

GREEN STAR

Key lessons learnt	The opportunities for improved planning, decision making and independent third party assurance provided by Green Star has multiple advantages in supporting the gateway policy and process, and can deliver benefits across all seven Key Focus Areas, throughout the project lifecycle.
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Introduction

Green Star is Australia's only national, voluntary and holistic rating system to provide independent third party assurance for sustainable buildings, infrastructure and master-planned communities. Green Star is an internationally recognised built environment rating system delivering a common language for standards of sustainability in the built environment.

The Green Star rating system has been developed by Australian industry collaboratively with government and locally adapted to suit the Australian market. From individual buildings and infrastructure, to neighbourhoods, precincts and entire communities.

Green Star should be viewed as a rating tool to assess environmental and economic sustainability and considered with reference to buildings and places in the broadest sense.

Green Star assessment adheres to the NSW Gateway Policy: to deliver independent assurance to project owners and to Government as the investor.

This Practitioner Note provides further explanation on the benefits of Green Star in supporting planning, decision making and delivering assurance across projects as referenced through the Gateway process to guide better business case development in NSW.

Key considerations

The application of Green Star can provide independent assurance throughout a projects lifecycle that requirements identified in the seven Key Focus Areas are being met.

Utilising Green Star through the Gateway process underscores the multiplier benefits attached to the early consideration and application of Green Star within the project lifecycle.

The early engagement of Green Star, as identified in Gate 1, as a planning tool to support the evaluation and development of strategic options, can help deliver ongoing and increasing benefits in decision making that helps deliver the business case (Gate 2), provide assurance to support procurement (Gate 3), tender evaluation (Gate 4) and information that helps build readiness for service (Gate 5) and evidence and data for benefits realisation in the broadest sense (Gate 6).

Supporting Key Focus Areas

As a project moves through the Gateway process this holistic assessment of sustainability brings increasing benefits across the Key Focus Areas targeted in the gateway process. For example:

Service need

Green Star provides a powerful framework to assess service need: to consider the performance of options against government policies, and to assess how those options might maximise community and nonmonetary benefits across agency portfolios. For example, Green Star provides a range of innovation credits to understand, measure and assure carbon neutrality, energy efficiency, and support for renewable energy consistent with government commitments to reduce carbon emissions.

Value for money & affordability

The holistic nature of Green Star provides the governance necessary to consider interdependencies co- and whole-of-life benefits that inform value for money assessments.

Social, environmental & economic sustainability

The social, environmental and economic sustainability provided through the assurance offered by Green Star is already established within the Gateway process. While the emphasis is on economic and environmental assessment in the reference to Green Star, it is important to acknowledge also the significant assurance offered

through social sustainability, for example, in economic and social resilience, and through health, wellbeing, culture, heritage and place. The ability to measure and report on the value of these benefits in the broadest sense provides a powerful tool to inform benefits realisation throughout the gateway process.

Governance

Assurance provided by Green Star through effective project governance can help to provide the evidence and reporting to support broader business case development, project culture, and through effective stakeholder and community engagement, provide a mechanism to evidence end-user representation.

Risk management

The framework provided through Green Star provides a mechanism to more appropriately manage risk throughout the project lifecycle. The popularity of Green Star in providing commercial investor assurance is because it helps manage key investor risks associated with both climate and social licence.

Stakeholder management

The consideration of broader government policy outcomes through the breadth of Green Star assessments provides assurance of outcomes relevant across agencies. Stakeholder issues can be further managed through specific credits with consideration of engagement and management systems.

Asset Owner's needs and change management

Demonstration of consideration given to asset owners' needs throughout the project lifecycle will be supported by an assurance of outcomes that value the asset at all stages of procurement and in operation.

With these broader benefits, the role of independent third party assurance, like Green Star, in supporting the gateway process across the seven Key Focus Areas is clear. Moving through each of the gateways, assurance is key to helping:



Gateway 1

Evaluate strategic options across government priorities using Green Star as a framework to consider broader benefits across portfolios.

Gateway 2

Build, evidence and evaluate the business case using industry agreed standards to evidence and inform value.

Gateway 3

Support value for money through efficient procurement using a tool and standards that are understood by industry and reflect best practice.

Gateway 4

Provide a leading framework to support tender evaluation against prioritised benefits using a common language.

Gateway 5

Deliver a mechanism to communicate how benefits have been achieved using tools that are recognised by industry and the community.

Gateway 6

Provide evidence and communicate broad benefits realisation and value add through quantifiable co-benefits delivered through independent, third party assessment against industry agreed, and internationally recognised best-practice standards.

In considering the application of Green Star to any project, these multiplier benefits across the Key Focus Areas and throughout the project lifecycle should be carefully considered. Green Star should be considered both to support planning and decision making and in procurement as a rating tool to assure project outcomes and benefits realisation. Where the decision is taken not to apply independent third party assurance (like Green Star) this decision should be reviewed at subsequent gateways where the case may become more compelling.

Questions to consider

- ▶ How will the project demonstrate independent, third party assurance of outcomes sought?
- ▶ How will the project evidence and communicate outcomes have been met across government priorities to agreed standards of best practice?
- ▶ How will the project quantify and value broader economic and social outcomes and co-benefits in way that resonates with investors?
- ▶ How will the project communicate the standards sought in a language that industry accepts and understands?
- ▶ How will the project demonstrate to end-users and government as an investor that social licence and climate risk have been managed and assured through independent third party verification?

Source material

Learn more about Green Star and the Green Building Council of Australia at: www.gbca.org.au

We would be pleased to provide you with a free copy of our Green Star Submission Guidelines as appropriate.

Support

The Green Building Council of Australia would be pleased to discuss how we can support you to deliver your project.

▶ About the author:

Established in 2002, the Green Building Council of Australia (GBCA) is the nation's authority on sustainable buildings, communities and cities. Our vision is to create healthy, resilient and positive places for people. Our purpose is to lead the sustainable transformation of Australia's built environment. To do this, we:

- Rate the sustainability of buildings and communities through Australia's only national, voluntary, holistic rating system – Green Star.
- Educate industry and government practitioners and decision-makers, and promote green building programs, technologies, design practices and operations.
- Advocate policies and programs that support our vision and purpose.

The GBCA represents over 600 individual companies with an annual turnover of more than \$40 billion. Members include major developers, professional services firms, banks, superannuation funds, product manufacturers, retailers and suppliers from small-to-medium enterprises to ASX 200-listed companies. We also have 40 local government, 26 state government departments and land organisations, and 18 university members.