



Infrastructure Sustainability Council

Strategic Plan

2020 to 2025

Reviewed - 2022

A positive future for people, the planet and the economy



Strategic Plan Review 2021

In December 2021, the ISC Board met to conduct a review of progress against its Strategic Plan. As a result of this session several important things were noted:

- The world has been through a significant period of disruption because of the COVID-19 pandemic.
- Despite this, the 2020 -2025 Strategic Plan continues to be a robust guiding document for The ISC.
- There has been a significant shift in the infrastructure sector that has seen ESG becoming a business imperative.
- Progress made against the plan has exceeded expectations.

In light of this, the Board endorsed the Strategic Plan with some minor changes to reflect these observations.

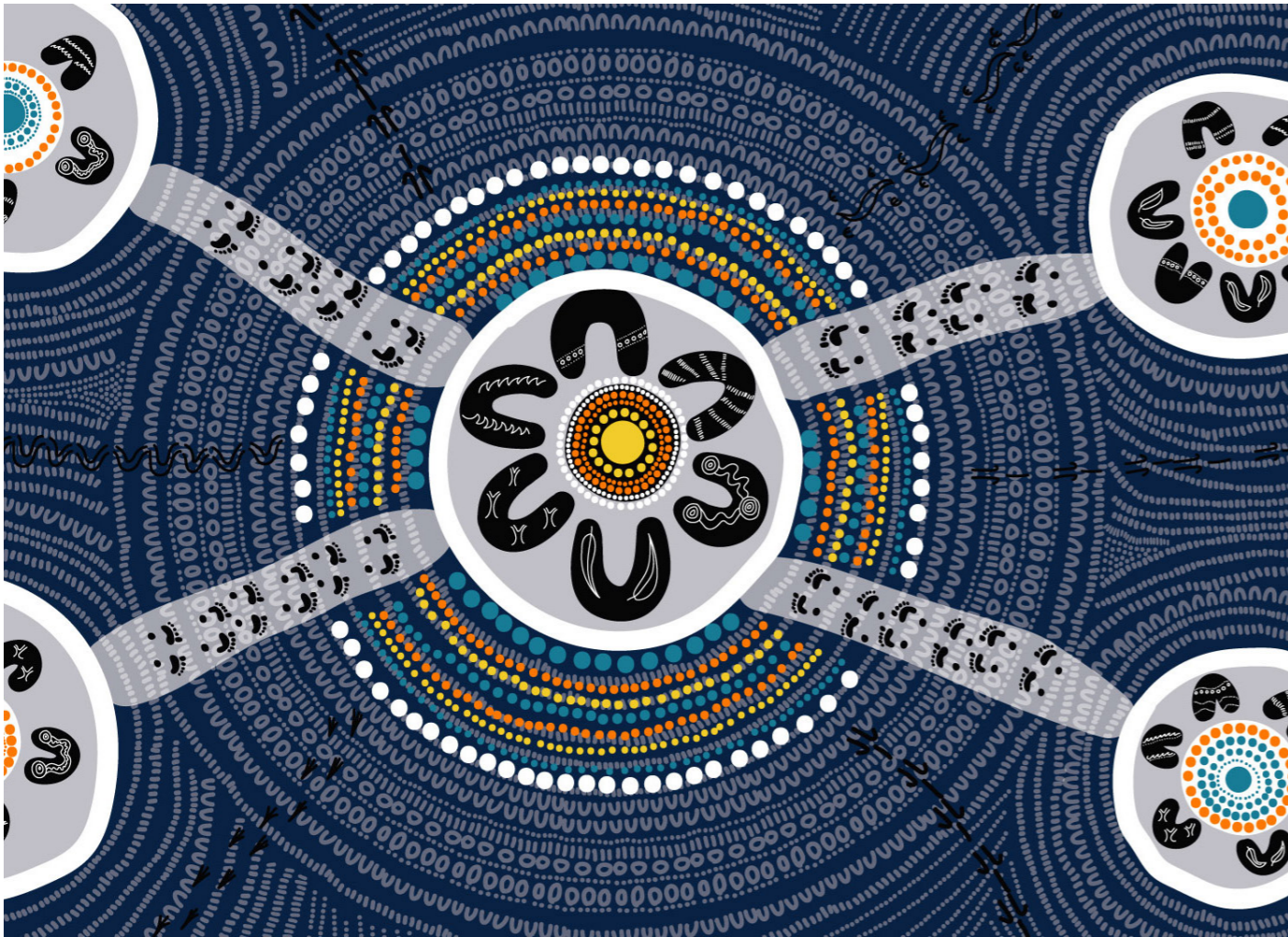


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Chair & CEO's Message

The Infrastructure Sustainability Council is proud to be serving an industry that is enabling significant intergenerational change.

We help generate social, environmental and economic returns for society by working closely with industry to ensure that people living in Australia and Aotearoa New Zealand benefit from sustainability being embedded in every aspect of infrastructure.

Our strategic plan charts a path to achieve this, by first and foremost; building capacity, confidence and connections within and between those in the infrastructure industry who are at the forefront of sustainability decision-making and action-taking.

We are committed to continually improving our highly regarded IS Rating Scheme to ensure it is accessible and easy to use. This means making it simpler to compare sustainability performance data, and making it easier for our members to share knowledge about how they have achieved their results and to demonstrate to others the kinds of transformations that are possible, and indeed necessary, for all to make.

Creating infrastructure that is truly sustainable is a matter of global importance to us all.

Investing in more sustainable infrastructure today creates significant economic returns in the medium and long term as it makes for a more vibrant, inclusive, and productive society. It plays a significant part in ensuring the environment can continue to sustain all forms of life into the future.

We will work closely with our members to advocate for sustainability to be embedded in every infrastructure decision made. We are confident that these efforts will continue to see Australia and Aotearoa New Zealand recognised as global leaders in delivering infrastructure that is sustainable.

