Review of the Green Star ‘Timber’ credit

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1.0 EXECUTIVE SUMMARY

The Green Building Council of Australia (GBCA) is committed to continuously improving the Green Star rating tools and increasing transparency of credit development within the Green Star environmental rating system for buildings.

In 2007, the GBCA commenced a review of the Green Star Mat-8 'Timber' Credit ('credit'), in conjunction with a number of other credit reviews in the Material Category including the PVC, Concrete and Steel credits.

The fundamental aims of the review of the credit were to recognise the value of certified timber products and to promote the important role that the Australian timber industry plays in the green building supply chain.

An independent Timber Expert Reference Panel (TERP) was established in 2008 as a key part of the Timber credit review process. The TERP provided input on the content of a revised Timber credit and assisted with the development of a fair and transparent framework for the assessment of forest certification schemes against international best practice criteria.

The credit review process has sought to address stakeholder concerns over the exclusive recognition of one timber certification scheme and delivers the following key outcomes:

1. The GBCA Assessment Framework for Forest Certification Schemes (Framework) which enables the GBCA to assess forest certification schemes for recognition within Green Star against 15 best practice criteria that address the governance and transparency of forest certification schemes as well as the content and rigour of the standards that they operate.

2. The revised Green Star 'Timber' credit which encourages the specification of reused and post-consumer recycled timber, as well as virgin timber certified by forest certification schemes that meet the requirements of the Framework. The revised credit will be released for public comment in July 2009.

This document provides information on the background, process and outcomes of the Green Star Timber credit review. It is intended to be read in conjunction with the following four supporting documents which can be accessed on the ‘Timber’ credit page of the GBCA website:

- Part I – Criteria for Evaluating Forest Certification Schemes
- Part II – Assessment Process for Forest Certification Schemes
- Part III – Assessment Matrix for Forest Certification Schemes
- Part IV – Draft Revised Green Star ‘Timber’ credit (to be released in July 2009)

The Framework has been developed to support the revised credit however it can be used independently of the credit. As a result, the Framework can be fully implemented by schemes. Forest certification schemes are invited to formally apply for assessment against the GBCA Assessment Criteria in accordance with the steps provided in Part II - Assessment Process for Forest Certification Schemes from July 2009.
2.0 DEFINITIONS

The following terms are used throughout this document and supporting documents (Part I, II, III, and IV):

**Assessment Criteria (Criteria)** – is the suite of 15 best practice benchmarks and guidelines that address the governance and transparency of forest certification schemes as well as the content and rigor of the standards that they operate. Refer to *Part I – Criteria for Evaluating Forest Certification Schemes* for more information.

**Assessment Matrix for Forest Certification Schemes (Assessment Matrix)** – is the template document that forest certification schemes must use to provide the GBCA with evidence of compliance with the Assessment Criteria. For more information refer to *Part III – Assessment Matrix for Forest Certification Schemes*.

**Assessment Process** – refers to all of the stages involved in the assessment of forest certification schemes. It is similar in principle and process to the way that the GBCA assesses applications for Green Star certification of buildings. Refer to *Part II – Assessment Process for Forest Certification Schemes*.

**Forest Management** – is the process of planning and implementing practices for the management and use of natural and plantation forests which are aimed at achieving specific economic, environmental, social and/or cultural objectives.

**Forest Certification** – is a process by which an independent third party certifies that a forest is managed to an agreed standard.

**Forest Certification Scheme** – is a scheme that provides a framework for forest certification by developing or administering forest management standards and that requires the use of suitably qualified third party auditors, which are independent of the certification scheme, to assess the management of a forest against an agreed standard.

**Forest Management Unit (FMU)** – is a unit of natural forest, plantation forest or other forest type that is managed on the basis of a management system of explicit objectives, in accordance with a long-term forest management plan.

**Forest Manager** – is the owner, concessionaire, person or entity that is responsible for the management and exploitation of a FMU.

**Framework** – means the GBCA Assessment Framework for Forest Certification Schemes. It encompasses the Assessment Process, Assessment Criteria and Assessment Matrix that have been developed through the GBCA ‘Timber’ credit review project.

