

# Green Report

2023



Presented by **finder**

# Table of Contents

06

**Introduction**

07

**Key statistics 2023**

08

**How has consumer sentiment changed over the past year?**

09

**Drivers and draggers on going green**

10

**Cost of living**

11

**Greenwashing: “Sustainability sells”**

12

**Education and environment**

13

**How people are changing their behaviour**

14

**The impacts of going green**

16

**Insights from Finder’s experts**

18

**References & Methodology**

# Intro



The effects of climate change have permeated every decision in modern consumer's lives — from the purchases we make, to where we invest our money and how we choose to travel.

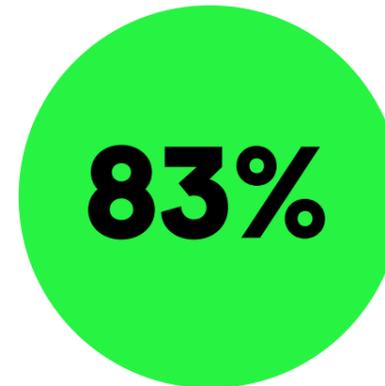
Our report tracks green consumer sentiment and behaviour, and reveals a small drop across most metrics in 2023. Australians displayed a slightly lower level of concern about their carbon footprint this year compared to last year, and there are also fewer consumers taking measures to reduce their carbon footprint.

These insights prompt further investigation into some potential catalysts — specifically, the prevalence of “greenwashing” and the continued cost of living crisis.

We also explore the actions consumers are taking to reduce their environmental impact. This is followed by an analysis of the most accessible environmental behaviours and the changes taking place in different industries, along with a discussion of the role of policymakers in influencing green consumer behaviour.

Finally, we examine the impacts of going green in areas such as sustainable superannuation, electric vehicles, solar power and household energy providers. This section discusses consumer interest in ethical super funds, the costs associated with electric vehicles, the benefits of solar panel installations, and the attractiveness of green energy providers in terms of pricing. We draw on insights from Finder's team of experts on how consumers can make small changes that benefit their finances and the planet at the same time.

## Key statistics 2023

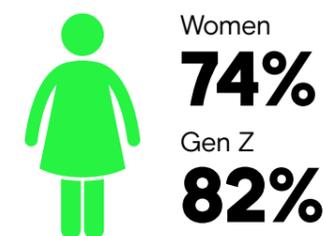


of Australians have reduced their environmental impact in some way

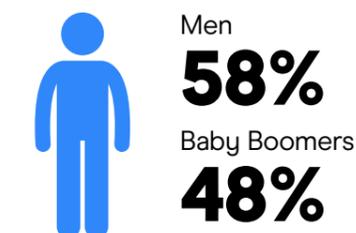
### MOST COMMON SUSTAINABLE PRACTICES



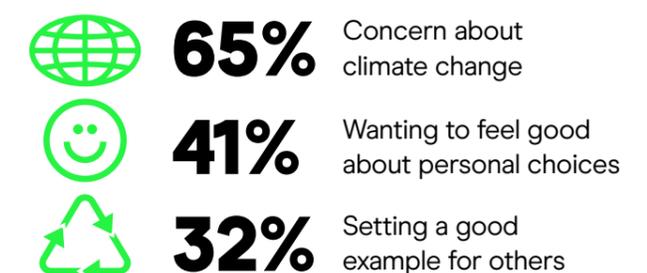
### MOST CONCERNED ABOUT THEIR CARBON FOOTPRINT