In order to keep delivering on our strategy, we need to ensure that our organisation is resilient, so the impact of inevitable shocks, stresses and on-going shifts is minimised. This includes managing the effects of COVID-19 on the market and our workforce, adapting to trends like the increasing investor demands for ESG data, and supporting our sector transition to a low emission future. This 2022 update to our 2020-2025 strategic plan is our resilience in action, as we re-examine our evolving external context, update our KPIs and apply our new brand identity.


It's a big plan.

Working alongside our community of collaboration, we continue to invest in our team and tools, scale our impact and elevate our influence. We believe we have the governance in place, the commercial nous and the collaborative, passionate team and culture needed to deliver it.

Join us, and let's deliver this plan together.



Deborah Spring



Ainsley Simpson



**Deborah Spring, Chair
(From January 2022)**



**Alison Rowe, Chair
(to December 2021)**



Ainsley Simpson, CEO

Our Vision

A positive future for people, the planet and the economy.

Our Purpose

Ensuring all infrastructure delivers social, cultural, environmental and economic benefits

When we drive to the local hospital to have a baby, or an operation on our knee, when we meet a friend for coffee, or travel to a regional centre for a business meeting, when we drive to the local primary school to vote, when we head to the local shops to buy fresh fruit and vegetables, when we live in our society - we are relying upon infrastructure that has been mostly been built using our collective wealth, either from our elected governments or, on our behalf through our superannuation funds.

Infrastructure is the network of basic physical and organisational systems needed for the operation of a vibrant society¹. It is our roads, rail, bridges and it's our networks of pipes, wires and cables – the conveyors of people, products, water, power and information. It is the blue and the green – our waterways, rivers and oceans, our parks, cycleways and reserves. It is the fabric upon which our society is built...yet it is almost invisible, unless you are looking for it. It drives economic productivity and efficiency, enhances wellbeing through connectedness and job creation, and stimulates greater appreciation and management of our natural environment.

