

## CHAPTER 2: CONSUMER ENVIRONMENTAL PREFERENCE IN AUSTRALIA

Australians can be said to have one of the strongest and most active environmental convictions among nations throughout the world. It is probably a reflection of the uniqueness, beauty and sensitivity of our natural environment, the diversity of the Australian landscape and the size and magnificence of our wild places. Our outdoor, spacious and affluent lifestyles also bring us more easily into the natural world in comparison to other westernised cultures.

Increasingly Australians have become more active in hands-on action to restore/enhance the natural environment in specific areas. Nearly all Australians make a personal lifestyle contribution through recycling and waste disposal. A survey of the literature and market information on consumer environmental preference finds that Australia has a highly committed environmental consumer base. Current information sources are however limited in scope. It is clear that much more work needs to be done and funded in order to allow this area of market behaviour to be better recognised and trends anticipated by industry and government policy directions.

A national study undertaken by Australian National Opinion Polls (1991) claims that Australia has a high level of environmental citizenship demonstrating that green awareness goes back a long way. For example, according to the British firm Sustainability's 'Green Wave' 1990 survey: "A new generation of consumers, investors and business executives is emerging which is beginning to behave as if the environment mattered. In some countries the process has been continuous over the last decade, as in West Germany, but in others, including Britain, the US and Australia, the wave has hit with astonishing force, apparently out of the blue".

In seeking to provide a comprehensive picture of consumer environmental behaviour in Australia the '2004 – State of Green Procurement in Australia' report follows a two-pronged approach.

1. An overview about environmental convictions and activities by Australians on matters related to improving environmental health/quality allowing an insight into the potential of translating these convictions into environmentally preferable market behaviour.

2. Information and survey results demonstrating the proportion and amount of environmental purchasing by everyday Australians.

*"We are all fortunate to live in Australia where our standard of life is pretty comfortable. But we are also part of the 20% of the world's population who consume 80% of the earth's resources. That is not responsible or sustainable. If we want to preserve what we have for our children and our children's children, we have to slow down consumption..."*

*Many of us have already changed our habits to get involved in recycling. This has had great results with most communities across Australia having a kerbside recycling service. We are now being challenged to reduce water and electricity consumption, which is a good thing. These challenges in our home life are fairly easy and not too confronting... the hard one and the biggest challenge ahead is changing the way we consume – that is what we buy and how much of it we need."*

Shane Gould  
Australian Swimming Legend

*"Surveys show that the potential, and the will, for sustainable consumption is there. Civil society, in particular, is already very active. Consumers world-wide—in developed, developing and transition countries—are increasingly interested in the 'world behind the product'—how is it produced, where, and by whom. People are worried. They want to contribute to a better world, even if it is only through what product they choose to buy. This accounts, at least in the developed world, for an increase in market share for products such as fair-trade coffee, organic fruit and vegetables, and ecologically friendly household cleaning agents, for instance".*

Juan Carlos Brandt: Director  
UN Information Centre for Australia and the Pacific

## AUSTRALIAN ENVIRONMENTAL CONVICTIONS

Every year hundreds of thousands of Australians come together for national 'Clean Up Australia' and 'National Tree' days to participate in hands-on environmental rejuvenation activities.

Of the estimated 8,862,300 Australians who reported that they were concerned about the environment, 608,900 (6.9%) reported belonging to an environmental group.<sup>18</sup>

### PERSONS MEMBERS OF AN ENVIRONMENTAL GROUP IN AUSTRALIA - March 2001 NUMBER ('000)

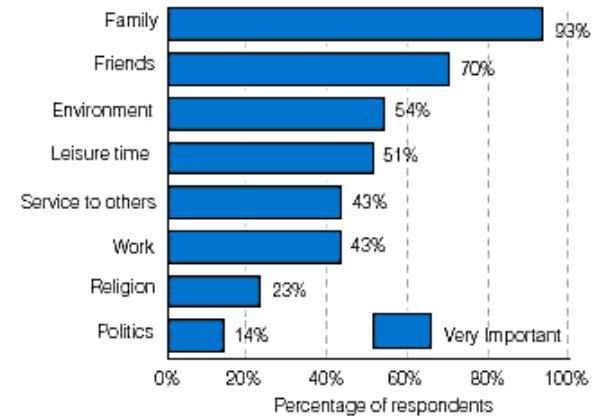
Marine conservation group	67.8
Landcare or catchment management group	220.3
Any other environmental group	379.6
<b>All members( a)</b>	<b>608.9</b>
<b>PROPORTION (%)</b>	
Marine conservation group	11.1
Landcare or catchment management group	36.2
Any other environmental group	62.3

Comprehensive reviews of the perceptions and attitudes of everyday Australians to their influence on the natural environment and their personal choices for a better environment are scarce in the Australian literature. The most comprehensive study

<sup>18</sup> ABS (2002) Environmental Issues: People's Views and Practices (4602.0).

of recent times has been a survey by the NSW Government on people behaviour and attitudes to the environment.<sup>19</sup>

### Level of Importance of Social Issues for NSW Residents



**87%** of people say they are concerned a great deal or a fair amount about environmental problems. Concern for future generations continues to be the most common reason for concern about the environment, chosen by more than four in ten people (42%) in 2003. Concern for future generations in 2003 is significantly higher than in 2000 (29%) and slightly higher than in 1997 (39%). Maintaining ecosystems is the second most common reason for concern in 2003 (17%) and indicates that people are concerned about the environment itself, not just its impact on their quality of life.<sup>20</sup>

The executive summary of the NSW survey finds:

<sup>19</sup> Department of Environment & Conservation NSW (2004) Who Cares for the Environment 2003:

<sup>20</sup> Department of Environment & Conservation NSW (2004) Who Cares for the Environment 2003:

“ Nearly everyone reports doing at least a few things to help protect the environment over the last five years. The most frequently mentioned behaviours are recycling more, conserving water and reducing the use of cars. Additionally, over half the people in NSW report that they have occasionally performed each environmentally friendly action listed in the survey except ‘writing a letter or taking other action to improve the environment’.

