangements. These interests will not always be consistent and may diverge in important areas.

An effective broker can engender more trust between partners in a shared facility, can act as a mediator for dispute resolution and more generally can keep the process ticking along, and help negotiate obstacles in the path of establishing the partnership and the smooth working of the facility. A broker can also help to identify and facilitate access to funding.

The work of the broker may be organised in a range of forms, ranging from unpaid part-time volunteers to full-time paid professionals. Not all shared projects will require the services of an independent broker or are sufficiently large to justify the cost. Although experience with shared facilities is varied, generally a broker can provide greater value to larger, more complex arrangements.

A broker-type position can still provide benefits to smaller projects, but the requirements of the role may be different. For example, it is possible that the broker may not work solely on one project but rather a single broker could provide advice and guidance to a number of projects.

It is important that potential partners in a shared facility arrangement make an informed judgement about the most appropriate way for the brokering work to be done in their particular circumstances. The potential partners may not be aware of the types of roles that could be played by a broker or know how to go about finding and selecting an appropriate person. DPCD has experience with the work of brokers and could provide information to facilitate the decision making process of those considering the use of a broker.

While there are potentially some people with the skills and capacity to operate as brokers, DPCD could identify private contractors able to perform this role and supplement this by the training of some of its staff. For a collection of smaller projects appointing a part-time broker from within the department may be more efficient and would have learning benefits for policy development in the department.

The search for and engagement of a broker is not costless. Those considering using a broker would need to balance the benefits of a broker against the costs. As noted above, brokers are likely to be of more benefit in larger more complex projects involving a number of stakeholders. In such projects the potential benefits of a successful project are likely to be large and the cost of the broker, as a proportion of the total cost of the project, is likely to be relatively low.

This suggests that potential participants in a shared facility agreement should consider the need for a broker to facilitate the successful negotiation and operation of a larger facility. One way to do this is to encourage those considering a shared arrangement over a certain threshold value to explicitly consider and assess the potential role for a broker.

Draft recommendation 6.2

That to improve the success rate of new proposals for shared facilities, the Department of Planning and Community Development act as a catalyst for the selective use of brokers to facilitate sharing, including:

- (1) within nine months, training a small number of its staff to be available on projects that would benefit from such support
- (2) within 18 months providing information about brokers on a web-based shared facilities portal (recommendation 10.1). This information would include:
 - information on the role of the broker, and how it differs depending on the complexity of the shared arrangements
 - a checklist to identify under which circumstances a broker may be beneficial to the arrangements
 - a set of questions for parties to ask potential brokers.
- (3) For grants funding starting in 2010-11, independent brokers should be actively considered for projects over \$10 million that involve three or more stakeholder groups.

A related issue is the need of some school principals for advice and assistance in arranging for the sharing of school facilities, or the sharing by the school of nearby community facilities (for example, council sporting fields). Currently there appears to be some gaps in the availability of such advice and assistance. While advice is available through regional education offices, principals also turn to other principals when they need assistance. As an adjunct to its audit of shared facilities in schools, the Department of Education and Early Childhood Development (DEECD) could seek feedback on how it can further support principals.

Draft recommendation 6.3

That the Department of Education and Early Childhood Development, starting in 2010, include in its reporting systems with schools an opportunity for school principals to indicate how the department can further support principals in sharing school and community facilities.

That the Department of Education and Early Childhood Development subsequently report back to principals on the issues raised and how it responded to those issues.

6.4.2 Joint use and sharing agreements

There is a number of different types of agreements that can underpin sharing arrangements ranging from simple hire agreements, licences and more complex

agreements. It is important that the most appropriate agreement is negotiated between the parties depending on their objectives and circumstances.

However as noted in chapter 5, the greatest problems appear to arise in the joint use agreements (in the case of schools) or sharing agreements that cover more complex projects and sharing arrangements. For example, the School and Community Partnerships — Demonstration Project argued that:

The single biggest institutional barrier for council was the negotiation of joint use agreements. These took a great deal of time and effort. (sub. 25, p. 11)

The impediments in the process of creating joint use agreements are highlighted in chapter 5. Issues arise over the time taken to conclude agreements and their complexity and legal nature.

The time taken to finalise agreements was raised by a number of participants as an issue which impeded more sharing of government and community facilities. This criticism was often made of agreements with DEECD but the issue was a concern more generally. For example, Banyule City Council stated that:

A number of local governments have reported major stumbling blocks around the standard agreement generally used by DEECD with negotiations around this agreement taking up to 2 years or longer. (sub. 49, p. 5)

Similarly, VicSport indicated that interviews with local government authorities (LGAs) in Victoria found that:

... the Joint Use contract required between LGAs and the DEECD is unnecessarily complex, time consuming and proving to be a deterrent. Those LGAs who had completed a Joint Usage agreement with DEECD reported the shortest turn around time in receiving a completed agreement was two years, the longest was five. (sub. 7, p. 16)

The City of Darebin expressed similar concerns:

The development of a joint use and development agreement with the Education Department is time consuming. There are issues about what is reasonable to expect from Council in return for access to the school. (sub. 44, p. 11)

Taking more time than necessary to negotiate an agreement has two consequences: it delays getting a project up and running — and hence the benefits are delayed and in some cases sharing may commence without an agreement in place which can contribute to uncertainty and risk.

Moyne Shire Council (sub. 54, p. 1) indicated that it has 'no agreements in place with any school within the shire boundaries for any recreational purposes' and yet sharing occurs on a number of school sites. The U3A Network of Victoria (sub. 47) also indicated that it did not have any formal agreement or lease on most of the facilities its uses to conduct its activities. On the types of risks that

can be mitigated by having a comprehensive agreement, Wyndham City Council noted:

The following operational issues can have a negative impact on shared facilities:

- Hours of operation/use (can often be limited to outside school hours);
- Risk management (particularly if the facility is associated with higher risk, ie pools);
- Provision of adequate car parking;
- Responsibility for ongoing maintenance; and
- Responsibility for regular bills.

However, these issues can largely be avoided with the development of formal agreements between partners which should be established prior to any resources being committed. (sub. 18, p. 3)

There are two aspects which influence the time taken to conclude agreements. One is the time taken to consult with the parties and come to an agreement; the other is to get the agreement through the necessary bureaucratic oversight and approval processes. DEECD noted that joint use agreements may simply call up decisions on issues that partners have not considered or settled.

DEECD is aware of the concerns raised by participants and is progressively working to improve its processes and supporting documentation. For example, DEECD noted that, following consultations and research, key actions include to:

Analyse existing development and joint use agreements between schools and third parties to develop updated guidelines and templates to assist schools and councils ...

Continue regular revision of the legal framework of all DEECD agreements, including hire, licence, lease and joint use and development agreements. (sub. 55, p. 21)

Guidance material

The time taken to negotiate an agreement between the parties directly involved — the facility owner and those seeking access to the facility — will vary depending upon the complexity of the proposed arrangement, including the number of potential stakeholders involved. For example, VicSport noted that:

All agreements differ depending on the nature of the facility, its usage and the parties involved in discussions. Unfortunately the complicated nature of the agreement and negotiations are often beyond the capabilities of many volunteers involved in community sporting groups. There is also very little (if any) support available to assist the volunteers through negotiations. (sub. 7, p. 17)

In negotiating and developing sharing agreements, there is a need to balance the benefits of concluding an agreement quickly with the need to consult with

stakeholders and develop a robust agreement to minimise future disputes or problems.

The potential costs of concluding a poor agreement involving a major facility with long term sharing arrangements are likely to be significantly higher than a poor agreement involving casual use of a room.

In some cases the sharing arrangement is likely to be based on a relatively simple casual use or hire agreement. For example, a theatre group could hire a performance arts space on a one-off basis for a performance, or a football club could hire the use of an oval during the sporting season.

For such cases, DEECD has produced template agreements that minimise the scope for negotiation over details in the agreements. This would seem to be an appropriate approach to minimising the negotiation time taken where the risks of not incorporating all the project specific elements are not likely to be significant and when the issues are the same across facilities. While DEECD has produced such material it is also likely to be of value to other potential non-DEECD sharing arrangements.

However, as agreements become more complex the value of templates declines, as they may not be flexible enough to deal with the specifics of the potential sharing arrangement. In such cases, Bayside City Council suggested that appropriate guidance material could help those negotiating a sharing agreement:

In our experience school principals and Council officers find the complexity and time required for joint usage agreements almost overwhelming. Without adequate and proper support (policy, guidelines, etc.,) the potential to realise a successful outcome is likely to be compromised and diminished. (sub. 10, p. 2)

Others have advocated greater use of 'standard' agreements even in the case of more complex shared use arrangements. For example, the City of Casey argued that:

... there is no 'standard' agreement. Each new agreement generally contains new or amended clauses which require local government to obtain legal advice prior to entering these agreements. This process is both costly and time inefficient. It is recommended that a simplified process is developed in consultation with local government that involves the creation of a standard agreement to avoid the complicated process that currently exists. (sub. 22, p. 2)

While, in the case of more complex projects, standard or template agreements may be a useful starting point, they are likely to be customised to suit the particular circumstances of the project. However, guidance material can help as a starting point and provide information that potential partners in a sharing arrangement can incorporate into their agreement.

Draft recommendation 6.4

That to improve the effectiveness of non-school shared facilities, the Department of Planning and Community Development, in consultation with the Municipal Association of Victoria, develop and disseminate within 12 months shared agreement templates for non-school facilities, in the form of:

- templates for simpler hire or licence agreements
- guidelines for creating joint use agreements for more complex arrangements.

Templates and guidelines would draw on the experience from the Department of Education and Early Childhood Development, and also seek an appropriate balance of responsibilities between parties.

Internal processes

The other element that can impact on the time taken to conclude a sharing arrangement is when the agreement needs to be approved by a third party not directly involved in the negotiation of the agreement. For example, an agreement may be negotiated between a school principal and a sporting group but then the agreement may need to be approved by DEECD.

A number of participants commented on the role of departments in the process of negotiating agreements. For example, Frankston City Council argued that:

Each joint use agreement is negotiated individually for each project. This process is time consuming and can be hindered by unrealistic demands from a state authority such as the Education Department. (sub. 26, p. 2)

Similarly, the City of Casey noted that:

Most recently, the Department of Education and Early Childhood Development (DEECD) has instructed that any joint use agreement must be drawn up by the Department. As a result, negotiations around agreements have been time consuming. (sub. 22, p. 2)

It is understandable that in the case of a major project involving large sums of money that the 'head office' would want to be aware of the project and ensure that the agreement was concluded appropriately. Major agreements could lock in the government for many years and the government needs to be aware of these as part of its risk management strategy and ensure that the agreement is consistent with government policy.

However, while such oversight is necessary — and prudent — it should not take longer than necessary and unnecessarily delay the conclusion of an agreement. Parks and Leisure Australia noted a problem when:

Councils will spend a year plus on an agreement – with a local school and send it in to the Education Department who has knocked back the agreement on a technicality – no clear communication on expectations from [the] Education Department. (sub. 39, p. 4)

As noted above, the Commission understands that DEECD has been conscious of concerns about the processes for negotiating joint use agreements and is currently reviewing its arrangements and is improving its processes to try to speed up the time taken to conclude large sharing agreements.

The lack of a timeframe for completing processes was noted by participants. For example, VicSport stated that:

There is no consistent or standard time frame for negotiating and finalising usage agreements, generally they take considerable time. (sub. 7, p. 15)

VicSport suggested that there should be a specified time for the completion of agreements and that this 'should be no longer than 3 months' (sub. 7, p. 4).

It would be difficult, if not impossible, however to put a total time limit on the negotiation of an agreement because there may be many factors outside the control of the relevant government department. In some complex agreements, it may be appropriate for negotiations to continue for some time — but the Commission's recommendations regarding guidance material may help speed this along.

Despite this complexity, there is scope to publish targets for the time taken by departments to assess and evaluate agreements — in much the same way as organisations have charters of service quality. Such targets provide a degree of accountability on departments assessing agreements to ensure that they do so as expeditiously as possible, thereby minimising the total time taken to conclude an agreement.

Draft recommendation 6.5

That to lessen delays in preparing new shared facilities involving schools, that the Department of Education and Early Childhood Development commit to a target period of time of six months for the completion of joint use agreements involving government schools. The Department of Education and Early Childhood Development would give progress reports to parties and publicly report actual times against this target.

That other departments involved with joint use agreements would also set similar target time periods and publish outcomes against those targets.

Information request:

The Commission seeks advice on whether the six months time proposed above is appropriate for DEECD and other departments with the intention to include a specific recommended times in the final report.

6.5 Designing and building shared facilities

Providing information and best practice examples can also help inform the designing and building of shared facilities. Throughout the inquiry, numerous experiences have highlighted how the design and building of facilities can impact on how well needs and facilities can be matched, and on the viability of sharing arrangements.

6.5.1 Designing shared facilities

An important element in allowing greater sharing of facilities is to address design issues that can influence how conducive the facility is to sharing. When designing and building a facility that will be used by multiple groups, there are some features that will need to be different from a facility that is designed for a single purpose, or single group. Many of the unique design issues arise from the fact that shared facilities must cater for the different needs of multiple groups. As noted by Warrnambool City Council:

The types of facilities that best lend themselves to sharing arrangements are those that have existing community use or are developed with that type of use in mind. These facilities are generally built with capacity for shared and/or multi-use and with the supporting amenities in place to facilitate this type of use. (sub. 41, p. 10)

Participants highlighted a number of specific design issues affecting the ability to share facilities. Effective design of shared facilities allows for the appropriate interaction of groups and the separation of others in cases in which interaction is inappropriate. Appropriate design can facilitate informal contact when this is beneficial but can also maintain the individual identity of agencies or manage the flow of potentially conflicting client groups.

For example, the Public Libraries Victoria Network (sub. 6, p. 3) noted that in New South Wales a childcare centre must not share spaces with other services and so shared facilities must be designed with separate entrances and amenities. Adult Community Education Victoria (sub. 51, p. 4) highlighted the need for appropriate design of reception areas to meet the requirements of different users. Moreover, different occupational health and safety (OH&S) requirements may arise from the needs of different groups.

Similarly, Hume City Council noted that appropriate design can facilitate safe community access and use:

For example, where school design allows for ease of access to the public to its outer facilities, and less so where the school undertakes its core business — coined the 'onion' design. (sub. 43, p. 33)

Good design can also help to balance potentially conflicting uses of a facility. As noted by the Municipal Association of Victoria:

Design needs to ensure that if the facility is to be used for a specialist purpose, such as a theatre, that in making it multi-purpose this use is not constrained. A balance is needed between generalist and specialist spaces. (sub. 48, p. 7)

Flexibility in the design of a shared facility is another area which is an important consideration in meeting the full potential of a shared facility, and increasing its use. Flexibility in design is not always properly considered in shared facilities and suggests an opportunity to establish and disseminate some best practice design practices and principles.

Submissions and other discussions have highlighted areas in which flexibility in design should be considered:

- changing trends (different uses, user groups or needs over time), and
- storage (or security) needs.

Parks and Leisure Australia identifies changing trends as a reason for flexibility, noting that the 'use of [the] facility will change over time and [the] facility should be flexible in design to change with demand of use' (sub. 39, p. 3). As an example of this Parks and Leisure Australia note the changing use of sports grounds and the limitations of single use design:

Changing trends in participation highlight the inadequacies of many older building designs. For example, most basic sporting pavilions were designed for use by "football and cricket". And include basic shared change and shower areas. These facilities are now in demand by other sporting codes such as soccer, and are inadequate for use by female players. Many of the basic facilities are located on grounds that are not high profile, which are often the only ones available to be allocated to the newer clubs and teams. Adapting these facilities is expensive, and single projects like this can take some time in many Councils. (sub. 39, p. 6)

This example highlights that even though many sports pavilions were initially designed with some degree of shared use in mind, these designs were still too limited to account for future changes in use. Toilets and changing facilities are commonly noted as being inadequate as they do not always accommodate sports with both female and male participants. The City of Boroondara (sub. 53, p. 3) also highlighted a similar example to that discussed by Parks and Leisure Australia.

The current issue with the provision of suitable amenities highlights the general issue of the need for designs to be flexible to accommodate future changes in user requirements. Ensuring flexibility in possible uses and spaces is one area that should be given greater consideration during the design phase of shared facilities, or when retrofitting older facilities.

Changing trends also mean that other groups may wish to co-locate on the same premises over time. If this is a reasonable expectation of the facility, then modular design of the facility may be beneficial, to make ad hoc external additions easier.

Another design consideration raised by participants was the need to provide users with adequate security for their property. One example that has been raised by numerous participants is that of lockable storage. Cardinia Shire Council noted that:

One difficulty with shared facilities is the lack of storage space. A common complaint is that there is never enough storage space, even with large amounts of storage built during construction. With more groups using the one space, this is a difficulty with increasing the sharing of one space. Cost of private storage facility is usually prohibitive. (sub. 42, p. 5)

Providing sufficient lockable storage should be given more consideration during the design phase, as there needs to be enough storage space to accommodate the needs of all user groups and the types of equipment they may need to store.

This discussion does not fully represent all the design issues that a shared facility may face, but covers the issues that have been highlighted the most throughout the inquiry. To maximise the opportunities for sharing, it is important that designers, architects and other parties involved in the designing phase of shared facilities be aware of these issues.

There is currently some guidance material available to those involved in setting up a shared use facility. For example, the Association of Neighbourhood Houses and Learning Centres provides a list of questions to ask regarding building design, in a publication, *Moving in Together: A Co-location Guide for Neighbourhood Houses & Learning Centres*, which is provided in its submission (sub. 34).

However, there is no single place where those planning a shared facility can access the type of information that they may need to ensure a successful design. As many of the projects will have their own specific issues it is not possible to provide a detailed list of design elements but there is value in providing information on the types of questions to ask of potential architects and principles of good design which should be taken into account when designing shared facilities. Examples of innovative and effective design solutions would also be useful.

To formalise and extend these design issues, the Office of the Victorian Government Architect (OVGA) could provide guidance materials. The OVGA has experience with design issues relevant to shared facilities and could collate information about these design issues (or contribute to a broader checklist on establishing shared facilities), including the issues that have been mentioned in this report.

Draft recommendation 6.6

To improve design outcomes for shared facilities, that the Office of the Victorian Government Architect provide, within 12 months, the following information to be included in the Department of Planning and Community Development web-based shared facilities portal (recommendation 10.1):

- a list of recent shared facilities and architect contact details
- a list of questions for parties to ask prospective architects
- a set of principles of good design for shared facilities
- examples of innovative and effective design solutions.

6.6 Summing up

There is extensive sharing of facilities in Victoria already but there remain unexploited opportunities to increase sharing for the benefit of Victorians. Understanding what facilities are available and how to access them is the first step in meeting these opportunities.

The sharing already taking place has provided a range of examples of good practices which can help inform future projects. However, the information is often not well disseminated. In some cases, such as schools, there is significant guidance and information available but still some need for help. And in non-school cases the amount of information available is mixed and what is available is not collected nor is it easily assessable.

The Commission's recommendations in this chapter aim to draw together the information on availability of facilities and best practices in setting up shared facilities in a more complete and readily accessible manner.

7 Improving funding-based incentives to share

7.1 Introduction

It is not surprising that there is much well-motivated demand for government funding to contribute to shared government and community facilities, since such facilities are generally conceived and operated outside the market sector.

As discussed in chapter 4, there is a number of reasons why shared facilities may not be delivered through traditional market means. This indicates that there is a role for government to apply taxpayer's resources for these projects. As shown previously in this report, government is already doing a lot in this area.

Determining the best application of government resources has proven difficult. There is little information on best practice to guide reform. The Commission is not aware of any examples where other jurisdictions are doing this better than Victoria — so there is no 'pre-packaged' solution that Victoria can follow. The Commission's focus in the report is, therefore, to build on what we know.

The Commission's approach to considering funding issues and possible improvements is built up as follows. While the Commission has analysed opportunities for shared facilities, it is not in a position to see across the range of competing demands for resources that faces the Victorian Government. As a result, the Commission intends to work within the existing envelope of funding and does not intend to make recommendations to increase the total funds being directed to shared facilities. It is possible, however, that over time as the understanding of the benefits of shared facilities and their contribution to community infrastructure develops, the government may decide to change its funding priorities.

As illustrated in chapter 2, the government already invests substantial funds to support shared facilities, across numerous portfolios, for example, through capital funding and grants. Chapter 2 notes that local government and the Commonwealth Government also funds shared facilities. Government is not the only provider of such funding — philanthropic organisations, businesses and local communities commonly contribute funding to shared facilities. This chapter, however, primarily focuses on state government funding.

This chapter considers five key areas for improvements in funding, covering capital funding, grants funding, whole of life funding and cost shifting, service delivery and return on government assets.

The first area discussed is funding of capital projects. The key factor discussed in section 7.2 is the consideration of the social costs and benefits of capital projects. This section highlights the importance of factoring this into decision making.

The second area for improvements lies in grants provided to third parties. The Department of Planning and Community Development (DPCD) is the most active department in this area. Section 7.3 considers approaches to lessening the hurdles of grant provision and increasing DPCD's flexibility to assign grants to projects. This section is the primary focus of the chapter.

The third area considered is whole of life funding and cost shifting. Section 7.4 discusses the need to consider all funding sources and requirements throughout the life of a project. It also notes that the costs and benefits placed on all parties needs to be considered.

The fourth area of interest is service delivery. Section 7.5 acknowledges the opportunities for better service delivery through shared facilities and the subsequent impact on government resources.

The final issue for improvements is in the area of return on government assets. Section 7.6 discusses the allocation and use of existing assets and opportunities for improving the return from these.

7.2 Better recognition of social benefits

One way in which the government funds projects is through capital funding. Capital funding for government infrastructure generally goes through a systematic budget process, involving the establishment of the business case for expenditure and the expected returns from the project.

A sizeable proportion of the benefits that a shared facility can deliver are social benefits (particularly when compared against an equivalent series of single use facilities). Most inquiry participants argued that strengthening communities or delivering better community services, not cost savings, were the main reasons they participated in shared facilities. This highlights the importance of considering these social benefits when making capital funding decisions.

Such social benefits can include:

- improved service delivery
- social connectedness
- greater access and participation.

Chapter 4 discusses these in greater detail.

Some decisions have recognised the importance of social benefits. For example, the government has committed around \$50 million over seven years to the Neighbourhood Justice Centre in Collingwood, which specifically recognises the social benefits of this alternative approach to delivering justice services. Recent moves to co-locate kindergartens and schools also reflect the recognition that wider social benefits are important, not just cost efficiencies.

The Investment Lifecycle Guidelines prepared by the Department of Treasury and Finance (DTF) do recognise that capital investment by the government will often have social outcomes. The guidelines indicate that business cases should analyse such outcomes so that decision makers are aware of these impacts — 'unless it is clear that the external impacts are minimal' (DTF 2008b, p. 9). However, there appears to be limited practical guidance on how to identify these impacts such as social connectedness and access or participation benefits (beyond stakeholder or public consultation) and it is unclear to what extent these benefits are factored into investment decisions.

While recognition of social benefits in such examples is an important first step, it raises the question of how to integrate social benefits systematically into capital decision making. There does not seem to be a common, government-wide approach to identifying and evaluating the social benefits resulting from projects.

The most common business case method for determining whether an investment should be undertaken is a cost-benefit analysis. Such analysis attempts to quantify all the costs and benefits of a project to determine whether the project would deliver a net benefit to the community. The Victorian Local Governance Association supported the use of cost-benefits analysis, including the social impacts and recommended:

That detailed social, environmental and financial cost / benefit assessments form part of any framework guiding the process for determining opportunities for Shared Facilities. This should include analysis of life-cycle costs. (sub. 52, p. 11)

One of the common problems with incorporating social benefits into decision making is that they are often difficult to quantify. Quantification is important because it helps to put both costs and benefits into a common decision making framework. This is necessary when costs and benefits are compared. An omission of social benefits from decision making would give greater weight to the costs and inefficient choices about capital spending may be made. For example, a shared facility that should be undertaken if full costs and benefits are considered may be rejected if social benefits are excluded.

The submission from HM Leisure Planning also recognised the importance of understanding the benefits and how this relates to funding decisions, noting that government '...could facilitate sharing hugely by researching concrete data on the benefits and by insisting on it as a basis for funding' (sub. 5, p. 8).

Dr Ian McShane observed that non-specific (such as open or community) space may be omitted when funding is limited, commenting that '...anecdotal evidence suggests that bids for non-specific program space invariably come under pressure when capital budgets are tight' (sub. 30, p. 5). Often shared spaces make an important contribution to a project's capacity to deliver social benefits. Improving the way the social benefits of projects are accounted for should highlight aspects of facilities, such as shared spaces, that are important drivers of those benefits.

The Commission believes that a better process for incorporating social benefits into capital funding decisions is worth reaching for. A three tiered recommendation is proposed, covering explicit consideration of sharing and the recognition of social benefits, the quantification of these benefits and then reporting against this process.

To encourage explicit consideration of the potential to share facilities and recognition of social benefits, the Commission recommends that Ministers indicate whether sharing is a feasible means for achieving a project's intended objectives and, if so, that its social benefits have been considered in the capital project proposal when signing off the project.

To assist in undertaking this analysis, and give decision makers further incentive to consider appropriately the social benefits of funding proposals, the Commission recommends that DTF should develop a set of guidelines and a methodology for identifying and quantifying social benefits for sharing facilities. This is intended to give guidance to those developing capital expenditure proposals and encourage a common methodology across government. The Commission is well aware that this is not an easy task. But the preparation of guidelines and methodology should not wait upon perfection. So a start could be made with a classification of benefits, and examples of possible size and timing.

The presence of guidelines is a necessary, but not a sufficient, condition for the inclusion of social benefits in decisions. As a result, the Commission also recommends that the Treasurer should report on relevant funding decisions relating to shared facilities as part of the annual budget process, to outline how social benefits have been factored into decision making. This introduces an incentive for government to include social benefits, where appropriate, by making government accountable to this process.

Draft recommendation 7.1

That to improve capital expenditure decisions as they relate to achieving the Government's objectives through the sharing of facilities, the following actions be undertaken:

- When Ministers bring forward capital expenditure proposals for funding consideration commencing as soon as possible and at the latest in 2010–11, they (i) indicate whether the sharing of a facility is feasible, and if so (ii) demonstrate that the preferred option for the design and operation of the facility maximises the net benefits for the community, including by exploiting any suitable sharing opportunities.
- The Department of Treasury and Finance guidelines for new capital expenditure include guidance for departments on how to identify and assess the social benefits of options for the design and operation of a shared facility, to be prepared within 12 months.
- The Treasurer, as part of the annual budget process commencing in 2011–12, report on relevant funding decisions that have exploited opportunities to share facilities.

Following on from the discussion of the impact of social benefits on capital projects, is the idea that social benefits can also impact on educational objectives. If a school shares its facilities with other groups in the community, this can benefit educational objectives by making people more comfortable with the school, facilitating the introduction of new children to the school or helping children to become better engaged with the school. For example, research in the United States has suggested that there are some (social and educational) benefits associated with students participating in extracurricular activities. These students were more likely 'to like school and do homework and they have better relationships with their parents, teachers, and friends' than non participants (Harrison and Narayan 2002, p. 1).

These positive outcomes — social benefits — of sharing school facilities should be considered when school funding decisions are made. For example, if upgrading an oval, or basketball court, or school hall so that these facilities can be shared, can deliver these social benefits, then this should be weighed against the costs of the upgrade to make the facility more shareable. There needs to be some mechanism by which this comparison can be made. Once again, this highlights the need to include social benefits in the analysis of capital funding proposals. The Department of Education and Early Childhood Development (DEECD) should incorporate these social benefits from sharing school facilities into its funding decisions.

Draft recommendation 7.2

That to improve the assessment of proposals for new school funding, the Department of Education and Early Childhood Development include in its formula for funding new and existing schools, an assessment of the consequences for educational objectives from shared facilities, from 2010-11.

Another consequence of the discussion of social benefits of capital funding proposals is a recognition of the wider impacts of capital decisions on other portfolios or levels of government. If the portfolio or group who bears the costs of the investment cannot (or does not) consider the full range of benefits, this may reduce the incentive to make the investment. Similarly if the decision maker does not consider costs imposed on other sectors it may make investments that should not proceed. In government, different departments, or portfolios, are responsible for different outputs or outcomes. While this separation of responsibilities is important for reasons of accountability, it raises a challenge for coordination.

Benefits of shared facilities potentially contribute to a range of government goals across portfolios, even if they are funded through specific departments. An example is where health initiatives are funded through the Department of Human Services (DHS) (nutritional programs) and also through Sport and Recreation Victoria (SRV) in DPCD (through participation in sport and recreation activities).

Making school facilities available for sharing can deliver benefits attributable to other portfolios or other levels of government, in addition to educational objectives. For example, making a school oval available to the wider community can deliver benefits to the sport and recreation portfolio.

As discussed in Chapter 2, DEECD funding for school facilities is based on a proportion of long term enrolment to determine the permanent facility entitlement. There is little room for flexibility in this amount. If other funding is required, it must be obtained from other sources. As suggested above, additional funding may increase flexibility and make a facility more shareable in some circumstances. It has been highlighted that DEECD provides enough funding for a basketball court, but not for a netball court, which is slightly larger (Parks and Leisure Australia 2009). For example, a larger sports court can accommodate a greater number of sports and open up more options for sharing. Hume City Council identified that sharing can deliver '[h]igher standards of facility and services achieved through pooling of funding from various sources' (sub. 43, p. 26).

Where the use of the facility falls under the responsibility or interest of another government portfolio, this other department could possibly contribute top-up funding. For the sports court example, this may mean that SRV contributes additional funding to the court. Top-up funding should only be considered if the benefits of the additional funding (which includes more flexible facilities) are greater than the additional cost (the extra funding). Government departments are in the best position to provide this top-up funding as they are more likely to be involved in this planning and development stage of the process.

Information request:

Is it feasible for other departments to contribute funding towards school facilities that are reasonably expected to be used for sharing, where DEECD funding is insufficient to achieve the full benefits of sharing? Is this also feasible for other levels of government, such as local councils? If this is not a feasible option, are there other ways to allow extra funding to allow school facilities to be shared more effectively?

7.3 Improving the net benefits of grants funding

The government provides a wide range of grants to third parties. Many of these grants are available for shared facilities, either explicitly or implicitly. More information about the current programs and funding systems is outlined in chapter 2.

Comments from inquiry participants have suggested that the current approach to grants funding presents welcome assistance to community projects, but poses numerous problems and inefficiencies. The aim of this section is to address these problems by examining ways of lessening hurdles, reducing transaction costs and increasing the flexibility of the grants system. The approaches aim to connect the many different objectives being targeted by grants with some flexibility to allocate funds, between grant programs and between different processes within projects.

This section first acknowledges the benefits that the current grants program offers, and then discusses two ways of improving the process to address the aims mentioned above: increased flexibility in applicants' use of the grants; and increased flexibility in the provision of grants.

7.3.1 Benefits in accessing funding from a range of sources

There are some benefits in having the ability to draw together funding from a range of potential funding sources. Some of the benefits were acknowledged by submissions and roundtable participants. These include the flexibility to design facilities that meet the diverse needs of local communities, and a process through which a range of agencies can demonstrate commitment to the project.

Both Hume City Council and Wyndham City Council (sub. 18, p. 3) identified the former benefit, with Hume City Council stating:

Funding contributions from a range of sources allow for the planning, design and function of a community building, which surpasses one if a single source of funding was available (emphasis in original). (sub. 43, p. 21)

The Manager for Recreation Services at Melbourne City Council noted that the capacity to pool funding can also allow projects to proceed that would not be possible otherwise:

The redevelopment of AFL facilities within our municipality are funded in some cases by seven different agencies (including all tiers of government, corporate and philanthropic contributors). Without that diversity of funding — and I suppose it's one of the issues I have — is that without a diversity of funding, a lot of these facilities just won't get up, because the amount of funding that is made available at one tier of government alone is usually never enough to finish them. (trans. 3, p. 10)

In addition, the current grant structure can test the authenticity of demand. Searching for and applying for grants are not costless exercises. Applying effort and assigning resources to these activities can demonstrate that parties are committed to the project and show that their demand is authentic. This may help the grant provider to distinguish which projects are worthy of additional funding. While this is a relevant benefit, it seems to be a fairly inefficient mechanism for making this distinction.

While current processes of accessing multiple grants have benefits, a number of costs also arise, particularly pertaining to coordination. These processes can be unnecessarily complex. The rest of this section considers ways of improving the grants process to improve the net benefits of funding.

7.3.2 Flexibility in use of grants

The first of the suggested improvements to the grants process is to allow grant recipients more flexibility in what they can apply for by way of grants. Chapter 5 noted that the Commission has received many comments regarding the current lack of flexibility and a number of claims that some key parts of the process for developing shared facilities are not adequately funded, and that lack of funding can undermine the benefits of sharing. The processes that participants claimed can improve the benefits of shared facilities include:

- consultation and community engagement
- feasibility and planning
- brokers and facilitators
- ongoing management.

These processes are explained below.

It must be noted that it is not necessarily the sole responsibility of government to fund all of the above processes, in addition to other costs. Where communities are willing to bear some of the costs of developing or managing a facility, including through the effort of volunteers, it can reflect the value that they place on that service. Nevertheless, the Commission believes that funding should not necessarily be limited to the capital costs of a project. While this does not necessarily mean that the state government should increase its funding for grant programs, there should be more flexibility in the activities to which funds are allocated.

Groups should be allowed to apply for grant money to cover the costs of the above processes if the need is demonstrated.

Consultation and community engagement

Consultation and community engagement can contribute to wider social benefits. Directing resources to consultation can improve its effectiveness and help project proponents to identify the needs of those who are likely to use the facility most and encourage their 'buy in' to the project. The need for consultation was a consistent theme in submissions, roundtables and meetings, as illustrated in the views presented below. (Chapters 6 and 8 include further discussion of consultation and community engagement.)

DEECD noted that '[]limited availability of funding for the planning, community engagement and concept design work' (sub. 55, p. 20) is a barrier, particularly for children's centres. Adult Community Education Victoria also highlighted the need for support of community groups, and notes some of the resulting benefits:

Support for community groups (particularly small ones) through the design process to ensure that their needs are not left behind. Along with this is recognition from architects that very small community groups often have a huge impact on the community in which they operate and save government money in provision of other services when their needs are properly supported and respected. (sub. 51, p. 3)

This quote particularly highlights the return that can be gained from good consultation.

Hume City Council also suggested that community groups should be supported and recommends that the state government consider providing funding towards community engagement (sub. 43, p. 29).

DPCD's annual report for 2007–08 (DPCD 2008e) indicated that the department does support various forms of community consultation (but does not go into detail about whether this applies to shared facilities).

Feasibility and planning

Many shared facilities involve large capital investments. The importance of feasibility studies and planning to ensuring such projects meet community needs and are viable in the long-term is well recognised. Feasibility studies help to identify need and the preferred options for achieving the desired outcomes (DHS 2007b). These processes can recognise broader economies of scope, such as identifying which groups or services may work well together. They can also help to identify opportunities early in the process, making it easier to plan and take advantage of these opportunities.

