



AUSTRALIAN GREEN INFRASTRUCTURE COUNCIL

## Five Year Business Plan Overview January 2010

*“The principal industry catalyst for advancing sustainability in the design, construction and operation of Australian infrastructure”*

## Executive summary

The development of the AGIC sustainability rating scheme for infrastructure is timely, as it coincides with a record investment nationally in new and existing Australian infrastructure upgrades. While the global financial crisis has been a stimulus for increased investment in this sector, it has also increased the challenge to procure funding for the Authorship of the scheme.

Australia has a unique challenge in relation to provision of national infrastructure, as it lacks the high population density in relation to geographic area when compared to most other developed nations. Australia's historical extreme weather events have always been a major challenge to infrastructure providers, and the increase in frequency and intensity of these events as a result of climate change has added another dimension to infrastructure provision, along with the fact that most of Australia's infrastructure is over 40 years old.

The public and private revenue streams available for new infrastructure projects and existing asset upgrades must therefore be used very efficiently and rely heavily on innovative delivery and operational methodologies to maximize stakeholder benefits.

AGIC's rating scheme is designed to award innovation, and on this basis the scheme is relevant to all infrastructure stakeholders, from investors and government through to owners and operators to assist them in innovative and optimized infrastructure solutions. The urgent need for this national scheme is described in the background section.

AGIC's future organisational strategies and growth will be in line with the five key purposes of AGIC, and platformed on the mission, values and operating principals, all of which are described in this business plan. AGIC's key purpose at this time is the delivery of the National scheme.

In addition to the delivery of a national rating scheme for sustainability in infrastructure, AGIC will position itself overtime with the experience gained through case studies to advocate a vision for future infrastructure investment in Australia that will yield increased sustainability outcomes.

The Board recognizes in this age of heightened community awareness that the rating of some projects may become controversial within the community, and while a policy to rate all relevant projects offered for assessment has been approved, the assessment criteria will be guided by the AGIC Charter supplementary to the business plan.

AGIC's not for profit status and its independence has positioned the organisation to be an ideal vehicle to bring industry and government together for open and candid discussion on the emerging infrastructure challenges of the day and to collaborate with government in relation to the development of practical revisions of standards and regulation. The first forum held with DECCW NSW was well received and it is planned to develop this model nationally.

To educate infrastructure stakeholders in preferred sustainability practices, AGIC will become a knowledge portal and hub for the sourcing and dissemination in these practices. It will encourage innovation and develop a library of case studies to communicate acknowledged innovation to the broader industry in a timely manner.

AGIC will rely heavily on the continued strong commitment of its many volunteers to deliver the scheduled programs as it continues to mature as an organisation. This continued great support is foundational to AGIC's ongoing success.

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### Appendix A Business Plan Supporting Documents Hierarchy

#### **Supporting documents electronically stored with this plan:**

- AGIC Charter
- Marketing Plan
- Organisation Chart
- Action Plans (Operation Plan, Organisational Growth Plan and Action Register)
- Administration and Governance Procedures
- Roles and Responsibilities
- Risk and Opportunity Register

## 1.0 Background

At the outset it must be acknowledged that a significant volunteer effort has platformed AGIC as a successful start-up industry association. AGIC is secure in terms of membership, finances, and administration as a result of this significant volunteer effort. This is unique and inspiring.

### 1.1 *The need for AGIC and improved sustainability outcomes in infrastructure*

This commitment by well over one hundred infrastructure professionals spread across Australia volunteering their time to develop AGIC is a clear testimony to the urgency and importance that is now placed on the need for a major shift to more sustainable outcomes in the industry. A national transition to more sustainable outcomes in Australian infrastructure is a fundamental objective of AGIC.

This urgent global need will be met in Australia through the launch of an AGIC national rating scheme structured to transform the industry in the sustainable delivery and operation of infrastructure and provide a knowledge sharing platform. The scheme has a whole of life focus. The unprecedented impacts of Climate Change also provide a compelling reason for AGIC's development and its objective to improve infrastructure sustainability. The need is also reinforced by insurance industry statements that damage from climate events is now the major cost to the industry and these costs are less predictable than they were in the past and are increasing.

