



Hear+Beyond

Accelerating Australian Business

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SEASON 1

Romilly Madew on how to spend half a trillion dollars wisely

HOST: Rae Johnston, Multi Award-Winning Australian Journalist

GUEST: Romilly Madew, CEO of Infrastructure Australia

Rae:

Hi, I'm Rae Johnston. And in this brand-new podcast series from Accenture, I've been lucky enough to talk to Australian CEOs who share their take on our nation's recovery. From Andy Penn, CEO of Telstra, to Anna Bligh, CEO of Australian Banking Association, I've had access to the sharpest minds at the heart of leadership during a time like no other. If you're into innovation, business, human behaviour, sustainability, and enjoy speculating about the future, you're going to love this.

Voiceover:

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Rae:

In this episode, I'm joined by Romilly Madew AO. Appointed CEO of Infrastructure Australia in early 2019, Romilly is responsible for overseeing Infrastructure Australia's critical role in helping governments prioritise projects and reforms that best serve our communities.

Before joining Infrastructure Australia, Romilly was CEO of the Green Building Council of Australia for 13 years. In acknowledgement of her contribution to Australia's sustainable building movement, she was awarded an Order of Australia in 2019.

Now, infrastructure is the backbone of our society. And in the face of technology advancement, I'm curious to understand what's next for the nation's infrastructure, and the importance of collaboration with other industries and Government to help rebuild an even stronger Australia. Thanks so much for joining me today Romilly.

Romilly:

Thank you, Rae. I'm really looking forward to the conversation.

Rae:

Absolutely. So, I'd love to hear from you about what excites you most about the infrastructure industry.

Romilly:

Well, now that I've been in the role for nearly two years, and with dealing with COVID last year, there's been some really exciting changes happening, and maturity I think in the industry and the sector.

One of the first ones is, and it started before COVID, but it really developed during COVID, and that is a willingness to collaborate. So, that's a willingness to collaborate across all levels of government across Australia, and then a willingness to collaborate across industry and the community as well. And I'll just touch on a couple of examples for you.

We're known as an iBody. And so, there are now iBodies in every state in Australia, such as Infrastructure New South Wales, Infrastructure WA, Infrastructure South Australia, so on and so forth. We all meet regularly and we're called the iBodies Network. Another one that was created during COVID was called the Cross-Jurisdictional Meetings. And that included officials from treasury, infrastructure and transport in every jurisdiction in Australia and New Zealand.

And why it was so crucial, was it was around supply chain, how we're dealing with COVID, what were some policies coming in, what technologies were being used on-site. What Australia did with it was really unique during COVID, is we did not shut our sites down. Many of the other countries shut their construction sites down and we didn't. So, it was really important that we all shared with each other, what was happening on these sites, how they were separating the workforce, how they made them COVID safe. And so, I think that's a really great example of the collaboration that's happening.

So, when you consider the infrastructure pipeline we released two weeks ago, just some highlights.

There were a number of new initiatives that came through, the first one around developing gateways to support our international competitiveness. And that looked at a number of intermodal terminals, as well as a number of ports. There were five different port proposals that came through, a really strong element.

And this came through COVID as well, driving economic development in our regional communities. And some things that really identified during COVID was around the digital divide. So, we picked up the importance of regional telecommunications, transmission capacity, as well as enabling digital health services for regional and remote Australia.

Another one is investing in new sources of energy. We're very much acknowledging the transition in new energy. And then the final one was looking at improving water security. And so, it shows you this really interesting mix of proposals that are coming through.

And the thing that really excites me is the real increasing focus on sustainability, resilience, and diversity, I come from a sustainability background, coming from Green Building Council. Resilience really coming from the drought, the pandemic, floods, bush fires, and many of the things that actually had started in 2019 and came into 2020. And the sector is taking a big lens and forward-looking view on how we should be working together to ensure that we're really prepared for the future. So, I think that's a really interesting area that we're working on. And in diversity, I would say that the property and real estate sector has a maturity around diversity that infrastructure doesn't have. But that is coming. And there is a willingness by the sector to take on diversity. Last week we hosted our first inaugural Women in Transport Forum that the Deputy Prime Minister and the secretary of our department were involved in.

Rae:

Certainly, a lot to be excited about there, isn't there?