A number of submissions noted that feasibility studies and other planning processes are an important part of preparing for a shared facility, and that funding for these plans is required. Most of these submissions suggested that government should provide this funding. The City of Darebin suggested that:

It might be possible to provide preliminary funds (grant) to explore the potential of a shared facility between local government and other groups in the first instance to help shape the purpose of any such agreement, the feasibility of any such agreement and the terms of any such agreement. Often the initial costs are borne by local government and real shared facilities should be presented on the basis of joint funding between the various parties. (sub. 44, p. 6)

Additional views regarding the preference for government to fund feasibility studies or planning were also noted in submissions from the Shire of Strathbogie (sub. 3, p. 4) and Hume City Council (sub. 43, p. 28). This does not mean that resourcing such processes should necessarily be the sole responsibility of government. As with many of the aspects of shared facilities, pooling financial and in kind contributions from a range of groups can not only ensure processes are adequately funded but also encourage buy-in and participation.

A substantial investment in planning was made in the Wendouree West Learning Hub. Hobsons Bay City Council stated that '...in 2008 the Wendouree West Learning Hub opened, after five years of planning made possible through funding from DEECD and the Department of Human Services' (sub. 14, p. 11). This acknowledges that the government does play a role in the planning of shared facilities. The role for government is also reflected in DPCD's *Community Facility Funding Program – Planning*, which offers grants for some planning and feasibility work. Good feasibility studies may also have flow-on benefits to DPCD by making it easier to identify and direct other grants to projects more likely to succeed.

Feasibility studies for shared facilities generally cover non-market proposals, so there would not seem to be commercial sensitivities in releasing these studies. If community groups require additional support to complete these, DPCD may be able to collect feasibility studies and maintain a database (via the proposed portal

— see chapter 10). Community groups can use these materials to guide their own studies.

Brokers and facilitators

The Commission spoke to those involved in several projects that involved a broker or facilitator. In some cases the broker was a paid position. In other cases a volunteer took on this role. In all cases, the Commission was told that the broker made a key contribution to the success of the project.

Depending on the specific role that the partnership requires, the benefits of a broker can vary. Generally, a broker can help to bring partners together and achieve shared outcomes for the benefit of all partners or stakeholders. Chapter 6 discusses the broker role in greater detail.

For projects that can benefit from a broker, funding must often be made available for this function. The government has recognised this in the past, for example, it contributed to a broker in the Caroline Springs Partnership. The submission from the School and Community Partnerships — Demonstration Project noted that its '... model involved the partnership employing a "broker" (titled the Director), who was jointly funded by Council, Delfin Lend Lease and DPCD' (sub. 25, p. 5).

Frankston City Council also recognised funding from DPCD for this coordination role for Neighbourhood Houses:

Neighbourhood house/community centres that share with different services, community groups – the DPCD Neighbourhood House Coordination Grants ensure there are some resources available to facilitate the shared arrangements (sub. 26, p. 2).

The independence of the broker is sometimes a key factor in a partnership, so it may not always be appropriate for government to employ the broker directly (though the government could fund a broker as an independent position). Alternatively, some partnerships may wish to direct a proportion of their grant funding towards a broker.

Ongoing management

The ongoing management and governance of shared facilities are also processes that can support the realisation of wider social benefits. The lack of sufficient funding for maintenance and other ongoing issues, such as managers, governance and IT systems, has been cited as a common problem. Funding for ongoing management can help shared facilities to deliver benefits over the whole life of the facility. (For an extensive discussion of shared facility governance, see chapter 8.)

While it is clear that good ongoing management can contribute to the wider benefits that a shared facility can provide to society, how this should be funded seems less clear. Some submissions noted that management and governance funding is sometimes omitted, while still recognising the benefits of the role. The City of Boroondara stated that:

The reluctance to fund a manager is often due to the cost. It is seen as an “extra” and stakeholders want to limit their cash contribution to the capital costs of the building. This is a short sighted view as it will affect the ongoing viability and success of usage within the facility. (sub. 53, p. 5)

The lack of funding for coordination or management was also noted in the submission from Frankston City Council (sub. 26, p. 4). In addition, Adult Community Education Victoria highlighted that funding is needed to support community groups involved in governance arrangements and suggested '[s]tate government funding support for peak organisations in order to provide governance support for their member organisations' (sub. 51, p. 3). An example of the Neighbourhood House Program was highlighted in this submission.

While groups may want to direct some grant funding to ongoing management, this is unlikely to suffice over the longer term. To address the seeming lack of consideration of the longer term costs of a shared facility, not just upfront costs, DPCD should require that groups seeking grant funding to outline their intended management arrangements in their applications. This could be one of the criteria or prerequisites for funding. Documenting such consideration provides an incentive for all groups to recognise the whole of life costs of a facility. (This issue is discussed further in section 7.4.) Provided this is done, some part of the grant application could be applied to the fixed costs of management, for example, establishing IT systems.

Draft recommendation 7.3

That to assess factors beyond capital requirements, the approval for state government grants administered by the Department of Planning and Community Development, starting in 2010–11, take into account whether the proposed project has adequately identified and considered the factors important to successful sharing, such as:

- consultation
- feasibility studies and planning
- brokers or facilitators
- ongoing management.

The Department of Planning and Community Development, starting in 2010–11, allow greater flexibility within its grants for applicants to apply for funding to meet the costs of these processes.

7.3.3 Flexibility in provision of grants

Allowing grant providers greater flexibility in the provision of grants could also improve the net benefits of grants. This section discusses some of the current problems and outlines an approach to reducing the transactions costs of applying for and providing grants. This could free up more resources that could be channelled into more beneficial areas.

As mentioned in chapter 2, there are about 70 different grants offered by DPCD alone. As shared facilities involve multiple interests and a variety of objectives, they can also involve multiple grants. Currently, if a partnership is interested in numerous different grants from government (or just DPCD), it must make multiple applications. Making multiple grant applications on behalf of a sole facility can introduce a number of problems and inefficiencies.

Problems with multiple applications

When multiple grant applications are submitted for the one project, this opens up the potential for double counting of benefits. Applicants may claim, for each application, the full benefits that the facility is expected to provide, rather than the additional benefits that would result from the receipt of each grant. The Commission has heard evidence of this being a problem. If multiple grant applications are made on this basis, it may result in an over-provision of grant funding to some projects accessing multiple sources of funding. Without sufficient coordination between the approvals of these grants, inefficient or inappropriate grant choices may be made. Many of DPCD's grant application forms request that applicants list other funding sources, but whether this is sufficient for coordination is unclear.

Multiple applications can also be inefficient from the point of view of the applicant. Wellington Shire Council noted this inflexibility with government funding arrangements:

Seven different funding sources were obtained to cover the costs of construction. This included a mix of Federal Government, State Government, Wellington Shire Council contribution and Community. Funding arrangements from Government proved to be a significant barrier due to set funding arrangements and need to "fit" with these. Council was therefore unable to lodge one application for funding for the project with Government; but rather had to dissect the project to apply within set funding models with different guidelines. (sub. 11, p. 2)

The Executive Officer of the Central Highlands Area Consultative Committee highlighted the impact of an uncoordinated government on funding programs:

...shared facilities struggle to get the money, struggle, and the amount of effort that people have had to go through because governments aren't coordinated,

they don't have complementary funding programs, they don't have complementary contracts... (trans. 4, p. 96)

Multiple grants can make it difficult to manage timing, since they may each have different deadlines and assessment times.

This all shows that the rigidity between grants is creating problems for both the providers of the grants as well as the recipients. If the key to these problems is inflexibility, then improving the flexibility that government has when providing grants can address these problems.

A Director at DPCD suggested that DPCD has separately funded individual elements of a shared facility in the past, but is moving towards a more integrated approach, stating:

A key issue is the way in which funding is provided for multi-purpose facilities. In the past, agencies such as DPCD have tended to separately fund particular elements of multi-purpose facilities with one stream of funding for, say, a library component, another for a neighbourhood house facility and a third for the broader community elements. DPCD is consciously moving to "join-up" its grants for such facilities and to ensure an integrated, streamlined approach in its funding arrangements. (trans. 3, p. 94)

A single application

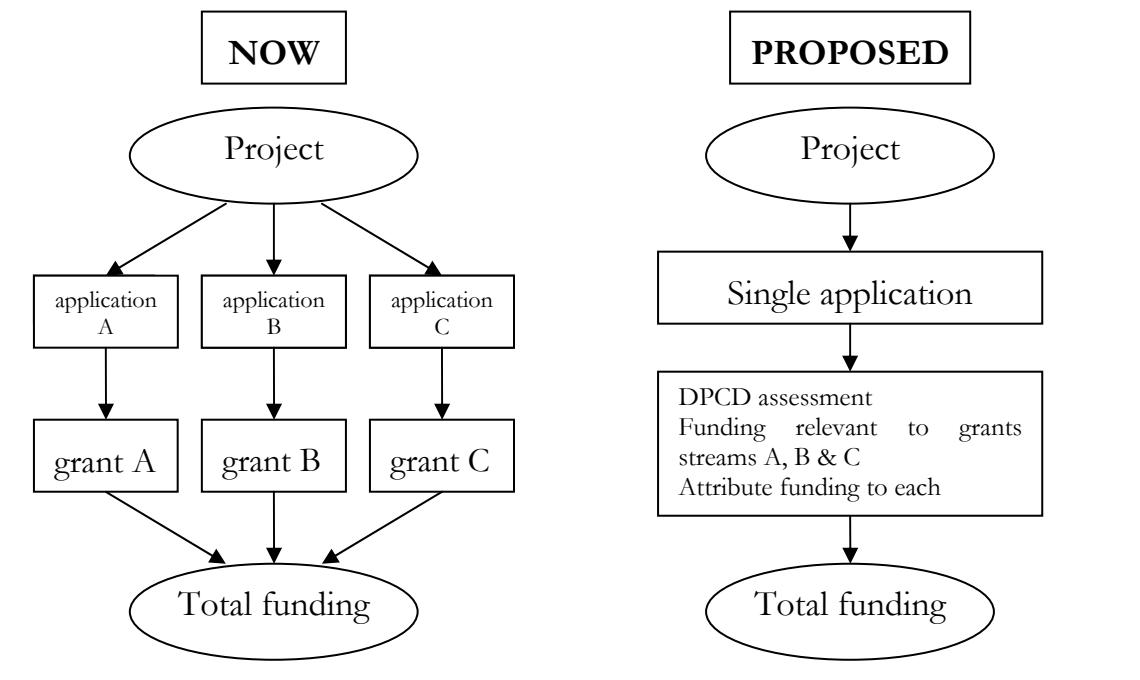
The Commission proposes that DPCD increase the flexibility across its many different grant programs by only requiring a single application per facility. In circumstances in which a shared facility would be eligible for multiple grants, DPCD would be responsible for coordinating between grant programs to make sure that the application is considered against the objectives of different programs. All successful grants would then be offered to the applicant as a bundle. To make sure grants are still counted under each category, DPCD would still need to attribute the relevant portion of the bundled grant to the various grants lines, so that the policy pursuit of different objectives can be kept in view.

Allowing groups to deliver one application reduces the resources (such as time and effort) that community groups must use, thereby lowering the transactions costs. This also frees up resources to be put towards more productive areas. By accepting grants through any program, this supports the idea that 'any doorway is the right one' which is aimed at making grant applications easier for groups.

This approach also enables better decisions to be made about overall levels of funding and overall benefits, so reducing the likelihood that benefits will be double counted. The contrast in the two processes is shown below in figure 7.1 in a stylised diagram. It is the Commission's understanding that DPCD already uses the proposed approach for some projects (for example, some larger, more complex projects). Small projects would still stand to gain from this approach. It

is aimed at reducing hurdles and administrative costs for groups, and these costs as a proportion of the value of the project is often greater for smaller projects.

Figure 7.1 Grant application processes: a schematic comparison



Currently, many of the different grant programs operate on different funding rounds, so not all grant programs may be open at any one time. On its Grants@DPCD website, DPCD notes that:

The timing of any grant application is dependent on the progress cycle appropriate to each grant. These can be annual, multiple funding rounds in a year, or open all year and details are in the application forms for each grant. (DPCD 2008d)

For example, *Modernising Neighbourhood Houses* was open from 14 October 2008 to 2 March 2009, while *Community Facility Funding Program — Major Facilities* was open from 18 August 2008 to 18 September 2008.

In designing this new process, the treatment of different timelines between grants would need to be managed by DPCD.

Another issue that needs to be considered with the grant program is coordinating timelines between grants and local government planning or budgeting requirements. As discussed in chapter 5, funding timelines may not coincide with facility or community needs. The Municipal Association of Victoria noted this misalignment of state government funding and local government planning, stating:

Under current circumstances however, community infrastructure grants are essential in facilitating the development of functional shared facilities. The timing of these grants can limit their effectiveness as they do not always align with local government strategic planning and budget timelines. (sub. 48, p. 5)

Submissions from the Shire of Strathbogie and Hume City Council highlighted the same problem. The Shire of Strathbogie stated that:

...a factor which makes it difficult for shared facilities proposals to eventuate is the fact that the capital budget requirements of the various agencies do not, quite understandably, align to a common date. (sub. 3, p. 5)

Hume City Council also commented that:

State government funding allocation for shared facilities is usually managed and delivered through a programmatic framework. Local Government funding is managed and delivered through the development of the Council budget and five to ten year capital works plan. Opportunities to improve alignment between state and local government capital planning should be investigated and appropriate processes developed to improve planning outcomes. (sub. 43, p. 28)

In amending the grants program, these two issues with alignment of state and local government timelines need to be addressed. One way of addressing this issue is to consolidate some of the grants, so that there are fewer unaligned timelines. Alternatively, DPCD could move towards more open funding rounds. Many of DPCD's grants are based on closed funding rounds, where applications are generally ranked against each other. While this is 'considered a more transparent and reliable method' (House of Representatives, Standing Committee on Infrastructure, Transport, Regional Development and Local Government 2009, p. 17) than an open round process, it can make the timing of grant provision inflexible.

While there are problems with the grants programs, it should be noted that DPCD is taking steps to coordinate and encourage sharing between communities, councils and developers. DPCD has instituted arrangements for:

...leading the move from grant management to a community investment paradigm through streamlining grant administration, coordinating place based investment strategies and leveraging community resources to build stronger communities. These changes will make it easier for people to apply for funding including for example, complex projects like shared facilities (sub. 58, p. 19)

DPCD also noted that:

...the Community Investment branch is driving a range of reforms to ensure DPCD's grants operate from an 'investment' paradigm, by leveraging community resources to respond to local priorities supported by simpler administrative processes. Simplifying processes for complex shared facilities has

been a focus of this work. The Victorian Community Support Grants Program is administered by this branch (sub. 58, p. 14)

The Commission's aim is to build upon the approaches already undertaken by DPCD.

Draft recommendation 7.4

That to improve the success rate of grant proposals for shared facilities, the Department of Planning and Community Development, starting in 2010–11, simplify the process for applying for funding across multiple grants, by only requiring one application per facility, rather than one application per grant. Applications would then be assessed against all eligible grants.

Decisions involving multiple departments

The majority of grants that government contributes to shared facilities are provided by DPCD. This internalises the coordination issues to just the one department. The Commission believes that giving DPCD flexibility both within grants and across grants (bundling) would deliver benefits, such as lessening hurdles and reducing transaction costs.

There are some circumstances, however, in which multiple departments are involved in shared facility funding. Nonetheless, the Commission believes that the majority of funding coordination issues across portfolios arise from capital expenditure, rather than grant funding. The Secretaries' Committee already acts to address some key issues of coordination across departments regarding shared facilities. (This is discussed further in chapter 9.)

To the extent that issues with other grants from different departments remain, several options could be considered to coordinate consideration of complex shared facilities projects and make the process easier for applicants. One approach is for applications to be forwarded and referred to DPCD, which would then be responsible for coordinating the funding streams from across departments. Another approach would be to appoint a case manager or a project team to be responsible for individual facilities.

Case managers and project teams

Some of the difficulties with coordination that have been noted may be reduced by providing additional assistance to groups seeking government funding. For these groups, a government officer could be assigned to the project, to help coordinate decisions for that particular facility. The intention is to still provide a quality decision regarding funding, but deliver these decisions faster. The scale of shared facilities can vary, so it is proposed that a 'case manager' be assigned to

smaller, simpler arrangements, and a project team for more complex or cross-portfolio funding arrangements.

The roles of the case manager could include the following:

- The case manager would coordinate all grants provided by the state government, irrespective of which department may provide the grant. As DPCD provides the majority of capital grants to third parties, this case manager would likely be appointed within DPCD.
- The case manager would be the grant applicant's primary contact within the state government, and would be the first contact for queries about the progress of each grant.
- The case manager would also help the grant applicant to identify any other potential grants that may be available to the applicant. (A broker may also perform this role for larger projects.)
- The case manager would be responsible for coordinating consideration of the project among departments. The case manager would have a contact from each grant provider. Giving one person the responsibility for coordinating the grants provides accountability, which would be expected to improve the timeliness of communication. It also means that the grant applicant is able to get questions about all grants answered by one person at the one time, rather than having to make numerous similar enquiries.
- The case manager would act as a coordinator and an advocate. As a result, they should not be involved in the decision making about which grants are and are not approved, so as to avoid conflicts of interest.

For projects with more complex funding arrangements, a project team could be responsible for this coordination role and would be comprised of members from each department that may contribute funding. An example of where a project team may be selected is for a multi-use Children's Centre, where DEECD, DHS and DPCD may all consider providing funding to the Centre.

At one of the Commission's roundtables, a General Manager from YMCA suggested that further help for community groups would be beneficial:

...trying to negotiate the different levels of government and the different funding priorities, the different timelines, we've found to be really challenging. A whole government approach ... would be of benefit, or intermediaries that could work with organisations like ourselves to try and weave through the funding mix. (trans. 3, p. 29)

The Manager, Recreation and Open Space Planning (City of Ballarat) noted that:

...Sport and Recreation Victoria have case grants that for anything up to \$5,000, so yes, there's money out there, but again, do the volunteers have the time and

effort to be made aware of that, apply for it, writing grant applications, again it takes time and effort. (trans. 4, p. 89)

Under this approach, the case manager would help to identify where the potential grants are located.

A similar role has also been suggested for a federal grants program. In its recent report to the Commonwealth, the Standing Committee on Infrastructure Transport Regional Development and Local Government suggested that the federal department administering a new regional development funding program assign a particular officer to assist grant applicants (House of Representatives, Standing Committee on Infrastructure, Transport, Regional Development and Local Government 2009, p. 23). This suggestion also emphasises personal support from staff.

Draft recommendation 7.5

That to improve the coordination of grant proposals between government departments, the Secretaries' Committee, supported by the Department of Planning and Community Development, trial case manager and project team approaches to grants administration for an 18 month period.

- For smaller projects, a case manager may be appointed. The case manager would be responsible for coordinating all state government grants, irrespective of which department is providing the grants. The case manager would undertake liaison between different departments.
- For more complex funding arrangements, a project team across departments should be established, where each relevant department is represented by an officer who is able to make decisions on behalf of their department.

This trial would commence by June 2010.

7.4 Whole of life funding and cost shifting

There are many different processes (as well as capital requirements) over the life cycle of a shared facility that require funding. It was also noted in section 7.3.2 that while government may contribute to these, this responsibility should not fall solely to government. It is also the responsibility of the applicants and partners to ensure that all funding requirements have been accounted for and considered. This should occur for both grants and capital funding. Moreover, sometimes the funding by one level of government is made with the assumption that subsequent funding needs will be met by another government or group.

7.4.1 Whole of life funding

Submissions commonly stated that ongoing funding, in particular, is often left out of funding considerations. Whole of life funding needs and sources must be considered when evaluating the viability of a project. The sustainability of a project over the long term should be considered at the outset of the project.

A Networker from the Network of Inner East Community Houses provided an example of the importance of ongoing funding, beyond the capital funding stage:

... they've got all these wonderful facilities provided by the developer but there's no capacity to actually then develop the community use and community governance and management of the facility because it's just sitting there and there's no funding to actually make it a viable used building. The building is just sitting there and that's it. That's the contribution. (trans. 3, p. 98)

To encourage greater consideration of other sorts of costs (particularly ongoing costs), the Commission finds that business cases and grant applications should introduce a component whereby applicants are required to demonstrate consideration for all funding requirements over the life of the project. The level of consideration should be commensurate with the size of the project or grant. The intention should be to encourage applicants to give due consideration to all funding requirements and reinforce that capital funding is only one necessary component of a successful shared facility. As suggested by the above quote, capital funding means little if the intended services are not supported through ongoing funding.

Consideration of where these funding sources may come from can be identified in a feasibility study. HM Leisure Planning also noted that funding sources, among other elements, can be assessed at this stage:

Feasibility studies assess existing and alternate opportunities; demographics (esp size, age, culture, socio-economics; mobility), government objectives, principles and values; catchments proposed/served and their demographics; community leisure activities and trends; community needs and aspirations; siting opportunities; management strategies; funding sources; and performance projections. This helps to ensure that what is built will be relevant (and flexible) and has a strong chance of being managed and programmed in an effective and relevant manner. (sub. 5, p. 2)

The current grant guidelines do mention that the applications should consider 'capital, operational, life cycle and management issues' (DPCD 2008c, p.14) without explicitly mentioning funding. Applications should give more emphasis to the impact of funding on these issues.

A secondary benefit of this approach is to provide a signal for government that the project is a good 'investment' and that the arrangements are sound. It can

highlight the forward planning that parties have undertaken for their facility, and suggests that the project may be more likely to survive in the longer term.

7.4.2 Cost shifting

In circumstances in which multiple groups are responsible for the costs of a project, as well as claiming the benefits, this can produce an opportunity for cost-shifting. Cost shifting is difficult to define, as recognised in an inquiry into Local Government and Cost Shifting, 'Rates and Taxes: A Fair Share for Responsible Local Government' (House of Representatives, Standing Committee on Economics, Finance and Public Administration 2003, p. 26), which suggested that there was no clear definition. For the purposes of the Commission's inquiry, cost shifting is when the actions of one group result in another group being obligated to meet unexpected costs, without these costs being identified and agreed in the planning process. It commonly involves different levels of government. Cost shifting can be a result of a lack of consideration of the costs and benefits of the project on all parties.

The Commission has been made aware of two broad types of cost shifting:

- the shifting of costs from the Commonwealth Government onto the state government. An example of this is the recent *Building the Education Revolution* grants from the Commonwealth to schools. Under this program, the Commonwealth is providing the capital funding, but the Victorian Government, through DEECD, would be responsible for any ongoing costs that result from these projects.
- state government shifting costs onto local government. An example of this is where the state government funds the building of a facility but leaves the maintenance and other costs for local government to manage.

The City of Casey stated that '[s]hared facilities should not be a cost shifting exercise onto local governments' (sub. 22, p. 10). Parks and Leisure Australia noted another case of cost shifting where schools may use certain council facilities without expecting to pay for that use:

The maintenance regime to upkeep a Council oval that is also utilised by a school is incredibly onerous and costly. Education Dept's often take access and free use as a [right]. (sub. 39, p. 4)

This is also noted by VicSport, stating that '[t]he expectation from the school is that the LGA [Local Government Authority] will fully fund the maintenance and upkeep of the facilities pushing the cost above that which is affordable to the LGA' (sub. 7, p. 13).

Cost shifting may not always be deliberate. In some circumstances it may be the result of a lack of clarity about the responsibilities or jurisdiction of each party in

the arrangement. It may not always be clear which parties should be responsible for particular funding requirements, and this may vary from case to case. What is important is that there is a clear understanding from the beginning about where the responsibility lies.

This discussion highlights the different consequences of considering the full costs and benefits of a project, rather than just the costs and benefits that can be individually attributed to each group.

Draft recommendation 7.6

That to improve the assessment of proposals and grants for new shared facilities, business cases (where needed and not currently undertaken) and grant applications for shared facilities, starting in 2010, include a section in which applicants are required to demonstrate consideration of all funding requirements over the life of the project.

7.5 Service delivery

The sharing of facilities can also have an impact on service delivery. Where services are co-located in a facility, there is potential for interaction between these services. For example, where different health services are located together, this can facilitate interaction that improves the overall service patients may receive.

Another example in which there is the potential for service delivery improvements as they pertain to sharing is the sharing of school buses. The Victorian Council of Social Service suggested that school buses could be used to meet the needs of other commuters (sub. 38, p. 12).

There are also opportunities for government to deliver services through shared facilities. Colac Otway Shire states the following:

Opportunity exists to identify programs and services that are typically provided by the various levels of government that can be provided in such shared facilities. The example of the 'Post-Compulsory Education Shop Front' within the Colac Beechworth Precinct Global Connector is a good example where various government departments and sectors can provide and deliver on 'life-long learning' opportunities for the broader community. This will specifically address local issues regarding social disadvantage and specifically education levels and access. (sub. 50, p.4)

7.6 Allocation and use of existing assets

In addition to processes for investing in new assets that are potentially shared, the government has responsibilities for a range of existing assets and their effective use.

This pool of assets is extensive and while some, such as schools, are closely managed, others, such as community facilities located on Crown land, are largely left to manage their own affairs.

The Commission received a range of comments about the need and potential to improve the use of existing assets. But there were very few specific comments on barriers to improvement and how such barriers might be overcome.

There are three broad areas that might be of interest and the Commission invites feedback on whether participants have encountered problems in any of these areas.

First, the earlier section of this chapter noted the need for the government to explicitly consider sharing, and properly assess a project's social benefits when it makes decisions to spend money. Similar assessments should also guide decisions to change the use of existing assets and to make government assets available for the use of others. It is not clear, however, whether there are problems with this process.

Second, when other groups, such as Committees of Management, are responsible for managing government assets, the Commission is interested in whether the incentives those groups face encourage sharing that takes account of broader community benefits, not just the benefits to the managing group, and whether changes to the management arrangements for community facilities on public and Crown land should be considered.

Third, the government has processes, managed by DTF, for managing surplus assets and the potential sale of those assets. It is not clear whether the decision making around this process fully considers the scope for sharing and the potential community benefits associated with that sharing.

Information request:

Are there deficiencies or impediments to decision making that mean that the potential for, or the benefits of, sharing are not fully considered in the government processes for reallocating the use of assets? Are current management and governance arrangements for community facilities on public and Crown land sufficient for capturing wider social benefits; if not, what changes could be made? Are the current processes for managing surplus government assets sufficiently considering sharing and community benefits?

7.7 Summing up

The government contributes resources to shared facilities in various forms. This chapter considered five issues: capital funding, grants to third parties, whole of life funding and cost shifting issues, service delivery, and use of existing assets.

Some common themes in the chapter highlight the need to better consider the social benefits of sharing in funding decisions, as well as considering the full costs of the project over its whole life. Flexibility in use of funding and reducing hurdles and transaction costs were other important themes.

The Commission's recommendations focus on improving the efficiency of current funding initiatives, rather than recommending greater levels of funding for shared facilities.

8 Governance, management and commercial arrangements

8.1 Introduction

The terms of reference for the inquiry require the Commission to ‘identify what governance and commercial (including cost-recovery and risk sharing) principles are appropriate when a facility is shared, identifying whether different models suit particular types of facility and uses.’

Good governance and commercial arrangements are a key factor in the success of shared facilities (chapter 5). However, the governance and commercial arrangements that are appropriate depend on the type of facility and local circumstances, as poor or inappropriate governance and commercial arrangements can significantly impact on the success of shared facilities (chapter 5).

This chapter explores ways in which governance and commercial arrangements can be improved. Improvements in these areas will help increase the benefits to be achieved from shared facilities — enabling more sharing and improving the benefits from existing sharing arrangements.

8.2 Governance arrangements

The Commission views governance as the framework of principles, structures, processes and accountabilities that enables an organisation to function effectively, conform with its legal and regulatory requirements, and meet community and stakeholder expectations of probity and openness.

The Department of Education and Early Childhood Development (DEECD) defines governance similarly noting that:

Broadly speaking, governance is about the decision-making and accountability within an organisation. (DEECD 2007, p. 7)

A number of participants in the inquiry noted that effective governance arrangements for shared facilities were critical to the success of any project. While there is wide agreement that governance arrangements are important, it is also agreed that there is no single model applicable to all situations. Hobsons Bay City Council noted that:

There is no ‘one size fits all’ approach to governance which can or should be adopted for shared facilities. Appropriate governance and management arrangements should evolve following adequate planning and discussion, taking into account:

- The nature and complexity of the shared use
- The outcomes which sharing is designed to achieve
- The characteristics, needs and desires of the stakeholders involved
- The capacities/skills of the stakeholders to take on the proposed governance arrangements. (sub. 14, p. 13)

The remainder of this section describes a framework for examining governance arrangements and information available on governance and explores opportunities to improve current arrangements.

8.2.1 A framework for examining governance arrangements

In Victoria, the State Services Authority produced guidance on good governance for public sector entities. The Authority noted that in the context of public sector entities:

'Governance' is about how a public entity is controlled and managed. It includes the relationships between an entity's Minister, Board, senior management and stakeholders, and the administrative arrangements that support these relationships. (SSA 2006, p. 3)

More specifically, DEECD has published guidance on good governance for shared facility partnerships (box 8.1). It noted that good governance:

... ensures the involvement and participation of all partners; maintaining open lines of communication and fostering coordination; cooperation and mutual accountability. An effective governance arrangement allows partnership goals to be realised, stakeholders to be engaged and risks to be managed. (DEECD 2007, p. 7)

Box 8.1 Principles of good governance

DEECD has identified eight principles of good governance for shared facility partnerships:

- (1) Transparency – decisions are based on clear criteria and are able to be scrutinised
- (2) Accountability – responsibilities are clearly allocated to each partner
- (3) Participation – each partner and other stakeholders should have input into the operation of the partnership and the facility
- (4) Consensus oriented – there should be a shared understanding of the objectives and management of the partnership
- (5) Responsiveness – the partnership should be able to respond to new circumstances
- (6) Effectiveness and efficiency – the project should match the available resources and achieve the best possible result
- (7) Integrity and stewardship – the project must be delivered legally and ethically
- (8) Leadership – all partners are responsible for the leadership and delivery of the project.

Source: DEECD 2007, pp. 7–8.

The eight principles of good governance identified by DEECD provide a useful starting point for developing a broader framework for examining governance arrangements. Colac Otway Shire (sub. 50, p. 5) supported all eight principles as underpinning good governance arrangements for shared facilities.

These principles are consistent with those articulated by the NSW Standing Committee on Public Works in New South Wales (SCOPWNSW):

The Committee believes that the successful management of joint use partnerships has the following elements:

- Community consultation
 - Preparing effective management agreements
 - Appointing a management unit or CEO
 - Ensuring equality and equity in stakeholder participation
 - Developing appropriate mechanisms for effective management.
- (SCOPWNSW 2004, pp. 68–69)

As the outcome of good governance should be the better achievement of the organisation's objectives, it is also necessary to have an explicit statement of the objectives being pursued by the sharing arrangement for the principles of good governance outlined above to be achieved.

The DEECD principles provide a starting point for examining appropriate arrangements for shared facilities. But they were designed specifically for sharing that involves schools and may not translate easily to other situations. For example, Frankston City Council noted that:

While some of the principles that DEECD are working on around shared facilities can be translated to other shared facilities; ie sporting clubs, community houses there are some arrangements that need to be viewed more broadly to consider a more diverse range of user groups and services. (sub. 26, p. 5)

DEECD itself recognises that there is no simple model that is applicable in all circumstances, noting that:

There is no ‘one size fits all’ governance structure for every project. The structure chosen will reflect the scope of the project and the number and nature of partners involved. (DEECD 2007, p. 8)

The following section discusses governance issues that should be explicitly considered by parties in a sharing arrangement.

8.2.2 Identifying the objectives of the partnership

An aspect of external governance is that the operation of a shared facility should be aimed at meeting the objectives or outputs set for the facility. In the case of facilities funded by the state government, these objectives need to support

relevant government policy. In the case of other community facilities, they may be set by the local government or agreed as a condition of funding or participation in the sharing arrangement.

Effective governance arrangements require that the partners to the agreement have a shared understanding of, and agree to, the objectives being pursued. A number of participants highlighted the importance of partners in the agreement having a shared understanding of objectives. DEECD noted that:

... it is critical for all parties to explore the aims and requirements of the partnership before commencing the development of a joint use agreement. Shared understanding of key arrangements prior to commencing a joint use agreement will help to minimise the risks of failed agreements and expedite the process. (sub. 55, p. 18)

The City of Boroondara noted that successful partnerships required good agreements 'where all stakeholders come together with a common vision and desire to find solutions' (sub. 53, p. 5).

The School and Community Partnerships — Demonstration Project (Caroline Springs) (sub. 25, p. 9) also emphasised the importance of clear well communicated objectives to the success of the Caroline Springs project.

Having a shared understanding of objectives does not necessarily mean that the partners share the same objectives in delivering their separate activities, rather that there is an understanding of the objectives of others, those objectives are not conflicting and they have a shared view on how the facility should be developed and managed. The DEECD principles reflect that the governance structure should ensure that the partnership is consensus orientated.

The state government's objectives for sharing are outlined in a number of policy documents, but perhaps most clearly in relation to the sharing of education facilities. A number of Victorian local governments also have policies on sharing that articulate their objectives (chapter 2).

Other groups may have less well articulated objectives or objectives that relate specifically to their situation. A sporting club may have an objective of promoting the sport to a wider audience and increasing participation, but no specific objective in relation to the use of shared facilities to achieve these goals. In such cases, clear communication between the potential participants — backed up if necessary by an appropriate agreement — is needed to ensure shared understanding of objectives.

8.2.3 Transparency and accountability

Good governance requires that decision makers are accountable for their decisions and are aware of the consequences of not performing as required.

Transparency promotes predictability in the governance process. Participants are aware of the rules and accountabilities and can observe how past decisions were taken. It ensures the accountability of those running the organisation.

Transparency is also important so that all parties involved in sharing the facility can see that they are being treated fairly. The Municipal Association of Victoria noted that:

... governance systems need to be developed, which allow for transparent decision-making processes to establishing access to facilities. This needs to happen in new and existing facilities. Since shared facilities usually have one owner and many users, clear decision-making processes also need to be established to ensure fairness and incorporation of all relevant stakeholder interests. (sub. 48, p. 5)

Transparency can be enhanced by publishing information on the nature of the partnership, its objectives and how decisions are made, and how the facility is being used. This information could include the agenda and minutes from meetings and appropriate reporting on performance.

Each organisation should be able to make clear to the community and its stakeholders the decision making processes it adopts and how it deals with disputes among partners.

An important element of a transparent governance arrangement is that the information about the arrangements should be accessible to the community and partners. This means that in the preparation of material, consideration should be given to making sure it is presented in an appropriate manner. For example, for organisations with many non-English speaking participants, it may be necessary to produce information in different languages.

8.2.4 Participation and leadership

This section highlights the importance of effective consultation processes to encourage participation in the development of effective governance arrangements for shared facilities.

