

Sustainable communities: the important role of local government in building social capital

Glenys Butler

Introduction

Local Governments are elected to represent their local communities; to be a responsible and accountable sphere of democratic governance; to be a focus for community identity and civic spirit; to provide appropriate services to meet community needs in an effective and efficient manner; and to facilitate and coordinate local efforts and resources in pursuit of community goals¹

This quote from the Australian Local Governments 1997 National General Assembly highlights that local government in Australia should be concerned not only with generic people services but also have an awareness of specific community needs and goals and have a willingness to address these. It is clear that local government cannot *facilitate and coordinate local efforts* without high levels of support and cooperation from communities and through participatory relationships with all levels of government.

The ideal of enabling and facilitating strong community representation across all sectors of the community in local government decision making presents a significant challenge to local governments.

Social Capital theory provides a (another) theoretical framework/ perspective from which to draw knowledge and ideas for engaging people within communities. Understanding the importance of trust and the strong correlation with community involvement and reciprocal behaviour, should influence the design of engagement strategies and help us understand why one community engagement model or strategy will not suit all communities.

This paper was subject to a double-blind peer review process.

ISBN number 1920948848

Published on-line by the Centre for Sustainable Regional Communities, La Trobe University

www.latrobe.edu.au/csrc/2ndconference/refereed

¹ Australian Local Governments, at their 1997 National General Assembly, adopted a Declaration on the Role of Local Government. This Australia wide *Declaration* complements the *Code of Good Governance* and enunciates fundamental principles for Local Government throughout the country

In this paper I will further explore how local government can draw on the concept of social capital to engage communities and build the trusting relationships that underpin successful, collaborative partnerships.

For clarification, throughout this paper I will be referring to ‘communities’ in the context of a group of people associated through their geographic location. Within these people groups, collectivism stems from commonalities associated with the shared experiences of rural living. There is no assumption of existing homogeneity outside geographic proximity.

Political context

Before entering further into this discussion around local government, social capital and community engagement, it is important to have an understanding of the political context and statutory provisions underpinning Australian Local Government. This information identifies a diverse local government system across the nation that underpins and strongly influences the relationships between local governments and the communities they represent.

In Australia, constitutional responsibility for Local Government lies with the States and Territories that provide the Legal Framework for council’s operations. Local Governments are not referred to in the federal constitution. Victoria’s constitution (also New South Wales and some other states) acknowledges the role of local government in a limited way. Section 74A(1) provides:

There is to continue to be a system of local government for Victoria consisting of democratically elected Councils having the function and powers that the parliament considers are necessary to ensure the peace, good order and good government of each municipal district.

(Victorian Constitution Act 1975)

Local Governments are commonly referred to as the third tier of Australia’s federal system of government. Although there is an expectation from federal government that local government will address wide ranging responsibilities, local government systems work differently in each state and all local governments have relatively limited capacity to raise revenue. Dollery et al emphasises the importance of understanding the diversity of local government with some municipalities serving large populations in big cities with budgets measuring billions of dollars while others service a small population dispersed across a very large geographic area (2003:3).

In relation to the taxation powers of the tiers of government, in 2000-01, the federal government collected 82% of total taxes, the states collected 15% while local government collected 3% (NOLG, 2001-02:9).

Local governments are under increasing pressure from both the communities they represent and other levels of government. This situation has come about due to increased expectations from the community to meet the needs of broadening diversity and from increased expectations from State and Federal governments for local government implementation of policy objectives. These increased expectations are not counteracted by an increase in local government’s ability to raise revenue and provide expected outcomes. Local government also faces increasing pressure to perform functions traditionally undertaken by other tiers of government. This seems to have been caused by the withdrawal and centralisation of most state and federal services (Dollery et al 2003:48). The overall result is cost shifting from the state and federal government to local government.

In addition, local government funding is being slowly eroded by reductions in the real value of grants from commonwealth and state governments. The NOLG 2000/01 Report on the Operation on the Local Government (Financial Assistance) Act 1995 states: cost shifting occurs when a state government fails to ensure there are sufficient funds or increased access to revenue to cover the imposition of functions and/or costs to local government for which the state government is normally regarded as responsible (2000/01:82).

