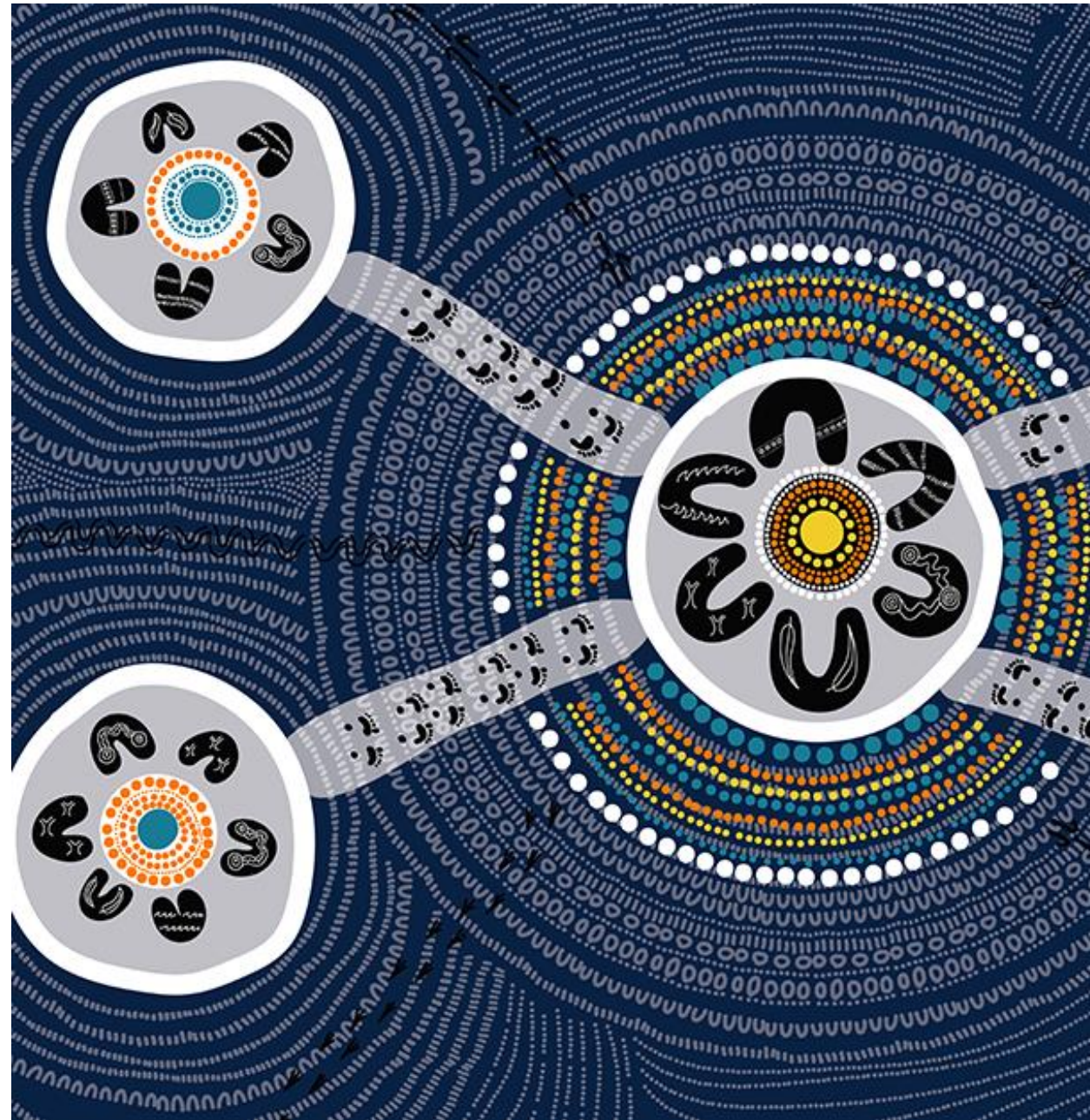# ISC Verification & IS v2.1 Workplan Update

March 2025

Acknowledgement of Country

The Infrastructure Sustainability Council would like to begin by acknowledging the Traditional Custodians of the land on which we meet today. I acknowledge their deep connection to land, water and culture, and pay my respects to their Elders past and present.

