Recreation Vouchers: A Case Study in Administrative Innovation and Citizen Participation

John L. Crompton, Texas A&M University

The basic idea of vouchers is to give resources to citizens so they can purchase the services of their choice from authorized suppliers. In their classic form, which was described by Milton Friedman over a quarter of a century ago, vouchers are given to citizens by a government agency. Citizens exchange the vouchers for services delivered by their preferred supplier. The provider of the services then returns them to the agency and receives cash for the vouchers acquired. The fundamental principle is that vouchers can be used to subsidize potential users directly, rather than allocating that same amount of subsidy to a service or facility, or to an agency which operates that service or facility.

Efforts are continually being made to increase the responsiveness of local government to citizens' needs and demands. There has been a continuing interest in how local governments can best incorporate citizen participation, citizen attitudes, and citizen preferences into delivery decisions to ensure responsive prioritizing of resources. Traditional approaches often have proved disappointing to participation advocates. Accordingly, more recent approaches have offered more sophisticated techniques to determine what local government services the citizens of a particular community want to increase, retain, decrease, or terminate. Prominent among these techniques has been survey research.

Vouchers may lead to more comprehensive and more accurate citizen input than surveys, because they enable citizens to vote for preferences with the equivalent of dollars. Each citizen has a direct, executive, and continuing voice in shaping public policy by his or her “vote” of vouchers. Vouchers can be viewed as the ultimate in citizen participation:

The City of South Barwon in Geelong, Australia has operated a recreation voucher scheme for six years. This case study was developed from personal interviews with South Barwon officials, citizens of the city, and city documents. The case describes the operating procedures adopted to implement the recreation vouchers; the expectations of city officials when the voucher scheme was introduced; the scheme’s limitations; and the lessons which have emerged. The potential problems and opportunities associated with introducing a similar scheme into North American jurisdictions are discussed.

The G.I. Bill, the ex-military person is given a resource allocation for educational services. He or she selects where to spend this allocation from among a wide range of authorized tertiary educational institutions. The U.S. government then reimburses the educational institution. In effect, the allocation is a voucher.

At the local level, voucher schemes have been proposed for public housing programs, for allocating revenue sharing funds from the State and Local Fiscal Assistance Act, for the delivery of recreation services, and for stimulating more responsiveness from cultural organizations. The most extensive discussion of voucher use at the local level, however, has focused upon their potential for use in the public schools. Education vouchers suggest a way of increasing the influence of parents in educational decisions. In this context, vouchers are exchanged for educational services. Children or their parents select which schools they wish to attend. Those schools with programs that attract many children receive most vouchers and thus substantial financial resources. In contrast, those schools which attract few children are financially penalized because they receive fewer resources.

John Crompton currently is an associate professor in the Department of Recreation and Parks at Texas A&M University. He received an M.S. degree in recreation and park administration from the University of Illinois. In 1970, he was awarded another M.S. degree from Loughborough University of Technology (England), majoring in business administration. He received his Ph.D. in recreation resources development in 1977 from Texas A&M University. His primary interests are in the areas of marketing and financing public leisure services. He is co-author of Financing, Managing and Marketing Recreation and Park Resources published by William C. Brown, Dubuque, Iowa in 1980, and is currently working on a new book, Marketing Government and Social Services. He has written numerous articles in the recreation and marketing literature.
Early work by Jencks and his associates at the Center for the Study of Public Policy encouraged the federal Office of Economic Opportunity to sponsor an experimental educational voucher program. The intent was to fund several experiments, but because of widespread opposition, primarily from education professionals, the experiment was ultimately confined to a single location, Alum Rock School District in San Jose, California, for a period of three years commencing in 1972.

The Alum Rock experiment was restricted in scope and was not a true open-market voucher scheme; however, vouchers equal in value to the per student education cost were distributed to parents who were permitted to select the school and programs of their choice. It appears that some positive results emerged from the experiment. They included: (1) the emergence of a more innovative and flexible curriculum in most schools; (2) an increase in the ability of teachers and administrators to select and design their work settings; (3) the development of new program alternatives; and (4) the acceleration of decentralization of administrative authority to the local school principals.