In particular, the nature and form of consultation may differ between the development and operational phases of a shared facility as different groups may need to be represented in each phase. The City of Melbourne recognised potential differences between those involved in the planning and development of a project and those operating the completed facility:

Whilst extensive community consultation processes are undertaken, the focus when developing shared use facilities tends to be on facility design and location, with limited planning undertaken on how the facility will operate when it is complete. (sub. 29, p. 4)

Participation and leadership: development stage of a shared facility

During the early planning and development stage of a project, governance issues may arise around the extent to which stakeholders have the opportunity to participate in developing the vision for the project and the extent to which they have an opportunity to participate in deciding how the shared facility will be governed once it is completed. It is important that stakeholders feel that their ideas are considered in the development of the project. This includes engaging with those who feel they may be adversely affected by the proposal, for example, due to additional noise or parking problems.

The Commission considers there are likely to be significant differences in the qualities of leadership needed in the development and operating phases of a project. An effective leader is an important part of this early developmental stage as there is a need to push the project along while trying to discover and engage relevant stakeholders.

In the early stages, the leader and governance group may need to make judgements about who is consulted and who is given a more formal role in decision making processes. For example, in relation to Caroline Springs (appendix C), the School and Community Partnerships — Demonstration Project noted that:

Perhaps one of the most important lessons of the partnership in Caroline Springs arose from an early decision not to include some parties in the partnership because the effort to maintain relationships was too great when the work was peripheral to these groups. Instead these groups were linked to partnership activities through the creation of broad communication channels. For example, the Commonwealth was not formally included in the partnership initially, although communication channels were established early with the Area Consultative Committee to keep them fully informed of activities. (sub. 25, p. 9)

A number of participants highlighted the importance of effective leadership. The Department of Planning and Community Development (DPCD) noted that a barrier to creating effective shared facilities was:

... a lack of leadership in the community to initiate and drive the process required to achieve a shared facility ... (sub. 58, p. 27)

The City of Darebin similarly noted the importance of leadership in the early stages of a project:

Often successful shared arrangements are premised on effective leadership. The quality and willingness of groups to partner together require good leadership in the development stages of any facility initiative. It is the leadership capacity, drive and motivation that will often drive the initiative and the success or otherwise of an effective partnership. (sub. 44, p. 5)

Participation and leadership: operational phase of a shared facility

Leadership and participation in the developmental stage of a project is also important in ensuring that the participant's expectations and understanding of where the project is going are clear. Banyule City Council noted one area in which the expectations of participants may differ:

... an expectation among joint users of a shared facility that if Local Government is involved, it will be the chair of management committees, provide reception staff, coordinate and pay for the maintenance of buildings and take a lead role on the management of the shared facility. (sub. 49, p. 6)

Banyule City Council also noted differences between the developmental and operational stage:

Sometimes the planning and construction phases of a community facility can go fairly smoothly but then real issues arise once you have a group of service providers trying to negotiate the fine detail of a shared use agreement. (sub. 49, p. 5)

Effective participation and leadership in the early operational stages can reduce the risk of such differences in expectations manifesting themselves as serious problems later or can be resolved as they arise. The issue is that the governance structures and people involved may need to differ between the two stages in a project's life-cycle. The groups involved must be aware of this and be prepared to develop their governance structures, (for example, by adding participants or performance measures) as project requirements change.

A number of participants also noted the wider benefits of community participation in governance arrangements. For example, Dr Ian McShane argued that:

Community participation in facility governance is the type of initiative heralded by political analysts as contributing to managerial experimentation, institutional pluralism and civic engagement. (sub. 30, p. 6)

The Executive Officer of Adult Community Education Victoria also highlighted the wider benefits of community participation in governance arrangements:

We always say that people learn as much from their participation in the governance of our organisations as they do from actually turning up and sitting in a class ... (trans. 3, p. 18)

Some of the benefits of shared facilities (discussed in more detail in chapter 4 and appendix B) are the engagement and skill development that takes place in those participating in running shared facilities.

8.2.5 Ongoing operational arrangements

Governance arrangements are also important for the successful ongoing operation of a shared facility. The governance arrangements need to put in place appropriate structures to ensure that a shared facility arrangement — once established — works in the longer term. In terms of the DEECD governance principles this section embodies the principles of responsiveness, effectiveness and efficiency, and integrity and stewardship.

Sustaining governance arrangements over time

Governance arrangements will only be sustained over time if there is a pool of suitable individuals willing to take on managerial positions within organisations. In some larger facilities there may be paid staff who manage the facility. In other cases, especially for community organisations, management may be undertaken by volunteers.

There are two key issues there:

- the need to attract people with the skills and desire to take on a managerial function that relates to the decision making about the facility
- whether someone is explicitly employed to be the operations manager of the facility.

Dr Ian McShane has warned of the increasing difficulty in attracting volunteers to undertake management roles in an increasingly complex world often resulting in a more complex set of obligations on those who volunteer:

Interviews conducted by the author suggest the complex policy environment in which community facilities operate – an unstable mix of regulation and devolution – has made the task of attracting volunteers to perform governance roles increasingly difficult. For example, the boards of management for pre-schools and neighbourhood houses (a type of community centre) in Victoria are employers of facility staff, rather than the local authority that is customarily the owner of the physical facility and a major funds provider. (McShane 2006, p. 275)

The complexity of managing some shared facilities means that those involved may need particular skills and experience to ensure a successful arrangement. Hobsons Bay City Council noted that:

As shared facility arrangements become more complex, it is not reasonable to expect that community members will always be able to commit the time, or have the skills required to successfully manage these operations. (sub. 14, p. 8)

Appropriate skill sets may not only be lacking among volunteers in shared facilities. School principals involved in sharing significant assets may not be trained in business practice or commercial law.

One way to provide support and training to volunteers (and others) who work on shared facilities is through mentoring schemes. These schemes can provide a valuable support network for volunteers as well as providing informal education and training. Adult Community Education Victoria saw a significant role for local government in this area, noting that what works for governance and management was:

Local government support for community management eg informal and formal governance training and networking for volunteers, public recognition of volunteering, mentoring and advice. (sub. 51, p. 3)

However, other organisations also participate in and supporting mentoring schemes. These existing schemes often draw on the expertise of managers from the private sector. In some cases, community groups have been able to get private companies to fund and participate in mentoring activities related to the governance and management of shared facilities (trans. 3).

In a similar way that some private sector organisations have contributed to these mentoring programs, the state government could contribute executive and management expertise. Such participation is likely to bring benefits to both the individuals being mentored and those offering the assistance. Leadership Victoria has a number of programs, including mentoring, to help develop and enhance leaders across all sectors of the community.

Dispute resolution procedures

Regardless of the commitment of those involved, disputes may arise between parties to a shared arrangement. Effective governance arrangements need to ensure that there are mechanisms available to address disputes when they arise. An effective dispute resolution process should be transparent, accessible to the parties involved and cost effective.

Disputes can arise for many reasons. The City of Whitehorse noted that a dispute involving two sporting codes over the use of a pavilion:

- ... highlighted several issues including
- The need to clearly define access agreements
 - Historical use and the perceived ownership of Council facilities
 - Design of facility did not meet the requirements of the sporting clubs
 - Willingness of personalities to resolve conflict
 - Risk
 - Maintenance, management, renewal costs. (sub. 45, p. 16)

Many of these issues have been raised in other submissions to the inquiry as the cause of friction and dispute between parties sharing a facility.

Dispute resolution procedures are not costless, but nor is allowing such disputes to persist. As noted by the City of Whitehorse they can require significant resources to be devoted to them:

'There have been occasions where there have been irresolvable conflict between two sporting codes that have required the use of a sporting pavilion. The issue involved mediation by Council Officers and absorbed significant staff resources. (sub. 45, p. 16)

The nature of the dispute resolution process needs to be proportionate to the size of the facility and the likely costs of unresolved or escalating disputes. In-house mediation may be appropriate for minor disputes over cleaning for example, but more formal processes would be required in large facilities if there are disputes over, for example, issues of major asset replacement.

In the case of education facilities in Victoria, the *Shared Facility Partnerships* guide to good governance for schools and the community does not provide any guidance on dispute resolution procedures. The shared facility partnership checklist makes no explicit mention of dispute resolution procedures (DEECD 2007, p. 29)

In New South Wales, the Department of School Education has established the following process for resolving difficulties:

Where conflict exists and conciliation or arbitration is required, the school or the user group shall refer the user to the Assistant Director-General for that region, who will arrange for the matter to be resolved by negotiation between the Director of Schools, a representative of the user group and the Principal. (NSW Department of School Education 1994, p. 4)

In Victoria, the template joint use agreements prepared by DEECD provide for mediation and conciliation by an independent party. The template agreements provide a clear process by which any disputes are to be considered.

Proportionality

Governance arrangements should be proportionate to the risks facing the organisation and those involved with it. The types of risk facing those involved in shared facilities can be driven by the potential for financial loss or shortfall in benefits, potential to undermine the achievement of important government objectives and the risk of fraud.

In many cases, the risks associated with small sharing arrangements — such as the casual use of a meeting space or sports facility — are very limited. In such cases governance arrangements should not impose costly obligations on organisations to:

- set up and maintain complex management structures
- comply with onerous reporting obligations
- comply with onerous processes to receive small amounts of money.

An example of what appear to be excessive governance arrangements was raised during a roundtable discussion. The governance arrangements for managing a Mechanics Hall in a regional centre were inherited by a local school principal and the roles and responsibilities of the different parties involved were unclear. The principal was required to report to the council and there notionally was a committee of management, but the committee did not live up to its name and the ownership of the land and building was unclear. All this was put in place to manage a \$700 per year maintenance payment (trans. 7).

Information request:

The Commission seeks specific examples where groups believe that the cost of governance obligations imposed on them is not commensurate with the potential risks involved.

8.2.6 Governance arrangements: summary

Governance arrangements that suit the nature of the facility to be shared and users are central to the success of sharing arrangements. While the principles of good governance are reasonably well established, there is limited practical guidance available to those seeking to participate in a shared facility.

The Association of Neighbourhood Houses and Learning Centres has produced a brief list of questions to consider in developing governance arrangements (sub. 34, p. 13). Adult Community Education Victoria notes that others, such as Wyndham City Council have developed good governance checklists 'as part of their funding arrangements with community providers' (sub. 51, p. 3).

However, the disparate nature of current guidance, and in some cases its degree of specificity (such as DEECD's guidance for schools) makes existing information of less general usefulness to the broad range of shared facilities. Providing a set of comprehensive guidelines on governance arrangements for shared facilities would help reduce the costs involved in searching for such information and help ensure the success of such a facility.

Draft recommendation 8.1

That the Department of Planning and Community Development prepare, within 12 months, guidelines for good governance arrangements for community groups operating in shared facilities. The guidelines for shared facilities would be sufficiently detailed to ensure predictability in how the governance process operates.

The guidelines would provide:

- specific guidance for 'small', 'medium' and 'large' shared facilities
- guidance on the different governance structures for the development and operational phases of a shared facility
- provide guidance on different forms of community engagement and involvement that are appropriate during the start-up and on-going operation of a shared facility
- direction on the responsibilities of partners and users of the facility that should be incorporated in agreements
- advice on setting up management boards
- advice on getting the right people involved
- advice on dispute resolution procedures.

The guidelines would also embed the principle of proportionality to limit unnecessary administrative burdens on the shared facilities.

Effective and successful governance arrangements in shared facilities depend on the active participation of the community and the skills of those involved. Mentoring schemes can help provide both support and skills transfer to those working in shared facility governance.

Draft recommendation 8.2

That to increase the support for skill development among community organisations involved in shared facilities the Department of Planning and Community Development, for grants applications starting in 2010, assess opportunities for those involved in the governance and operation of shared facilities to be supported by existing mentoring programs, including that run by Leadership Victoria, and pass contact details on to these mentoring programs on request.

8.3 Commercial arrangements

The nature and extent of commercial issues involved in shared facility arrangements will vary widely reflecting the different types of projects — from simple to more complex and with private sector involvement (both commercial

and not-for-profit). This section discusses three aspects of commercial arrangements: pricing; competitive neutrality issues; and insurance arrangements; which were raised as important issues during the inquiry. It also discusses how governance in particular may differ if there is significant private sector involvement in the project.

8.3.1 Pricing shared facilities and cost recovery

Sharing facilities can often involve the asset owner incurring additional costs — at a minimum there may be extra lighting and heating costs or maintenance and cleaning costs. In some shared facilities the additional costs may be more significant, especially if they involve structural changes to the facility or the provision of additional equipment.

The first issue for an asset owner or operator is to consider whether to charge for the use of the facility and then to determine how much to charge.

Deciding who to charge

The decision on whether to charge will depend in part on the objectives being pursued through sharing the facility. In considering these objectives the asset owners or operator may also wish to take into account the nature of the different groups wanting to use the facility. For example, Hobsons Bay City Council noted that:

... commercial arrangements such as cost recovery are best assessed according to the nature of the shared arrangement. For profit and larger not-for-profit agencies are in a better position to share costs at market rates. Smaller groups have varying capacity – some are capable of raising significant revenue (such as sports clubs) and so could conceivably contribute their fair share of costs. ... Still other community groups have very little capacity to contribute financially to sharing arrangements. (sub. 14, p. 14)

The issue of whether to charge a particular user may be at the discretion of the facility owner or subject to particular government direction or guidance.

In New South Wales the Department of School Education provides information on the charges to be applied to different groups seeking to use school facilities. The policy statement identifies three classes of user:

- those to be given free access (groups such as school councils, parents groups and the teacher's association)
- those charged utility and other operational costs (including certain ethnic schools, adult and community education groups, aboriginal homework centres and non-profit regular or casual users)
- those which may be charged market rates (profit making organisations and casual users).

The policy statement also indicates that 'schools have discretionary power to apply a lesser charge, to exempt from charge, or to accept a donation in lieu of charge' (NSW Department of School Education 1994, pp. 4–5).

No such explicit guidance exists in Victoria in relation to charging for the use of education facilities.

Responses to the Commission's surveys of schools and local governments indicated that relatively few had an explicit cost recovery policy. In the case of schools, of the 74 that responded to this question, 60 had no cost recovery policy while only 14 had an explicit policy. In the case of local government facilities, of the 68 facilities for which information was provided, 17 had a cost recovery policy while 51 did not.

Pricing to recover costs

Once a decision is taken to charge users for accessing a facility the facility owner must decide the basis upon which prices are to be set. The extent of cost recovery could vary from requiring users to cover additional costs generated by shared use (such as additional electricity, cleaning and maintenance) through to pricing on a commercial basis.

Evidence from the survey of schools and local governments provided a mixed picture of pricing arrangements. In the case of school facilities, of the 96 schools that responded to the Commission's survey, 68 indicated that they charged only to recover incremental costs while 28 attempted to recover fully distributed costs. In the case of local governments, of the 67 facilities for which information was provided, in 54 facilities charges were based on incremental costs while for 13 facilities they were based on fully distributed cost.

Setting charges to recover costs can be complex, especially in large facilities with many users. Facility owners or operators may not have the expertise to determine appropriate charges for different users. Colac Otway Shire stated that:

It is our experience that cost recovery and risk sharing is not occurring due to the lack of management principles in place and enacted. It should be acknowledged that often such facilities are managed and administered by a combination of school administrators and volunteers who do not necessarily have appropriate skills or experience in facility management or business practices. (sub. 50, p. 4)

The extent to which a facility owner attempts to recover costs and the circumstances in which it does so may also have implications for competitive neutrality (section 8.3.2).

One way to improve information available to facility owners to help them determine prices is to provide information on cost recovery principles. To

provide guidance on cost recovery issues, the Department of the Treasury and Finance has published cost recovery guidelines which set out a framework for examining cost recovery for a range of state government activities (DTF 2007). The guidelines note that well designed and implemented cost recovery arrangements can deliver efficiency and equity benefits for the community. While the government's policy is that charges should *generally* be set on a full cost recovery basis, there are situations in which it may be appropriate to recover less than full cost. For example, the guidelines state that:

It should be noted that these guidelines describe situations where full cost recovery may not be appropriate, which includes government services where objectives of income redistribution or social insurance are important (e.g. the provision of health, education, public transport and social housing). (DTF 2007, p. 2)

Current guidance in Victoria provides little information to assist those operating facilities where less than full cost recovery is appropriate, particularly those operating shared facilities.

A next step in developing guidance for facility owners and users would be to publish more detailed information on how to recover costs. VicSport argued in favour of the model adopted in New South Wales:

Currently there is no standardised approach to the cost of external community groups hiring school facilities. ... In comparison the NSW government Department of Education provided guide charges for hourly use of utilities such as electricity, heating and air conditioning to assist principals in achieving cost recovery for community use of a school's facilities. Creating a standardised cost setting would be beneficial for schools, community and sport and active recreation groups. (sub. 7, p. 14)

Such information would reduce transaction costs as facility owners would not have to estimate costs themselves but could refer to the standardised schedule. It may also increase the transparency with which charging decisions are made.

A downside of a mandatory standardised schedule is that it would reduce the scope for flexibility in charging. It also may be difficult to reflect differences in the actual cost of running different facilities. Hobsons Bay City Council noted that:

It is the Council's view that a flexible and creative view, capable of valuing different types of contributions, should be taken in relation to partnerships developed around shared facilities. That is not to say that the arrangements should be so fluid that no consistency is capable of being discerned, but rather that criteria around cost-recovery should not be applied so rigidly as to exclude some groups from sharing. (sub. 14, p. 14)

Hume City Council also recognised that there may be different cost recovery models appropriate to different users. It recommended:

That the Commission explore various cost-recovery and cost-lowering models which could be applied to shared facilities, especially to facilitate the participation of smaller or more niche service providers or community groups within shared facilities. (sub. 43, p. 36)

Consideration of cost recovery issues also has implications for competitive neutrality.

Draft recommendation 8.3

That to assist those involved in shared facilities to develop and understand good approaches to pricing the Department of Treasury and Finance, within 12 months, prepare guidance on cost recovery principles to be applied to shared facilities. The guidance would address the following:

- consistency with existing guidelines applying to state government activities
- consistency with the Victorian Government's policies on competitive neutrality
- comments in this report on how that policy would relate to shared facilities including recognising that provisions to waive charges for specified reasons can be appropriate.

The Victorian Competition and Efficiency Commission endorse the guidelines as they relate to competitive neutrality. This guidance would be supported by supplementary guidance prepared by:

- The Department of Education and Early Childhood Development in relation to the application of cost recovery principles to government schools
- The Department of Planning and Community Development, in consultation with the Municipal Association of Victoria, for application to shared facilities, other than government schools that are owned or funded by the Department and/or local governments.

8.3.2 Competitive neutrality issues

Competitive neutrality ensures that the significant business activities of publicly owned entities compete fairly in the market when it is in the public interest for them to do so (box 8.2). It requires transparent cost identification and pricing in a way which removes net cost advantages arising from public ownership. Appropriate guidance on cost recovery (discussed in the previous section) would help alleviate uncertainty about how competitively neutral prices should be set for shared facilities. Competitive neutrality does not apply to non-business, non-profit activities of government.

Box 8.2 Competitive neutrality

Competitive neutrality policy is intended to ensure that government businesses which compete with private businesses do so on equal terms. It is important to note that competitive neutrality policy applies 'only to the significant business activities of public owned entities, and not to the non-business non-profit activities of those entities' (DTF 2000, p. 5).

There is therefore a threshold test of whether an entity is involved in 'significant business activities' before competitive neutrality policy applies. There is no definition of 'significant business activities' and this must be determined on a case-by-case basis. In determining whether an entity is engaging in 'significant business activities' the government business should consider following questions:

- (1) Is the activity a business? There are four elements to determine whether an activity is a business entity:
 - (i) Do the activities result in the sale of a good or service?
 - (ii) Are the costs of providing the goods or services of the entity predominantly met by users?
 - (iii) Is there an actual or potential competitor?
 - (iv) Do the managers of the activity have a degree of independence in relation to the production or supply of the good or service and the price at which it is provided?
- (2) If the activity is a business, is the business significant? Two factors can be considered to determine whether a business is significant:
 - (i) The size of the business activity in relation to the size of the relevant market.
 - (ii) The influence or competitive impact of the business activity in the relevant market.

If a government activity is determined to be a 'significant business activity' it must consider the costs and benefits of introducing an appropriate competitive neutrality measure; full cost reflective pricing, commercialisation and corporatisation. Full cost-reflective pricing is the most commonly applied measure and the key requirement of full cost reflective pricing is that publicly owned agencies 'should aim to recover the full costs of their whole business activity over the medium to long term' (DTF 2000, p. 7).

If the expected benefits of applying the appropriate competitive neutrality measure are found to outweigh the costs, the final stage is to consider whether the implementation of the measure is in the public interest.

Source: DTF 2000.

Box 8.3 provides some examples of the application of competitive neutrality policy to shared government and community facilities.

Box 8.3 Applying competitive neutrality

The examples in this box are intended to show how competitive neutrality policy may impact on shared government and community facilities.

Example 1

A school provides access to a class room for a not-for-profit community group to use it as a meeting space. The school makes a token charge for the room. In this case it may be concluded the school is not carrying out a significant business activity and may be willing to share the facilities, not for commercial gain, but to contribute to community well-being or because sharing contributes to its educational objectives.

Example 2

In 2002, the VCEC assessed a competitive neutrality complaint against a school which made its swimming pool available to two for profit swim schools to use after school hours. In this case it was found that competitive neutrality policy did apply because:

- the hire of the pool constitutes the provision of a service, and thus is a business activity in the sense implied by Competitive Neutrality Policy; and
- the activity is ‘significant’ insofar as:
 - the size of the business activity is relatively large in relation to the size of the relevant market; and
 - the business activity will have a significant influence in the relevant market, largely because there are a limited number of competitors and the facility is available for hire during out-of-school hours.

However, the competitive neutrality investigation found that the school had set fees based upon market rates, which is consistent with a competitively neutral outcome.

Competitive neutrality concerns are most likely to arise when there are privately owned facilities in close proximity to government or community facilities that are being shared and the government or community facilities do not recover the full costs of operation from user groups. In addition, the proximity of such a shared government or community facility may prevent a private operator establishing a similar facility nearby because it would be unprofitable, given the shared facility is not charging prices reflecting full cost recovery. Shared government and community facilities may not create an overall benefit for the community if they displace privately provided activities.

The Commission received very little comment on competitive neutrality issues from participants. HM Leisure Planning noted that:

Sharing should never crowd out private enterprise: the provisions of competitive neutrality protect against this while good feasibility studies can identify opportunities for commercial involvement. I think this is a bit of a furphy. Our research shows that private operators rarely ever target the age, gender,

ability/disability/needs groups which good Council venues do, so competition is not even an issue. (sub. 5, pp. 7–8)

Hobsons Bay City Council expressed similar sentiments:

It is our view that greater sharing of facilities is unlikely to have a significant impact in terms of 'crowding out' private initiatives; the types of activities and services in which government and community are engaged on the whole do not significantly cross over the private sector. Childcare and the leisure/fitness industry are two possible exceptions. (sub. 14, p. 13)

To the extent that competitive neutrality may be an impediment to further sharing of government and community facilities, compliance with the pricing guidance suggested by the Commission is likely to reduce uncertainty so that:

- all groups are aware of the situations in which applying competitive neutrality principles are important
- competitive neutrality does not constrain sharing in situations in which charges below market rates are appropriate.

8.3.3 Insurance issues

A number of participants noted that insurance issues were an impediment to further sharing of government and community facilities. Participant comment focused on the cost of coverage and duplication — the lack of appropriate insurance coverage was not raised as an issue.

A number of participants argued that the cost of insurance can adversely affect the ability of groups, especially community groups with a limited capacity to raise funds, to participate in shared facilities. For example, the Municipal Association of Victoria stated that:

Insurance can also be a barrier to the sharing of facilities. In many multi-use centres, community groups have to pay their own insurance. This prevents many groups from accessing these facilities as they cannot afford the costs. (sub. 48, p. 6)

Another cost related issue is the possibility that, by sharing a facility, a group is required to hold a higher level of insurance cover than if they were operating in a non-shared facility. Warrnambool City Council noted the possibility that higher levels of insurance cover may be required:

Most community clubs and organisations are now required to hold adequate public liability insurance as a requirement and cost of their day to day operations. These organisations may be required to hold a higher level of cover as a cost in participating in a shared facility arrangement, and this may inhibit some organisations from doing so. (sub. 41, p. 7)

However, it is not clear the extent to which these insurance costs are preventing groups from accessing shared facilities. If costs are significant enough to prevent sharing that would bring significant community benefits there may be a case for explicit and transparent funding of community groups to contribute to insurance costs.

The other insurance related issue raised by participants was the problem of duplicated insurance coverage. For example, the State President for Parks and Leisure Australia (Victoria/Tasmania) noted that:

Insurance is a particular issue and duplication of insurance. We have facilities that there are two, three, four lots of insurance covering the same facility. (trans. 2, p. 11)

The Chief Executive Officer of the Football Federation Victoria also raised the issue of duplicated insurance coverage, noting that:

... if it's a shared facility, the AFL will have it [insurance], we'll have it, the council will have it, and a school will have it ... (trans. 2, pp. 69–70)

The Commission has received no 'hard' data on the extent to which duplication of insurance requirements adds to the costs of using shared facilities. It is also not clear the extent to which different parties holding insurance is insuring the same risk — a clear case of duplication — or similar types of risks faced by different parties. DEECD has indicated that it intends to:

Review risk and insurance arrangements for shared facility partnerships between schools and third parties. This review will seek to audit existing arrangements, identify best practice, and provide options to enhance the existing arrangements. (sub. 55, p. 21)

The DEECD review may provide insights into the situation affecting schools. However, the issue may be more widespread and if unnecessary duplication is occurring, this could inhibit the use of shared facilities and therefore impose a cost on the community as a whole.

Information request:

The Commission seeks further evidence on the extent to which insurance costs have affected the ability of community organisations to use shared facilities and on the extent to which there is duplication of insurance coverage.

8.4 Private sector involvement in shared facilities

Although much of the discussion in this report has concerned the sharing of government or community owned facilities, the private sector is also involved in sharing in a variety of ways:

- as an investor in the facility
- as an investor, developer and manager through a Public Private Partnership agreement
- as a contracted manager of a facility
- a user of the facility providing a commercial service
- as a provider contracted to provide a social service
- an ad hoc user of a facility
- philanthropic contributions.

8.4.1 Governance arrangements

The involvement of private providers in a sharing arrangement may impact on the form of governance arrangements adopted. The submission by DEECD noted the potential for differences in governance arrangements when there is private sector involvement in the project:

Whilst in general, the broad governance principles are applicable to both for profit and not-for-profit joint use partnerships, arrangements in which one of the parties is a profit making non-government body should differ in the following ways:

- Greater focus up front between the government and non-government party to determine whether there is a shared vision and understanding between them on how the facility will be shared and what governance arrangements are appropriate;
- Greater attention to the legal arrangements will be required as litigation may be an increased possibility when non-government profit-making bodies are involved (whereas non-litigious solutions will be found when both parties are from government). (sub. 55, pp. 21–22)

Those interested in sharing need to recognise the different objectives which may be driving public and commercial private providers and how this may impact on their operations and governance arrangements. The Community Child Care Association of Victoria (CCCAV) noted that:

[CCCAV] believes there is a fundamental tension between the use of public facilities and the profit seeking of the private sector. [CCCAV] cautions against the increased sharing of public facility with the private sector and cite our experience with the OSHC [Outside School Hours Care] sector to demonstrate some of the risks. (sub. 28, p.4)

In particular CCCAV suggested that the mixing of private service providers and public facility owners required that:

Governance arrangements must retain decision making control with the owner of the public facilities where public facilities are shared with the private sectors.

Governance and commercial arrangements must ensure public purposes are not compromised in any way by private profit seeking. (sub. 28, p. 4)

However, while the involvement of the private sector may raise particular issues, there are many examples of successful arrangements that involve various levels of private involvement.

In particular, effective involvement of the private sector can allow governments and community groups to harness the skills, resources and networks of the private sector. Detailed and well specified contracts between the private and public sector, setting out the obligations of all concerned, can help ensure successful outcomes. In addition, successful outcomes are more likely if the public policy goals and interests of the private sector can be aligned. Delfin's participation in Caroline Springs is an example of a successful collaboration between the public and private sectors (appendix C).

8.4.2 Commercial arrangements

The overriding objective of private for profit providers of services and facilities is to make a profit and provide a return for their owners and investors. Hobsons Bay City Council noted that:

In a commercial arrangement, the parties do not need to have the same accountability to the community as does government or a community group – although clearly a private entity must remain relevant to its customers/clients to ensure its continued success. Moreover, commercial arrangements are likely to be much more straightforward to negotiate, in terms of the cost recovery and risk sharing principles which would apply. (sub. 14, p. 14)

For profit operators are less likely to need a similar level of guidance as to pricing and commercial arrangements as not for profit community groups or government organisations. That said, the Department of Treasury and Finance's guidelines on cost recovery would necessarily consider how they should apply to the private sector.

Information request:

Given that the private sector has an incentive to seek out profitable opportunities, what, if any, impediments exist to prevent greater private sector involvement in shared government and community facilities?

8.5 Summing up

Appropriate governance and commercial arrangements are required if shared facilities are to operate effectively and enjoy ongoing success.

The Commission has found that there is some information available to guide governance structures and arrangements for shared facilities — especially in relation to educational facilities. However, other material is more difficult to find and hence there is value in the DPCD to prepare guidelines to facilitate good governance arrangements for community groups operating in shared facilities.

Commercial arrangements are also important. However, there is little guidance on commercial arrangements and cost recovery principles currently available to owners or users of shared facilities. The information that is available is not specifically designed for shared facilities and is not collected in a consolidated manner. The Commission has therefore recommended the preparation of cost recovery principles to provide guidance to those in shared facilities.

9 Long term opportunities: planning to increase sharing

9.1 Introduction

The terms of reference for the inquiry require the Commission to ‘identify any barriers to a more widespread role for shared facilities throughout Victoria, including barriers arising from State Government and local government processes’, and to ‘make recommendations about any changes required to government processes to achieve successful collaboration’.

Previous chapters have identified opportunities to increase the level of sharing in the short-term by making it easier to identify and develop successful sharing arrangements (chapter 6) and simplifying the funding processes for shared facilities (chapter 7). However, there is also scope to improve the identification and development of shared facilities in the longer term.

This chapter considers how government planning and decision-making frameworks can be adjusted to enable earlier consideration of sharing opportunities through improved co-ordination across government. It focuses on improving the sharing of information and the co-ordination of decisions across different levels of government (state and local governments in Victoria and the Commonwealth), including for service delivery and land-use planning. The chapter also discusses the importance of evaluating the effectiveness of shared facilities to help improve the ongoing operation of shared facilities and identify the right opportunities to share into the future.

9.2 Improved planning and co-ordination of processes

Each level of government has different goals and objectives, and uses different decision-making frameworks to select the best means of achieving these objectives. Of particular importance to shared facilities are the processes for allocating resources (including budgeting and asset management) and land-use planning processes adopted by the state and local governments.

The discussion in chapter 5 highlighted issues that participants in the inquiry identified about the planning and decision-making frameworks state and local governments use to identify and develop shared facilities. These issues included the objectives and interests of different parties (state and local governments and community groups) involved in sharing agreements (section 5.2.1), meeting the

needs of individuals and communities for services and access to facilities (section 5.2.2), and land use and infrastructure planning (sections 5.2.3 and 5.3.4).

The decision-making and planning frameworks used by state and local governments are all designed to the same end: to allocate scarce community resources to achieve specified outcomes as efficiently as possible. These frameworks are the basis for government decisions that go well beyond shared facilities. Consequently, the Commission does not consider that this inquiry is an appropriate framework for a first principles review of the planning and related decision-making frameworks used by state and local governments in Victoria.

Participants in the inquiry did, however, identify several ways in which planning and decision-making processes specifically affect decisions on shared facilities. Although they overlap in many respects, these issues can be divided into four main categories: better information on existing assets, the need for a longer term perspective, better co-ordination across state government departments and better co-ordination across different levels of government.

While there have been some recent reforms that may address some of these concerns — for example, the interdepartmental Secretaries' Committee, which can oversee the sharing of facilities across different departments, and the Growth Areas Authority (GAA) in promoting integrated service delivery planning in the growth areas — these cannot cover all shared facility projects across the state.

9.2.1 Better information for decision-makers

The discussion in chapter 6 highlighted that there is scope to improve the use of existing assets by collecting and sharing information to better match the supply and demand for shared facilities.

In addition, comprehensive data on the nature and extent of government and community facilities that are or could be shared is needed to inform longer term decision-making. Without information on the number, condition and utilisation of existing assets, state and local governments risk making poorly informed decisions about the best use of existing assets and on priorities for investment in new or refurbished facilities.

In their submissions to the inquiry, some local councils highlighted how their current approaches provided good information on their asset base to inform future planning. For example, the Moreland Building Assets Management Strategy 'Building Our Future' identified that much of the existing community infrastructure is approaching the end of its service life and included recommendations for 259 buildings that were rated as being 'average to fair condition' (sub. 46, p. 3).

In addition to their own assets, some councils take a broader view of the assets within their community. In a 2006 review of community facilities, Cardinia Shire Council identified ‘non-council facilities’ (including schools) that were available for community use and noted that:

These facilities therefore provide a valuable resource for the community through their ability to cater for a broad range of users/uses and in addition, have tremendous capacity to expand the level of community use in the future. (sub. 42, p. 6)

Similarly, the City of Whitehorse has embedded the sharing of facilities in its Recreation Strategy Plan including, for example, specific actions to assist sports clubs to make their facilities available to people who do not wish to participate in club-based competitive teams and undertaking an audit of school facilities that are or could be used by external groups (sub. 45, p. 4).

When such information is available, it can assist governments and communities to make better use of existing assets — for example, re-configuring pitches to enable greater use of existing playing areas or re-allocating different sporting codes across different playing areas or identifying vacant land. Communities will also be able to make better informed decisions on whether to refurbish existing facilities and/or invest in new facilities.

While some councils appear to have a good understanding of the facilities in their region for sharing, it is not clear that detailed information is uniformly available across all councils. At the state level, there are also gaps in agencies’ understanding of the number and location of facilities available for sharing. For example, while the Department of Education and Early Childhood Development (DEECD) holds information on all joint use agreements signed by schools, it does not record less formal sharing arrangements (see section 3.3.2). There also appear to be gaps in the Department of Sustainability and Environment’s (DSE’s) understanding of the facilities on crown land under the control of management committees and the capacity of those facilities to accommodate greater sharing (see section 3.1).

Some of the recommendations earlier in this report will help to reduce these information gaps. In particular, recommendation 6.1 is designed to improve the collection of information by state government departments on existing shared facilities and potential sharing opportunities. By addressing gaps in the current information base and making this information available to local governments, this should help to build a more comprehensive picture of the scope to share facilities within communities.

9.2.2 A longer term perspective is desirable

Chapter 3 noted the importance of several trends that impact on the sharing of facilities in Victoria, including population growth (particularly people moving to Victoria and moving between regions), demographics (particularly age and ethnicity) and broader social trends (such as work and leisure patterns). Such changes mean that the needs and preferences of communities evolve over time and the services and facilities that respond to those needs must adapt to avoid becoming obsolete.

