

# Role of social infrastructure in local and regional economic development



Independent insight.

# What is social infrastructure?

“Social infrastructure is the interdependent mix of facilities, places, spaces, programs, projects, services and networks that maintain and improve the standard of living and quality of life in a community.”

The glue that holds community together



## Can be broadly categorised as:

- health
- individual, family and community support
- education;
- arts and culture;
- information;
- sport and recreation;
- housing;
- community development;
- employment and training;
- legal and public safety;
- emergency services; and
- public and community transport.

# Types of social infrastructure

- **Hard infrastructure** - health facilities and centres, education facilities, recreation grounds , police stations, fire and emergency service buildings, art and cultural facilities and other community facilities
- **Soft infrastructure** - programs, resources, services, and community and cultural development



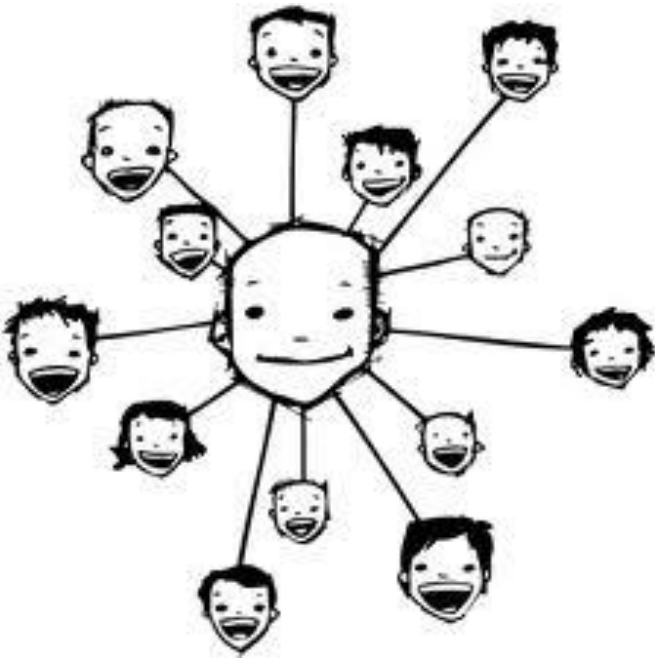
# Levels of social infrastructure

- **Local level**
  - eg. local park, child care centre, primary school
- **District level**
  - eg. community health centre, secondary school, branch library, emergency services, sport and recreation centre
- **Regional level**
  - eg. hospital, university/TAFE, exhibition/convention centre, indoor sports stadium and aquatic centre, regional open space, performing arts/cultural centre



# Why provide social infrastructure?

- Encourage social inclusion
- Support diverse communities
- Create sustainable communities
- Improve health and wellbeing
- Access to facilities, services and programs
- Support a growing population
- Assist economic development



- In recent decades government increasingly aware of the impact of not providing adequate social infrastructure.
- A number of metropolitan and regional areas have been hard hit as a result of factors such as structural changes in the economy, changed patterns of employment and income distribution and demographic and social changes.
- However, the failure to make adequate provision for social infrastructure in the past has exacerbated the problems for these areas.



# Social inclusion

Open spaces and facilities provide places and opportunities for:

- Interaction
- Participation
- Engagement
  
- Leads to greater community cohesion





# Diverse communities

- Provide social infrastructure to cater to a mix of cultures, ages, skills
- Opportunities for a range of recreational activities and cultural expression – strengthen individual and community identity





# Health and wellbeing

Living within 800m of parks or sports centres increases the likelihood that children and adolescents will use these facilities and walk or cycle to/from them.

People who use public open spaces are three times more likely to achieve recommended levels of physical activity than those who do not use the spaces.

- Positive physical and mental health outcomes and improve life expectancy and quality of life
- Prevention of disease and illness

# Access to facilities, services, programs and events

Can lead to:

- Improved employment opportunities, increased workforce participation and an increase in human capital
- Increased learning opportunities – help people to innovate and express themselves, improve personal satisfaction and wellbeing
- Increased social interaction, cultural appreciation and community cohesion/ identity



# Support a growing population

- Attract and keep residents through provision of quality social infrastructure – positive impact on workforce
- Rural and regional populations cannot grow without critical supportive social infrastructure (schools, community facilities – health services etc)

Assist with integration of new and existing communities



# Economic development

- Opportunities for local ownership, entrepreneurship, employment
- Opportunities for partnerships
- Increase capacity to attract further investment





# SGS projects and findings







## Abbotsford Convent

- SGS undertook an economic analysis to determine the best outcome for the Abbotsford Convent
- Options included a residential/ commercial focus or a cultural hub and open space
- The analysis highlighted the long term benefits of the site as a cultural hub and source of regional open space (with both elements attractors for visitors)



## Abbotsford Convent

Retaining the open space alongside heritage buildings was considered the best option as it would:

- Attract domestic and international tourists
- Create new opportunities to develop the Yarra as an arts/culture/food & wine trail
- Increase opportunities for collaboration between artists
- Contribute to more robust (creatively and financially) arts/cultural organisations through allowing them to cluster together
- Add to competitiveness of Melbourne – cultural sector as a leading sector in economic development in the knowledge economy as the creation of cultural content is critical to progress (Throsby 2000)

# Libraries



## **Cost of libraries is assessed through the following categories:**

- Library materials expenditure**
- Staffing expenditure**
- Capital (asset) maintenance expenditures**
- Other expenditures**



## Value of libraries

- The services and programs made available to users by public libraries
- The social interaction facilitated in public libraries
- The sense of place and enhanced local amenity afforded by libraries
- Environmental savings generated through continued re-use of library collections
- Public library contributions to language and computer literacy, and
- Public library facilitation of improved education, career development and health outcomes.

**Library  
News**





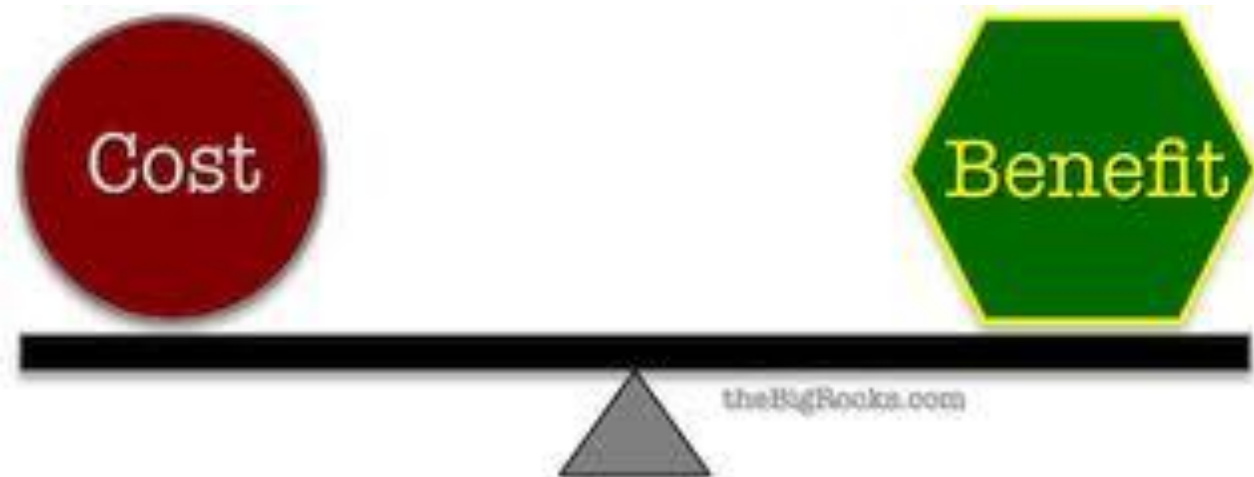
## Cost and benefits of libraries

Based on the information provided across all jurisdictions, the total annual cost of public libraries across Australia is \$1.03 billion.

Using benchmarks of user and non-user benefits, drawing from the significant market research undertaken in Victoria and Queensland, it has been estimated that the total annual benefit provided by public libraries to Australians is approximately \$3 billion



**Approximately \$3.18 billion of economic stimulus is provided to the Australian economy by public libraries each year**, through triggered library user expenditures and the recurrent operating expenditures of public libraries. After accounting for flow on linkages and transactions, **it is estimated that approximately 30,950 jobs are supported by public library services, as is some \$3.83 billion in value added annually.**





## Lessons

- In mid 2000's UK government embarked on an ambitious initiative of investing almost £3Billion over 10 years to address the chronic under-provision of social infrastructure in 88 local government areas in England.
- Over the past 10 years or more, there is a growing body of evidence that the economic benefits of providing social infrastructure far out-weight the costs of provision and result in a net return on investment.

# Lessons

- A UK Study reported by Marmot and Wilkinson in the British Medical Journal suggests that for every \$1 invested in community networks and services, \$10 were saved in costs on poor health, reduced crime and better employment outcomes, amongst other things.
- Washington State Institute for Public Policy has calculated a benefit-cost ratio of over \$2 per dollar of cost for some pre-kindergarten education programs and benefit-cost ratios of up to \$11 per dollar of cost for some youth development programs

## **New Zealand experience**

In NZ government does not expect nor is it expected to pay for facilities in its entirety. Community have an understanding and seemingly greater acceptance of fee for service even in libraries.

The provision of facilities and services and their long term financial sustainability is seen as everyone's responsibility.

Have usual funding sources - rates, government grants, sale of assets, borrowing, contributions but also have an expectation of community partnerships and commercial opportunities.

## **New Zealand experience**

In NZ – community partnerships are encouraged and formalized and commercial opportunities are embraced and planned for

Many community facilities contain commercial tenants

High level of community contribution equates to higher level of community ownership

**Thank you!**

