



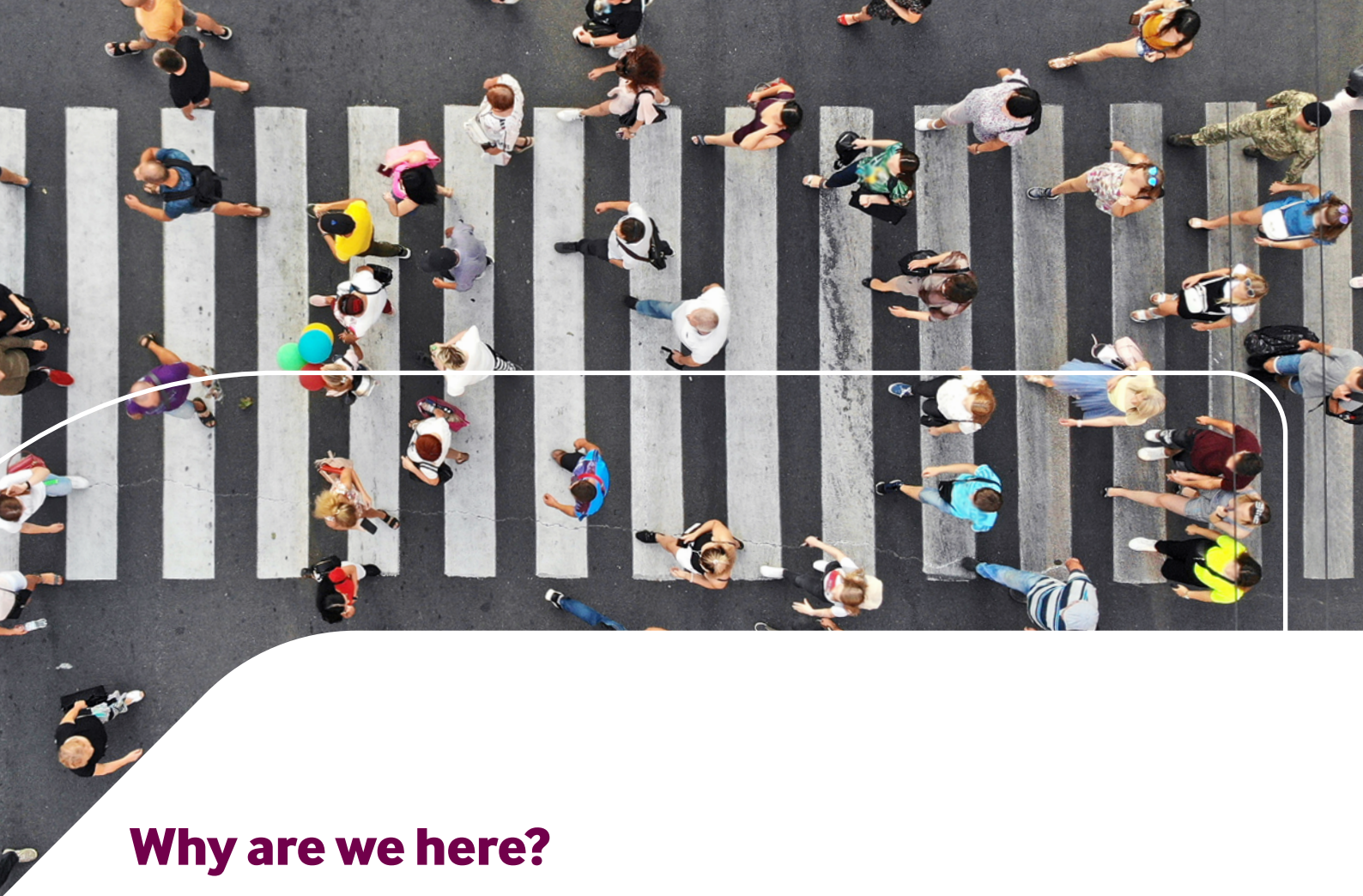
UNLOCKING THE OUTCOMES THAT MATTER:

Social value creation through
infrastructure investment

A discussion guide

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Why are we here?

Infrastructure projects are among the biggest investments made in communities. They are uniquely positioned to create social value beyond the primary purpose of an asset. With rising inequality and unrelenting change, this discussion paper seeks to explore the role infrastructure projects can play in improving the wellbeing and quality of life of individuals and communities, and how we might harness their power for liveability, prosperity and resilience.

