

# MINO-516 Infrastructure Sustainability Council Proposal

10 November 2022

Advice on proposal provided by the Infrastructure Sustainability Council to mandate the use of the *IS Rating Scheme* for all Government infrastructure investment over \$15 million, including asset management.

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## Waka Kotahi NZ Transport Agency's response:

- As a sector leader and as part of our commitment to driving improved outcomes, Waka Kotahi NZ Transport Agency adopted the use of a Sustainability Rating Scheme for our high-value projects in 2015, with Waka Kotahi adopting the Infrastructure Sustainability (IS) Rating Scheme in 2020.
- As part of the adoption, all capital projects and programmes<sup>1</sup> over \$15 million are required to consider the merits of the IS Rating Scheme with our high-value projects of over \$100 million capital value obliged by Waka Kotahi policy to complete ISC certification unless:
  - alignment with the objectives, non-monetised and monetised benefits and a strong value for money case demonstrates that it is not practical
  - the sustainability objectives of Waka Kotahi such as, reducing greenhouse gas emissions, reducing environmental harm and improving public health can be implemented in an agreed alternative way.
- Eight high-value projects are currently registered and working towards the current (ISC-IS) rating scheme or Greenroads-based ratings<sup>2</sup>.
- The Infrastructure Sustainability Council (ISC) has provided a proposal for partnering with central and local government to realise social, cultural, environmental and economic benefits through the investment of \$2.5 million proposed to be implemented by:
  - mandating the use of the use of the IS Rating Scheme for all government infrastructure over \$15 million including asset management
  - building market capability
  - demonstrating climate action policy objectives.
- As we already mandate the use of the IS Rating Scheme for our high-value projects and programmes, it is not currently clear from the proposal whether additional benefits would be realised through mandating the IS Rating Scheme from \$15 million and applying the IS Rating Scheme across infrastructure delivery and asset management.

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<sup>1</sup> The Network Outcome Contracts are not currently included at this time.

<sup>2</sup> <https://www.nzta.govt.nz/assets/resources/annual-report-nzta/2021-22/waka-kotahi-annual-report-2021-22.pdf>.

- Waka Kotahi supports the use of sustainability rating tools for infrastructure delivery in providing for social, cultural, environmental and economic outcomes in particular:
  - in driving improved environmental and sustainability outcomes
  - as a tool to support decarbonisation
  - in supporting the broader infrastructure sector in consistently improving outcomes for communities that interact with the infrastructure.
- As a result of these demonstrated outcomes, we consider the greatest value can be realised in our high-value projects and programmes with lessons learned through the use of the scheme to inform infrastructure delivery, operations and maintenance. Such lessons include the development and trialing of alternative materials to reduce embodied carbon, waste minimisation practices and energy efficiency. These lessons are then used to improve outcomes associated with lower-value projects, programmes and through our operations and maintenance activities.
- If Waka Kotahi considered mandating the use of a sustainability rating scheme across high-value central and local government projects, the following could be considered:
  - The suitability for the scheme for all types of infrastructure.
  - Whether the proposed threshold level for mandating the scheme is appropriate to obtain the greatest benefit for future projects and programmes.
  - The availability of accredited assessors and verifiers and associated costs for resources to support the delivery agency in implementing the policy.
  - Local government's views on whether a mandate is appropriate.
  - Local government's ability to implement considering other regulatory and statutory changes being implemented.

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