### LEAST CONCERNED ABOUT THEIR CARBON FOOTPRINT



### TOP REASONS PEOPLE CHOOSE GREEN PRODUCTS

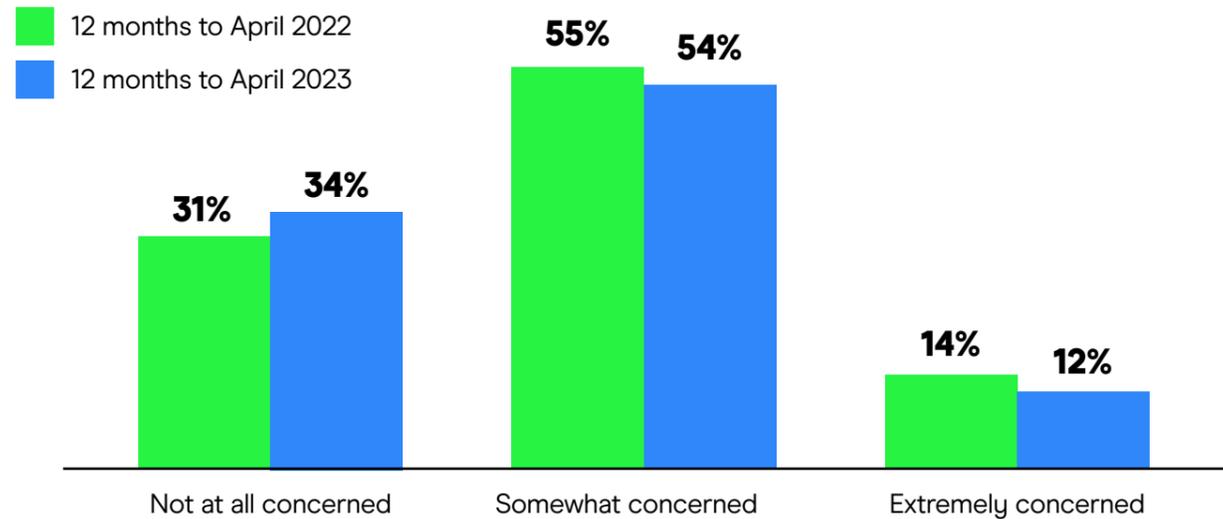


# How has consumer sentiment changed over the past year?

**In 2023, Australians were slightly less concerned about the impact of their activities on the environment compared to last year.**

Finder's Green Report in 2022 found that 14% of people were extremely concerned about their carbon footprint, up from 12% in 2021. This has dropped back down to 12% of consumers in 2023. The figures for those who are not at all concerned have risen, from 31% in 2022 to 34% this year.

## HOW CONCERNED ARE YOU ABOUT YOUR FOOTPRINT?



The environmental credentials of companies remain an important issue to many consumers, although the level of concern here has also dropped, with the percentage who consider a brand's social and environmental efforts to be extremely or very important when making a purchase decision falling slightly from 44% to 40%.

The number of Australians taking action to reduce their carbon footprint has also decreased from 89% to 83% (for further details, see How are people changing their behaviour).

In the following section of this report, we explore the factors driving eco-friendly consumer behaviour and the potential catalysts of decreased environmental awareness.

# Drivers and draggers on going green

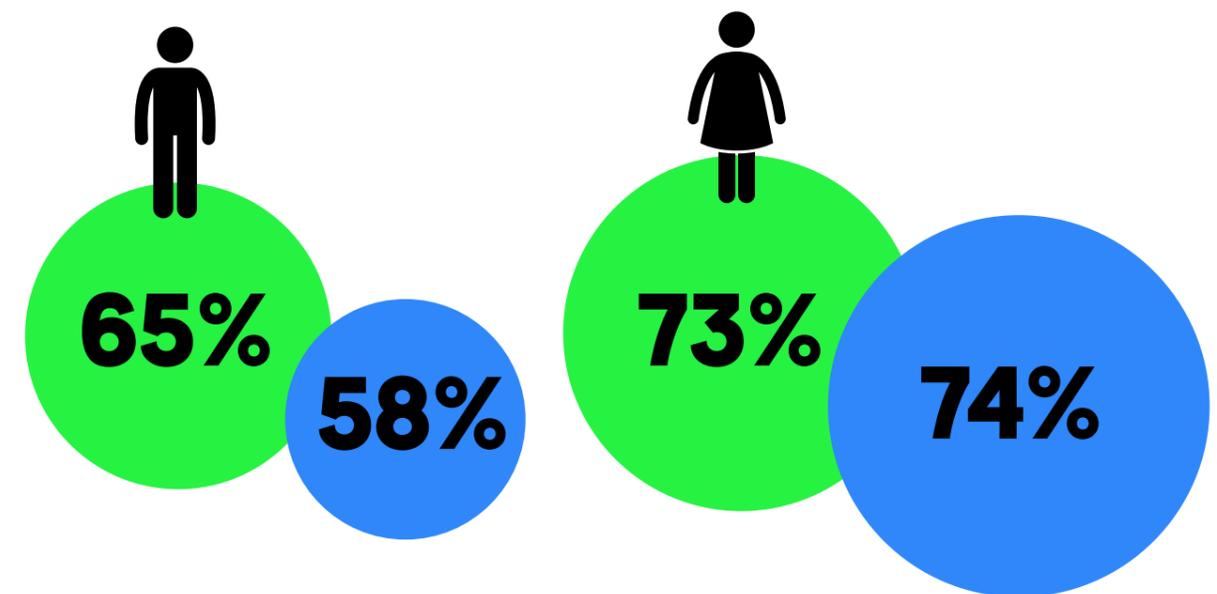


## Gender gap widens in the face of the cost of living crisis

The percentage of men who are carbon-conscious has fallen slightly, with only 58% of male survey respondents saying they were concerned about their carbon footprint, down from 65% in 2022.

Women, on the other hand, were more likely to be concerned, with 74% of respondents saying yes to this question.