Romilly:

I think so. I really do feel like I have one of the best jobs in Australia. The spending and the focus on infrastructure has really increased over the last two years in the time that I've been in this role. And you have to just look at the focus on infrastructure following COVID, every state and territory's spend on infrastructure is the biggest it's ever been, including the federal governments. So, it's a really exciting sector to be involved in at the moment. And I think that will continue in the years ahead.

Rae:

So, what are some of the biggest challenges that you're facing at the moment?

Romilly:

Well, on the back of what I just said, we really are dealing with the largest pipeline and infrastructure spend that Australia has ever had to deal with. It's nearly half a trillion dollars. And so, that has impacts. The first one is the capacity and capability of the sector. And not only just the sector, but the public service to be able to deliver these mega projects. And a mega project is any project over a billion dollars. But there are both mega and smaller projects in Australia. And there are capacity constraints.

Also, with the net overseas migration really reducing because of COVID. We need more skilled workforce in some areas. So, we are going to be doing work on that. We have been tasked by the first secretaries' group to do work, and it's called market capacity and deliverability. And it's to create an analytical digital tool, to really look at the supply and the demand side of these big projects and where the pinch points are. It's great that we have this huge pipeline, but we also need to be able to deliver it.

The other one is increasing community expectations. If you think about where we were 10 years ago, you didn't have the technology and the social media. And now if the community are not happy, and you've just got to look at what happened at Rio with First Nations people for instance. You will hear them, and you will hear them loudly, and you'll hear them quickly. And so, ensuring that there is a positive and engaging, and ongoing community engagement on any of these infrastructure projects, and that it's authentic. And that's an area that really has to continue to evolve, especially with First Nations people.

Rae:

Absolutely. Now, infrastructure it has traditionally been viewed as very physical things that you can see, the rail, and the road, and the ports. And you did touch on this briefly, but I'd love to hear more about how the focus of Infrastructure Australia really did pivot to become more digital focused as well.

Romilly:

In 2019, we released the Australian Infrastructure audit, and that identified a number of trends that were occurring globally. And obviously technology was a key trend. Digital data technology was an area that really came to the fore in the research that we did. And then with COVID, the use of technology was transformative.

And so, we've really had to ensure that we take on this lens of the importance of technology. I'll just give you a couple of examples. When we travel now, we use our phones. When we're looking for the next bus or rail to catch, we use our phones. And it's giving us live data on that. And we're also using our phones as our bus ticket. So, Opal.

And so, there's this amazing amount of data that is being captured around travel. But that means we also can capture behavioural changes, and behaviours to transport and how people are using transport. And so, it allows us to really think about how are we using our transport systems and our infrastructure systems? And when we look at energy, water waste, again, all of them have a technology lens. And the use of technology allows us to be smarter in our thinking and how we can respond better in using existing infrastructure, but using it smarter and better.

Rae:

Yeah, absolutely. And you did mention also how COVID has meant you've needed to just really pivot the way that you do business. I would like to hear more about how it really impacted on your priorities.

Romilly:

We, at the end of last year, were asked by the Federal Government to really look at the impacts of COVID on infrastructure. And we released a report called A National Study on the Impacts of the Pandemic on Australia. And it identified a number of trends, no one will be surprised. The trends that emerged was digitisation, decentralisation, localism, service innovation, and adaptability.

So, when you look at digitisation, there was 100% growth in the monthly online retail growth. And then increased five to six times on the annual growth from 2019.

Rae:

Wow.

Romilly:

When you looked at decentralisation, new PV solar panels under small scale renewable energy schemes in the first half of 2020 really spiked, but then we can also look at decentralisation in the net migration from capital cities to regional areas.

Localism, we all know this, we all went local. Growth in suburban last mile trips with loading zones use falling in CBD, but increasing in our local area. And what was interesting, you know how you use the coffee purchase as a trend for where people are?

Rae:

I've heard that.

Romilly:

It's a great one to use. But the shift from coffee purchases in the CBDs to the local areas was huge. And they were saying that it literally increased by 100, 150, 200%. And that was showing this use, buy local. And when we're looking at service innovation, the public transport improvements were amazing, such as increased cleaning, social distancing initiatives, and real time occupancy data.