Two-thirds of people in NSW say they have often reduced water consumption in the last year. The main reasons for doing so are water shortages or the drought, and concern for the environment. The most environmentally unfriendly behaviour that people admit to is using the car too much or not using public transport.

People have responded favourably to environmental ratings as a method of encouraging environmentally friendly behaviour. Most people report that their purchasing decisions would be influenced by environmental ratings on cars (80%). Most people (88%) also say that if they were building or renovating a home, an environmental rating on building designs, materials, plumbing fittings and appliances would influence their purchasing decisions.

On reducing water use, nine out of ten people say that incentives, assurances that recycled water is safe, and cheaper water saving devices would make it easier to save water. At least eight out of ten people want more information on saving water and public demonstrations of water saving techniques. Regarding higher water prices to encourage reduced water use, people are almost equally divided, with just over half the population (53%) supporting a higher pricing strategy.”<sup>21</sup>

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<sup>21</sup> Department of Environment & Conservation NSW (2004) Who Cares for the Environment 2003:

The environmental convictions and behaviours of NSW citizens is summarised below:<sup>22</sup>

Regarding people’s financial commitment:

- **81%** agree that products that cause environmental problems should cost more, with almost three in ten (29%) saying they strongly agree,
- **64%** would agree to give up part of their income,
- **59%** would agree to an increase in taxes but only if they could be certain that the money would be used to fix environmental problems.

The activity that most people (76%) have often done in the last twelve months is avoided putting oil, fat, turpentine, paint or chemicals down the sink or toilet. Seventy percent of people have often prevented stormwater pollution (including litter) and reduced energy consumption.

The other activities that more than four out of ten people have often done in the last twelve months are:

- reduced water consumption **65%**
- decided to reuse **62%**
- chosen better household products **52%**
- purchased energy efficient appliances **48%**
- composted food or garden refuse **47%**.

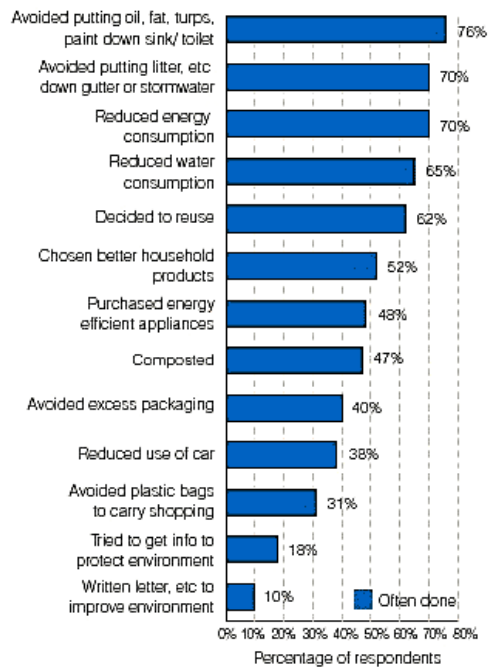
The most common activities people in NSW have never done in the last twelve months are:

- written letter etc in order to improve the environment **58%**
- tried to get information relevant to protecting the environment **36%**
- avoided plastic bags to carry shopping home **35%**
- composted food or garden refuse **29%**.

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<sup>22</sup> Department of Environment & Conservation NSW (2004) Who Cares for the Environment 2003:

In 2003, three in four people (76%) could nominate changes in their behaviour over the past five years for environmental reasons with an additional 3% saying they had made changes earlier but not in the last five years. Other environmental behaviours such as conserving water, reducing car use and reducing energy have remained stable.<sup>23</sup> These results demonstrate that the majority of Australians hold well-established and committed environmentally sensitive attitudes.



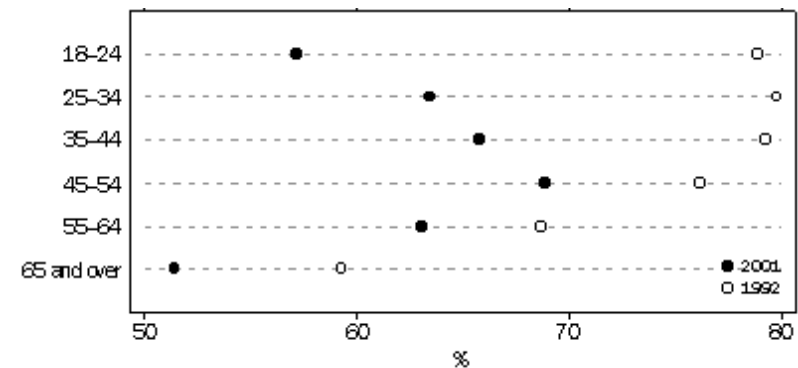
**Figure 5** Direct environmentally beneficial activities by NSW Residents

<sup>23</sup> Department of Environment & Conservation NSW (2004) Who Cares for the Environment 2003:

- Increased activity is indicated in planting/preserving trees (up 3% from 1994) and awareness of the environment (up 5% from 1994).
- Recycling more (48%), conserving water (20%) and reducing the use of motor vehicles (12%) are the most common environmentally friendly activities that people report having changed in the past five years.
- One in ten people in NSW report that they have started or are doing more composting (9%), reduced waste (9%), avoided littering (9%) and used more environmentally friendly products (9%).