## PERCENTAGE WHO ARE CONCERNED ABOUT THEIR CARBON FOOTPRINT



Source: Finder Consumer Sentiment Tracker, 12 months to April 2022 and April 2023

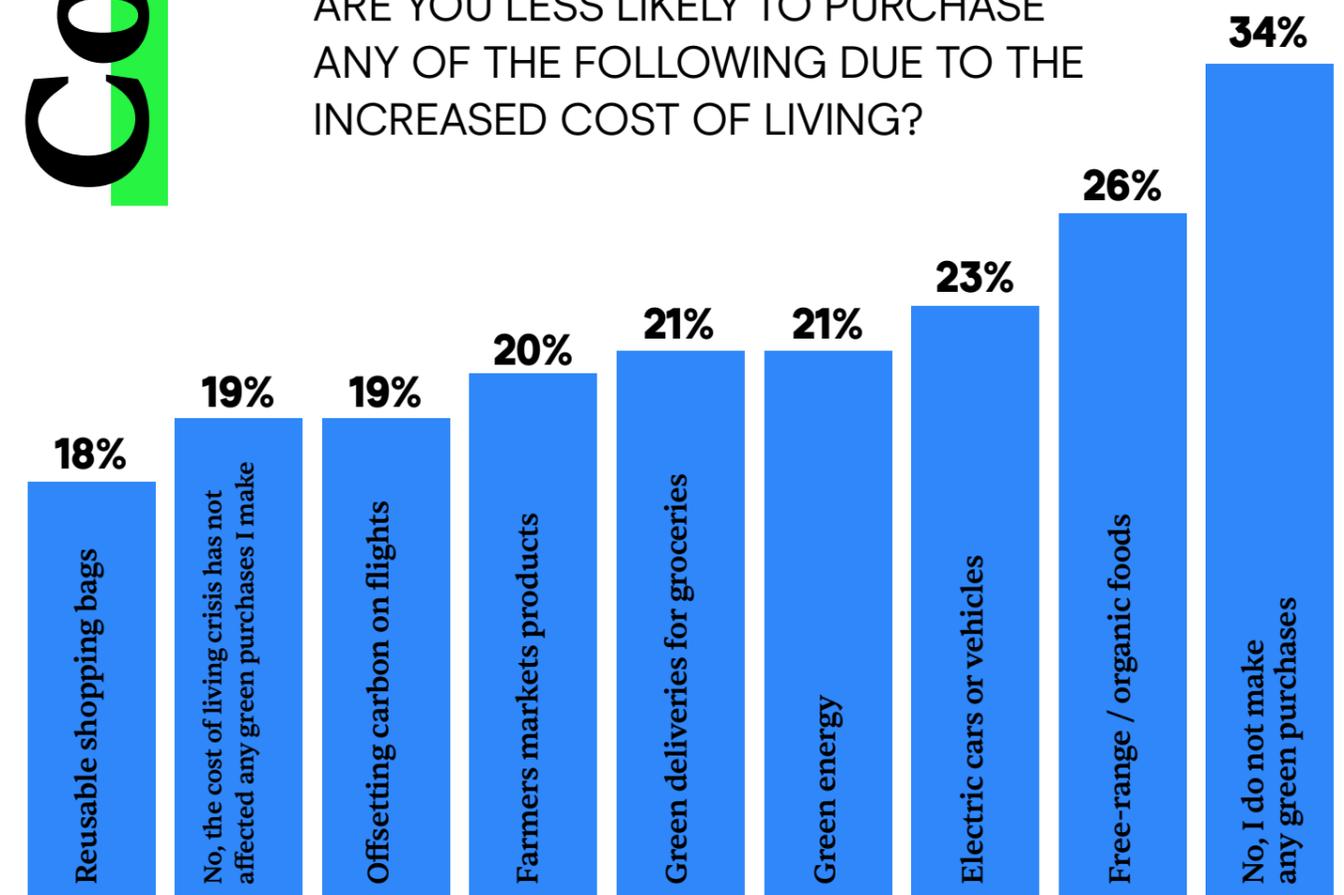
# Cost of living

Finder's recent Cost of Living Report<sup>1</sup> revealed the extent to which Australians have been affected by inflation and interest rates. With almost all consumers feeling the pinch, it is necessary to investigate if environmental sentiment has been impacted.

Consumers seem to prioritise their own financial health over their environmental conscience. Only 19% say that the cost of living crisis has not affected the green purchases they make. A further 34% do not make any green purchases. This means almost half (47%) of Australian consumers have adapted their decisions, based on changes to their financial situation.

The first purchases to be dropped are free-range or organic foods (26%), electric vehicles (23%) and green energy (21%). It is clear that green spending is less of a priority for Australians in 2023, with only 37% of consumers prepared to pay more for "greener" products or services, compared to 43% in 2022.

ARE YOU LESS LIKELY TO PURCHASE ANY OF THE FOLLOWING DUE TO THE INCREASED COST OF LIVING?



