

19 July 2005

Michael Fitzsimons
Managing Director
Instyle Contract Textiles Pty Ltd
6-8 Ricketty Street
Mascot NSW 2020

Dear Mr Fitzsimons,

I refer to your letters of 7 June and 6 July 2005 and note that you have chosen to circulate them to a large number of people.

Set out below is the response of the GBCA to the issues you have raised.

1. Rapidly Renewable Content/Locally Produced Materials

The GBCA refutes Instyle's claim that its Green Star rating tools "exclude sustainable rapidly renewable content and locally produced materials i.e. wool textiles and carpets".

Green Star rating tools do not exclude any products or materials.

Green Star makes no differentiation between imported and local fitout items.

The GBCA has developed Green Star to provide industry with an objective measurement for green buildings. In assessing those elements that should be rated and to drive change in the market, the GBCA has been diligent in focusing on those areas of environmental impact that are a direct consequence of a building's design, construction and maintenance - that is, those outcomes that can be directly influenced by property industry stakeholders.

The Green Star - Office Interiors v1 rating tool (released in May 2005), to which your correspondence refers, evaluates the environmental initiatives and/or the potential environmental impact of a Class 5 office tenancy fitout. The tool was developed to assist an office fitout to demonstrate environmental design, procurement and construction initiatives.

Green Star rating tools include nine separate environmental impact categories, as follows:

- Management;
- Indoor Environmental Quality;
- Energy;
- Transport;
- Water;

- Materials;
- Land Use and Ecology;
- Emissions; and
- Innovation.

The categories are divided into credits, each of which addresses an initiative that improves, or has the potential to improve, a design, project or building's environmental performance. Points are awarded in each credit for actions that demonstrate that the project has met the overall objectives of Green Star and the specific aims of the relevant rating tool.

As you know, one of the environmental standards that Green Star – Office Interiors references is 'Environmentally Innovative', which includes fitout items that have been certified with the "Environmental Choice Label" under the Australian Environmental Labelling Association Inc's Australian Ecolabel Program - Australian Voluntary Environmental Labelling Standard for "Environmentally Innovative Products" (Standard No: AELA 8-2005).

For clarity, Green Star – Office Interiors does not assess textiles directly; instead, it addresses the environmental impact of fitout items (flooring, chairs, workstations etc) that may include textiles.

Green Star – Office Interiors awards points to projects that demonstrate that the fitout items meet the Australian Environmental Labelling Association's standards. The GBCA, as detailed in all its conversations and correspondence with Instyle, encourages suppliers and manufacturers to obtain this independent environmental certification of their fitout items.

2. PET Items

The GBCA refutes Instyle's claim that Green Star "preference in the case of textiles (and carpets), less desirable imported recycled PET textiles (and carpets) which have been produced from plastic bottles". Green Star makes no reference whatsoever to "recycled PET textiles" nor "plastic bottles".

In addition to awarding points for fitout items that are certified as 'Environmentally Innovative', Green Star – Office Interiors awards points to fitout items that are 'Reused'.

The tool defines reused items as those fitout items that were i) brought from the tenant's previous premises ii) pre-existing in the building from a previous tenant or iii) purchased from a second-hand retailer.

The GBCA's preference for reused items is driven by the benefits of avoiding waste going to landfill. There are obvious benefits to the environment for diverting waste from landfill.

Green Star – Office Interiors also awards points for fitout items that contain 'Pre-consumer Recycled Content' and 'Post-consumer Recycled Content', which are defined by the Australian Environmental Labelling Association Inc.'s 'Furniture and Fittings' Draft Standard No: AELA #-2005 dated 24/2/05, as follows:

Pre-consumer Recycled Content: "Material diverted from the waste stream during a manufacturing process. Excluded is re-utilisation of materials such as rework, regrind or scrap generated in a process and capable of being reclaimed within the same process that generated it."