Welcome & Opening Comments

Toby Kent, Chief Executive Officer, Infrastructure Sustainability Council

Agenda

- **Welcome & Introduction**
  Toby Kent, Chief Executive Officer
- **Workplan Process**
  Ben Wade, Acting Regional Lead - NZ
- **IS Verification Workplan Update**
  Ben Wade, Acting Regional Lead - NZ
- **IS v2.1 Review Workplan Update**
  Ben Wade, Acting Regional Lead - NZ
- **Questions & Answers & Feedback**
  Michel Colen, General Manager – Ratings & Delivery
- **Closing Remarks**
  Toby Kent, Chief Executive Officer

Verification & IS v2.1 Process

Ben Wade, Regional Lead - NZ, Infrastructure Sustainability Council

IS v2.1 & Verification Workplans - Process

1. Stakeholder feedback inputs

- ✓ Verification Workplan Rev 1 and 2 outcomes review
- ✓ CI Register review
- ✓ IS Essentials Pilot Process feedback
- ✓ ISC Verifier Communique
- ✓ April 2024 Verifier Feedback Workshop
- ✓ August 2024 ISC Stakeholder Survey
- ✓ September 2024 IS PM Questionnaire
- ✓ ISC Technical Working Groups feedback
- ✓ Engagement with other Rating Standards
- ✓ Feedback workshops with key external stakeholders (TfNSW, NZTA, MRPV, others)
- ✓ informal feedback (emails, meetings

2. Options identification

1. Feedback collation and analysis

2. Problem statement and option principles definition

3. Preliminary Options Workshops (IS Regional Leads, GM Ratings and Delivery, Associate Technical Director)

4. Shortlisted Options Feasibility Investigations (Ratings and Technical Team)

Senior leadership endorsement

3. Option delivery - Detailed technical development

Ratings and Technical team development work

Technical Review

Internal Technical Panel

SME engagement (as required)

More stakeholder engagement (as required):
- ✓ Surveys
- ✓ Round tables
- ✓ TWG meetings

4. Outcomes

Improved verification process

Improved IS v2.1 Rating Tools

Background

1. Feedback collation and analysis

2. Problem statement and option principles definition

3. Preliminary Options Workshops (IS Regional Leads, GM Ratings and Delivery, Associate Technical Director)

4. Shortlisted Options Feasibility Investigations (Ratings and Technical Team)

Verification Workplan Options Internal Signoff

(Dec 2024)

IS v2.1 Workplan Options Recommendation Internal Signoff

(Feb 2025)

Option Principles

- Immediate impact

- Consistency vs quality vs efficiency

- 3rd Party Independent Verification maintained

- Focus across all Rating Tools

- Process vs outcomes

- Significant stakeholder collaboration

Shortlisted Option Investigations

For each shortlisted option, the Ratings and Technical teams undertook initial feasibility investigations. A report for each was drafted and included:

MCA

Ability to **implement** option **quickly**	**Impacts** on **timeliness and duration** of **verification** process
Impacts on **consistency** of **verification** outcomes	**Impacts** on **monetary cost or savings** to **external parties** from implementing option
Impacts on **verification process clarity, purpose and understanding**	**Impacts** on **assessor conduct and quality of submissions**

Outline of preferred option/s:

1. Impacts on the 'Feedback Core Concerns'
2. Implementation timelines and costs.
3. Risks and mitigation measures.
4. Monitoring indicators.

Verification & IS v2.1 Workplans Update

Ben Wade, Regional Lead - NZ, Infrastructure Sustainability Council

Verification Feedback Core Concerns

All parties agree....

- There is a lack of consistency in verifier work quality and verification outcomes.
- There is a lack of ISC support, management and involvement in ensuring an effective verification process.
- There is Inflexibility in the verification process prohibiting its ability to focus on outcomes.
- The costs associated for each respective party's role in the verification process are not proportionate to the outcomes/work involved.
- There is a lack of definition and clarity around verification process, roles and responsibilities.

The ISC and IS Community agree...

- That the Verification process is frequently impacted by delays and timeliness issues

The ISC and Verifiers agree...

- Assessor conduct and competency impacts the success of the verification process

Verifiers believe that...

- The verification process must maintain 2 verifiers

ISC believe that...

- There is misalignment between expectations and outcomes of the verification process causing frustration that is difficult to manage.

Verification Workplan Endorsed Options

8 recommendations regarding the Verification process were endorsed to progress. 5 of the 8 measures relate to tool users, these are detailed below.

The ISC has completed two stakeholder consultation rounds on the Measures 1 and 2 with the Verifier Panel and broader industry. Endorsed verification measures:

1 - ISC Internal review and agreement of the Materiality Assessment and Base Case Proposal

2 - ISC Internal 'Quality Controller' of Verification

4 - Define verification process, rolls and responsibilities for all parties.

6 – Deliver a communications campaign around the benefits of utilising verification.