Source: Finder Consumer Sentiment Tracker, May 2023

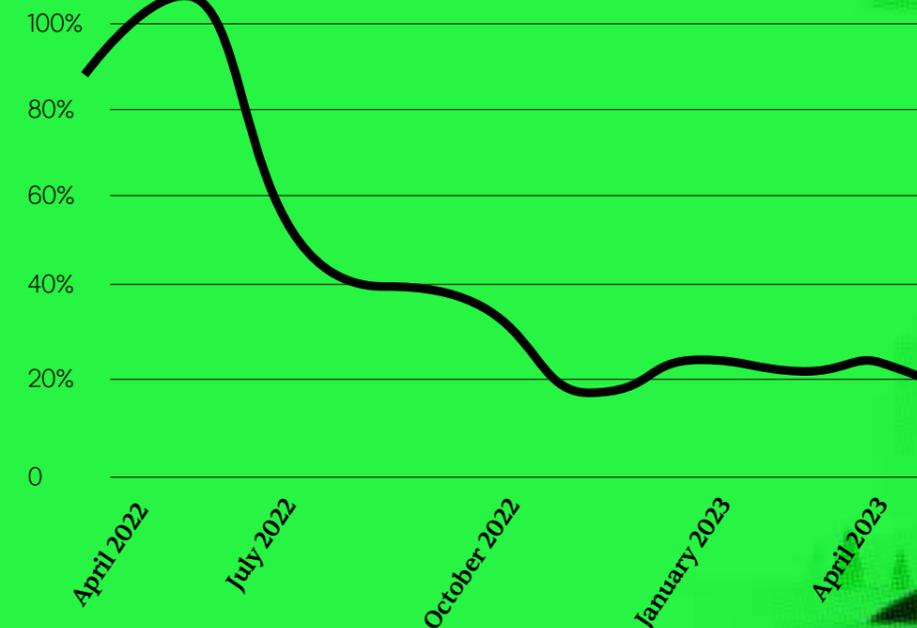
## Greenwashing: "Sustainability sells"

Over the past decade, a surge in environmental consciousness among consumers has given rise to an increase in "greenwashing" by companies, investment funds and individuals. Greenwashing, as defined by the Australian Securities and Investments Commission (ASIC), involves overstating the eco-friendliness, sustainability or ethical practices of a company or product.

This misrepresentation, which can include the misuse of words, logos and phrases, as well as the manipulation of company reports, has led to a growing sense of green scepticism among consumers. A study conducted in Malaysia revealed that this scepticism weakens customers' environmental concerns, and reduces their interest in purchasing eco-friendly products.<sup>2</sup> As various standards and definitions of "sustainable" and "green" exist, Finder research shows that 76% of Australians struggle to determine which products or services genuinely benefit the environment.

Greenwashing goes further than affecting spending decisions and has also made investing more difficult for consumers. In our 2022 report, Finder found that switching to an ethical super fund was shown to save Australians the most money, while also saving the most carbon from the environment. However, this decision has been complicated for consumers with ASIC issuing over \$150,000 in greenwashing-related fines to financial service companies since October 2022. Traffic data from finder.com.au related to ethical super funds has dropped by 78% in the last 12 months, reflecting a possible drop in consumer interest.

PERCENTAGE OF PEAK AUDIENCE (MAY 2022) VISITING FINDER'S ETHICAL SUPER FUNDS PAGE



Source: Finder Google Analytics page traffic

# Education and environment

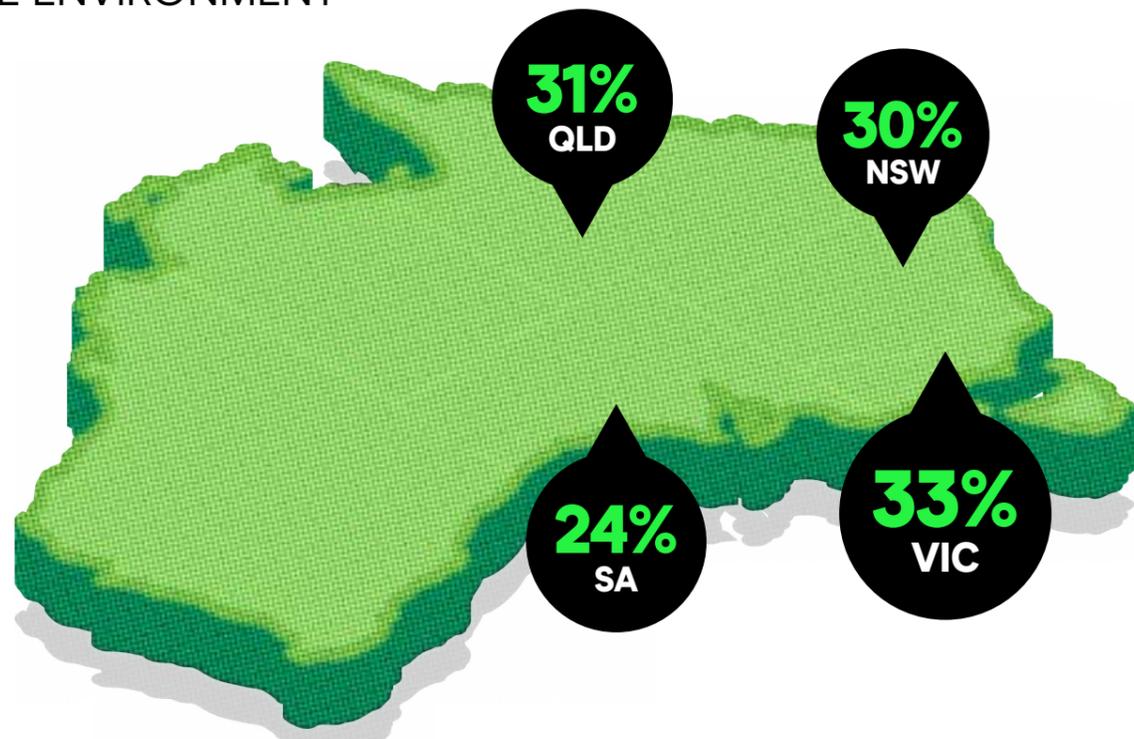
Between 2016 and 2020, financial literacy deteriorated for Australians of all age groups and genders. Results released in late 2022 from a study of over 17,000 households show that young people aged below 35 experienced the largest decline in their financial knowledge.<sup>3</sup>

Finder's Consumer Sentiment Tracker found that almost half of gen Z and more than 1 in 3 millennials feel ill-equipped to make financial decisions during periods of inflation.

