



ourcommunity.com.au

# Building a community: Bringing social infrastructure into the conversation

Presentation by

**Peter Colacino**

Executive director, policy and research, Infrastructure  
Australia

Communities in Control Conference  
Melbourne and online, November 16–17, 2020

Video and audio versions of this speech are available [on the Communities in Control website](#).

## About the presentation

When we hear the word “infrastructure”, most of us automatically think of roads, railways and bridges. But we all know that it takes much more than that to build a community. As a society, we need to shift the conversation to ensure that social infrastructure is brought into the mix. If we fail, what chance do we have at building stronger communities in Australia?

## Peter Colacino

Look, I just want to join that chorus of acknowledgement and recognition and acknowledge the traditional custodians of the land on which we meet. I pay my respect to the elders past, present, and emerging. I also want to mention that Infrastructure Australia has launched our first reconciliation action plan this year, a milestone that I'm very proud of as I was also at the NRMA when that organisation launched their first RAF. So, very pleased and proud to take part in that reconciliation journey. And I also want to extend my warm thanks to Communities in Control for inviting me to present today.

I'm going to start just by giving a little snapshot into what it is that Infrastructure Australia does. There are many "I" bodies around Australia now – one in each state, in fact. And each of us has a very – ever so slightly – different role. So at IA we have two main focuses.

The first is identifying infrastructure investment opportunities. This includes evaluating business cases for major projects seeking more than \$100 million in Commonwealth funding. We also identify major infrastructure gaps, which are represented on our Infrastructure Priority List. And I encourage you to have a look at the IPL, as we call it, and see some of the social infrastructure projects for remote indigenous housing, for instance, universities, health care campuses, all of which feature as national priorities.

Our second major focus, and indeed, the focus of my team, is setting the agenda for long-term infrastructure reform to lift living standards and to enhance national productivity. We do that through the Australian Infrastructure Audit, a document as was just mentioned was released last year, in 2019, and also through the Australian Infrastructure Plan, which we currently have underway today.

In addition to those two flagship documents, we undertake periodic deep dive analysis. And some of those reports I'm going to reflect on today. And it's that journey around policy that we're currently experiencing a fundamental shift around. We're at the midpoint in a major organisational refresh, which sees a larger focus on people and places rather than infrastructure, concrete, and steel, something that we have been known for in the past.

If quoting from this speech, please acknowledge that it was presented to the 2020 Communities in Control Conference convened by Our Community, November 2020 | [www.communitiesincontrol.com.au](http://www.communitiesincontrol.com.au)

2



**Communities in Control**  
The Conference. The Movement.



**ourcommunity.com.au**  
Where not-for-profits go for help

Our current focus is in fact managing the COVID impacts on growth, enhancing the productivity and innovation within the infrastructure sector, and building community sustainability and resilience. And that focus is of course timely. We're in a unique period of uncertainty, a period of uncertainty that, gazing through our crystal balls, to some degree we had an eye for as part of the Australian Infrastructure Audit.

In fact, we flagged a moment of unique uncertainty, and while perhaps our crystal ball wasn't sufficiently well-polished to see a pandemic in our future, there were a series of challenges ranging from changing climate to structural shifts in the economy, rapid technology development, changing community and user preferences to things like on-demand and home delivery, the emergence of microfreight, all of which we thought would play a major role in shifting the Australian infrastructure sector over the 15 years covered in the audit.

The audit in fact is really a needs assessment of the Australian community's infrastructure requirements for 15 years into the future, and a reflection on changes within the sector within the five years since the last audit was produced. And that observation based on this notion of uncertainty was that we're in a period of constant and rapid change – accelerating change, in fact – that is significantly impacting the way we plan, deliver, and operate infrastructure.

We identified through the audit an emerging need to focus beyond economic outcomes to think about governance, social, and environmental dividends, and indeed, the interdependencies between outcomes under each of those banners. We also thought deeply about the complexity around reform and infrastructure operations, noting the need for attention across planning, delivery, and operation.

Infrastructure's in fact facilitating a major structural change in the economy, a change that had historically been characterised by a shift towards knowledge- and service-based industries, a trend that has really been heightened during COVID-19. Indeed, even now, close to eleven months – who would believe it – after the first few cases in Wuhan, the future remains uncertain. And it's clear that those structural changes which were emerging in the past have in part been accelerated. However, it's also clear that the recovery from COVID will not be linear and simple with all changes accelerated, but in fact there are a diversity of trends occurring.