In Victoria, the *Local Government Act* 1989 provides the legal framework that underpins the enabling powers of local governments, detailed in Section 8 (3):

A Council has the power to do all things necessary or convenient to be done for or in connection with the performance of its functions and to enable it to achieve its purpose and objectives.

Councils are expected to conduct business and provide services according to local needs and the requirements of the various Local Government Acts. Examples of Local Government functions and services include:

- Engineering (public works design, construction and maintenance – for example roads, bridges, footpaths, drainage, cleaning, waste collection and management)
- Recreation (golf courses, swimming pools, sports courts, recreation centres, halls, kiosks, camping grounds and caravan parks)
- Health (water sampling, food sampling, immunisation, toilets, noise control, meat inspection and animal control)
- Community services (child care, elderly care and accommodation, refuge facilities, meals on wheels, counselling and welfare)
- Building (inspections, licensing, certification and enforcement)
- Planning and development approval
- Administration (aerodromes, quarries, cemeteries, parking stations and street parking)
- Cultural / educational (libraries, art galleries, and museums)
- In some States, water and sewerage
- Other (abattoirs, sale-yards, markets and group purchasing schemes)

(NOLG 2001-02)

In addition to specific business and service provision The Act clearly outlines the roles, objectives and accountability requirements of local governments to:

- Provide democratic leadership
- Community vision
- Strategic and integrated planning
- Advocacy to other levels of government
- Management of community assets

(MAV 1996)

In a broad political sense the responsibilities of local government seem less significant when compared with the responsibilities of federal and state government however, the reality is that local government is the first 'port of call' for residents who are not satisfied they are receiving adequate services, whether this dissatisfaction relates to the maintenance of their roads or the availability of health and education services. There is an expectation that local government will act to rectify such issues, regardless of which level of government has statutory responsibility.

Dollery et al explains that while Community expectations of local government are increasing at an alarming rate, at the same time councils' battle with increased costs and restrictions over their revenue-raising ability. This has resulted in a gap between the community's

expectation of municipal authorities and the amount of funds available to meet these expectations (2003:37).

The Commonwealth Grant Commission's (2001) analysis of local government expenditure over the period 1961-62 to 1997-98 supports this view. Expenditure data in this document (p.53) indicate the following trends:

- A move away from property based services to human services
- A decline in the relative importance of road expenditure (although it remains the largest function, its level of importance has declined from nearly half of total expenditure in the 1960's to a little more than a quarter in the 1990s). Councils have tended to defer road services rather than reduce human services (Dollery et al. 2003:49)
- An increase in the relative importance of recreation and culture, and housing and community amenities – each area now accounts for nearly 20% each of local government annual expenditure.
- An expansion of education, health and public safety services – an increase from 4% in 1977-78 to 12 % in 1997-98 of total expenditure.

This data indicates there is growing community expectation for more from their municipality than the traditional 'services to the property'. There is growing demand for social service delivery which constitutes 'services for the people' (Dollery et al 2003:50).

The NOLG 2000/01 Report on the Operation on the Local Government (Financial Assistance) Act 1995 states there is clear evidence that the role of Local Government has expanded and changed significantly over the past few decades and it continues to change and respond to community expectations and aspirations. Local Government is shifting its focus from 'hard' infrastructure provision to a greater relative importance on spending on social services such as health, welfare, safety and community amenities.

Local Government must continue to respond to community needs although, for many rural municipalities the resource pool from both state and federal government and rates revenue continues to shrink. Local Government must be continuously looking for ways to better utilise the scarce resources they can access, and exploring alternative processes that will assist and enable them to assist communities to meet their needs. The more local governments engage with communities, the more obvious it becomes that communities themselves are an extremely valuable resource generally overlooked, or at least underestimated by local government. The capacity of communities to work collaboratively to meet identified community needs is greatly influenced by the levels of social capital within communities.

Social capital and the relevance to local government community engagement

According to social capital theory, communities rich in social capital will demonstrate outcomes of strong social connection, high levels of participation and a willingness to work together for the common good (example on page 6, Figure 1). Such communities are more likely to engage in local government strategies designed to involve communities in decision making.