A lack of financial literacy, especially among younger generations, is hindering consumers' ability to make informed decisions about their own buying decisions, as it relates to the environment. Consumers who know their credit score, a sign of financial literacy, are more likely to actively look for "greener" products or services (48%), compared to those who don't know their score (43%). They are also slightly more concerned about their carbon footprint with 68% showing some level of concern, compared to 65% of Australians who are unaware of their score.

Only 31% of Australians are willing to pay higher taxes to protect the environment, even after one of the worst bushfire seasons in 2019 and more recently, serious floods along the eastern coast. Those in New South Wales, Victoria and Queensland – the states which have been hit the hardest – are more willing to pay taxes to protect the environment.

## PERCENTAGE WILLING TO PAY HIGHER TAXES TO PROTECT THE ENVIRONMENT



Source: Finder Consumer Sentiment Tracker, May 2023

# Action

## How people are changing their behaviour

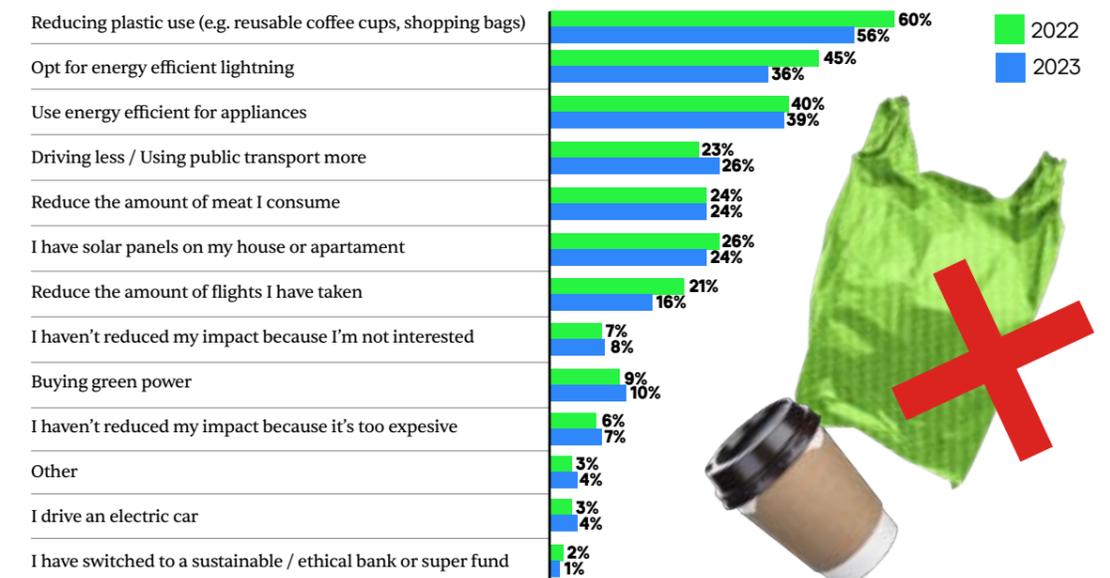
For a third year, mindfully reducing plastic use is the most common way Australians are tackling their environmental impact (56%). It is no coincidence that switching to a reusable alternative requires the least time and capital investment. Unlike changing diets, the decision also has very little impact on one's lifestyle.

The Australian states and territories have made this transition a lot easier for consumers by enshrining it in law. All states have banned lightweight plastic bags and most have banned plastic straws and cutlery.<sup>5</sup> Again, this is not a coincidence and highlights the important role that policymakers play in influencing green consumer behaviour.

Environmental behaviours must become more accessible to see meaningful change. Plant-based chicken that cannot be discerned from its butcher-based counterpart and the drop in the price of electric cars are both examples of significant shifts that have made it easier for consumers to embrace environmentally conscious behaviours.

Australians are also increasingly using energy-efficient appliances (39%) and energy-efficient lighting (36%) to lower their carbon footprint. Since our 2022 report, there has been a slight decrease in the top sustainable behaviours, while some less popular actions such as paying for carbon offsets and green power saw a slim uplift. The percentage of people who have not reduced their environmental impact at all has risen from 13% to 15%.