**Independent Assessment Panel (IAP)** – refers to an independent assessment body, external to the GBCA, which is contracted by the GBCA to undertake the assessment of a forest certification scheme’s Assessment Matrix submission and supporting documentation against the Assessment Criteria and in accordance with the terms of the Assessment Process. ProForest is the independent assessment body that has been contracted by the GBCA to perform the duties of the IAP. ProForest is a UK-based independent company with internationally renowned expertise in the assessment of forest certification schemes (www.proforest.net).
3.0 BACKGROUND TO THE GREEN STAR TIMBER CREDIT REVIEW

The GBCA initiated the credit review in late 2007 to recognise the value of certified timber products, and the important role that the Australian timber industry plays in the green building supply chain. The credit review also sought to address stakeholder concerns over the exclusive recognition of only one timber certification scheme within Green Star.

As the credit review evolved several key issues related to forest certification became apparent. The following sections provide background information on these issues, particularly on defining best practice for forest certification schemes. The key issues included:

- Addressing the risk of illegal and uncertified timber products being used in Green Star projects;
- Promoting the importance of independent third party forest certification as good practice, while recognising that there are variances and differences in opinion on what constitutes best environmental practice in forest management and forest certification; and
- Recognising that there are differences between the outcomes that forest certification delivers with regards to the on-ground / in-forest measures of environmental impact as opposed to on-paper management system aspirations.

3.1 ILLEGAL AND UNCERTIFIED TIMBER

Illegal and uncertified timber products are not acceptable in Green Star certified buildings. According to a report by the Australian Institute of Criminology (Schloenhardt, 2008, table 25), $450 million of illegal timber products were imported into Australia between the years 2003-2004. The GBCA is particularly concerned about secondary manufactured products (such as furniture) that may contain illegally sourced timber. In 2002-2003, $180 million of illegally sourced furniture and composite timber products were imported into Australia (Schloenhardt, 2008, table 25).

It is unknown what amount of timber arrives in Australia from sources where the timber production is deemed ‘legal’ but is not certified, and where forest management laws and regulations from the source country may not maintain the conservation value of natural ecosystems. This timber is also undesirable in Green Star buildings since no assurance of good practice can be provided.

3.2 FOREST CERTIFICATION AND FOREST CERTIFICATION SCHEMES

Forest certification is a process by which an independent third party certifies that a forest is managed to agreed standards. The content of a standard against which a forest is certified will vary depending on the purpose for which the standard is developed; and to what extent various interests are balanced in its development (adapted from Gulbrandsen and Humphreys 2006).

Forest certification schemes provide a framework for forest certification by developing or administering forest management standards and requiring suitably qualified third party auditors, independent of the certification scheme, to assess the management of a forest against an agreed standard. Forest certification schemes may operate in a regional, national or international capacity. Examples of internationally and nationally operating forest certification schemes include those recognised under the Programme for the Endorsement of Forest Certification schemes (PEFC) such as the Australian Forest Certification Scheme (AFCS) and those recognised by the Forest Stewardship Council (FSC).
3.3 DEFINING BEST PRACTICE

Defining best practice forest certification is a challenge faced by governments and green building councils around the world. How to measure what constitutes best environmental practice forest management is at the root of this challenge (TPAS, 2008; CPET, 2006; YPFPG a/b, 2008).

There is a scale from ‘worst’ to ‘best’ practice by which reductions in environmental and social loads may be considered across the timber supply chain. On such a scale, worst practice may be defined as timber sourced from illegal logging. This is followed by uncertified timber because it offers no assurance that the timber does not originate from an illegal or otherwise undesirable source. Whilst forests certified by forest certification schemes provide some assurance of good management, the GBCA seeks to reward initiatives that are best practice and beyond in accordance with the principles of Green Star.

Promotion of independent third party forest certification provides an opportunity to identify ‘good’ from ‘bad’ practice. Unfortunately only 10% of the world’s forests are certified by a forest certification scheme (YPFPG, 2008). This highlights the scale of the current potential for bad forest management practices to be occurring globally. The situation is better in Australia however, in that over 40% of forests are certified by a forest certification scheme (Crawford 2006). This figure represents all state owned native forest and plantations, which are the majority of Australia’s commercially logged forests, and does not include reserves and private forests. Overall, in comparison with world figures, a high percentage of certified timber is available in Australia which is a testament to the Australian timber industry’s commitment to advancing the uptake of third party forest certification.

Forests certified by independent third party forest certification schemes are a major step in the right direction in improving the general welfare of the world’s forests. The GBCA seeks to address the differences in the outcomes that various forest certification schemes deliver in order to appropriately reward best practice performance in Green Star.

