

Chain of Custody Support Scheme

Background

Certification provides a clear demonstration of the sustainability of the forest management practices. The native forests managed by the Queensland Government through the Department of Natural Resources and Water – Forest Products, and the plantations managed by Forestry Plantations Queensland are certified to the Australian Forestry Standard (AFS) under Australian Standard AS 4708.

In order to maximise the potential marketing benefit of forest certification, and to meet growing demand for certified timber, processors need to have attendant chain of custody certification under AS 4707. This allows timber to be labelled and promoted as coming from AFS certified forests.

The Queensland Government Departments of Natural Resources and Water; Tourism, Regional Development and Industry, and Forestry Plantations Queensland have agreed to provide funding support to a Chain of Custody Support Scheme (the Scheme), which will provide eligible businesses with financial support for expenses incurred in achieving chain of custody certification.

Support can be provided for half of the eligible costs of achieving certification, up to a maximum of \$12,000 in total to any one business.

Timber Queensland has agreed to administer the scheme on behalf of the funding bodies.

Eligible Businesses

The CoC support scheme is open to:

- any Queensland plantation processor purchasing certified log timber from Forestry Plantations Queensland;
- any Queensland native forest processor purchasing certified log timber from the Department of Natural Resources and Water; or
- subsequent parties undertaking primary processing of significant volumes of log timber from these sources.

Businesses must achieve CoC certification and commit to maintaining certification for a minimum of two years to be eligible for support.

There are limited funds available under the Scheme, and support will be provided on the basis of date of receiving an expression of interest (EoI), and significant progress towards CoC documentation within 3 months of the EoI.

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Cost of Certification

Developing and documenting the inventory control procedures

Developing and documenting the inventory control procedures can be done 'in house', or external expertise can be used where documentation is complex or businesses do not have adequate expertise in house.

External documentation development costs could be in the order of \$1,000 – \$5,000, depending on the complexity of the business.

Auditing

Auditing is required throughout the certification process. There are two stages to the initial audit, which must be completed before achieving certification. Stage 1 involves a document review and on-site audit to identify any non-conformities of the CoC system. A Stage 2 audit is undertaken once the business has addressed any non-conformities and leads to certification.

A 'surveillance' audit is undertaken on a regular basis (equivalent to at least annually) once certification is achieved. These audits assess whether CoC systems are still in place, and various internal reviews etc. have been undertaken.

Certification lasts for three years, after which re-certification is required. This involves a full review of the CoC system and its implementation over the previous period.

Auditing costs will vary with the size of the business and the number of sites being certified.

Initial certification costs should be in the order of \$3,000 – \$6,000, depending on the level of complexity of the business and time required for the audits. The surveillance audits should be in the order of \$2,000 – \$5,000, with at least one surveillance audit scheduled each year. Recertification audits should be somewhere between initial certification and surveillance audit costs. Audit bodies may also charge an annual licence fee, which can be in the order of \$1,000.

Certification Services

Companies participating in the Scheme can use a certification service provider of their choice. Timber Queensland is working with the JAS-ANZ accredited Engineered Wood Products Association of Australia and is able to deliver cost effective audit services.

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AFS Ltd license fees

AFS Limited charge a licence fee for the use of the AFS and PEFC logos, and this fee is dependant on turnover of the AFS/PEFC certified products as per Table 1:

Table 1: AFS / PEFC logo use fees (GST incl.)

Turnover	Issuance Fee (\$)	Annual Fee (\$)
< 300K	55	275
300K – <1M	55	550
1M – <3M	55	1,100
3M – <10M	55	2,750
10M – <50M	55	6,875
50M +	55	13,750

Eligible Expenses

1. Eligible expenses include external costs associated with:
 - CoC procedure development and associated documentation;
 - External auditing costs associated with the initial certification review
 - AFS licence fee for year one; and
 - External auditing costs associated with the first annual review if conducted within one year of achieving certification.
2. All expenses must be incurred from external parties;
3. All expenses must be incurred between 1 December 2007 and 19 September 2010.
4. Capital expenses are not eligible.
5. Each business will be eligible for reimbursement of 50% of eligible expenses, with total assistance under the scheme limited to a maximum of \$12,000 per business.
6. Eligible expenses will be reimbursed after achieving AFS certification.
7. Copies of tax invoices, will need to be presented to Timber Queensland for reimbursement (invoices must have ABN etc.). Payment will be made once Timber Queensland has received funding from the supporting parties.
8. Assistance is conditional upon agreement to maintain certification for a minimum period of 2 years, and funding support may be recovered by the Scheme in the event that certification is not maintained.

Timber recycles carbon



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EXPRESSION OF INTEREST

To express an interest in pursuing Chain of Custody Certification under the Chain of Custody Support Scheme, please complete the following details and return to Timber Queensland.

Business details:	
Business Name	
ABN	
Address	
Number of sites	
Main Contact:	
Name	
Phone	
Mobile	
Email	
Wood sourced from:	Approximate Volume (m³)
NRW Forest Products	
Forestry Plantations Qld	
Uncertified private sources	
Expression of Interest:	
Signed	
Application Date	

Return completed form to:

Mail: Timber Queensland
PO Box 2014
Fortitude Valley BC Qld 4006

Fax: 07 3254 1964

Email: admin@timberqueensland.com.au