During the federal budget, Infrastructure Australia was tasked with undertaking a rapid analysis of the impacts of COVID on the sector. In fact, we're scheduled to report next month. And it's very clear from that analysis that we do see this trend towards acceleration, as I've mentioned – for instance, taking up working from home, as I am now. White-collar workers such as I am, in fact, around one-third of us white-collar workers intend to continue to work from home multiple days per week on the other side of the pandemic. Around a third of the workforce in fact has indicated a desire to work from home more post-COVID. So we can expect two to three days a week for white-collar workers and a growth around other workers in the economy.

We've seen significant uptake of digital collaboration. For instance, NBN busy hour traffic is up 59%. We've seen total NBN traffic increase 26%, and mobile calls on Telstra up 50% and video conference such as this an 85% increase between January and April this year. A major acceleration of those trends out of the office into the home for work, things that we saw occurring in the background, accelerated by COVID.

Similarly, we've seen \$2.4 billion additional spent in e-commerce, which equates to an additional 26 million home deliveries. But despite that acceleration, we've seen a reversing of some long-proven trends. Public transport use in fact was growing in most Australian cities. That's been reversed, with people rushing back to the car.

Even in Perth and Brisbane, public transport remains 30% below the previous year. Only Adelaide has seen a recovery of public transport back to pre-COVID levels, and we're seeing today a new cluster in Adelaide, which of course could threaten the recovery in that state.

Other changes and trends are completely new. We've seen a major shift away from sporting fixtures and a growth in local community sport and recreation. We've seen the emergence of new digital cultural offerings – art galleries and museums. And of course, resilience has built as a major focus over the last 12 months following the Black Summer of bushfires, following floods, cyber risk, and of course now pandemic.

So while the challenges of COVID-19 weren't identified in the audit, the background trend of challenges and opportunities remains the same. The audit, as I've mentioned, is a flagship publication for Infrastructure Australia. It identifies challenges and opportunities that sit in the 15-year

If quoting from this speech, please acknowledge that it was presented to the 2020 Communities in Control Conference convened by Our Community, November 2020 | [www.communitiesincontrol.com.au](http://www.communitiesincontrol.com.au)

4



**Communities in Control**  
The Conference. The Movement.



**ourcommunity.com.au**  
Where not-for-profits go for help

future time horizon and challenges that have emerged over the five years since our last audit.

There are three major criteria that we looked at through the audit in order to try to assess those changes. They are really focused on customer service, or user experience of infrastructure, and cover the three lenses of access, quality and cost.

Within access, we saw access to infrastructure within Australia – or at least within our fast-growing cities – as relatively high by global standards. It is weaker, however, both on the urban fringe and also in our regional areas. Indeed, lower socioeconomic groups and people from diverse cultural backgrounds may also face challenges in accessing infrastructure within our fast-growing cities.

And I love to mention digital timetables in the sense that digital timetables have of course made public transport much more accessible to many. However, if you don't have access to a phone or if it's not published in a language that's native for you or perhaps common to you, then the move to digital timetables has in fact created barriers for infrastructure access.

Quality of infrastructure, like access, is also high, particularly for urban Australians, albeit beyond our fast-growing cities and into some of our second cities. In fact, Australia's 100 largest settlements, from Kingaroy in Queensland all the way to Sydney, range between 10,000 people and obviously the multimillion population of Sydney, Melbourne, Brisbane, and Perth.

And across most of that expanse of settlements, the quality of infrastructure where it is provided is high by world standards. However, we have noticed some pockets of challenges, both low-density areas, the urban fringes I've mentioned; emerging industries, like electric vehicles, where of course access to chargers is a challenge; as well as low socioeconomic groups.

But perhaps one of the most interesting areas, particularly for this group, is around affordability. I mention affordability because while it was a major focus of the narrative in the infrastructure space around the time the audit was released – in that sense, particularly energy prices were called out as a challenge – in fact, the total cost of the infrastructure to households, while increasing in real terms, has been decreasing as a proportion of incomes.



And in particular you'll notice, from these green and blue diagrams on the left of this slide, energy to some degree is the most affordable infrastructure class amongst income quintiles. Transport: one of the greatest challenges for the household budget, representing \$205 of a \$314-per-week infrastructure spend. Water: while relatively low at \$23, well beyond the threshold for affordability. And even telecommunications: breaching beyond an affordability threshold beyond the rate of energy.

