

## Submission

15 September 2023

Webform submission

[EnforcementCoordination@acc.gov.au](mailto:EnforcementCoordination@acc.gov.au)

### Re: Environmental and sustainability claims - Draft guidance for business

The Australian Communications Consumer Action Network (**ACCAN**) thanks the Australian Competition and Consumer Commission (**ACCC**) for the opportunity to comment on the Environmental and sustainability claims - Draft guidance for business (**the Draft Guidance**).

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 recognises that consumers may interact with sustainability claims in telecommunications markets in the form of sustainability claims made by telecommunications Retail Service Providers (**RSPs**).<sup>1</sup> ACCAN encourages the ACCC to read this submission in conjunction with our recent submission to the Senate Standing Committees on Environment and Communications inquiry into greenwashing.<sup>2</sup>

Please see **Attachment A** for our response to the questions for consumers and consumer advocates.<sup>3</sup>

We thank the ACCC for the opportunity to comment on the Draft Guidance. Should you wish to discuss any of the issues raised in this submission further, please do not hesitate to contact me at: [con.gouskos@accan.org.au](mailto:con.gouskos@accan.org.au).

Yours sincerely,

Con Gouskos

Policy Officer

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<sup>1</sup> ACCAN. 2023. Greenwashing Inquiry. p.1. Available at: <https://accan.org.au/accans-work/submissions/2151-greenwashing-inquiry>

<sup>2</sup> Ibid.

<sup>3</sup> ACCC. 2023. Environmental and sustainability claims Draft guidance for business. p.5. Available at: <https://www.accc.gov.au/about-us/publications/environmental-and-sustainability-claims-draft-guidance-for-business>.

## Attachment A. Response to questions

### Which types of environmental or sustainability claims do you think are the most confusing for consumers?

In telecommunications markets, consumers may be unsure as to how they contribute to the sustainability of the organisation.<sup>4</sup> RSPs may not effectively explain their claims in relation to:

- The specifics of how their organisations achieve carbon neutrality.
- How the services and operations of the RSP are calculated and offset.
- The reliability of the offsetting methods used by RSP.
- The legitimate impact of any improved packaging methods used by RSPs.

### What type of environmental or sustainability information do you think needs to be provided to consumers to allow them to make informed purchasing decisions?

In telecommunications markets, consumers often browse for and purchase services online where RSPs can give consumers substantial information on the nature of the services they are purchasing. RSPs making sustainability claims should provide comprehensive information to consumers related to their sustainability claims.

According to the Consumer Policy Research Centre, '45% of Australians always or often consider sustainability as part of their purchasing decision-making'.<sup>5</sup> This demonstrates that consumers would likely appreciate clear and concise information on the nature of the organisations' sustainability claims. Providing more information on the RSPs sustainability practices may provide the RSP a competitive advantage with consumers.

RSPs should:

- Provide details on the nature of their carbon offsetting processes including the quantity, nature, and location of their offsetting projects.
- Provide information about their carbon neutrality exceeding a reference to a climate certification. Ensuring that consumers have relevant information to base their sustainability purchases on is crucial to the functioning of an effective market.
- Ensure that any sustainability focussed packaging claims are substantiated with information on their impact on the RSP's sustainability.

### What do you think is the most useful way for businesses to provide information about their environmental or sustainability credentials to consumers?

**(a) For example, do you think information should be provided on product labels, websites, or through QR Codes?**

**(b) Do you think certified trademarks and other certification schemes help consumers better understand a business' environmental and sustainability credentials?**

<sup>4</sup> ACCAN. 2023. Greenwashing Inquiry. p.1. Available at: <https://accan.org.au/accans-work/submissions/2151-greenwashing-inquiry>.

<sup>5</sup> Consumer Policy Research Centre. 2022. The consumer experience of green claims in Australia. p.6. Available at: <https://cprc.org.au/greenclaims/#:~:text=56%25%20of%20people%20said%20they,made%20by%20an%20international%20business.&text=69%25%20of%20people%20said%20they,had%20a%20trustmark%20with%20it..>

Business should provide information to consumers in a simple, clear, format that provides relevant information in a way that is most convenient to consumers. Ensuring consumers can acquire relevant information at least cost is critical to reducing the information costs faced by consumers and promoting effective market function through competition.

In ACCAN's view the most useful way for RSPs to provide information about their environmental or sustainability credentials to consumers is through their websites, access to which can be supported via QR codes and appropriate labelling. RSPs should ensure that their websites are accessible and inclusive in accordance with best practice.

ACCAN considers that in telecommunications markets, certification schemes do assist consumers in better understanding an RSP's environmental and sustainability credentials. ACCAN is pleased to acknowledge that many of the largest sustainability promoting RSPs have been certified by the Climate Active Program.<sup>6</sup>

**Do you think that the principles in this draft guidance will assist businesses in making more trustworthy environmental and sustainability claims?**

ACCAN supports the Draft Guidance's principles and believes that the Draft Guidance will assist businesses in making more trustworthy environmental and sustainability claims. ACCAN supports the ACCC being provided with additional resources to investigate and take enforcement action against businesses engaging in greenwashing or falsifying sustainability claims.<sup>7</sup>

**Is there anything missing from this guidance that you think would help businesses when making environmental and sustainability claims or consumers when assessing claims?**

ACCAN would support amending principle 5 of the Draft Guidance to:

Broad claims can be interpreted widely and more easily mislead consumers than clear, specific claims that are substantiated. Ensure that you clearly qualify your claims, with prominent disclaimers, if there are any limitations to them. **"When assessing the claims you make, have regard to Section 18 of the Australian Consumer Law (Sch 2, Competition and Consumer Act 2010 (Cth)). Additionally, examine the ways in which your claims may be read to ensure they are precise, accurate and unambiguous."**

Principle 5 of the Draft Guidance currently reads as:

Broad claims can be interpreted widely and more easily mislead consumers than clear, specific claims that are substantiated. Ensure that you clearly qualify your claims, with prominent disclaimers, if there are any limitations to them.

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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>6</sup> These RSPs include: <https://www.goodtel.com.au/blog/were-officially-carbon-neutral> ; <https://www.telstra.com.au/climate/reducing-our-carbon-footprint> ; <https://felixmobile.com.au/purpose/carbon-neutral> ; <https://www.climateactive.org.au/buy-climate-active/certified-members/belong>.

<sup>7</sup> ACCAN. 2023. Greenwashing Inquiry. p.3. Available at: <https://accan.org.au/accans-work/submissions/2151-greenwashing-inquiry>.

*ACCAN is committed to reconciliation that acknowledges Australia's past and values the unique culture and heritage of Aboriginal and Torres Strait Islander peoples. [Read our RAP](#)*

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