Productivity improvements and a reduction in tendering costs will be realized, as a single national framework will avoid the costly compliance issues already emerging as the various government departments invest in the development of departmental specific sustainability assessment criteria. It is conservatively estimated the adoption of the AGIC scheme will save government \$1.3m in the development of their own criteria.

It is worthy to note that globally the need for improved sustainability outcomes in infrastructure has also been identified, as the American Society of Civil Engineers (ASCE) and the World Council of Civil Engineers (WCCE) have both publically stated the need for a sustainability certification scheme for civil projects, and AGIC is currently positioned to lead the world in providing such a scheme.

An increased focus on sustainability performance in Australia's infrastructure will provide or ensure:

- Reduction in the long term risk on capital invested.
- Increased investor confidence.
- An adaptive and mitigation capacity for climate change.
- The creation of long term value.
- Asset protection.
- Social and intergenerational health.
- Increased equity in the region of a project or assets activity.
- Protection of biodiversity and heritage values.
- A safe and skilled workforce through the requirement for training.

### 1.2 *Time to change our focus*

It is a time of transition for AGIC. Understandably to date, the primary focus has been on establishing AGIC as a viable industry organisation, concentrating on the research, development, structure and design of the world's first national sustainability assessment and rating tool for infrastructure projects. The initial interim steering group, who subsequently became the founding

Board of Directors of AGIC, possessed professional skills aligned to this task of tool development. The relevance and practicality of the seven assessment categories and their sub categories finally identified with strong stakeholder endorsement is testimony to their leadership and guidance of the four volunteer working groups involved.

Now that the structure of the rating tool is clearly defined, and the preferred authors identified, funding of the authorships is the only barrier preventing the final writing, testing and commercial release of the scheme. While the delay in procuring funding has been frustrating and hindered undoubtedly by the global financial crises, the Board remains optimistic funding will be secured. March 2010 has been identified as a critical period. If funding is not allocated by then, the Board has a concern that AGIC's revenue base may be compromised through non-renewals of memberships in FY2010/11 as members may start to question the value proposition provided.

### **1.3 Positioning AGIC for the change**

With the voluntary restructure and appointment of five new Directors to the AGIC Board at the inaugural AGM in August 2009, the organisation is now positioned to lead the transitional organisational development of AGIC. The skill set provided by the new Directors is appropriate to grow the organisation and lead the development of AGIC in areas other than the development of the rating tool. The two additional Director positions yet to be filled need to be finalized and female representation in these positions is recommended to better balance the composition of the Board.

In mid 2009, the Board agreed that a new five year Business Plan was needed. In order to maximize input from the new Directors, and bring clarity to the future directions which AGIC needs to follow, a one day strategic review workshop was held in October 2009. That workshop identified five key strategic outcomes:

1. AGIC needs to retain its branding. To consider a name and logo change to incorporate sustainability in it would only confuse stakeholders. It was decided a tag line re sustainability may be added to the logo base at a later time to overcome any impression that AGIC is only active environmentally.
2. There is a need to redefine AGIC's identity and purpose.
3. The scheme needs to be connected to Government priorities.
4. A stakeholder review is to be undertaken to identify key stakeholders along with their needs. The intent is to provide AGIC with the relevant information to ensure the value proposition offered is totally relevant.
5. The operational model needs to be clearly defined and published.

The redefining of AGIC's purpose was work shopped and is defined in Section 4. A clear decision has been made by the Board to rate all projects tabled for assessment; however the strategy to deal with controversial projects will be based on the AGIC Charter and operating Principles.

Many challenges are still to be faced as AGIC develops into a mature, credible and functional organisation, and the Board remains confident AGIC will make a major contribution to the sustainable delivery of future infrastructure projects and the sustainable operation of existing infrastructure assets.