In order to reward best practice forest certification the GBCA requires a way to measure what constitutes best environmental practice forest management. One of the outcomes of the credit review process has been the development of an assessment framework which proposes to address this challenge for the purposes of supporting the revised Green Star ‘Timber’ credit. Refer to Section 5.1 – Assessment Framework for Forest Certification Schemes for more information and to the supporting document Part I – Criteria for Evaluating Forest Certification Schemes.
4.0 PROCESS FOR THE GREEN STAR TIMBER CREDIT REVIEW

An initial public consultation phase on the credit review was conducted from December 2007 until the end of February 2008. During this time the GBCA sought feedback and undertook extensive consultation regarding proposed credit changes with a wide range of stakeholders including green building industry professionals, product manufacturers, timber industry representatives, environmental organisations, government bodies and the GBCA Industry Reference Group (IRG). Three independently-facilitated workshops were held in late February 2008 to listen to stakeholder concerns and discuss the credit review in detail. An important outcome of this consultation was the formation of the Timber Expert Reference Panel.

4.1 TIMBER EXPERT REFERENCE PANEL

The Timber Expert Reference Panel (TERP) comprised eight participants, and an independent chair, representing a diverse range of expertise relevant to the topics under review in the credit. Refer to Section 6.0, Appendix A – Timber Expert Reference Panel Participants List for more information on the composition of the panel. Nominations for appointment of the panel where sought from GBCA membership and other stakeholders.

The panel was appointed in August 2008 and a total of four TERP meetings were held on 26 September 2008; 31 October 2008; 9 December 2008 and 5 February 2009.

The TERP served as an advisory group to the GBCA on the following topics:

- environmentally responsible forest certification and forest management practices;
- levels of domestic and international uptake of forest certification and the achievements of environmental sustainability that this uptake delivers; and
- how the demands for forest certification are affected by the demand for timber products used in Green Star projects.

The TERP was engaged to undertake the following activities:

- Examine the feedback received from the stakeholder engagement process (December 2007 to February 2008) and draw on the collective capacity of the panellists’ areas of expertise to make recommendations and suggestions for a revision of the Timber credit;
- Consider third party certification of timber and timber products, taking into account both present and future environmental impacts and the need to reward and encourage the industry towards greater levels of sustainability; and
- Consider the establishment of a clear rationale by which the GBCA can award credit points in the revised ‘Timber’ credit that will address stakeholder concerns over the exclusive recognition of one forest certification scheme.

At the end of the TERP engagement process, a series of recommendations were, presented to the GBCA Board, and subsequently adopted by the GBCA. These recommendations form the bases for the credit review outcomes presented in this document as well as the supporting documents (Part I, II, III and IV).
5.0 OUTCOMES OF THE GREEN STAR TIMBER CREDIT REVIEW

The two fundamental outcomes of the credit review are the development of the GBCA Assessment Framework for Forest Certification Schemes (Framework), and the revised Green Star ‘Timber’ credit.

Additional outcomes associated with Framework and the revised credit and their forthcoming implementation into Green Star rating tools can be summarised as follows:

- **Methodology** – The Framework represents an established method of assessing forest certification schemes on a level playing field against best practice environmental criteria.

- **Justification** – The Framework allows the GBCA to justify the reasoning for rewarding use of certified timber products within the Green Star Mat-8 ‘Timber’ credit.

- **Guidance** – The Framework provides clear guidance to timber product suppliers and forest certification schemes on what they must do to be recognised in the revised ‘Timber’ credit.

- **Engagement** – The GBCA will continue to draw on the expertise of suitably qualified experts (including members of the TERP) for ongoing advice pertaining to future developments in forest management and certification practices.

- **Legal Timber** – The use of legally-sourced certified timber is encouraged by the Framework and the revised credit aims to eliminate the risk of illegal timber being used within Green Star projects.

- **Reward for International Best Environmental Practice Forest Management** – The Framework sends a clear message to the market that international best environmental practices for forest management and forest certification will be rewarded through the ‘Timber’ credit in Green Star rating tools.

5.1 ASSESSMENT FRAMEWORK FOR FOREST CERTIFICATION SCHEMES

The Assessment Framework for Forest Certification Schemes encompasses the Assessment Process, Assessment Criteria and Assessment Matrix. These have been developed through the GBCA ‘Timber’ credit review project to enable forest certification schemes to be assessed for recognition within Green Star rating tools.