Social capital however, is not a concise concept. As we've discussed, it relates to the resources available within communities as a consequence of networks of mutual support, reciprocity, trust and obligation and it can be accumulated as people interact with each other in a broad range of informal and formal meeting places. Winter (2002) emphasises the role of relationship building, describing social capital as 'social relations of mutual benefit characterised by norms of trust and reciprocity'. Guenther and Falk (2000) emphasise the

importance of social norms and values that form the basis of social identity, networks and social interactions and provide the vehicle for productive output. Through the development of relationships trust and cooperation develop providing the necessary cohesion in the social context to ensure that collaborative efforts are integrated in a sustained, mutually beneficial output (Guenther and Falk 2000). Putman (1993) defines social capital as those features of social life that enable participants to act together more effectively to pursue shared objectives.

It is important to also emphasise that social capital ‘stocks’ are not specific to a particular network but are area specific resources. They can be drawn on by the networks in a particular place and the social capital is augmented rather than depleted with use (Wallis and Dollery 2002:76).

As highlighted in the section on the role of local government, community involvement in local government decision making is an important aspect of good governance. Community involvement is also becoming more and more important to local governments as they recognise communities as an asset that can assist and enable local government to achieve outcomes that benefit greatly from local knowledge and partnership development.

In order for local government to benefit from the positive outcomes of communities with high stocks of social capital, they are required to build relationships with communities. Trusting relationships can be forged between communities and local government as local government makes a clear commitment to work with communities to achieve their identified priorities. Engagement strategies such as community committees and community building projects are tools that can be utilised to build stronger relationships.

These are just some of the reasons that demonstrate the need for local government to have an understanding of social capital theory and a commitment to function as an effective ‘bridging organisation’ by facilitating processes that enable communities to increase their stocks of social capital.

Most social capital research supports the view that social capital has a range of beneficial effects. In addition to those already mentioned, there are also indicators of social capital positively related to governmental efficacy and good social and economic outcomes.

The Australian Institute of Family Studies conceptual social capital framework (see Figure 1. below) demonstrates the range of determinants and outcomes that social capital can have, influenced by ‘network types’ in three social realms in which trust and reciprocity operate. These social realms are: the *informal*, the *generalised* and the *institutional*. This framework identifies ‘network characteristics’ across network types that will influence a range of possible outcomes and determinants. All have interaction effects between them.

This framework demonstrates the critical, interacting dimensions associated with the way institutions operate and shape the creation and mobilisation of social capital. It also shows the link between institutional relationships that come about through involvement with institutional systems leading to increased trust in institutions. These networks then link into participatory democracy and quality governance.