### Concerns about environmental problems

In 2001, three out of five Australians (62%) stated that they were concerned about the environment. 57% of young Australians (aged 18-24), expressed concern about the environment in 2001. People in the 45-54 age group contained the largest proportion expressing concern about environmental problems (69% in 2001), while older people (65 years and over) contained the smallest proportion (51% in 2001)<sup>24</sup>



**Figure 6:** Concerns about Environmental Problems

<sup>24</sup> ABS (2002) Environmental Issues: People's Views and Practices (4602.0).

## Participation in Native Ecosystem Rejuvenation

Since 1996, almost 400,000 Australians have been involved in hands-on environmental repair projects funded through Government programs. In a remarkable community-based national effort, these volunteers have:

- Planted 29 million seedlings;
- Helped re-plant and protect 780,000 hectares of native vegetation;
- Helped protect or regenerate 480,000 hectares to conserve native species;
- Erected 19,000 kilometres of protective fencing; and
- Protected waterways with 5,000 kilometres of fencing.<sup>25</sup>

## National Clean Up Day – Clean Up Australia

Clean Up Australia Day, after 15 years of operation, has grown into a national environmental event for over 650,000 Australians. In 2004 the Clean Up volunteers collected an estimated 8,383 tonnes of rubbish, enough to fill 1,676 skip bins.

Accomplishments of volunteers during this year's campaign include the clean up of 1,628 roadsides, 753 parks and 1,682 waterways and coastal areas.<sup>26</sup>

### CLEAN UP AUSTRALIA DAY 2004 CAMPAIGN SUMMARY

Number of Sites	Volunteers per State
NSW 2,956	NSW 305,880
ACT 113	ACT 8,386
VIC 1,302	VIC 130,593
TAS 399	TAS 32,796
SA 544	SA 63,169
WA 433	WA 37,955
NT 73	NT 6,610
QLD 1245	QLD 91,955

Hours spent by volunteers nationally  
1,490,658 hours / 62,110 days / 170 years

<sup>25</sup> Hill (2002) Ministerial statement on the environment.

<sup>26</sup> Clean Up Australia Report (2004) www.cleanup.org.au

## National Tree Day – Planet Ark

In 2003 National Tree Day saw more than 247,000 people join together to plant 2.2 million native trees and shrubs at over 3,340 sites across the country. Since its inception in 1996, over 6.3 million trees and shrubs have been planted by National Tree Day volunteers. Major participants in National Tree Day include schools and community groups, with direction and assistance from the National Tree Day Advisory Committee which includes environmental organizations, local government associations and corporate members.<sup>27</sup>

National Tree Day History				
Year	Trees / Shrubs	Volunteers	Sites	Cumulative total of trees / shrubs
1996	50,000	N/A	N/A	50,000
1997	75,000	N/A	N/A	125,000
1998	130,000	N/A	N/A	255,000
1999	250,000	25,000	400	505,000
2000	400,000	48,000	700	905,000
2001	1,200,000	110,000	1,800	2,105,000
2002	2,000,000	225,000	3,000	4,105,000
2002	2,250,000	247,000	3,440	<b>6,355,000</b>

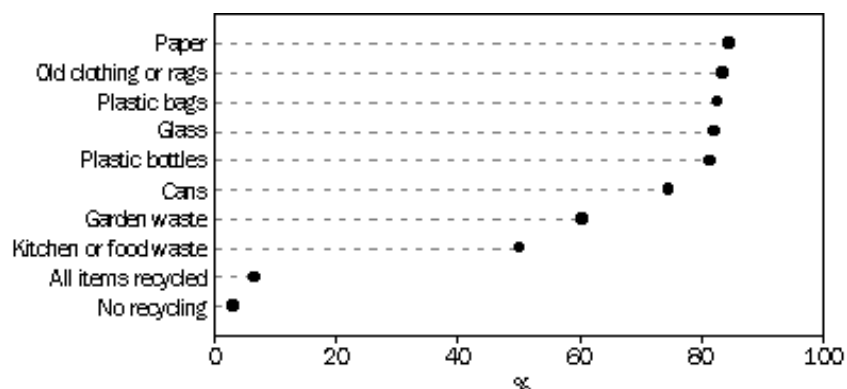
## Waste Management

Australians are, in fact, world leaders when it comes to recycling rubbish.

