Welcome !
This session will start soon.

IS Essentials

Information Session May 5th, 2022
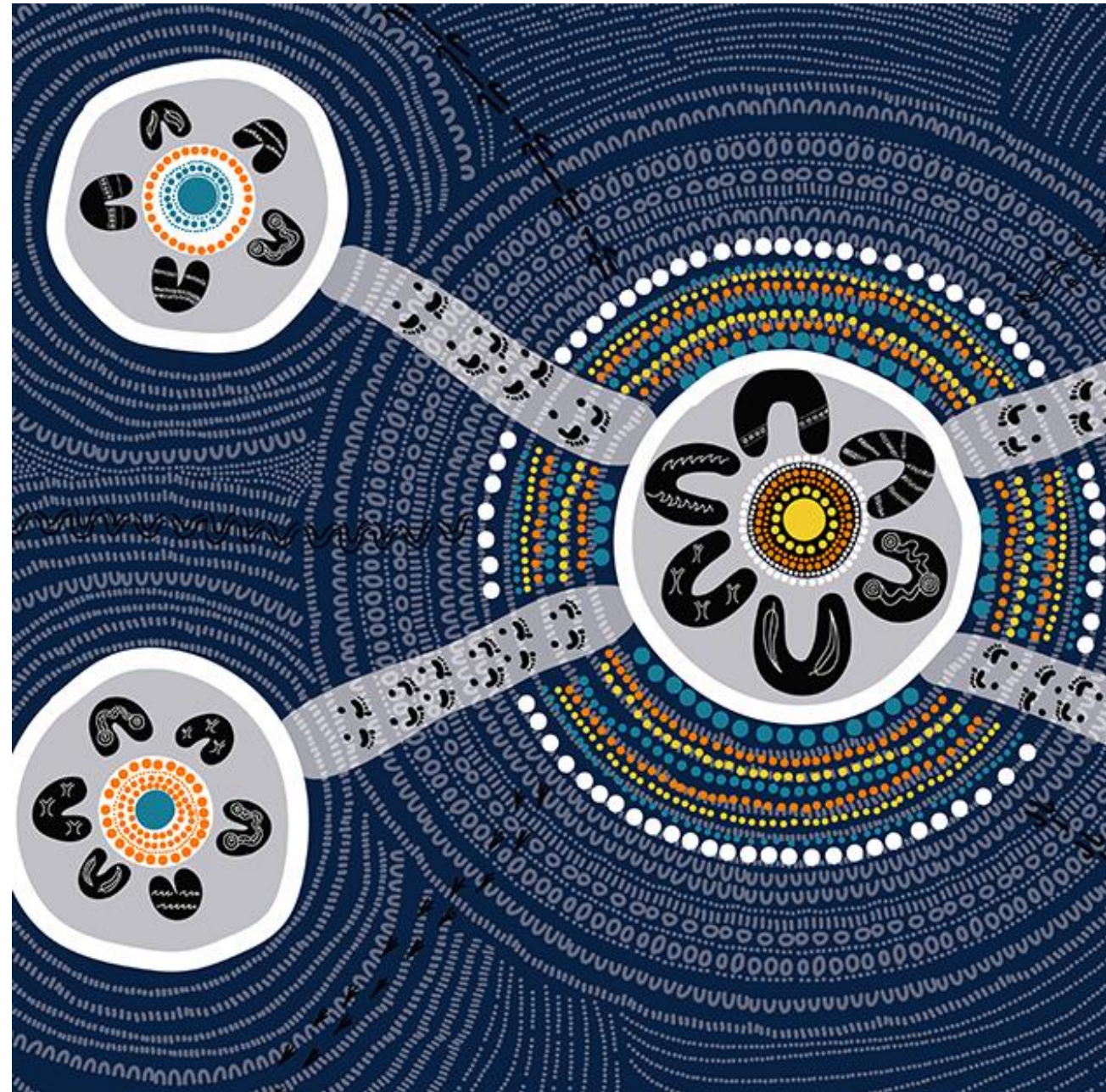
Infrastructure Sustainability Council

Acknowledgement of Country

ISC would like to begin by acknowledging the Traditional Custodians of the lands on which we meet today.

We acknowledge their deep connection to land, water and culture, and pay our respects to their Elders past, present and emerging.

Tēnā koutou katoa to our attendees in NZ.

IS Essentials Information Session

11:00 – 11:15am

- Welcome
- Introduction to ISC

11:15 –11:40am

- IS Ratings & Benefits
- IS Essentials introduction
- Pilot Phase & How to join

11:40 – 12:00pm

- IS Essentials (based on IS v2.1)
- Q&A

Patrick Hastings
Chief Delivery Officer

Dr Kerry Griffiths
IS Technical Director

Tyrel Momberg
Principal Technical Advisor

Monique Isenheim
Head of Market Development

Tom Young
Senior Project Manager

About ISC

ISC – leading for sustainable outcomes

The *Infrastructure Sustainability Council* (ISC) is a **member-based**, **not-for-profit** peak body operating in Australia and New Zealand with the purpose of enabling sustainability outcomes in infrastructure.

Our strategic goals

Leadership
We drive global best practice in infrastructure.

Thriving Industry
We enable the industry to connect and collaborate.

Market Transformation
We advocate for change that supports the industry to rapidly transition.

Organisational Health
We are a purpose-led, inclusive and high performing organisation.

