

# Valuing What Matters: Quantifying the Social Value of Water

Infrastructure projects deliver valuable outcomes for cities and communities. Social value for a community of infrastructure users (as well as non-users) requires long-term community engagement and participation. Failure to capture and measure what the community values as a social benefit, may result in value creation and value stacking opportunities being missed or lost. The water sector has always delivered social outcomes; the time has come to demonstrate value to our regulators, policy makers and communities.





## WHAT IS SOCIAL VALUE?

Social value is both a concept and an approach to valuing what matters to people and communities. At WSP, we consider social value to be the cumulative value of benefits created by an organisation through its projects and activities, in terms of the relative importance that people place on the change they experience. This includes social wellbeing, social capital and environment impacts.

## WHY IS SOCIAL VALUE IMPORTANT FOR THE WATER SECTOR?

Busy project engineers and project managers have told us: "Social value is great for CEOs and ESG reports, but how do we apply it to our projects? All I'm doing is designing a pipe under the road."

Social value is important to the water sector, now more than ever.

First, it's better for our communities and customers. Water management in our urban and regional built environments enables Australians to live better lives and delivers substantial direct and indirect benefits to the nation's economy. Prioritising and valuing social outcomes through the design and delivery of water infrastructure is crucial for achieving a sustainable and socially responsible future.

Secondly, we're seeing governments actively embed social value into their decision-making processes and funding requirements. The last 10 years has seen a growing number of governments around the world commit to social value targets and introduce frameworks to measure social value, including in France, Italy, Scotland, the United Kingdom, New Zealand and Ecuador.

The Australian Government recently released **Measuring What Matters**, a national wellbeing framework to track social as well as economic outcomes. This is a clear signal that social value will likely be mandated by state and federal governments in the coming years.

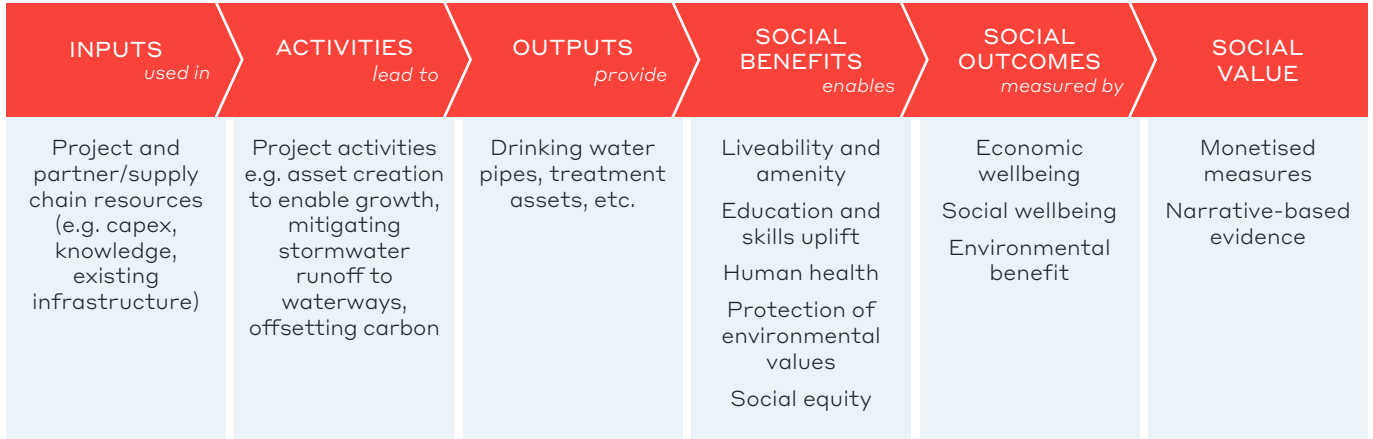
The water sector has been delivering social outcomes for decades. We now have an opportunity to lead industry in acknowledging how to measure and report on monetised and non-monetised social value delivered by water projects.

"When it is planned, embedded, measured and reported on effectively, accounting for social benefits can help projects build social licence with the communities in which they operate," says Shalini Gonsalves, Principal – Strategic Advisory at WSP. Social value can often be viewed as a soft or discretionary concept rather than a measurable and concrete way to evidence the existing and future social outcomes delivered by water project investments, enjoyed by direct and indirect beneficiaries. Assigning value to specific beneficiaries can sometimes help unlock co-funding opportunities, further supporting business cases that contribute to societal value.

