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## Submission

**8 June 2023**

Committee Secretary  
Senate Standing Committees on Environment and Communications  
PO Box 6100  
Parliament House  
Canberra ACT 2600

### **Re: Greenwashing**

The Australian Communications Consumer Action Network (**ACCAN**) thanks the Senate Standing Committees on Environment and Communications (**the Committee**) for the opportunity to comment on the inquiry into greenwashing.

ACCAN is the peak body that represents consumers on communications issues including telecommunications, broadband, and emerging new services. ACCAN provides a strong unified voice to industry and government as we work towards communications services that are trusted, inclusive and available for all.

ACCAN supports consumers making their choice between telecommunications Retail Service Providers (**RSPs**), services and products based on their values. We recognise that many consumers value RSPs who take action to improve the environmental sustainability of their products, services, and operations. Consumers should have confidence that the RSPs they choose for their sustainability claims are substantiating those claims.

Consumers may interact with sustainability claims in telecommunications markets in the form of RSPs claiming to:

- Purchase carbon offsets for their services and promote themselves as “net zero” or “carbon neutral”.<sup>1</sup>
- Change the materials involved in packing their products to use less waste.<sup>2</sup>
- Limit energy usage in a range of operational areas.<sup>3</sup>
- Utilise renewable energy to power their operations or networks.<sup>4</sup>
- Calculate the emissions associating with their services and offset their use.<sup>5</sup>

Consumers may find some of these terms confusing and be unsure how they directly contribute to improving the sustainability of the organisation.

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<sup>1</sup> Examples Include: <https://felixmobile.com.au/purpose/carbon-neutral> ; <https://www.belong.com.au/go/blog/saving-the-place-where-we-belong> ; <https://www.southernphone.com.au/carbon-neutral>.

<sup>2</sup> <https://felixmobile.com.au/purpose/carbon-neutral>.

<sup>3</sup> Ibid.

<sup>4</sup> Ibid.

<sup>5</sup> <https://www.southernphone.com.au/carbon-neutral>.

False sustainability claims can generate consumer and competition harms in markets.<sup>6</sup> According to Consumer Policy Research Centre (CPRC), greenwashing may persuade consumers to spend money on products and services that they might not have otherwise.<sup>7</sup> Greenwashing may also decrease consumers' trust in sustainability claims.<sup>8</sup> Beyond financial harms and trust harms, greenwashing can impact market competition, giving companies engaging in greenwashing an unfair competitive advantage.<sup>9</sup>

Green claims are important to consumers' purchasing decisions. According to research published by CPRC, consumers are using "green" claims to make their purchasing decisions.<sup>10</sup>

- '45% of Australians always or often consider sustainability as part of their purchasing decision-making'.<sup>11</sup>
- '45% of Australians think someone checks green claims before they are used, either government, industry associations or Ad Standards'.<sup>12</sup>

Some RSPs have their sustainability measures underpinned by Government carbon neutral initiatives such as Climate Active to certify that organisations are producing no net negative climate impact.<sup>13</sup> Many RSPs have made commitments to improving their sustainability practices, including many of the largest players in the industry promoting future switches to "net zero" in the coming years.<sup>14</sup>

ACCAN is aware of research noting the weaknesses of the carbon offsetting system which warrant consideration by the government. An Australian Institute report into greenwashing detailed concerns regarding the differences in effectiveness between international and domestic carbon offsetting, noting some RSPs may offset their emissions with international carbon offsetting projects.<sup>15</sup>

Greenpeace's 2021 report into the nature of Australia's corporate climate claims also warrants consideration.<sup>16</sup> The report details several weaknesses present in the climate offsetting system which the government should consider. These include:

- Emissions reductions through offsets regularly cannot be proven.<sup>17</sup>
- Difficulties ensuring that the carbon stored in forests is protected in perpetuity.<sup>18</sup>

<sup>6</sup> Consumer Policy Research Centre. 2022. The consumer experience of green claims in Australia. p.6. Available at: [https://cprc.org.au/wp-content/uploads/2022/12/CPRC-Green-Claims\\_Final.pdf](https://cprc.org.au/wp-content/uploads/2022/12/CPRC-Green-Claims_Final.pdf).

