

26<sup>th</sup> October 2005

Mr Brendan Crotty  
Chairman  
Green Building Council of Australia  
PO Box Q78  
QVB NSW 1230

Dear Mr Crotty,

In response to your letter dated 14<sup>th</sup> October 2005, I would like to make the following comments.

1. I am aware that the Green Building Council of Australia (GBCA) does not make any judgement of individual products and this was never inferred by INSTYLE. All my letters have pointed out that the GBCA in setting the narrow criteria for eco preferred content, has excluded certain product types. For example, as the Green Stars – Office Interiors (GS-OI) rating tool Materials Category eco preferred criteria does not include sustainable rapidly renewable content, it therefore excludes product types that are made from sustainable rapidly renewable resources such as 100% eco wool textiles.

With regards to third party certification with the Australian Environmental Labelling Association (AELA), I would make the following points in relation to the GS-OI rating tool –

- a) You recommend rapidly renewable components such as textiles to receive third party certification with AELA as an option to contribute credit points in the Materials Category criteria. However, recycled content components (PET textiles) are able to contribute credit points without third party certification.
- b) The certification process is expensive and it is obviously unfair and anti competitive that recycled content products (PET textiles) do not require the same third party certification nor incur the subsequent costs.
- c) Further, according to the GS-OI materials calculator, AELA certified rapidly renewable components will only contribute credit points if the piece of furniture it is being upholstered onto is also AELA certified. This contrasts with recycled content (recycled PET textiles) where credit points can be achieved regardless of whether the furniture piece is AELA certified or not.
- d) This situation clearly demonstrates that recycled content products (recycled PET textiles) have preferential status and an unfair competitive advantage over rapidly renewable products as a result of their exclusion from the GS – OI rating tool Materials Category criteria. Furthermore in setting the current eco preferred content, architects and designers are under the impression that only recycled PET textiles can be used for Green Star projects.
- e) It should be recognised it is possible for a 100% virgin nylon or polyester textile to achieve AELA certification. Such textiles should not be deemed environmentally preferable as they fail to meet many of the sustainable design criteria (such as rapidly renewable or recycled resources) and are manufactured using a finite and non renewable resource ie petroleum.

2. I am aware that maximum points are available if the fit out item has the AELA Eco Label certification. However, this should not be the option available for products made from sustainable rapidly renewable resources as they should be recognised as sustainable in their own right. I have repeatedly pointed out that rapidly renewable content along with recycled content are the two main resource options in sustainable design principles and rapidly renewable content is also recognised by the Centre for Design, Ecospecifier and the US Green Building Council LEED rating tool.
3.
  - i. In response to your denial that any Board member, including Maria Atkinson, had made comments that INSTYLE's information "lacked comprehensiveness". I have copied you with the article that was published in Environmental Manager Issue 543 where the quote was published. This exact comment was also made by Maria Atkinson in her letter to me dated 19<sup>th</sup> July 05.
  - ii. I note that the correspondence between INSTYLE and the GBCA was posted for a short time on the GBCA's website. It must be noted that the GBCA originally published Maria Atkinson's letter to me dated 19<sup>th</sup> July 05 and not the letters to which she was responding. This action can only be viewed as an attempt to discredit INSTYLE, wool and myself. You may recall that I had to demand my letter be published so that stakeholders could gain an understanding of the issues the GBCA responded to.

My request should not have been necessary if the GBCA had been true to its open and transparent policy.

Maria Atkinson advised me on the 18<sup>th</sup> August that the correspondence would be available on the GBCA website for two weeks. On viewing the website on the 31<sup>st</sup> August the correspondence had been removed, earlier than Maria Atkinson had advised and without publishing my response letter dated 25<sup>th</sup> August. So once again the GBCA has decided not to publish the whole story and in doing so has again failed to be "open and transparent" as it claims. I am both surprised and disappointed that the GBCA resorted to such unprofessional actions.

4. Unfortunately you have been sadly misled. The GBCA did indeed respond but made no attempt to address our feedback in the 120 page Stakeholder Submission Feedback Report. The GBCA's response to our feedback is quoted below. The GBCA made a passing reference to reused/recycled products. However the GBCA, in this feedback nor any communications since, has not been able to adequately justify why rapidly renewable and locally manufactured content has been excluded from the GS-OI rating tool.