Another amazing trend that we all knew, was there were 17.2 million telehealth consults between March and June, which comprise 35% of all Medicare benefits scheduled services.

Rae:

Wow.

Romilly:

If you look at telehealth pre COVID, the jump is just ginormous. And then adaptability, we all knew our broadband. We all of a sudden knew how efficient our broadband was at home. And there was a 40% extra broadband capacity. And the NBN released latent capacity to service providers to address network congestion. Because all of us are online learning, our schools and our universities, and over 35% of us were working from home. And so, we really did know how efficient our broadband was.

Rae:

So, going back to the point that you had about the exodus from the CBDs to the more regional centres, what kind of support are those regions in need of now with their increasing populations? And is this a trend that you see continuing, or is everyone just going to go back to the CBDs?

Romilly:

Yeah, that's a great question Rae. It's really understanding what trend will hold, what trend will pause, or what trend will change. So, when we think about for instance, public transport use, we see that as just a change currently because of COVID. So, it's down to about 60 to 70% on business as usual.

With this migration to the regions, when you compare that to CBD growth, it looks really big. It looks really big because net overseas migration has fallen significantly. But it'll be in the next three to five years, whether that trend will hold. And there's a reason for that. And you've alluded to that in your question.

In moving to the regions, it's really important that we ensure the regions have enabling infrastructure. That they have the services, they have the education, healthcare, that they have the technology. And what came out in our COVID report, is there's definitely a digital divide between our CBDs and urban conurbations, and our rural remote and regional Australia. And they found that the school students in regions in Australia were at a disadvantage.

So, it's important that we look at the role that regions can play. And they play another really crucial role that we had called out in the 2019 audit, which is, they can take pressure off our CBDs. If they have the right infrastructure, the right connectivity to our regional areas, whether that be faster rail, aviation, good roads.

So, when we look at Newcastle, Wollongong, Orange, Wagga, Goulburn, I'm just talking New South Wales. So, there is a role to for our regions, to take the heavy lifting from our CBDs. And those conversations are being had. And when you look at overseas compared to Australia, because of their efficient transport, people are happy to live outside of a CBD.

So, think about London. People are happy to live an hour out of London because there's fast rail to come into London. And so, these are the areas that are being considered and are being looked at. And I know the National Farmers' Federation are really keen to shine a spotlight on the role that regions can play.

Rae:

What are the challenges in pivoting out infrastructure from fossil fuels? And how can we accelerate this? Do we need to be accelerating this?

Romilly:

Infrastructure Australia really identifies that energy needs to be affordable, but it also needs to be secure, reliable, and sustainable. And to achieve this, we need a diverse energy mix, which also draws from a variety of sources.

And it's clear that Australia, like the rest of the world, are going through an energy transition. One which planning for both source of the energy and the network needs to occur. And it's why we included a range of initiatives from a variety of different energy sources on our recent infrastructure priority list, including a diverse supply mix, being cognizant of our energy transition, and it's what's required to develop an affordable, reliable and sustainable network.

Rae:

So, how do you see green hydrogen fitting into our future?

Romilly:

We included an initiative on green hydrogen in our infrastructure priority list, and it is one of the sources that we believe should be considered for this conversation we're having about transitioning.

Green steel which is made using hydrogen rather than coal. And it's the byproduct which is water rather than carbon dioxide. So, in our recent infrastructure priority list, I've got to stop saying the acronym IPL. I get terribly in trouble when I keep saying IPL. And everyone's like, "What's the IPL". So, if you hear me say it, it's the infrastructure priority list."

So, in our recent initiative, we talk about investing in new sources of energy as a priority. And recognising this opportunity, we feature new energy proposals, including the need to expand the role of renewable energy in the national energy market, and deliver enabling infrastructure to enable hydrogen exports. And we also added on the importance of seeing investment in dispatchable energy sources to ensure the reliability and security of our energy networks.

Rae:

Fantastic. I'd love to have you tell me a little bit about the Minerva Network and your role within that.

Romilly:

The Minerva Network, what a fabulous group that started over four years ago. And it was really a number of senior women in Australia, who we all had a role in sports. At the time I was on the board of Sydney Olympic Park, and I'm heavily involved in surf lifesaving.