Despite the considerable intellectual debate which has taken place in the education field, the only other empirical test of a voucher scheme reported in the literature was another short-lived experiment in Salt Lake City from 1973-1975.

There has been a paucity of opportunity to observe the advantages and limitations of vouchers in an operational context at the local level in any field. Thus, when an extended field experiment is conducted its careful scrutiny is warranted so lessons can be learned. This is the purpose of this paper which describes a recreation voucher scheme. Operationalization of the voucher scheme is described, together with the expectations of the local government which introduced it. The lessons which emerged and the scheme’s limitations are discussed. Finally, implications and future directions are considered.

Context

A recreation voucher program has been operated by the city of South Barwon for the past six years. The city of South Barwon has a population of 40,000. It is one of six municipalities which comprise urban Geelong, which has a combined population of approximately 150,000. Geelong is about 50 miles from Melbourne, the second largest city in Australia.

The city of South Barwon currently budgets $570,000 for recreation and park services, which constitutes 17 percent of its total tax revenues. Of this total, $70,000 is budgeted for its recreation voucher scheme, and $500,000 is allocated to recreation and park services in the traditional way. The recreation voucher scheme was introduced in 1976. It is important to note that funding for the program was not taken from the existing recreation budget but consisted of supplementary funds added to it.

All recognized private, non-profit, community recreation organizations in South Barwon that do not receive any services from the $500,000 appropriation are eligible to receive funds from the voucher program. These funds may be used by the organizations for either capital or operating purposes since the City Council places no restriction on their use. Recipients of voucher funds are required to indicate the benefits which accrued from their use of these funds. These responses are considered when the city reviews and rules upon each organization’s annual application for inclusion in the voucher scheme.

The South Barwon experience is not a “pure” voucher scheme. The literature suggests, however, that attempts to introduce a pure voucher scheme which would fully replace traditional approaches to funding public recreation services are likely to be frustrated and lie outside the range of political feasibility. The transformation from traditional approaches to vouchers is likely to be conceptually too radical and pragmatically too disruptive for it to be acceptable to public agencies.

Operation of the Scheme

Guidelines for administration of the voucher scheme in South Barwon are shown in Figure 1. Each taxpayer receives with his or her tax bill, a recreation voucher and a list of recreational organizations that have been approved by the council to receive grants. The current value of each voucher is $4.50.

In order to reduce the chances of forgery, vouchers are printed in such a way that they are not easily duplicated and they incorporate the city crest. The actual value of the vouchers is superimposed in an effort to communicate clearly their value to the taxpayer (see Figure 2).

Two separate organizations may be nominated on each voucher but the full amount may be committed to one organization. A voucher is issued for each taxable property in the city, so owners of more than one property receive a corresponding number of vouchers. By completing a voucher and returning it to the city, a taxpayer is effectively saying, “take $4.50 of my tax payment and give it to recreation body x,” or “split it up into two lots of $2.25 for recreation organizations y and z.”

Each returned voucher is numbered and taxpayers are required to submit their name, address, signature, and tax assessment number on the voucher. This information authenticates the voucher and further safeguards against possible forgery of the document. The individual taxpayer’s nomination of the organization(s) he or she supports remains confidential information. Finally, the city distributes the taxpayers’ “votes” to the organizations in the form of checks for the value of the total vouchers allocated to each group.

Admission Procedures

Any organizations which are genuine non-profit, community, recreational groups are eligible for admission to the scheme. An application is submitted to the city each year. This requires information relating to
FIGURE 1
City of South Barwon
Recreation Voucher Grants Guidelines