The market is moving on ESG, with increasing certainty on how to manage environmental impacts – the “E”, and good progress made on governance elements – the “G”. Reporting on both has advanced at the asset, organisation and portfolio level. How to deal with social – the “S” – remains largely an enigma, with limited confidence about how we measure, what we quantify and whether it makes sense to value externalities.

RPS and Infrastructure Sustainability Council (ISC) have partnered to share their joint experience of working on projects across Australia and New Zealand to develop this discussion guide. As the industry grows, the Guide is designed to support the sector to understand how we can maximise the social value that can be created through infrastructure projects.

The aim is to consider how we might leverage what we already know and do, and to chart an accelerated course to towards the delivery of social value by our sector, at scale.

To set projects up for success we need to invest in the early stages of project planning to consider the long-term benefits. We need to take a ‘wide angle lens’ rather than approaching projects from a narrow, asset-based perspective.

We are striving for a future, where time, quality, cost, carbon and community are the pillars on which our sector stands firm.

**He aha te mea nui o te ao
He tangata, he tangata, he tangata**

What is the most important thing in the world?
It is the people, it is the people, it is the people

What are we asking?

Our aim is to produce a practical guide that improves the way projects are delivered by supporting them to understand what is important to communities, and deliver the outcomes that matter in turn.

To begin the process, we have undertaken a literature review. Now, we will be undergoing industry research to understand the opportunities and challenges your projects have encountered during each stage of the project lifecycle.

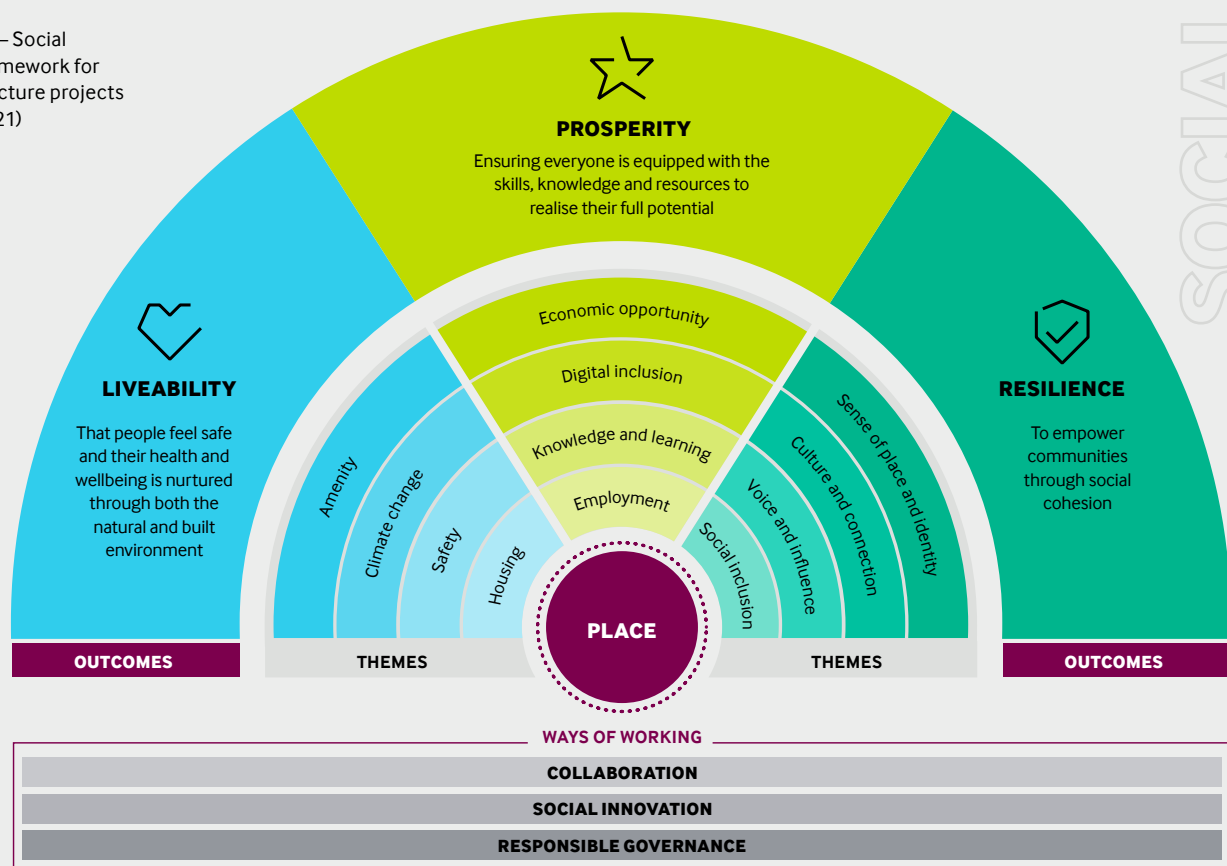
So what is social value?