Once the AGIC scheme is firmly established in Australia, there is a latent opportunity to become influential on the international scene. Potential revenue from licensing the scheme could fund relevant infrastructure sustainability research. AGIC's MOU and collaboration with CEEQUAL, ASCE, and WFEO will platform solid partnerships to facilitate a global presence.

## 2.0 Business Plan purpose

The purpose of this Business plan is to:

1. Communicate to AGIC Board, Strategic Leaders Group, Foundation Members, Members, Working Groups, Volunteers, and potential funding providers in easy to read terms, why AGIC is needed, its future plans and direction, and provide a roadmap showing how these stakeholders can contribute.
2. Define the strategic goals of the organisation and the targets for achieving these goals.
3. Identify the risks and external threats and opportunities applying to AGIC and the strategies to eliminate or minimize their impacts and maximize opportunities.
4. Define the key strategies and initiatives needed to achieve AGIC's vision for the next twelve months to three years
5. Provide a firm three year budget forecast with estimates to five years.

## 3.0 AGIC's Mission

AGIC will be the principal industry catalyst for advancing sustainability in the design, construction and operation of Australian infrastructure.

## 4.0 AGIC's purpose defined

The organisation's purpose is defined as follows:

1. To promote a vision for future sustainable infrastructure.
2. To deliver a practical national assessment, certification and award scheme for sustainability in new and existing infrastructure.
3. To be an independent forum provider for industry and governments to openly, confidentially, and non punitively discuss infrastructure issues of the day and discuss the actual needs of both parties in a media free environment.
4. To be a knowledge portal and hub for the sourcing and dissemination of preferred sustainability practices for the education of stakeholders in the infrastructure sector.
5. To encourage innovation and communicate the emerging innovations to industry in a timely manner.

## 5.0 AGIC’s Values

The values by which office bearers, volunteers, supporting organisations and commissioned agents will conduct themselves when undertaking AGIC duties are:

| Value                                     | Description   |
|---|---|
| <b>Sustainability</b>                     | We value natural, social & economic capital that provides intergenerational sustainability.   |
| <b>Communication</b>                      | We value high quality, open and honest communication.   |
| <b>Respect for people</b>                 | We value the people with whom we work and respect the diversity of their ideas and cultures.  |
| <b>Integrity and responsibility</b>       | We value personal responsibility and act with integrity at all times.   |
| <b>Whole industry and community focus</b> | We aim to serve the infrastructure industry as a whole for the benefit of society.  |
| <b>Challenge status quo</b>               | We have the courage to challenge the status quo and champion means to re-orient the infrastructure industry towards sustainability. |
| <b>Learning and innovation</b>            | We value learning from innovation and meaningful change and sharing this new knowledge.   |

## 6.0 AGIC’s Strategic Direction and Targets

The strategic goals endorsed by the Board are to manage organisational growth and develop each of its five key purposes. After careful consideration, explanatory text and targets related to each strategic goal are provided below. Further details on the plan for how these targets will be achieved are provided in supporting Action Plans not directly attached to this document.

Until the scheme is operational, all activity and organisational success will hinge on the delivery of AGIC’s primary purpose for the delivery of a national scheme, and that of an independent forum and the knowledge portal and hub.

### 6.1 Purpose One

#### To promote a vision for future sustainable infrastructure

- The consolidation of AGIC as an organisation over the longer term with a well developed database of case studies and sound sustainability practices will provide a clear view of the preferred direction future infrastructure needs to take to optimize sustainability outcomes. As this knowledge emerges, AGIC will be well placed to use the experience accrued to describe and advocate a future vision for infrastructure development in Australia.

*Targeted actions:*

- Define the scope and guidelines to be followed for this organisational activity.
- Build AGIC’s profile in the market place as a recognised thought leader in sustainable infrastructure, reflected by achievement of the targets on the other strategic purposes.