ISC Membership

ISC Products and Services

COMMUNITY

Events
Conferences
Awards

Thought Leadership
Case Management
Publications

KNOWLEDGE

IS

The IS
Rating
Scheme

Partnerships
Influence
Leadership
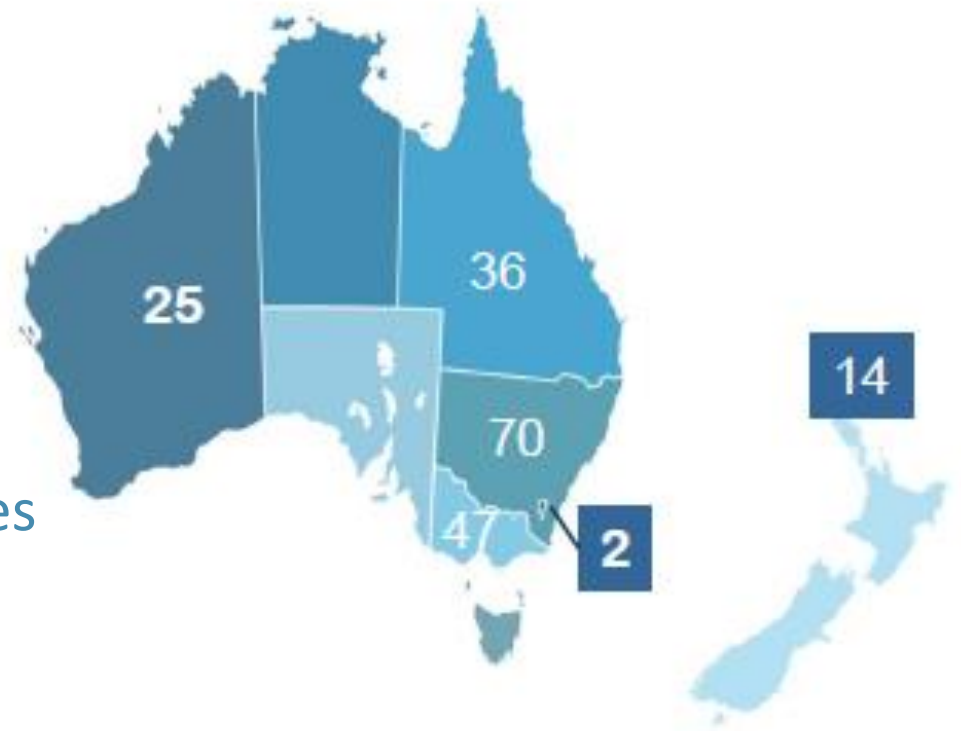
ADVOCACY

EDUCATION

Training
Accreditation
Development

What are IS ratings

The IS Rating Scheme

- Deployed across ANZ....and beyond

- Influencing outcomes across all asset classes

25

36

14

70

47

2

>200

Projects

$217

Billion Capital

Port

Airport
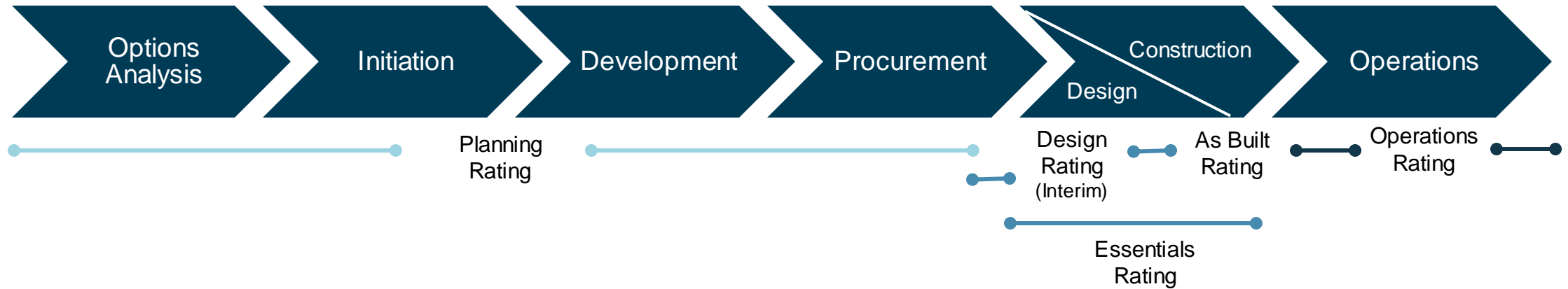
Road

Rail

Energy

Water

Social

IS Ratings mandated by several agencies

The most progressive government agencies, state-owned entities and private asset owners mandate IS based on capex thresholds.

Location	Agency	Mandating thresholds / requirements
NSW	*Dept of Planning Industry Environment*	ALL Critical state significant infrastructure
	Transport for NSW	ALL projects >$50m, High risk projects <$50m
	Sydney Metro	ALL project in program
	Queanbeyan Palerang Regional Council	ALL projects >$2m
QLD	State Infrastructure Plan	ALL projects >$100m
	Transport and Main Roads	ALL projects >$100m
	Dept State Development, Infrastructure Local Gov ernmentand Planning	Stage 3: Detailed Business Case
WA	Main Roads WA	ALL projects >$100m
	Office of Major Transport Infrastructure Delivery	Metronet program
ACT	State policy	ALL project > 10m
SA	Dept of Infrastructure and Transport	ALL projects >$100m
VIC	Major Roads Projects Victoria	ALL projects >$100m
	Level Crossings Removal Authority	ALL projects in program
	Rail Projects Victoria	ALL projects in Melbourne Metro program
	City of Casey	Capital works projects
AU	Transurban	All capital works projects >$100m
NZ	Waka Kotahi New Zealand Transport Agency	All capital works projects >$15m
	City Rail Link Ltd	ALL projects in program

How IS ratings work

Whole of life consideration

| Options Analysis | Initiation | Development | Procurement | Construction / Design | Operations |

Planning Rating

Design Rating (Interim)

As Built Rating

Operations Rating

Essentials Rating

4-Step Process

| Registration | Assessment (by project) | Verification (third party) | Certification |