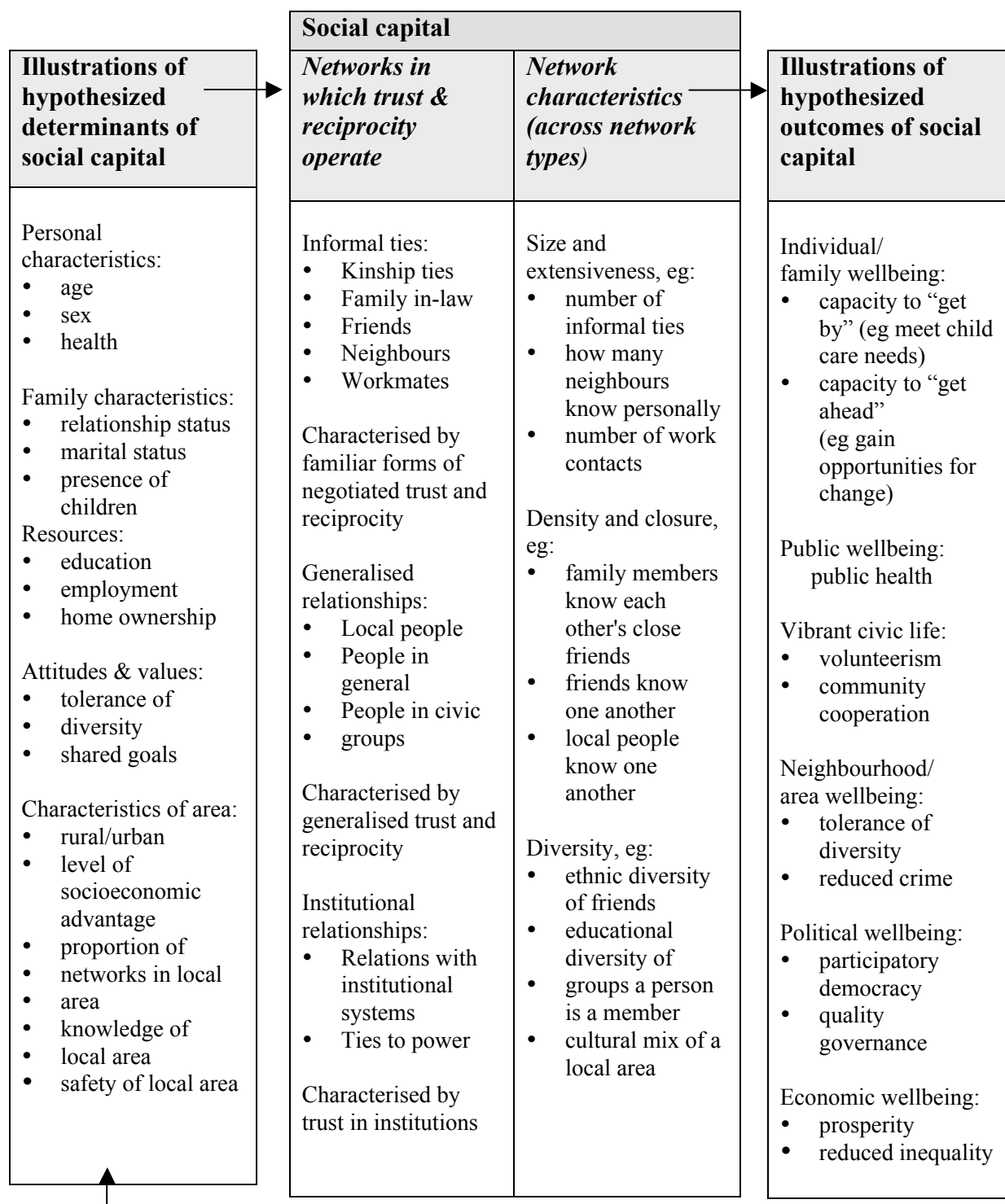
These network types – those characterised by trust in institutions - are also closely aligned to the notions of active citizenship and democratic government through voting, political representation, participation in the democratic process and access to information. These are four key political rights and obligations normally associated with citizenship. In a paper titled

Rejuvenating Citizenship...A Role of Local Government (2000), the author David Williamson puts forward a compelling argument for the need to support local government in rejuvenating 'citizenship' and nurturing the expression of political rights and obligations at the local level.

Research undertaken in the UK (Lowndes & Wilson 2001, Newton, 1999) explores how institutional design can assist to explain how governments can shape the development of social capital and the potential influence of social capital on democratic performance (Lowndes & Wilson 2001: 629). This research has been conducted within a different political system, however it is worth considering the impact that underlying institutional frameworks of government have on determining the long-term prospects for social capital in communities.

Robert Putnam undertook a twenty year comparative study of the Italian regions, and concluded the most important factor in explaining good government is 'the degree to which social and political life in a region approximates the ideal of a civic community' (1993:120). Putnam continues this discussion by saying that civic communities (and their un-civic counterparts) are self reinforcing: civic engagement and good government become locked together in a 'virtuous circle' – in contrast to a parallel 'vicious circle' of distrust, disorder and poor government (1993:117). Putnam reinforces the notion that social capital can have an important role in positive social outcomes explaining that 'people learn to trust one another through face to face interaction in associations and informal social networks; norms of trust and reciprocity spill over into society at large'; a capacity is created for collective action in pursuit of shared goals (Putnam 1995b:67).