1. All clubs and organizations must be first approved by Council before being eligible to receive a Grant.
2. To qualify, clubs must be non-commercial, recreational and/or sporting organizations operating, or about to operate, within the City of South Barwon and, if outside the City of South Barwon, must not duplicate recreational services offered by any club or sporting organizations within the City of South Barwon.
3. Recreation Vouchers are valid in the Municipal Year of issue only.
4. Canvassing of support for the return of Vouchers from the general taxpaying community will not be permitted and could cause Council to immediately disqualify that club from receiving further Grants.
5. Vouchers must be returned to the City Offices with tax payments and the name of the chosen club must be clearly designated on the Voucher.
6. Clubs must submit an application each year for registration to qualify for a further Grant and be accompanied by details of current office-bearers, etc., as requested.
7. The payment of the Grant will be forwarded to the club's address as shown on the Application for Registration unless written notification is given to the contrary.
8. Vouchers are not transferable.
9. Vouchers not directly assigned by ratepayers will not be redeemed.
10. Vouchers assigned to non-approved clubs, or clubs which do not qualify, will not be redeemed.
11. The identity of taxpayers designating Vouchers for any particular club will be retained by Council as confidential information. However, the total number of Vouchers received by any club may be publicized.
12. Where the amount of Vouchers allocated by taxpayers in any year is less than the funds set aside by Council for this purpose, the balance of funds will not be distributed among the clubs receiving Grants.
13. Council reserves the right to withhold payment of a Grant to a club.
14. Approval of a club as an organization qualified to receive a Grant under one year does not necessarily pre-qualify that club for subsequent years.
15. Where a club based outside the Municipality qualifies for a Grant, this may be withdrawn in writing by Council when a club with similar activities commences operation within the Municipality and becomes qualified.
16. Organizations that are presently provided for or operated with substantial Council support, such as libraries or elderly citizens clubs and the like do not qualify for a Grant.
17. Political or religious organizations and the like do not qualify for a Grant. However, bona fide recreational clubs which are part of such organizations may be approved by Council.

location of the organization, its activities, and membership fees. One person on the city staff serves as liaison for the voucher program and makes recommendations to the council on eligibility.

The 150 organizations declared eligible for the scheme in 1981-82 are shown in Figure 3. Of these 150 entities, 86 are specialized recreation groups located within the city of South Barwon; 50 are similarly specialized groups situated outside the city limits; and 14 are community service organizations which offer recreational services as part of their overall mission.

Groups from outside the city limits are permitted to participate in the scheme, reflecting the city's belief that regional organizations are worthy of support if they provide services to city residents. This recognizes that there are some specialized activities for which the critical mass of participants necessary for viability may not be available within the city's boundaries. However, for an external organization to be able to qualify, there must be no providers of similar services within the city.

Application forms from groups documenting their eligibility are required by September in each year. This gives time for the application to be adjudicated and a list of those approved to be printed for inclusion with the tax bills which are mailed in December. Payment of the tax bills is due by the following April, which is also the deadline for return of the vouchers. Checks are mailed to the organizations in June, together with application forms for the following year.

The administrative expenses associated with administering the scheme are surprisingly low. Approximately 300 staff hours were required to distribute and collate vouchers in 1982. Additional personnel and supply costs were limited to the cost of printing vouchers and application forms, postage of application forms, recording of lists of organizations and vouchers received, processing checks, and consideration of groups for approval and related correspondence.

Expectations of the Voucher Scheme

Although expectations were not formally specified, interviews with city officials and a review of documents suggest that the city hoped recreation vouchers would do four things. They were: (1) provide recreation services which were more responsive to citizen desires; (2) offer seed funds which would encourage the emergence of new recreation organizations; (3) better meet the recreational needs of disadvantaged groups; and (4) resolve the council's annual dilemma of which nonprofit recreation groups should be supported with public funds.
Increasing Responsiveness

There was a concern that the city had become unresponsive in its allocation of resources for recreation services and supported the same things year after year even though priorities change. The city had always subsidized the traditional, male-dominated, major Australian sports of football, cricket, and golf by the development of capital facilities such as playing areas and changing accommodations, and the subsequent maintenance of these facilities. These facilities are rented to private, non-profit clubs at nominal rates, typically set at approximately 10 percent of their maintenance cost. In the majority of cases the clubs which rent these facilities have exclusive use of them for the relevant season. These financial arrangements meant that the city was subsidizing each active participant member of these groups to the extent of $23.