The impact of some changes in community needs and preferences on the provision of services and facilities (shared or otherwise) is easier to predict than others (ASR 2008). The need for ‘universal’ services that are provided across Victoria (such as kindergartens and primary schools) and services for which demand is closely linked to the number of people in particular demographic groups (for example, maternal and child health services) can often be estimated by looking at projected population trends. But even here there can be challenges — for example, planning for the establishment of non-government schools in new developments (Director, School and Community Partnerships at the Caroline Springs Partnership, trans. 5, p. 20). Moreover, other services and activities are more susceptible to demand changes, (particularly new activities such as futsal), or changes in service delivery models (for example, a shift from hospital-based to community-based healthcare models) that make longer term planning more difficult.

Even where it is possible to anticipate community preferences using these techniques, there remains a need to ensure that the services and facilities that emerge reflect the needs of specific communities. This is very difficult to do, particularly in planning for new developments where there is no existing ‘community’, and it is important that planning processes enable community engagement as far as is practicable and that planning for services and facilities is able to evolve in an organic way.

State government departments do adopt a longer-term perspective in service delivery planning. In planning for new schools and regeneration projects, for example, DEECD considers long-term demographic trends and other relevant issues, in consultation with communities, other departments, local councils and the Australian Bureau of Statistics. This information is used to inform the purchase of land for planned schools and the permanent facility entitlement (which is based on the expected long-term enrolment at the school).

Similarly, local councils undertake a range of initiatives to understand and plan for the needs of their communities. In addition to the statutory planning requirements and shared facilities policies (see section 2.3) council decisions are also informed by approaches that include, but are not limited to:

- strategic planning — several councils noted that they engaged in longer term planning approaches beyond the statutory minimum. Examples of this include *Our Vision for Whitehorse* (City of Whitehorse, sub. 45, pp. 5–6) and *Knox Vision 2025* (Knox City Council, sub. 31, pp. 3–4).
- community planning — at its core, community planning is a process of community engagement that identifies key priorities and the activities necessary to achieve these priorities (DPCD 2007c, pp. 13–14). Community planning can occur at different levels within a community, including community input into council planning processes through to municipal-wide partnerships with key service delivery agencies and local place-based planning.
- precinct structure plans — provide an integrated framework, incorporating service delivery and land use planning, that enables governments, service providers, private developers and communities to work collaboratively to develop communities (GAA 2008c, p. 4). In particular, precinct structure plans are the main planning tool used to plan and manage the development of new communities within the five growth areas designated under *Melbourne 2030* (see section 2.2.1).

However, inquiry participants also noted several concerns with the effectiveness and coverage of existing planning and decision-making processes.

The General Manager of the YMCA noted:

... local governments and other organisations haven't led the way in terms of a long-term planning approach for their facilities. Many local governments have a narrow planning horizon for their facilities, the majority of management agreements are for a three year term. This short term approach does not maximise opportunities for shared usage. (trans. 3, p. 28)

Knox City Council noted that the development of its draft asset management plan highlighted:

...that Council does not have a comprehensive understanding of community demand for services provided in Council buildings. Projects to build new assets or upgrade buildings have historically been identified as parts of other projects – for example, a review of child care services. There is an identified need for Council to undertake service planning and demand analysis to understand service needs in the future. (sub. 31, p. 2)

The resource allocation processes within state government departments may also make it more difficult for key personnel to undertake or participate in long-term planning. Where a short-term focus persists, the resulting uncertainty can make it difficult to meaningfully consider long-term community needs and the services and facilities necessary to meet these needs.

A Senior Officer at the GAA noted that:

...planning for large land footprint community infrastructure items like recreation and schools is well organised ... if you don't get in early land not only becomes too expensive in the future but the space won't be there and one of the opportunities in the new investigation areas that will be determined later this year, is that there is an opportunity for government to be more proactive about land acquisition in strategic locations using framework planning to determine where neighbourhood, major and principal activity centres will be and what both state government and local government needs will be for future community facilities and services... (trans. 6, p. 30)

A number of initiatives are being implemented to improve long term planning and will potentially benefit shared facilities. Most notably:

- in growth areas, land is being set aside to accommodate greater flexibility in future service delivery, allowing a range of services to be grouped in service hubs.
- increasing the focus on longer-term planning — for example, service delivery and land use planning over several years in the growth areas.
- increasing the emphasis on place or area-based planning, which develops an integrated picture of community needs and which is more likely to identify opportunities for, and encourage, sharing.

There is, however, potential to improve these processes. In the context of planning for and delivering shared facilities, there may be benefits in further work on:

- taking some of the lessons from growth areas on long-term planning and co-ordination among agencies and applying them more broadly.
- bridging the gap between local place-based planning and investment decisions by all levels of government. It is often very difficult to ensure that locally identified community priorities are linked into government decision-making processes. The City of Boroondara, for example, has argued that the Victorian State Planning Policy Framework provides for limited consideration of the needs of local communities (VCEC 2008, p. 73).

These co-ordination issues are discussed in more detail in the following sections.

9.2.3 Improved co-ordination across state government departments

There are challenges in coordinating the decisions of different state government departments in identifying and developing proposals for shared facilities. Government departments are separated into different portfolios and each departmental Secretary is accountable to a Minister or Ministers for the delivery

of specific outputs and prioritising resources to achieve specified government objectives.

Within this structure, most state government departments own or fund shared facilities or purchase services that are delivered through shared facilities. Chapter 2 outlines the programs and the different forms of funding that each relevant department provides. Both the Department of Planning and Community Development (DPCD) and DEECD play significant roles in the ownership and/or funding of shared facilities, but other departments that are involved include the Department of Human Services (DHS), the Department of Justice (DOJ), and DSE. Potential co-ordination issues arise because sharing arrangements can contribute to a range of cross-government outcomes and because the identification, planning, funding and operation of shared facilities can involve several departments.

The state government has several processes in place to help decisions on the effective delivery of services to be joined up across different departments. Specifically, the Secretaries' Committee established in 2006 is intended to assist the coordination of shared facilities that impact on multiple portfolios, with an emphasis on educational facilities. DEECD, DPCD, DHS and the Department of Industry, Innovation and Regional Development are all represented on the Committee by their respective Secretaries (or a delegate), as well as an Executive Director in the case of DPCD (sub. 58, pp. 8–9). The submissions from DEECD and DPCD discuss the roles of the Secretaries' Committee:

The broad functions of the Committee are to:

- examine the impact of existing policies, guidelines and procedures that affect the development of education and training institutions as community facilities;
- identify opportunities to foster a whole of government approach to improving community access to education and training facilities and access by education and training organisations to community facilities; and
- identify co-located investment opportunities in community facilities and in education and training facilities. (sub. 55, p. 9; sub. 58, p. 9)

During the inquiry, the Commission has also learned of other cross-departmental initiatives that have resulted in the successful implementation of successful sharing arrangements. The Wangaratta Government Centre project, for example, has resulted in the co-location of seven state government departments (and the local council offices) in a single building. This single site replaced what were previously eight different locations for state and council offices with a single entry point for customers and shared infrastructure (such as meeting rooms). This co-location model is intended to promote stronger formal and informal links between different state government departments and with the local council.

However, inquiry participants also noted that difficulties persist in overcoming the departmental model in delivering services through shared facilities. In discussing the Wendouree West development (appendix C), the Principal of the Yuille Park P-8 Community College stated that:

... Wendouree would never have happened if it hadn't have been for two regional directors with a vision and cooperation ... [who] put aside departmental competition and were able to deliver this facility to their credit. (trans. 4 pp. 48–49)

The Shire of Strathbogie in their submission to the inquiry described the issues that they encountered in attempting to facilitate the development of a shared emergency services facility in Euroa (sub. 3, pp. 2–3). Specific issues identified by the council included: (1) difficulties in engaging state government agencies at the right level — local regional and central offices were involved in considering the proposal, and (2) the different priorities of each agency and the timing of planned investment. The Commission is not in a position to second guess the decisions made by the relevant agencies not to develop a shared emergency service facility in Euroa (for example the Victoria State Emergency Service noted generally that the costs of joint emergency service precincts was ‘... too great for the VICSES funding model’ (sub.13, p. 1)). However, the earlier sharing of information on investment priorities and funding at the right level across the different departments may have enabled more in-depth consideration of the benefits and costs of a shared facility.

9.2.4 Improved co-ordination between different levels of government in Victoria

Several stakeholders commented on the need for better co-ordination between different levels of government in the planning and delivery of services — and hence in the identification and development of potential opportunities to share facilities.

The Victorian Government committed in *A Fairer Victoria* to supporting more integrated decision-making across different levels of government — specifically: ‘Building on changes already introduced, we will support more collaborative work between and across all levels of government ... We will also be more responsive to locally identified priorities’ (Government of Victoria 2007, p. 61). Indeed, DPCD noted that ‘... it is difficult to find a state government strategic plan, policy document or report that does not highlight the importance of community engagement, local planning and the central role of local governments’ (DPCD 2007e, p. 8).

The state government has undertaken several initiatives to improve the co-ordination of decision-making and planning between state departments and agencies, local councils and other stakeholders.

At a strategic level, the state government has entered into a partnership agreement with the Municipal Association of Victoria (MAV) that provides a high level framework for dialogue between the state government and local government (Government of Victoria 2008b). Individual departments have also concluded or are in the process of concluding partnership agreements with MAV, including DHS and DEECD.

Organisationaly, the state government has ensured that the boundaries for the eight regional offices of each department are consistent and are aligned with local council boundaries (Government of Victoria 2005c, p. 63). Individual departments have also adopted strategies to improve their engagement with local councils, communities and other stakeholders. For example, DEECD is developing proposals for the regeneration of schools in disadvantaged areas, including the development of broader community facilities. These proposals are developed with significant involvement from councils and local communities through joint committees that are chaired by a Deputy Secretary of the Department.

Other initiatives being pursued include the establishment of Regional Management Forums, which are intended to promote a collaborative approach to decision-making across state and local governments (Government of Victoria 2005c, p. 63). These forums identify key issues and priorities for each region, to facilitate co-operation between state and local government in areas that would benefit from a joint approach. The forums are generally chaired by a departmental Secretary and include local council chief executives and senior departmental officials. A review by the State Services Authority in 2007 highlighted several strengths of these forums, including improved dialogue between state and local governments, and made several recommendations to improve their performance (SSA 2007, pp. 7–15). However, the Commission and others have noted that while the forums are well-placed to oversee and exchange information on region-wide issues, other arrangements may be better suited to dealing with local issues (VCEC 2008, p. 92; Wear nd, p. 10).

In addition to its role in facilitating a long-term approach to service delivery and land-use planning, the GAA also encourages greater co-ordination across relevant stakeholders, including state government agencies and local governments, as well as non-government and community groups (GAA 2008c, pp. 86–87).

However, several participants in the inquiry noted that there was scope to improve decision-making and planning processes across state and local governments.

The City of Whitehorse noted that:

State and Local Government policies support shared use of community facilities at a strategic level however at a practical level the commitment relies on the willingness of individuals, compatible strategic directions and timing. (sub. 45, p. 19)

A number of submissions by local government commented on the need for co-ordinated forward planning and the benefits that this would have for delivering shared facilities. The City of Darebin (sub. 44, p. 6), Hume City Council (sub. 43, p. 30), Wyndham City Council (sub. 18, p. 2) and Knox City Council (sub. 31, p. 8) noted processes and strategies that could improve current approaches, including:

- using service and demand analysis to help guide the consideration of options for delivering services, including the use of shared facilities.
- discussing service and investment priorities at a regional level to reduce the risk that shared facilities are developed in an ad hoc manner.
- better use of feasibility planning to better understand the scope, timing and resource implications of shared facilities.
- early discussion among agencies, including up to ten years in advance of the provision of services and facilities.

9.2.5 A possible approach

The previous sections highlight some important issues for government decision-making frameworks to enable the consideration of shared facilities. First, they reinforce the need for timely, good quality information on the current and future needs and preferences of local communities — recognising that there are limits on the ability to predict future needs. Second, they highlight the desirability of processes that support engagement among relevant stakeholders — communities, non-government and private sector groups, local councils and state government departments.

Despite the implementation of several initiatives to improve the co-ordination of government decision-making, the information available to the Commission indicates that there is scope for further improvements in sharing facilities, particularly improving the information flows across government.

There are, however, constraints on these processes. Co-ordination itself and exchanging information can be costly. Further, it is difficult for all levels of government to be completely open about their long term plans without:

- giving a false impression of the level of certainty for intended programs or specific projects
- locking the government in to projects that have not been fully assessed or costed, and which may not be the best use of government resources going forward
- creating expectations that cannot be met because new information comes to light or circumstances change
- inappropriately committing future governments to particular projects.

Even within these constraints, there may be scope to improve the timely flow of information between and across state and local governments by formalising the sharing of the information contained in:

- the multi-year asset strategies prepared by state government departments as part of the annual state budget process and
- the four-year Strategic Resource Plans that local councils are required to prepare under the Local Government Act.

The benefits of sharing this information include the potential for sharing opportunities to be identified and considered at an early stage — before agencies are locked in to specific proposals. In some cases, sharing facilities may be considered and rejected as being inappropriate. But in other cases additional sharing opportunities may be identified early enough in the planning process to be incorporated into the project; for example, adding related local government services to a planned state government facility.

As noted above, sharing information can cause difficulties but the Commission considers that there could be potential benefits in better identification and development of sharing opportunities across government departments and between state and local governments. The Commission is interested in people's views on the options for developing an acceptable process that improves co-ordination and recognises the potential benefits and costs of such processes.

Information request:

The Commission seeks further information and comment on the advantages and disadvantages of the following approach to improving information flows across government:

That each local government should provide their four year Strategic Resource Plan to each state government department once they have been adopted by council (they are currently provided to the Minister for Local Government).

That each state government department should review local council Strategic Resource Plans to identify and then discuss, in conjunction with the Department of Planning and Community Development (as the department responsible for local government), with the relevant local council

whether potential sharing opportunities could contribute to policy objectives for inclusion in its budget submission.

That the asset strategy and multi-year strategy prepared by state government departments as part of the annual budget process should be provided to local councils on a confidential basis once they have been finalised OR that the Department of Planning and Community Development should act as a channel to share information from state government departmental asset and multi-year strategies with local councils.

That a key contact or contacts within each department (at the head office or regional office as appropriate) and each local council be nominated to facilitate discussions between state government departments and local councils on sharing opportunities. Given their role in facilitating exchanges between local and State government agencies, could Regional Management Forums also be given a role in collating and facilitating these discussions?

9.3 Planning permits for shared facilities

In a number of submissions and roundtables, problems with the current planning process were raised as impediments to successful sharing of facilities (section 5.2.3). In particular, participants commented on the requirement to seek planning approvals and the restrictions that these may place on opportunities to share facilities. For example, the City of Monash stated that:

Currently, there is a legal requirement that schools must seek a planning permit for after hours use by third parties, even if it is for the same or similar use. This legal requirement places additional burdens on schools and is clearly a barrier in schools sharing their facilities. (sub. 56, p. 3)

9.3.1 Current requirements

A planning permit is ‘a statement that a particular use or development (subdivision, building and works) may proceed on a specific piece of land’ (DPCD 2009a). In this context ‘use’ means undertaking a particular activity and may not involve any building, while ‘development’ means the construction, alteration or demolition of a building or other works and the subdivision or consolidation of land (DEECD 2008c, p. 5).

Under the *Planning and Environment Act 1987*, the following provisions generally apply to shared facilities on school sites:

- the Minister for Education is exempt from the requirements of any local planning scheme for education activities undertaken on a government school site.
- where government school facilities are used for a non-educational purpose (for example, when a basketball stadium is used for external competitions), a planning permit is required, subject to any general exemptions. DEECD

advised that councils may be prepared to waive this requirement (for example, in light of previous public consultation undertaken by the school regarding the use of the facility) (DEECD 2009e).

- non-government schools require a planning permit for any developments on their land, subject to any general exemptions.

It is usually the responsibility of local government to determine if a planning permit is required. The process for applying for a planning application is outlined in the Planning and Environment Act. As part of this process, people who are affected by the proposal can object, and it is up to the local council to determine whether to allow the project to proceed.

In May 2009, the Victorian Government inserted a new clause 52.40 in the *Victoria Planning Provisions* to exempt buildings and works funded under the *Building the Education Revolution* program from the need to obtain a planning permit (DPCD 2009c). To qualify for an exemption, proposed buildings and works undertaken by government and non-government schools need to satisfy two requirements: (i) the site is not affected by a planning scheme overlay, and (ii) meet conditions relating to the location and height of the proposed buildings, traffic access and native vegetation. Where these conditions are not met, plans must be submitted for approval by the ‘responsible authority’ (in this case the Minister for Planning). This exemption expires on 30 June 2012.

9.3.2 Issues raised in the inquiry

Inquiry participants stated that some proposals are opposed by local residents who are often concerned about issues such as additional noise, traffic and parking or general loss of amenity that can result from the increased use of a local facility. These cases are more common when school facilities are to be used out-of-school-hours for non-school purposes.

Where planning permits have been refused or granted with conditions, they limit the hours and activities for which a facility could be used. This can subsequently prevent some activities from happening if other facilities are unavailable.

Managing the competing interests of user groups (who want the permit approved) and affected parties (who want the permit refused) can prove difficult. While affected parties have the right to object to proposals, the President of the Hawthorn Basketball Association noted that:

In my experience there are only two reasons why a school won’t allow an outsider user group in after hours and one is they don’t have a suitable permit from the council and normally they don’t have a permit because they have either experienced or will experience resident opposition. Unless you’ve got a council who’s very proactive in trying to drive that sort of a usage one resident’s voice will outshine a thousand willing kids wanting to play a sport. (trans. 1, p. 86)

It is the role of the council to appropriately manage these interests.

In relation to permits that may limit after hours use of school facilities, the City of Monash noted that:

Council strongly believes that the planning regulations need to be amended to remove this burden thus facilitating greater sharing of school facilities that can lay dormant after 4.00pm on week days, weekends and school holidays. (sub. 56, p. 3)

Similar comments were made in submissions from VicSport (sub. 7, p. 22) and the City of Whitehorse (sub. 45, p. 19).

Particularly in circumstances in which there is opposition to permits, the time taken to obtain a final decision can be lengthy. There is a risk for applicants that, even after this time, they may be refused the permit and have to start again and try to make other arrangements.

9.3.3 Potential approaches

One way of addressing uncertainty about whether or not a planning permit for use of school facilities would be refused, and thereby save time and mitigate risk, would be to sort out planning permits when a new school is built. The organisation applying for the permit would then know whether there is potential to share the facility and under what conditions. It would also provide greater certainty to residents who would also know whether the facility has prior approval to be shared and under what conditions (such as operating hours and parking requirements).

To address the issue regarding the time taken to resolve some permits, DEECD and local governments could discuss options for streamlining this planning process. One option could be to introduce a threshold test, so that anything below the threshold is exempt from applying for a permit. For example, a sporting activity on a Saturday morning with fewer than 50 participants may pass this threshold test.

Draft recommendation 9.1

That the Department of Planning and Community Development, in consultation with the Department of Education and Early Childhood Development and the Municipal Association of Victoria, develop options for streamlining the planning process for shared facilities, such as: including a threshold test where certain activities do not require a planning permit. These options should be put to the Minister for Planning within 12 months and then be released for public consultation.

9.4 Improved inter-governmental working with the Commonwealth

The Commonwealth's role in providing community and education infrastructure is limited — mostly it provided funding through the *Building the Education Revolution* (BER) program and the *Community Infrastructure Program* (CIP). But key elements of these funding arrangements can have a significant impact on the identification and implementation of sharing opportunities as they affect timing, approval processes and the conditions attached to funding. In particular, if the proponents of a shared facility are seeking Commonwealth funding, this can add a further layer of complexity to the time and costs associated with aggregating funding for shared facilities.

Building the Education Revolution

The BER program forms part of the Commonwealth Government's broader economic stimulus package. It has two primary objectives: significant short term expenditure to stimulate economic activity and the construction of facilities to support longer term improvements in education outcomes in all Australian schools. A further condition of receiving BER funding is that the facilities are shared with local communities at low cost (DEEWR 2009b).

In Victoria, DEECD is managing the BER program on behalf of the Commonwealth Government. Given the short timeframes (table 9.1), DEECD is providing schools with significant assistance through the application, approval and construction process, including the provision of template designs for facilities (which allow for some flexibility) and procurement management (DEECD 2009c).

Some projects funded through the BER program will be well advanced and involve schools that already have strong links with their communities. However, under the timeframes set out in table 10.1 there is a risk that the benefits of this investment — in terms of educational outcomes and sharing facilities with community groups — will not be fully realised.

DEECD recognises that the timelines imposed by the Commonwealth provide limited time for schools to engage with stakeholders regarding shared use and, in particular, limit the capacity to develop effective partnership agreements (DEECD 2009d). Without a good understanding of community needs, there is a risk that BER-funded facilities may either (i) duplicate existing local facilities or (ii) are not designed or constructed in a way that enables effective sharing and community use to occur. Moreover, there appears to be limited scope to consider potential enhancements to the proposed facilities, such as contributions from other parties or different locations, that could result in better quality facilities that are easier to share with community groups.

Table 9.1 Building the Education Revolution: Primary Schools for the 21st Century timetable

Action	Date
Round 1: 20% of eligible schools	
States, territories, Block Grant Authorities assess grants	February -March 2009
Submit lists to Commonwealth for approval	10 April 2009
Commencement of projects	May - June 2009
Projects completed	20 December 2010
Round 2: 40% of eligible schools	
States, territories, Block Grant Authorities assess grants	April 2009
Submit lists to Commonwealth for approval	15 May 2009
Commencement of projects	June - July 2009
Projects completed	31 January 2011
Round 3: 40% of eligible schools	
States, territories, Block Grant Authorities assess grants	June 2009
Submit lists to Commonwealth for approval	10 July 2009
Commencement of projects	August - September 2009
Projects completed	31 March 2011

Source: DEEWR 2009b, p. 4.

DEECD also acknowledges that, in some circumstances, BER-funded facilities will result in schools having facilities that are above entitlement. Ongoing operating costs for such facilities are not funded under DEECD's current funding model (DEECD 2009d). The ability of schools to meet any additional operating and maintenance costs will be further limited by the Commonwealth requirement, without further guidance, that schools make BER-funded facilities available to community groups at little or no cost.

The Commission acknowledges that it can be difficult to balance competing objectives — in this case to stimulate the economy in the short term and to invest in facilities that will improve education outcomes and provide for community access. However, the timetable and conditions of the BER program create a risk that schools find it difficult to maintain these new facilities and that opportunities for community use are missed.

Commonwealth funding programs: grant conditions

As discussed in chapter 7, some conditions imposed on funding programs can limit the scope to share government-funded facilities. For example, the Commonwealth makes capital contributions to non-government schools for the construction or refurbishment of facilities through the *Capital Grants Program*. Non-government schools are required to satisfy a range of conditions to ensure that these grants are spent on agreed projects, including that the grants are only used on land and buildings that are owned by the school, and provide for grant monies to be repaid to the Commonwealth should schools wish to dispose of these assets.

Such arrangements place constraints on the ability of non-government schools to participate in sharing arrangements and potentially delay the construction of shared facilities. For example, appendix C notes that Mowbray College was limited in its ability to contribute capital funding to the shared library in the Town Centre development at Caroline Springs and instead pays a user charge to access the facilities. Additional flexibility in grant conditions, with appropriate protections to protect the Commonwealth's financial interest, may allow capital funds to be deployed in such a way as to make it easier to aggregate funding packages, provide shared facilities and access arrangements that better meet the needs of non-government schools and communities, and bring forward investment in higher quality shared facilities.

Conversely, some submissions noted that significant amounts of Commonwealth funding are provided to non-government schools, but that no conditions are imposed to require grant recipients to make the facilities available to community groups. Specifically, the Victorian Council of Social Service noted:

Independent and Catholic schools also have a responsibility, particularly given that they do receive Commonwealth and some State funding in relation to infrastructure development, therefore implying that they are host to public assets. If an independent or Catholic school receives a Government infrastructure facility grant for a new facility then there is less justification for that asset being seen as purely private. (sub. 38, pp. 5–6)

In contrast, as was noted above, all schools receiving BER funding are required to share these facilities with community groups at little or no cost. The Commission also heard, in meetings with stakeholders and roundtables, that non-government schools do allow community and other groups to use their facilities (section 3.3.2).

The Commission has previously noted that sharing arrangements are not appropriate for all users and in all circumstances and hence that a mandatory requirement to share any facility may result in poor outcomes. However, there may be advantages to including a consideration of feasible opportunities to share

facilities in the Commonwealth Government's funding criteria for other relevant programs.

Draft recommendation 9.2

That, to increase the likelihood that shared facilities in Victoria achieve value for money and support stronger communities, the Victorian Government, within six months, propose improvements to funding programs administered by the Commonwealth Government by:

- providing sufficient time for applicants (including schools and community groups) to identify and develop opportunities for effective sharing arrangements
- adjusting funding conditions that act as a disincentive to sharing facilities (for example, limits on the use of capital funding provided to non-government schools), unless such conditions are necessary to achieve other policy objectives
- consult with a view to aligning the information requirements and timelines for the submission of applications and approval of funding for shared facilities across different levels of government.

9.5 Evaluate and disseminate lessons learned

According to the Department of Treasury and Finance (DTF):

Evaluations are an objective and systematic way of reporting on the contribution that a program or policy is expected to make, to the achievement of desired policy priorities and outcomes. (DTF 2005a, p. 2)

The funding and approval processes discussed in chapter 7 provide a framework for the ex ante evaluation of shared facility arrangements to determine whether or not a project should be funded. The Commission has made recommendations to streamline and strengthen these processes, for example, by improving guidance for assessing the benefits of shared facilities (draft recommendation 7.1). But there is scope for further improvement.

9.5.1 The importance of ex post evaluation

Once a project has been funded and becomes operational it is important to test whether it (i) has been successfully implemented, (ii) is effective in achieving the specified objectives, (iii) achieves these objectives at the lowest possible cost, and (iv) remains the best way of achieving the specified objectives. In this sense, ex post evaluation becomes part of a continuous learning process, to ensure that sharing arrangements continue to meet the needs of stakeholders and remain viable over time.

In doing so, an ex post evaluation can strengthen efficiency, effectiveness and accountability by:

- Enhancing the ability to achieve government priorities and policy outcomes
- Strengthening resource allocation planning and decision making
- Assessing and improving the performance and impact of service delivery
- Demonstrating results as part of accountability to key stakeholders (DTF 2005a, p. 3)

In addition to providing an opportunity to improve outcomes from a specific project, an ex post evaluation can also identify lessons that can be learned to make future projects more effective. Chapter 3 highlighted the diversity of shared facilities in Victoria, many of which reflect the particular needs and preferences of the communities that they serve. In these circumstances, not all of the lessons learned will necessarily be transferable to other settings — for example, the ability and attitudes of local partners (Agora Think Tank, p. 10). But other lessons learned from sharing facilities, such as the processes in understanding community preferences, governance models and the effectiveness of shared facilities in improving service delivery and social connectedness, are likely to be of direct relevance.

9.5.2 Evaluating shared facilities in Victoria

The limited extent to which the performance of shared facilities has been evaluated in Victoria was noted in chapter 5. In particular, Hobsons Bay City Council noted that in its experience:

... sharing arrangements are not subject to formal evaluation, and observations regarding benefits are often anecdotal or based on perception. There are tools which could be used to evaluate the performance of facilities in regard to such aspects as community satisfaction, utilisation and functionality. However, these tools are not always taken up by local governments. (sub. 14, p. 7)

That said, several shared facilities have been evaluated, including the Carlton Community Lifelong Learning Hub (sub. 24), while other evaluations have been started (an interim evaluation has been completed for the Caroline Springs Partnership, see appendix C) or are likely to commence shortly (Collingwood Neighbourhood Justice Centre, see appendix C). Some local councils are also evaluating, or intending to evaluate, shared facilities within their communities — for example, the Hume City Council is evaluating the Bluebird Way Neighbourhood Precinct to identify how to build on the successes and address the weaknesses of the precinct, including building design, service delivery and staffing issues (sub. 43, p. 17). The guidance material on shared facilities prepared by DEECD also presents some useful learnings from sharing arrangements (DET 2005a, DEECD 2007).

Most of this information, however, focuses on success stories rather than on sharing arrangements that have not worked well. The Commission has sought to supplement this body of work by preparing five case studies on a range of different shared facility arrangements (appendix C).

9.5.3 Strengthening the evaluation of shared facilities

DTF already requires that all new expenditure initiatives considered as part of the annual budget process include an evaluation strategy, while DPCD may also require that an evaluation report is prepared for grant-funded projects (DTF 2005a, DPCD 2007d). Several departments publish guidelines for evaluating public expenditure programs, including DPCD (DPCD 2008a). Although DEECD does not publish separate program evaluation guidance, evaluation is embedded in the *Building Futures* process (DET 2006a).

However, there are several reasons why program evaluations generally, including for shared facilities, may not be undertaken, including:

- evaluations can be costly and may be seen as diverting resources away from service delivery and community strengthening activities.
- the users of shared facilities and other stakeholders may feel threatened by an evaluation.
- evaluations can identify ways to learn and enhance performance, but may also highlight problems with the design, implementation, operation and governance of shared facilities that managers may find threatening.
- moreover implementing any recommendations or changes following an evaluation requires additional resources and potentially significant changes to the current arrangements.

In overcoming these barriers to program evaluation for shared facilities, the following factors appear to be important considerations:

- reducing the costs of undertaking an evaluation — a range of guidance material is already available to support program evaluation, but there may be scope to provide expert support from departmental evaluation units
- ensuring that the scale of, and resources devoted to, evaluation is proportionate to the size and complexity of the sharing arrangements
- choosing the right evaluators — while there can be advantages to involving the key players in a sharing arrangement to undertake an evaluation (to help promote an ethos of continuous learning and secure buy-in to implementing the results of the evaluation), external evaluators may be perceived as being independent, thereby lending credibility to the results and specialist skills.

Further, even where a formal evaluation or case study has not been undertaken or published, key personnel within state government agencies, councils,

community groups and shared facility users or managers may retain important institutional knowledge regarding the planning, implementation and operation of shared facilities. A Program Adviser for the MAV noted that such information often exists, but can be difficult to access:

I actually think there is a lot of practice wisdom out there about designs that work, but in a way we don't always capture that in good post-occupancy evaluation and documentation so that other people can then pick up when they do the brief for their area and learn from it ... there wasn't a website you could go to with all this documented or an evaluation report or a way to build-on knowledge, and if you asked local governments to put that up from the last twenty buildings that had been done over the last two years there would be so much learning in all that, that could then form the base of a discussion and a brief for the next lot, but how do you capture all that knowledge. (trans. 3, pp. 51–52)

Currently access to this information is limited and appears to be based mostly on ad hoc personal networks. Identifying relevant individuals and encouraging the informal sharing of key information from their experiences with other interested parties — across a range of circumstances and on both successful and less successful projects — may help to spread best practice.

Draft recommendation 9.3

That the Department of Education and Early Childhood Development and the Department of Planning and Community Development, in consultation with the Municipal Association of Victoria, independently evaluate a sample of shared facility arrangements within two years. To improve learnings from shared facilities, the results of these evaluations be widely disseminated to stakeholders, including via the proposed portal (draft recommendation 10.1).

Draft recommendation 9.4

That the budget for any shared facility funded by the Victorian Government where the government's total contribution is greater than \$2 million set aside funds to undertake an ex post evaluation of the benefits and costs of that facility. To improve learnings from shared facilities, the results of these evaluations should be widely disseminated to stakeholders, including via the proposed portal (draft recommendation 10.1).

9.6 Summary

The decision-making processes used by different levels of government to determine how best to achieve their goals and objectives cover a range of issues that go well beyond shared facilities. The Commission considers that there is scope to build on existing initiatives to increase the likelihood that sharing arrangements are identified and, where they represent the best means of achieving the government objectives, developed into the future.

Sharing information on the forward investment plans of different levels of government can help to identify appropriate sharing opportunities at an early stage and provide sufficient time to develop effective sharing arrangements. In the first instance, this involves earlier consultation and better co-ordination between state and local governments in Victoria on service delivery and land use planning issues. But there is also scope for the Commonwealth Government to improve its funding processes in respect of shared facilities.

It is also important to evaluate the cost-effectiveness of shared facilities and make this information widely available to relevant stakeholders. Clearly identifying the lessons learned from current sharing arrangements will also increase the likelihood that the right opportunities to share facilities are identified and implemented into the future.

10 Bringing it all together

10.1 Introduction

In the course of this inquiry, the Commission has sought to throw light on existing experiences with sharing facilities — both drawing on experiences with the sharing of school facilities but also a range of non-school examples. Input from inquiry participants has been vital to understanding the issues involved and in helping the Commission develop recommendations and findings. The Commission appreciates the efforts of inquiry participants in meetings and roundtables and acknowledges the quality of submissions received.

There was widespread support and enthusiasm for the inquiry and participants thought the time was right for such an inquiry. Moreover, the Commission is conscious that the same enthusiasm and local knowledge has underpinned the creation and running of many community facilities over the years. Recommendations that simply sought to centralise decision making would run the risk of dampening that enthusiasm. Appendix A provides details on the consultations undertaken by the Commission.

The Commission's consultations, research and analysis during the inquiry found that:

- Although there is a lot of sharing occurring there is little 'hard data' on the extent of sharing and that which is available is not comprehensive or collected in a consistent manner.
- There is no clearly established analytic framework for assessing these issues.
- There are no clearly established superior models or approaches available in other jurisdictions.

To provide a more solid foundation for making recommendations, the Commission supplemented the data available on sharing by conducting a survey of all Victorian Government schools and local governments. The Commission also gathered a wide range of anecdotal evidence during consultations, visits and from submissions. It was clear during the inquiry that there was a great deal of consistency in views raised by participants and the insights from examples presented to the Commission.

In addition, the Commission developed an analytical framework for analysing sharing (chapter 4) which explicitly considers the costs and benefits of sharing. However, given the difficulty in measuring the full costs and benefits (both economic and social) there is still a need for judgements to be made over the relative magnitude of costs and benefits. The Commission has applied this framework to the data and evidence collected.

As noted in chapter 4, the Commission is not aware of any systematic analysis of the cost advantages that may result from sharing government and community facilities. This is an area the Commission would like to explore more fully and address in the final report.

Information request:

The Commission seeks information and, if possible, data on the magnitude and nature of cost advantages resulting from sharing government and community facilities.

The Commission's examination and analysis identified many worthwhile efforts to encourage and support the sharing of government and community facilities. This analysis pointed to factors that contribute to the success of a shared facility as well as to impediments to sharing (chapter 5). The Commission's approach has been to make recommendations that build on success factors and mitigate the impediments. In particular, the Commission sought to build on good practices and experiences highlighted during the inquiry into more general processes involved in establishing and running shared facilities. The aim is to improve processes and remove impediments in pursuit of better outcomes for the Victorian community.

This chapter outlines how the Commission sees its recommendations being progressed and implemented.