Full details of the various components of the Framework are provided in the supporting documents accessible from the Timber page of the GBCA website (Part I, II, III and IV).

**Part I – Criteria for Evaluating Forest Certification Schemes** – provides the aims, compliance requirements, guidance and backgrounds for the 15 Assessment Criteria that are applied to the assessment of forest certification schemes and their standards. The criteria are divided into two parts; Part I assesses the governance and transparency of forest certification schemes, whereas Part II assesses the content and rigour of the standards that they operate.

**Part II – Assessment Process for Forest Certification Schemes** – describes the process by which forest certification schemes will be assessed by the GBCA against the Assessment Criteria.
Part III – Assessment Matrix for Forest Certification Schemes – is the template document that forest certification schemes must use to provide the GBCA with evidence of compliance with the Assessment Criteria. All forest certification schemes that seek recognition in Green Star rating tools are required to complete the Assessment Matrix as part of the Assessment Process.

5.2 Translation of Assessment Results to GBCA Recognition and Green Star Points

The Assessment Criteria viewed as a whole represent true international best practice forest management and certification. As a result, some of the criteria are aspirational initiatives that may not have been fully adopted by currently operating forest certification schemes. This may result in situations where no existing forest certification schemes comply with the full scope of all criteria. However full compliance with all criteria is not required nor expected of a scheme for it to be rewarded within the revised ‘Timber’ credit.

The Assessment Criteria are designed to accommodate both full and partial compliance. Most Assessment Criteria contain distinct components. These components are interpreted as separate requirements within each criterion during the assessment review of a forest certification scheme. The Assessment Matrix that the applicant scheme completes clearly separates each of these components. This enables the Independent Assessment Panel to clearly and consistently interpret full, partial or non-compliance with each aspect of a criterion during the assessment review.

Three levels of GBCA recognition may be awarded to a forest certification scheme according to the following corresponding compliance benchmark requirements:

**Entry Level:** A scheme categorised as ‘Entry Level’ shall:
- Achieve Full compliance with the following mandatory requirements of Part I and Part II:
  - Part I - Criteria 1 ‘Chain of Custody’
  - Part II - Criteria 8 ‘Verification of Legality’
- Full compliance with the two mandatory requirements / criteria is the minimum prerequisite for GBCA recognition of any forest certification scheme.

**Level 1:** A scheme categorised as ‘Level 1’ shall:
- Achieve Full compliance with the mandatory requirements (Criteria 1 and 8).
- Achieve a minimum score of 9 (out of 14) under Part I requirements (Scheme Criteria 1-7).
- Achieve a minimum score of 9 (out of 16) under Part II requirements (Forest Management Criteria 8 to 15).

**Level 2:** A scheme categorised as ‘Level 2’ shall:
- Achieve Full compliance with the mandatory requirements. (Criteria 1 and 8).
- Achieve a minimum score of 12 (out of 14) under Part I requirements (Scheme Criteria 1-7).
- Achieve a minimum score of 12 (out of 16) under Part II requirements (Forest Management Criteria 8 to 15).

Each criterion is allocated 2 points for full compliance and 1 point for partial compliance. No partial compliance option is offered for the mandatory requirement criteria 1 and 8 as they must be fully met. The maximum achievable combined score for all criteria in Parts I and II is 30.
A score of 0 for any of the Required Criteria (1-5 and 8-13) disqualifies a scheme from achieving Level 1 or Level 2 recognition by the GBCA.

A score of 0 for any of the Desired Criteria (6, 7, 14 and 15) will not disqualify a scheme from achieving Level 1 or Level 2 recognition.

**Note:** Further information regarding how the Entry Level, Level 1 and Level 2 recognitions translate to award of Green Star credit points for use of certified timber in the revised ‘Timber’ credit will be provided at the same time as the release of the revised credit for public comment.

5.3 **REVISED GREEN STAR ‘TIMBER’ CREDIT**

The aim of the revised Green Star ‘Timber’ credit is:

To recognise the specification of timber that is from reused or post-consumer recycled sources and from forests certified by forest certification schemes that meet the requirements of the GBCA Assessment Framework for Forest Certification Schemes.

The revised credit will be released for public comment in July 2009. Further information regarding the implementation of the revised credit will be available at that time.

