



# SUBMISSION

**TO | Senate Standing References Committee on  
Environment and Communications**

**TOPIC | Greenwashing**

**DATE | 19 June 2023**

# Submission to the Australian Parliament's Senate Standing Reference Committee on Environment and Communications inquiry into Greenwashing

## Key Recommendations

Uniting Communities thanks the Australian Parliament's Senate Standing Reference Committee on Environment and Communications for undertaking an inquiry into Greenwashing. We know that the harmful effects of climate change significantly impact the most vulnerable members of the Australian community and we believe that everyone must take responsibility in addressing climate change and reducing emissions.

We also know that greenwashing (a form of advertising or marketing that is used to deceptively persuade the public that an organisation or business has environmentally friendly products, aims and policies) has the potential to reduce consumer's trust of green claims. It is therefore crucial that governments and regulators address greenwashing and businesses and organisations take responsibility for their green claims.<sup>1</sup>

Uniting Communities recommends that legislation, standards and reporting guidelines are updated to ensure that:

1. Climate change, environmental sustainability and climate justice education and awareness campaigns are disseminated broadly across all communities.
2. Consumers have access to comprehensive information to enable them to make informed decisions on the environmental sustainability credentials of goods and services.
3. National standards on products, services and labelling are developed and coordinated with all levels of government, businesses and industry bodies to improve communication and reduce levels of misinformation and greenwashing.
4. All businesses and organisations are encouraged and supported to reduce their carbon emissions and to reach a state of carbon neutrality and net zero emissions.
5. All businesses and organisations are encouraged to obtain Climate Active certification.
6. The Climate Active model continues to form the basis of the independent verification of emissions reporting to maintain continuity and consistency for existing participants.
7. All businesses and organisations making claims relating carbon emissions and emissions reductions publicly display information that relates to their emissions, including their emissions boundaries and full scope.
8. National standards and legislation are further developed to provide greater clarity to organisations and consumers relating to environmental claims, products and services.

## About Uniting Communities

We are an inclusive not-for-profit organisation working alongside more than 80,000 South Australians each year and have been creating positive change for South Australian communities for more than 120 years.

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<sup>1</sup> Consumer Policy Research Centre, The Consumer Experience of Green Claims in Australia, December 2022.

From 2010, Uniting Communities began planning and implementing sustainable practices to reduce our own carbon emissions. In 2015 we became the first social service charity in Australia (and the first South Australian organisation) to achieve carbon neutral certification through Climate Active.

Climate Active is an ongoing partnership between the Australian Government and Australian businesses to drive voluntary climate action and certification is proof towards the claim that our organisation has achieved carbon neutrality<sup>2</sup>. The Climate Active stamp helps the community take action by making it easier to identify and choose brands that are making a real difference.

In addition to maintaining our carbon neutral certification, Uniting Communities has also committed to becoming Net Zero by 2035. We recognise the need for our society to accelerate action on climate change as the world approaches the Paris Agreement threshold of 1.5C of warming. Coupled with our ongoing commitment to being certified carbon neutral, it is our view that reducing our emissions demonstrates our commitment to protecting the environment and those vulnerable people who are least able to protect themselves against the effects of climate change.

A significant part of our journey towards working and living sustainably, our flagship Adelaide-based building, U City, was completed in 2018 with a 6 Star Green Star Design and As-Built ratings. U City was later certified carbon neutral by Climate Active in 2022 and is designed to use 45 per cent less energy and 30 per cent less water than comparable new buildings.

We call on all levels of Government to hasten their policy action and to develop practices and incentives that reduce the impact of climate change on all Australians.

## **Additional Comments**

We are committed to transparency in reporting our emissions and in outlining the actions we intend to take to reach our Net Zero 2035 target. We acknowledge the challenges we face to reach our target and intend to be open with the limits to our knowledge and capabilities to ensure that we are not greenwashing.

We believe that the community can only have confidence in our Net Zero 2035 commitments and reporting if they have confidence in the broader systems and frameworks that provide the independent oversight that we operate within.

Uniting Communities supports government initiatives that build confidence in carbon reporting and monitoring frameworks as well as ensuring that the claims that organisations and businesses make do not undermine the community's confidence in action on climate change.

Carbon measurement and accounting is complex and inevitably creates some 'grey' areas that may be exploited in relation to claims made by businesses or organisations. Consumers and the wider community need to be protected from and educated about greenwashing to empower them to make the right decisions when financially supporting businesses or organisations based on their environmental sustainability claims.

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<sup>2</sup> <https://www.climateactive.org.au/what-climate-active/about-us>

In order to ensure that greenwashing education is beneficial for the community it is essential that information regarding climate change and environmental sustainability is disseminated widely so that the language and terminology used across the sector is easily understood.

Climate Active is the main body in Australia (with the exception of the mandatory National Greenhouse and Energy Reporting scheme (NGER)) responsible for independent certification of claims in relation to carbon emissions for businesses and organisations.

We believe that Climate Active should be well resourced and supported to ensure that they can strengthen their oversight and support of participants in the program, particularly given the rapid growth of Climate Active members.

There is merit in strengthening and aligning the governance and legislative frameworks that underpin the multitude of areas that form part of the carbon 'sector', such as Climate Active, carbon offsets and renewable energy. Additionally, changes to legislation and advertising standards could focus on the materiality of claims made in relation to carbon emissions and targets. For example, all companies and organisations that make environmentally sustainable claims could be required to publicly publish information that relates to their scope 1, 2 and 3 emissions.

Uniting Communities also support more stringent and consistent national legislation and standards to ensure that consumers have clear information about different types of environmental claims for products and services. In delivery of our services and as a purchaser of a diverse range of products and services with a desire to improve overall environmental sustainability, we are fully aware that it can be challenging to understand and interpret environmental claims to ensure we make the best choices for improved environmental outcomes.

A simple example of product mislabelling is the use of the terms 'biodegradable' versus 'compostable'. While both can be incorrectly used by product manufacturers, there is a certification available in Australia for compostable products. However, there are many plastic-based products that are labelled as biodegradable that do not meet this definition in what most consumers would understand the term to mean. Greater regulation of the use of these labels is recommended as the labels should only be able to be used when linked to a standard or certification and this could significantly increase consumer confidence and decision making.

As a not-for-profit organisation, we are conscious of getting the right balance in terms of transparency and accountability versus the financial and human resources required to monitor, report and ultimately reduce our carbon emissions and environmental impact. Where changes to governance, legislation and standards are proposed, these need to be cognisant of the need to continue to support and encourage businesses and organisations to commit to environmental sustainability, climate action and to navigate the complexities of the carbon sector.

## **Conclusion**

As stated above, Uniting Communities thanks the Senate Standing Reference Committee on Environment and Communications for undertaking an inquiry into greenwashing and wishes the committee every success in their endeavor to investigate greenwashing and the impact it is having on addressing climate change and improving environmental sustainability.