So I raise this context both for interest around points of pressure – and I mention, as I have, that energy had been called out in the public narrative that perhaps is less critical than telecommunications and transport, which of course provides access to social infrastructure services. Because it's interesting to reflect on that pressure on the lowest quintile. So the lowest quintile of income earners in Australia in fact are facing affordability challenges when it comes to economic infrastructure.

Very disappointing for us, though, a paucity of information means the same type of affordability analysis was not possible for social infrastructure. However, we do know that social infrastructure is both a significant contributor to the costs of government, both in terms of direct capital costs and also the services that use those assets. It's also, however, a significant cost pressure for infrastructure users thinking across growing health care costs, particularly for the aging population, and costs of care and education for some sections of the community, and also some of the discretionary spending that perhaps has been limited by COVID.

To give you a sense, economic infrastructure represents around 10% of GDP, slightly higher, while social infrastructure spend lifts the proportion of GDP attributed to infrastructure to 20%. So social infrastructure is quite rightly a critical consideration for Infrastructure Australia. And that importance was acknowledged by the Deputy Prime Minister in our recent statement of expectations asking for a continued focus on the sector, and also in 2017, when the Minister for Urban Infrastructure particularly flagged it as a focus.

Following the inclusion of social infrastructure, IA has undertaken a series of pieces of work – our *Future Cities* report looking at growth and access to infrastructure under different growth scenarios, as well as planning liveable cities that looks at the staging and delivery of infrastructure services.

If quoting from this speech, please acknowledge that it was presented to the 2020 Communities in Control Conference convened by Our Community, November 2020 | [www.communitiesincontrol.com.au](http://www.communitiesincontrol.com.au)

6



**Communities in Control**  
The Conference. The Movement.



**ourcommunity.com.au**  
Where not-for-profits go for help

I mention this because the conclusion of both reports is clearly that quality social infrastructure is central to an attractive community and central to a high quality of life. It's also a major drawcard for people relocating to communities, both in terms of services and employment, and as an economic enabler and magnet for growth.

Social infrastructure will also be critical to the COVID recovery, supporting regionalisation of population, safely bringing people together, addressing social challenges associated with isolation, strengthening the identity of places, both for visitors and for new residents and businesses.

Our 2018 report *Planning Liveable Cities* considered those issues within the context of place. And trying to broaden the priorities of the infrastructure sector away from, as I've mentioned, some of those harder economic metrics to consider social outcomes and outcomes linked to sustainability and resilience.

A major focus of the paper was the interface between population, social infrastructure provision, and quality of life. And as with the earlier report, *Future Cities*, we really examined the trade-off between density of development and infrastructure requirements. And quite converse to some of the expectations, the economics or the fundamentals of cost around infrastructure, provision of cost improved as urban areas become denser.

We know that higher-quality social infrastructure contributes to better outcomes. For instance, recent research by Adrian Bridge at QUT, supported by Infrastructure Australia, points to quality school infrastructure and the impact on student outcomes. We also know that there are clear knowledge gaps, and one I want to call out as a particular challenge is around valuing social housing within the context of long-term economic outcomes for individuals. There has been some very good work at the macro level, both in Australia and abroad. However, the direct link between interventions and outcomes for individuals is a developing area. So I'm pleased that CHIA and their compatriots in the housing consortium are looking at this issue now.

Our *Planning Liveable Cities* identified that too many communities have also witnessed delivery of poor-quality housing development which is not well integrated into local areas, and also that accompanying infrastructure development has been out of pace, and services are provided too late to support housing. As a result, we've seen community apprehension to



growth increase, and indeed, we've seen a series of developments over recent years in New South Wales and other jurisdictions cancelled. I point particularly to the Medium-Density Housing Code in New South Wales as a great opportunity for reform that in fact was waylaid due to community opinion.

Governments will need to ensure that new housing development is supported by appropriate infrastructure and services for trust and faith to grow, and to ensure that places are liveable, both with access to utilities and transport but also, critically, schools, hospitals, parks, and other social infrastructure. These sorts of outcomes will require better collaboration between all levels of government, each of which have skin in the game when it comes to building liveable communities.

We also want to see communities have a say in the types of places they want to live in, and their future infrastructure needs. A place-based approach to meet infrastructure needs will enable governments to deliver more housing in higher densities that better fulfils the needs of the community and supports local character and identity.