However, other minor sports and recreation groups, such as those offering track and field, netball, badminton, baseball, surf lifesaving, lawn bowls, tennis, creative arts, and many others, received virtually no public support even though they provided similar recreational opportunities. Indeed, in total, these minor clubs which received no assistance from public funds had a clientele similar in size to that of the traditional sports clubs which were substantially subsidized.

The voucher scheme was intended to contribute to alleviating this imbalance by enabling the taxpayer to become an active selector instead of a passive receiver of recreation services. Citizens can direct their allocation of the recreation subsidy to their chosen pursuit and not pay to subsidize someone else’s recreation. Because they have more control over the delivery of recreation services, greater accountability is built into the system for it to be responsive to citizen wants.

The intent is that offerings which effectively meet people’s perceived needs prosper, while those that do not are either redesigned or they disappear. Organizations receive public funds only to the extent that they can attract support from citizens.

Encouraging New Organizations to Emerge

It was hoped that vouchers would introduce dynamism and encourage diversity in the recreation system by spreading the recreation dollar more evenly to service the many interests which were not being served. There was a specific expectation that new recreation organizations would emerge:

We could see new community organizations being formed and different recreational activities started. We could see families coming together to form Family Fitness Groups or participate in Family New Games. The money redeemed by Councils for the vouchers could be used by new groups to purchase equipment or hire a venue in which to stage their activities. A whole host of new recreation activities could be created.

Better Serve Disadvantaged Groups

The South Barwon Council was conscious that too often the very young, the aged, the physically handicapped, and the socially and economically deprived were being neglected in favor of the recreationally physically active. The voucher scheme was conceived as “a possible stimulant to the ‘recreationally inactive’ to start them exploring the many lesser-known opportunities now available throughout the community.” There was a recognition that the city could have been accused of being elitist in its approach to the provision of recreation services if it continued to subsidize opportunities for only selected segments of the population.
Selecting Groups To Be Subsidized

The final expected contribution of recreation vouchers was that the council would no longer have to select which non-profit recreation groups should receive public subsidy. This selection decision often arouses controversy because some interest groups inevitably are passed over in favor of others. The use of vouchers transfers the selection decision from the council to the citizens. With a voucher scheme it was expected that recreation organizations would no longer attempt to exert pressure upon council members, but would recognize that public resources could only be obtained from offering services that citizens wanted. The voucher scheme enabled elected officials to say to all groups soliciting funds, "If your service is valuable, then the citizens will demonstrate their support by committing their vouchers to it." The scheme also permits the subsidy of groups which may have had a substantial constituency but which were politically controversial.

Finally, it was recognized that one of the most difficult tasks faced by any government is how to terminate a service which it has traditionally supported. Vouchers enable citizens to make this decision and city officials are not subjected to pressure that inevitably occurs from the special interest being terminated.

Lessons and Limitations

The simplicity of the voucher scheme implemented in South Barwon may be somewhat deceptive, for while it is an exciting innovation it has several limitations and a number of lessons have been learned by city officials during their six years of operating it. These limitations

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and lessons are discussed under six headings: opposition from entrenched interests; monitoring the scheme; ambiguity in defining recreation; the non-returned decision; imperfect communication; and the equity issue.

Opposition from Entrenched Interests

It was anticipated that if the voucher scheme was funded by taking money from the existing recreational services budget, then traditional beneficiaries of that budget would vigorously oppose the introduction of vouchers and make the scheme politically infeasible. Thus, a supplementary appropriation was added to the recreation budget to fund the voucher scheme. This precedent has been followed each year.

The original intent was that the ratio of voucher funding to traditional funding should gradually move toward an equal division of the two financing methods over a period of years. This intent has not been realized because vigorous opposition emerged from those who perceived that if this shift occurred their share of the total resources was likely to decline, particularly in the major sports of cricket, football, and field hockey. Indeed, some councillors who are personally involved with these major sports are seeking to abolish the voucher scheme or reduce rather than increase its role. They perceive it to be a threat to the financial support these major sports have traditionally received from the city.

Some of the council who are not fully supportive of vouchers have challenged their usefulness in reflecting the preferences of taxpayers. They suggest that while the vouchers give some indication of general support for particular recreation activities in the community, they should be interpreted with great care "as people are capable of taking a benevolent attitude and can issue vouchers to the clubs that need the most help, rather than to their first choice of recreational activity."