Household recycling increased in Australia during the 1990s: in 1992 around 85% of people recycled at least one item of their household waste; by 2000 the vast majority

<sup>27</sup> AMP: Planet Ark National Tree Day (online: www.amp.com.au)

of Australians (97%) practised at least some recycling, with 7% doing so for all recyclable items. Paper, old clothing, plastic bags and glass were the items most commonly recycled. The preferred method for household recycling of paper (by 87% of households), glass (by 88%), cans and plastic bottles (both by 89%) was a collection service from the dwelling. For plastic bags, reuse was the most popular option. Around two-thirds of Australian households composted or mulched their kitchen or food waste (67%) and garden waste (71%). Old clothes or rags were usually (73%) taken to a central collection point such as a charity depot.<sup>28</sup>



**Figure 7:** Households involved in Recycling, Item Recycled – 2000. <sup>29</sup>

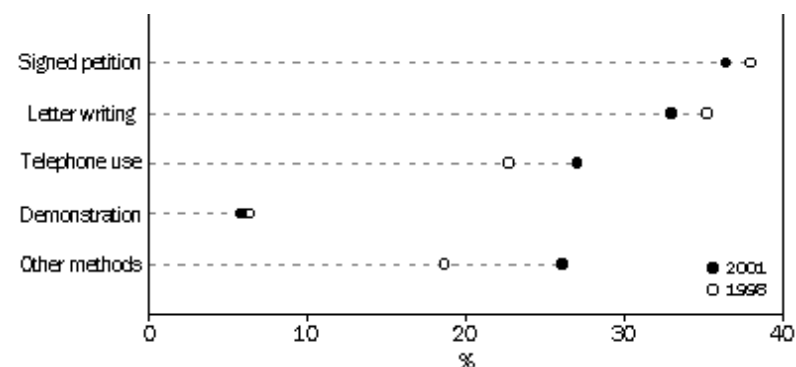
### Registration of environmental concerns

Of those who stated concern about environmental problems, less than one in 10 (8%) registered their environmental concern by writing letters, telephoning, participating in a demonstration, signing a petition or making some other form of official expression. This shows that their environmental concerns and attitudes do not often get expressed in direct political activities through registering their concern.

<sup>28</sup> ABS (2002) Environmental Issues: People's Views and Practices (4602.0).

<sup>29</sup> ABS (2002) Environmental Issues: People's Views and Practices (4602.0).

However, of those that did, 37% signed a petition, 33% wrote letters and 27% used the telephone. The least-favoured method of registration was participation in a demonstration (6%). It is expected that this lack of direct expression is primarily because of a feeling of a lack of capacity to influence the overall decision or relevant policy approach.



**Figure 8:** Method of Registration of Environmental Concern. <sup>30</sup>

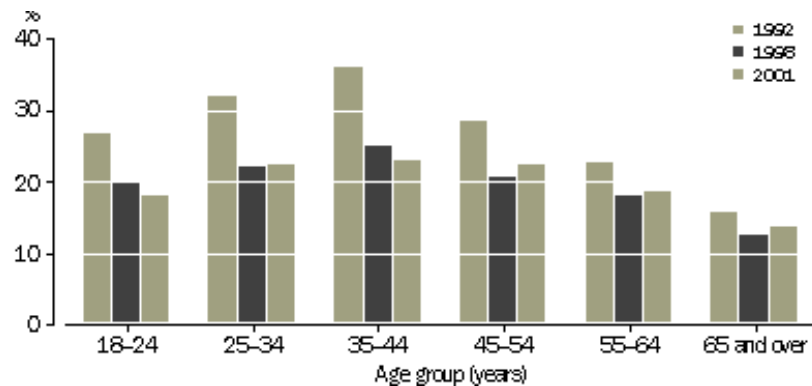
Some 7% of Australians stated that they belonged to an environmental group. Younger people reported the highest membership in environmental groups (9%). Of those who were members of an environmental group, the majority (62%) belonged to non-specific environmental groups. Membership was highest for landcare or catchment management groups (36%), more than three times that of marine conservation groups (11%).<sup>31</sup>

<sup>30</sup> ABS (2002) Environmental Issues: People's Views and Practices (4602.0).

<sup>31</sup> ABS (2002) Environmental Issues: People's Views and Practices (4602.0).

## Donation of time or money to environmental protection

In 2001, more than 28% of Australians stated that they donated time or money to environmental protection, compared with only 20% during the year. People aged 35-44 ranked highest in terms of contribution at 23%.<sup>32</sup>



**Figure 9:** Donation of Money to Environmental Protection.

Time was the main factor limiting involvement in environmental actions. Nearly half (49%) of Australians claimed that they had 'no time' for such involvement. 'Age, health or inability' was the next most likely reason (10%), particularly for people aged 65 and over (46%). Only 5% of respondents stated 'no money' as the main reason for non-involvement.<sup>33</sup>

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## DEMONSTRATED CONSUMER ENVIRONMENTAL PREFERENCE

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There are a number of pre-conditions for Australian consumers to demonstrate environmental preference. Firstly is the availability of environmental information

<sup>32</sup> ABS (2002) Environmental Issues: People's Views and Practices (4602.0).

<sup>33</sup> ABS (2003) Environmental Issues: People's Views and Practices (4602.0).

and confidence in this environmental information presented on products and services. The significant problem of asymmetrical information between manufacturers and consumers on environmental performance has become a major barrier to consumer environmental preference delivering the type of market signals necessary to capture this demand. The second barrier is availability of environmentally-preferable products and services in a convenient and acceptable manner. To date the major retail chains in Australia are yet to recognise this latent demand. In cases where they have recognised this opportunity we find profiteering with prices inflated to capture this market. There are some exceptions with regard to toilet paper, recycled paper and some narrow product groups, but not many.

The scant information as to 'actual' purchasing decisions in conditions of suitable choice and 'actual' environmental preference has led to indirect sources of information dominating the literature.

