

ISCA is an industry initiative and is the peak body for infrastructure sustainability in Australia. The IS Rating Tool was funded by Federal and State Government Agencies and leading infrastructure companies in the private sector. It is a world leading tool for benchmarking and rating sustainable (whole of life triple bottom line) performance on new infrastructure projects and current asset portfolios. The IS Tool was finalised and launched early in 2012.

The IS Rating Tool is and can be used by infrastructure planners, funders and financiers, procurers, designers, deliverers and operators to address some of the issues and associated recommendations made in the Draft Productivity Commissions Draft Report on Public Infrastructure.

Summarised below are the key areas of alignment between the PC reports issues and recommendations and specific IS Tool benefits.

1. Reform governance and institutional arrangements for public infrastructure to promote better decision-making in project selection, funding, financing and procurement

How can use of the IS Tool assist?

Application of the IS Tool early in design (from feasibility) directly assists proponents with identifying risks early which should precipitate benefits, such as:

- The ability for risks to be designed out early thus reducing later design and construction costs.
- Identifying issues early, which may not have an immediate solution but provide information to inform engagement with stakeholders such as regulators and the community early.
- Identifying issues early which could affect the original business case, allowing review pre-procurement.
- Sustainability risk and opportunity ownership will shift from environmental and stakeholder engagement specialists to project decision makers as the issues become more fully appreciated.

Therefore application of the IS Tool early can help to set the overall direction and approach for a project, and provides a suitable means to assure that key risks are managed into and through the delivery stages and into the operation of assets.

2. Establish the right environment to facilitate the identification and implementation of efficiency gains.

How can use of the IS Tool assist?

Application of the IS tool throughout the various stages of a public infrastructure project can increase the likelihood of the following efficiency gains:

- Maintain 'corporate' knowledge associated with key triple bottom line risks and opportunities, thus enabling them to be realised at the appropriate stage of a project.
 - The identification and implementation of design decisions, initiatives and processes to reduce both construction and operational related materials and resources usage, thus reducing costs and the assets footprint.
 - To facilitate the scoping of whole-of-life sustainability risks for projects and assets, enabling smarter solutions that reduce risks and costs.
3. Data problems beset the detailed analysis of the costs and productivity of public infrastructure construction, and of the effects of various policies. A coordinated and coherent data collection process can address this and improve future project selection decisions.

How can use of the IS Tool assist?

A key driver for funding and delivering the IS Tool for industry adoption was to establish a common national infrastructure sustainability language and associated performance benchmarks. Application of the IS Tool and the rating process, benchmarks and tracks project/asset triple bottom line performance. This performance data could be used to inform future project planning and selection decisions.

4. There is significant scope to improve public sector procurement practices and to lower bid costs for tenderers, with potentially large benefits for project costs and timing.

How can use of the IS Tool assist?

- Identification of environmental, resource efficiency and community related risks and opportunities prior to the formal approvals process. This provides the delivery agency and private sector project stakeholders with an industry developed, industry benchmarked best practice due diligence tool capable of flagging issues early in a

consistent way. Engagement with regulators and other key project approvals stakeholders can commence voluntarily and constructively often resulting in accelerated approvals and collaborative relationships going forward.

- Targeting and ultimately achieving an IS Rating assists key project stakeholders (funding agency, delivery agency, private sector delivery organisations etc.) with securing and enhancing their social licence. A poor social licence can stall projects and the unlocking of future capital.
- To enable consistent application and evaluation of sustainability in tendering processes, thereby reducing tendering costs and establishing an industry benchmark expectation.