Social Value International defines social value as 'the total impact a project or investment has on an individual's wellbeing, including social, environmental, and economic outcomes.'

As Australia and New Zealand do not have a working definition of social value, RPS has adopted the Social Value International definition and has developed a social value framework for infrastructure projects. This framework takes a place-based systems approach to demonstrate the key themes that drive optimal liveability, prosperity and resilience outcomes in infrastructure projects.

As seen in Figure 1 it has inter-disciplinary themes and ways of working that allow the bigger picture to be seen. Each theme will have varying levels of relevance and impact on projects depending on what matters to the relevant community; understanding that there is no 'one-size-fits-all' for delivering social value in infrastructure. By embedding a systems approach when projects are initiated, we can gain a better understanding of overlapping benefits, and the lasting value of investment.

Figure 1 – Social value framework for infrastructure projects (RPS, 2021)



Social value through the project lifecycle

In Australia, we rarely measure the success of a project based on how it has impacted individual people. During the early planning and decision-making phases, we make assumptions based on the potential for economic uplift. We make informed generalisations about how infrastructure assets will contribute to enhanced living standards, however we rarely address equity and distribution from the outset to understand the context in which we are delivering infrastructure.

As a result, we do not tend to quantify the true social value of projects. This is not to say that social value isn't being created. We just aren't investing enough in measuring and planning, thus delivery of enhanced outcomes.

The UK Institution of Civil Engineers alongside Useful Projects¹ identify a proactive approach to social value through the project lifecycle that can be easily applied to the Australian and New Zealand context:

- Building relations with and acknowledging cultural values especially with First Nations and Mana Whenua

- Reducing inequalities and creating local socio-economic benefits
- Building stakeholder support for strategic infrastructure projects
- Helping to secure investment approval and planning permission
- Improving local stakeholder engagement, leading to local community support and fewer objections
- Enhancing the long-term value of the asset
- Attracting funding from the investment market who is increasingly prioritising social value
- Helping to deliver sustainable development/responsible business agendas
- Improving service delivery and growing the number of people using the assets and services
- Delivering innovation, efficiency and costs savings.

Figure 2 identifies the project lifecycle and some of the opportunities and challenges we've identified in delivering social value through infrastructure delivery.



¹ https://usefulprojects.co.uk/wp-content/uploads/2020/01/Maximising_social_value_from_infrastructure_projects_v1.1.pdf



The process from here

The end paper will contribute to the discussion needed in Australia and New Zealand to better understand how we can maximise the social value that can be created through infrastructure projects

While we recognise that there needs to be ambitious policy settings in place and consistent whole-of-life measurements, there are practical ways that we can improve social value delivery through infrastructure projects. We can start now.

Everyone has a role to play in ensuring meaningful outcomes are delivered. We know what some of the levers are that we can pull to succeed. These include clear policy, champions of change, strong leadership, engaging with stakeholders along the way, learning from past events to push boundaries, and measuring what matters. The question is, what role will you play?

- We will be conducting focus groups and 1:1 interviews over the next few months and encourage you to get involved.
- We are also looking for case studies that show exemplar examples of what has worked well, and any lessons you can share with the industry to improve our practice.
- We will be looking at integrating the findings and recommendations into the ISC Member Coalition program.

Please reach out to Vanessa or Laura to express your interest:

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In the spirit of reconciliation we acknowledge the Traditional Custodians of country throughout Australia and their connections to land, sea and community. We pay our respect to their Elders past, present and emerging, and extend that respect to all Aboriginal and Torres Strait Islander peoples today.

Respect For Te Ao Maori: We respect the tangata whenua of Aotearoa and are committed to upholding the principles of Te Tiriti o Waitangi and to safeguarding te reo and other taonga.