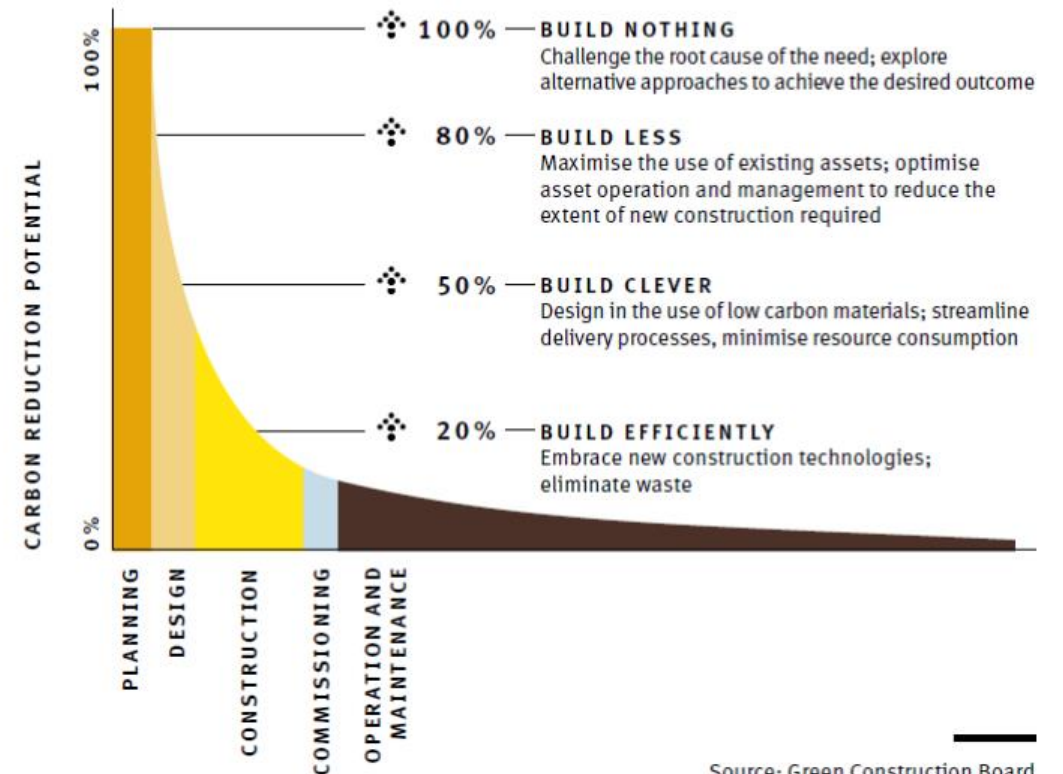| Score		
95-100	IS Design DIAMOND	IS As Built DIAMOND
80-94.9	IS Design PLATINUM	IS As Built PLATINUM
60-79.9	IS Design GOLD	IS As Built GOLD
40-59.9	IS Design SILVER	IS As Built SILVER
20-39.9	IS Design BRONZE	IS As Built BRONZE

Why IS ratings
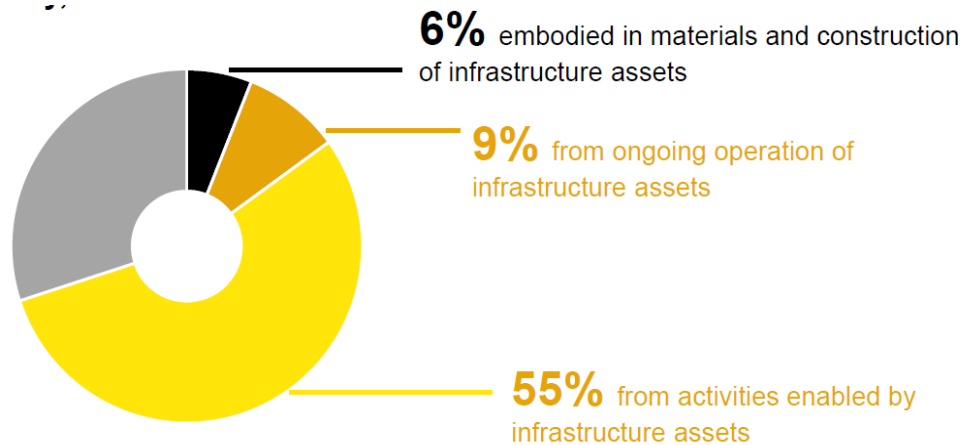
IS ratings for quadruple bottom line

IS rating categories and credits are aligned with the Sustainable Development Goals to foster impact using a systems approach.

Governance	Environment	Social	Economic
Place	Energy & Carbon	Stakeholder engagement	Options Assessment & Business Case
Leadership & Management	Environmental Impacts	Legacy	Benefits Realisation
Sustainable Procurement	Resource Efficiency	Heritage	
Resilience	Water	Workforce Sustainability	
Innovation	Ecology		

70% of GHG emissions in AUS relate to infrastructure

A shared responsibility to make more intentional, strategic decisions

6% embodied in materials and construction of infrastructure assets

9% from ongoing operation of infrastructure assets

55% from activities enabled by infrastructure assets

CARBON REDUCTION POTENTIAL

100%

0%

100% — **BUILD NOTHING**
Challenge the root cause of the need; explore alternative approaches to achieve the desired outcome

80% — **BUILD LESS**
Maximise the use of existing assets; optimise asset operation and management to reduce the extent of new construction required

50% — **BUILD CLEVER**
Design in the use of low carbon materials; streamline delivery processes, minimise resource consumption

20% — **BUILD EFFICIENTLY**
Embrace new construction technologies; eliminate waste

PLANNING

DESIGN

CONSTRUCTION

COMMISSIONING

OPERATION AND MAINTENANCE

Source: Green Construction Board

Performance Benchmarks

IS credits reward projects that verifiably perform beyond business as usual.

Pla-2 Urban and Landscape Design

Intent

To create infrastructure that has been influenced by the local context, fits its setting, and meets the needs of the people that will use it, while preserving and enhancing scenic, aesthetic, cultural, community and environmental resources and values.

Criteria

Table G1   Pla-2 Design criteria summary

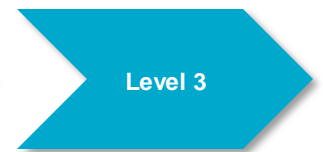| Level 1	Level 2	
DL1.1 An urban and landscape design plan has been developed and design options imple...	Th...	The requirements for Level 2 have been achieved.
AND		AND
DL1.2 The main... arrangements for ...ject's urban and landscape design components have been reviewed.	...2.1 An urban and landscape design statement has been prepared.	DL3.1 Net improvement in two identified urban and landscape outcome areas.
	AND	
	DL2.2 The urban and landscape design plan and statement have been independently reviewed at key stages throughout the design.	