While it is important to capture social value through the stories of those who benefit, many social value outcomes can now be quantified and monetised – and WSP is leading the way in Australia and overseas with a methodology that understands the unique context of the water sector and Australian communities - adapting and localising without resorting to 'off the shelf' metrics that are not fit-for-project. We incorporate Social Return on Investment (SROI) and CBA frameworks to identify quantifiable social outcomes. Social Return on Investment (SROI) helps evidence the discrete benefits of water delivered by water infrastructure investments, and contribute to greater confidence in decision making among businesses, funders and government.

## WSP'S SOCIAL VALUE MODEL

### What gets measured, gets done



Social value model for a stormwater harvesting project in Sydney, 2023

While generic metrics are available for measuring social value, our team at WSP is skilled at localising these metrics and when possible, quantifying or monetising them. We recently completed exploratory work to identify the social, economic and environmental benefits attributable to a pilot stormwater hydration and harvesting project in Sydney. Through stakeholder engagement and with the guidance of WSP's Indigenous Specialist Services team, we identified potential direct and indirect beneficiaries of social value generated by the project and were able to recommend options for co-funding through non-regulated revenue.

For example, by identifying measures to correlate the number of local community fatalities avoided when the effects of urban heat are reduced through local stormwater wetlands, as well as cost savings for a state health department, it is feasible to secure funding via relevant health grants.



## Organisations don't determine social value. Communities do.

Social value should ideally be considered early in the project planning phase, and always before delivery has commenced. This provides opportunities for project leaders and designers to consider place-based social outcomes designed to meet the specific community's needs and aligned with the aspirations of the organisation. However, it is also possible to consider social benefit in design and pre-delivery approval phases of projects. What's important is the ongoing discussion with community beneficiaries, and monitoring, tracking and reporting on agreed social value targets.

Social value starts with a vision – and this must be determined through partnerships with communities that go beyond consultation or engagement, so we are guided by the beneficiaries on what's important to be measured. WSP's approach to quantifying social value for projects is community led, and we have a strong track record in community participation to identify the benefits that are valued by communities, including First Nations peoples.

For the stormwater harvesting project described earlier, WSP recommended starting with building a shared understanding of the local First Nations communities' connection to water and land in the area, and to be guided by these conversations when identifying social value targets and metrics. We also illustrated how collaborating on traditional water management practices could offer opportunities for shared value, whereby Indigenous design principles guide stormwater harvesting and hydration approaches, and community members gain meaningful connections to Country by contributing to the project design and delivery.



## SOCIAL VALUE IN THE PROJECT LIFECYCLE

### Project initiation

- Identify place-based benefit
- Start with Country
- Determine social value outcomes



### Business case development

- Develop targets & measures (SROI and CBA) & non-economic value
- Social procurement strategy (e.g., local participation plan)
- Social benefit management plan



### Design

- Validate against social value vision and outcomes



### Procurement

- Apply social procurement principles



### Delivery

- Social benefit monitoring and measurement



### Post-Commissioning

- Social benefit monitoring and measurement
- Ongoing monitoring and reporting
- Legacy communication