Monitoring the Scheme

For a voucher scheme to work, it must be monitored from the outset. Groups that attempt abuses must be vigorously penalized in order to establish the legitimacy of the scheme. Although guidelines were issued, there were some groups which, while carefully following the written rules, sought to abrogate the intent of the voucher program.

A perceived danger was that recreation organizations would be tempted to spend great amounts of time, energy, and money on public relations and propaganda activities. The general canvassing of taxpayers requesting them to assign their vouchers to a particular organization is prohibited, because it was feared there may be an adverse taxpayer reaction to repeated solicitations or letterbox "junk mail" drops.

Vouchers are only accepted directly from taxpayers so they cannot be collected and handed in by a beneficiary group. This avoids the possibility of individual members being unduly harassed by fellow members. It also precludes the possibility of vouchers being solicited by an organization through the use of a raffle or some similar device. Before this rule was implemented, one imaginative organization announced a raffle for a vacation to the Fiji Islands. Entry to the raffle was a completed recreation voucher assigned to that group.

It is believed that the extra emphasis on promotion has had some positive dimensions, particularly in increasing citizens' knowledge of the recreational opportunities which are available in South Barwon. The simple act of providing a list of organizations to citizens and asking them to select one or two for support has the spin-off benefit of improving awareness.

Ambiguity in Defining Recreation

A significant limitation of the South Barwon scheme was its failure to define, precisely and unambiguously, "recreation" when the scheme was introduced. Initially the importance of this issue was not recognized. Consequently, the criteria for admission to the voucher scheme are fuzzy. This has created a continuing problem, for after criteria were established efforts to amend them were controversial and had to be abandoned. The criteria are set out in item 2 of the guidelines (Figure 1). They are generic rather than specific, requiring only that an organization be "non-commercial and recreational and/or sporting."

The criteria's lack of specificity has enabled the interpretation of what constitutes recreation to be broadened incrementally, each year. It was noted earlier that 14 community service organizations were included among the 150 eligible groups. The initial justification for their inclusion was that they offered recreation services as part of their overall mission. These community service groups include pensioner's clubs who use their voucher funds to provide activities such as a Christmas party for their senior citizen members, and the Coast Guard Volunteers who man radios in the coastal area. In the future it is expected that other community service groups such as St. John's Ambulance Brigade, Red Cross, and various organizations serving the handicapped, will be declared eligible.

Although these groups constitute less than 10 percent of organizations in the voucher scheme, in 1982 they secured 36 percent of the returned vouchers. This proportion seems likely to increase as more community service groups are declared eligible. Their substantial support probably stems from their long established tradition of voluntary community service and the associated heritage of donations from citizens. These organizations are worthy of support, but their inclusion in the voucher scheme clearly detracts from its original purpose which was to encourage more responsive offerings and a greater diversity of recreation activities.

This is a difficult issue to resolve. In South Barwon the definition is too broad. However, a narrow, restrictive definition could be similarly limiting because it might inhibit the emergence of new recreation opportunities.
The Non-returned Decision

In 1982, there was a 53 percent redemption rate of the vouchers (Table 1). This means that only $37,000 of the $70,000 voucher budget was expended. The redemption rate is likely to be influenced by what happens to the $4.50 if taxpayers do not complete and return their vouchers.

Under the G.I. Bill, for example, should the service-man choose not to use the educational opportunity he, in effect, forfeits his voucher. The same decision rule was adopted at South Barwon. If the voucher is not returned, then the $4.50 is not expended by the city. Effectively, this non-response reduces the annual tax bill so it may appear there is incentive for nonusers not to return vouchers. However, the individual taxpayer does not receive the $4.50 credit. This savings has to be shared with those who do return their voucher. Thus, non-returners forego the opportunity to allocate $4.50 but (assuming 50 percent of vouchers are returned) only receive $2.25 in tax savings. Individuals who assign their vouchers, allocate $4.50 and also receive the benefit of a $2.25 tax saving because 50 percent of citizens did not assign their vouchers.