5.4 **IMPLEMENTATION OF THE FRAMEWORK AND REVISED CREDIT**

The Framework has been developed to support the revised Green Star ‘Timber’ credit however it can be used independently from the credit itself. As a result, the Framework can be fully implemented at this time. Forest certification schemes are invited to formally apply for assessment against the GBCA Assessment Criteria in accordance with the steps provided in Part II - Assessment Process for Forest Certification Schemes from July 2009.

Once the credit is implemented, it will be applied in all existing Green Star rating tools, and the GBCA will welcome feedback on the performance of the credit within the green building supply chain. All Green Star projects that are registered before the date of the credit’s implementation will have the option of complying with either the old Mat-8 ‘Sustainable Timber’ credit or the new revised ‘Timber’ credit.
6.0 REFERENCES


### Appendix A – Timber Expert Reference Panel Participants List

<table>
<thead>
<tr>
<th>Name</th>
<th>Organisation and Title</th>
<th>Experience</th>
</tr>
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<tbody>
<tr>
<td>Greg Nolan</td>
<td>Director, Centre for Sustainable Architecture with Wood (CSAW) University of Tasmania</td>
<td>Registered architect; Lecturer in timber construction and architecture; research manager and director of industry funded strategic research facility that promotes the use of timber as an efficient, economic, environmentally sustainable and socially responsible building material.</td>
</tr>
<tr>
<td>Chris Taylor</td>
<td>PhD Candidate in Forest Certification - RMIT University</td>
<td>Australian forest certification researcher; architectural timber specification consultant and volunteer Victorian forest wildlife surveyor</td>
</tr>
<tr>
<td>Rod Keenan</td>
<td>Head of School of Forest and Ecosystem Science - University of Melbourne</td>
<td>Forest environmental services, assessment and monitoring planning and management; Criteria and indicators of sustainable forest management and policy options.</td>
</tr>
<tr>
<td>Glen Kile</td>
<td>Former CEO Forest and Wood Products Australia Limited</td>
<td>Plant pathologist; forestry and timber-based industries research and development expert.</td>
</tr>
<tr>
<td>John Kerin</td>
<td>AM FTSE (Consultant)</td>
<td>Australian economist and former Federal Labour Minister Department of Primary Industries</td>
</tr>
<tr>
<td>Genevieve Scarfe</td>
<td>Sustainable Development Manager - Bovis Lend Lease</td>
<td>Specification advisor for fitout materials; custom recycled-timber product development; sustainable development consultant on more than a dozen Green Star registered projects; Architect and developer representative</td>
</tr>
<tr>
<td>Jana Blair</td>
<td>Former WWF Australia AFTN Coordinator</td>
<td>Forest Trade Network coordinator; international timber trade and sustainable purchasing policy advisor; NGO representative</td>
</tr>
<tr>
<td>Fred Gale</td>
<td>Professor School of Government - University of Tasmania</td>
<td>International forest certification researcher</td>
</tr>
<tr>
<td><strong>Independent Chair</strong></td>
<td></td>
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</tr>
<tr>
<td>Craig Heaton</td>
<td>Former Chairman of GBCA Board of Directors</td>
<td>Former Director of Project Management at ING Real Estate Development; Architect; Independent Chair for Green Star Certification Assessments</td>
</tr>
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Six participants were initially invited to join the TERP in May 2008. All accepted, however one person (Hamish Crawford, Cailum Pty Ltd.) withdrew due to work commitments.

In August 2008 additional participants were invited to join the TERP for several reasons, namely that:

- The GBCA was engaged in a number of Green Star credit reviews which required the input of advisory groups similar in principle to that established for the TERP
- The establishment of advisory groups (including engagement of the TERP) was placed on hold from June to August 2008 to ensure that consistent ERP protocols existed and were applied to all relevant credit reviews, as well as to receive GBCA Board approval for these protocols
- The ERP protocols required the GBCA to ensure that all ERPs are representative of the GBCA’s membership and of the green building supply chain, without the dominance of any single stakeholder’s interests
- The initial selection of panellists did not represent a broad enough scope of advisors to comply with the revised ERP protocols. Additional panellists were therefore sought to ensure a more robust composition of expertise within the group, as approved by the GBCA Board.
The final TERP was comprised of eight participants, and an independent chair, representing a diverse range of expertise relevant to the topics under review in the credit. All of the participants were nominated during the initial nominations period. Only the independent chair was appointed by the GBCA separately.