EXAMPLE

Compliance	Beyond Compliance
"Level 0"	Level 1 — Level 2 — Level 3
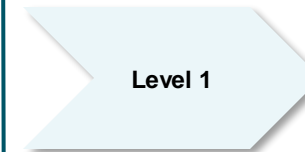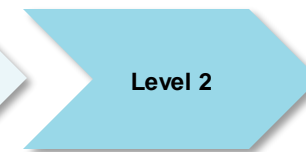
Business as Usual — **Measurement** — **No recurring / net impact** — **Restoration & Enhancement**

IMPACT

Our 2021 Impact Report highlights the value creation of IS ratings.

2021 IMPACT REPORT

Pathways to Impact

Infrastructure Sustainability Council | ANZ

| Lifecycle materials GHG emissions reduction	Lifecycle energy GHG emissions reduction	Lifecycle energy use reduction
56%	**43%**	**47%**
Lifecycle water use reduction	Materials with sustainability credentials	95% of waste diverted from landfill =
50%	**1.5M tonnes**	**14.5M tonnes**
97% of spoil re-used = **14M tonnes**	27 innovations from certified projects, including **1 WORLD FIRST**	**1st** IS Planning Rating Certification **12** IS Design Certifications **10** IS As Built Certifications **2** IS Operations Certifications

ROI of the IS Rating Scheme

- return of at least $1.6 for every dollar spent
- not including a range of wider benefits
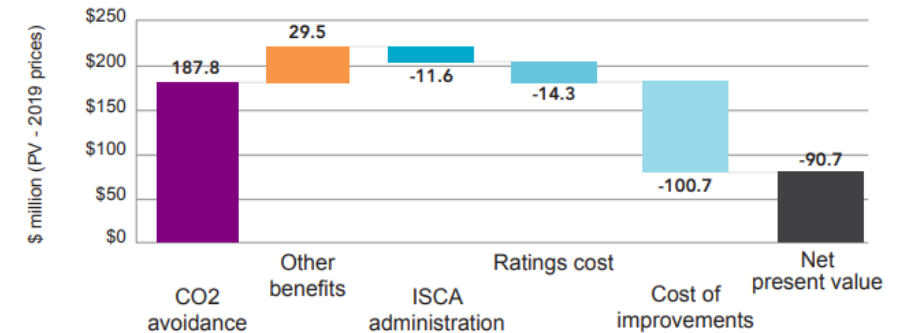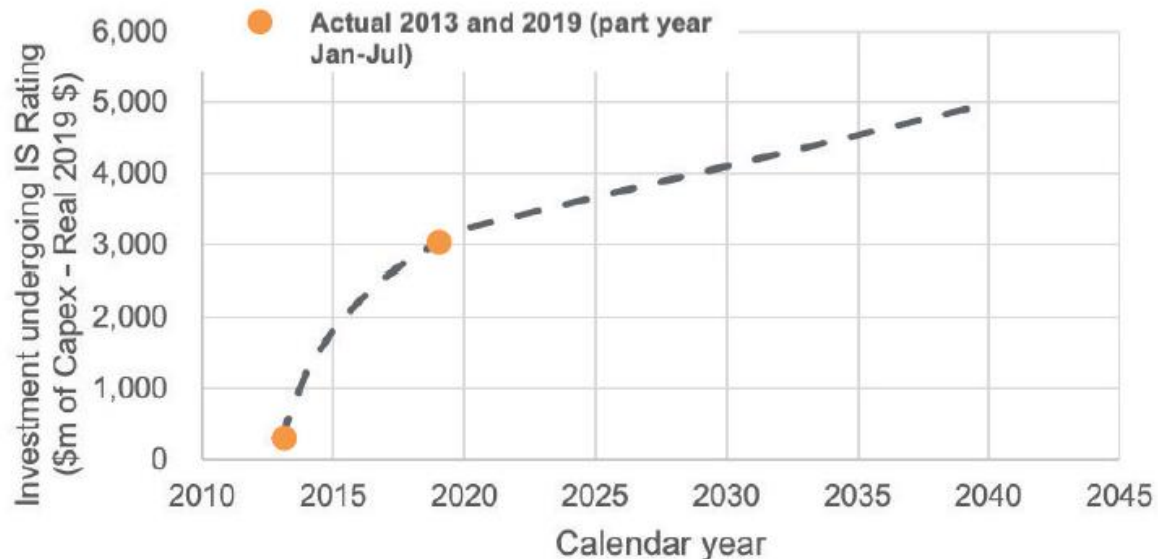
A Doubling of Uptake predicted to deliver NPV of $90.7M.

Actual 2013 and 2019 (part year Jan-Jul)

EXAMPLES OF BENEFITS NOT QUANTIFIED

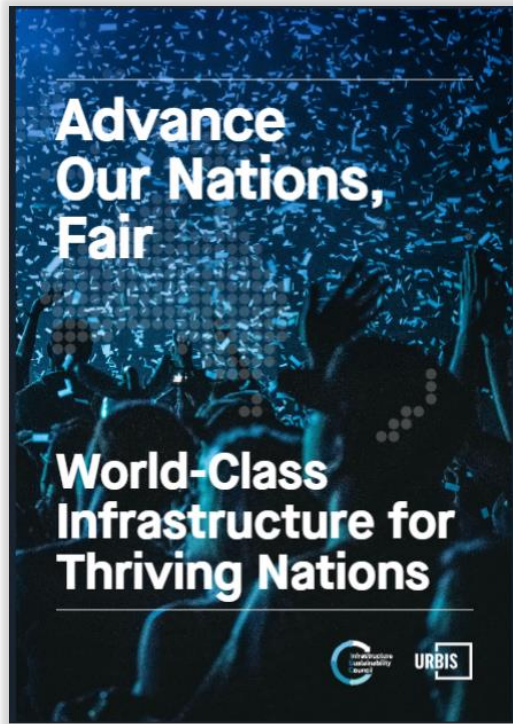**Benefits of Open space** **Health Outcomes** **Human Capital Development**

Achieving 'BIG' sustainability targets

Two reports on how IS ratings can help achieve national and local sustainability strategies

The role of infrastructure in resilience building and driving positive impact.

Local strategies to achieving net-zero.