<sup>7</sup> Ibid p.6.

<sup>8</sup> Ibid p.5.

<sup>9</sup> Ibid p.26.

<sup>10</sup> Consumer Policy Research Centre. 2022. The consumer experience of green claims in Australia. p.6. Available at: [https://cprc.org.au/wp-content/uploads/2022/12/CPRC-Green-Claims\\_Final.pdf](https://cprc.org.au/wp-content/uploads/2022/12/CPRC-Green-Claims_Final.pdf).

<sup>11</sup> Ibid.

<sup>12</sup> Consumer Policy Research Centre. 2022. The consumer experience of green claims in Australia. P.7. Available at: [https://cprc.org.au/wp-content/uploads/2022/12/CPRC-Green-Claims\\_Final.pdf](https://cprc.org.au/wp-content/uploads/2022/12/CPRC-Green-Claims_Final.pdf).

<sup>13</sup> Examples Include: <https://feliXmobile.com.au/purpose/carbon-neutral> ; <https://www.belong.com.au/go/blog/saving-the-place-where-we-belong> ; <https://www.southernphone.com.au/carbon-neutral> ; <https://www.climateactive.org.au/>.

<sup>14</sup> Examples Include: <https://www.telstra.com.au/climate/reducing-our-carbon-footprint> ; <https://www.optus.com.au/living-network/eco#:~:text=Optus%20has%20committed%20to%20100,mobile%20phone%20components%20since%202003> ; <https://www.tpgtelecom.com.au/sustainability/environment#:~:text=Not%20only%20are%20we%20reducing,emissions%20across%20our%20broader%20society>.

<sup>15</sup> The Australian institute. 2022. State-Sponsored Greenwashing. p.41. Available at: <https://australiainstitute.org.au/wp-content/uploads/2022/10/State-sponsored-Greenwash-WEB.pdf>.

<sup>16</sup> Greenpeace. 2021. Hero to zero: Uncovering the truth of corporate Australia's climate action claims. Available at: [https://www.greenpeace.org.au/wp/wp-content/uploads/2021/09/Hero\\_to\\_Zero2021\\_FF\\_Digital.pdf](https://www.greenpeace.org.au/wp/wp-content/uploads/2021/09/Hero_to_Zero2021_FF_Digital.pdf).

<sup>17</sup> Greenpeace. 2021. Hero to zero: Uncovering the truth of corporate Australia's climate action claims. p.6. Available at: [https://www.greenpeace.org.au/wp/wp-content/uploads/2021/09/Hero\\_to\\_Zero2021\\_FF\\_Digital.pdf](https://www.greenpeace.org.au/wp/wp-content/uploads/2021/09/Hero_to_Zero2021_FF_Digital.pdf).

<sup>18</sup> Ibid.

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- The unintended negative impacts of land-based offsetting projects.<sup>19</sup>
- An over-reliance on offsetting potentially delaying structural or technological shifts needed for meaningful climate action.<sup>20</sup>

ACCAN supports RSPs establishing practices to decrease their environmental impact. In response to greenwashing in the telecommunications market ACCAN recommends:

- The ACCC be provided with additional resources to investigate and take enforcement action against businesses engaging in greenwashing or falsifying sustainability claims.
- The government ensures that businesses promoting environmental sustainability through carbon offsets be registered under its Climate Active program.<sup>21</sup>
- The government requires businesses to publicly disclose and update regularly their climate footprint as part of its Climate Active program.<sup>22</sup>
- Businesses must, using plain English terms, more clearly explain to consumers how their sustainability claims and practices will produce a net benefit to the environment.

We thank the Committee for the opportunity to comment on the inquiry into greenwashing.

Yours sincerely,

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Policy Officer

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*The Australian Communications Consumer Action Network (ACCAN) is Australia's peak communication consumer organisation. The operation of ACCAN is made possible by funding provided by the Commonwealth of Australia under section 593 of the Telecommunications Act 1997. This funding is recovered from charges on telecommunications carriers.*

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<sup>19</sup> Ibid.

<sup>20</sup> Ibid.

<sup>21</sup> Australian Government. Climate Active. Available at: <https://www.climateactive.org.au/>.

<sup>22</sup> Ibid.