The performance of our infrastructure shapes the world that we live in and the future that we will leave to the next generations. It is fundamental in reducing inequality and improving quality of life. Infrastructure enables people to thrive.

It's also a significant investment. In 2016, Australians spent over \$401 billion and in 2015 New Zealanders spent \$39 billion on building and maintaining our collective built infrastructure. Since 2020, infrastructure has become even more important economically.

Our expectations about how our world should look have changed.

We believe that things we do today should lead to **a positive future for people, the planet and the economy**. That the investments we make in our assets make things better, not worse, now and for future generations. That they will make our lives richer, our society more equitable and support our planet to sustain all forms of life.

That's a big job. At the Council, we contribute to this vision by supporting our members and key partners to deliver infrastructure that is sustainable. Together, we work to ensure **all infrastructure delivers cultural, social, environmental and economic benefits**.

It's a bold ambition.

We see every infrastructure asset serving commuters, consumers or the community as an opportunity to do things better. For us, that means acknowledging that life is sustained by where we build, what we build and how we build it. We want to see a world where our cities and towns are 'living' and power themselves; we have more trees, less congestion and less pollution; and more people are included as active participants in society.

We contribute to this vision in several ways. We do it by developing, improving and maintaining a world leading Infrastructure Sustainability **Rating Scheme** that can be used to accelerate the positive impact of our infrastructure; by delivering highly regarded and effective **training** to those who plan, design, build and operate infrastructure to help them make better decisions at every turn; by **advocating** for investors, asset owners and operators, and government to challenge current practice and seek the most effective ways to continuously improve the sustainability performance of infrastructure assets; And, finally, we do this by **celebrating** progress and by **connecting** the leading thinkers working in infrastructure with each other, encouraging the **sharing** of best practice to amplify and accelerate learning, making it easier for others to replicate.

We do all of this together.

Because it's always the right thing to do and because we are the right people to do it.

¹ Sullivan and Sheffrin (2003).

Our Values

Collaborative | Dynamic | Responsible



Our Industry

In Australia and New Zealand, there are 967,500km of road, 57,000km of electricity transmissions, 39,000km of rail, 1,557 wastewater treatment plants, 675 Airports, 574 National Parks, 120 prisons, 66 sea ports and 1 chondola². In 2018, infrastructure contributed 9.8% to Australia's GDP with almost half of that expenditure in the transport sector³.

Governments and private investors are spending record amounts of money on new infrastructure. The projected infrastructure expenditure over the next 10 years by Government is AU\$100 billion in Australia (transport only)⁴ and NZ\$129 billion in New Zealand⁵.

Australian infrastructure is globally attractive to investors⁶; and this is coupled with ESG becoming a more important consideration for long-term investors. In fact, more than half of global asset owners are currently implementing or evaluating ESG in their investment strategy – a notable driver for infrastructure assets across Australia and New Zealand⁷.

In Australia, approximately 5 million people work in the infrastructure sector⁸. Of that, 64,000 people work in the electricity, gas, water and waste services; 105,000 in transport, postal and warehousing; 536,000 in professional, scientific and technical services and 537,000 in construction.

Skills shortages exist in many of the engineering, management and trade professions needed to design and build infrastructure with the most notable being: construction project managers; surveyors; quantity surveyors; electrical engineers; carpenters; bricklayers; electricians; and sheet metal and structural steel trade workers⁹. In 2022, these shortages are escalating.

SUSTAINABLE DEVELOPMENT GOALS



² Infrastructure Australia (2019) National Infrastructure Unit (2015) University of Sydney, (2016) SeaRoutes (2019) Prokeraia (2019) Prokeraia (2019) Australian Government, (2019) Water New Zealand, (2019) Wikipedia, (2019) Wikipedia, (2019).

³ BITRE (2019).

⁴ Australian Government (2019).

⁵ The Treasury (2019).