10.2 Building on success

The Victorian Government already has a range of policy measures relating to the sharing of facilities that aims to achieve a variety of objectives, including better use of assets, and encouraging stronger communities (chapter 2). The Commission has also found that there is already a great deal of sharing of facilities taking place in Victoria — local government and school facilities dominate — but there is a wide range of facilities being shared with a wide variety of users (chapter 3).

This suggests that there are already incentives to share facilities and that the parties involved have assessed the costs and benefits of sharing and decided the benefits outweigh the costs. There are impediments to sharing but these are clearly not insurmountable.

The number of potential users and facilities that could be shared highlights the potential scale of the issues involved. For example, in terms of potential users of shared facilities there are over 120 000 community organisations in Victoria and VicSport supports over 20 000 sporting clubs and associations involving over 1.8 million participants, workers and volunteers (sub. 7, p. 3). On the supply side, there may be around 15 000 to 20 000 potentially shareable facilities (including those run by councils, crown land reserves under management, schools and

sporting fields). These figures are rough 'guesstimates' intended to highlight the potential scale of the issues involved.

The scale of the potential for increased sharing suggests there is likely to be a significant level of unmet demand for shared facilities. There are impediments to sharing and information problems abound (chapters 5 and 6).

The Commission's research also found that there is a lot of sharing of facilities in other parts of Australia and around the world. But, the Commission has not found any models or broad approaches that are evidently superior to that currently being pursued in Victoria.

This is not to say that the Commission has not found scope to improve current Victorian arrangements. But the experience to date has given the Commission confidence that the current arrangements are a solid basis upon which to build and there is no need to implement a radically new model.

Progress is best made in a step-wise manner through improving processes and information as experience grows. For example, it will take time to build up a better picture of the full costs and benefits of sharing facilities and incorporating this information into the process of assessing grant applications. The objective is to develop good processes to ensure good outcomes.

10.3 Moving forward

While Victoria has wide experience with shared facilities, the Commission's analysis suggests there is unmet demand and there are unexploited benefits to the community from increasing sharing where appropriate. Although it should be remembered that sharing is a means to an end — achieving policy objectives to do with better community outcomes — it is not the objective in itself and in some cases increased sharing may not be the best way to achieve the government's and community's objectives (chapter 4). Caution should be exercised to ensure that sharing of facilities is not substituted for policy measures that would achieve the government's objectives more effectively.

The Commission's recommendations can be gathered into two broad categories (1) reducing burdens and supporting success factors and (2) focusing resources and improved planning.

10.3.1 Reducing burdens and supporting success factors

The Victorian Government is able to facilitate the sharing of government and community facilities by:

- Reducing the burden of administration and regulations imposed on shared facilities by the Victorian Government and local governments so that

existing incentives at the community level can more easily manifest themselves. For example, by providing template agreements, fit-for-purpose governance standards and booking facilities.

- Providing support from the Victorian Government and local governments to strengthen selected success factors. For example, greater access to facilitation, brokering and mentoring, and building a store of lessons learned across departments, councils and community groups to facilitate continuous learning and improvement.

Many of the recommendations made by the Commission require the publication of information and guidance material to facilitate increased sharing of government and community facilities. This information would be more readily accessible to facility owners, managers and potential users if it were available through a single internet portal.

Based on its recommendations, the Commission has suggested that, as a minimum, the portal should include the following material:

- Information relating to brokers (draft recommendation 6.2):
 - the role of the broker, and how it differs depending on the complexity of the shared arrangements
 - a checklist to identify under which circumstances a broker may be beneficial to the arrangements
 - a set of questions for parties to ask potential brokers.
- Templates for non-school facilities (draft recommendation 6.4), in the form of:
 - templates for simpler hire or licence agreements
 - guidelines for creating joint use agreements for more complex arrangements.
- Information regarding architects (draft recommendation 6.6):
 - a list of recent shared facilities and architect contact details
 - a list of questions for parties to ask prospective architects
 - a set of principles of good design for shared facilities
 - examples of innovative and effective design solutions.
- Guidance on assessing social benefits from shared facilities (draft recommendation 7.1).
- Guidelines for good governance arrangements in shared facilities (draft recommendation 8.1):
 - specific guidance for 'small', 'medium' and 'large' shared facilities
 - guidance on the different governance structures for the development and operational phases of a shared facility

- guidance for different forms of community engagement and involvement that are appropriate during the start up and on-going operation of a shared facility
- direction on the responsibilities of partners and users of the facility that should be incorporated in agreements
- advice on setting up management boards
- advice on getting the right people involved
- advice on dispute resolution procedures.
- Guidance on cost recovery principles (draft recommendation 8.3).
- Evaluations of shared facilities (draft recommendations 9.3 and 9.4).

The Department of Planning and Community Development (DPCD) would be the appropriate home for such a portal as it would be responsible for preparing much of the information that would be available through the portal. While the Commission has recommended specific items to be included on the portal, DPCD may be aware of other relevant material which should be included to complete the portal. The Department of Education and Early Childhood Development (DEECD) could also post its information and guidance documents on the portal to encourage a more holistic view of sharing across sectors and enable others to draw on the information as they wish.

Draft recommendation 10.1

That to facilitate better connection between users and suppliers of shared facilities and to facilitate access to information, the Department of Planning and Community Development develop and host a web-based shared facilities portal. This portal would provide facility owner and managers as well as potential facility users with a central repository of information and best practices in relation to shared facilities. The portal would commence within 12 months, and be built up over time.

10.3.2 Focusing resources and improved planning

The Victorian Government will also be able to facilitate sharing of facilities by improving processes around funding and planning. In particular, the Victorian Government can:

- improve the allocation processes for some Victorian resources — importantly a range of physical assets (land and buildings) and funding — to ensure better outcomes
- improve the capacity of the Victorian Government to identify and prepare for opportunities for shared facilities.

The Commission's recommendations in these areas are intended to increase flexibility of the funding processes while maintaining appropriate fiscal discipline and proper budget processes. The purpose is to pursue the highest possible benefits from a given level of expenditure by optimising sharing opportunities. Grants would be better targeted to more successful projects, and capital funding processes would also factor in opportunities for sharing.

The Commission has also discussed issues relating to improving longer term planning, streamlined decision making processes and evaluation of projects to ensure continuous improvements over time. The Commission has sought information on these issues with a view to making recommendations in the final report.

10.4 A timetable for implementation

The Commission has included timeframes for the implementation of the recommendations made in this report. This is intended to provide guidance on priorities and to allow later recommendations to build on earlier actions. Table 10.1 provides a chronological summary of the recommendations made in the report.

Table 10.1 A timetable for implementing the Commission's recommendations

<i>Time</i>	<i>Action</i>	<i>By whom</i>	<i>DR number^a</i>
As soon as possible	Capital expenditure proposals should indicate if sharing is possible and how opportunities for sharing are maximised.	Relevant Ministers	7.1
	Propose improvements to funding programs administered by the Commonwealth.	Victorian Government	9.2
Within 9 months	Train additional staff to be available as brokers.	DPCD	6.2
Within 12 months	Establish a program to identify best practice local government databases of information on shared facilities.	DPCD in consultation with MAV	6.1
	Collect information on the extent of sharing by schools and instruct schools to make this information available to local governments on request.	DEECD	6.1
	Update list of facilities and management committees on crown land.	DSE	6.1
	All departments provide information to local governments on facilities available to be shared.	All departments	6.1
	Collect information on other community facilities available to be shared.	DPCD	6.1
	Develop and disseminate template agreements for non-school facilities.	DPCD in consultation with MAV	6.4
	Information on architects to be included on DPCD's portal.	OVGA	6.6
	Guidance on assessing social benefits from shared facilities.	DTF	7.1
	Develop guidelines for good governance arrangements for community groups in shared facilities.	DPCD	8.1
	Prepare guidance on cost recovery principles to be applied to shared facilities.	DTF but supplemented by DEECD and DPCD	8.3
	Develop options for streamlining planning processes for shared facilities.	DPCD in consultation with DEECD and MAV	9.1

Table 10.1 A timetable for implementing the Commission's recommendations (continued)

<i>Time</i>	<i>Action</i>	<i>By whom</i>	<i>DR number^a</i>
	Develop and host a web-based shared facilities portal.	DPCD	10.1
Within 18 months	Provide information about brokers on a web-based portal.	DPCD	6.2
	Commence trial of case managers and project teams.	DPCD/Secretaries Committee	7.5
Within two years	Evaluate a sample of shared facility arrangements and disseminate the results.	DEECD and DPCD in consultation with MAV	9.3
2010	Opportunity for principal feedback on how the department can support principals in sharing school and community facilities.	DEECD	6.3
	Business cases and grant applications to demonstrate consideration of all funding requirements over the life of the project.	Funding applicants	7.6
	Assess opportunities for those involved in applying for grants to participate in mentoring programs.	DPCD	8.2
2010–11	For grants funding starting in 2010–11, actively consider independent brokers for projects over \$10 million involving three or more stakeholder groups.	DPCD	6.2
	Funding proposals for new and existing schools to include an assessment of the consequences for educational objectives from shared facilities.	DEECD	7.2
	Take account of whether processes for DPCD grants have identified and considered factors important to successful sharing. And allow greater flexibility to apply for funding to meet the cost of these processes.	DPCD	7.3
	Simplify the process for applying for funding across multiple grants.	DPCD	7.4
2011–12	Report on funding decisions that have exploited opportunities to share.	Treasurer	7.1

^a DR denotes Draft Recommendation.

10.5 Summing up

Victoria has wide experience with shared facilities — and there is considerable enthusiasm within the community for greater sharing. With the build-up of knowledge, there is every reason to expect Victoria to be able to build up the benefits of sharing at acceptable cost. Improving processes, information and guidance material will help encourage sharing of facilities in Victoria.

The collection and publication of much of this information on a shared facilities portal administered by DPCD would be a valuable resource, not only to the Victorian community, but also to those in other states and the Commonwealth.

Appendix A: Consultation

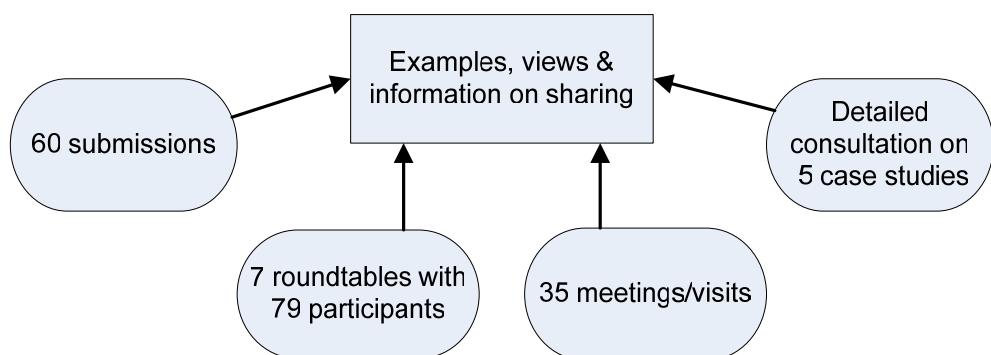
A.1 Introduction

Following the Treasurer's announcement of the terms of reference on 15 December 2008 and, in keeping with its charter to conduct public inquiries, the Commission advertised the inquiry into sharing government and community facilities in Victoria in the major metropolitan and regional newspapers in December 2008. It then published an issues paper in January 2009, which outlined:

- the scope of the inquiry
- how to make a submission
- the Commission's consultation processes
- the inquiry timetable.

The issues paper invited inquiry participants to make submissions.

Consultation during the inquiry



The Commission also held seven roundtable meetings in March and April 2009 involving 79 participants from business, community and government organisations, which included targeted consultations in the provincial cities of Ballarat and Orbost (section A.3).

In addition, the Commission consulted with a further 35 organisations or individuals during the inquiry (section A.4).

A.2 Submissions

The Commission received 60 submissions (table A.1). The submissions can be viewed on the Commission's website.

Table A.1 Submissions received

<i>Participant</i>	<i>Submission no.</i>
Auslib Library Consulting	1
Mornington Secondary College	2
Shire of Strathbogie	3
Latrobe City Council	4
HM Leisure Planning Pty Ltd	5
Public Libraries Network Victoria Inc	6
VicSport	7
Moorabool Shire Council	8
Manningham Recreation Association Inc	9
Bayside City Council	10
Wellington Shire Council	11
Surf Coast Shire	12
Victoria State Emergency Service	13
Hobsons Bay City Council	14
Arts Industry Council Victoria	15
Victorian Healthcare Association Limited	16
Mechanics Institutes of Victoria Inc	17
Wyndham City Council	18
Adult Multicultural Education Services	19
National Disability Services	20
Victoria University	21
City of Casey	22
(Submission was received and later withdrawn)	23
Carlton Primary Community Learning	24
School and Community Partnerships – Demonstration Project	25
Frankston City Council	26
City of Greater Geelong	27
Community Child Care Association of Victoria	28
City of Melbourne	29
Dr Ian McShane – Swinburne University of Technology	30

(continued)

Table A.1 Submissions received (continued)

<i>Participant</i>	<i>Submission no.</i>
Knox City Council	31
Parks Victoria	32
Family Relationships Institute Inc (RELATEWELL)	33
Association of Neighbourhood Houses and Learning Centres	34
City of Melbourne	35
The Leopold Indoor Neighbourhood Centre Committee	36
School Library Association of Victoria	37
Victorian Council of Social Service	38
Parks and Leisure Australia	39
Mont Albert Primary School	40
Warrnambool City Council	41
Cardinia Shire Council	42
Hume City Council	43
City of Darebin	44
City of Whitehorse	45
Moreland City Council	46
U3A Network of Victoria	47
Municipal Association of Victoria	48
Banyule City Council	49
Colac Otway Shire	50
Adult Community Education Victoria	51
Victorian Local Governance Association	52
City of Boroondara	53
Moyne Shire Council	54
Department of Education and Early Childhood Development	55
City of Monash	56
Department of Justice	57
Department of Planning and Community Development	58
Arts Victoria	59
Manningham City Council	60

A.3 Roundtables

The Commission held seven roundtable meetings in March and April 2009 with a range of participants from business, community and government organisations, which included targeted consultations in the provincial cities of Ballarat and Orbost. Tables A.2 to A.8 list the participants at each of the roundtables.

Table A.2 School facilities

Name	Position	Representing
Brian Burgess	President	Victorian Association of State Secondary Principals
Bryan Berry	Manager, Social Development	Wyndham City Council
Claire Hargreaves	Manager, Social Policy	Municipal Association of Victoria
Dan O'Brien	Resource Analyst, Resources and Infrastructure Strategy	Department of Education and Early Childhood Development
Deborah Cope	Commissioner	Victorian Competition and Efficiency Commission
Gary Macdonald	President and General Manager	Hawthorn Basketball Association
Katrina Knox	Member of the Executive	Public Libraries Victoria Network
Laura Henry	Lawyer, Legal Division	Department of Education and Early Childhood Development
Leonie White	Principal	Thomastown Secondary College
Matthew Butlin	Commissioner	Victorian Competition and Efficiency Commission
Nick Beckingsale	Director, Policy and Strategy	Department of Planning and Community Development
Pat Love	Manager, Planning & Infrastructure	Catholic Education Office Melbourne
Paula Grani	Project Officer, Infrastructure Division	Department of Education and Early Childhood Development
Rebecca Jarvis	Senior Resource Analyst, Resources and Infrastructure Strategy	Department of Education and Early Childhood Development
Robert Keogh	Assistant Principal	Mornington Secondary College
Robert Kerr	Commissioner	Victorian Competition and Efficiency Commission
Sharon Sykes	President	Pembroke Secondary College School Council
Tim Johnston	Director, Public Affairs	Association of Independent Schools of Victoria

Table A.3 Sports grounds and sporting facilities

<i>Name</i>	<i>Position</i>	<i>Representing</i>
Deborah Cope	Commissioner	Victorian Competition and Efficiency Commission
Garry Henshall	Executive Director	Parks and Leisure Australia
Ian Waugh	Recreation, Youth and Cultural Services Coordinator	Parks and Leisure Australia/Surf Coast Shire
James Rouse	Team Leader, Leisure Development	City of Casey
Jeremy Bourke	General Manager	Victorian Amateur Football Association
Lyn Morling	Manager	Bayside City Council
Lynn O'Donnell	Recreation Planner	City of Boroondara
Mark Rendell	Chief Executive Officer	Football Federation Victoria
Matthew Butlin	Commissioner	Victorian Competition and Efficiency Commission
Nigel Brown	Team Leader	City of Kingston
Ricky Bell	Group Manager	Sport and Recreation Victoria
Robert Kerr	Commissioner	Victorian Competition and Efficiency Commission
Susan Crow	Chief Executive Officer	Netball Victoria
Tim Lee	Sport and Fitness Manager	Victoria University

Table A.4 Local governments and community groups

Name	Position	Representing
Colin Morrison	Director, Funding Programs	Department of Planning and Community Development/Local Government Victoria
David Imber	Policy and Public Affairs Manager	Victorian Council of Social Service
Deborah Cope	Commissioner	Victorian Competition and Efficiency Commission
Derryn Wilson	HACC Program Adviser	Municipal Association of Victoria
Graham Porteous	Manager, Recreation Services	Melbourne City Council
Helen Wall	State President	Country Women's Association of Victoria
Lynne Wannan	Director	Department of Planning and Community Development/Office of the Community Sector
Malcolm Healey	General Manager	YMCA
Matthew Butlin	Commissioner	Victorian Competition and Efficiency Commission
Merial Clark	Networker, Network of Inner East Community Houses	Association of Neighbourhood Houses and Learning Centres
Michael O'Hanlon	Manager, Community Development	Melbourne City Council
Patrick Moriarty	Director of Training and Development	Our Community
Robert Kerr	Commissioner	Victorian Competition and Efficiency Commission
Ross Barnett	Chief Executive	Ethnic Communities Council of Victoria
Sally Thompson	Executive Officer	Adult Community Education Victoria

Table A.5 Ballarat

Name	Position	Representing
Ashley Pittard	Manager, Recreation & Open Space Planning	City of Ballarat
Carolyn Barrie	Director, City Wellbeing	City of Ballarat
Clete Paige	Principal	Yuille Park P-8 Community College
Deborah Cope	Commissioner	Victorian Competition and Efficiency Commission
John McClure	Senior Project Officer	Department of Education and Early Childhood Development
Keryn Crebbin	Employment Learning Coordinator	Wendouree West Community Learning Hub
Leigh McCallum	Executive Officer, Corporate Projects	Moorabool Shire Council
Matthew Butlin	Commissioner	Victorian Competition and Efficiency Commission
Pauline Fay	Chair, Board of Management	Wendouree West Community House & Learning Centre
Pete Appleton	Coordinator, Community Planning & Development	City of Ballarat
Peter Dwyer	Executive Officer	Central Highlands Area Consultative Committee
Peter Rademaker	Community Engagement Manager	Department of Planning and Community Development
Robert Kerr	Commissioner	Victorian Competition and Efficiency Commission

Table A.6 Planning and design

Name	Position	Representing
Alan McLean	Manager	Department of Education and Early Childhood Development
Deborah Cope	Commissioner	Victorian Competition and Efficiency Commission
David Brown	Development Manager, Community Infrastructure	Delfin Lend Lease
Ken Marriott	Managing Director	HM Leisure Planning
Kerry O'Neill	Director	VicUrban
Liz Johnston	Manager, Planning Policy and Projects	Municipal Association of Victoria
Matthew Butlin	Commissioner	Victorian Competition and Efficiency Commission
Mark Knudsen	Director, Infrastructure Coordination	Growth Areas Authority
Michael Tudball	Director, School and Community Partnerships	Caroline Springs Partnership
Peter Brown	Chief Executive Officer	City of Moreland
Rodney Wee	Senior Planner, Statutory Planning Systems Reform	Department of Planning and Community Development
Shelley Penn	Associate Victorian Government Architect	Victorian Government Architect
Robert Kerr	Commissioner	Victorian Competition and Efficiency Commission
Warren Corlett	Manager, Strategic Asset Planning, Capital Management Branch	Department of Human Services

Table A.7 State government

<i>Name</i>	<i>Position</i>	<i>Representing</i>
Andrew Holm	Acting Manager, Community Support Fund	Department of Planning and Community Development
Dean Tighe	Assistant General Manager, Resources and Infrastructure Strategy Division	Department of Education and Early Childhood Development
Deborah Cope	Commissioner	Victorian Competition and Efficiency Commission
Fred Ackerman	Early Years Partnerships & Services	Department of Education and Early Childhood Development
James Ritchie	Assistant Director, Government Services Group	Department of Treasury and Finance
Jean Parson	Senior Officer, Structure Coordination	Growth Areas Authority
Karen Cleave	Chief Executive Officer	State Services Authority
Kim Ryan	Senior Officer, Education Regeneration and Community Partnerships	Department of Education and Early Childhood Development
Matthew Butlin	Commissioner	Victorian Competition and Efficiency Commission
Michael Hopkins	Policy and Communications Manager	Department of Transport
Robert Kerr	Commissioner	Victorian Competition and Efficiency Commission
Sandy Austin	Manager Primary and Complex Care, North and West Region	Department of Human Services
Shaun Condron	Chief Finance Officer	Department of Justice
Victoria Kearney	Project Manager, Government Accommodation	Department of Treasury and Finance

Table A.8 Orbost

Name	Position	Representing
Deborah Cope	Commissioner	Victorian Competition and Efficiency Commission
Ernie Metcalf	Chief Executive Officer	Noweyung Ltd
Garry Squires	President	Orbost Snowy River Football Club
Glenys Butler	Manager Community Strengthening	Wellington Shire Council
Heather Macalister	Principal	Orbost Secondary College
Kerry Hughes	Principal	Orbost Primary School
Maree McPherson	Executive Officer	Gippsland Area Consultative Committee
Matthew Butlin	Commissioner	Victorian Competition and Efficiency Commission
Nick Kearns	Manager, Planning Projects	Shire of East Gippsland
Paul McDonald	Indigenous Community Engagement Broker	Department of Planning and Community Development
Robert Kerr	Commissioner	Victorian Competition and Efficiency Commission
Therese Tierney	Chief Executive Officer	Orbost Regional Health

A.4 Stakeholder consultations

The terms of reference required the Commission to consult with key interest groups and affected parties (including the business and community sectors) and to draw on the knowledge and expertise of relevant Victorian Government departments and agencies. Stakeholder consultations (table A.9) may include organisations that also attended one of the roundtables listed in section A.3, and provincial meetings in Ballarat and Orbost.

Table A.9 Stakeholder consultations

<i>Organisation (or individual)</i>	<i>Organisation (or individual)</i>
Arts Industry Council Victoria	Association of Independent Schools Victoria
Banyule Community Health	Box Hill TAFE
Caroline Springs Partnership (Department of Planning and Community Development, Delfin Lend Lease)	Clayton Community Centre (City of Monash, MonashLink)
Collingwood Neighbourhood Justice Centre	Delfin Lend Lease
Department of Education and Early Childhood Development	Department of Human Services
Department of Innovation, Industry and Regional Development	Department of Justice
Department of Planning and Community Development	Department of Premier and Cabinet
Department of Sustainability and Environment	Department of Transport
Department of Treasury and Finance	Football Federation of Victoria
Growth Areas Authority	Helen MacPherson Smith Trust
Dr Ian McShane, Swinburne University	Municipal Association of Victoria
Office of the Victorian Government Architect	Organisation for Economic Co-operation and Development
Parks and Leisure Australia	Regional Development Victoria
Sport and Recreation Victoria	VicSport
Victorian Association of State Secondary Principals	Victorian Local Governance Association
Victorian Principals Association	Wellington Shire Council

Appendix B: Costs and benefits of shared facilities

This appendix provides further information on the nature and extent of the benefits and costs of shared facilities that were discussed in chapter 4. The Commission’s research into the benefits and costs of shared facilities was based on a desktop literature review, public submissions and discussions with stakeholders.

In summary, shared facilities can generate important social benefits for individuals and communities by: contributing to the delivery of additional and higher quality services; strengthening communities; and encouraging participation in a broader range of activities. Other benefits can arise from improved utilisation of scarce resources — through better use of existing assets and better investment decisions.

However, shared facilities can also impose additional costs, compared to ‘going it alone’, on the owners, managers and users of shared facilities. Such costs may be significant and may also fall disproportionately on different stakeholders.

B.1 Benefits of sharing facilities

The Victorian Government has identified a range of benefits arising from shared facility arrangements. For example, the Department of Education and Early Childhood Development (DEECD) and the Department of Planning and Community Development (DPCD) both noted in their submissions that:

The Victorian Government seeks to maximise the utilisation of, and benefits gained from, public assets. In broad terms, sharing government and community facilities can help to achieve this as it can promote:

- Stronger communities through increased participation, greater utilisation of facilities and better access to services;
- Improved learning through the availability of higher quality and specialist facilities to students and greater parental involvement in schools; and
- Decreased costs associated with facility development and maintenance. (sub. 55, p. 3; sub. 58, p. 3)

DEECD has identified the specific benefits to students, schools and communities that can result from schools as community facilities and by co-locating early childhood services with primary schools (box B.1).

Box B.1 Benefits from shared facilities

DEECD's submission to the inquiry highlighted the following benefits arising from shared facility arrangements involving early childhood services, schools and communities:

Schools as community facilities

- student learning and community wellbeing can be enhanced when communities have close links to their schools
- new and creative work environments for students that improve their engagement with school – a key factor in lifting student outcomes
- access for teachers to more diverse information sources and expertise so that they can deliver more relevant and engaging curriculum
- better access for communities and schools to state-of-the-art facilities
- stronger social networks between schools and communities
- greater community involvement in school activities and children's learning
- improved school security and reduced vandalism as a result of the increased use of school premises out of school hours

Co-location of early years services and schools

- enhanced transition and seamless developmental pathways for children
- enhanced service integration, providing connected referral pathways and improved early intervention for developmentally vulnerable children
- supporting service integration and collaboration with schools
- provide services to better meet the needs of working families
- increased parental engagement and support
- improved levels of participation in kindergarten
- improved access to services
- promoting schools as community hubs
- improved utilisation of school and early childhood infrastructure
- more efficient use of resources through a "shared approach" between sectors

Source: DEECD (sub. 55, p. 4).

Many other submissions also identified potential benefits of sharing. For example, the Latrobe City Council stated that its:

... experience demonstrates the synergy that occurs through the sharing of community infrastructure. Agencies are able to better target resource allocation, enjoy reduced capital and operational costs and plan effectively for the future whilst making a positive contribution to community capacity building.
(sub. 4, p. 3)

Wyndham City Council also highlighted a number of potential benefits that may arise from shared facilities:

- Maximum use of available facilities (possibly by different populations within the community);
- Pooled resources enable higher quality/larger facilities;
- Improved use of scarce land;
- Ability for community members to access multiple services in one location;
- Increased exposure to, and awareness of, co-located services; and
- Potential for enhanced partnerships. (sub. 18, p. 2)

The benefits of shared facilities highlighted in submissions and by the Commission's research appear to fall in to four broad categories:

- (1) supporting the delivery of higher quality services and improving the accessibility of services for individuals and communities
- (2) strengthening communities by helping to build connections between individuals and within communities
- (3) providing additional opportunities for individuals and communities to access and participate in a broader range of activities
- (4) better use of scarce assets (both existing assets and additional investment) can support the delivery of additional services at a lower cost and potentially earlier than would otherwise be the case.

There are, however, challenges in identifying how significant these benefits are in practice. In particular, there are likely to be a range of other factors, in addition to the sharing of facilities, which contribute to the claimed benefits — for example, the level of funding provided for shared facilities may be higher than for other service delivery models. The extent to which particular benefits are realised will also vary across the broad range of sharing arrangements that exist in Victoria. The benefits arising from community hubs, for example, will necessarily be different to those arising from shared use of a sports field. Some of these benefits are also difficult to measure in a meaningful way.

B.1.1 Improved service delivery

Service delivery benefits primarily arise from co-location and sharing arrangements that involve similar activities, particularly those with similar client groups. More specifically, these benefits can occur when shared facilities support integrated approaches to service delivery; help to develop stronger links between service providers and their communities; provide enhanced opportunities for staff development, and; make it easier for clients to access services. In some cases, these benefits will arise from planned synergies in service delivery, while in other cases there can be unanticipated synergies between different services or providers.

Integrated service delivery

Co-locating services can be an important contributor to the effectiveness of integrated service delivery models by facilitating a smoother transition for users between different services and enabling the delivery of a broader range of higher quality services.

Several submissions highlighted the role that shared facilities can play in supporting more integrated service models. For example, the Victorian Council of Social Service (VCOSS) noted that:

An increased focus on shared facilities can be a conduit to achieving a more integrated system of service delivery. Strong linkages across the range of universal and specialist services are required to support and promote the wellbeing, learning, health and development of children and young people. International evidence highlights that the good outcomes for children and families are achieved when communities are the focus area for service delivery. Shared facilities provide this community focus. (VCOSS, sub. 38, p. 6)

Similarly, Dr Ian McShane noted that:

Shared or co-located facilities may be particularly beneficial for services that seek to provide a continuum of care, such as community health and education. Using the former example, while community health services require some specialised medical facilities, their increasing emphasis on holistic conceptions of well-being calls for the support of flexible, multi-use facilities where activities such as support groups, exercise classes, and cooking and nutrition demonstrations can be conducted. (Dr Ian McShane, sub. 30, p. 5)

The Commission's research and information received via submissions and stakeholder meetings highlighted the contribution that shared facilities can make to delivery higher quality, integrated services in the health, education and justice sectors.

Health services

The realisation of such benefits underpins the government's strategy for health care in Victoria that is based on the delivery of integrated community and in-patient services designed around individual needs. In particular, the Department of Human Services (DHS) noted that shared facilities can support the delivery of a broader range of services and facilitate a multi-disciplinary approach to patient care (DHS 2006, p. 22). For example, the services provided at the Rosedale Community Health Centre include a general practice surgery, community health services (including maternal and child health services and home visits), specialist services (podiatry) and counselling (drug and alcohol).

In addition, shared facilities can also generate unplanned synergies that can contribute to the achievement of better outcomes. In the case of the Rosedale

Community Health Centre, informal links between the Centre and the community library (co-located in the Rosedale Multipurpose Centre) led to a display in the library to raise awareness of the role of diet and exercise in reducing the risk of preventable diseases such as diabetes.

Education

In an education context, there appear to be two main ways in which shared facilities can contribute to better quality education services.

First, a larger pool of students across multiple schools can support the provision and sharing of specialist education facilities (and other resources, such as teachers). This can, in turn, enable a broader range of subjects to be offered (particularly for senior students) and facilitate the adoption of new learning methodologies. One example where this occurs is the Golden Grove education precinct in South Australia (box B.2).

Box B.2 Golden Grove, South Australia

The Golden Grove education complex in South Australia provides educational services to approximately 2 500 students from three secondary schools (one government and two non-government schools). These schools operate as separate entities, but are joined by walkways and share a broad range of specialist facilities, including a library, science laboratories, technology facilities (including a computer-aided design studio), music and drama suites, art studios and home economics facilities (which are of a commercial standard) (Trimper and Salagaras 2008, p. 7). The three schools also use the indoor sports and theatre facilities at the neighbouring council-run community centre.

Building on these shared facilities the schools have also developed shared education programs — for example, language classes have a common timetable and students attend classes at whichever school is offering their preferred language (McGaw 2008, p. 79). The schools also collaborate on extra-curricular activities, including a combined school choir and annual music show.

Sources: Trimper and Salagaras 2008, McGaw 2008.

Second, DEECD sees particular benefits arising from the co-location of early year's services and schools, which facilitates a seamless transition and developmental pathway for young children (sub. 55, p. 4).

However, systematic evidence on the educational benefits of shared facilities appears mixed. For example, a literature survey prepared for DEECD by the Centre for Community Child Health noted that, although the evidence was mixed, there did appear to be benefits from integrated and collaborative approaches to delivering children's services in several countries (DEECD 2008d, pp. 21–26). These benefits included the delivery of higher quality programs and greater availability of services, although other evidence suggested

that in some areas ‘co-location did not emerge as a significant driver for improved inter-agency working’ (DEECD 2008d, p. 23).

Justice

The Collingwood Neighbourhood Justice Centre (NJC) (appendix C), which was based, in part, on community justice models in the United States and the United Kingdom, adopts an integrated approach to managing clients. On presenting to the NJC, an initial assessment of the individuals’ needs is undertaken and they can then be referred to a range of specialists including social workers and drug and alcohol counsellors. This enables the Magistrate to consider all relevant issues at the time of sentencing. This integrated approach to managing clients is expected to reduce the level of crime in the local community, although its effectiveness is still to be tested through an evaluation.

Better links with communities

Integrated service models, including through shared facilities, can also help to enhance the links between service providers and the communities that they serve. These links can help to strengthen the capacity of local communities (see also section B.1.3 below), but also to increase community engagement with the delivery of services and to make services more responsive to community needs. A 2003 study of extended schools in the United Kingdom identified that stronger links between schools and their communities via the provision of additional community services can help to increase the engagement of parents with the school and hence parental support for students (Wilkin et al 2003, pp. 70–71).

Enhanced staff development and working conditions

Integrated service delivery approaches, including through shared facilities, can also improve the professional development and working conditions for the staff involved in delivering services. Staff development can occur through opportunities to share knowledge with colleagues and the ability to develop a better understanding of the role and operation of co-located services (Wilkin et al 2003, p. 66). Working conditions may also improve with a greater sense of personal safety from working in larger facilities. For example, community nurses working at the Clayton Community Centre felt less isolated working in a larger community facility, compared to working as sole practitioners across dispersed sites (appendix C).

Easier access to services

Shared facilities can make it easier and cheaper for users to access services, with a consequential increase in patronage. At the Collingwood NJC co-locating justice and support services on a single site makes it easier (and more likely) for clients to use these services. The NJC estimates that the attendance rate at Victorian

Civil and Administrative Tribunal hearings held at the NJC is approximately twice the Victorian average — at least in part, because clients are also able to access a range of other support services at the same site (appendix C).

Although the Commission is not aware of a comprehensive analysis of the level of use of services provided through shared facilities, there are other examples where attendance has increased at shared facilities. Data from the Monash City Council indicate that attendance at several services now provided at the Clayton Community Centre has increased, such as an increase in booked appointments at youth counselling and other advisory services, and increased use of the library (appendix C). Similarly, the Yuille Park P-8 Community College in the Wendouree West Community Learning Hub reports increased retention of students into year 9 and reduced absenteeism (appendix C).

Summary

It is difficult to precisely measure the contribution of shared facilities to improved outcomes. However, there appears to be significant anecdotal evidence and partial indicators that highlight the role of shared facilities in delivering more diverse and higher quality services, which in turn support improved outcomes.

B.1.2 Enhanced social connectedness

Some shared facility arrangements attempt to build on the above benefits by moving from simple models of co-location and sharing to developing joint ownership of a project's visions and goals. When this works, there can be significant benefits in building social connectedness amongst individuals and communities. Such benefits may be less tangible and difficult to capture but can be an important component of sharing arrangements.