Other decision rules which could be considered include: (1) returning the unredeemed voucher money to the general fund and disbursing it for other uses; (2) returning it to the traditional budget for recreational services; or (3) distributing the unassigned dollars pro rata among the organizations receiving support from those citizens who did assign their vouchers.

Imperfect Communication

There are three dimensions to the imperfect communication issue. The first dimension concerns the need to know how other citizens assign their vouchers. In South Barwon, vouchers are redeemed within a single time period. No interim announcements are made of the dollars accrued by each organization. This lack of information may lead to undesirable results.

For example, assume that a group of taxpayers wants to encourage the development of four organizations. They are able to assign dollars only to two of them. If they all "vote" for numbers 1 and 2, then organizations 3 and 4 are left without support. However, if they had better information regarding how other taxpayers were assigning their vouchers, some might switch their dollars to organizations 3 and 4 in an attempt to ensure they receive a minimum level of support.

The evidence suggests that a second source of imperfect communication was the difficulty of communicating the concept of recreation vouchers to citizens in the early years. Table 1 suggests that it was only in the third or fourth year of operating the scheme that many citizens understood the procedure. The very low first year return of 15.9 percent was, at least in part, attributable to the vouchers being included in the middle of an information booklet concerned with the city budget. This meant that many citizens overlooked the voucher. In subsequent years, the voucher was included with the tax notice as a separate inclusion. However, this low first year return did enable administrative experience to be gained gradually and permitted subsequent finetuning of the program to occur with minimum disruption.

The third dimension of imperfect communication concerns the need for citizens to be knowledgeable about groups seeking their vouchers. Imperfect information causes inequities and inefficiencies. When citizens do not possess sufficient knowledge to make intelligent choices among organizations they become vulnerable to hucksterism. This concern is particularly directed toward poorer citizens who are notoriously difficult to reach with printed material.15

One of the expectations of the recreation voucher scheme was that it placed financial resources directly in the hands of the economically disadvantaged enabling them to select recreational services most relevant to their needs. While this goal is laudable, its attainment may be chimeral because of the information access inequities which may accompany a voucher scheme. Theoretically, affirmative dissemination efforts could be designed and undertaken with special attention to the information needs of the economically disadvantaged. However, the

<table>
<thead>
<tr>
<th>Year</th>
<th>Voucher Value ($)</th>
<th>Vouchers Issued</th>
<th>Completed VouchersReturned</th>
<th>Return %</th>
<th>Payments to Organizations ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1981-82</td>
<td>2.25</td>
<td>30,704</td>
<td>16,384</td>
<td>53.3</td>
<td>36,864</td>
</tr>
<tr>
<td>1980-81</td>
<td>2.25</td>
<td>30,572</td>
<td>15,876</td>
<td>51.9</td>
<td>35,721</td>
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<tr>
<td>1979-80</td>
<td>2.00</td>
<td>28,978</td>
<td>14,838</td>
<td>51.2</td>
<td>29,676</td>
</tr>
<tr>
<td>1978-79</td>
<td>1.75</td>
<td>28,538</td>
<td>12,856</td>
<td>45.0</td>
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</tr>
<tr>
<td>1977-78</td>
<td>1.50</td>
<td>28,062</td>
<td>10,487</td>
<td>37.3</td>
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</tr>
<tr>
<td>1976-77</td>
<td>1.50</td>
<td>27,956</td>
<td>4,434</td>
<td>15.9</td>
<td>6,651</td>
</tr>
</tbody>
</table>

Note: When interpreting this table, it is important to note that the voucher value (e.g., $2.25 in 1981-82) reflects the invitation to taxpayers to allocate their $4.50 voucher to two groups. Hence, in 1981-82 only 15,352 pieces of paper (4.50 vouchers) were issued (one to each taxable property in the city) but taxpayers could respond twice on each voucher.