Post-consumer Recycled Content: “Material generated by households, or by commercial, industrial and institutional facilities in their role as end-users of the product, which can no longer be used for its intended purpose. This includes returns of material from the distribution chain.”

Again, I note that Green Star makes no reference whatsoever to “recycled PET textiles” nor “plastic bottles”.

3. Green Star – Office Interiors rating tool

The GBCA has had numerous conversations and correspondence with Instyle, however it refutes the claim that it has received “a significant volume of technical and scientific information” from Instyle. The GBCA acknowledges the receipt of some scientific information but found it lacked comprehensiveness. The GBCA acknowledges receipt of a print-out from the ecospecifier database for two products which includes a statement of ‘environmental impact’.

The ecospecifier information contains a small list of deficiencies/areas of concern that can in no way be construed to be a robust scientific comparison between recycled product and wool. Ecospecifier makes no comparison between the environmental impact of recycled products and wool.

This information has been considered by the GBCA and does not constitute independent nor substantive nor scientific impact assessment of the relevant fitout items referenced in the Green Star – Office Interiors rating tool.

The GBCA would consider a full life-cycle comparison of wool-based flooring versus pre-consumer and post-consumer recycled content flooring. The GBCA is not aware of any precedent of this type of comparison in international research to date. The GBCA would assist Instyle to seek funding for this exercise.

The Materials Category of Green Star – Office Interiors awards points for the percentage by mass of ‘Pre-consumer Recycled Content’ and/or ‘Post-consumer Recycled Content’ in tenancy fitout items.

In the ‘Mat-2 Flooring’ credit, for example, one point out of a total available of five points is attributable to the recycled content of flooring. To give further perspective, Green Star – Office Interiors allows a total of 141 points for various fitout environmental initiatives. ‘Mat-2 Flooring’ also recognises a carpet with greater than 20% recycled content as the sole flooring system (assuming all other material flooring criteria are met). Instyle carpet that has no recycled content could, assuming it meets all other ‘Mat-2 Flooring’ criteria, still obtain four out of five points for this flooring credit.

Please refer to the attached print-out of the Mat-2 Flooring Calculator.

4. Eco wool

The GBCA questions Instyle’s reference to the “environmental superiority of ‘eco wool’”. The GBCA notes that Instyle has not highlighted the issues of concern listed by ecospecifier for ‘eco wool’ products. Ecospecifier includes in its list of environmental impacts of wool products (see attached) “soil compaction, habitat loss, fertilizer dependence, methane which is a potent greenhouse gas”.

The GBCA notes that the number one environmental issue for Australia as recorded in the CIA's 'The World Factbook 2005' is "soil erosion from overgrazing". Additionally, the GBCA notes the large demands on water for wool growing and considers any environmental comparison which does not address these two major impacts of wool production 'eco' or not, is not to be relied upon.

'Eco wool' in fact refers to a European Union Standard for textiles which sets maximum pesticide residue concentrations for greasy wool. This European Standard for pesticide levels and chemical residues is the correct reference for the 'eco wool' term used by Instyle

5. Conflict of Interest

The GBCA strongly denies Instyle's suggestion that any of its decisions have been clouded by a conflict of interest. The GBCA currently has sixteen directors, each of which was elected by its members. The GBCA's constitution prevents one industry sector (manufacturing, developers etc) from holding more than twenty five percent of the seats on its Board.

The imputation in your letter that decisions about "PET Textiles" were arrived at through undue influence of a GBCA director is baseless. The director I assume you refer to - Rob Coombs of Interface Inc - was not a member of the GBCA Board when Instyle first raised its concerns regarding Green Star – Office Interiors.

In any event, Green Star rating tools are developed by GBCA staff, its Technical Working Group (refer to the Technical Working Group's Terms of Reference attached) and other industry experts commissioned by the GBCA. Recommendations on the appropriateness of Green Star rating tools are made by the Technical Steering Committee which has not, to date, received any representation from the manufacturing or supply sector (refer to the Technical Steering Committee's Terms of Reference attached). The Technical Steering Committee recommendations have been adopted by the Board.