The importance of strong communities in which people feel a sense of belonging is well recognised. Strengthening civil society by building reciprocal connections between individuals and within communities can help to enhance civic participation and the scope for collective action, as well as contributing to better outcomes (in the form of improved education outcomes, lower crime and faster economic growth) (Putnam 1995, pp. 65–66).

There is extensive literature on the links between social connectedness, civic participation and better outcomes (OECD 2001, DVC 2006). These impacts arise because connectedness and participation can:

- help to build the skills and capacity of individuals and communities to engage in broader decision-making processes — which can in turn improve the ability of communities to act collectively and lobby to attract and retain local services or facilities (DVC 2006, pp. 14–15)

- increase contact between individuals and participation in social activities, which can have a direct effect on personal health and help to establish support networks (Webster 2008, pp. 5–6)
- strengthen relationships between students and their friends, parents and teachers, which is linked with greater enjoyment of, and attendance, at school (Harrison and Narayan 2002)
- help to build both individual values and trust within communities, which is linked with lower levels of crime (OECD 2001, p. 54).

Although the direct evidence is largely anecdotal, sharing government and community facilities can help to strengthen social connectedness and contribute to broader outcomes in three main ways (1) establishing and strengthening connections within communities (2) enabling communities to develop and enhance their negotiation, leadership and management skills and (3) providing spaces for group activities.

Clearly shared facilities are not the only way of strengthening these dimensions of social connectedness. Other models of community development, such as Neighbourhood Houses, use community management structures to build local leadership and capacity in similar ways that do not involve the sharing of physical assets. But shared facilities can involve additional complexities (such as a broader range of stakeholders) which can mean that these benefits are potentially more significant — and more difficult to achieve.

Community decision-making

The process by which opportunities to share facilities are identified, developed and managed typically involves stakeholders participating in a range of different activities, such as community meetings, fundraising and lobbying governments. Engaging in these processes can help to establish connections between previously separate individuals and groups and build a common sense of purpose.

The development of the Rosedale Multipurpose Centre, for example, was overseen by a local steering committee involving the Wellington Shire Council and the local community, including representatives from the local neighbourhood house, senior citizens group, health centre, library service and pre-school (sub. 11, pp. 1–2). Within the community there were strongly held views regarding the development of standalone or shared facilities and concerns regarding the co-location of different groups within a shared facility (Butler (nd)). Significant engagement with the community was necessary to address community concerns and secure local support for the development and operation of a successful shared facility.

Developing capacity and skills

Community engagement in the development, advocacy and management of shared facilities can also help to build the skills and capacity of individuals and community groups. These can include organisational, meeting, negotiation and lobbying skills, as well as enabling individuals to develop their self-confidence and assertiveness (Pope and Warr 2005, pp. 11–12). When individuals have these skills and capacities, they are more likely to take on other leadership and advocacy positions within their communities (DVC 2006, p. 14).

These benefits can emerge as a positive spillover from individual and community participation in sharing arrangements. For example, individuals can ‘learn by doing’ through their participation in decision-making and governance processes as well as learning directly from other, more experienced participants.

In other cases, realising these benefits is an integral part of the development and operation of shared facilities. The City of Melbourne, in its ‘Infrastructure for community services policy and planning framework’, states that:

Community management will encourage and support the development of skills in the community ... Support and training will be given to committees of management operating out of Council facilities to assist them to run facilities consistent with Council policies and standards. (sub. 35, p. 3)

Participation in group activities

Community facilities can also support social connectedness by providing ‘...spaces where people can mix and meet, providing infrastructure for activities that allow people to participate ... and reducing barriers to participation such as cost and transport’ (DVC 2006, p. 11).

Better sharing of facilities, through making better use of existing facilities and developing purpose-built shared facilities, can enhance these benefits by creating further opportunities for individuals to participate in group activities. This arises because sharing facilities (such as sporting and recreation facilities, performing arts spaces and multi-purpose spaces) can enable additional and more flexible spaces to be made available for a broader range of community groups.

VicSport identified the availability of facilities as a significant issue that affects participation in sporting activities:

Participation in sport and active recreation relies on the adequate provision of local facilities. Access to facilities has been the single largest factor restraining growth in participation rates in sport. The development of more participation opportunities is reliant on access to facilities and long-term facility management. (sub. 7, p. 9)

The role of shared facilities in encouraging additional participation was also identified by Arts Victoria:

...these facilities tend to be shared by a diverse range of users, rather than simply by those with expertise or interest in the arts. Arts Victoria sees this broad community use of dedicated arts facilities as having the potential to lead to increased access to professional arts practice and in enabling increased participation in arts activity. (sub. 59, p. 3)

A literature review prepared for the Department of Culture Media and Sport in the United Kingdom suggested that there is mixed evidence on the link between higher participation in sporting and cultural activities and social connectedness (Daly 2005, pp. 6–7). In a well-managed joint use facility that encourages positive interaction among groups, this social connectedness is a more likely result. In this context, higher participation in group activities can help to promote social connectedness:

- access to mainstream sporting activities can help people from migrant and refugee communities to integrate into new communities as participants and supporters (Francis and Cornfoot 2007; VicHealth 2003)
- participation in accessible and appropriate sporting activities can, in conjunction with other initiatives, reduce crime (Cameron and MacDougall 2000). Participation in sporting and recreation activities at shared facilities may help to reduce the vandalism of such facilities because the broader community has a stake in their ongoing success.

The experience of the Collingwood NJC further highlights the contribution that sharing facilities can make to social connectedness. Community groups have been able to use the facilities at the NJC for a range of activities, including temporary art displays and community markets, and this has helped to build links between different groups within the local community as well as demystifying the justice process (appendix C).

However, while there are positive links between participation in sporting, artistic and cultural activities and social connectedness, such participation may also reinforce existing patterns of association — for example, there can be significant differences in sporting participation based on gender, age and ethnicity (Daly 2005, pp. 17–18). That said, well-designed sharing arrangements can help to promote new patterns of association across what were previously separate groups. This was noted by a Program Advisor at the Municipal Association of Victoria:

...[it] is the enrichment that's come from forcing those groups, and sometimes it has been forcing them, to both share and to move into different sort of multi use buildings ... Now initially there was a lot of fuss because the footy group didn't really like them there and all of that, but over time there was an enormous

richness that came from the sharing because a lot of the soccer loving European seniors' groups actually discovered AFL and talked to the footy guys and they started going to some of the games. They volunteered to help the footy club with various occasions ... (trans. 3, p. 21)

Not necessarily the best or only approach

While sharing arrangements can help to enhance the connectedness of individuals and communities, the nature and extent of these benefits will be derived from the characteristics of individual projects. It is therefore important to ensure that sharing arrangements are developed and implemented in a way that promotes social connectedness. Equally, shared facilities may not always be the best way of achieving these outcomes and may, in some circumstances, undermine the connections between and within communities. Potentially this could occur when:

- the cost to communities of managing shared facilities is excessive and individuals choose not to engage
- new shared facilities, particularly in regional centres, offer a broader range of services at a lower cost, but are less relevant and less accessible to smaller communities. Local residents may, in fact prefer, a limited local service model over approaches that involve the provision of a broader range of services some distance away (Dr Ian McShane, sub. 30, p. 5).

Moreover, there are other ways besides sharing facilities to achieve these benefits — for example, Neighbourhood Houses, such as Spring Creek, use community management structures to build leadership and capacity (appendix C). But enabling shared facility arrangements to emerge that involve a broader range of individuals and groups can help to create and sustain stronger, more connected communities.

Promoting social connectedness through the sharing of government and community facilities may not be the first best approach. For many individuals and communities a sense of 'place' is important — where, as Montgomery notes, there is:

... a mix of [publicly and privately provided] activities and services, and all of these are of importance in the ongoing development of place and community identity. Such places are an example of *gestalt*, where the whole is greater than the sum of its parts. (Montgomery 2005, p. 7)

But for others, their needs and conceptions of place and community have changed. Local, place-based solutions will, therefore, not always represent the best way of enhancing social connectedness. As Salt noted:

...as new technology and social arrangements evolved we have changed the basis of social connection — out with neighbourhood proximity, in with the

shared experiences of workmates and of those in special interest groups ... Accordingly, there is no need for angst over any apparent social isolation resulting from the loss of old neighbourhoods. This is because old neighbourhoods have been replaced by stronger, more robust models of social interaction which are based on common interest rather than on common geography. (Salt 2008, p. 170)

Summary

Shared facilities are one way of enhancing the connectedness of individuals and communities — they can help to establish connections between previously disparate communities, enable communities to develop their skills and capacities and provide spaces for group activities. However, enhanced social connectedness is not an automatic consequence of sharing arrangements and these benefits are more likely to arise when sharing arrangements are developed and managed with this outcome in mind.

B.1.3 Access and participation benefits

In addition to the service delivery and social connectedness benefits discussed above, shared facilities can also generate access and participation benefits for individuals and groups. Opening up existing facilities or investing in purpose-built shared facilities can support a greater range of activities because standalone activities that could not otherwise be sustained are now viable. Greater access and participation can also contribute to enhancing social connectedness, but there are additional and distinct benefits to individuals and groups from participating in a broader range of activities.

Nature of access and participation benefits

VCOSS identified the importance of equitable access to facilities and services for individuals and communities in its submission:

The extent to which Government property or Government funds are used is of crucial importance to the community, especially to low income and disadvantaged Victorians who are more reliant on those facilities that are free or low cost to access. While a large number of Victorians benefit from access to local libraries the service is arguably of more benefit to those who cannot afford to buy books or to access the internet at any other location. (sub. 38, p. 4)

Similarly, the Ministerial Advisory Committee for Victorian Communities noted the importance of access to appropriate facilities in its 2006 report to the then Minister for Victorian Communities:

One particular issue of concern raised by Islamic women is the need for public space to be a safe space for the whole community. There are groups within communities that do not feel safe using community facilities. People with

disabilities also have difficulty in accessing public space and facilities. It is these groups that need to be included specifically in the planning and management of community facilities. (Ministerial Advisory Committee for Victorian Communities 2006, p. 102)

The same point was also made by National Disability Services Victoria, which noted that being able to share community infrastructure will help to make it easier for people with disabilities to participate in community activities (sub. 20, p. 1).

When more Victorians, particularly disadvantaged individuals and groups, have the opportunity to participate in activities, the benefits can include:

- personal fulfilment by undertaking activities that they derive enjoyment from
- helping to build the self esteem, confidence, dignity and personal safety of individuals, which can help to overcome barriers to employment and broader social participation (Ministerial Advisory Committee for Victorian Communities 2006, pp. 60–66).

Evidence and examples of access and participation benefits

Several submissions to the inquiry highlighted the role that shared facilities can play in realising access and participation benefits:

- the Carlton Primary-Community Learning project developed as a response to meeting the needs of a diverse community, most of whom come from Africa and for whom English is a second language. The project involves the school making its facilities available to around 150 people per week for a range of activities that would not have otherwise have been available, including homework clubs for primary and secondary students, playgroups, English classes, sewing classes, parenting groups, a drop in space for a youth service and a range of one-off forums (sub. 24, pp. 1–2).
- a performing arts centre was constructed in partnership between Hume City Council, Roxburgh College, Roxburgh Park Primary School and the Victorian Government and has enabled ‘increased access to local performing arts opportunities for local community groups, where there is a shortage experienced in the City … [including] access [to] the facility on a regular basis for purposes of hosting a community Dance Program’ (sub. 43, p. 21)
- the Collingwood NJC was specifically designed to enable community access to its facilities. There are on average 97 bookings per month for community groups to use meeting rooms at the NJC, including a local Vietnamese choir that began using a meeting room to practice after the church that it was previously using burnt down (appendix C).

Measuring the extent of these benefits can be difficult. A preliminary evaluation of the Carlton Primary-Community Learning project noted that while it was

possible to measure ‘tangible’ effects (for example, enrolment numbers and feedback forms), ‘critical’ outcomes, such as enhanced individual capacity, were more difficult to capture (sub. 24, appendix 1, p. 19). However, other studies have highlighted the positive association between the availability of recreation areas and children’s participation in physical activity (Davison and Lawson 2006) and between participation and health and lifestyle benefits (VicSport 2007).

These examples highlight the role that shared facilities can play in promoting access and participation in a broader range of activities. However, sharing facilities may not, on its own, maximise access and participation benefits or even be the best way to achieve these benefits. For example:

Other initiatives such as sports coaching, arts tutoring, artists in residence, community urban design forums, Mainstreet programs, cultural events and festivals can all be just as, even more, important than a new ‘centre’. (Montgomery 2005, p. 11)

Again, the extent to which access and participation benefits result from shared facilities will depend on the characteristics of specific projects and there needs to be an assessment that sharing is the best means of achieving these outcomes.

B.1.4 Better asset utilisation

Several submissions to the inquiry identified the efficiency and asset utilisation benefits of shared facilities. Warrnambool City Council noted that:

There is no doubt that shared facilities can be more efficient in terms of the capital cost associated with their provision, and in terms of efficiency in management arrangements and operational costs. (sub. 41, p. 9)

Most sharing arrangements will result in the more effective use of facilities than would otherwise occur by making better use of under-utilised assets or designing new facilities that are purpose-built for sharing. Better asset utilisation can be the main focus when different facilities and services are simply co-located on a single site, but may be less important for other sharing arrangements — for example, when school facilities are made available for use by the broader community at little or no cost.

Improved asset utilisation generally arises from:

- economies of scale, where the fixed costs of production are spread over additional activities. For example, where a recreation centre is made available to other users over extended hours, the cost of construction can be spread (and potentially recovered through user charges) over a broader range of activities.
- economies of scope, where it is possible to produce two (or more) goods or services jointly at a lower cost than if they were produced separately. For

example, sharing a library between a school and the local community may enable the provision of a broader range of services (such as larger reference or lending collections) over extended hours.¹

Where economies of scale and/or scope are realised through sharing arrangements there are potentially significant benefits for the owners and users of shared facilities, including:

- the construction of larger and more specialised facilities that can help to provide a broader range of high quality services. As Moorabool Shire Council noted, in light of discussions of partnership approaches for capital projects with DEECD:

Both parties agree that through partnering, opportunities exist to bring together in the one location a range of prominent and important civic, community, learning and recreation facilities that would not be feasible if attempted in isolation. (sub. 8, p. 4)
- using facilities for longer periods can increase the safety and security of the facility through ‘passive surveillance’, resulting in reduced vandalism of facilities (City of Whitehorse, sub. 45, p. 16).

In addition to these direct benefits, some submissions highlighted potentially broader benefits arising from the improved utilisation of assets through shared facility arrangements. Hobsons Bay City Council noted that sharing facilities:

... in turn promotes community confidence that the Council is managing its assets appropriately and providing access to spaces for the community to engage in diverse activities. (sub. 14, p. 6)

New versus existing facilities

Economies of scale and scope can be realised both through better use of existing facilities and developing new facilities that are purpose-built for sharing, although the nature and extent of these benefits vary.

New facilities

Pooling resources to exploit economies of scale and scope through shared facilities can enable the construction of larger and more specialised facilities and can help to provide a broader range of high quality services. The Hume Global Learning Centre in Broadmeadows was funded from a range of sources that enabled a community facility to be developed that exceeded what the Hume City Council would have been able to fund on its own (sub. 43, pp. 10–11).

¹ A number of submissions identified additional costs associated with sharing libraries and these are discussed in section B.2.5 below.

The experience of Delfin Lend Lease in developing masterplanned communities in South Australia and Victoria highlights more specific examples of the benefits of economies of scale and scope in developing new shared facilities. Two examples of these benefits are:

- the Brookside Learning Centre Precinct in Caroline Springs includes hard courts, a gym and sports grounds that are shared between one government and two non-government schools, and the local football club. Sharing the sports ground in this way enabled the provision of a higher quality oval with irrigation systems to drought-proof the oval, and helped to reduce the footprint of the three schools from an estimated 20 hectares (for three separate schools) to 14 hectares.
- the provision of facilities earlier than would otherwise occur and in the right sequence to meet the needs of the community, leaving no gaps in the delivery of services. In Caroline Springs, the partnership approach enabled the construction of the Town Centre precinct, with a library and civic centre, sports stadium, regional sports grounds and theatre within the government secondary school, earlier than would have occurred (appendix C).

Banyule City Council also noted that there were potential efficiency benefits in the operation of shared facilities arising from:

... opportunities to reduce water and energy utilisation, and decrease the amount of resources consumed and waste materials produced through the operation of the facility. (sub. 49, p. 4)

Finally, better asset utilisation can also arise by identifying and (in some cases) rationalising existing under-utilised assets to release additional resources for other priorities. The Clayton Community Centre was specifically designed to minimise costs by reducing the duplication of facilities and ensuring that the new facilities were fully utilised. In addition, the City of Monash partly funded the Community Centre by selling surplus land around the Centre, including land previously occupied by the Clayton pre-school (now part of the Centre), that will be used for an aged care facility (appendix C).

Existing facilities

Making better use of existing facilities can raise different issues. In some cases, existing facilities are able to be shared with other users largely as they are. For example, the Police Citizen's Youth Club (PCYC) established two later afternoon programs in what were otherwise empty rooms at the Craigieburn Leisure Centre, which met a local need and helped the PCYC to become established in the area (HM Leisure Planning, sub. 5, p. 6).

In other cases there may be additional costs (from, modifying or retro-fitting the facility or additional operating costs) before facilities can be used by other

groups.² Even where additional costs are incurred by sharing existing facilities, this may still be cheaper than developing a new facility or continuing to use multiple facilities. The experience of the City of Whitehorse is that renewing existing assets is generally cheaper than building new facilities, although this depends upon the specifics of each project (due, for example, to the limitations of existing sites and the associated infrastructure). Additionally, renewals, even with additions to the existing ‘footprint’, may also be more acceptable to local residents and the broader community (sub. 45, p. 13).

Urban versus regional facilities

The nature of asset utilisation benefits may also vary across urban and regional areas. According to the Wellington Shire Council:

Metropolitan areas benefit from large scale availability of services offering easier accessibility to the community. Particular benefits are available in regional locations such as Wellington’s which experiences greater limitations on the facilities provided due to the large geographic and population dispersion characteristics of our Shire. There are definite opportunities to be gained from ‘sharing’ to provide specific services in these locations that may not otherwise be available. Of particular importance is the provision of medical, dental and general health services in smaller towns. (sub. 11, p. 1)

In an education context, DEECD argues that important benefits can arise from better use of facilities in rural communities:

Rural communities in particular often have limited choice in terms of available infrastructure that can be shared due to population size and geographic location. Schools can be the only major government/community infrastructure in the area. Whilst this may result in decreased options for shared facility arrangements, it also means that the benefits that can be realised through enhanced utilisation of facilities may be even more pronounced in smaller Victorian communities. (sub. 55, p. 16)

B.1.5 Measuring benefits

The preceding discussion summarised the Commission’s view of the nature of the potential benefits arising from shared facilities. The Commission encountered difficulties in estimating the magnitude of these potential benefits. In part, this reflects the nature of the benefits, which can be difficult to measure and to separate out the contribution of shared facilities to the improved outcomes. It also reflects a lack of available information.

² The additional costs associated with shared facilities are discussed further in section B.2.

Difficult to measure

Measuring some of the benefits, notably the role of shared facilities in contributing to better services and enhancing social connectedness, is inherently difficult. As discussed in chapter 4, particular difficulties arise in the absence of market prices for the goods and services provided through shared facilities, which makes it difficult to estimate the value that consumers place on these activities.

In some cases, it may be feasible to measure changes in final outcomes by focusing on changes in key indicators — such as local indicators of crime in the area covered by the Collingwood NJC. The nature of some outcomes may be less amenable to measurement — for example, a greater sense of social connection when individuals are involved in something that has others involved — but are still an important component of sharing arrangements.

Where it is not possible to directly measure the outcomes from sharing arrangements, other intermediate indicators may provide some scope to measure the benefits of shared facilities. Such intermediate indicators can range from proxy measures of value (for example, the size of the waiting list for a government school or house prices within a government school zone indicating the value that parents place on a school's outputs) to specific indicators (like measures of social connectedness (see box B.3)).

Box B.3 Measuring social connectedness

The Department of Planning and Community Development measures a series of indicators of community strength that focus on (i) close personal networks, (ii) broader associational ties and community networks, and (iii) governance networks (DVC 2006, p. 3). Several indicators of participation are used to capture community strength, including volunteering, membership of an organised group, attendance at a community event and membership of a decision-making board or committee.

The Australian Bureau of Statistics (ABS) adopts a similar approach to measuring social capital, by focusing on individual participation in groups, activities and events which support the ‘development of trust, cooperation and stronger community networks’ (ABS 2006, p. viii). However, the ABS also cautions that these types of indicators do not measure the quality of such participation or whether or not such participation has any positive effects.

Source: DVC 2006, ABS 2006.

Even where it is possible to measure these benefits, it can be difficult to establish a causal link between these benefits and specific sharing initiatives. Other factors — such as the quality of teaching in schools or other community strengthening initiatives — will also contribute to improved outcomes.

Limited evidence

There is also limited systematic evidence of the extent of these benefits, even where it should be relatively straightforward to find. The City of Whitehorse noted that:

... it is a straight forward exercise (quantity surveyor costs, actual costs from similar facilities etc.) to undertake a financial assessment for sharing of facilities (whole of life cycle costs including capital, maintenance, operational and renewal). (sub. 45, p. 15)

The business cases prepared for shared facilities should provide a point of reference by comparing the estimated costs of a shared facility option with the costs of alternative service delivery models. However, the Commission is not aware of any business cases (publicly available or otherwise) undertaken in Victoria or elsewhere that provide a systematic analysis of the net cost advantages.

This may also reflect the fact that few systematic ex post evaluations of sharing arrangements have been undertaken in Victoria (see chapter 9). Overseas evidence also appears limited on how significant the benefits of sharing arrangements are. The National Audit Office in the United Kingdom noted that it was too early to identify the cost-effectiveness of co-locating children's services with primary schools (NAO 2006).

B.2 Costs of sharing facilities

Section B.1.5 highlighted that sharing arrangements can, through economies of scale and scope, reduce the total cost of providing services and activities for communities. There are also, however, certain additional one-off and ongoing costs associated with sharing facilities, which may be significant and fall disproportionately on particular groups. Any assessment of the appropriate role for government in this area needs to account for any additional costs to the owners, managers, users and neighbours of shared facilities compared with 'going it alone'.

B.2.1 Transaction costs

Transaction costs were cited in several submissions as an important additional cost associated with sharing arrangements.

For existing facilities that have excess capacity where arrangements are already in place for users to access the facility the additional transaction costs may not be significant. DEECD posited that there may be higher costs associated with additional sharing of existing facilities that are characterised by more complicated governance and use arrangements. Specifically:

... an existing facility has an established track record of activities, running costs, maintenance and governance arrangements. This pre-existing operating model and culture may make it difficult to change elements that ‘already work well’. (sub. 55, p. 17)

The main transaction costs, particularly for new sharing arrangements, appear to arise from the need to understand local preferences, negotiate shared use agreements, and obtain funding from a range of sources. The nature and extent of these costs will vary depending on factors like the nature of the existing relationships between the different stakeholders. In general, the larger the number of parties involved, the higher the transaction costs.

Community engagement

There can be significant time costs associated with engaging and consulting with communities — understanding community preferences, overcoming entrenched attitudes and agreeing on a ‘community view’. According to the City of Boroondara users can be reluctant to share facilities because they perceive that they have specific needs that require sole use of a facility or that may become marginalised within a larger facility (sub. 53, p. 2). Overcoming these concerns can involve significant staff and time commitments for all stakeholders (through community information sessions and meetings) before a community is ready to share.

Moreover, once a decision has been taken to proceed with a shared facility, there are likely to be ongoing consultation requirements as part of the design and construction of the facility. The Clayton Community Centre consulted extensively with a range of stakeholders (such as a local advocacy group, service providers, staff and users) to ensure that the design of the Centre would meet their needs and support the ‘one stop shop’ model to increase the uptake of services (appendix C).

Negotiating agreements

Complicated sharing arrangements that involve the negotiation of a development or joint use agreement can impose significant costs on all parties. Issues that need to be resolved in these negotiations include the ownership of the land and infrastructure, ongoing governance and management arrangements, managing different regulatory requirements, use of the facility and funding (for both capital and operating costs) (DEECD, sub. 55, p. 20). Each party to an agreement will usually need to obtain its own legal advice on the agreement and there may also be additional approval processes that need to be satisfied (for example, all joint use agreements that involve land owned by DEECD require the approval of the Minister for Education). The City of Casey noted that the nature of the agreements and process of negotiation can impose significant costs:

Unrealistic timelines in regards to Council supplying information and a number of unacceptable clauses from Council's perspective resulted in Council seeking formal legal advice. This has been costly for Council in terms of capital and officer time. (sub. 22, p. 2)

A particular driver of these costs is likely to be the additional risks that can arise from sharing arrangements that involve multiple parties. Key issues to be considered include how to ensure that a sharing arrangement is sustainable over time in light of changing ownership arrangements (for example, what happens to a shared facility if the school on which the facility is located is sold) or disputes arise between the shared facility partners. Ensuring that these issues are appropriately addressed in a joint use agreement will add further time and cost to the negotiation process.

Assembling funding packages

Should additional funding (in excess of the funding contributed by the parties directly involved in the facility) be required for a shared facility it can be time consuming and costly to pull this together. These costs arise because project sponsors may need to expend significant resources to apply for funding from a range of different programs — from different levels of government and other sources — each of which has different information requirements and timelines. In developing the Rosedale Multipurpose Centre capital funding came from seven different sources. The Wellington Shire Council specifically noted in its submission that it had to 'dissect the project to apply within set funding models with different guidelines' (sub. 11, p. 2).

Minimising transaction costs

There is a range of approaches that the parties to a shared facility arrangement can adopt to minimise the transactions costs described above. The most common approach cited in submissions was to use an intermediary or 'broker' (see chapters 6 and 7 for a fuller discussion of the potential role of brokers in shared facilities). Such brokers can help to reduce the transactions cost associated with shared facilities through their knowledge of government processes and grants and improving communication between the parties — although employing brokers is not costless.

B.2.2 Management costs

Shared facilities may also result in additional responsibilities for facility owners and managers to oversee sharing arrangements. These responsibilities can include managing bookings for a facility; overseeing cleaning, security and car parking issues and; managing dispute resolution processes. Where there are additional responsibilities these could result in additional costs for shared facility managers

to successfully implement sharing arrangements. Mont Albert Primary School noted:

If the School Hall was to be opened up for bookings by the wider community then a staff person would need to be employed to monitor its use during the event and to ensure that each booking part[y] had their own appropriate insurance ... the school [would also need] to appoint somebody as the dedicated resource to meet greet and assess any potential user of a particular MAPS [Mont Albert Primary School] facility. Discussions with the Principal have highlighted that they do not currently have capacity available to dedicate a resource without incurring additional costs to the school. (sub. 40, p. 2)

Alternatively, if additional resources are not available, scarce management time will need to be devoted to managing shared facility arrangements. If the focus of managers is diverted away from their primary objectives, there is a risk that poorer outcomes could result. For example, a Networker from the Network of Inner East Community Houses noted that:

... [the] coordinator or the neighbourhood house person who is funded out of what we call the Neighbourhood House Coordination Program ... becomes a facility manager and they're not as much a community development worker, and so we've seen that whole issue within the sector of people being appointed as neighbourhood house coordinators who are in fact administrative and facility managers, and not doing the community development that's required of within their service agreements. (trans. 3, pp. 67–68)

The managers of facilities may not have the necessary skills to effectively oversee sharing arrangements. These skills may emerge naturally over time (see section B.1.3), but additional training and support may be necessary to enable the effective management of shared facilities (Adult Community Education Victoria, sub. 51, p. 3).

B.2.3 Higher capital and operating costs

The facility owner, particularly where greater use is made of existing assets, may also incur additional costs when other users are allowed to use the facility. Unless such costs can be recovered from users or there are broader benefits from sharing arrangements, facility owners and managers may not be prepared to incur such costs.

Capital costs

As discussed in section B.1.5 above, making better use of existing facilities can often be done without significant modification to the building structure and, in some circumstances, even where retro-fitting is required this may be less costly than other approaches. In other circumstances, however, the additional capital costs necessary to support sharing arrangements may be significant:

... most basic sporting pavilions were designed for use by "football and cricket". And include basic shared change and shower areas. These facilities are now in demand by other sporting codes such as soccer, and are inadequate for use by female players ... Adapting these facilities is expensive, and single projects like this can take some time in many Councils. (Parks and Leisure Australia, sub. 39, p. 6)

Operating costs

Section B.1.5 highlighted that sharing arrangements can, through economies of scale and scope, reduce the total operating costs of providing what would otherwise be separate facilities. Such arrangements may also result in higher costs for the owner of a single shared facility, which can impose a burden if such costs are not able to be recovered from other users.

Adult Multicultural Education Services noted that they faced a range of additional costs, including management and other operating costs from sharing their facilities with different client groups. At one site:

... activities by a number of different groups were held on Saturdays these have now been discontinued as the wear and tear on the buildings and security issues became quite problematic. Without resources to have AMES [Adult Multicultural Education Services] staff present, proper building supervision and sufficient supervision of young people using the building it became untenable. (sub. 19, p. 5)

Other additional operating costs could include increased insurance cover (for facility owners or users), utilities and consumables (such as electricity and toilet consumables), and cleaning (City of Darebin, sub. 44, p. 5, City of Whitehorse, sub. 45, p. 11).

Moreover, certain groups can face (unexpectedly) higher operating costs when they move into new facilities, shared or not. A Networker from the Network of Inner East Community Houses told of a case where a Neighbourhood House relocated into a new facility:

...it's really simple stuff because suddenly the organisation thinks, fabulous, we've got four telephone lines. The telephone bill's just gone up ten times, it's not even four times, it's ten times because suddenly there's STD calls and mobile calls and things like that. Fantastic lighting. The electricity bill's really high ... When you design the beautiful new building and the windows don't open, so the air conditioning's on and the heating's on all the time, the ongoing operational costs just build. People don't expect this increase in costs as they have budgeted on what they know from the building that they came from. (trans. 3, p. 107)

Some specialised facilities like synthetic pitches may be able to be used more intensively than alternative facilities like turf pitches, particularly under drought

conditions. But, of course, the more intensively a facility is used the more quickly it may need to be refurbished or replaced.

B.2.4 Amenity costs

There may also be external or ‘amenity’ costs arising from greater use of assets that are borne not by facility owners and users, but by third parties. These amenity costs are likely to be more significant when facilities are located in residential area and are being used out of what are regarded as ‘normal’ hours.

There are potentially two dimensions to the loss of amenity from shared facilities (Dr Ian McShane, sub. 30, p. 5). First, the loss of open space and the location and size of facilities may have an ongoing impact on local residents. Second, the specific activities that are undertaken at a facility and time at which they occur can impose costs on local residents due to the noise and traffic that may be associated with such activities.

Existing government policies may also exacerbate some of the potential amenity costs arising from greater use of shared facilities. The funding arrangements for government schools are understandably focused on maximising educational outcomes and, hence, limited resources (land, buildings, etc.) are efficiently and effectively configured to provide the facilities that support these outcomes. However, Wyndham City Council noted that the practical effect of this policy:

...severely limits car parking space on school sites, often resulting in overflow onto surrounding roads or into Council provided car parks where facilities are co-located. Appropriate planning for sufficient parking on school sites is needed, particularly if shared facilities that will be used by the broader community are located on school grounds. The appropriate design of co-located car parks allows for joint use at peak times. (sub. 18, p. 3)

B.2.5 Unintended consequences of sharing

There may also be unintended consequences from inappropriate sharing arrangements. In particular, under-utilised assets and poorer outcomes could arise from reduced access to services that are consolidated on larger sites with limited access.

The Public Libraries Victoria Network noted that there are potentially significant financial costs arising from inappropriate sharing arrangements:

However, it is essential that proposals are well thought out and are not entered into merely for reasons of convenience or cost-saving. A public library which is poorly utilised due to unsuitable location and inadequate resources costs nearly as much to operate as one which is well-used and so represents a considerable waste of public money. It is very difficult to move or discontinue a public library once it is established so “mistakes” are difficult to rectify. (sub. 6, p. 5)

There can also be unintended impacts when inappropriate client groups are mixed together. The School Library Association of Victoria noted that particular issues can arise when school and community libraries share facilities. In this case, concerns could arise due to (1) members of the public being reluctant to use a library located within school grounds or when there are large numbers of students using the library (2) undermining school discipline if students excluded from school are able to enter a shared library as a member of the public and (3) the risk of students accessing inappropriate material through shared internet terminals (sub. 37, p. 2).

Cardinia Shire Council further noted that some sharing arrangements may have the practical effect of preventing other groups and users from having access to a facility:

There needs to be careful consideration of “over-sharing” or incompatible sharing and how this could lead to the marginalisation of certain community members. For instance, there is a push for Maternal & Child Health and kindergarten services to be located on school sites, as well as a community centre. This could mean that men’s or disadvantaged youth groups could not operate out of that community centre, pushing certain groups out of what should be community space. (sub. 42, p. 3)

Appendix C: Case studies

C.1 Caroline Springs Partnership Caroline Springs, Victoria

C.1.1 Background

Caroline Springs is a relatively new suburb on Melbourne's western metropolitan fringe in the Shire of Melton. It was established by the developer Delfin Lend Lease in 1997 and is expected to be home to 23 000 residents in 8000 dwellings by 2013.

In January 2005, a formal partnership was established between the Shire of Melton, Delfin, and the then Department for Victorian Communities (DVC), now Department for Planning and Community Development (DPCD). The focus of the partnership is to bring government, business and community groups together to plan the provision of community, education and health infrastructure. It seeks to deliver better quality, timely and sequenced community infrastructure in Caroline Springs, and to increase the capability of local government to plan and deliver such infrastructure.

An evaluation of the program in 2007 found that organisations in the partnership felt that the model enabled facilities and services to be delivered faster, without duplication. Partners also felt that more innovative services and facilities for Caroline Springs had resulted through shared use.

This case study focuses on the development and ongoing operation of the partnership and two examples of shared facility precincts in Caroline Springs.

C.1.2 Conception

Discussions about establishing a formal partnership began in 2003 and the Caroline Springs Partnership was formally established in January 2005. The members of the partnership are the Melton Shire Council, DPCD and Delfin.

The partnership arose out of the need to develop facilities for Caroline Springs in a timely manner. By developing a sharing arrangement, each partner would receive access to high quality facilities more quickly than if the facilities were planned and built individually.

The objectives of the partnership were to:

- Create a model for doing government differently in local areas.

- Increase the capability of local government to plan and deliver community infrastructure.
- Deliver better quality, timely and sequenced community infrastructure.

Delfin previously built the Golden Grove education precinct in a South Australian housing development. In Golden Grove, a government, Catholic, and joint Anglican and Uniting Church secondary schools all operate from the same site. Each school has its own teaching areas, oval and quadrangle but shares specialist facilities such as science and technology laboratories, music studios, computer rooms, wood, metal, plastic and auto teaching areas, food and fabric laboratories and a senior school library linked to satellite libraries in each of the junior schools. The lessons learnt from this development were crucial in informing the philosophy and development of the Caroline Springs Partnership.