The terms "eco-friendly", "environmentally safe", "recyclable", "biodegradable and "ozone friendly" are loosely-held terms and currently widely-used to substantiate environmental claims for these products. In some cases these claims have proven to be misleading and false, whilst other products gave the impression that an entire product was environmentally friendly, while in actual fact only a small proportion had an environmentally benign attribute<sup>34</sup>. Such issues became so grave that the *Trade Practices Act* in 1992 was amended to rule out the term "environmentally friendly" from labelling. Even though the trust of many green marketing campaigns has collapsed, Australian consumers still strongly held their commitment to the environment.

A survey conducted on Australian firms in 1997 found that 80% of the firms acknowledged that environmental issues are likely to affect their marketing activities. Firstly, it was acknowledged that environmental issues are increasingly affecting the way firms market themselves and their product to the public. Secondly, environmental issues are becoming an important tool for developing future

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<sup>34</sup> West, Karen (1995), "Ecolabels the industrialization of environmental standards", *The Ecologist*, Vol.25, Jan/Feb'95, pp.16-20

competitive advantages. Lastly, environmental issues are recognised as a part of the firms' objectives and goals.<sup>35</sup>

The decision-making process of customers is complex and varied changing across different types of products. Some of the elements of this decision making process, not necessarily presented in any hierarchical order, are:

1. Price.
2. Appearance.
3. Brand.
4. Fitness for purpose.
5. Cultural acceptance, advertisement and favour.
6. Marketing materials at the point of sale.
7. Environmental considerations
8. Health considerations.
9. Social justice considerations.
10. Previous experience.
11. Many more .....

### **Food: Current purchasing behaviour**

In Australia, organic food production for domestic retail and exports has more than doubled to A\$250 million since 1995. The industry is growing at 25% per year. Just under half of Australian consumers currently buy at least one type of environment-friendly food product, with fruit and vegetables and eggs being the most frequently purchased categories.

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<sup>35</sup> D'Souza, C., M., Phan & P. Lamb (1997). Impact of Green Regulations on Marketing Activities of Firms – An Exploratory Study, *Australia and New Zealand Marketing Educator's Conference – Proceedings Volume II*, pp. 821-848

One in ten consumers claims to buy environmentally friendly meat, although there appears to be confusion between 'organic' and 'environmentally-friendly' food products, in this and in other food categories.<sup>36</sup>

One in five consumers currently purchase organic meat, with higher levels of purchasing in New South Wales/ACT, Queensland and Tasmania compared to Victoria.

### **Attitudes to the environmental impact of grazing and meat production**

There appears to be a core of consumers who are concerned with the environmental effects of meat production (13% claim to think about this issue on all purchase occasions). Perhaps not surprisingly, these people are more likely to purchase organic meat.

In terms of specific issues associated with grazing, only just over half of consumers could think of anything unprompted, and even then there is no one area of particular concern, with equal mention of soil erosion, overgrazing and use of chemicals.

When consumers were prompted with a list of issues, again their opinions were divided across several issues, with salinity, use of chemicals, water pollution, soil erosion and tree clearing all mentioned as being of concern.<sup>37</sup>

### **Attitudes towards environmentally-friendly and organic food**

Consumers associate the term 'organic' with 'chemical-free'; however, there is no clear understanding of the term 'environmentally-friendly', with most consumers nominating either organic or chemical-free as the best description.

Motivations for purchasing both organic and environmentally friendly meat products are based largely on a desire to achieve personal health and wellbeing. This is likely to

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<sup>36</sup> Rural Industries Research and Development Corporation - EcoRange: Market-Oriented Environmental Certification for Rangeland Pastoral Industries 3. Australian consumer survey February 2004

<sup>37</sup> Rural Industries Research and Development Corporation - EcoRange: Market-Oriented Environmental Certification for Rangeland Pastoral Industries 3. Australian consumer survey February 2004

be the main trigger for consumer acceptance, rather than 'feel-good' benefits to the environment.<sup>38</sup>

There is a strong perception that environmentally friendly products come with a price premium, which is by far the main barrier to adoption of these products by consumers.

### **Consumer interest in an environmentally friendly guarantee for meat**

Six out of ten consumers believe their personal actions are influential in making a difference to the environment. This makes those who currently purchase organic meat and/or environmentally friendly food even more likely to perceive that their behaviour can make a difference.

Consumers are somewhat sceptical of the environmental claims made on products currently in the supermarket, with less than one in ten feeling 'very confident' of such claims. Most report being 'somewhat confident,' while just over a quarter of consumers are not at all confident of the claims.

Consumers do see the importance of having a system in place that guarantees meat is environmentally friendly; 60% rate this as very important.<sup>39</sup>

### **Price premiums**

The importance of price is evident when interest in environmental assurance rises, in the context of no difference in price. Eight out of ten consumers report a strong interest in purchasing the product with no price premium. This falls to six out of ten at a premium of 10% per kg and less than four out of ten at a premium of 25% per kg.