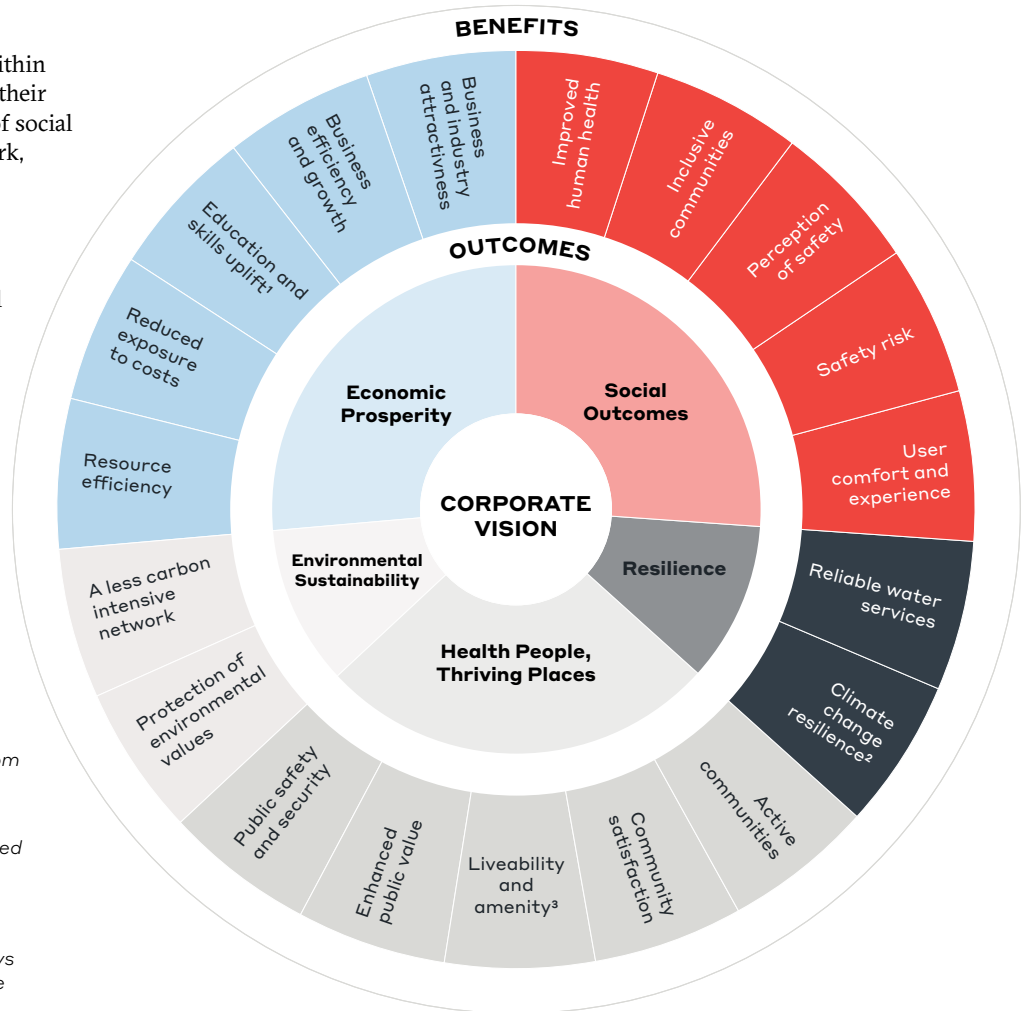
*In partnership with communities, from start to finish, and continuing*

## SOCIAL BENEFIT

It is important that all projects within an organisation are consistent in their identification and measurement of social value. A robust benefits framework, like the one pictured, starts with organisational vision for the environmental and social change it seeks to deliver through its projects. From vision flows social outcomes, followed by a menu of linked benefits. Examples of social metrics linked to some of these benefits is shown below. By following the same benefits framework, projects within an organisation can determine how they contribute to building social licence.

*Sample benefits framework, demonstrating benefits aligned with corporate vision.*

1. Increased education and skills from reintegrating Indigenous design principles in stormwater design
2. Decrease in energy use and related emissions from mitigating the effects of urban heat islands
3. Physical and mental community benefits attributable to cycleways and access to shaded open space



## FINAL THOUGHTS

At its heart, social value is about enabling long term benefits and legacy from projects. Social value can be considered across all stages of a project, but starting at the planning phase and embedding, tracking, monitoring and reporting on quantitative and qualitative measures for social value throughout a project's entire lifecycle – and beyond! - will result in the best outcomes for communities and business cases. While there are some great examples of social value in urban water projects, opportunities remain for embedding social value across projects, and the sector as a whole. If you'd like to understand how the social value your project contributes can be measured, please contact:

Shalini Gonsalves  
+61 438 181 011  
[Shalini.Gonsalves@wsp.com](mailto:Shalini.Gonsalves@wsp.com)

Melanie Feeney  
+61 2 9934 7528  
[Melanie.Feeney@wsp.com](mailto:Melanie.Feeney@wsp.com)

Reena Lall  
+61 8 8110 9563  
[Reena.Lall@wsp.com](mailto:Reena.Lall@wsp.com)

### Contact

Shalini Gonsalves  
Principal, Social Strategy  
and Outcomes  
[Shalini.Gonsalves@wsp.com](mailto:Shalini.Gonsalves@wsp.com)  
+61 438 181 011

### WSP Australia Pty Ltd

**Our Offices**  
(click for link)

### About us

WSP is one of the world's leading engineering professional services consulting firms, bringing together approximately 6,000 talented people across 14 offices in Australia. We are technical experts who design and provide strategic advice on sustainable solutions and engineer **Future Ready™** projects that will help societies grow for lifetimes to come.

[wsp.com/au](http://wsp.com/au)