⁶ Infrastructure Partnerships Australia & Perpetual (2019).

⁷ UNCTAD (2019).

⁸ Infrastructure sector employees has been defined as the following industries: electricity, gas, water and waste services, construction, transport, postal and warehousing, professional, scientific and technical services, and the following occupations: Managers, Professionals and Technicians and trade workers as provided by the ABS.

⁹ Department of Employment, Skills, Small and Family Business (2018).

Key Trends and Challenges for the Industry

- The COVID-19 global pandemic has had significant impacts on the economy, the workforce and the supply change. It has seen a major shift in how people live, work and travel. These changes cascade into changing pressures upon the infrastructure needs of the globe. An example is the increased pressure on communication infrastructure with more people working from home, and also moving regionally.
- Keeping pace with **population growth** which is projected to increase 23.7% in Australia by 2034 and 25% in New Zealand by 2045. A large majority of this population growth will occur in cities; with some regions expanding, while others are shrinking.
- **Ageing infrastructure** assets and networks are under continued strain, for renewal and maintenance with rising traffic congestion, crowding on public transport and growing demands on utility and social infrastructure.
- Changes in **technology and digital disruption** are challenging the way we plan, design, deliver and operate infrastructure, with user behaviour also shifting. Examples of this include the rapid uptake of ridesharing services and market penetration of electric vehicles impacting transport infrastructure.
- **Structural changes to the economy**, away from traditional industries towards knowledge and service-based industries, means new societal needs are emerging.
- **The diversity of societal needs** present challenges for ensuring all infrastructure users receive infrastructure services that are accessible, affordable and good quality. Of particular concern are outer urban, regional and remote communities.
- There is growing awareness of the strength and importance of culture in delivering **social inclusion** and more deeply respecting individual identity.
- **First Nations contribution** to the economy through increased involvement in infrastructure is creating opportunities to deliver better social and economic outcomes. Importantly, most First Nations and Māori enterprises focus on intergenerational goals, which inherently emphasise respecting culture and carefully managing assets and the environment for the benefit of future generations.
- **Real-time data** is enhancing decision-making with users and operators optimising the way infrastructure is managed.
- The lack of clear **energy policy** is affecting investment in the renewable energy sector in Australia.
- Infrastructure's contribution to, and the impact of, **climate change** requires serious consideration and a shift in how, what and when, we plan, invest and build; starting now.

Around 70% of Australia's emissions are enabled by infrastructure. New Zealand's emissions equate to approximate 40% by comparison¹⁰. It is estimated the construction and operation of physical infrastructure assets for transport, energy, water, waste and communications directly contributes to 15% of Australia's annual emissions, while these assets influence an additional 55% of annual emissions through the activities they enable¹⁰.

All of this points to the significant contribution that infrastructure makes. Infrastructure has an important role to play in an effective response to the immediate and urgent challenge posed by climate change; in alignment with the Sustainable Development Goals and the aims of the Paris Agreement.

¹⁰ Infrastructure Sustainability Council of Australia, Climate Works Australia and Australian Sustainable Built Environment Council (2019).

Our Strategic Goals & Objectives

OUR STRATEGIC GOALS	LEADERSHIP To drive global best practice in infrastructure			THRIVING INDUSTRY To enable the industry to be connected, collaborative and ambitious			MARKET TRANSFORMATION To advocate for change that supports industry to rapidly transition			ORGANISATIONAL HEALTH Too be a purpose-led, inclusive and high performing organisation		
OUR OBJECTIVES	RATINGS Provide industry with a valued rating scheme that promotes continuous improvement and innovation	DATA-DRIVEN PERFORMANCE Enable the accurate comparison of sustainability performance of infrastructure	GLOBAL REACH Develop enduring relationships with global government, investor and private sector partners	COLLABORATION Encourage industry to collaborate and act by showcasing leadership, sharing knowledge, and building relationships	MEMBERSHIP Evolve the membership model to amplify value for all	CAPABILITY Build a stronger infrastructure workforce by developing skills and capabilities, and providing tools and resources	ORGANISATIONAL CHANGE Support members to systematise change through organisational strategy and operating procedures	SYSTEMIC CHANGE Mobilise industry leaders to advance policy, standards and specifications for low carbon, resilient, inclusive infrastructure	SOCIETAL AWARENESS Showcase the social benefits of rated infrastructure to create greater public awareness and support	OPERATIONS Enhance operational efficiency, practice good governance and make sound financial decisions.	PEOPLE & CULTURE Celebrate diversity, value well-being and together create change toward the UN SDGs	OUR IMPACT Plan, implement, and measure our impact and wellbeing



