

10 February 2023

By email: ReMadeinAustralia@dcceew.gov.au

Submission to [Designing ReMade in Australia Discussion paper](#).

Encouraging greater uptake of recycling and the creation of a circular economy are important steps to reduce waste and resource use in Australia. We know consumers want to make sustainable purchases but often struggle to find accurate information to make those decisions. Consumers are concerned about greenwashing and that green or sustainable claims are marketing tactics rather than genuine improvements in business practices or impact on the environment.¹

Companies are just using sustainability as a marketing tool these days. You have to really look into each company to see how legitimate their claims are. It's very difficult to ascertain if it's a correct statement or not. Participant in CPRC focus groups²

The Australian Government's development of an Australian made recycled content labelling scheme is a welcome move to introduce transparency and accountability to claims about the recycled content of products or labels manufactured and sold in Australia.³

The Consumer Policy Research Centre (CPRC) is an independent, not-for-profit consumer research organisation. Our mission is to improve the lives and welfare of consumers by producing evidence-based research that drives policy and practice change.

What do consumers want from to help them make sustainable choices? Findings from recent research

In 2022, CPRC conducted research on Australian consumers experience of green claims. The aim was to better understand how frequently consumers see green claims, where they see them, what types of claims and what would happen if they found out a business was engaged in greenwashing. We surveyed 2000 Australians in September-October 2022 in a nationally representative survey.⁴

Our research found that 69% of Australians are more likely to trust a green claim that is accompanied by a trustmark or third-party certification and 54% are more likely to trust green claims made by governments. This demonstrates the importance of having robust, transparent and verified trustmarks backed by the government.

In addition to the survey, we undertook a day-in-a-life scan, where we document 122 green claims. However, only 39 had any supporting information to help a consumer to trust or understand the basis of the green claim.

Our research also found that:

- 55% of Australians consider sustainability as part of their decision making and purchasing habits.
- 50% said they were worried about the truthfulness of green claims across every sector we surveyed consumers about.
- 29% said they use trustmarks to help them to fact check green claims.

We also found that consumers would react if they found out a business was engaging in greenwashing, with:

- 47% of Australians saying they would stop buying from a business because of greenwashing.

¹ Consumer Policy Research Centre, *Australian consumers in their own words*, June 2022. <https://cprc.org.au/australian-consumers-in-their-own-words/>

² *Ibid*

³ DCCEEW 2022, *Designing the ReMade in Australia brand: Discussion paper*, Department of Climate Change, Energy, the Environment and Water, Canberra, December

⁴ Consumer Policy Research Centre, *The consumer experience of green claims in Australia*, December 2022. <https://cprc.org.au/green-claims/>

- 39% of Australians said it would make buying sustainable products more confusing.
- 32% of Australians would want enforcement action taken against that business.

Recommendations to make the ReMade label meaningful and effective.

Greenwashing harms consumers, the environment and businesses. It is important for the ReMade in Australia brand and label to be robust and accountable to ensure it does not contribute to greenwashing.

Australian consumers are inundated with green claims about products, packaging and services without the information they need to be able to effectively make decisions or trust that the claims are true. Consumers need more reliable information to help them. If established correctly, the ReMade brand and label can play a positive contribution.

We consider the following issues to be important to consider in finalising the ReMade brand and label:

1. There is a proliferation of labels which may create unintended consequences and cause confusion for consumers.⁵ All effort must be taken to avoid creating consumer confusion between different schemes and labels. Clear communication is required to inform consumers about the brand and label, how it relates to or is different from other recycling schemes and what consumers need to do to dispose of products is important to prevent confusion.
 - a. The Remade label options provided in the discussion paper, Option B and C⁶ provide the most information to consumers, both about the fact the product or packaging is made using recycled material in Australia and gives an indication as to what proportion is recycled. CPRC considers Option A that has no proportion may lead to consumers thinking the product or package is made from 100% recycled material.
 - b. Separate labels should be required for both the product and its packaging which indicates recycled material and what proportion is recycled.
 - c. Under the current Australian Made scheme, there is a distinction between Australian Made⁷ and Product of Australia⁸ depending on how much of the product or process is undertaken in Australia.⁹ The current mock ups for ReMade in Australia may leave consumers thinking it is just the last part of the manufacturing process that is included similar to Australian Made. Consideration should be given as to including further information that distinguishes between made in or a product of Australia.
 - d. Clear differentiation from the Australasian Recycling Label which provides consumers information about how to dispose of the product or packaging.
 - e. Adopt lessons from other labelling schemes i.e. Australian Made, Australasian Recycling Label, and energy efficiency labels in how to clearly communicate with a label and what supporting information is required as part of an education campaign.
2. The Australian recycle market is still maturing and there are supply and market challenges that may restrict manufacturers and businesses ability to achieve a high proportion of recycled material within a product or label. However, if the aim of the scheme is to develop local recycle market and to drive greater adoption of recycling CPRC considers that at least 50% threshold is required and should be articulated on the label. This should also be increased over time as the market develops. This is important to ensure consumers do not mistake the impact of their choices.

⁵ CHOICE, 2022, *Eco and sustainability labels you can trust* <https://www.choice.com.au/shopping/everyday-shopping/ethical-buying-and-giving/articles/tools-and-certifications-for-ethical-shopping>

⁶ DCCEEW 2022, *Designing the ReMade in Australia brand: Discussion paper*, Department of Climate Change, Energy, the Environment and Water, Canberra, December

⁷ Australian Made - The product has undergone its last substantial transformation in Australia. <https://australianmade.com.au/why-buy-australian-made/about-the-logo/>

⁸ Product of Australia - All of the product's significant ingredients come from Australia; and All, or nearly all of the manufacturing or processing has been carried out in Australia. <https://australianmade.com.au/why-buy-australian-made/about-the-logo/>

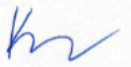
⁹ Australia Made, *Australia Made - About the Logo* <https://australianmade.com.au/why-buy-australian-made/about-the-logo/>

- a. Regardless of the minimum amount required to participate in the scheme, participation should be backed with evidence to support claims and regular auditing and enforcement is required to maintain trust in the scheme.
3. There should be guidelines that determine how the label is displayed to ensure consistency across products and packaging to help consumers to be able use and trust the label.
4. Verification and compliance methodologies should be robust and transparent but should not rely on unproven technologies such as blockchain. Blockchain has the potential to imbed errors into the system if they data provided is inaccurate, and the energy use required in the use of blockchain are high, creating an externality that runs counter to efforts to reduce resource use in the manufacturing of consumer products in Australia.
5. DCCEEW should work with the ACCC to ensure current Guidelines for the use of green claims in marketing are up to date and support the outcomes the ReMade in Australia brand and label is trying to achieve.

CPRC would welcome the opportunity to work with the Government to provide further insights from our consumer research as the strategy is finalised. If you have any queries about this submission or would like more information on our research, please contact Kristal Burry, Policy and Program Director at

kristal.burry@cprc.org.au

Yours Sincerely



Kristal Burry
Policy and Program Director
Consumer Policy Research Centre