When a price premium is introduced, differences in current behaviour and attitude determine whether a consumer is willing to pay more for environmentally friendly

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<sup>38</sup> Rural Industries Research and Development Corporation - EcoRange: Market-Oriented Environmental Certification for Rangeland Pastoral Industries 3. Australian consumer survey February 2004

<sup>39</sup> Rural Industries Research and Development Corporation - EcoRange: Market-Oriented Environmental Certification for Rangeland Pastoral Industries 3. Australian consumer survey February 2004

meat. Those who already buy other environmentally friendly food items and/or organic meat are more likely to accept a price premium, as are those who always consider the effects of meat production when they purchase. For these consumers, a price premium of 10% is quite acceptable; and for some of them, a premium of even 25% is acceptable.<sup>40</sup>

To provide more realistic estimates of demand, therefore, a weighting was applied to the reported results, giving the following demand estimates:

- price premium of zero..... 22–44% consumer take-up
- price premium of 10% per kg.....18–37% consumer take-up
- price premium of 25% per kg.... 13–27% consumer take-up.

### **Consumers and Organic Foods**

A national survey of 1,200 consumers reveals more than 40% of consumers had consumed some organic food in 2002-2003.<sup>41</sup>

Those more likely to buy organic foods were: people 65 and over; people living in households with incomes under \$30K; people residing in South West Queensland; women and singles; individuals with university education and people working as semi-professionals.

The data shows that people aged 65 and over would be 23% more likely to buy organic food than the group average. Conversely, people aged 25-34 would be 10% less likely to buy organic foods. The most important aspect of this research is that Queenslanders are not identified as a single uniform group. Various sections of

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<sup>40</sup> Rural Industries Research and Development Corporation - EcoRange: Market-Oriented Environmental Certification for Rangeland Pastoral Industries 3. Australian consumer survey February 2004

<sup>41</sup> Queensland Department of Primary Industries (2003) "Reality bites bulletin".

society behave differently according to a number of demographic characteristics such as age, gender and education. <sup>42</sup>

### Consumer Products: Current Purchasing Behaviour

The Australian Environmental Labelling Association Inc undertook a consumer survey in the ACT and surrounding regions during April/May 2003. The survey was conducted by officers of the Australian Environmental Labelling Association on the basis that they approach every fifth person passing their immediate vicinity.

*Participant Information: The survey was undertaken at the following retail shopping locations:*

- 1 – Main shopping district: Tuggeranong Hyperdome ACT  
100 participants (20-21 May 2003) Young Family Region of Canberra
- 2 – Main shopping district: Woden Shopping Centre – ACT  
75 participants (9 May 2003) - Median Canberra Income
- 3 – Main City Centre: Canberra City – ACT  
100 participants (16 May 2003) - Diverse
- 4 – Karabah Shops: Queenbeyan –NSW  
100 participants (17 April 2003) - Lower Socio-Economic Region
- 5 – Manuka Shops: Canberra – ACT  
50 participants (15 May 2003) - Higher Socio-Economic Region
- 6 – Kingston Shops: Canberra – ACT  
50 participants (26 May 2003) - Higher Socio-Economic Region

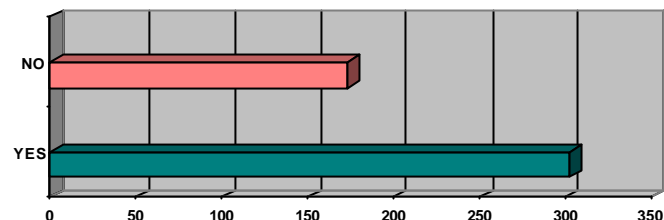
### Survey Results

#### 1. When you buy products do you look at any environmental information about the product?

<sup>42</sup> Queensland Department of Primary Industries (2003) “Reality bites bulletin”.

This question gives an indication as to whether the environmental impact of a product is a relevant factor when everyday consumers assess products for purchase.

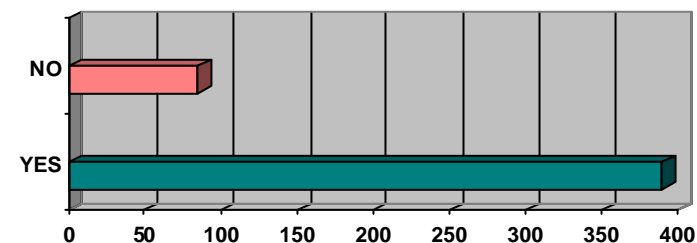
Absolute	Percentage
Yes: 302	Yes: 63.6
No: 173	No: 36.7



#### 2. Would you like to see more environmental information on products?

This question gives an indication as to whether everyday consumers want products to display more environmental impact information at the point of sale.

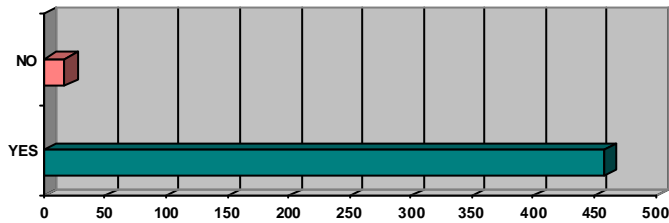
Absolute	Percentage
Yes: 390	Yes: 82.1
No: 85	No: 17.9



**3. If two products were alike including price and one had an environmental seal of mark of approval would you prefer it?**

This question gives an indication as to whether everyday consumers would give purchasing preference to products that inform the consumer that they are environmentally preferable at the point of sale if all other considerations were equal.

