

## CONSUMER TO SOURCE: SUPPORTING SUSTAINABLE FOREST MANAGEMENT

Australian Forestry Standard (AFS) Chain of Custody (CoC) Standard (AS 4707) for wood and wood products provide the tool that supports the commitment to sustainable forest management, however, 'A chain is only as strong as its weakest link'. This old adage is true to the forest industry in Australia and around the world, especially today as consumers and professionals, such as architects and builders, are becoming better informed and more concerned about the environmental source of the goods they specify and use.

"CoC certification and the associated labelling claims is the only way to effectively trace a product back to its raw source," says Kayt Watts, the CEO of Australian Forestry Standards Limited (AFSL). "Without Standards, everything else is self-declaration and provides the end consumer with no proof on whether illegal or controversial timber products were bought into the mix.

"Forests are only the first link to a Corporate Social Responsibility statement," says Ms Watts. "Sustainable and responsible forestry management involves every step taken to produce wood and wood products, whether that be building materials, office paper, toilet paper, packaging, furniture or other consumer goods. It covers the range of factors involved in the environmental impact of materials including how they are produced, processed, manufactured, transported, distributed and transformed. CoC requires that every link in the chain be certified."

For the environment, wood through forests and its bi-products, is naturally better and helps combat climate change. Trees absorb carbon from the atmosphere, and store it so efficiently that about half the dry weight of a tree is carbon. This carbon remains locked in the wood even when it is used for building products or furniture. Trees absorb the maximum carbon in their initial growth period, there is a limit to this intake, harvesting and re-planting provides the environment with a continued source of carbon absorption.

For business, certification provides a competitive edge— it meets the increasing demand consumers and professionals are placing on suppliers for products from responsibly managed sources, including those imported. Worldwide, for example, architects and building professionals are re-evaluating wood as a renewable and versatile building material and a preferred environmental choice. Certified materials are recognised in the Green Building Council of Australia (GBCA) Green Star rating tool, unfortunately this recognition does not extend to identifying that greater use of timber would improve a buildings environmental rating considerably.

To date, Australia has more than 10.2 million hectares of certified forests and 176 certified organisations including CoC under the Australian Standards AS 4708 and AS 4707. "There is much more to be done," says Ms Watts. "Only 10% of the worlds forests are certified, through the world's largest forest certification scheme, Programme for the Endorsement of Forest Certification (PEFC) this is slowly increasing. Currently 27 countries have committed to, and are endorsed by PEFC, including the Australian Standards for Forest Management and Chain of Custody. A further five countries are in the process of submitting their application to have their national standard and forestry scheme recognised by PEFC.

The Government can also do more, through State building programs they can ensure that certified timber is specified for development programs and procurement policies, such as, new schools, community buildings and other infrastructure projects. They can also take this one step further and add a preference to locally grown and produced timber.

**Procurement policies are effective because they can be developed and implemented more rapidly than most other policy options – generally they do not need new legislation ’**

The Federal Government is currently conducting a final consultation on the Illegal Logging Prohibition Bill 2011, A Bill for an Act to combat illegal logging, and for related purposes The Bill provides a high level framework to prohibit the sale of illegally logged timber on the Australian market.

Illegal logging and the subsequent trade of illegal timber undermines social equity, environmental conservation, sustainable development and economic growth in many countries around the world.

The World Bank reports, illegal logging costs developing countries over \$10 billion in lost assets and revenues every year. With a significant proportion of global wood trade estimated to be illegal, illegal logging also undermines the legitimate forestry sector by creating unfair competition with undervalued products. In 2004 it was estimated through trade simulation models that illegal logging depressed the average price of forest products by 7-16%.

The scale and extent of illegal logging within the forest sector varies widely among countries. In many cases illegal logging has been linked to a variety of socio-political and economic failures. Some of the world's most forest-rich countries have weak forest governance, which is marked by flawed policies and legal frameworks.

The Australian industry is better situated than many would think. "We have a complex array of tenure arrangements, most of which appear to be viewed as legitimate by the national political process and across political parties – even the greens," stated Ms Watts.

Certification protects the forest grower that is committed to sustainable forest management practices and the supply chain that delivers that product to the consumer.

AFS and PEFC Chain of Custody certification, including its requirements on non-controversial sources, is designed to prevent illegal wood from entering the production chain. Third party auditing to verify system integrity provides assurances that AFS/PEFC-certified products entering the marketplace are not from illegal wood sources.

**Costs of certification**

With over 10.2 million hectares of Australian large public and private native forests and plantation certified, the Australian wood and wood products supply chain have readily available source, a further 5% percent are owned by families and communities, the cost of certification is a major obstacle to expanding forest certification in Australia. Group Certification is the certification of multiple private forest holdings. Worldwide Group Certification has proven to be the most effective option for private small, family and community owned forests to obtain certification and gain access to global timber markets, especially those requiring both wood and non-wood forest products from certified sources, AFSL is pursuing the development of Group Certification guidelines for Australian small forest growers.

In the supply chain, certification is based on an inventory systems, who the product was purchased from, how is it stored and managed and who is it sold to.

In the past twelve months there has been a 65% increase of certified organisations in the timber supply chain and many in the pipeline to complete their certification in this coming quarter, businesses must make the decision, can they remain competitive or are they lagging behind. The big decision about becoming certified is not if to become certified but when. Many organisations are not sure about the procedure whether their business is at ready stage, most are certification ready, they have inventory systems in place and suppliers that are certified or are from non-controversial sources.

Certification costs include both direct and indirect costs. They fall into the following categories:

- costs of preparatory activities (information, training, revision of documentation)
- costs of internal audits and other additional controls
- costs of external audits and issuance of a certificate

Certification is done by third party independent auditors, these auditors work under accredited certification bodies, a list of these organisations can be obtained from the Joint Accreditation Systems of Australia and New Zealand (JAS-ANZ), [www.jas-anz.com.au](http://www.jas-anz.com.au) or AFSL website, [www.forestrystandard.org.au](http://www.forestrystandard.org.au).

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