7 – Find and provide to market a high-quality submission example of a CSF

Verification Measure 1 –
ISC Internal review and agreement of the MA and BCP

Intent:

ISC to conduct an internal Review and Agreement of the Materiality Assessment and the Base Case Proposal to reduce inconsistencies, improve turnaround times and improve the quality of feedback to projects.

- *The internal review may be conducted by the "Quality Controller" as described in 'Measure #2*

Root causes addressed:

All parties agree....

There is a lack of consistency in verifier work quality and verification outcomes.

There is a lack of ISC support, management and involvement in ensuring an effective verification process.

There is Inflexibility in the verification process prohibiting its ability to focus on outcomes.

The costs associated for each respective party's role in the verification process are not proportionate to the outcomes/work involved.

There is a lack of definition and clarity around verification process, roles and responsibilities.

The ISC and IS Community agree…

That the Verification process is frequently impacted by delays and timeliness issues

The ISC and Verifiers agree…

Assessor conduct and competency impacts the success of the verification process

Verifiers believe that…

The verification process must maintain 2 verifiers

ISC believe that…

There is misalignment between expectations and outcomes of the verification process causing frustration that is difficult to manage.

Verification Measure 2 –
ISC Internal 'Quality Controller'

Intent:

ISC team member (not IS PM) to conduct a consistency, credibility and accuracy check of verification outcomes and to ensure that the IS Verifier Principles are interpreted and applied appropriately in the verification process

- *This in addition to the 3rd Party verifier*

Root causes addressed:

| All parties agree.... | There is a lack of consistency in verifier work quality and verification outcomes. | There is a lack of ISC support, management and involvement in ensuring an effective verification process. | There is Inflexibility in the verification process prohibiting its ability to focus on outcomes. | The costs associated for each respective party's role in the verification process are not proportionate to the outcomes/work involved. | There is a lack of definition and clarity around verification process, roles and responsibilities. |

| The ISC and IS Community agree... | That the Verification process is frequently impacted by delays and timeliness issues | | The ISC and Verifiers agree... | Assessor conduct and competency impacts the success of the verification process |

| Verifiers believe that... | The verification process must maintain 2 verifiers | | ISC believe that... | There is misalignment between expectations and outcomes of the verification process causing frustration that is difficult to manage. |

Verification Measures 1 and 2 Proposed changes

IS Rating Tool	Materiality Assessment Agreement	Base Case Proposal Agreement	Round 1 Verification	Round 2 Verification
IS Essentials	ISC Internal Quality Controller	ISC Internal Quality Controller	Third-party Verifier + Internal Quality Controller Review	Third-party Verifier + Internal Quality Controller Review
IS Planning	ISC Internal Quality Controller	N/A	Third-party Verifier + Internal Quality Controller Participation	Third-party Verifier + Internal Quality Controller Participation
IS Design & As Built	ISC Internal Quality Controller	ISC Internal Quality Controller	Third-party Verifier + Internal Quality Controller Participation	Third-party Verifier + Internal Quality Controller Participation
IS Operations	ISC Internal Quality Controller	ISC Internal Quality Controller	Third-party Verifier + Internal Quality Controller Review	Third-party Verifier + Internal Quality Controller Review

Figure 1 Proposed Verification structure summary table

General Feedback on Verification Measures 1 and 2

✓ Feedback has been received from verifiers and industry on both verification measures

Verification consistency, quality assurance and standarisation

☐ Reduction in variables involved in the verification process

IS Resource management

☐ ISC has developed 2 contingency plans for unforeseen instances of insufficient resources

☐ ISC is forecasting workloads based on historic data and future submission numbers

☐ Clarity on qualifications, capacity and roles of the parties involved in a rating

Verification process transparency and improvements

☐ Transparent procedures being drafted

☐ Consistent stakeholder engagement

IS v2.1 Feedback Core Concerns

All parties agree...

It is costly for all parties involved to deliver a V2.1 rating (ie. Project, Verifiers, ISC)

The V2.1 scheme is often process oriented and this can be disproportionate to the outcomes driven.

V2.1 is a step change, introducing new complexities that users, verifiers and ISC staff are not familiar with.

The verification process, and subsequently verification results, are negatively impacted by the design of V2.1

The extensive timeframes for verification of the V2.1 tools negatively impacts project timelines

The IS Community believe that...

The V2.1 rating tools are inflexible and do not scale effectively

The ISC believe that..

The rating tools must maintain a level of rigour and legitimate process to ensure projects can be fairly benchmarked

Project teams and Delivery Authorities play a pivotal role in the successful deployment of a rating.