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empirical literature suggests this task is too difficult and expensive to be practical.\textsuperscript{16}

This was not a major problem in South Barwon because the city is one of the most preferred residential areas in the Geelong Region of Victoria. Its population is generally considered to be upper-middle class and a high degree of self-motivation is evident. However, in other contexts this issue cannot be dismissed cavalierly as a minor problem:

Information imperfections are a problem which will not be solved easily, and may prove the fatal weakness of theoretically sound proposals to . . . achieve greater economic efficiency and social equity.\textsuperscript{17}

The Equity Issue

Perhaps the most obvious limitation of the South Barwon scheme concerns the weighting and distribution of the vouchers. To receive a voucher residents have to pay real property taxes directly. This creates two kinds of inequities.

First, there are inequities among those who pay property taxes. Only residential property, not commercial property, is included in the scheme. Further, the absentee landowner, single family home owner, and the owner of a 100-apartment complex each receive the same allocation of one voucher.

Second, inequities are created because some citizens do not directly pay property taxes. An initial expectation of the voucher scheme was that it might better serve disadvantaged citizens. However, there is no evidence that disadvantaged groups have been better served. Since the disadvantaged are more likely to live in rental properties, landlords in fact assume more control. This has the pernicious effect of effectively disenfranchising the disadvantaged in determining the types and extent of recreation activities entitled to public financial assistance.

Before inequities of distribution can be resolved there has to be some consensus as to what constitutes equity. Equity is a complex concept which is interpreted in alternative ways by different people. However, from the perspective of allocating vouchers there appear to be three primary alternative equity models which could be adopted.\textsuperscript{18}

The equal opportunity model is likely to gain easiest political acceptance. This would entail allocating an equal number of vouchers to all citizens regardless of need or the amount of taxes paid. It would suggest that vouchers be allocated on a per person or per household basis. The South Barwon allocation most approximated the per household approach, with the exception that households not paying direct property taxes were excluded.

Compensatory equity would require that vouchers with extra increments of value be given to disadvantaged individuals. This would be consistent with Jencks' suggestion that the value of vouchers should be inversely proportional to family wealth.\textsuperscript{19}

Market equity would involve allocating services to individuals in proportion to the tax revenues they pay. Those paying the highest taxes would receive higher-valued vouchers.

Because subjective, normative judgments are involved, there probably cannot be any "right" or "wrong" concepts of equity, only different concepts. Opinions as to what is a fair and equitable voucher distribution system are likely to be tempered by background and social position. However, in South Barwon there was an initial intent that vouchers facilitate compensatory opportunities but the allocation system in fact facilitated equal opportunity or even a tendency toward market equity since only those who paid taxes directly received vouchers.

Implications and Future Directions

There has been substantial discussion over a relatively long period of time concerning the usefulness of vouchers in the delivery of public services; however, there have been few opportunities to gain insights from their application at the local government level.

Generalizations and implications from the South Barwon experience can be suggested only with caution for it is limited in scope, and in magnitude of dollars. There are obvious dangers in generalizing from an experience in a specific jurisdiction with a high income, highly educated population, located in a different country with different traditions. Nevertheless, the experience does illuminate several points of interest.

Vouchers were introduced at South Barwon as an administrative innovation rather than as the product of a popular movement. This meant that in the early years the policy decision lacked constituency support and it was particularly vulnerable to political opposition. To minimize trauma and opposition the voucher scheme was introduced gradually and concurrently with the traditional system. This is consistent with advice in the literature. In addition to being a pragmatic response to political realities, a gradual introduction enabled corrections to be made to the initial scheme and gave administrators time to evaluate it.

South Barwon was fortunate in being able to use additional funds to finance the voucher scheme. Realistically, in the present financial climate in North America, implementing a voucher scheme would require that existing money be allocated rather than additional dollars be appropriated.

Like most Australian cities, South Barwon does not employ many recreation professional staff. Traditionally, community recreation has been facilitated by providing seed money or in-kind maintenance assistance to non-profit organizations. Thus, there was no opportunity to observe how an established professional staff would react to a voucher scheme. However, the resistance which emerged from those representing traditional entrenched interests prevented the expansion of the voucher scheme which had been originally envisaged. This resistance stemmed from the threat the voucher scheme posed to the status quo.