Figure 1. Australian Institute of Family Studies Social Capital Framework



Source: Stone and Hughes (2002)

Community projects – building social capital

Local government can and does engage with the voluntary sector of communities to encourage and build social capital, through establishing partnerships that provide the opportunity to develop trusting relationships. An excellent example of community relationship building is the process undertaken by the Shire of Yarra Ranges and Mt Evelyn Township Improvement Committee in the development of the “Township Development

Toolkit 2002". The membership of the Mount Evelyn Township Improvement Committee (METIC) includes representatives from all major community groups in the town; for example, Police, Artists, Youth, Environment, Business, Traders, Churches, Elderly Citizens, Schools, Sport, Country Fire Authority, local residents, local Community House and the shire through a local councillor. METIC meetings enable information to be communicated across a broad range of community interest groups, organisations and individuals. Needs are readily identified and projects are initiated, bringing together a broad range of skills. The publication produced as a result of this project states that community building and township development are not theoretical sciences to be administered by experts. Local knowledge; a sense of community teamwork, purpose and adventure; opportunism and a common sense appraisal of what is or isn't sustainable in your community – these are invaluable tools that can build townships and communities from the inside out (A Township Development Toolkit: Learning Towns in Action, 2002: 8).

This Toolkit also emphasises the important role a representative township or community group plays in successful community building.

A truly representative township group is able to represent a 'whole of community' view to all levels of government, so that all planning becomes targeted to meet local requirements and aspirations. Such a representative umbrella group can give real support to the work of existing groups and bring all community sectors together to create a strong, effective, local network .

(Township Development Toolkit 2002:17).

The Township Development Toolkit Model illustrates how local governments and communities can work collaboratively to develop processes that will bring together existing stocks of social capital and provide opportunities to build on those existing stocks to bring about improved community capacity. This illustration supports the Australian Institute of Family Studies conceptual framework (page 6) demonstrating how social capital can be developed through different network types (in which trust and reciprocity operate) resulting in beneficial community outcomes such as public wellbeing and vibrant civic life with increased volunteerism and community cooperation.

The Victorian State Government also recognises the value of building the capacity of communities through the development and implementation of community strengthening initiatives. Such initiatives seek to resolve basic economic, social and environmental issues and build the capacity of communities so that local people become empowered through the involvement they have with government agencies and programmes. The key understanding underpinning this community strengthening concept is that:

stronger connections and networks among citizens, and improved collaboration between government agencies and key private and civic organisations are the building blocks needed to strengthen communities. Strong communities may then make better use of their own embedded resources and talents and enjoy better relationships with businesses and governments.

(Considine 2005:3).

It could be argued that the success of community strengthening initiatives is closely linked to the levels of social capital that exist within the communities where initiatives are implemented. Social capital theory supports the need to build stronger connections and networks of social relations and that such networks will be characterised by norms of trust and reciprocity. These characteristics combined, become the elements that are argued to

sustain civic society and which enable people to act for mutual benefit (Lochner et al 1998; Winter 2000a). It is the quality of the social relationships formed between individuals that effects their capacity to address and resolve problems they face in common (Stewart-Weeks and Richardson 1998:2).

This information highlights the need for local government to spend time and resources developing relationships that will carry forward into strong networks and collaborative practice and decision making. Collaborative practice is an essential ingredient in sustaining strong viable communities.

Opportunities for local government to develop ‘bridging’ and ‘linking’ social capital

A major challenge to the establishment of strong relationships between local government and communities, stems from the existence within many communities of a high level of distrust toward Local government and politicians generally (Guenther and Falk, 2000, Hughes, 2003).

Current research indicates that levels of trust are lower in rural communities than in urban or metropolitan areas (Slattery and Murray, 1999, Woolcock, 1999, Hughes, 2003). In 2000 John Guenther and Ian Falk completed a research project titled ‘Measuring trust and community capacity: Social capital for the common good’. This research project surveyed two rural Victorian towns in close proximity and in the same shires. The economy of both towns was based primarily on agriculture. Both towns had experienced significant population decline over previous years and were situated approx. 200km from the nearest capital city.