IS v2.1 Workplan Endorsed Options

5 recommendations regarding the IS v2.1 Workplan were endorsed.

The ISC will conduct on stakeholder consultation on Measures 1 to 5 with the broader industry. Endorsed IS v2.1 measures:

1 - Introduce a screening process for IS v2.1 projects between the values of $ 100 M - $ 500M

2 - Undertake a fast-tracked rating tool review, applying macro level improvements across the entire scheme.

3 - Mobilize team for the on-going technical manual review to deliver detailed technical improvements.

4 - Create additional rating tool pathways, Rating Badges.

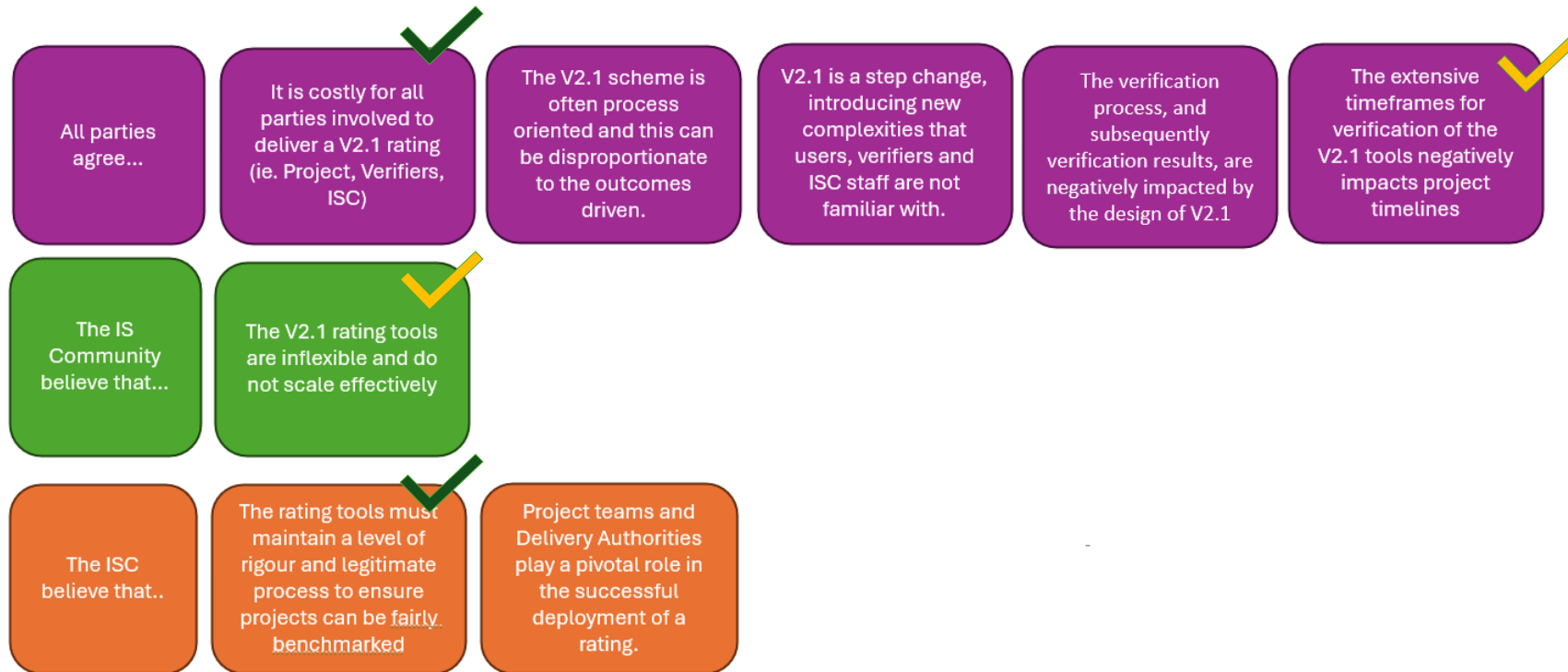**5 -** Deliver a communications campaign around the purpose and benefits of IS v2.1.

IS v2.1 Measure 1 –
Introduce a screening process for IS v2.1 projects between the values of $100m-$500m

Intent:

ISC to implement a screening process for projects from $100M to $500M (similar to the IS Essentials screening process)

Root causes addressed:

All parties agree…

It is costly for all parties involved to deliver a V2.1 rating (ie. Project, Verifiers, ISC)

The V2.1 scheme is often process oriented and this can be disproportionate to the outcomes driven.

V2.1 is a step change, introducing new complexities that users, verifiers and ISC staff are not familiar with.