In summary

Benefits of a Rating Scheme:

- Drive sustainability outcomes

- Systematic, recognised approach

- Whole of life efficiencies

- Benchmark performance

- Manage reputational risk and recognition

Measured by:

- Financial Return on Investment (RoI)

- Direct and indirect impacts

IS Essentials

- Sustainability Rating Tool Offering (design and construction) specifically for **Projects ≤ $100m**

- Suitable for wide range of infrastructure types, focus on **local government projects**

- Built from IS v2.1 Design & As-Built Technical Manual but with **reduced complexity** and **scale**

- IS Essentials will be ISC's **first digital rating**

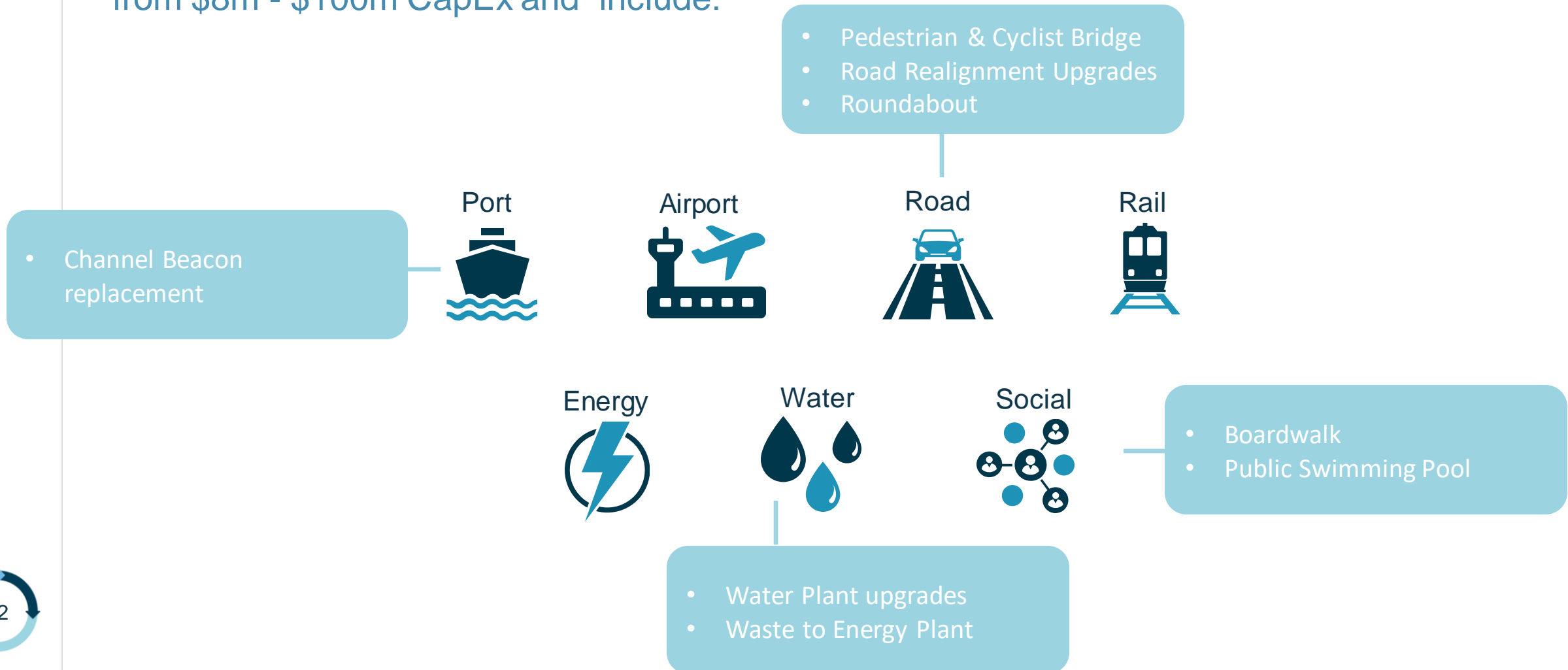- **Currently accepting Pilot Projects**

IS Essentials Pilot Process

16 Pilot Projects confirmed

IS Essentials is suitable for a wide range of assets types. Confirmed Pilot Projects range from $8m - $100m CapEx and include:

- Pedestrian & Cyclist Bridge
- Road Realignment Upgrades
- Roundabout

Port

Airport

Road

Rail

- Channel Beacon replacement

Energy

Water

Social

- Boardwalk
- Public Swimming Pool

- Water Plant upgrades
- Waste to Energy Plant

Pilot Process

Pilot projects are supported throughout the process and will be able to provide vital feedback for the final development of the tool.

Initial project assessment	Ratings Agreement	Materiality Assessment	Assessment Submission	Verification	Certification

Continuous feedback process
shapes the final IS Essentials tool

IS Essentials Pilot Participation

For projects ≤ $100m

Pilot projects participation includes:

- ✓ Pilot project certification
- ✓ Pilot project Training
- ✓ Dedicated Project Manager & ISC support
- ✓ Joint communication / promotion / case study
- ✓ Reduced fee ISC membership (where applicable)

Requirements

- ✓ Participation Fee: $30,000*
- ✓ Internal resourcing of assessment & submission (assessor or consultant)

*reduced rate considered for very small local government projects

IS Essentials overview
(based on IS v2.1 D&AB)

IS Essentials (based on IS v2.1 D&AB)

IS Essentials is designed to reduce scale and complexity of IS ratings for projects <$100m.

1. Fewer credits (38 to 34)

2. Reduced/ deleted & modified credit criteria

3. Materiality Assessment

4. Base Case

5. CapEx Bands

6. Organisational/ Program approach

7. Templates/ Examples

8. New Verification model

9. Digitalisation

10. Training

Item 2. Credit Criteria – A. Deletions & B. Modifications

Criteria

Table G6   Lea-1 Design criteria summary

Level 1	Level 2	Level 3
Lea-1 DL1.1 Sustainability objectives, targets, responsibilities and a reporting framework have been developed (or reviewed and updated).	The requirements for Level 1 have been achieved.	The requirements for Level 2 have been achieved.
AND	AND	AND
Lea-1 DL1.2 A sustainability management plan has been developed ~~for design and construction~~.	Lea-1 DL2.1 Sustainability objectives and targets have been reviewed with key external stakeholders and include their input.	Lea-1 DL3.1 Performance against sustainability targets is publicly reported. ~~Public reporting of sustainability performance includes contribution to the UN SDGs.~~
	AND	AND
	Lea-1 DL2.2 Sustainability targets are publicly stated ~~and performance against these targets is publicly reported~~.	~~DL3.2 Sustainability performance reporting has been independently reviewed by a suitably qualified professional.~~