This study is of particular interest to me because of the similarities in demographics and geographic situation to many towns across rural Victoria, including Wellington Shire Council where I live and work.

The Guenther and Falk research project identified the primary reason for high levels of community dissatisfaction towards local government (within the communities surveyed) as the forced amalgamation of shires in the region resulting in cynicism and distrust, reduced civic / community cooperation and reduced civic participation. Respondents expressed concerns about loss of community identity and lack of control in the processes of local government. Residents talked about amalgamation as if it had occurred yesterday. The respondents stated that prior to amalgamation, when the shire was effectively the town, there was strong community identity and ownership which resulted in civic participation and cooperative collaboration between the shire and the community. The belief was that since amalgamation, disparate and unconnected communities have been forced to work together (Guenther and Falk, 2000). An understanding of social capital theory will assist local governments to better understand the importance of facilitating opportunities for a broad range of community members to interact.

Social capital literature distinguishes between *bonding*, *bridging* and *linking* social capital. *Bonding* social capital refers to relations among relatively homogenous groups (such as ethnic, religious or socioeconomic groups), and it strengthens the social ties within the particular group. *Bridging* social capital refers to relations between heterogenous groups, and it strengthens ties across such groups. Examples of bridging social capital are the civil rights movement and ecumenical religious organisations. *Linking* social capital refers to relations between individuals and groups in different social strata in a hierarchy where power, social status and wealth are accessed by different groups (Productivity Commission 2003).

When considering social capital theory, processes that encourage / enable disparate and previously unconnected communities to work together cooperatively demonstrate the development of ‘linking social capital’. The study undertaken by Guenther and Falk (2000) however, found that levels of social trust were higher in communities where there was low social fragmentation but this did not extend outside the local community. This finding

indicates the existence of bonding social capital which Putnam (1995:23) indicates may create negative effects:

Bonding social capital, by creating strong in-group loyalty, may also create strong out-group antagonism....for that reason we may expect negative effects to be more common with this form of social capital

The findings from the report undertaken by Guenther and Falk revealed that the kind of engagement required to make a difference to the socio-economic sustainability of the small rural communities researched, required more than information exchange – it required engagement - an exchange of ideas that facilitated the opportunity for a broader set of norms and values to be incorporated into the life of the community. The data from this study suggests that when this exchange takes place, the result is greater civic participation and cooperation (Guenther and Falk 2000:65). This information strongly supports the need to establish strategies that enable and support the development of *bridging* social capital.

Community engagement strategies – building social capital

Many local governments across Victoria have recognised the need to establish community engagement processes that will enable broad community input to decision making and facilitate the development of bridging social capital. One example is the establishment of the Wellington Shire Council District Advisory Networks.

Wellington Shire Council is situated in Victoria and covers a geographic area of approx. 11,000 square kilometres. In 1994, five local government areas were amalgamated to form Wellington Shire, which has a population of 40,000 people. The municipality is un-subdivided and therefore the councillors are not elected to represent a specific town / community but rather Wellington Shire as a whole. The elected council is expected to have intimate knowledge of all communities within the shire and is required to represent community interests and concerns and advocate on behalf of these communities to state and federal government. This structure has made the establishment of processes that enable and encourage strong community involvement a high priority.

The current District Advisory Network model has evolved over the past eight years having been initially established in 1998 as District Leisure and Arts Advisory Groups. These groups were established specifically to liaise between their local communities and council on local area leisure and the arts issues. With particular emphasis on the needs of recreation reserve and community hall committees. There were seven groups representing specific towns and surrounding districts. The members of these groups (approx 10 in each) were originally nominated having responded to an invitation in the local paper for volunteers, to represent their local community advising council on the issues that were raised at regular community meetings. Two representatives from each District Leisure and Arts Advisory group were nominated to be members of the “Forum”. Forum prioritised the issues raised by the groups and formally presented them to council via a council briefing.

In 2002 members of the seven District Leisure and Arts Advisory Committees, council staff and councillors participated in a workshop to review and revise the roles and responsibilities of the groups. This workshop determined the need to re establish the networks as District Advisory Networks, with a broader community engagement responsibility.