Our Current & Future State



LEADERSHIP | KAITIAKITANGA

To drive global best practice in infrastructure

OUR CURRENT STATE

A 2018 study¹¹ found Australia and New Zealand's public infrastructure delivery to be progressive and world leading when it comes to mandating sustainability performance measurement. This leadership is also reflected by the annual GRESB benchmark, which has consistently reported private sector assets in Oceania as some of the highest in the world in terms of sustainability performance. There are challenges in that while exemplary, infrastructure is only as good as the services it delivers to users, and there remains inequality in what matters most – access, quality and affordability.

To achieve our vision and deliver on our purpose, infrastructure must continue to advance on all fronts. This extends beyond where we may already be outperforming, we need to raise the bar rapidly and significantly across all infrastructure sub-sectors. We need to create greater awareness of how we are performing so that engagement and progress accelerates.

The Council is already recognised as a significant player in its field. The corner stone of this reputation is our **IS Rating Scheme**. Whilst our scheme is certainly providing an example of best practice for others globally, there is always room to grow. The scheme is valued as an assurance framework for mega and major infrastructure projects. Not unlike infrastructure itself, the rating scheme will be evolving to become more accessible (continuously refined to ensure that it is easy to use), scalable (digitally available and applicable to projects of all sizes and locations), and cost effective.

There is an increasing number of organisations adopting environment, social and governance (ESG) practices and highlighting their alignment with the United Nations Sustainable Development Goals. The consistent **comparison of sustainability performance of infrastructure** is a global challenge on the rise, with a call for adopting common metrics and standards¹². Locally, opportunities exist for the Council to improve the systems and processes, making aggregating and analysing data more streamlined; encouraging and facilitating infrastructure sustainability reporting as common practice. Globally, there is a lack of standardisation around what data should be collected and how it should be collected. Together, these challenges create the platform for the Council to provide global leadership by addressing this need for accurate whole of life comparisons between infrastructure portfolios by asset type, geography and stage of maturity.

The Council has begun to establish strong connections with governments, investors and private sector partners globally. In 2017, it launched IS International, a rating tool for application in other geographies, as part of the IS Rating Scheme which is adopted widely across Australia and New Zealand. Since this time, engagement in partnerships has continued; such as with the World Bank supported Public-Private Infrastructure Advisory Facility enabling collaboration with the other rating tool owners; as well as the Global Green Growth Institute. These relationships are strong and show great potential. However, there has been an intentional focus on fostering our local markets, during a period of rapid growth. The Council remains committed to looking up and out at how to ensure the many benefits being delivered locally, can be extended, enjoyed and shared globally, improving the quality of life for all infrastructure users.

¹¹ Bennon, M Sharma, R (2018), State of the Practice: Sustainability Standards for Infrastructure Investors. Guggenheim Partners, Stanford Global Projects Centre, WWF.

¹² World Economic Forum Davos (2020). Special address by H.R.H. Prince of Wales.

OUR FUTURE STATE

People who work in the infrastructure industry in Australia and Aotearoa New Zealand stand proudly behind their position as global leaders in sustainable infrastructure. They understand the importance of continuous improvement and strive to outcompete their own performance in every project and asset they work on or manage.