Item 3. IS Essentials Materiality Assessment

Standard materiality assessment process → CREDITS SELECTION

Capex Bracket	Minimum number of credits to be 'SCREENED' in
<$20m	20
$20m - <$50m	25
$50m - $100m	30

- ISC will generate the scorecard → Projects encouraged to provide feedback

- Points redistributed

- No compulsory credits

Item 4. IS Essentials Base Case Approach

- Different approach to the typical ISC Base Case process

Phase	Existing methodology		New methodology	
	Base Case	Actual Case	Base Case	Actual Case
Design	Modelled construction footprint based on early BOQ + Modelled operations footprint	Modelled construction footprint based on DD BOQ + Modelled operations footprint	Reverse calculation from Design Actual Case + Modelled operations footprint	Modelled construction footprint based on DD BOQ + Modelled operations footprint
As Built		Monitored construction footprint + Modelled operations footprint	Reverse calculation from As Built Actual Case + Modelled operations footprint	Monitored construction footprint + Modelled operations footprint

IS Essentials Base Case Approach

Example
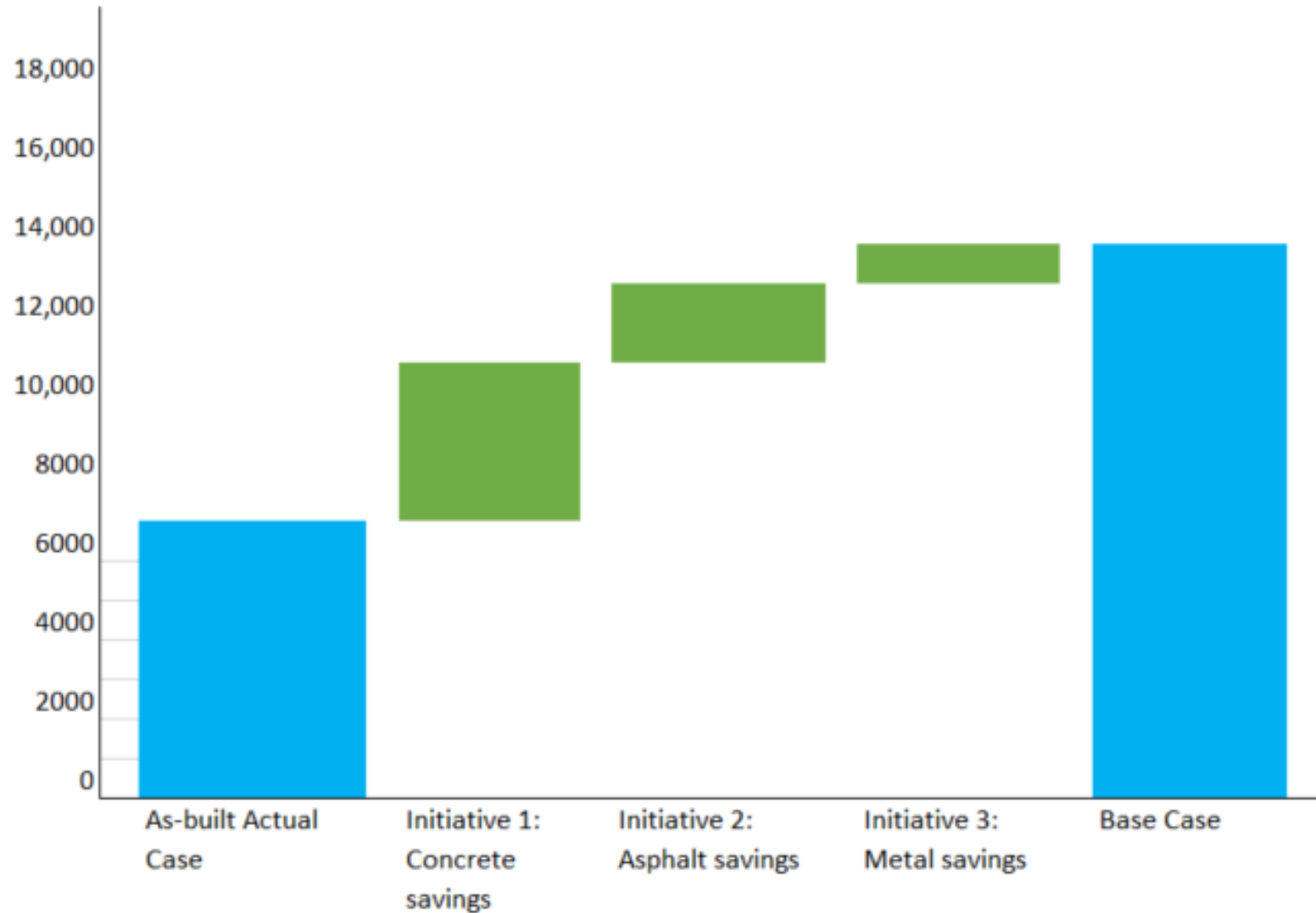
Item 6. Organisational / Program Approach

Program of Works / Organisation Approach

Projects undertaking an Essentials Rating may be part of a larger Program of Works (e.g. a scope of works that has been split into smaller individual projects, each targeting their own IS Rating) or the project Proponent could be a large Organisation which is undertaking many separate ratings (e.g. a transport authority in Australia or New Zealand). The ISC recognises that for efficiency in these situations work undertaken as part of a 'Program of Works' or at the 'Organisation level' may be used to meet credit criteria (or part thereof) within the IS Essentials project submission.

Draft IS Essentials Technical Manual

The Draft IS Essentials Technical Manual is shared with initial pilot projects.