Those focus areas were a key consideration within the Australian Infrastructure Audit, and within the analysis linked to social infrastructure within that document. In fact, one of the key overarching conclusions we made was that social infrastructure was highly interdependent, both with economic infrastructure sectors and the individual constituent sectors that make it up. For instance, when compared to unstable, overcrowded housing, access to a stable and secure home can reduce requirements for health care interventions, improve educational attainment, reduce exposure to antisocial and unlawful behaviour, and encourage use of green and recreational space.

However, as I've mentioned, the empirical evidence to support the inclusion of those factors in business cases is weak. It's also widely understood that there's a role for green and recreational infrastructure in supporting healthy lifestyles, active transport, and preventative health care, whereby avoiding pressure on our health system. However, despite these linkages, there's limited connections between policies, funding, and governance between the sectors. Subsequently, there's limited incentive for collaboration, and positive outcomes are not measured or shared.

Indeed, as well as these cross-cutting issues, each subsector within social infrastructure faces its own challenges, some of which have been

If quoting from this speech, please acknowledge that it was presented to the 2020 Communities in Control Conference convened by Our Community, November 2020 | [www.communitiesincontrol.com.au](http://www.communitiesincontrol.com.au)

8



**Communities in Control**  
The Conference. The Movement.



**ourcommunity.com.au**  
Where not-for-profits go for help



heightened by COVID. And I'll just touch on them very briefly. Health and aged care of course had unique challenges around telehealth and digital delivery, challenges that were really rammed home during COVID-19. In fact, we've seen telehealth grow from 0.04% of MBS services to 35% during COVID-19. Of course that was very closely linked to changes in funding arrangements. Very interestingly, that uptake has also been in urban areas, casting aside the predominance of telehealth in rural and regional communities in the past.

The education sector similarly faced like challenges, impacted by a move to digital delivery but also of course a lack of international students, which have really both underscored education offerings but also the health and vibrancy of many communities surrounding major universities. And I'd point particularly to regional areas that have been hit by that lack of international students.

Green and blue spaces have seen their value widely acknowledged during COVID. However, traditionally, despite the high value on these assets, competition for maintenance funding and, indeed, operational funding was often challenging. And a focus on green spaces, waterways, and community facilities: often a challenge for governments.

Arts and cultural assets, like green and blue spaces I've mentioned, are often linked to community identity, and similarly faced funding challenges. Challenges in both those areas will need to be addressed to support regionalisation and community growth as part of the recovery from COVID, as well as to encourage people out of their homes to address social isolation barriers.

Thinking of social housing, perhaps no other social infrastructure sector was so glaringly under the spotlight during the COVID challenge. With people required to spend more time in housing, the fit for purpose nature – or not – of these assets became a major challenge. I just want to point out that the audit both looked at a lack of properties within the social housing space – so the need for more fit for purpose properties to meet the demographics of the customer group – but also the prospective need for additional properties. And I particularly want to point to the fact that there seems to be a surplus in bedrooms in many jurisdictions, but in fact a lack of houses. The need in the sector is also not homogenous, with a housing continuum requiring different interventions.



And finally, I'll just touch on justice and emergency services to say the needs of this sector, as observed by the audit, are generally linked to policy settings, with policies like "tough on crime" of course driving an increased need for assets. I would, however, say that during COVID, the needs of the sector in adjusting to another secondary challenge we identified, which is changing technology and nature of emergencies and disasters, has been far more pronounced. In fact, it's the rolling challenges of bushfire, flood, cyber threat, pandemic which have stretched our emergency services and placed new pressure on that sector.

In the context of all of this uncertainty, of course our decisions need to be better informed, and that is the role of the Australian Infrastructure Plan. The plan will guide the next wave of infrastructure reform in our nation, and should effectively provide a roadmap for response to COVID-19. Indeed, that is a task that Infrastructure Australia received additional funding for as part of the recent Commonwealth budget.

As well as responding to the challenges and opportunities of the 2019 audit, we will, as I've mentioned, respond to the challenges of COVID. We will cover the four traditional economic infrastructure sectors of energy, transport, water, and telecommunications as well as waste and social infrastructure. We'll also focus on three cross-cutting themes of place or place-making, sustainability and resilience, and industry productivity and innovation, which I mentioned earlier are a major focus for Infrastructure Australia.

Within the social infrastructure sector, we'll argue the economic case for investment. We'll focus on the contribution of social infrastructure to a vibrant economy – for instance, the role of health and education in supporting future-ready workforces. We'll speak to arts, cultural, green, blue assets as magnets for visitation and regionalisation. We'll cover the role of social housing in unlocking economic and social participation. And indeed, we'll focus on a similar role for social housing in enhancing quality of life and reducing cost across government budgets. Digital health care and preventative health care offer similar opportunities, both issues that we will address through the plan.