*"The GBCA acknowledges that fitout items with reused/recycled content are not the only sustainable solution. The results of the Californian Governments Building 'Materials Emissions Study' (November 2003) indicates that "recycled content products should no longer be subject to scrutiny. Both alternative and standard products have the potential to emit chemicals of concern".*

*During the development of Green Star – Office Interiors the GBCA sought expert advice regarding the environmental impact of fitout items. It was advised that the environmental impact of fitout items should be representative of the items whole of life impact.*

As you can see the above paragraphs do not in any way qualify as satisfactory feedback nor justification for excluding rapidly renewable materials (in fact they were not mentioned). It does however raise the important issue - why is it that the

GBCA saw it necessary to publish the following quote “recycled content products should no longer be subject to scrutiny”? Why should recycled content products not be subjected to scrutiny like all other products? Is this the basis on which the GBCA has exempted recycled content from third party certification?

5. This is plainly untrue. I cannot understand how the GBCA can maintain that it has not tried to discredit a particular product, in particular wool. The evidence is contained in Maria Atkinson’s letters. Maria Atkinson has attempted to discredit wool in her letter dated 2<sup>nd</sup> Sept 05 where she quoted information out of context from a CSIRO report, published after the release date of the GS-OI rating tool. The CSIRO Report explicitly states the information within the report should not be used to “identify problems or appropriate policy and management responses”. In another letter dated the 19<sup>th</sup> Jul 05, Maria Atkinson has again attempted to discredit wool by citing from the Central Intelligence Agency’s website that the number one environmental issue was soil erosion from overgrazing. This quote is misleading. In referencing The Department of Environment and Heritage (Australia), it cites population growth, land clearing, high energy consumption and global warming as important and contributing factors. Also it was inferred that overgrazing is solely the result of sheep that are reared for wool with no consideration to data verifying the split between cattle, sheep for food, sheep for wool and other hoofed animals.
6. The conflict of interest issue is a serious “Black Mark” against the GBCA. It is clear that Interface, one of the largest, if not the largest recycled PET textile (and carpet) manufacturers in the world, having sole representation for the textile industry on the GBCA Board, Technical Working and Marketing committee is a conflict of interest. This should never have been allowed to happen and no company, regardless of industry, should have been allowed this level of representation let alone sole representation for an industry.

The fact that many of this company’s products achieve high credit points in the GS – OI rating tool over sustainable products made locally from eco wool adds weight to our concern.

Therefore the fact that the GBCA do not acknowledge this or cannot comprehend the gravity of this situation and the damage it is doing to the GBCA and its rating tool is truly concerning.

7. My lack of confidence in the performance and integrity of the GBCA is not a result of the GBCA management not doing as I requested, as you infer. Rather it is has been due to:
  - a) the misuse of information by the GBCA to justify its position as I addressed in point 5
  - b) the inability of the GBCA to provide straight forward responses to direct questions and therefore continually avoiding the issues
  - c) the inability or unwillingness of the GBCA to provide information to justify their unique position
  - d) the misuse of the GBCA web site as I addressed in 3ii
  - e) the misrepresentation to Ministers and others that the GBCA had addressed Instyle’s concerns when they had not
  - f) the fact that the conflict of interest with Interface was allowed to occur in the first instance and the subsequent failure of the GBCA to recognise (and rectify) the damage this will do to the reputation of the Green Building Council and its GS – OI rating tool.
  - g) the complete lack of openness and transparency of the rating tools development and subsequent communications with the GBCA.

- h) the comment to the online journal, Environmental Manager that INSTYLE's information "lacking comprehensiveness" and then denying this
- i) and most importantly the failure to include rapidly renewable content in the Materials Category criteria.

Maria Atkinson (and now yourself) continuously mention that INSTYLE products have never been excluded from the GS-OI rating tool. Again, the GBCA are focusing on the semantics. Whilst the GS-OI rating tool does not specifically state to exclude INSTYLE products, INSTYLE's rapidly renewable products are unable to contribute credit points in their own right to a furniture or fit-out item because they are not made from recycled or certified organic content (which in the case of textiles is recycled PET). Therefore the GBCA by not including rapidly renewable content in the GS-OI eco preferred content, is excluding products made from rapidly renewable content.

You recommend INSTYLE to commission a full life cycle comparison of wool versus pre and post consumer recycled content. However, this should not be necessary. Rather, the onus should be on the GBCA to justify why they have gone against sustainable design principles and the Centre for Design, Ecospecifier and the US Green Building Council's LEED system, all of whom the GBCA consulted with in the development of the rating tool, to exclude sustainable rapidly renewable content and locally produced content in the first place.

Interestingly, why has the GBCA not commissioned this comparison before it made its decision to support recycled content (such as PET textiles) over rapidly renewable content?