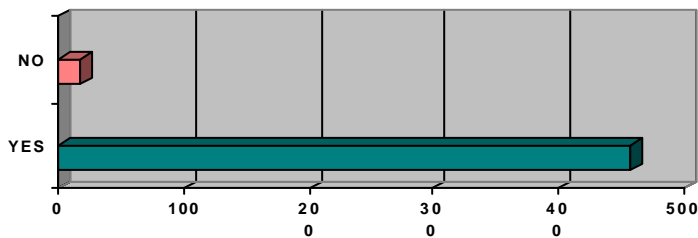
<b>Absolute</b>	<b>Percentage</b>
Yes: 458	Yes: 96.4
No: 17	No: 3.6



**4. If this logo was awarded to products of good environmental performance would you use it as a credible indication?**

This question gives an indication as to whether everyday consumers would be satisfied with the descriptive and environmental impression given by the graphic as a tool to inform their environmental preference.

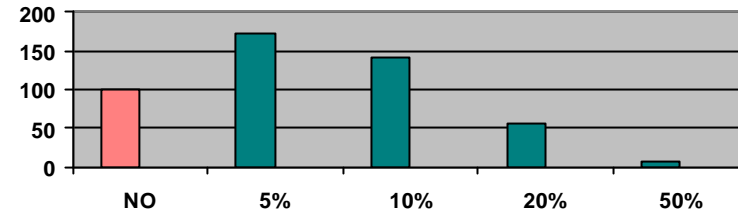
<b>Absolute</b>	<b>Percentage</b>
Yes: 458	Yes: 96.4
No: 17	No: 3.6



**5. Would you pay more for a product that was clearly environmentally preferable than an alike product?**

No 5% 10% 20% 50%

This question gives an indication as to whether everyday consumers are willing to accept a trade-off between price and environmental performance.



**Further Findings and Notes by the ACT Survey :**

1. Some consumers don't look for environmental information on products because in most cases it is not there.
2. A lot of people mentioned genetically modified foods and their concerns about them and that more labelling should be placed on such products.
3. Women were particularly interested in the labelling of cleaning products since these products in their view affected them and their families more directly.
4. A lot of people raised questions about the increased costs of environmentally friendly products, especially in regards to recycled products and believed they should be cheaper since they cost less to produce.
5. Some people asked if companies are able to just pay and have the logo put on the products without any appropriate testing.

6. Most people answered yes they would use the label as a credible indicator provided that appropriate information is given to them about the eco-labelling program and about the organisation as a whole.
7. Many people said that they are too lazy to look for environmentally friendly products but if the work is already done for them i.e.: by the eco-labelling program, they will be more willing to purchase approved products “since they don’t need to read the fine print”.

### Use of Environmentally Preferable Products

Environmentally Preferable Products (EPPs) are important for reducing waste produced within households as they generally take fewer natural resources to produce and generate less waste than their counterparts.

#### USE OF EPPs(a) <sup>43</sup>

	2001 %
Refillable containers	64.5
Phosphate-free cleaning products	39.5
Unbleached paper	51.3
Recycled paper	69.8
Organically grown fruit and vegetables	41.8

Cost was the single most important factor that prevented households from using EPPs. Over a third of households (37%) which did not use them believed that these products were more expensive to buy. About 4% were not convinced of the environmental benefits.<sup>44</sup>

<sup>43</sup> ABS (2002) Environmental Issues: People's Views and Practices (4602.0).

<sup>44</sup> ABS (2003) Environmental Issues: People's Views and Practices (4602.0).

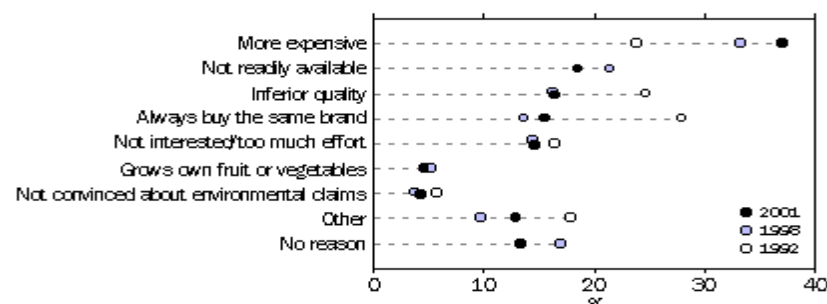


Figure 10: Reasons that environmentally preferable products and not used. .

#### USE OF FLUORESCENT LIGHTS IN AUSTRALIA (a) Number of rooms mainly lit – March 2002<sup>45</sup> Number ('000)

None	3,092.3
One	2,073.5
Two	1,162.5
Three	526.3
Four	248.2
More than four	318.8
Whole House	52.1
<b>Total dwellings</b>	<b>7,473.7</b>
<b>Proportion (%)</b>	
None	41.4
One	27.7
Two	15.6
Three	7.0
Four	3.3
More than four	4.3
Whole House	0.7

<sup>45</sup> ABS (2003) Environmental Issues: People's Views and Practices (4602.0).