The **IS Rating Scheme** is the standard widely embraced by all sectors and people working at all levels of the industry. It is an accessible, digital and cost-effective tool that is admired globally. It is widely praised for its genuine approach to intergenerational wellbeing by integrating the consideration of Traditional Owners, Mana Whenua and First Nations values across the entire scheme to deliver better outcomes.

The Council works closely with the industry to create a standardised way to **accurately quantify and consistently compare the sustainability performance of infrastructure**. Performance insights drive better decision-making, positive change and healthy competition in the market. This data platform was developed in collaboration with local and international peers and has become a cornerstone of the Council's ever increasing global reputation.

In the first 3 years, the Council focused its activity locally by anchoring the IS Rating Scheme and more comprehensively comparing sustainability performance in Australia and New Zealand, for both public and private assets. In the last two years, it has been able to expand its view to connect more with its global peers and deliver sustainability outcomes through **international partnerships**.

All infrastructure - urban and regional, large and small, new and aging - is delivering more for communities.





THRIVING INDUSTRY | KOTAHITANGA

To enable the industry to be connected, collaborative and ambitious

2

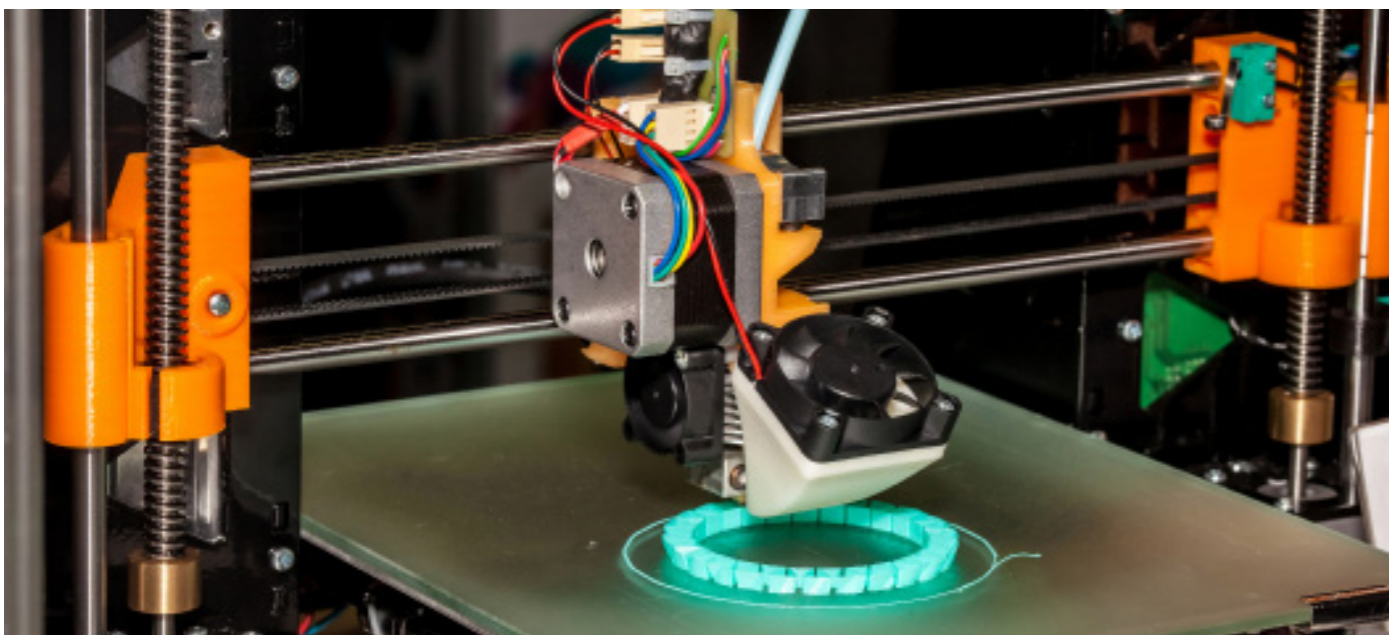
OUR CURRENT STATE

There are pockets of industry that are incorporating sustainability in every infrastructure decision they make. This mostly occurs on larger programs and projects with more significant resources at their disposal; where asset owners are actively engaged about the importance of addressing social, environmental, cultural and economic issues, and where multi-disciplinary teams are connected with each other. Those working at the smaller end of the infrastructure spectrum generally have fewer resources and are less likely to have the support and network to fully pursue their sustainability ambitions, and would benefit greatly by connecting with other infrastructure peers.

Those who are **collaborating** readily share knowledge around why they have done what they have done. There is an increasing hunger for granular knowledge about how a project was delivered and what initiatives were implemented successfully, and those approaches that did not work. This desire for detailed case studies and 'how to' resources are an unmet need in the market that the Council is uniquely placed to fill. The Council currently drives connections and collaboration through its growing engagement program. Another avenue is the **ISupply** online directory that connects projects with sustainable products and services, which was launched in 2019.