### **Summary**

Although I have been corresponding with Maria Atkinson and the GBCA for the past 7 months the GBCA has still not addressed our concerns nor provided one piece of evidence to justify their decisions. To reiterate, please make available:

1. supporting information to justify the decision to exclude rapidly renewable and locally manufactured materials from the GS-OI rating tool.
2. all the information, including the minutes of the Technical Working Committee, which informed the GBCA's unique stance on eco preferred content in the Materials Category and details of the organisation/person who submitted these documents.

I would assume the GBCA's continuing failure to provide the above after repeated requests would indicate either the decisions were not based upon "comprehensive" scientific data and or that the GBCA's position is indeed anti competitive in nature.

We will continue to inform our client base of the flaws in the GS-OI rating tool and encourage clients not to use the rating tool until the flaws have been rectified.

Yours sincerely

Michael Fitzsimons  
Managing Director

## Walfertan challenges PRPs

A NSW tannery is challenging aspects of pollution reduction programs (PRPs) imposed on it by the NSW Dept of Environment and Conservation. DEC would provide no information other than to say the PRPs would require Walfertan Processors to reduce odour from its three biggest odour sources by 2006, with further changes to be made after that. The matter is listed for hearing in the Land and Environment Court on Sept 9. The company last year walked away from a voluntary community consultative committee established to deal with residents' concerns, but has since rejoined. In April 2004, DEC ordered the company to desludge treatment ponds to deal with odour problems that had triggered what DEC termed "a significant number of complaints". A licence variation issued last August noted a "number of potential sources of offensive odour", despite the desludging work. The notice also updated effluent monitoring requirements for chromium. Walfertan is the biggest employer in the township of Aberdeen. The company did not return EM's calls by press-time.

## International survey finds rise in CSR reporting, but Aust reporting patchy

Australian companies have been criticised for inadequate and inconsistent sustainability reporting, just as an international survey shows Italy, Spain, Canada and France leading an international surge in corporate sustainability reporting. Releasing a research report on corporate sustainability reporting in Australia, CPA Australia president Mark Coughlin said the hallmarks of financial reporting were its ability to deliver quality information verified by independent professionals that is comparable across companies, sectors and over time. "Our research confirms that these qualities do not exist for sustainability reporting." Based on reporting against the 40 Global Reporting Initiative indicators, the study gave BHP Billiton the highest score of 31 for its disclosure of sustainability information. The median score for the top-100 ASX companies was five, and the average was six. "This gives you an indication of the varied scope in sustainability reporting against one of the more recognised sustainability reporting frameworks," Coughlin said. Meanwhile, an international survey conducted for the World Business Council on Sustainable Development shows 64% of Global Fortune 250 companies reported on corporate social responsibility (CSR) either in their annual reports or separate CSR reports, up from 45% in 2002. And while the 2002 survey found 70% of reports were restricted to environment and health and safety

reporting, this time around the KPMG survey found more than 70% of reports were presented as sustainable development reports. 'Sustainability reporting: practices, performance and potential,' [www.cpaaustralia.com.au](http://www.cpaaustralia.com.au), 'KPMG international survey of corporate social responsibility reporting', [www.wbcsd.org](http://www.wbcsd.org).

## Textile company gives Green Building Council a carpeting

The Green Building Council of Australia has rejected claims by textile supplier Instyle Contract Textiles that its ratings tool for office interiors unfairly advantages fabrics containing recycled PET over fabrics made from wool. Instyle Contract Textiles makes a range of textiles under the LIFE (low impact for the environment) brand. One of the LIFE brand products is sourced from organically-certified wool, while others are branded by the company as being "eco-wool" products that meet EU pesticide residue standards. The company's website says it does not use recycled PET fibres for its range "because these fibres are a derivative of the petroleum industry and contain toxic substances such as antimony, benzene and toluene". The Green Building Council has rejected the claim that its rating tool is unfair, saying it awards points for items that are reused, are environmentally innovative, or contain recycled content. The council also says information on the credentials of the LIFE range supplied by Instyle "lacked comprehensiveness", though the company disputes this. Instyle managing director Michael Fitzsimons told EM the company was applying to have its range accredited under the Aust Environmental Labelling Assoc scheme – a move which would earn credits under the rating tool. The organically certified product also earns credits under the council's rating tool.

• The company's concerns were raised in the NSW parl in June by National Party MP Duncan Gay. "The decision to exclude sustainable rapidly renewable content and locally produced materials will eliminate better sustainable options and could have serious consequences for the Aust woolgrowing and Aust textile manufacturing industries," Gay claimed. In June correspondence to the council, the company said its concerns "will be addressed again when the parl resumes in September/October".

## Vic greenwaste company fined

Warrnambool-based Organic Recyclers Pty Ltd has been fined \$5,113 by EPA Victoria for pumping wastewater into a drain that found its way into a nearby creek. The company described the incident as "an error of judgement".