The GBCA notes that all Instyle correspondence was copied to all GBCA directors excluding Rob Coombs. Please be advised that I have supplied copies of the correspondence to Rob Coombs for his consideration.

The GBCA has a transparent public stakeholder engagement process. The GBCA responds to all written submissions publicly, thereby limiting the opportunity for 'closed door' discussions. Whilst this process presents challenges, the GBCA believes it provides the fullest and most equitable opportunity to consider each and every submission regardless of perspective or interest within the industry. The GBCA remains committed to open transparent stakeholder engagement.

6. LEED

Instyle's assertion that Green Star – Office Interiors is based on the US Green Building Council's LEED rating tool is not correct. Instyle's observations regarding LEED, while interesting, bear no direct relevance to Green Star rating tools.

The US Green Building Council and the GBCA are members of the World Green Building Council (WorldGBC). The WorldGBC has an agreed position that respects each member country's ability to produce a rating tool product that meets local market needs and is benchmarked against local market practices and legislative precedents. In this model it is quite likely that rating schemes from different countries will take different positions on certain materials or products. This will be determined by local supply chains, the availability

of alternative products and the broader stakeholder and legislative sentiment towards the material or product in question. The WorldGBC sees differences in consideration of these issues between rating schemes of different countries to be a strength of the Green Building Council model, not a weakness. It is important, however, that there is a clear rationale behind the determination of such issues locally and that the primary driver is to accelerate the property industry towards sustainability.

The WorldGBC encourages its members to share the research behind their determination on issues such as this to assist other countries to take their own position. The primary imperative for all Green Building Councils remains to translate such scientific basis to a position that generates positive environmental improvement in their local industry behaviour and practice.

As detailed above, many of the concerns raised in your correspondence appear to arise from a lack of understanding of the GBCA, its processes and Green Star in general. I trust that this letter explains these matters and meets your concerns.

Yours Sincerely



Maria Atkinson
Executive Director

cc

GBCA Board:

CHAIR Brendan Crotty, Managing Director

Che Wall, Group Director

Craig Heaton, Director

Tony Arnel, Commissioner

Daniel Grollo, Joint Managing Director

Michael Barnes, Managing Director

Ken Maher, Chairman

Chris O'Donnell, CEO

Chris Johnson, NSW Government Architect

Rob Coombs, President Asia Pacific

Warren Lear, Director General

Dennis O'Regan, Managing Director

Daniel Labbad, CEO Sustainability

Bob Nation, Partner

Peter Verwer, Chief Executive

Daren Armstrong, Partner

Jamie O'Rourke, Director

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ING Real Estate

Building Commission Victoria

Grocon

ISIS Projects Pty Ltd

Hassell Pty Ltd

Investa Properties Ltd

NSW Government

Interface Aust Pty Ltd

Department of Defence

Multiplex Developments (NSW)

Lend Lease

Nation Viney Architects

Property Council of Australia

Kemp Strang

RSM Bird Cameron

Senator The Hon Ian Campbell

The Hon Bob Carr MP

Minister for Environment

NSW Premier

The Hon Steve Bracks MP
The Hon John Thwaites MP
The Hon Bob Debus MP
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The Hon Michael Wright MP
The Hon Iain Evans MP
Delwyn Jones

Leah Paff
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VIC Premier
VIC Minister for Environment
NSW Minister for Environment
Shadow Minister for Primary Industries
SA Minister for Administrative Services
SA Shadow Minister for Environment
Queensland Department of Public
Works
General Manager Woolmark
Australian Wool Growers Ltd
ACTU
TCFU

Attachments:

Ecospecifier 'eco wool' environmental impact reference
Green Star – Office Interiors Mat-2 Flooring Material Calculator
GBCA's Technical Working Group & Technical Steering Committee Terms of Reference