And finally, in keeping with this context, as offered by *Future Cities* and *Planning Liveable Cities* around the role of social infrastructure and defining place, we'll focus on health, education and innovation precincts in catalysing growth and coordinating social infrastructure delivery,



including through multiuse facilities that provide high-quality services to the community.

This idea of right-sized, adaptable, flexible, multiuse social infrastructure is a key area of focus for the plan and has been a focus for Infrastructure Australia through those policy documents I mentioned earlier.

Now, I don't normally deliver presentations to a couple of hundred people talking about our policy analysis processes, but I thought this particular issue would be of interest to this group, which is: in keeping with the broadening of Infrastructure Australia's sector focus areas, we've also started to embed social impact methodologies within our analysis. In particular, we're working with the Centre for Social Impact and Social Ventures Australia to embed theory of change as our framework for our reform hypotheses and proposals. And here you can see the relationship between the Australian Infrastructure Audit, a very significant period of engagement and partnership that we set off on between the audit and plan, and the plan itself in devising reforms and recommendations using this theory of change construct.

We have also introduced multicriteria analysis as a policy tool, adding weight to our assessment of reforms, and allowing the comparison of reforms across sectors. A key challenge for an organisation with the diversity of focus of IA is assessing the weight of a reform in the transport sector versus reform in a sector like social infrastructure, and we hope our use of a multicriteria analysis using criteria defined by the community and weighted by them through a significant process of community engagement will help to give both focus and relativity to the recommendations in each sector.

I should mention as part of our partnership approach we have partnered with a well-known industry organisation to deliver the social infrastructure chapter, and hopefully an announcement on that will be forthcoming over coming weeks.

Another area of work for IA, going back to our second task, is this issue or this process of our assessment framework, our process for assessing projects in business cases. As I've mentioned, we are focused increasingly on social benefits and social outcomes and in ensuring that those benefits are embedded in our business case analysis. We're doing that through a significant refresh of our assessment framework, which is underway. Its



goal is to capture wider project benefits, including social outcomes, and to measure impact on quality of life.

We're also including sustainability and resilience outcomes, and indeed, providing more guidance for assessing regional and remote area proposals, where the density of population might not support investment through traditional mechanisms. This approach responds to feedback both from the federal government and from state and territory jurisdictions as well as from the community and infrastructure proponents and partners or a company's work that's been underway during COVID to streamline our assessment process to make our technical guides easier to use and navigate. And in fact, we will be releasing some guidance around theory of change and multicriteria analysis over coming weeks and months.

I've covered a lot of ground in this presentation; hopefully, ground that is of value to this group. But of course we have a lot more to share. So we encourage you to engage with us. We've been very focused during the pandemic on building a new digital engagement capability, something that we're very proud of and pleased to offer again to industry as best practice guidance for the benefit of organisations across infrastructure and the community sector.

We've built a very significant map of stakeholders, 32,000 data points of stakeholders across the infrastructure sector, which we will also be releasing publicly over coming months. But our focus on engagement is linked to this notion that reform and implementation is of course an evolving science. We at IA are working to make sure the Australian sector is world-leading, and we need your help and input and guidance. So our message to the sector and to the community at large is to engage with us. You're not outside our process, you're very much a part of it, and we would like you to be on the journey with us.

Certainly, IA doesn't have all the answers, but collectively, let's hope we do. And here's a couple of ways you can engage. And I've just seen a Tweet, in fact, from Communities in Control while I've been speaking, but please sign up on our website for our newsletter, follow us on LinkedIn and on Twitter. Follow me on LinkedIn and Twitter, and get the unfiltered views. And also, please feel free to email us to take part in a number of engagement processes we have underway. Thank you again for having me. I think I'm going to hand back now for questions.



ENDS

MORE INFORMATION:

For reports, audio, transcripts and video from the 2020 Communities in Control conference and from previous years, visit [www.communitiesincontrol.com.au/](http://www.communitiesincontrol.com.au/).

If quoting from this speech, please acknowledge that it was presented to the 2020 Communities in Control Conference convened by Our Community, November 2020 | [www.communitiesincontrol.com.au](http://www.communitiesincontrol.com.au)

13



**Communities in Control**  
The Conference. The Movement.



**ourcommunity.com.au**  
Where not-for-profits go for help