The restructured roles and responsibilities of the Networks have now been in place for approximately 3 years. Over that period of time the roles and responsibilities of these networks have been significantly increased. At the time of the review in 2002 the existing group structure was not reviewed or assessed to determine its capacity to manage increased

responsibilities / expectations. Council has continued to increase its expectations of these groups in the belief that this engagement process provides representative community opinion. Over the past two years the DAN's have liaised with council over community concerns regarding issues such as:

- An audit of all community halls
- A range of concerns put forward from committees of management
- The review of public toilets and subsequent closures
- Closure of camping areas
- Inadequate waste collection and waste disposal issues
- Requirements for pedestrian crossings (not council road but public safety issue)

The networks have also been required to facilitate public meetings for community involvement in Council decision making on items such as:

- The Council Plan
- Population Analysis
- The White Paper – water issues
- Urban Design Frameworks
- Inappropriate sub-divisions

There is currently another review of the DAN structure underway. The DAN's have highlighted concerns around the need to strengthen the breadth of community representation within their structure – to enable and encourage the further development of bridging social capital; the need for clearly stated roles and responsibilities and the need for improved resourcing / support from council.

This review includes Wellington Shire Council partnering with Monash University Gippsland to undertake a research project involving the current DAN, titled *Trust and Volunteering*. The aim of this research is to clarify the importance of existing trust in relationships and to determine what impact levels of trust have on the behaviour of volunteers. The results of this research will guide the development and implementation of improved community engagement processes.

A community engagement model currently being considered by the DAN's and Wellington Shire Council is the Township Committee Model. This model is used by several Local Government's across the state including Shire of Yarra Ranges and eight towns within Cardinia Shire. Lang Lang establishing their Township Committee in 1996. The membership of the Township Committee is made up of a delegate and alternate delegate for each of the community groups and associations in the designated town / township area. Each delegate represents one committee. This model builds bridging social capital as groups and associations that would normally not work together, come together for a common purpose.

Where Town committees are operating, they are acknowledged by the community as its representative to council and other tiers of government.

Wellington Shire Council District Advisory Networks are exploring this model because it ensures broad community representation and encourages and supports existing community groups. This model has the potential to build relationships between community organisations, providing opportunities for them to establish relationships and enter into joint ventures. Local Government facilitation of the establishment of this model is an excellent example of how Local Government can provide opportunities for communities to develop more diverse social networks / connections and build social capital.

Conclusion

As outlined and discussed in this paper, there are many, varied ways Local Governments can support communities to build social capital. From a community development perspective, as the social capital of communities grows, so should their desire and capacity to take more control of their future, with less dependence / reliance on government as the driver or instigator of projects and initiatives. There is a role for local government to provide support to communities wanting to take more control of their future. There are excellent tools and resources available that have been developed and trialled through community development and community building initiatives that assist communities to identify and build on their strengths.

Local government can enable local communities to access information and support in relation to specific initiatives such as community banking and the development of Rural Transaction Centres. Local government can facilitate the development of networks of service providers and funding agencies that can be linked with community committees to support the achievement of community priorities

Local government is in an excellent position to be the facilitator of State Government Community Strengthening / Community Building initiatives. Through the development of township committees and community development processes such as township based community planning, local government is able to work with communities to prioritise community needs and consider how they can be addressed. Such processes are extremely important in building trusting relationships with the community that will enable collaborative practice to take place. Ideally the role of the state government would be to provide funding with broad enough eligibility criteria to enable communities to develop initiatives to address their specific priorities – rather than apply for funding to address priorities identified by other levels of government.

It could be argued it is neither the role of the state government nor local government to drive community building initiatives, rather, they should be identified and acted upon by local communities. The role of government can be one of facilitator, partner and wherever possible, provider of resource support. Ultimately for community building initiatives to be successful (and sustainable) they must be developed and implemented by the community. This process can be facilitated by government but the success will be strongly influenced by the existence of trust and the willingness of both communities and government to work together toward outcomes of mutual benefit.

