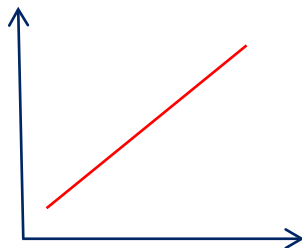


Problem Description

Question	Response
<p>Description of the problem and purpose of the proposed research</p>	<p>This Problem Statement looks at the concept of social value and whether it can be improved by the design and delivery of infrastructure projects.</p> <p>Transport for NSW (TfNSW) is working to improve transport connectivity in established communities. To deliver this, the state is undergoing a period of significant growth and activity. This brings opportunities, but also has a direct and indirect impact on the environment and existing communities. With a greater focus on liveable communities and a sustainable society as outlined in the <i>Future Transport Strategy 2056</i>, quantifying social benefits as part of the return on investment in infrastructure spend is critical in demonstrating a holistic view on value creation. This is particularly important in regional and rural contexts where traditional models of cost-benefit analysis (CBA) don't stand up.</p> <p>While a new <i>NSW Government Guide to CBA</i> (TPP17-03) was released in early 2017, CBA is an evaluation tool of alternatives and doesn't measure outcomes. Current evaluation tools are not enough to quantify what liveability or social value mean to TfNSW as there is no way to demonstrate these benefits.</p> <p>The ultimate aim of this research is to develop a social return on investment (SROI) tool for infrastructure projects. This tool will not only be able to quantify direct social improvements, but also outcomes and long-term impacts.</p> <p>It is anticipated the research would be in three phases:</p> <p>Phase 1 of the research will focus on determining current best practice in this area and include:</p> <ul style="list-style-type: none"> • A literature review into SROI tools already developed with a focus on those developed by infrastructure organisations nationally and internationally; and • The identification of success factors for developing a successful SROI tool. <p>Phase 2 of the project would look at enabling steps required to apply best practice in NSW, including:</p> <ul style="list-style-type: none"> • Defining the boundary of social value for TfNSW and what social value creation means in the context of TfNSW's area of influence; • Identifying ways to integrate and align with other agencies and service providers operating in this area; and • Identify key metrics to demonstrate social value. <p>Phase 3 of the project would focus on implementation and trialling including:</p> <ul style="list-style-type: none"> • Developing an impact prediction tool and; • Trialling and testing the prediction tool, with the intent that TfNSW would be in a position to quantify, in economic terms, social benefit through capital expenditure.

Hypothesis & Variables

Question	Response
<p>For explanatory research, please describe a clear hypothesis with variables for testing</p> <p>For exploratory research, please describe how the proposed research will contribute to future explanatory research</p>	<p>The hypothesis for this project is that the ability to quantify social value allows TfNSW to demonstrate that the infrastructure projects that it undertakes do provide broad societal benefits.</p>  <p>TfNSW's ability to identify projects of high social value</p> <p>TfNSW's capability to quantify social value</p>

Strategic Criteria & Alignment

Question	Response
<p>Alignment with strategic theme</p>	<p>This Problem Statement is aligned with the research theme 'Sustainability'. The research focuses on TfNSW's role in delivering broader objectives such as liveability, wellbeing and social impacts to the people of NSW.</p>
<p>External driver of change analysis</p> <p>Outline how the research will better position TfNSW to respond proactively to macro drivers of change</p>	<p>A SROI tool will allow TfNSW to capture value creation that includes social and environmental value alongside economic. Many of these aspects are currently regarded as 'intangible'. Being able to quantify the importance of our social impact and community initiatives through dollar spend is very important in demonstrating how TfNSW improves services, while also improving social values for communities and broader society.</p> <p>When used effectively and as part of the decision-making process, the SROI will be able to focus efforts where the greatest social value is created, and enable clear communication of benefits to the community. Together, these aspects also improve TfNSW's 'social licence to operate'.</p> <p>Political</p> <p>NSW is undergoing a period of heightened building activity. Many of the projects currently underway and planned will deliver infrastructure to support a growing and thriving population. The benefits of these plans are not always easy to communicate to the broader public. Being able to quantify intangible benefits such as social good and social outcomes in dollar terms will help policy makers clearly articulate the full value of a program or project to the community and the broader population. This is an important part of creating a social licence to operate, particularly for contentious projects that would otherwise face resistance from communities fatigued with construction activity in their local area.</p> <p>Economic</p> <p>Using state revenue brings with it responsibility to ensure money spent creates the most value for the public. Incorporating environmental and social value alongside economic, in a comparative way, allows analysis on a like-for-like basis. Additionally, looking at externalities will enable co-benefits to be quantified. For example, improving connectivity to active modes of transport at stations leads to health improvements, which leads to savings in health costs.</p> <p>Social Sustainability</p> <p>Social sustainability is one of the key pillars of sustainability. There is an increasing focus on social sustainability as evidenced through rating tools such as Infrastructure Sustainability and Green Star. This growing awareness in the sustainability movement comes from the recognition of the interconnectedness of many initiatives and projects that achieve multiple benefits. A SROI tool for TfNSW will demonstrate clear leadership and will show NSW to be at the forefront of sustainability in infrastructure and the built environment.</p>
<p>Forward looking</p>	<p>The research and tool developed will allow forward planning to predict impacts and thus improve planning and design. This can be incorporated into the strategic business case of projects. The impact prediction tool will also be able to be incorporated into the communications and community engagement activities in order to refine key messages in a proactive manner with a focus on outcomes.</p>
<p>Potential research impact</p>	<p>While the topic of social impact quantification is not unique, the application to government investment in transport is relatively unexplored. An effective SROI will look to the whole lifecycle of projects from planning, the construction and then operations. It should be noted that development of this framework and its use will result in improved developments. As this is an area of growth in the built environment, there are opportunities to integrate the TfNSW SROI with tools developed by other proponents where developments overlap in scope. This will ensure the results of improved social impacts and liveability are significant and felt by a greater proportion of NSW residents and TfNSW customers.</p>