Vouchers give citizens direct control over resource
allocation decisions and thus offer intriguing possibilities for demonstrating responsiveness and accountability to citizen demands. Implementation is likely to be more difficult in a larger jurisdiction because of increased logistical problems in handling vouchers and greater difficulty in monitoring the procedure to minimize abuse. Success depends on a willingness to monitor the marketplace vigorously. If vouchers were used on a large scale such regulatory efforts might be uneven.

The voucher concept is flexible enough to support a wide variety of specific applications. Indeed, although the scheme operated by South Barwon is an exciting innovation, it represents a rather tentative application of the voucher principle. Other applications could lead to much more radical changes in the structure and type of service delivery.

For example, instead of a voucher scheme being confined to use as a source of seed money encouraging private recreation organizations to offer desired services, it could be broadened to incorporate recreation offerings directly operated by a municipality, such as swimming pools and recreation centers. This would mean the total recreation budget would be controlled by citizens.

A future development may be for citizens to retain the vouchers and use them as directly redeemable coupons or certificates, instead of returning them to the city. With this mechanism citizens could directly contract for the services they desired. The vouchers to the city could be used to purchase specified types of recreation services from authorized public and private suppliers. The supplier would return the voucher to the city for redemption at its face value. Redeemable vouchers could be used to remove the monopolistic impact of service delivery and deliberately stimulate competition both within the public and non-profit sectors and between public, non-profit, and private agencies. This may induce efficiencies into the system and lead to increased accountability, greater cost-efficiency, and more relevant service delivery.

Clearly, there is a danger that resources may be allocated to the most persuasive rather than the most responsive organizations. In South Barwon, the traditional voluntary agencies which had substantial name identification gained a disproportionately large share of the voucher resources without making any noticeable efforts to be more responsive. This suggests that image may be more important than substance. Thus, organizations may decide to invest considerable time, energy, and dollars in promotion activities rather than devoting these resources to increasing the responsiveness of their services.

The method of information dissemination is a crucial consideration. In South Barwon information dissemination was limited to providing taxpayers with a list of eligible organizations. This gives a substantial advantage to those which have been long established because there is higher awareness of them in the community. There must be a greater commitment to disseminating more detailed information as part of the voucher system if new organizations are to be encouraged. This is particularly important if groups with low educational levels are to be reached. Reliance on traditional approaches for transmitting information to these groups is unlikely to succeed. Unless all groups have equal access to information, including an equal ability to understand it, it cannot be said that "free choice" is being offered to all citizens which is a fundamental premise of voucher schemes.

Government entities are frequently depicted as being reluctant to introduce innovations. When the environment is safe and predictable, there is little incentive to introduce new programs because the costs to personnel of possible failure are often perceived to be greater than the benefits which would accrue from success. However, in recent years the uncertain fiscal environment, the increased concern for accountability, the trend toward contracting out, and the shift in emphasis in the recreation field from direct provider to facilitator, have caused many agencies to become more innovative.

In this environment further experimentation with voucher schemes seems likely. The South Barwon experience has demonstrated the feasibility of applying vouchers in the recreation field and has identified a number of aspects which could be improved. The next step would appear to be for some recreation agencies in North America to implement vouchers on a small scale, incorporating the suggested improvements to the South Barwon scheme. This would enable application of the principle to be further refined and its appropriateness to be tested in the context of North America.

Notes

7. David K. Cohen and Ellenor Farrar, "Power to Parents?—The


9. An Australian dollar is approximately equal in value to a U.S. dollar.


11. Much of the information in this section was derived from four sources: (1) a personal interview with Mr. Laurie H. Miller, the city engineer for South Barwon, who was responsible for developing and implementing the scheme; (2) an information package available from the city of South Barwon, “Recreation Voucher Grants: Capitation Grants to Sporting Organizations”; (3) Special Report #76/2 submitted by the City Engineer’s Department to South Barwon City Council, July 1976, which first proposed the voucher system, “Capitation Grants to Sporting Organizations: A Recreation Voucher Scheme”; and (4) Laurie Miller, “Recreation Voucher Scheme,” *Recreation Australia*, Vol. 1, No. 1 (September 1981), pp. 15-17.


16. Olivas, p. 441 et seq.

17. Olivas, p. 447.