Note that…

- ISC may iterate the Draft Technical Manual

- Iterations will capture changes made in response to the latest **feedback** from Pilot Projects & Working Groups

Piloting Projects will be, at a minimum, expected to undertake a rating utilizing the IS Essentials Resources available to them at the time of kick-off:

→ **Draft no. 3**

**IS Essentials
Technical Manual**
DRAFT
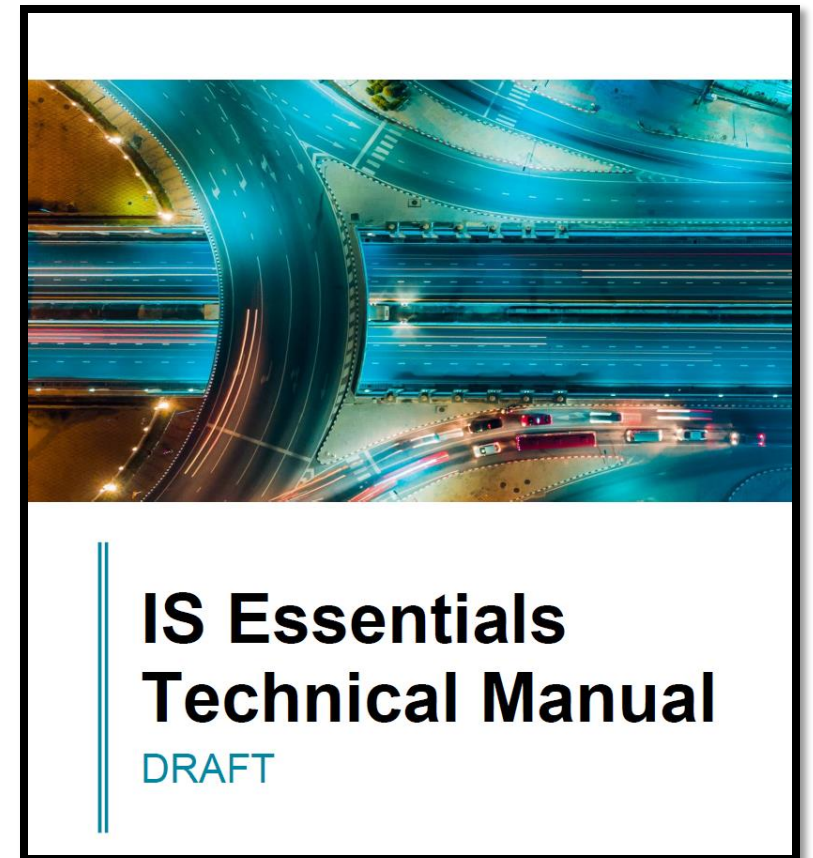
To discuss joining, please reach out!

To any of the panel members or to monique.isenheim@iscouncil.org

Q & A

THANK YOU!

Contact: Monique.Isenheim@iscouncil.org

Back Up / Alternative Slides

Where do the rating phases fit into delivery?
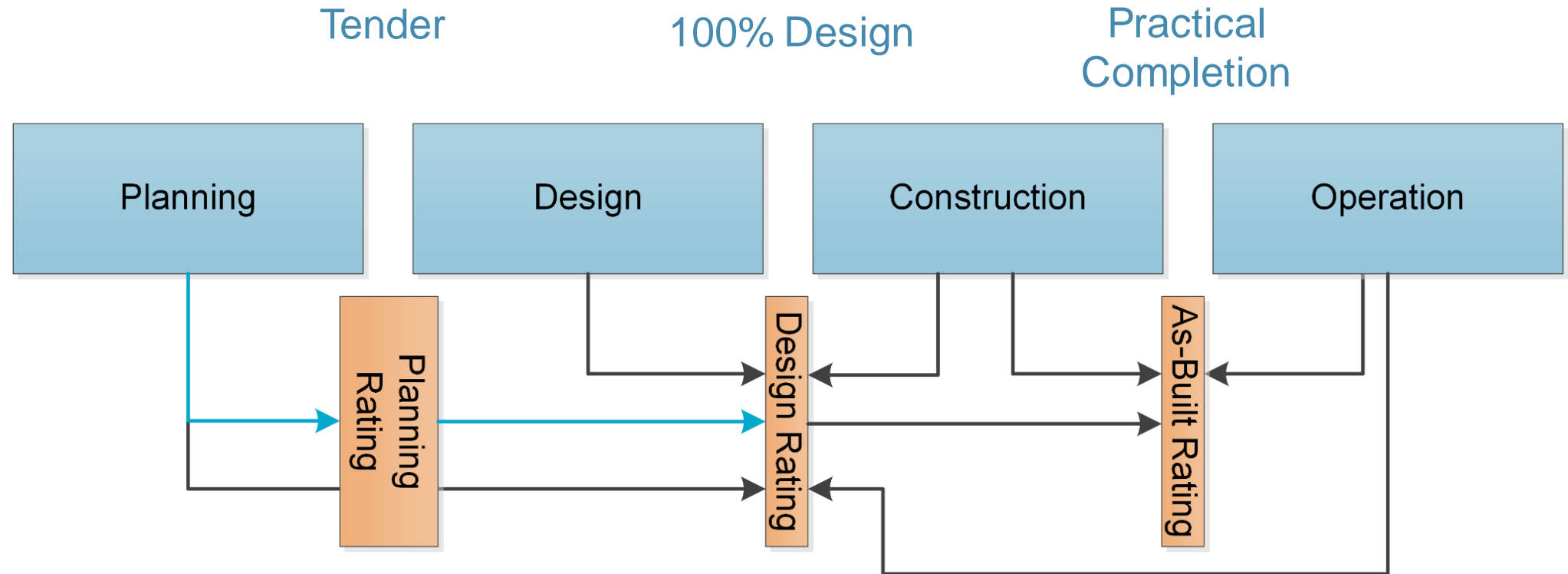
The IS Rating Scheme

- Assess the **sustainability performance** of infrastructure

- Whole of life consideration

Rating Process

1. Registration	2. Assessment	3. Verification	4. Certification
• Registration of interest • Rating agreement	• Kick-off workshop • Verifier appointment • Materiality assessment • Base case proposal • **<u>Self</u>-assessment**	• Two verifications rounds • Feedback & recommendation • Appeal resolution process	• Certification • Promotion

Award Levels & Scores (v2.1)