## 6.2 Purpose Two

### **To deliver a practical national assessment, certification and award scheme for sustainability in new and existing infrastructure.**

- The authorships of the twenty seven assessment sub categories require additional funds of \$1.25m and as AGIC approaches the end of its second year of operation, an intense funding drive is required to cover this investment. The commencement of authorships this financial year is critical as it will provide the necessary member confidence in AGIC to ensure membership renewals.

*Targeted actions:*

- The project sustainability award descriptor, icon and award levels need defining and publication.
- Obtain funding for sub category authorships and tool development Project Management. Commence tool development by April 2010.
- Launch the Design and Construct rating scheme by August 2011.
- Launch the Operational element of the rating scheme by December 2011.
- Appoint a full-time scheme administrator / manager by July 2011.
- Establish review panels and conduct annual revisions of both tools.

## 6.3 Purpose Three

### **To be an independent forum provider for industry and governments to openly, confidentially, and non punitively discuss infrastructure issues of the day and discuss the actual needs of both parties in a media free environment.**

- The purpose of the forums is to bring industry and government together in a Chatham House Rule<sup>1</sup> and media free environment to openly discuss the challenges stakeholders are facing. Infrastructure industry needs as a priority from government, and the government needs from industry are work shopped and the outcomes are then used to assist the development of new government policy.
- The Department of Environment, Climate Change and Water in NSW (DECCW) was the first State Government body to engage AGIC for this purpose. An inaugural forum was hosted by AGIC in November 2009, and approvals are being sought by DECCW for further forums. A Queensland forum is being negotiated and it is planned to develop these forums in all States.
- Forums will enhance AGIC's credibility and independence.

*Targeted actions:*

- Facilitate four government / industry forums per annum.

<sup>1</sup> A forum where anonymity is provided to speakers to encourage open discussion

## 6.4 Purpose Four

### To be a knowledge portal and hub for the sourcing and dissemination of preferred sustainability practices for the education of stakeholders in the infrastructure sector.

- Sustainability is now becoming an integral part of many corporate strategic plans, missions and objectives, yet many organisations are openly admitting they are yet to develop a complete understanding of the practicalities necessary for its successful delivery.
- It has been identified through numerous national face to face meetings with Australian infrastructure stakeholders that AGIC's scheme is timely and well positioned to facilitate the development of a national language and understanding of infrastructure sustainability.
- The rating of new projects and existing assets under the AGIC scheme will provide data to position AGIC to develop case studies and educate the industry in innovative practices.
- The scheme's assessment and sustainability awards will publically highlight innovative practices in the design, construct and operational areas on future projects and assets.
- Once this database is nationally recognized within the industry, AGIC would then be positioned to become a credible knowledge hub for the industry.

#### Targeted actions:

- Develop governance procedures/guidelines for defining how relevant case studies are to be captured, stored & disseminated by May 2010.
- Launch Knowledge Hub by July 2010.
- Appoint a full-time Technical Manager or Director by July 2011 to ensure Knowledge Hub maintains relevancy and links to the award scheme.

## 6.5 Purpose Five

### To encourage innovation and communicate the innovations with industry via case studies

- BMW have a saying that "Today's innovation is tomorrow's tradition", and as AGIC develops its library and the library is valued as a knowledge hub by its members and industry, AGIC will be positioned to formally educate the industry through training programs.
- Ensure innovative practices that are identified are documented promptly and offered in AGIC training packages to accelerate the pick up of the innovative sustainability practices within the industry.
- Intellectual property policies will need to be clearly defined and agreed to ensure the seamless transfer of new knowledge.

#### Targeted actions:

- Establish an active and income earning education and training program (and training packages to roll out) linked to the rating scheme and Knowledge Hub by July 2011.
- Become a registered training organization by July 2011.
- Appoint an accredited training provider by July 2012

# Appendix A: Business Plan Supporting Documents Hierarchy

The chart below outlines the document hierarchy of key documents supporting AGIC 5 Year Business Plan. Some of these documents are stored in Project Solve in the Business Plan Folder and some on the AGIC website.