The verification process, and subsequently verification results, are negatively impacted by the design of V2.1

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Project teams and Delivery Authorities play a pivotal role in the successful deployment of a rating.

IS v2.1 Measure 1 – Introduce a screening process for IS v2.1 projects between the values of $100m-$500m

✓ IS Essentials currently has a screening process for capital bands:

Table Int1   **Screened in credits per Capital Band**

Capital Band	'Permanent' Credits Screened in	'Additional' Credits Screened in	Total Credits Screened in		'Elective' Credits Screened in
			Lower Limit	Upper Limit	
$5 to < 20M	10	0 - 5	10	15	*voluntary*
$20 to < 50M	10	5 - 10	15	20	*voluntary*
$50 to 100M	10	10 - 15	20	25	*voluntary*

'Permanent' credits are pre-determined and are automatically screened in. These are:

- **Lea-1** Integrating Sustainability
- **Lea-2** Risks and Opportunities
- **Spr-1** Sustainable Procurement Strategy
- **Spr-2** Supplier Assessment and Selection
- **Res-1** Climate and Natural Hazards Risks
- **Ecn-1** Options Assessment and Significant Decisions

- **Ene-1** Energy Efficiency and Carbon Reductions
- **Rso-4** Resource Recovery and Management
- **Rso-6** Material Life Cycle Impact Measurement and Management
- **Inn-1** Innovation

20

IS v2.1 Measure 2 – Undertake a fast-tracked rating tool review, applying macro level improvements across the entire scheme

Intent:

ISC to apply a "macro improvements" hierarchy across the entire IS TM.

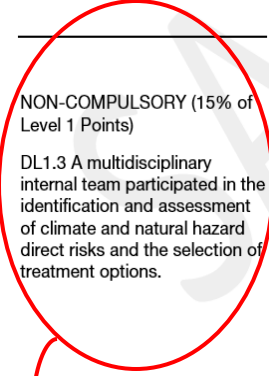- *This is not a full review of the TM, It has a defined scope of work, intending to deliver high impact, quickly.*
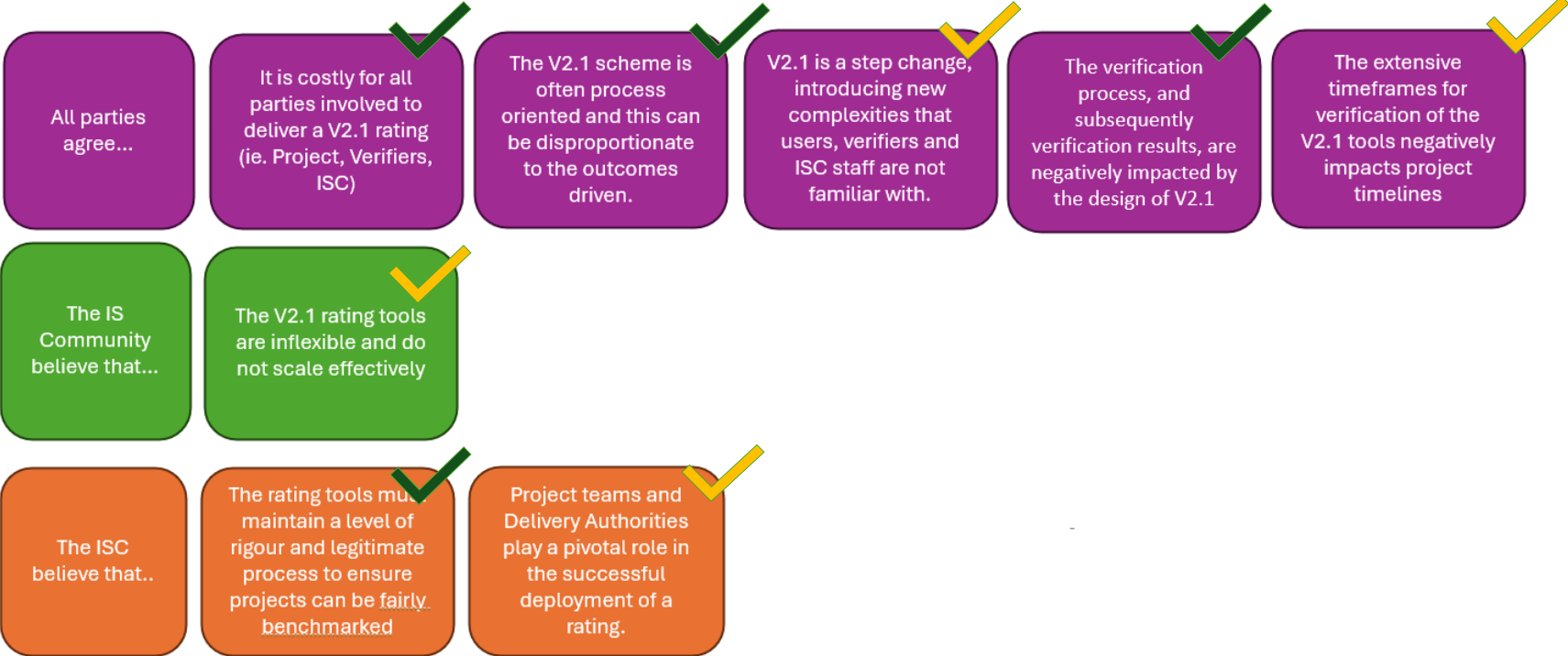
IS v2.1 Measure 2 –
Undertake a fast-tracked rating tool review, applying macro level improvements across the entire scheme