## PERCENTAGE OF AUSTRALIANS WHO HAVE REDUCED THEIR ENVIRONMENTAL IMPACT



Source: Finder Consumer Sentiment Tracker, May 2023



# The impacts of going green

## Sustainable super

Although ethical super still offers the highest reduction in carbon emissions per person, consumer interest in these funds has decreased by 78%. This is most likely due to “greenwashing” complications and high interest rates, which have made it difficult for often capital-intensive “clean” companies to borrow the money they need to grow. Only 2% of Australians have gone green with their super, representing no change from last year.

Consumers that can look past the short-term pain may be rewarded heavily in the future. The transition to green energy is crucial and is forecast to require \$61.5 trillion to fully phase out fossil fuels by no later than 2050.<sup>6</sup> Many opportunities have, and will continue to grow out of this movement.

## Electric cars

There are 3 main costs associated with any car you buy:

- **Purchase price**
- **Fuel costs**
- **Maintenance costs (servicing)**

The purchase price of electric vehicles have historically been much higher than their petrol-powered counterparts. However, ever-increasing consumer demand, improving economies of scale and a further reduction in the costs of lithium batteries should put downward pressure on prices. Every state and territory also offer incentives for electric car owners in the form of grants or rebates. Queensland has recently just doubled their rebate to \$6,000. Among other incentives, the ACT allows residents to apply for a \$15,000 interest-free loan to assist with the purchase of EVs.

The cost of purchasing an electric car is still well above a petrol-powered equivalent. The ZS range by MG Motors offers the same car in both formats. According to MG’s website, the base electric model starts at just over \$45,000. Purchasing the petrol-powered equivalent will cost you \$23,990.

An EV may cost more at the time of purchase, however, it is thought that electric vehicles cost less to service as they have fewer moving parts. This saving is debated as some companies maintain usual servicing intervals along with capped servicing prices for EVs.

Consumers undeniably save when it comes to the cost of fuel, as EVs cost much less to run. The average Australian drives 15,000km per year, petrol prices are around \$1.85 in May 2023 and the average fuel consumption of a car in Australia is 11.1 L/100km (this has stayed largely the same since 1963). Using these figures, a petrol car owner would spend roughly \$3,094 per year on petrol.

Meanwhile, the average electric car uses 28 kWh per 100km, however, the cost of a kilowatt-hour is a lot less than a litre of petrol. Those charging at home can expect to pay \$0.34 per kWh. Charging in public usually costs more, sometimes as much as \$0.60 per kWh if you need an ultra fast charger with 250 to 350kW or \$0.40 per kWh using a 50kW fast charger. Assuming you spend the majority of your time charging at home and only use a fast charger when on the road, driving an EV would cost just \$1,974 per year. That’s a saving of almost \$1,120 each year.



## Solar energy

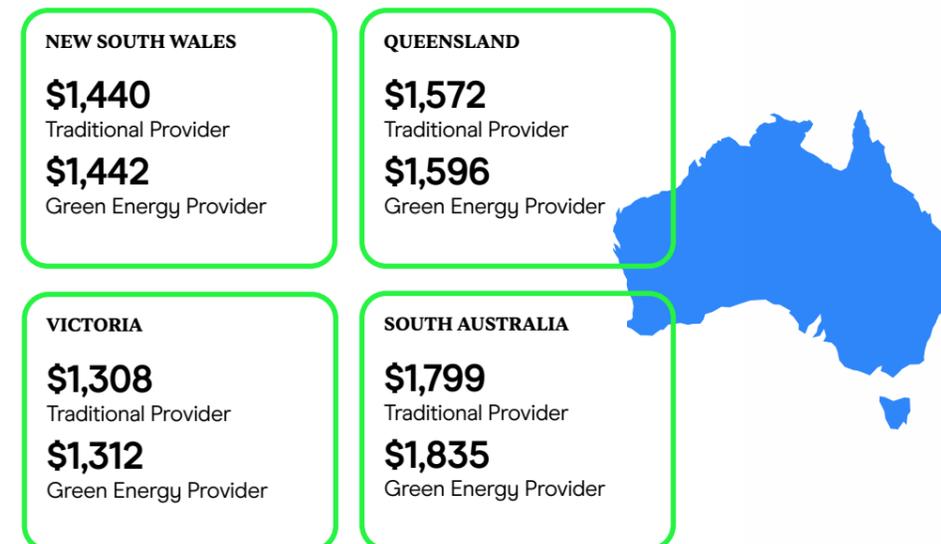
A quarter of Australians already have solar panels installed. Favourable weather across the majority of the country and incentives from many state governments have made the switch to solar quite popular among those consumers conscious of both the environment and their finances. Australians with solar panels installed will generally see their investment pay itself back in only 5 years. This is based on the average purchase price and savings for a 6.6kW array — the most common array installed in 2023.