The **capability** of those working across industry is expanding in number and in depth. Some disciplines and sectors are deeply skilled and delivering excellent results. Others are becoming more informed about the importance of embedding sustainability in the building and maintenance of infrastructure assets both large and small. The Council's training portfolio addresses the needs of an emerging profession, and is well received and highly regarded. Broadening the offerings to address the multi-disciplinary nature of infrastructure has commenced, reaching audiences beyond the sustainability practitioner. Engaging early to ensure more new graduates and emerging professionals are well equipped to lead is an opportunity beginning to be leveraged. Both these strategies mean greater flexibility in when, how and what modes of training are deployed to match the needs of these sectors.

With the Council's **membership** growth reflecting the increased demand and interest in better outcomes, the sectoral-spread of member needs is diversifying. Engagement opportunities are also expanding to meet the full range of members' influence, interest and impact.



OUR FUTURE STATE

The Council has a **tiered membership model** in place that provides different members with benefits, tools, knowledge and opportunities that match their needs. As a result, its membership is strong, is valued and is representative of the full infrastructure value chain.

As a result of the Council's membership program, members **connect and collaborate** by sharing deeply valuable, granular knowledge about how they have delivered better outcomes. The Council's ISupply database is a well-maintained and utilised tool that accelerates **mutually beneficial supplier relationships**. The Council delivers a range of flexible **training offerings** to its members that delivers the desired leadership and learning outcomes for its multi-disciplinary audience. It is easy for people to learn what they want to learn, when and where they want to learn it.

Our industry is more skilled, capable and empowered to serve the current and future societal needs of infrastructure.





MARKET TRANSFORMATION | HURIHANGA

To advocate for change that supports industry to rapidly transition

3

OUR CURRENT STATE

The Council, through the IS Rating Scheme has played an important role in advocating for change. More recently, focus is shifting toward establishing a well developed and resourced advocacy agenda to steer efforts on matters which the Council and members deem important. In particular, this means outlining policy positions on what it believes are the most significant areas to transition.

The Council's **support to its members** has been directed at the asset and project level. There is a shift in needs emerging which addresses embedding change in organisation's strategy and operations. Current members are doing excellent work. Harnessing this knowledge and skills base presents a significant opportunity for increasing the rate of change across industry. By providing practical tools and resources for embedding sustainability and creating organisational change, the Council can support industry to enable all three pillars critical for success; leadership, systems and processes and appropriate resourcing.

The Council has identified the key industry players and partners to support them to **lead and advocate for advances in policy, standards and specifications for low emission, resilient, inclusive infrastructure**. Building greater structure to mobilise and catalyse this important work through planning, investment policy, and procurement, is the next step.