Macro improvements Hierarchy:

O1. *Does the credit contain <u>interrelated process</u> criteria and <u>outcome measurement</u> criteria, and, if yes, can the former be removed?*

O2. *Are there any criteria that are <u>non-essential</u> for demonstrating a <u>quality</u> outcome has been achieved and can these be:*

- b. *Removed, or*
- c. *Made optional to achieve full points. (See example in next slide)*

O3. *Can challenging level 1 and 2 criteria be moved up a level*

O4. *Is there any basis to remove Criteria and/or Must statements not already considered in options above.*

O5. *Development of a simplified/streamlined IS TM to complement the standard version*

IS v2.1 Measure 2 –
Undertake a fast-tracked rating tool review, applying macro level improvements across the entire scheme

Adoption of "optional" criteria:

Left table:

Level 1	Level 2	Level 3
DL1.1 Climate and natural hazard risks have been identified and assessed for <u>direct</u> risks to the asset using readily available and current natural hazard data and climate change projections. AND DL1.2 Treatment options for <u>direct</u> risks have been identified and implemented and after treatment all extreme and high priority <u>direct</u> risks have been reduced to an acceptable level. AND DL1.3 A multidisciplinary internal team participated in the identification and assessment of climate and natural hazard direct risks and the selection of treatment options.	The requirements of Level 1 have been achieved. AND DL2.1 The climate change projections used in the risk assessment (DL1.1) have been expanded to provide a level of sensitivity analysis. AND DL2.2 The climate change and natural hazard risk assessment also considers <u>indirect</u> risks to the asset. AND DL2.3 Treatment options for indirect risks have been identified and implemented and after treatment all extreme and high priority <u>direct or indirect</u> risks have been reduced to an acceptable level. AND DL2.4 A comprehensive set of affected stakeholders participated in identifying climate and natural hazard direct and indirect risks and treatment options.	The requirements of Level 2 have been achieved. AND DL3.1 Treatment options for all extreme and high risks have been assessed considering the optimal scale and timing, costs and benefits of addressing the climate and natural hazard risks.

Right table:

Level 1	Level 2	Level 3
DL1.1 Climate and natural hazard risks have been identified and assessed for <u>direct</u> risks to the asset using readily available and current natural hazard data and climate change projections. (+) AND DL1.2 Treatment options for <u>direct</u> risks have been identified and implemented and after treatment all extreme and high priority <u>direct</u> risks have been reduced to an acceptable level. _____ NON-COMPULSORY (15% of Level 1 Points) DL1.3 A multidisciplinary internal team participated in the identification and assessment of climate and natural hazard direct risks and the selection of treatment options.	The requirements of Level 1 have been achieved. AND DL2.1 The climate change projections used in the risk assessment (DL1.1) have been expanded to provide a level of sensitivity analysis. AND DL2.2 The climate change and natural hazard risk assessment also considers <u>indirect</u> risks to the asset. AND DL2.3 Treatment options for indirect risks have been identified and implemented and after treatment all extreme and high priority <u>direct or indirect</u> risks have been reduced to an acceptable level. AND DL2.4 A comprehensive set of affected stakeholders participated in identifying climate and natural hazard direct and	The requirements of Level 2 have been achieved. AND DL3.1 Treatment options for all extreme and high risks have been assessed considering the optimal scale and timing, costs and benefits of addressing the climate and natural hazard risks.

DL1.3 A multidisciplinary internal team participated in the identification and assessment of climate and natural hazard direct risks and the selection of treatment options.