## Green energy

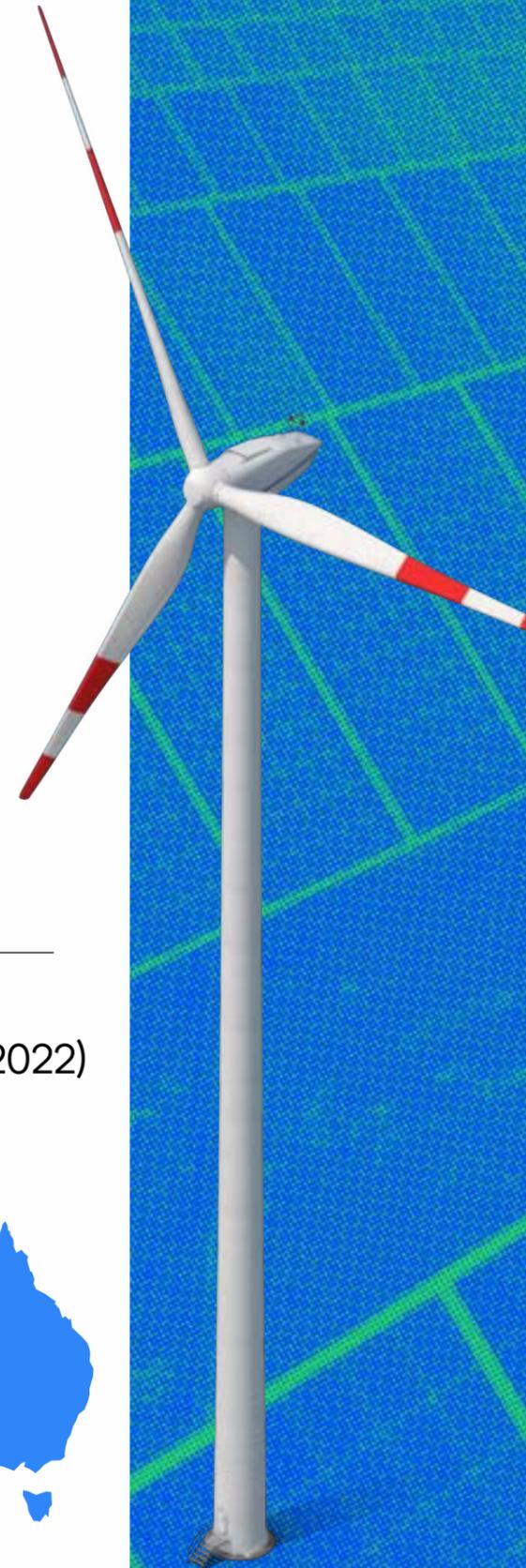
Moving to a green energy provider is a great way to demonstrate demand and influence other providers to offer green options. Recently, green providers like Powershop have been acquired and others, like Enova Community Energy, have gone into administration. However, a wide range of providers are still forging a green path in energy — and at attractive prices too.

Over 1 in 3 respondents say they are willing to pay extra for their electricity to be “green power” and would spend \$49 more per month on average. Our analysis of average pricing data from over 40 providers in the month of May 2023 shows that whilst green providers were slightly more expensive in all major states (NSW, VIC, QLD, SA), none cost more than those consumers were willing to pay. Providers with green credentials that are owned by large polluters or rely on community power were not included in the green cohort.

## ANNUAL EXTRA COST OF GREEN ELECTRICITY PROVIDERS BY STATE (MAY 2022)



Source: Finder Database



# Insights from **Finder's** experts



*Money Editorial Manager*

## **Alison Banney**

It's somewhat disappointing to see the number of Australians taking action to reduce their carbon footprint has decreased from 88% last year to 83% now. However, that's still more than 4 in 5 of us who are taking action to reduce our carbon footprint, which is something to be celebrated.

Given the rising cost of living due to record-high inflation it's completely understandable to see that the number of Australians prepared to pay more for "greener" products and services has decreased over the past 12 months. Hopefully as inflation starts to ease later this year, as it's expected to do, we'll also see more people re-prioritising their environmental footprint.

As the demand for greener products becomes stronger, this has resulted in some companies greenwashing their products and services in order to make them more attractive to consumers. I'm pleased to see that ASIC has issued over \$150,000 worth of greenwashing-related fines to financial service companies since October 2022, because it means that companies will be more diligent about ensuring their products are in fact greener options.

This is particularly important in the superannuation space. Your superannuation is a major asset, likely to be the biggest asset you'll have at retirement, so the decision around where it's invested is not a light one to make. Consumers switching to ethical or green super investments want to know that their hard-earned retirement savings are being invested in a way that aligns with their values, so I'm really pleased to see the regulator is keeping a closer eye on these products at the moment.



*Finder Green Editorial Lead and Credit Cards Senior Writer*

## **Amy Bradney-George**

The 2023 Finder Green report shows that people are facing immediate pressures as the cost of living crisis continues. Unfortunately, climate change has been viewed by many as a "slow-burn" issue, with awareness building up over decades. More needs to be done, but consumers can only do so much.

This research shows consumers are less likely to spend more for green choices. But there are still some ways to be sustainable and save money. Electric vehicles continue to offer savings, as do solar panels and even switching to green power.

Another simple and effective way to save money and be sustainable is to buy less. For an essential item, such as groceries, swapping meat for grains, legumes and seasonal produce can also be a sustainable and money-saving choice. In the 2022 Finder Green Report, we calculated that reducing meat consumption could save people \$1,844 a year.