Technical Criteria

Question	Response
<p>Innovation</p> <p>Outline how the proposed research will result in new knowledge</p>	<p>There is currently limited uptake of SROI as a methodology in NSW, particularly in the built environment. It is certainly a first for publicly funded infrastructure projects. The research is critical in defining:</p> <ul style="list-style-type: none">• What does social value mean to TfNSW?• How can you capture and quantify this?• How can you use financial metrics to communicate benefit?• What are the material social issues related to transport infrastructure projects?• What is the boundary of impact and benefit?• How can we predict impacts and value from investment decisions?• How can we work with other agencies in a collaborative manner to capture value created?
<p>Basis in completed research and/or observed practice</p>	<p>There is existing research into SROI. The Office of the Third Sector (UK Government) published a Guide to Social Return on Investment. It outlines an approach to developing a SROI for an organisation following a three-year cross sector study.</p> <p>The UK Social Value Network (http://www.socialvalueuk.org/) works to improve social sustainability work through SROI principles.</p> <p>Other sources of information include:</p> <ul style="list-style-type: none">• Miller, M.C. (2015) <i>Develop a social return on investment framework for Iowa rural bridge transportation asset management</i>. Graduate Theses and Dissertations. 14523. https://lib.dr.iastate.edu/etd/14523/?utm_source=lib.dr.iastate.edu%2Fetd%2F14523&utm_medium=PDF&utm_campaign=PDFCoverPages• TfNSW: <i>Future Transport Strategy 2056</i>• Australian Government: <i>State of Australian Cities 2014-2015</i> https://infrastructure.gov.au/infrastructure/pab/soac/index.aspx• Urban living index http://urbanlivingindex.com/• The Economist Intelligence Unit: <i>The global liveability report 2017</i> https://www.eiu.com/public/topical_report.aspx?campaignid=liveability17• London Sustainable Development Commission: <i>London quality of life indicators report 2017</i> http://www.londonsdc.org.uk/documents/qol_reports/QoL_2017_Summary_online.pdf• City of Sydney: <i>City of Sydney community wellbeing indicators</i> http://www.cityofsydney.nsw.gov.au/data/assets/pdf_file/0006/137895/CityOfSydneyCommunityWellbeingIndicators.pdf <p>In Australia, there are also a number of consultancies that offer this service from which information can be gained:</p> <ul style="list-style-type: none">• Social Ventures Australia www.socialventures.com.au• KPMG www.kpmg.com <p>While there is existing information on SROI and evaluating social benefit, these do not specifically address transport infrastructure, therefore this research will provide a unique take on existing practices and developing something bespoke to TfNSW.</p>

Question	Response
Feasible data requirements	Phase 1 of this research project requires a thorough desktop study on all available and relevant information to define social value, material issues and methods of measurement for inclusion in the framework. Internal engagement with key staff to identify current practice, existing programs, existing data sources, internal understanding of issues and agreed outcomes throughout the life of this project will be required.

Level of Collaboration & Resource Requirements

Question	Response
Level of collaboration Please select the level of collaboration required to complete the proposed research	<p>1. 'Quick-Fire' Research <input type="checkbox"/></p> <p>Intense bursts of research activity (e.g. under 8 weeks). Intended to make use of 'hackathon'-type environments, where students/researchers work collaboratively and intensely on particular problems involving data interrogation and visualisation.</p> <hr/> <p>2. Undergraduate Final-Year Research <input type="checkbox"/></p> <p>Suitable for final-year undergraduate students (e.g. capstone, Honours) as part of the research requirements for their undergraduate degree (i.e. 1 to 2 semesters).</p> <hr/> <p>3. Higher Degree Research <input checked="" type="checkbox"/></p> <p>Project may form whole or part of a postgraduate research degree (i.e. Masters, PhD), and contribute to new knowledge (i.e. 1 to 3 years).</p> <hr/> <p>4. Major Collaborations and Funded Research <input type="checkbox"/></p> <p>Project may form the basis for a significant collaboration agreement between TfNSW and the relevant research institution, including major competitive grant funding (e.g. Australian Research Council funding with TfNSW as an industry partner).</p>
Comments	<p>This project could form all or part of a PhD or Master of Research.</p> <p>A high level suggested research approach:</p> <p>A three-month desktop analysis with interviews to understand TfNSW and its operations, define social value, identify key parameters to measure and approach by other organisations and sectors. Upon completion of the desktop study, it is expected that key recommendations will be provided and an additional nine months of work required to further refine, engage with and develop an impact prediction tool and reporting and communication framework.</p>
Supporting TfNSW resources	<p>TfNSW can provide contacts of key personnel to interview and other agencies.</p> <p>TfNSW can also provide up to four hours per week of a Sustainability Manager's time to guide research, facilitate meetings and training (if needed) and guide the development of the prediction tool.</p>