Score	Design	As Built
95-100	**IS Design** DIAMOND	**IS As Built** DIAMOND
80-94.9	**IS Design** PLATINUM	**IS As Built** PLATINUM
60-79.9	**IS Design** GOLD	**IS As Built** GOLD
40-59.9	**IS Design** SILVER	**IS As Built** SILVER
20-39.9	**IS Design** BRONZE	**IS As Built** BRONZE

IS Rating Scheme

Whole of life consideration

Options Analysis → Initiation → Development → Procurement → Design / Construction → Operations

Planning Rating

Design Rating (Interim)

As Built Rating

Operations Rating

Essentials Rating

4-Step Process

Registration → Assessment → Verification → Certification

Score	Design	As Built
95-100	IS Design DIAMOND	IS As Built DIAMOND
80-94.9	IS Design PLATINUM	IS As Built PLATINUM
60-79.9	IS Design GOLD	IS As Built GOLD
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20-39.9	IS Design BRONZE	IS As Built BRONZE

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About the ISC

The *Infrastructure Sustainability Council* (ISC) is a **member-based**, **not-for-profit** peak body operating in Australia and New Zealand with the purpose of enabling sustainability outcomes in infrastructure.

COMMUNITY	KNOWLEDGE	IS	ADVOCACY	EDUCATION
Events Conferences Awards	Thought Leadership Case Management Publications	The IS Rating Scheme	Partnerships Influence Leadership	Training Accreditation Development

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The IS Rating Process

1. Registration	2. Assessment	3. Verification	4. Certification

1. Registration
- Registration of interest
- Rating agreement

2. Assessment
- Kick-off workshop
- Verifier appointment
- Materiality assessment
- Base case proposal
- **<u>Self</u>-assessment**

3. Verification
- Two verifications rounds
- Feedback & recommendation
- Appeal resolution process

4. Certification
- Certification
- Promotion

Feedback and Issue Resolution

- **Feedback is vital**

- ISC's Continuous Improvement process
  - ❑ *Similar* to Technical Clarifications (TC) & Credit Interpretation Requests (CIR)

IS Essentials

Information Session May 5th, 2022

Infrastructure Sustainability Council
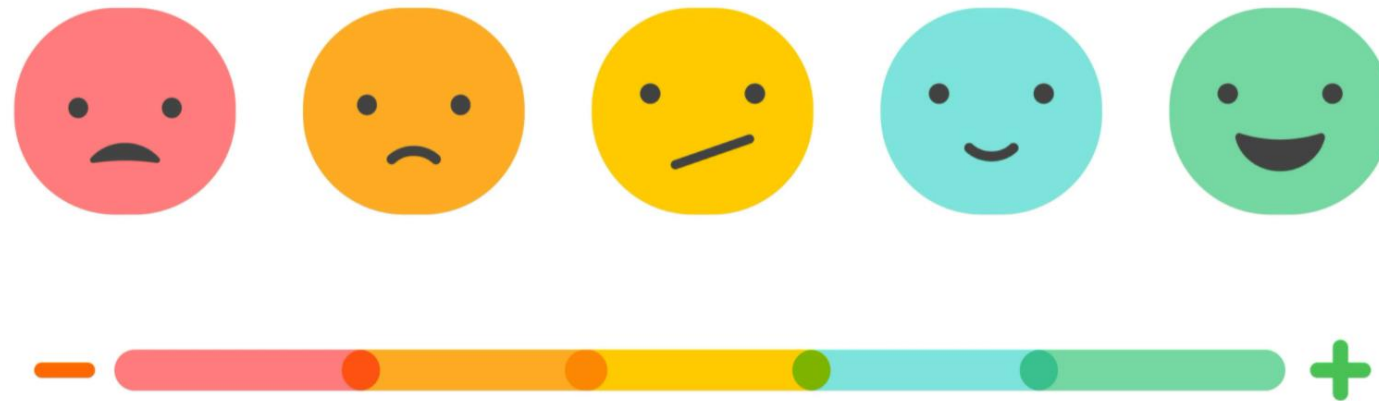
Objectives

The webinar is a teaser to raise awareness for the IS Essentials scheme and pilot with the goal to generate immediate leads and long-term interest

AWARENESS for

- the value of IS ratings and how they achieve impact (for participants unfamiliar with ISC)
- new IS Essential scheme and what projects it suits
- Major differences between IS Essentials and V2.1 (high level)
- Pilot program

LEADS GENERATION

- Recruiting additional pilot projects – directly or via third party channel (e.g. consultants, contractors, tenderers suggesting participation)

CALL TO ACTION

- Get in touch to find out more / discuss suitable projects

5 May 2022

Audience

Confirmed so far:

- Outreach: Social Media, ISC newsletter, targeted emails

- Confirmed 270+ registrations (as of 29 April)

- Thereof majority ISC member organisations, mostly consultants (incl. 2 or more from each organisation)

- A number of prospects/ proponents for pilot projects, e.g. Unitywater, SEQ Water, TMR, NT gov, TfNSW

- Some local government organisations/councils
    - Brisbane City council QLD
    - Auckland Council NZ
    - City of Rockingham WA
    - Mornington Peninsula Council VIC
    - City of Onkaparinga SA

- Continue targeted outreach to increase local gov sign ups

5 May 2022

Suggested agenda

Pat | All
Ty | Tom
Kerry | Monique

Not a technical deep dive but a general overview. More detailed information at the end to keep less familiar audience engaged, allow them to tune out.

- Welcome and acknowledgement of country   Monique
- Panel intro   Monique
- Short intro to ISC   Pat
- IS ratings, impact and refer to Advocacy reports (high light local gov relevance!)   Pat   Kerry
- IS Essentials and what projects it is for   Kerry
- IS Essentials pilot is happening and open, what project types we have on board already   Tom
- How to get involved and what it entails   Tom
- Overview of differences between 2.1 and IS E   (e.g. bands, number of credits)   Ty
- Overview of planned efficiency measures, eg Templates and resources, digitisation   Ty
- Call to action: Invitation to reach out to find out more or discuss specific projects   Monique
- Q&A   All

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5 May 2022

Panel

Patrick Hastings
Chief Operating Officer

Dr Kerry Griffiths
IS Technical Director

Tyrel Momberg
Principal Technical Advisor

Tom Young
Senior Project Manager

Monique Isenheim
Head of Market Development