Christine McLoughlin who's the chair of Minerva was the chair of Venues New South Wales which picked up ANZ Stadium. And all of us had had conversations with our elite female athletes. And their frustration about pathways for them post their sporting careers, and how male sporting athletes had just these, you played in a senior role, whether it be AFL or soccer or whatever, and males were like, "Here's the pathway for you." Whereas the women kind of finished their sporting career and really struggled on answering the question what's next and how do I get there?



And so, all of a sudden you found these wonderful women, many of the members of Chief Executive Women who went, well, we have this great network. So, why don't we create a network of these amazing women who can be mentors, and we introduced them to our wonderful female sports stars. And that conversation started around Christine McLoughlin's kitchen table. And many pizzas were had at Sue Cato's.

And so, going four years forward, we would never have anticipated the success of Minerva. Over 150 female athletes across 35 sports, over 100 leading female women are now mentors. And the highlight this week, for instance, just to give you an example of this year 2021 International Women's Day week, the Governor of New South Wales hosted a forum for Minerva, in Government House in New South Wales, and held the first all female discussion and forum in Government House.

And that just kind of gives you an idea of how far we've come in four years. But why is it important? Our female athletes are so busy, that they only network within their sport, and all of a sudden, we've given these women an opportunity to network across sports. They can share experiences, they can share their stories, they can learn from each other. And it's been really wonderful to see rowers, netballers, and they're all freakishly tall, soccer players, swimmers, athletes, paralympians. And there's the energy with them is really exciting. So, it's just such a thrilling network to be involved with. Whenever I'm with these female athletes, their resilience and their determination, they're just a joy to be around, and we can learn so much from them.

And I also will say on behalf of Minerva, our appreciation for Accenture's role in being one of the founding sponsors of Minerva. We can't do the work we do without the support we have from our sponsors. And having the support from Accenture has been really crucial in being able to ensure that we can take on more athletes.

Rae:

Oh, it sounds fantastic. I'm also curious if any of those learnings that you mentioned through your involvement in the Minerva Network have carried over to your work at Infrastructure Australia.

Romilly:

That's a great question Rae. And I think it really has. In my role as CEO of Infrastructure Australia, sometimes it can be challenging. We need to make some tough decisions around very large projects. And it can get quite politically challenging. But when I put myself in the shoes of our female athletes, many of them are mothers, are carers, they're working part-time, they're studying part-time, whilst also representing Australia. And I think about the challenges that they're dealing with and how they come through and represent Australia with a smile on their face, and this amazing determination.

It makes me reflect that we're all dealing with these different issues, and to hold my head high, and to know that I'm not alone and that I have a network behind me. And then to be a strong, powerful female, ensuring that I act as a role model.

Rae:

Absolutely. One final question before I let you get back to your incredibly busy life, it sounds like. We are here on Hear+Beyond, I want to know what does your beyond look like? What are you most excited by for what the future may hold?



Romilly:

I'm excited by Australia's willingness last year during COVID, to listen to what our health professionals were saying to us. And we all worked together, and the outcome has been remarkable. When it comes to our response to COVID, when you look globally, we are kind of third I think globally in our response, in the lowest mortality rates. And economically how we responded.

But how did that happen? Well, it happened because we listened to what was being asked of us, and we worked together. We might not have been that happy about it, but we did it. And what it really highlights, is how powerful we are as a nation when we work together. And that then leads to the diversity and inclusion bit that I think is really important is, embracing diversity and inclusion and taking all those different cultures together. It shows you the strength of how we can be.

And so, I think it really highlighted that all of us come together, all our different and ethnicities and backgrounds and learnings, but gee, aren't we the stronger for it. And so, I think it shows that in the future, we can be even better as a nation in what we've learned from COVID, and it can define us. So, we can be smarter. We can do better. We can work closely and get beyond some of the nastiness that we can see sometimes in both politics and community, and think about the important things that really matter.

Rae:

Perfect. Thanks so much for joining me today Romilly, really appreciate it.

Romilly:

Thanks Rae. I've really enjoyed the discussion.

Rae:

Don't miss the next episode of Hear+Beyond, where I'll be joined by Accenture's CEO, Tara Brady. He'll give us his take about the importance of strong leadership for our nation and beyond, during challenging times.

Voiceover:

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Rae:

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