Sustainable communities are those that have developed trusting relationships at the community level; have worked together cooperatively to identify community priorities; and are prepared to work with community groups, service providers and government to achieve their desired outcomes. The important role of local government in this process is to initiate and facilitate practices that will encourage cooperation and interaction within communities, between communities, service providers and all levels of government – local government has a responsibility to the communities it serves to nurture networks of social relations which are characterised by norms of trust and reciprocity and which lead to outcomes of mutual benefit (Stone and Hughes, 2002).

References

Commonwealth Grant Commission

Considine, M. (2005) *Actions for Community Strengthening with Local Government* Local Government Victoria, Department of Victorian Communities. Spring Street, Melbourne

Dollery, B., Marshall, N. and Worthington, A. (eds) (2003) *Reshaping Australian Local Government*. University of New South Wales, Australia.

Guenther, J and Falk, I. (2000) *Measuring trust and community capacity: Social capital for the common good*. University of Tasmania

Hughes, V. (2003) 'The Politics of Social Capital' <http://www.crikey.com.au>

Local Government Act 1989, Act No. 11/1989, Section 8 (3).

Lochner, K., Kawachi, I. And Kennedy, B.P. (1999) 'Social capital: a guide to its measurement', in Stone, W. (2001) *Measuring social capital: Towards a theoretically informed measurement framework for researching social capital in family and community life*, Research paper No. 24, Australian Institute of Family Studies, Melbourne.

Lowndes, V. and Wilson, S. (2001) *Social Capital and Local Governance: Exploring the Institutional Design Variable*, Political Studies: 2001 Vol. 49, 629-647.

Newton, K. (1999) 'Social Capital and Democracy in Modern Europe', in Lowndes, v and Wilson, D. (2001) *Social Capital and Local Governance: Exploring the Institutional Design Variable*, Political Studies: 2001 Vol. 49, 629-647.

National Office of Local Government (2001) 2000-01 *Report on the Operation of the Local (Financial Assistance) Act 1995*, NOLG, Canberra

Productivity Commission 2003, *Social Capital: Reviewing the Concept and its Political Implications*, Research Paper, AusInfo, Canberra, p18.

Putnam, R. D. (1993) *Making Democracy Work: Civic Traditions in Modern Italy*, Princeton University Press, Princeton, New Jersey

Putnam, R. D. (1995) 'Bowling Alone: America's declining social capital', *Journal of Democracy* 6:1, January 1995

Slattery, L. and Murray, J. "The loss of trust" in Guenther, J and Falk, I. (1999) *Measuring trust and community capacity: Social capital for the common good*. University of Tasmania

Stewart-Weeks, M and Richardson, C. (eds) (1998) *Social Capital Stories: How 12 Australian Households live their lives* in Stone, W. (2001) *Measuring social capital: Towards a theoretically informed measurement framework for researching social capital in family and community life*, Research paper No. 24, Australian Institute of Family Studies, Melbourne.

Stone, W. and Hughes, J. (2002) "Measuring Social Capital: Towards a Standardised Approach". Paper presented at the Australasian Evaluation Society International Conference, Wollongong, Australia.

Wallis, J and Dollery, B. (2002) 'Social Capital and Local Government Capacity' *Australian Journal of Public Administration*. 61(3):76-85.

Williamson, D. (2000) *Rejuvenating Citizenship: A Role for Local Government, Study of the Kennett Government's Reform of Victorian Local Government and Its Impact on Citizenship*, Masters Thesis, School of Social Science and Planning, RMIT University, Melbourne

Winter, I. (ed.) (2000) *Major themes and debates in the social capital literature: the Australian connection*, in *Social Capital and Public Policy in Australia*, Australian Institute of Family Studies, Melbourne. <http://www.aifs.gov.au/institute/pubs>

Winter, I. (2000a) *Family Life and Social capital: towards a theorised understanding* in Stone, W. (2001) *Measuring social capital: Towards a theoretically informed measurement framework for researching social capital in family and community life*, Research paper No. 24, Australian Institute of Family Studies, Melbourne.

Woolcock, M. (1999) "Managing risk, shocks and opportunity in developing economies: the role of social capital", in Guenther and Falk (1999) *Measuring trust and community capacity: Social capital for the common good*. University of Tasmania