The popularity of ditching plastic also shows that there are relatively cost-free ways to make greener choices. But people can have more impact by switching to a greener bank or super fund. While greenwashing in this space is a serious concern, there are plenty of options in this space that offer transparent details about their sustainability measures – as the Finder Green Awards show.



*Head of Consumer Research*

## **Graham Cooke**

The cost of living crisis has had a significant impact on the Australian population, with younger Australians far more likely to feel stressed about their current financial situation. Younger Aussies were also, according to our pre-existing research, far more likely to care about the environment and their carbon footprint. It's not surprising, therefore, to see that increasing costs have dampened Australia's appetite for option for greener purchases - especially if they cost more. These findings underscore the need for more affordable, sustainable products and services. Ultimately, environmental stewardship should not be a privilege of the financially secure but an achievable goal for all consumers.

The gender gap highlighted is an area of particular concern. The decrease in carbon-consciousness among male respondents suggests that there are specific barriers or perceptions that need to be addressed in order to achieve broader participation in green initiatives. Understanding why men are less engaged could provide insights into how to promote more inclusive environmental behaviour.

It's worth noting that the methods people employ to reduce their environmental impact are largely influenced by the ease of access. As such, making environmentally friendly behaviours more accessible and less disruptive to individuals' lifestyles could help drive broader adoption.

Finally, while the decrease in interest in ethical super funds and the high initial cost of electric vehicles are disheartening, these obstacles are not insurmountable. The green transition represents not only an environmental necessity but a tremendous economic opportunity. As technology advances and economies of scale come into play, we can anticipate the prices of green products and services to become more affordable. As consumers, we must remain informed, sceptical of greenwashing, and adaptive to new sustainable solutions. As a society, we must continue to demand more from companies and governments in the fight against climate change.



*Utilities Editor*

## **Mariam Gabaji**

Even as we're still dealing with the after effects of the energy crisis that hit households and businesses in 2022, higher bills are on the horizon yet again for 2023-24. It's once more shed light on the systemic failures of how the energy market in Australia operates and why we're so desperately trying to race to net zero and modernise our energy grid. The \$4 billion allocated to green energy investment in the 2023-24 budget is Australia "realising our future as a renewable energy superpower".

While much is out of our hands as individuals as we wait for that to happen, what we can do as a consumer is understand how to be more environmentally conscious without blowing out our budgets. It's good to see from our analysis that going with a green energy provider won't break the bank across most states. For Aussies who're willing to pay an average \$49 a month more for green energy, these providers definitely hit the mark.

However, traditional retailers can be cheaper to go with and that's okay too. The good news is many of them offer 100% carbon neutral plans at no extra cost or give the option of adding on GreenPower for a small, additional fee. Getting 100% of your energy consumption matched by renewable energy can cost around \$140 or so over the year. But you can normally choose how much of your consumption you want matched in increments of 25%, 50% or 75%.

We also have our love-affair with rooftop solar, which can go a long way in supporting renewable energy and keeping those energy bills down. It's exciting that more than a quarter of households are now generating power on their roofs from solar, a lot which have been installed through the help of state government rebates and other incentives. Households that are only just considering rooftop solar should think about its value before tackling the upfront costs - use other solar panel owners as a sounding board, because the main obstacle besides finances is the research that goes into it.



## References

1 Finder. "Finder Green Consumer Report 2021." Finder, 2 June 2021, <https://www.finder.com.au/finder-green-consumer-report-2021>

2 Goh, S. K., & Balaji, M. S. Linking Green Skepticism to Green Purchase Behavior. *Journal of Cleaner Production*, 131, 629-638 (2016). <https://doi.org/10.1016/j.jclepro.2016.04.122>

3 Wilkins, R., Vera-Toscano, E., Botha, F., Wooden, M., & Trinh, T.-A. (2022, December). Hilda statistical report. Melbourne Institute: Applied Economic & Social Research. <https://melbourneinstitute.unimelb.edu.au/hilda/publications/hilda-statistical-reports>

4 Ogunbode, C.A., Doran, R. & Böhm, G. Individual and local flooding experiences are differentially associated with subjective attribution and climate change concern. *Climatic Change* 162, 2243–2255 (2020). <https://doi.org/10.1007/s10584-020-02793-4>

5 Australian Marine Conservation Society. (2023, February 15). Which Australian states are banning single-use plastics?. Australian Marine Conservation Society.

<https://www.marineconservation.org.au/which-australian-states-are-banning-single-use-plastics>

6 Jacobson, M.Z. et al. (2022) 'Low-cost solutions to global warming, air pollution, and energy insecurity for 145 countries', *Energy & Environmental Science*, 15(8), pp. 3343–3359. [doi:10.1039/d2ee00722c](https://doi.org/10.1039/d2ee00722c).

## Methodology

Finder's Consumer Sentiment Tracker is a nationally representative survey of more than 49,000 Australians between May 2019 and May 2023. The survey is owned by Finder and operated by Qualtrics, a SAP company. In this report we compare data for the periods of May 2021 to April 2022 and May 2022 to April 2023.