Other key findings<sup>46</sup> related to the procurement of greener products were:

- There was an increase in the proportion of Australian dwellings surveyed with some form of insulation, from 52% in 1994 to 58% in 2002.
- Western Australia recorded the most significant increase (13%) in the proportion of dwellings with some form of insulation between 1994 and 2002 (from 52% to 65%) followed by Queensland where an 8% rise was recorded (from 29% to 36%).
- Two in three hot water systems in Australia were powered by electricity and approximately half of these utilised off-peak electricity. New South Wales recorded the highest proportion of households using off-peak electricity to power hot water systems (46%), followed by Queensland (37%) and South Australia (29%).
- Victoria had the highest proportion of dwellings using gas, with 73% of Victorian households using it for space heating and 67% for cooking and heating water.
- Less than 3% of Australian homes surveyed used greenpower, which does not contribute to greenhouse gas emissions.
- Solar energy is primarily used in Australia for heating water and was utilised by 4% of households, but was used in 53% of Northern Territory households and 16% of Western Australian households.
- Almost 60% of Australian dwellings surveyed used fluorescent lights and 23% used energy saving lights in at least one room.
- The Australian Capital Territory had the highest proportion of households using energy saving lights (26%).

- Of household appliances, air-conditioner and dishwasher numbers experienced the largest increase in Australian homes (16% and 10%, respectively) over the period 1994 to 2002. The number of Australian households with computers also rose substantially from 45% in 1999 to 60% in 2002.
- At 11%, Tasmanians were the best in Australia at taking into account environmental considerations when buying or replacing white good appliances.
- South Australia had the highest proportion of households with suds-saving aided washing machines, despite a decline from almost 60% in 1994 to 46% in 2002. Households in Queensland and the Northern Territory used cold water in their washing machines more than any other state (77% each).

## Conclusions

The Australian community is ready to take their lifestyle and consumption choices towards new directions in market demand and consumption behaviour. The recent water restrictions throughout the continent further demonstrate how this conviction can be put in place. Most jurisdictions that have imposed mandatory and voluntary restrictions have had significant reductions in water consumption. These campaigns have been supported by regular community information in the media, programs and information sheets which provide simple alternatives and subsidies for greywater treatment, water saving devices and roof water catchment at the urban level with watertank subsidies. It is feasible to expect that similar programs can be easily rolled out around the country for energy use, water pollution, air contamination (firewood, chemicals, car use) and environmentally preferable materials. It is expected that the community would be willing and able to absorb such lifestyle changes if the right incentive and information programs were put in place. Should a comprehensive suite of these initiatives be put in place through combined industry, government and community group co-operation we can expect very significant changes in the ecological footprint of Australians over the next decade:

The current obvious impediments to mobilising individual consumption and life style choices towards the objectives of sustainable consumptions are:

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<sup>46</sup> ABS (2003) Environmental Issues: People's Views and Practices (4602.0).

1 – A lack of programs with sufficient resources to make their messages heard in the community. We are recently seeing new campaigns for plastic bag use and firewood use. Such programs need to be replicated in a comprehensive suite of environmental community initiatives related to the diverse environmental impacts of consumer purchasing and behaviour.

2 – A lack of choice in the supermarkets and common retail outlets. The types of products procured by retail chains and individual outlets around the country typically are not the same as procurement by owners taking into account their environmental characteristics. As a result, the environmentally-preferable product range that is available to everyday Australians is very limited. Over the last few years we have seen certain product groups such as toilet and sanitary paper towels, and energy efficient lighting included in the standard product mix.

Due to consumer support, these product types have now gained mainstream support and will be a permanent feature of supermarket shelves. Unfortunately this shift is not occurring in clothing, electrical equipment, foods, building products and the vast majority of items purchased by everyday Australians. Recently major retail chains such as Bunnings and Coles Myer have commenced the development of a 'green line' in select product lines in order to meet this consumer environmental preference. It is expected that the ability of retail outlets to procure and make available environmentally preferable products to Australians is a major barrier to environmental purchasing at an individuals level.

3 – Manufacturers and service providers have realised that there is a commercial benefit in being perceived as having an environmentally preferable product. In many cases they have resorted to their marketing department rather than their product design department in making a product shift. This has led to a very large volume of product packaging and product information making environmental claims which are misleading and incorrect. Consumers have picked up this misinformation and are increasingly feeling uncertain as to the credibility of this information.

Examples of this type of behaviour are rife on the Australian market and the ACCC, which has suitable regulatory powers, is under-resourced to effectively police this information. The ACCC has limited its work in this area to only a few 'high profile' cases being prosecuted, with the aim of raising awareness and making an example of individual cases. This selective approach has not worked. The Trade Practices Act allows the ACCC certain provisions under Section 52 for information that is "misleading to the uninformed consumer" to restrict misleading advertising and information. Unfortunately this provision has not been used in cases taken to court.

Examples of the behaviour are widespread and include the national video rental retailer Video Ezy with the title of 'caring for the environment' on each plastic bag with the further statement of "this bag is recyclable" backing up this statement. This type of marketing information is a product of the marketing department rather than service redesign which may be a simple solution of making custom made bags which are available for a small deposit and returnable when consumer return their videos. Other statements use a similar approach such as the toilet paper company that has developed its own label with the statement that "this toilet paper is 100% biodegradable and manufactured from renewable resources" .. as if every toilet paper in the country is not 100% biodegradable and made from renewable resources. These widespread marketing-based approaches succeed in manipulating the widespread good environmental intentions of consumers to deliver a sense of corporate environmental acceptability where there has been no environmental redesign investment by the manufacturer.

It is important that in due course manufacturers recognise that they carry legal risks in such behaviour and the ACCC is empowered with sufficient resources to protect the environmental preference interests in Australia. The ACCC needs to deliver a clear environmental hurdle for companies seeking to benefit commercially from product environmental redesign and innovation, allowing environmental market entry only to those with credible environmental performance benefits.