While the community and industry have a growing sense of the inherent value to society of infrastructure, there is less awareness of the full scope of possible social, cultural, environmental and economic benefits that infrastructure can deliver. To date, the Council has had limited communication activity targeted towards raising broader public awareness of the importance of sustainable infrastructure. However, the Council sees this as an opportunity to potentially increase the profile and investment in infrastructure assets which have embedded sustainability from the outset. The Council does not see itself in the role of raising broad public awareness, however, there is an obvious connection with credible, well written and engaging stories about sustainable infrastructure that could be used by others to raise **societal awareness**.



OUR FUTURE STATE

The Council's members have become highly successful change agents. They have improved performance by integrating sustainability throughout their organisations using the tools and resources developed by and with the Council to support them in this endeavour.

The Council has effectively partnered with others to see adoption of common metrics and standards. This promotes and advances policy, procurement and investment that enables **resilient, inclusive, net zero infrastructure**.

Across the infrastructure sector, the Council communicates effectively through a clear plan and focused use of all its communication channels. The Council consistently produces credible, well written and engaging stories about successful sustainable infrastructure projects that are shared widely by those who raise broader public awareness of the benefits of infrastructure.





ORGANISATIONAL HEALTH | MANAAKITANGA

Be purpose-led, inclusive and high performing organisation

4

OUR CURRENT STATE

The Council is deeply and proudly driven by its **purpose**. Its team is **inclusive**, made up of people of diverse cultural backgrounds, gender, age and experience. The organisation's results show it to be **high performing**. As it is navigating a sustained period of growth, it needs to continually focus on finding better ways to create high levels of collaboration in an ever-changing environment.

The organisation's **operations** are sound, although are being challenged and stretched by rapid growth. Governance continues to evolve with even more rigour. Financial decision making is sound, with increasing financial literacy across the full breadth of the organisation.

The Council's people celebrate their **diversity**. There is a willingness to speak openly and learn about one another. This is a team that is passionate about difference and the organisation's purpose. This commitment needs to be balanced ensuring a culture that prioritises **wellbeing**. While not always perfect in execution, the organisation is beginning to create a culture of doing less and on growing people to play to their strengths through learning, coaching, and mentoring.

Without exception, the team is genuinely committed to and **tracking its impact** towards all 17 of the United Nations Sustainable Development Goals. The Council has engaged with its members to establish which of the 17 goals they feel the organisation (and sector) should be focusing on. Much like industry, it is challenging establishing a practical annual process to ensure all the important indicators are being measured effectively. Going forward, this will mean deeply aligning work plans with measurement and walking the talk by publicly reporting progress.



OUR FUTURE STATE

The Council continues to be deeply and proudly driven by its **purpose**. It has an **inclusive, high performing, team** who thrive in an ever-changing environment by always collaborating and supporting each other to perform at their best.

The organisation's operations are sound and sophisticated as they are built upon robust and universal technology solutions. Everyone is committed to personal learning and growth, which matches their overall performance and supports the organisation's ongoing evolution.

The team enjoys the challenge of their work by being selective in choosing priorities and managing stress. There is a culture of listening to diverse views, robust open discussion is encouraged, and there is a genuine appreciation and respect for the organisation's decision-making processes and outcomes. The Council sets the standard for industry with a healthy happy level of wellbeing, as measured by the organisation's aggregated metrics.

The Council consistently tracks its impact towards the 17 United Nations Sustainable Development Goals that its members have identified as critical to success. It has aligned its work output to these goals which has significantly increased its ability to deliver impact and lead by example.



Our KPI's

1. Key stakeholder engagement
2. Membership and user experience
3. Sustainability impact
4. Annual uptake of the scheme
5. Organisational health

Our Strategy

Our strategy is to...

Embed sustainability into Australian and Aotearoa New Zealand infrastructure decision making by:

1. Inspiring the infrastructure sector to be energised, skilled and connected.
2. Building and maintaining tools that make it easy to compare and improve sustainability performance.
3. Creating positive social pressure for sustainable infrastructure to be 'the norm'.



www.iscouncil.org