"this criteria is non-compulsory to achieve level 1. If achieved, the final 15% of points available for level 1 will be awarded to the project"

A multidisciplinary internal team (see Definitions) **must** participate in identifying climate and natural hazarddirect risks and the identification and selection of climate and natural hazard treatment options.
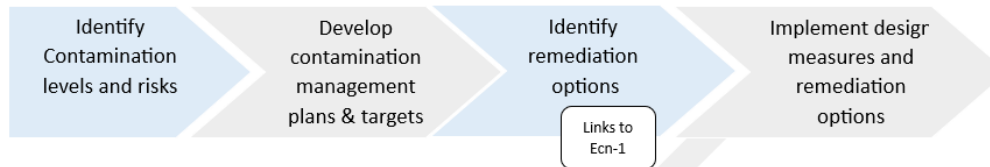
Please, add your comments to the Monday.com survey sent via email

IS v2.1 Measure 2 –
Undertake a fast-tracked rating tool review, applying macro level improvements across the entire scheme

Simplified/streamlined Technical Manual:

Rso-2 Management of Contaminated Material

To eliminate or control risks to people and the environment from contaminated material and to maximise use of sustainable remediation options for the management of such material.

Identify Contamination levels and risks → Develop contamination management plans & targets → Identify remediation options (Links to Ecn-1) → Implement design measures and remediation options

DL1.1 A Site Contamination Management Plan (SCMP) has been developed for the management and treatment of contaminated material. The Project 'Must':

Develop a Site Contamination Management Plan (SCMP)	*Outlines the contamination management actions to respond to identified risks.*
Include a risk assessment in the SCMP	*Identifies potential contamination risks and assesses likelihood.*
Include the following factors in the SCMP unless justified as not applicable. (refer to factors listed in TM)	*Ensures a complete and appropriate SCMP is applied to the project.*
Complete the SCMP based on the risk assessment and site investigations undertaken.	*Ensures that the document is created based on relevant and accurate site details.*
Justify why, if a site investigation has not been undertaken	*Ensures transparency regarding a fundamental stage.*

DL1.2 Project performance targets for contaminated material risks and sustainable remediation have been developed. The Project 'Must':

Develop SMART contamination remediation and management stretch targets.	*Defines what success looks like for the project*
deliver no or low residual risk to people and the environment and maximise sustainable outcomes (refers to methods listed in TM)	*Minimises the impacts the project has on its surrounds*
Have a SQP review their identified targets and justifications.	*Ensures that the Targets are appropriate for use*

IS v2.1 Measure 3 – Mobilize team for the on-going technical manual review to deliver detailed technical improvements

Intent:

ISC to identify and prioritise areas for improvement across the IS v2.1 Rating Tool and deliver targeted updates to address them.

- *This measure will be applied on an on-going basis to ensure continuous improvement,*
- *A deeper dive requires further SME and industry consultation.*

IS v2.1 Measure 3 – Mobilize team for the on-going technical manual review to deliver detailed technical improvements

Heatmapping exercise (IS v1.2 Example):

Man-1	Ene-1	Dis-1	Eco-1	Hea-1	Inn-1
Man-2	Ene-2	Dis-2	Eco-2	Hea-2	
Man-3	Wat-1	Dis-3		Her-1	
Man-4	Wat-2	Dis-4		Her-2	
Man-5	Mat-1	Dis-5		Sta-1	
Man-6	Mat-2	Lan-1		Sta-2	
Man-7		Lan-2		Sta-3	
Pro-1		Lan-3		Sta-4	
Pro-2		Lan-4		Urb-1	
Pro-3		Was-1		Urb-2	
Pro-4		Was-2			
Cli-1		Was-3			
Cli-2					

IS v2.1 current credits of interest:

- Pla-2
- Lea-2
- Spr-1
- Ecn-1
- Wfs category

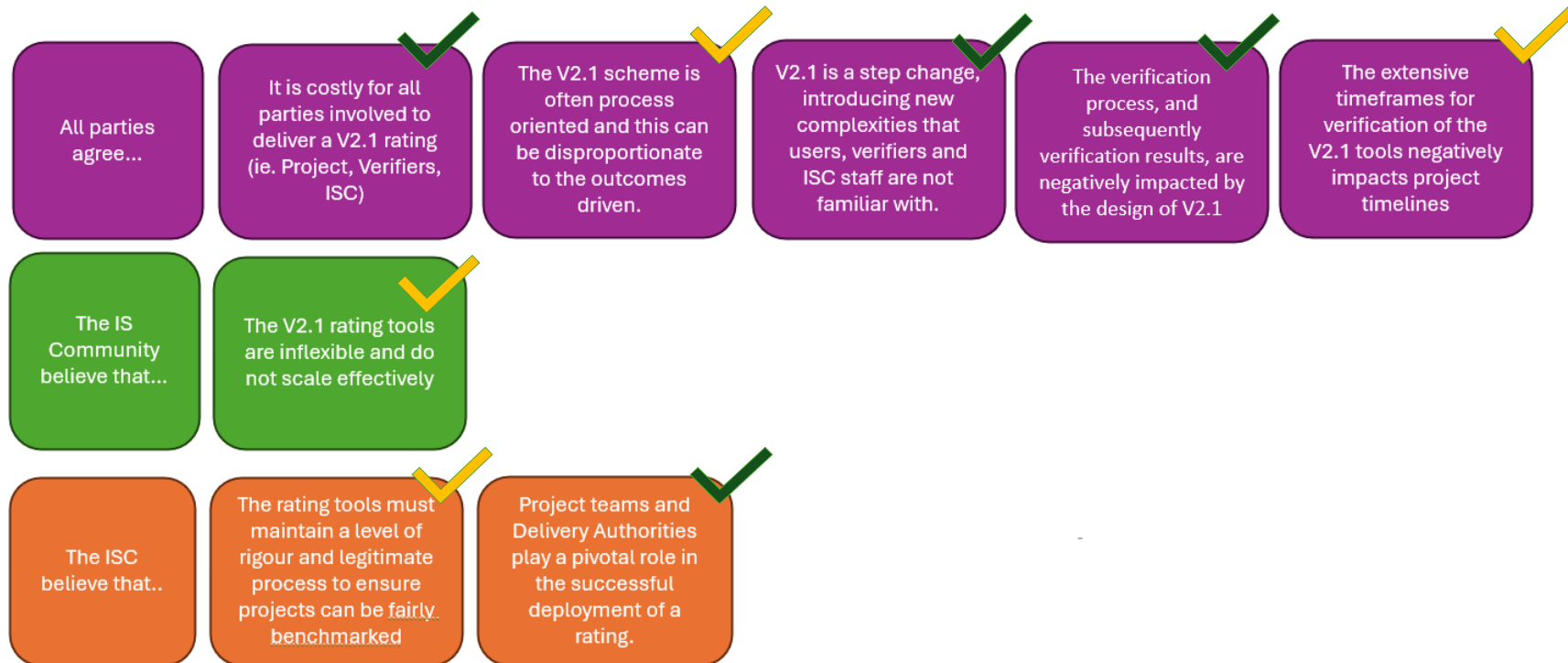Legend: ■ Total Items in register (incl closed)   ■ Number of current items
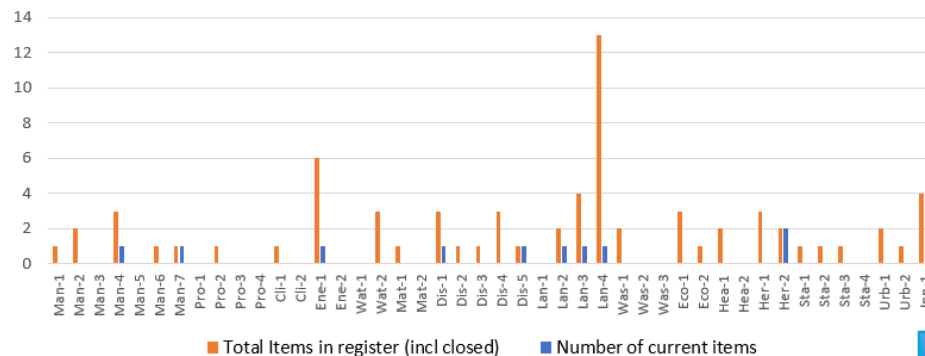
IS v2.1 Measure 4 - Create additional rating tool pathways; Rating Badges

Intent:

ISC to identify groups of credits, credit levels or specific criteria that collectively represent the achievement of an outcome.

- *Badges can be provided as a standalone offer, or in addition to a full project rating*

IS v2.1 Measure 4 - Create additional rating tool pathways; Rating Badges

NET ZERO RATING BADGE

Possible applicable credits:

- Ene-1
- Rso-6
- Ene-3

Next steps

ISC will gather all feedback provided through the Monday.com forms, and ensure it is appropriately considered.

On-going ISC communication fortnightly

Rollout to be coordinated across all scheme improvements, aiming for August 2025.

Updates are being provided to market every 2 to 3 weeks on the progress of the two workplans through our mailing list, website & ISAP Resources.

Questions?

Please enter these via the
Question & Answer widget

Thank you / Kia ora