



4 June 2008

By email: carbonclaims@accc.gov.au

Simon Kidd
Consumer Strategies Branch
Australian Competition and Consumer Commission
MELBOURNE VIC 3000

Dear Mr Kidd

‘Avoiding hot air: a consumer guide to carbon claims’

Consumer Action Law Centre (**Consumer Action**), are pleased to provide feedback to the Australian Competition and Consumer Commission (**ACCC**) on its fact sheet, ‘Avoiding hot air: a consumer guide to carbon claims’.

Consumer Action strongly supports the ACCC’s initiatives in the evolving carbon offset market. There is a great deal of confusion among consumers and the risk of poor consumer confidence in the market will undermine the ability of offsetting as a means of reducing emissions.

With reference to the ‘booklet’ provided, Consumer Action agrees with the decision to retain the fact sheets on the website rather than publish them, provided that the DL flyers are made widely available, in acknowledgement that the market can change daily. Further to this we believe that, on a regular basis, ACCC should commit to providing information updates in relation to carbon offsets, for consumers.

The booklet itself contains appropriate language making it accessible to many consumers; however we do have a few specific concerns, including:

- **Carbon Calculators** - As raised at the forum attended by Consumer Action earlier this year, we have concerns regarding carbon calculators. Carbon calculators form the basis of calculations upon which carbon offsets are purchased. It is important therefore that the booklet includes and clearly defines ‘carbon calculators, in the *‘important terms used in this guide’* section. Carbon calculators currently use various methodologies to calculate carbon emissions. This is not a surprise at this point as there are no standards

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specific to carbon calculators and many emissions factors are still 'under development'. As a result, there can often be discrepancies between calculators, based upon the methodology chosen and/or the data requested, which can result in varying estimates of calculated emissions. Depending upon the calculator used the variations between calculators could also be linked to whether the calculator is on the site of an organisation selling carbon offsets, where there are risks that the calculator may provide a higher estimation of emissions than other sites. These variations result in consumers committing to purchasing offsets to the amount calculated, but which may not be truly reflective of their emissions. By including 'carbon calculators' in the definition section of the booklet and then recommending that consumers compare the emissions calculated on various calculators, including the Australian Government calculator, consumers will be able to purchase the amount of offsets they feel comfortable with, rather than necessarily relying on a single calculator or what a particular carbon offset provider tells them to.

- **Purchasing Offsets** – We are concerned, on the basis that carbon offset schemes are still largely unregulated, that the ACCC is recommending that consumers, as a last option to reduce their emissions, purchase offsets. We believe that this recommendation should be withdrawn until there is mandatory accreditation across all carbon offset providers and until there is a robust monitoring program that can provide full confidence to consumers.
- **Additional Resources** – We recommend that the ACCC link to additional resources/documentation that enable consumers to understand the potential issues with carbon offset schemes, particularly forestation schemes, for example Choice's website¹ or the Total Environment Centre's discussion paper, '*Carbon Neutral Watch – Corporates, Consultants and Credibility*' which includes a review of the carbon neutrality and offset market.

Should you have any questions about our submission, please contact me on 03 9670 5088.

Yours sincerely

CONSUMER ACTION LAW CENTRE



Janine Rayner
Senior Policy Officer

¹ www.choice.com.au