The partnership model involved the employment of an independent 'broker' (the Director) who was jointly funded by the Council, Delfin and DPCD. The work of the Director was overseen by an advisory group of three stakeholders representing each of the partners.

The Director's role involved two major activities:

- (1) building and mediating relationships between partners and other organisations and acting as a conduit of information between parties
- (2) establishing and facilitating planning groups to focus on the development of community, education and health infrastructure (DVC 2007, p. 5).

By focusing on coordination and capacity building in member organisations, the idea is that over time each partner will be able to undertake planning and governance confidently on its own.

The Director was crucial to the success of the partnership because it created a position with a dedicated person who could be fully committed to the partnership, rather than relying on a volunteer with other day-to-day responsibilities. Furthermore, paying the Director a salary was seen as

a great insurance policy against the urban sprawl... if you get it right in these new suburbs now... if you create vibrant self-sustaining communities... you won't have to worry about it for the next 50, 100 years (DVC 2007, p. 6).

An early decision was made to exclude some parties from the partnership because the effort to maintain the relationship would be too great when the work of the partnership was peripheral or incidental to those parties. Instead, those groups were part of broader communication channels (e.g. the Commonwealth Government was kept informed through the Area Consultative Committee) (DVC 2007, p. 13).

C.1.3 Shared facilities in Caroline Springs

Two examples of shared facilities in Caroline Springs are the Brookside Learning Centre precinct and the Town Centre Library, Civic Centre and Sports Stadium precinct.

C.1.3.1 Brookside Learning Centre Precinct

Planning of the sharing arrangements for the Brookside Learning Centre began in 1997 in meetings between the then Department of Education and Training, now Department of Education and Early Childhood Development (DET/DEECD) and other interested groups (DET 2005a). The precinct precedes the formal establishment of the Caroline Springs Partnership.

The Brookside Learning Centre is owned by DEECD, as the owner of the land that the facility has been constructed on.

Caroline Springs College and Mowbray College share an administration area, staffroom, reception, library, computer science centre, performing arts and music complex, a community resource room, and a multimedia centre. For these shared facilities, DEECD funded approximately \$1 million of the total cost and Mowbray funded approximately \$1.5 million of the cost.

The use of the facility is governed by a joint use agreement (JUA). The key terms of this JUA include:

- a 50 year licence agreement for Mowbray College to use the facility, with the option for a 15 year extension
- the parties involved to allow and encourage the use of the facility by other users, including members of the public and community groups
- a clear dispute resolution process.

A management committee, made up of two members from each of the schools, meets monthly to ensure the facilities are managed appropriately.

At Brookside, groups must contact Delfin or the council to book a space. There are plans to use the internet community portal (established by Delfin) to manage bookings in the future.

Benefits of the shared Brookside Learning Centre include:

- a reduction in the overall cost of school cleaning (given that this is shared between schools)
- more efficient use of resources deriving from shared curriculum and resources
- better facilities

- community groups involved in the school.

Other shared facilities in the Brookside precinct are:

- before and after school care facilities shared by Caroline Springs College, Mowbray College and Christ the Priest Primary School
- a childminding centre, a maternal and child health centre, a pre-school, Djerrriwarrh Health Service, and the Local Learning Employment Network (LLEN)
- the Caroline Springs College sport and recreation centre, which operates under a joint-use agreement with the council, Mowbray College and the Western Jets Football Club.

The Brookside Learning Centre precinct facility was delivered earlier by Delfin, rather than waiting for DEECD and the local council to construct the facilities. Delfin reached an agreement with the council on the levels of developer contributions payable to council and, as part of this agreement, Delfin agreed to build the Brookside Learning Centre precinct on behalf of the council and DEECD.

C.1.3.2 Town Centre Library, Civic Centre and Sport Stadium Precinct

The Caroline Springs Partnership helped to facilitate the delivery of the \$23 million Caroline Springs Library, Civic Centre and Sport Stadium in the Town Centre precinct of Caroline Springs. The facilities are owned by the local council.

The shared facilities in the precinct are:

- A civic centre and library with two IT classrooms (used by adult learning groups at night), other meeting and activity rooms, and a café. The Caroline Springs College principal has an office in the library and local government services are provided from a shop front.
- A three-court indoor gymnasium suitable for a range of sports.
- An outdoor activity area adjacent to the stadium known as the Community Youth Activity Node, which includes a skate park.

The facilities were funded by different groups. Delfin and the council negotiated a predetermined contribution from Delfin of \$10 million, which would contribute towards the facilities. DEECD contributed what it would normally contribute towards a library (\$680 000) and a sports stadium (\$500 000). The Commonwealth Government put forward \$550 000 for the library and \$500 000 for the sports stadium, through its Regional Partnerships Program. The balance

of the cost, approximately \$12 million (Shire of Melton 2008, p. 15), was paid by the Shire of Melton.

Mowbray College pays fees to use the facilities. They did not contribute to the capital funding, as their funding (via a Commonwealth grant) can only be spent on facilities on college-owned land. These charges are structured in an upfront agreement.

JUAs have been established between the council and Caroline Springs College to share the library space. Having students from Caroline Springs College use the library took a lot of negotiation and effort. It was Delfin's idea but the Principal had to drive it. The use of the library by students, as well as community members, works well.

C.1.4 Success factors

The Partnership was formally evaluated in 2007 by the then Department for Victorian Communities. The evaluation identified four success factors for a place-based partnership project such as in Caroline Springs:

(1) *A good broker*

An independent, highly-skilled broker whose sole focus is on managing the project to keep the partners focused on the project and its objectives. A good broker helps the partnership navigate bureaucracy and identify opportunities (DVC 2007, p. 12).

(2) *The right decision-makers at the table with commitment and a willingness to contribute*

People that attend meetings should have the authority to make high-level decisions, commit to funding, and be able to authorise financial contributions to the costs of running the partnership (e.g. the Director's salary and on-costs) (DVC 2007, p. 12).

(3) *A shared vision, clear objectives and good processes*

Clear objectives, an action plan and timetables should be set early in the process with regular progress meetings. In the case of Caroline Springs, establishing the partnership and these processes removed procrastination that had previously existed, minimised time-wasting at meetings, kept partners focused and minimised duplication of effort (DVC 2007, p. 13).

(4) *Champions and early results*

Third-party endorsement of the vision of the partnership by Ministers and local Members of Parliament was hugely beneficial to promoting the project and early results helped to counter community and partner scepticism (DVC 2007, p. 13).

C.1.5 Impediments

Although the partnership has been deemed successful, the most significant challenge to its development was the:

...inflexible institutional arrangements in some organisational settings. The most often cited were slow decision-making systems, inflexible rules and institutions with the rhetoric to support place-based and joined-up activities but not the implementation or internal budgetary systems (School and Community Partnerships – Demonstration Project, sub. 25, p. 10).

The local council's biggest institutional barrier was the negotiation of JUAs with state government departments and finding documentation acceptable to all organisations (and their lawyers). Melton Shire Council felt this could prevent other, less experienced councils from attempting joint-use projects (DVC 2007, p. 14). All partners reported that they had worked around poor institutional arrangements to make things happen (DVC 2007, p. 14).

With the partnership now in operation, minor tensions still remain, particularly around the negotiation of financing and access to joint-use facilities. However, the model provides for a forum for open discussion and a mechanism for negotiating solutions that are ultimately acceptable to everyone (DVC 2007, p. 11).

C.1.6 Lessons learnt

The 2007 evaluation found that the Caroline Springs model enabled services and facilities to be delivered faster than in other large-scale development. The partnership expedited decision-making, minimised duplication of effort, facilitated the location of additional funding sources and speedier application for funds, and placed pressure on organisations to keep to deadlines. Partners also felt more innovative services and facilities had resulted through shared use.

Cost savings appear to have offset the cost of employing the Director.

- First, more efficient processes lowered the amount of planning time (reducing transaction costs).
- Second, the joint use of facilities reduced infrastructure building costs and costs of ongoing governance (economies of scale).
- Third, savings were made by delivering new infrastructure when needed with no gaps in service (efficient sequencing).

Before the partnership, the three partners reported that relationships were 'stormy' between the developer and council, and largely non-existent with State government (DVC 2007, p. 9). In the evaluation, all organisations, particularly the partners, 'reported that their relationships had improved enormously — to

the point where they all now report a high level of trust and confidence in the others' (DVC 2007, p. 9). The current relationship was also described as 'robust'.

Lessons learnt from the Brookside Learning Centre precinct were applied to the Civic Centre development and will similarly be applied to the final stage of Caroline Springs, North Lake, which will include schools, childcare, community health and council services.

C.1.7 Summing up

The Caroline Springs Partnership demonstrates the benefits of creating a framework involving all relevant parties for the delivery of infrastructure and services in a local community. The three objectives of the partnership were to:

- Create a model for doing government differently in local areas.
- Increase the capability of local government to plan and deliver community infrastructure.
- Deliver better quality, timely and sequenced community infrastructure.

Melton Council has developed new ways of delivering local infrastructure by partnering with other groups, while increasing the capability of the Council to deliver community infrastructure in new ways.

The partnership has brought together state and local governments, business and community groups to delivery better quality, timely and sequenced infrastructure that can be shared in the community of Caroline Springs.

C.2 Clayton Community Centre Clayton, Victoria

C.2.1 Background

The Clayton Community Centre (the Centre) opened on 7 April 2008 and has been designed to be a community hub for the Clayton area.

The Centre puts into practice Monash City Council's approach to service delivery, under which a number of sharing arrangements have been implemented across a range of existing services. For example, commercial kitchens have been installed in some sporting pavilions to increase opportunities for them to be used for non-sporting purposes (for example by allowing other community groups to use existing social rooms). The approach also considers other community facilities designed to share, such as neighbourhood houses, scout and guide halls, recreational and sporting clubs, and maternal and child health clinics.

C.2.2 Conception

In February 2002, Monash City Council (the Council) announced that it would construct a purpose-built facility to co-locate Council services. The facility was constructed on an existing Council site, the home of the old Clayton Fitness Centre. The objective of the Centre was to consolidate existing disconnected local government services in the one facility, along with the co-location of *MonashLink Community Health Service (CHS)*, an independent community health service provider.

The Council believes that incorporating existing services into one facility is a logical and cost effective solution that avoids duplication of potentially shared spaces to ensure facilities can be used to capacity, while encouraging cross-usage and referrals amongst service providers.

The project concept came from a need to redevelop the old Clayton Fitness Centre. An initial feasibility study in 2001 indicated that a stand-alone aquatic and leisure centre would not be viable. The ageing Clayton Library, Clayton Clarinda Arts Room and Clayton Auditorium, located adjacent to the old fitness centre, were incorporated into the proposed new Centre to enhance its viability and value. Council also decided to include Council maternal and child health services, youth and family services, and the Clayton pre-school in the new Centre.

A former Council building on the site had accommodated four public dental chairs, operated by *MonashLink CHS*. As this building was to be demolished as part of the development, discussions between Council and the Department of

Human Services (DHS) took place, with a view to expanding the new Centre to include a range of allied community health services and 10 new public dental chairs to be operated by *MonashLink CHS*.

Box 2.1 *MonashLink Community Health Service*

MonashLink CHS is an independent community health provider of primary care, counseling, alcohol and drugs, oral health and health promotion services to over 30 000 low-income earners in the City of Monash and surrounding areas. *MonashLink's* vision is to become a leader in community health, working collaboratively and responsively to provide the highest quality services that will improve the health and well-being of the community in and around the City of Monash. *MonashLink's* range of services offered has increased to include oral health, physiotherapy, podiatry and speech therapy. DHS provides *MonashLink* with \$6 million under a three-year service agreement. The Chief Executive Officer of *MonashLink* believes the success of the centre has resulted from ‘a strong partnership with City of Monash and developing ties with local opinion leaders and the community’. The services offered by *MonashLink* at Clayton Community Centre have created greater opportunities for service coordination with other services and therefore better outcomes for the local community. (MonashLink 2009).

The Council project team was led by a Council Director, who championed the development, and obtained support from the various Council services for the large-scale development.

To ensure that Council designed a successful ‘one-stop-shop’ facility, it consulted with the Clayton Life Action Group (a local advocacy group), users of the old Clayton Fitness Centre and other local services that would eventually be incorporated in the new Centre. Extensive consultation was also undertaken with staff from DHS, *MonashLink CHS* and Council departments that would eventually be providing the on-site services.

By engaging with the local community, service providers and user groups of the new centre, Council was able to ensure that the building and its design would facilitate increased use and uptake of services.

The Council developed its own delivery model because it did not have a local example to follow that involved such a large-scale development with a variety of complex service providers. One of the most important tasks for the Council project team was to determine the right mix of service providers to be included in the new centre, and there were many philosophical debates about getting the balance right.

For example, in the original conception of the Centre there were some concerns about including youth services. This was primarily because of potential community concerns about the presence of young people in a community centre

that would cater for a variety of people, including the aged. As a result of this concern, the Centre's original design placed the youth services area in a corner of the building with a separate entrance. However, an early determination by the Council Director ensured that the youth services area was fully integrated in the Centre. As a result, youth and family services are centrally located in the Centre and provide the location for the Centre coordinator and information desk.

C.2.2.1 Design

The facility design clustered community services in the one complex to avoid duplication of common elements (such as a foyer, reception and toilets) and to maximise the use of meeting rooms and amenities. The Centre was also designed to convey a sense of safety and security by providing:

- services with extended hours of operation, attracting a constant flow of visitors
- external public spaces to draw people into the centre
- building transparency, where users view the street and spaces outside and external people can see into the building
- a design that avoids hidden areas and therefore unobserved, anti-social activities.

C.2.2.2 Capital Funding

Funding for the \$24.2 million Centre came from the Monash City Council and the State Government. The government contributed \$8.1 million of the total capital cost. This consisted of \$6.6 million from DHS for *MonashLink CHS* to operate, \$1 million from the DPCD for the community centre (a Victorian Community Support Grant from the broader *A Fairer Victoria* package) and \$0.5 million from the DEECD. The DEECD funds were secured for the inclusion of a children's hub (kindergarten, maternal and child health centre and multipurpose room for occasional child care). The balance of the cost (\$16.1 million) was funded by the City of Monash. This was partly funded from the sale of council land that previously housed the Clayton pre-school and surplus land around the site. This surplus land will be used for an aged care facility, which will have pedestrian links to the Centre.

C.2.3 Operation

The Clayton Community Centre offers the following facilities and services:

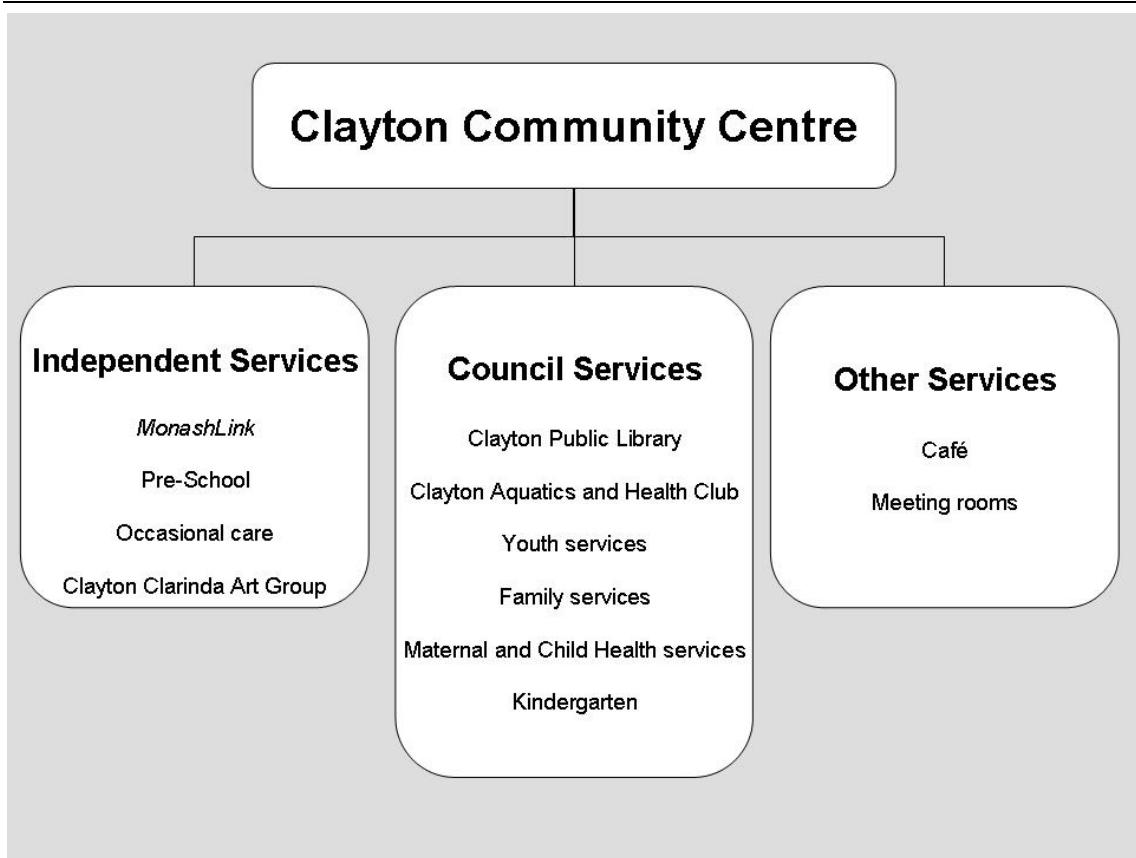
- The *Clayton Public Library*, which is open seven days a week. The new library has expanded floor space, including a larger children's area, private and group study areas, a reading terrace, additional public access computers,

wireless technology, and two community meeting rooms for hire. The library is viewed as the ‘community lounge room’ because of its comfortable and welcoming atmosphere.

- The *Clayton Aquatics and Health Club* replaced the existing privately-contracted indoor and outdoor pools with a new council owned and operated 25 metre pool and spa. The club also has a gym, space for group exercise classes, swim school and a small swimwear retail outlet.
- A new 132-seat *theatrette* to replace the Clayton auditorium. This performance space is used by groups for concerts, theatre, art, dance and meetings. The theatrette is used by local amateur theatre groups, including Encore Theatre for their annual program of productions, and provides capacity for the Monash Public Library Service to operate an enhanced program of activities.
- *Pre-School, Occasional care, and Maternal and Child Health Services.* An existing, not-for-profit, parent-run pre-school was involved in planning the Centre. It had been operating out of an old Council building around the corner from the new Centre. As well as better facilities, nurses from two maternal and child health clinics have been consolidated in the Centre to provide improved availability, more professional support and improved safety for nurses. This does not appear to have reduced access. In addition, occasional child care is offered three mornings a week.
- *Youth and family services* and Council youth workers operate from the Centre. There are offices available for other agencies to provide out-posted services. Service providers at the Centre include Gamblers Help, Eastern Drug and Alcohol Service, Southern Ethnic Advocacy and Advisory Council, Monash Volunteer Resource Centre, Waverley Emergency Adolescent Care and Wavecare Counselling Service.
- As previously discussed, *MonashLink CHS* operates from the Centre.
- The Centre has a *café* open to the public and *meeting rooms* available for community hire. Local groups, including craft, prayer, seniors internet, and homework clubs use these rooms.
- *Clayton Clarinda Arts* relocated to the Centre to offer their longstanding program of art and craft classes, a market, creative writing classes, and dance classes.

Figure 2.1

Summary of facilities and services at Clayton Community Centre



Community engagement is a key focus at the Centre. For example, to ensure that the Centre's services meet the needs of the young people, Council is consulting widely through the Clayton Community Festival, out-posting to local schools, and working in partnership with the local traders and other key stakeholders, including the police. At the Centre, this has resulted in:

- the initiation of a young mum and bub's program facilitated by youth and family services in conjunction with the maternal and child health services
- facilitating a film project with a group of local South Sudanese young people
- staging Council's 'Freeza' program at the Centre.

Similarly, Council's Older Adults Positive Ageing program is establishing a presence at the Centre by regularly holding seniors events in the complex.

C.2.3.1 Governance and operational funding

The Centre is a Council owned and operated facility, with most services provided by the Council. The Council has a formal agreement with DHS allowing *MonashLink CHS* to operate in the Centre and facility agreements with the pre-school (similar to all pre-schools that use Council buildings in the City of Monash), and Clayton Clarinda Art Group, which uses a dedicated arts space in the Centre.

MonashLink CHS is charged a peppercorn rent by Council. Connection and payment of utilities is separate between *MonashLink CHS* and the rest of the facility.

The Council funds a Centre co-ordinator located in the youth and family services area to manage the day-to-day operation of the Centre by taking bookings for the theatrette and meeting rooms, scheduling maintenance, monitoring security, and providing administrative support for the youth and family services area. The role of the coordinator is integral to the success of the Centre because they act as a central reference point for any issues to be addressed.

There is a different business rate and community rate for hire of the meeting rooms at the Centre. Both rates cover the cost of utilities, cleaning and maintenance. For hire of the theatrette, community groups pay for the incremental costs of technicians and after-hours security. Business groups that hire the theatrette pay a commercial rate. In both cases, Council covers insurance through hire arrangements.

C.2.4 Success factors

There are two main factors that have contributed to the Centre's success as a shared community facility.

Co-location of services and facilities

By having a range of services and facilities in the one building, the Council has effectively created a 'one-stop-shop'.

Having a library located in the Centre has made it the 'heart' of the community. During the recent summer, local residents came to the Centre to sit in the air-conditioned comfort of the library, and while doing so were able to see the other services and facilities available at the Centre.

Council recently surveyed local residents to determine their opinions of the Centre. Some of the key findings included:

- approximately two-thirds of the community are aware of the Centre
- the Centre was highly used by a significant proportion of those surveyed

- the level of satisfaction with the Centre appeared high
- there were no significant suggestions for improvement put forward through the survey.

Location

The Centre is close to public transport (buses and train) and the local shopping strip. This means it is easily accessible for most members of the community. A recent report on liveability by this Commission found that ‘accessibility to human services such as health services... [is] particularly important to liveability’ (VCEC 2008, p. 76) and that ‘access to local transport... is a particularly important element... contributing to community strengthening’ (VCEC 2008, p. 77). By having the Centre well-located, community strength is improved.

C.2.4.1 Benefits

Council believes there are benefits from having a suite of Council services co-located at the one facility. These include:

- More efficient allocation of funding, including avoiding having to allocate money to refurbish a number of old Council buildings.
- The creation of a ‘one-stop-shop’ for the community means better access to quality services. For example, nurses are now less isolated, with increased security, and more opportunities to share knowledge.
- Stronger community, with all age groups and demographics interacting in the Centre and an (anecdotal) sense of community pride in the Centre.
- Current data indicate an increase in contact and booked appointments for youth counselling and other advisory services. About 2000 contacts with young people have been made through service delivery at the Centre.
- Council data show that pre-school enrolments are steady, with an increased level of activity in the maternal and child health service.
- In comparison to the former library, the new library has recorded a 34 per cent increase in visits, a 135 per cent increase in new members and a 77 per cent increase in attendance at programs.
- There have been over 43 000 visits to the leisure services area, with health club membership of 950 and learn to swim enrolments at around 2000. These figures are ahead of current targets and in excess of figures for the old Clayton Fitness Centre.

C.2.5 Impediments

The development of the Centre has provided Council with a number of important learnings.

Design

Way-finding and signage was a major concern when the Centre first opened. As the Centre has entries from the east and west with no prominent central reception point, it was often unclear where people should go. This tension between design, architectural integrity and service delivery was a challenge when the Centre was first opened, but has been addressed by making the centrally-located youth and family services area the central information point and base for the Centre coordinator.

Funding processes – City of Monash

The Council provided the majority of the funding for the Centre through rate revenue and the sale of assets. According to Council, the State and Commonwealth governments should contribute more funding to local government community renewal projects.

Centre coordination

Management and governance need to be thoroughly considered at the conception of such a project. Bringing together a range of independent council and community services was a challenge when the Centre was established. A temporary building facilities manager was in place for the initial start-up period but only recently has a recurrently funded Centre coordinator been employed to ensure the newly co-located services function seamlessly, and to help create a shared culture. According to the Council:

without ‘coordination’, the Clayton Community Centre cannot run at an optimal level. As there was no funding available for this function, Council opted to resource this role because it was considered a high priority. (sub. 56, p. 4).

Community engagement and culture

For Council, it was important to bring the community along in the development of the Centre. It was sometimes difficult to bring together different services that had developed their own cultures, into one facility with a new, shared culture. The vision and benefits of the proposal were a focus of Council, rather than potentially negative integration issues.

C.2.6 Summing up

The objective of the Clayton Community Centre has been met with many key community services that were previously disconnected now co-located at the Centre. As a result, Monash City Council's capacity to deliver an increased standard and range of services to the community has vastly improved. The Centre will also provide future opportunities for joint programming and sharing of resources. The creation of a safe, modern community hub will help to have a positive impact on the community and act as a catalyst to build community confidence in accessing and enjoying the area.

The Centre has become the hub for community activity and is providing both formal and informal meeting spaces and programs for the community. As intended, the complex is becoming the heart of the Clayton area.

C.3 Collingwood Neighbourhood Justice Centre¹

C.3.1 Background

The Neighbourhood Justice Centre (NJC) opened in March 2007, as the first community justice centre of its kind in Australia. The centre, based in Collingwood in the City of Yarra, aims to trial more effective approaches to delivering justice in disadvantaged communities. Key aspects of the approach include early intervention, appropriate dispute resolution, problem-solving approaches, therapeutic justice, restorative justice² and integrated service delivery.

The NJC's key goals are to increase community participation and confidence in the justice system, reduce re-offending, improve the administration of justice for NJC court participants and contribute to cultural and procedural change in the justice system.

The NJC, a Department of Justice (DOJ) project, is designed to achieve its goals by providing the City of Yarra community with a 'one-stop-shop', co-locating a multi-jurisdictional court, extensive client support services, and multipurpose community facilities.

C.3.2 Conception

The DOJ began developing a Victorian community justice model in 2005 following the Attorney-General's visit to Red Hook (US) and North Liverpool (UK) Community Justice Centres (DOJ 2009a). Both Centres were developed as single judge, multi-jurisdictional court houses with a focus on improving justice outcomes through community engagement, therapeutic justice and restorative justice (box 3.1). The activities of Red Hook and North Liverpool Community Justice Centres in addressing the underlying causes of crime and disadvantage motivated the Attorney-General to establish a similar community justice-style court in Victoria (DOJ 2009a).

¹ This case study draws heavily upon consultation with the Department of Justice and the Neighbourhood Justice Centre.

² Restorative justice is a method of voluntary settlement between victims, offenders and communities. It attempts to repair the harm caused by criminal/harmful behaviour and prevent it from reoccurring.

The Attorney-General announced the NJC as an important priority for Victorian Government funding for the 2005 budget (DOJ 2009a).

In the development of the project, the City of Yarra was identified as the most appropriate location in the state to launch the NJC. The significant level of crime and disadvantage faced by the Collingwood, Fitzroy and Richmond communities was a key decision criterion.

Box 3.1 **Community Justice Centres: the international experience**

The Red Hook (Brooklyn, NY) and North Liverpool (UK) Community Justice Centres

The Red Hook and North Liverpool Community Justice Centres were both established as single-judge, multi-jurisdictional court houses with a focus on reducing crime and recidivism through community engagement and a restorative justice approach. Community restitution projects are used as a sentencing option and may include painting over graffiti, sweeping the streets or cleaning the Justice Centre. The restoration process is enhanced by linking defendants into co-located support services including: domestic violence counselling, financial counselling, drug and alcohol counselling, health care, employment and training advice, and housing advice. Support services are also available, free of charge, to the wider community. Community involvement is integral to the philosophy of the centres. At the North Liverpool Community Justice Centre, the Judge and his team are in regular consultation with local community reference groups, which help decide the direction of the centre.

Sources: Centre for Court Innovation (nd), Community Justice (nd).

The NJC project subsequently received \$23.7 million in funding for the construction of the centre and for the operation of a three-year pilot program (DOJ 2007a, p. 50). A derelict North Melbourne Institute of TAFE (NMIT) building was chosen as the site for the new NJC. A Steering Committee, led by the Department of Justice Secretary, was established to direct and oversee the Project Team's development of the NJC in consultation with the Community Liaison Committee (a public consultation group).

C.3.3 Development

The Project Team worked on developing a Victorian style community justice perspective, service models, building design, and looking at what legislation would be required to establish the centre. Consultation with the community and key stakeholders was a strong feature of the design and development phase.

C.3.3.1 Building design

The NJC building is a result of an iterative design process aimed at capturing as much stakeholder input as possible. Community involvement in the design process was considered crucial for ensuring that the building was designed for optimal functionality, given the centre's community justice philosophy.

A series of 'design workshops' were convened by the Project Team to bring together the agencies that would later operate out of the NJC (DOJ 2009a). The aim was to give stakeholders an opportunity to voice any design issues they may have, with a view to creating a community space. For example, Victorian Legal Aid (VLA) suggested that it would not be appropriate for them to be located adjacent to the police prosecutors. This issue was subsequently incorporated into the final design, which positioned VLA at the opposite end of the hall to the police prosecutors (DOJ 2009a).

The building design was developed during September to December 2005 (DOJ 2006). The design incorporated the principles developed in the 'design workshops' but remained somewhat flexible, allowing for a community consultation process to add further input (DOJ 2009b). To facilitate that process, a Community Open Day was held in January 2006 in the shell NJC building for the City of Yarra residents and businesses to view the design and meet staff and the architects (DOJ 2006). Construction commenced in March 2006 (DOJ 2006).

The Community Liaison Committee (CLC) was established in April 2006, bringing together residents, representatives of the local Aboriginal community, interest groups, service providers, local businesses, and council officers based in the City of Yarra (DOJ 2007b). The CLC had input into the design of the buildings front entrance and internal layout. For example, the community wanted the NJC to have court authority without looking like a court. This was incorporated into the design by positioning the court and related court services on the first floor of the building (DOJ 2009a). The ground level floor features an instructive, friendly reception area with a number of community meeting rooms and a large, open multi-purpose space.

The Project Team consulted closely with the City of Yarra in organising signage, changes to parking permits in the immediate vicinity, and organising bike lock ups outside the centre (DOJ 2009a).

C.3.3.2 Service design

The NJC Project Team had a good idea of the range of services it envisaged would operate at the NJC. This was adapted to reflect community input via 'resident forums' convened by the Project Team in early 2006 (DOJ 2009a). The 'resident forums' gave the community an opportunity to discuss what support

services the community required. DOJ ultimately decided that the NJC would offer a bundle of ‘client services’ including free counselling (drug and alcohol, financial, mental health and general), legal advice and representation, mediation services, housing support, personal and material aid, and employment and training support (DOJ (nd)(b)). Client services can be accessed by all court users and the community. In addition, the NJC provides free use of meeting rooms and facilities to people who live in the City of Yarra (DOJ (nd)(b)).

DOJ contracted local agencies to operate at the NJC. This was considered critical to upholding the community justice model. In some instances, DOJ chose a service provider directly whilst in other instances, the contract went to tender (DOJ 2009a). For example, DOJ selected the Brotherhood of St. Laurence to provide employment services at the NJC. The organisation’s long and successful history in providing employment services in the City of Yarra motivated DOJ to seek exemption from tender in order to select directly the organisation they deemed most ideal for the service (DOJ 2009a). The contract for financial counselling, on the other hand, went to tender.

C.3.3.3 Courts Legislation (Neighbourhood Justice Centre) Act 2006

The *Courts Legislation (Neighbourhood Justice Centre) Act 2006* (Vic.) was proclaimed on 15 August 2006 to establish the NJC court. The Act permits the court to hear criminal, civil, family violence, crimes compensation, residential tenancy and guardianship and administration matters of those who: live in the City of Yarra; are homeless in the City of Yarra; are Aboriginal and Torres Strait Islanders who do not live in the area, but have a special connection to the area (DOJ (nd)(a)).

On 26 October 2006, David Fanning was appointed the first NJC Magistrate. For the first time in Australia, the community had a say in the selection process. Members of the CLC were asked to sit on the Selection Panel as community representatives (DOJ 2007b). Whilst the final decision on the appointment of the NJC Magistrate is made by Cabinet on the recommendation of the Attorney-General, the participation of the CLC is an example of the NJC’s commitment to community involvement.

C.3.4 Operation

The NJC operates on an integrated service delivery model, incorporating as much of the wider community into the centre as possible. The NJC seeks to provide the support that at-risk individuals require, in an effort to prevent them from turning to crime. Where crime does occur, the NJC attempts to identify and address the underlying causes of the defendant’s behaviour by providing

them with appropriate support services. In doing so, the NJC attempts to restore the defendant to the community to prevent future crime.

C.3.4.1 Community engagement

Community involvement is an integral part of the community justice model. Incorporating the community into the centre helps to remove stigma about the justice process and foster social cohesion. Since it opened, the NJC has encouraged community participation by housing temporary art displays created by artists attending local neighbourhood houses, and holding a community market, monthly justice discussions, and indigenous meet and greet days (DOJ sub. 57, p. 4). The NJC encourages community involvement through its Community Justice Grants Program which supports community led programs that address issues of disadvantage (see box 3.2 below).

Box 3.2 Community Justice Grants

In 2008 the Neighbourhood Justice Centre launched the Community Justice Grants Program. Grants are administered by the NJC's Community Justice Advisory Group and are integrated into the City of Yarra's community grants program. Each grant is worth between \$5000 and \$10000. They are designed to enhance dialogue between the NJC and community organisations by supporting programs that address disadvantage as a factor of criminal activity. For example, a community grant was recently awarded to the North Yarra Community Health Centre to run an indigenous women's self defence course.

Source: DOJ (nd)(c).

The NJC also invites community members to use the NJC's meeting rooms, free of charge. It has, on average, 97 bookings per month for use of its rooms and facilities by members and groups in the community (DOJ sub. 57, p. 3). For example, the Vietnamese choir began using an NJC meeting room for practice after the church next door to the centre burnt down (DOJ sub. 57, p. 4). Individuals and community groups wanting to book meetings rooms make bookings via the reception staff.

Finally, the café on the first floor is used by the local neighbourhood house for a local employment program. The neighbourhood house organises for long term unemployed community members to receive barista training, and then work in the café, providing free tea and coffee, as well as hot lunch every Wednesday (NJC 2009a).

C.3.4.2 Crime prevention

All members of the City of Yarra community have free access to the full range of NJC client services. The aim is to prevent crime by addressing the underlying causes of offending and to assist victims of crime in their healing process.

Individuals access services by asking for help at reception or through referrals. A ‘duty worker’ undertakes an initial assessment of needs and then makes an appropriate service referral (NJC 2009b). In the event of more complex needs, the client would be referred to the Screening Assessment and Referrals Team (SART), a group of specialists including a social worker, mental health and drug and alcohol clinicians and individuals specialising in needs and risk assessment. SART undertakes a full assessment of needs and case manages clients through multiple client service appointments (NJC 2009b).

The confidential and free mediation service provided by the NJC attempts to resolve minor disputes before they escalate. Parties involved in neighbourhood, organisational, workplace, family, planning and environmental and school disputes can access mediation provided by the Dispute Settlement Centre of Victoria (DSCV) at the NJC (DOJ (nd)(e)). Mediation helps to restore the relationship of parties in dispute, reducing the chance it will escalate into a serious crime or court matter. In 2007–08 the NJC received 2054 disputes for resolution, most of which related to disputes between neighbours (DOJ 2008, p. 28). Disputes resolved through mediation at the NJC during this period achieved an overall success rate of 80 per cent (DOJ 2008, p. 28).

Finally, the NJC attempts to prevent crime with early intervention initiatives for young people at risk of offending. For example, the Phuchas (“Futures”) Initiative is a life skills program run by the NJC in partnership with Jesuit Social Services, Ecumenical Migration Centre, and the local neighbourhood house (DOJ (nd)(d)). The program assists young people to identify goals for the future and provides links to local education and training support services and opportunities (DOJ (nd)(d)).

C.3.4.3 A therapeutic approach to justice delivery

The NJC takes a therapeutic approach to justice delivery. This involves providing offenders with the support they need to identify and address the underlying causes of their behaviour, in an effort to prevent recidivism. It also provides appropriate services to support victims of crime.

The work of SART is integral to this approach. SART delivers pre and post hearing and post sentence screening, assessment and monitoring, which results in defendants being referred to appropriate NJC client services, as needed (DOJ 2007d). Where an essential service is required but not provided by the NJC,

SART may use brokerage funds provided by DOJ to purchase outside services for the client (NJC 2009b).

SART activities are reinforced by problem solving sessions to help the defendant to identify the underlying causes of their behaviour. Problem Solving provides the defendant with an opportunity to talk about the problems they face in an informal meeting attended by their legal representative, a support person and other relevant professionals (DOJ (nd)(g)). The group develops options to assist the defendant, and these are reported back to the court (DOJ (nd)(g)). The Magistrate may refer the defendant to client services, so that the issues identified can be dealt with immediately.

The Restorative Justice Group Conferencing program brings together the victim and offender in a voluntary, safe environment to discuss the crime, and its effects (DOJ (nd)(f)). The meeting provides the offender with an opportunity to accept responsibility for the incident and attempt to repair the harm caused to the victim (DOJ (nd)(f)).

The NJC is committed to supporting victims of crime. The Victims Assistance Program is offered at the NJC to victims of crime as an outreach service by Moreland Community Health Service (DOJ 2007d). The program provides counselling support to victims.

C.3.4.4 Centre management and governance structures

The NJC has a three-tiered governance structure comprising of a multi-agency leadership team, a DOJ management team, and a Community Justice Advisory Group (CJAG).

The leadership team brings together the NJC Director, and the most senior member of NJC team including the Manager for Program Innovations, the senior Courts Registrar, the Manager for Client Services, the senior Victorian Legal Aid Lawyer, the senior Corrections Officer, the Police Prosecutor and the Magistrate. The leadership team is responsible for future planning and the strategic direction of the centre (NJC 2009c). The NJC Director reports to the Executive Director of Courts on behalf of the leadership team.

The management team is a smaller group of senior DOJ staff members responsible for the operation of the centre. It brings together the NJC Director, the Manager for Program Innovations, the senior Courts Registrar and the Manager for Client Services. The management team discusses issues involving occupational health and safety, human resources, and other day-to-day operational issues (NJC 2009c). Given that each member of the management team is also a member of the leadership team, this ensures that the strategic

direction of the centre as developed by the leadership team is reflected in the daily operation of the centre.

The NJC Steering Committee and the NJC Community Liaison Committee existed during the development phase as interim governance structures to be replaced with a new community led governance structure during the pilot phase (DOJ 2007c, p. 1). This occurred in early 2007, with the establishment of the CJAG, which includes residents, local business, police inspector, Aboriginal Health Services and high level Department of Human Services (DHS), DOJ and Department of Planning and Community Development (DPCD) representatives (DOJ (nd)(c)). The CJAG was originally conceived to act as a conduit between the City of Yarra community and the NJC by disseminating information, conducting research, and helping to set the centres strategic direction (DOJ (nd)(c)). However its responsibilities have expanded so that it is now involved in staff selection, professional development, centre evaluation, hosting community conversations, and promotion (NJC 2009c).

C.3.5 Benefits

C.3.5.1 Integrated service delivery advantages

The location of a multi-jurisdictional court in the City of Yarra community makes the justice system more accessible. For example, City of Yarra community members previously had to travel into Melbourne City to access the Melbourne Magistrates Court, and the Victorian Civil and Administrative Tribunal (VCAT). The multi-jurisdictional nature of the NJC enables the Magistrate to address multiple issues pertaining to a particular client simultaneously. This leads to a better outcome because the individual does not have to make multiple court appearances, and the Magistrate is able to consider all of the issues relevant to the client, and tailor sentencing accordingly.

The co-location of the court and essential client services allows the NJC to provide court users with the help that they require for their court appearance. For example, the NJC estimates that around 80 per cent of VCAT cases are public housing hearings (NJC 2009a). Often, the individual involved does not attend the hearing, in which case a judgement is passed in their absence. This can result in the individual or family being evicted from their house. The NJC estimates that the number of people who attend VCAT hearings at the NJC is around twice the state average (NJC 2009a). This is likely to be related to the fact the NJC supports individuals to manage their hearing in a positive way. People who attend VCAT hearings at the NJC have access to a full needs assessment including free legal and financial advice. Often, client services can work out a plan to avoid the individual or family being evicted from their house.

The co-location of court and essential client services also allows the NJC to link court users into the services they require immediately following their court appearance. Given that the court users do not have to travel elsewhere to receive the support they require, co-location results in a greater proportion of defendants who comply with their court orders, and a greater proportion of victims who receive victims support.

The integrated delivery of client services allows the NJC to provide better quality services. Service providers work together to provide the client with a tailored support plan via the SART system. Individuals benefit from receiving a comprehensive assessment of needs which links them into the appropriate services. The team approach adopted by SART ensures that a common client approach is achieved. Furthermore, the team approach provides opportunities for knowledge sharing between agencies providing different services. This has allowed agencies to learn new ways to work together, leading to a better outcome for the client and increased job satisfaction (DOJ sub. 57, p. 3).

In planning the centre, the DOJ anticipated that the NJC's activities would have a positive impact on the administration of justice for NJC court participants and increase the participation of the community in the justice system. Specifically, DOJ expected improved offender accountability, and decreased criminal court order breach rates as a result of their activities.

Whilst the NJC appears to be having a positive impact on the City of Yarra community, it is still too early to determine whether it has achieved the abovementioned objectives. A final evaluation of the pilot project is being prepared by a research team drawn from the University of Melbourne, Brotherhood of St Laurence, Social Research Centre and PricewaterhouseCoopers, for completion in October 2009 (NJC 2009a).

C.3.5.2 Social cohesion

Engaging the community by encouraging groups and individuals to use NJC meeting rooms, create and view art displays, attend community markets and forums, and enjoy free tea and coffee builds connections between the community and the justice system. Community involvement helps demystify the justice process and fosters a sense of community ownership.

C.3.5.3 Economies of scale advantages

The NJC was designed to provide an additional set of services³ to the City of Yarra community. There appear to be potential efficiencies in the construction

³ The services provided by the NJC to the City of Yarra equate to an increase in the service level.

and operation of a co-located multi-jurisdictional court room, client services and multipurpose community meeting facilities. For example by co-locating these services, DOJ only had to purchase and refurbish one building. However, no benchmarks are available for analysing the cost of separately delivering these additional services. As a result, it is difficult to ascertain whether co-location has, in this case, delivered specific economies of scale advantages. Since the NJC was not intended to deliver services at the lowest possible cost but focus on delivery of high-quality integrated services, cost comparisons are difficult to make. The evaluation of the NJC includes an economic component, and may provide further information once complete.

C.3.6 Success factors

The support of high-level government officials was crucial to the success of the NJC facility (DOJ 2009a). The project was initially driven by the Attorney-General with the support of the Secretary of the Department of Justice, and the Chief Magistrate. The Secretary of the Department of Justice led the Steering Committee, in support of the NJC Project Team. As a result, the project had high-level support at all stages.

Another crucial success factor is the \$23.7 million received via the Expenditure Review Committee (ERC) process for the project, which allowed the NJC Project Team to be innovative and creative in what was developed (DOJ 2009a).

The Design Workshops were another crucial success factor. The Design Workshops were integral in crystallising the aims of the centre, and reconciling design issues arising between various service providers (DOJ 2009a). The discussions allowed people to voice their concerns and come to a compromise prior to the finalisation of the centre's design, meaning that concerns were resolved before they became an operational issue.

Genuine community involvement in the design phase of the centre was critical because it allowed the NJC Project Team to produce a facility that would provide the community with the right services in the right environment. The City of Yarra community made important contributions to the design of the buildings front entrance and internal layout, and the choice of Magistrate, via the Community Liaison Committee process. The community also contributed to deciding what services would be delivered at the NJC via the 'resident forums'. The Project Team and Steering Committee took community feedback seriously and incorporated it into the NJC design. The community was therefore able to see how their input was translated into the final project. Community involvement transitioned from the design phase to the operational phase via the establishment of CJAG. The involvement of community members in the governance of the

NJC fosters a sense of community ownership, which strengthens its community justice philosophy.

C.3.7 Impediments

DOJ found it was initially difficult to conceptualise what the centre was trying to achieve, and then communicate this vision to the other parties involved (DOJ 2009a). The NJC approach is about integration and working as a team. The NJC incorporates service agencies which have traditionally been kept separate. It was challenging to convince people to move from their traditional way of doing things into a new and, radically different, operating philosophy (DOJ 2009a). The task was approached through intensive, early consultation through the design workshops, which resulted in design compromise between the parties. A week long staff training program allowed for early team building and for staff to discuss the new operating philosophy.

The first months of operation constituted a designated ‘start-up’ phase. As a result, the centre experienced ‘managed’ quietness. The NJC identified a need to intensify their marketing to communicate the centre’s existence to wider segments of the community, in preparing to move from the ‘start-up’ phase to fully operational. To increase community awareness, the NJC launched a marketing campaign, which involved hosting afternoon teas, information days and tours to other community groups (NJC 2009a). Following the campaign, traffic flow began to increase significantly.

The NJC commenced operations without a client database (NJC 2009c). The need for a database system was recognised in the design and development phase; however issues around designing a database that would suit everyone’s needs, whilst observing issues of privacy and confidentiality were not resolved prior to the opening of the centre. As a result, the centre began operations using hard copy files. The un-coordinated nature with which information was being gathered hindered monitoring and evaluation efforts. An effective database solution was identified by a DOJ employee who had knowledge of an alternative approach in connection with a different project (NJC 2009c). The solution went live at the NJC in April 2009. The database interfaces with all work areas, coordinating information input and allowing for easier data access and analysis.

C.3.8 Summing up

The NJC model appears to produce better justice outcomes for the City of Yarra community. The initial signs are encouraging, suggesting that the NJC is operating as intended, working to realise the community justice vision in the City of Yarra community. The co-location of a multi-jurisdictional court house, essential client services and multipurpose community facilities appears to be a

more efficient model of justice delivery for the City of Yarra community. All areas work together as a team to reduce crime and recidivism, and increase positive perceptions about the justice system. However, whilst the early signs are positive, it is perhaps too early to make a definitive evaluation of the centre. The 2009-10 Victorian Government Budget has committed a further \$26.2 million to fund the NJC for a further four years, enabling the centre to continue its work into the future. The completion of the final evaluation is due in October 2009.

C.4 Spring Creek Community House Torquay, Victoria

C.4.1 Background

The Spring Creek Community House has been providing a place for the Torquay community to meet at its central location since 1998. In the mid-1990s, a group of local mothers saw the need for a local place to meet and provide support to each other. Today, the house has grown to offer a range of community services, courses and provide a stable space for local clubs, groups and societies to meet. Their mission statement is to provide ‘a welcoming environment in which the development and enrichment of the lives of the people in the local communities are facilitated’ (Spring Creek Community House 2009).

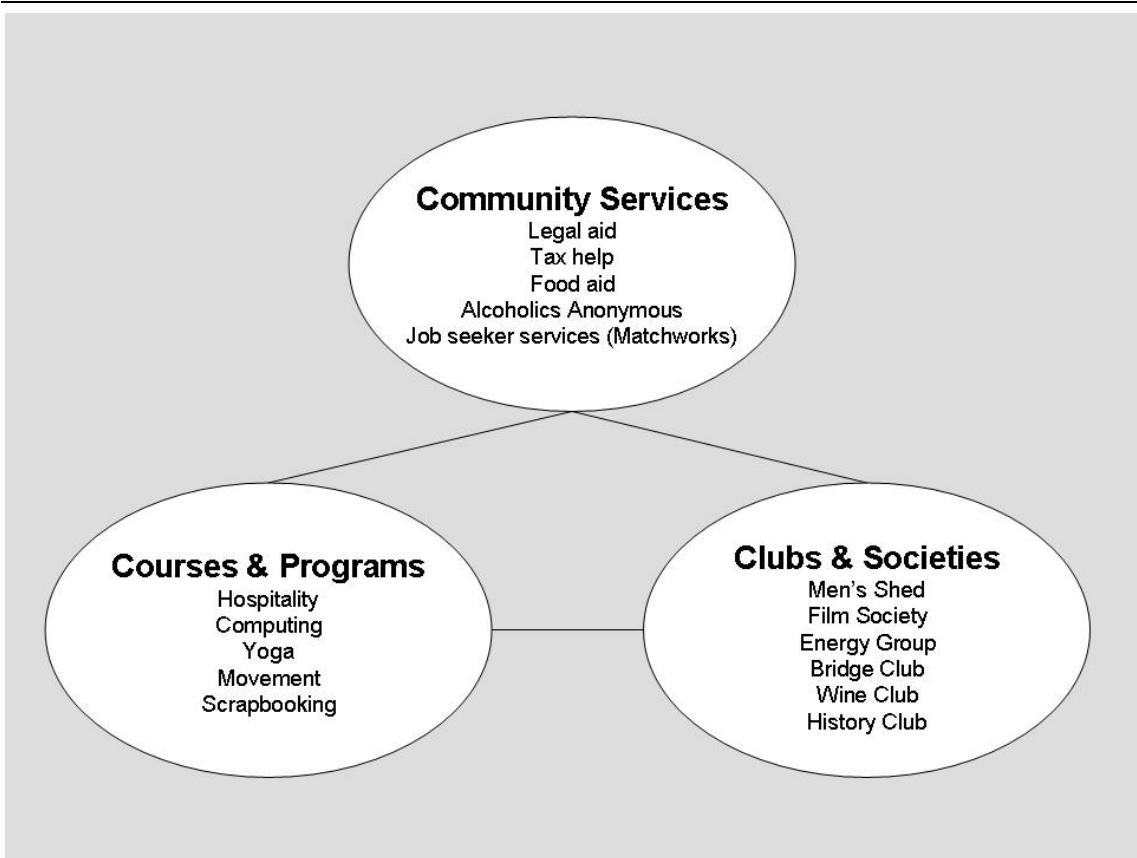
C.4.2 Conception

Spring Creek Community House is a not-for-profit community house in Torquay. When the house was established by the group of mothers in 1994, they began by meeting in the town’s health centre. It was the intention of the mothers to develop the group into a broader community house. In 1998, the Surf Coast Shire offered them use of an old council-owned house which Barwon Water had sold to the council in 1995. This re-location was driven by community need. As part of the re-location, two new activity rooms, a child care room and a maternal and child health room were added to the house.

C.4.3 Operation

Three main types of community activities are organised or facilitated at the house and are illustrated in figure 4.1 below:

Figure 4.1 Types of activities at Spring Creek Community House



Source: VCEC

The house is used seven days a week with three rooms available for use: a meeting room, a training room and the computer room. In addition to established, regular groups, casual bookings are taken from schools, church groups, government and other groups visiting Torquay. During the week, the house is used all day, with a lull between 1.00pm and 4.00pm, and then most nights, except for Friday.

The council used to operate a maternal and child health service from the house and there were plans to begin occasional child care there, however these services are already run out of the large children's services hub in Torquay and would have created unnecessary duplication of services (Foulkes 2009).

The house also facilitates other types of activities and events, some of which receive one-off funding grants.

Box 4.1 Events at Spring Creek Community House

Surfboard art project

Eight women came together at the house through a ten-week arts project to produce a surfboard inscribed with a range of poetry and illustrations. The arts project was designed to help the women tackle and overcome their experiences with post-natal depression by recording their feelings and hopes. Through the art project, the women were able to develop friendships with each other and discuss and gain support and strength about the issue. For the arts project, Spring Creek Community House received a Local Government Women's Charter special commendation.

Source: Pigs Will Fly: The Can Do Community Blog 2006.

Surf Coast 'Living Green' event and home-based business network

Two grants, each worth \$10 000, were given to the house by the State Government in 2006 as part of the government's *Moving Forward* program. The first grant helped the house to co-ordinate the Surf Coast Living Green Event which encouraged local residents and visitors to adopt practices to make their everyday lives more sustainable. The second grant assisted in the establishment of a home-based business network, with 40 local businesses expressing interest in joining the network.

Source: Minister for Small Business 2006.

A recent initiative is the creation of a community bus service (box 4.2).

Box 4.2 Community Bus Service

Spring Creek Community House has just begun a community bus service for residents of Torquay and Jan Juc. The 12-seater bus runs past important services such as the doctors, pharmacy, senior citizens centre, shops and the Spring Creek Community House. The bus service is run entirely by 20 volunteer bus drivers. As part of establishing the bus service, bus stop signs were requested from the council but were not funded. As such, the stops are marked only with a painted blue cross on the ground and do not have signs, shelters or seats.

Source: Connor 2009a.

C.4.3.1 Governance

The house is managed by a co-ordinator. Eighty hours of funding per month for this position is provided by the DPCD (Connor 2009a). However, as with many volunteer positions, the co-ordinator works above the paid hours (around 180 hours per month). There are also four part-time staff, who generally work double the hours they are paid for. These paid employees are also supported by a team of volunteers who help to keep the house running. There are, on average, 400 volunteer hours worked each month (Connor 2009b).

A Board of Management oversees the operation of the house. The board is made up of community residents but does not play a large role in the day-to-day operation of the house. The main role of the board is to fundraise.

There is no council involvement in the governance of the house as the view of the council is that the five neighbourhood houses in the Surf Coast Shire are their own independent organisations that should run their own programs based on the funding provided. There were previously some councillors who had involvement with the neighbourhood house network. However, this caused some friction in the community by blurring the line on the independence of community houses from council (Foulkes 2009). From Spring Creek's view, they would prefer council involvement in the house, as this assists in the navigation of council bureaucracy (Connor 2009b).

C.4.3.2 Funding

Spring Creek Community House relies on community grants, sponsorship and local fundraising for its funding. The local council provides an annual, recurrent grant of \$4000 which the house can spend on whatever it wishes to as long as reporting requirements are fulfilled. These requirements include lodgement of annual meeting minutes and financial statements with the council.

The annual turnover is approximately \$100 000 and the working budget is around \$10 000 to \$15 000 per annum. In order to meet the costs of running the house, a room hire rate of \$15 per hour for business groups and \$11 per hour for community or not-for-profit groups is charged. This covers the cost of utilities, maintenance, cleaning and tea and coffee provision. If there is a new community group starting up, only a gold coin donation per person is charged.

Funding is supplemented by having a local employment network, Matchworks, operate out of two offices in the house four days a week (box 4.3).

Box 4.3 Matchworks

Matchworks provides employment services, job seeker support and disability employment services to the wider Geelong region and western suburbs of Melbourne. By having an office located in Torquay, it means that locals do not have to travel to Geelong and can use the other services that the house has to offer. Matchworks is a critical source of finances for Spring Creek Community House, as they are charged both the business rate and a venue hire rate, and their presence enables a wide range of other services to be provided at the house. Matchworks contributes to the house as a 'one stop shop' and provides great social benefit to the Torquay community.

Minor funding is also provided by the council for staff at the house to complete professional development, such as a Diploma of Community Management, and attend peak body conferences, including the Association of Neighbourhood Houses and Learning Centres' annual conference.

Council assists with sourcing grants from DPCD and applies directly for major grants, such as the 'Modernising Neighbourhood Houses' grant.

Building maintenance is paid for by council above the \$4000 recurrent grant and is based on a five-year forecast. This totals 'thousands of dollars per house each year' (Foulkes 2009).

The relationship of the house with the Surf Coast Shire Council is strong. The council funds a total of five community houses across the shire to deliver referral and information services and to provide space for community groups, of which Spring Creek Community House is one.

Use of the house is under a five year lease agreement, with options to extend for a further five years. This lease agreement term is consistent with council policy, and there are no plans for Spring Creek to stop operating (Foulkes 2009). Only a peppercorn rent to the local council is payable and in return, the council is able to use the meeting rooms at the house as occasionally required for council meetings with community groups.

There have been three extensions to the house since it began operating as a community house: the initial extensions in 1998, a \$5000 kitchen upgrade in 2004 funded by the council, and a \$9000 minor refurbishment, including the construction of a new office for Matchworks, in late 2004.

In the 2007 federal election campaign, the federal Labor party committed \$450 000 over two years for the house in its *Better Regions* program (Shadow Minister for Trade and Regional Development 2007). The Senior Citizens Centre next door also received \$400 000 under the same commitment. This funding was supplemented by the council (\$100 000 each for the house and centre) to create a total project value of \$1.05 million. The council funding commitment was brought forward several years to match the funding commitment of the federal Labor party (Foulkes 2009). Council will pool the funding to help create a community precinct around the house and the senior citizens centre. An old police station next to the centre is also being purchased by the council from the state government to expand the precinct. Council sees the benefits of co-location of services in the one precinct and the aim is to encourage new community groups, build existing groups and provide better facilities (Foulkes 2009). The funding for Spring Creek Community House will be spent on additional meeting rooms, additional toilet facilities, refurbishing the kitchen and increasing storage space. Much of the funding will be spent on internal improvements to create a

more community friendly layout, as the original house was designed as a dwelling and not a community centre.

C.4.4 Impediments

The two largest obstacles faced by Spring Creek Community House in continuing to develop as a shared community facility are government bureaucracy and changing patterns in demand.

Government bureaucracy

The most difficult issue faced by the house is dealing with state and local government bureaucracy. It is often difficult for volunteers to understand and navigate the many processes that need to be followed when dealing with government. This is a pressure facing the co-ordinator of the house, who is one of the few people with the knowledge to deal with the bureaucratic red-tape.

The issue of the duplication of services is also prevalent. For example, Spring Creek has had a home-based business network in operation for a number of years. This idea was recently duplicated by the council, creating two home-based business networks in Torquay when perhaps only one is required. The feeling from Spring Creek was that instead of creating their own network, council could have looked to Spring Creek's network and offered support (Connor 2009b).

Changing patterns of demand

7939 people live in Torquay (Surf Coast Shire 2008). Large population growth in the shire, around three per cent each year over the past fifteen years (Surf Coast website), has increased the demands on infrastructure and services. This is exacerbated by the surge of summer tourists.

When Spring Creek opened, demand was low, but is now overrun with people who come into the centre, mainly for referrals and information (Connor 2009a). Over time, these requests for information have become more diverse, for example more counselling. These are services often traditionally provided by local government and although demand for these types of services has increased, local government funding has not increased.

Over the time the community house has been operating, demand for more traditional courses and adult education has fallen. Because of this, and the costs of accountability requirements, the decision was made to discontinue adult education run through the Adult Community and Further Education Board. Instead, people are more interested in social classes such as yoga, dancing, languages or scrap booking so the house has shifted its focus from adult education to community education.

It is difficult to market the house in the local area. Businesses are increasingly unwilling to have flyers up in the window that might interfere with their ‘brand’. A community newsletter, ‘Springboard’, was published by the house for many years but has had to be scaled back in the last couple of months due to insufficient funding and increased costs. Businesses who advertised in the newsletter were unwilling to pay more. Instead, the house now distributes a smaller edition of ‘Springboard’ electronically and advertises the programs and courses on offer through local school newsletters for free. For example, the house runs a program for young children every weekday morning, which it is finding difficult to advertise.

C.4.5 Summing up

Spring Creek Community House is considered a success by both the house and the local council. Without the community houses, council ‘wouldn’t have the local knowledge’ and they rely heavily on their network of community houses, including Spring Creek to connect to happenings ‘on the ground’ (Foulkes 2009). The most impressive endorsement of the success of the house, however, comes from the founding mothers of the house (who are still involved) being impressed and happy with what Spring Creek has developed into since they founded it 15 years ago (Connor 2009a).

C.5 Wendouree West Community Learning Hub Ballarat, Victoria

C.5.1 Background

Wendouree West is a small community of 2500 people on the outskirts of Ballarat, in central Victoria. The Wendouree West community has experienced high unemployment, run-down public housing, a lack of health and community services, and high rates of crime (Wellbeing Wendouree Inc. 2008, p. 31).

The creation of the Wendouree West Community Learning Hub (WWCLH or the Hub) is part of a broader community renewal project in Wendouree West, which began in 2001. The renewal initiative has ‘improved housing and community infrastructure, created jobs, reduced crime and engaged local residents in decisions about their neighbourhood’ (Wellbeing Wendouree Inc. 2008, p. 1).

The Hub is a \$12 million community facility with the Yuille Park Prep – Year 8 Community College at its centre. The Hub is the central focus of activity in Wendouree West and, in addition to school, houses a kindergarten, occasional child care, the community house, and various community facilities and services.

The key objectives of the Hub are to:

- improve the social, economic and environmental circumstances of the Wendouree West community
- strengthen the capacity of individuals to manage their own affairs and to participate in and influence their local community
- enhance the existing strengths and capabilities of the community (Wellbeing Wendouree Inc. 2008, p. 7).

The school and the broader community share the Hub’s specialist facilities. The resultant opportunities for learning alongside each other are seen as crucial to developing stronger relationships between generations and improving the wellbeing of the Wendouree West community.

C.5.2 Conception

The idea of a Hub was formally conceived in 2005 but the concept first emerged in 2000 when UnitingCare Ballarat, a not-for-profit community service organisation, purchased four shops in the Violet Grove shopping strip. The intention was to renew the area and return services to the community. In 2004,

\$1 million was provided by the Department of Planning and Community Development's (DPCD) *Community Support Fund* for the development of a new community house and family services centre in the shops (Wellbeing Wendouree Inc. 2008, p. 7; DVC 2004, p. 149).

In 2000, the Victorian Government had made a commitment to improve the Wendouree West community (Wellbeing Wendouree Inc. 2008, p. 11). The Department of Human Services (DHS) Regional Director saw that renewal efforts should not only be about housing but also about:

...creating employment opportunities for residents. Only five per cent of residents are in employment... DHS in Wendouree West has been about public housing, but we know we have to change other things and that will involve other government departments (Wellbeing Wendouree Inc. 2008, p. 11).

At the same time, the then Department of Education and Training, now Department of Education and Early Childhood Development (DEECD), was reviewing its delivery of education in the area. In 2003 DEECD proposed the development of a Lifelong Learning Precinct. This proposal built on the original UnitingCare plans for the shops in Violet Grove to create a new joint project between DEECD and the community. The project would combine resources (including the \$1 million from DPCD) and facilities to create a precinct for all. A manager from DEECD involved in the Hub project noted that they:

...originally thought that Neighbourhood Renewal was to do with housing. The renewal projects we saw [in Sydney] had not included education. We saw we needed to be a part of it (Wellbeing Wendouree Inc. 2008, p. 12).

With the community house, newly acquired UnitingCare shops and the existing Grevillea Park Primary School all in close proximity to one another, residents discussed how they could be linked. A resident commented that:

The idea for the Hub goes back to us wanting a gym in the Grevillea Park Primary School hall. This arose from Neighbourhood Renewal asking residents what they wanted in the community. However, the principal said that it would be cheaper to build a new facility than do up the old hall (Wellbeing Wendouree Inc. 2008, p. 18).

Indeed, when the DEECD Secretary and executive group visited Wendouree West in 2003 to discuss options for the upgrade of Grevillea Park Primary School and the building of a multipurpose facility on the school site, they suggested that there was an opportunity for greater benefits by rebuilding the school with a community focused design (Wellbeing Wendouree Inc. 2008, p. 37).

At the start of 2007, Grevillea Park Primary School and the other school in the area, Yuille Primary School, merged. It was this merger that underpinned the creation of the Hub (Wellbeing Wendouree Inc. 2008, p.13).

A Hub sub-committee was formed to develop the proposal for the Hub, to be located on the site of the old Grevillea Park Primary School. This committee included residents, DPCD, DHS and DEECD staff, principals and representative from the then Department of Infrastructure (DOI).

C.5.3 Operation

Construction of the Hub began in 2007 and it opened in mid-2008.

Figure 5.1 **Partners at the Wendouree West Community Learning Hub**



Source: VCEC

Yuille Park P-8 Community College

The school was designed as a community facility and has a range of specialist facilities which can be used by the community outside of school hours. These include:

- commercial kitchen
- function rooms
- technology/computer rooms

- gym
- arts room with kiln
- woodwork studio
- library
- music studio
- community garden
- multipurpose hall/gymnasium.

The classrooms are used only by the school and the specialist and shared facilities in the school are timetabled for community use by school administration staff. The various user groups include belly dancing, judo, tai chi and hip hop classes, as well as after school care programs.

There are plans for the Central Highlands Regional Library to join the Hub at the school library with both students and the community able to use the library.

Children's Services Centre

Operated by UnitingCare Ballarat, the centre provides:

- occasional care for children aged one to three (15 places)
- three-year old and four-year old Kindergarten (30 places)
- maternal and child health services.

The Children's Services Centre works with the school to ensure that children have a smooth transition through their educational development. This is aided by the design of the Hub which places the centre right next to the school and the learning pod, which houses the prep to year two cohort. There has been growth in attendance at kindergarten and this has improved school readiness.

Wendouree West Community House

The community house is a not-for-profit organisation that provides a range of courses and activities for the local community. These include short courses in cooking, art, building and computing. The house also runs the Wendouree West internet café. The profits from this facility are put back into helping to fund and operate the youth centre, men's shed, bus hire service and tool hire service. The house was originally opened in 1978 after a number of young mothers in a playgroup, struggling to fit into each other's houses, sought funding for it. It is a focal point for community activity.

Wendouree West Men's Shed

The men's shed is a place for men to learn and develop their building skills whilst providing a place to socialise. A men's shed is about men feeling useful and contributing to their communities, learning or sharing their skills, making friends,

networking and availing themselves of health information programs and opportunities (Australian Men's Shed Association (nd)).

Wendouree West Youth Centre

The youth centre is ‘committed to working with youth to keep them engaged with their education and develop life skills to become valued members of the community’ (DEECD (nd), p. 13). The centre offers activities and support, runs excursions and holiday programs and is a space for young people to simply hang out. The centre also facilitates dedicated interest and support programs such as film-making, technology, cooking, building, drama and science groups, and life-skill programs, including building friendships, health awareness and violence prevention programs.

Wendouree West Wellbeing Inc.

Wendouree West Wellbeing Inc. is a community owned and managed organisation that concentrates on community development and empowerment. The aim of the group is to ‘increase physical activity and general wellbeing in... the community’ (DEECD (nd), p. 14). This is achieved by focusing on health promotion and education. The group is responsible for running the gymnasium located in the Hub.

C.5.3.1 Governance

The Hub is governed by the Wendouree West Community Learning Hub Co-ordinating Committee. The core membership of the committee is:

- Yuille Park P-8 Community College Principal and School Council representative (2 representatives)
- Wendouree West Community House and Learning Centre Co-ordinator and Board of Management representative (2 representatives)
- UnitingCare (2 representatives)
- Wellbeing Wendouree Co-ordinator and Board of Management representative (2 representatives)
- Independent community members (2 representatives).

There are also six non-voting members from:

- City of Ballarat (1 representative)
- Department of Planning and Community Development (1 representative)
- Department of Education and Early Childhood Development (2 representatives)
- Department of Human Services (1 representative)
- An Executive Officer (1 representative).

The committee is governed by a Memorandum of Understanding (MOU). The key points of this MOU are:

- Partnership of the Hub does not imply or require any loss of individual agency control over service provision or accountability for areas of responsibility and does not require the redirection of funding from the partner's funding agreements.
- The establishment of a framework of common systems and improved ways of working together to deliver better service outcomes.
- Decisions are to be made by consensus in the first instance and by majority vote if consensus is not achievable.
- A dispute resolution process.

C.5.4 Funding

The total cost of the Hub was \$12.1 million, with funding provided by DEECD, DHS (Early Years) and the Commonwealth Central Highlands Area Consultative Committee. The Hub was also funded from the original \$1 million DPCD grant.

Costs are recouped from user groups by charging a standard fee of around \$50 per day for the hire of rooms.

C.5.5 Success factors

Cooperation between DHS and DEECD was seen as crucial to the success of the Hub. This extended back to the early 1990s when the Regional Directors of the two departments instigated closer ties to deal with issues concerning their shared client base (Wellbeing Wendouree Inc. 2008, p. 11). Anecdotal evidence shows that individuals, and their particular relationships with each other, played a very important role in setting the stage for strong cooperation between key players, resulting in the eventual success of the Hub (Wellbeing Wendouree Inc. 2008, p. 11).

The success of the broader renewal process also contributed to the success of the Hub. The renewal manager had:

...the ability to empathise with residents and to respond meaningfully to those at the top of government departments, who are often isolated from what is happening. [They were] also able to shake the leg of local agencies and local government to get results (Wellbeing Wendouree Inc. 2008, p. 15).

The principle of inclusion was the underlying driver of success in Wendouree West. A case study on neighbourhood renewal in the town found that the involvement of residents and resident leaders played a fundamental role in the successes in Wendouree West (Wellbeing Wendouree Inc. 2008, p. 17).

C.5.6 Impediments

It was a challenge to bring together various groups with different priorities and ownership over their existing facilities to the concept of a true community hub. Because the joint facilities are located in a school, it can be difficult to ensure community ownership and avoid the perception that the school is taking over the community facilities. Continual engagement is needed to develop and maintain the various relationships at the hub. This is backed by a clear dispute resolution process in the MOU.

C.5.7 Benefits

There are a number of anecdotal and empirical indicators that support the claim that the Wendouree West community is now more engaged as a result of the Hub. The school is reporting reduced absenteeism and an increase in the number of students progressing into year 9 and beyond (Case Study, p. 8). Anecdotally, there is also now increased contact between teachers and parents, including higher attendance at parent-teacher interviews.

The Employment and Learning Coordinator of the Hub has also reported better homework outcomes. There are 19 women undertaking their Certificate III in Child Care from the University of Ballarat at the Hub. Many are mums of children at the school and these children are seeing their mums doing their homework in the evening so they are now completing their homework together.

Both old schools used to be closed up to the community with Grevillea Park Primary School having a high fence around its perimeter. The Hub and new school has had no graffiti, no attempted break-ins and only a couple of broken windows (which was during construction).

C.5.8 Summing up

The Wendouree West Community and Learning Hub shows the outcomes that can be achieved when cooperation between different organisations occurs. Bringing together different groups in the one hub has provided the Wendouree West community with a one stop shop and created more engagement within the community.

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