

Department of the Environment, Water, Heritage and the Arts

What is in a Label?

Shane Holt

Department of the Environment, Water, Heritage and the Arts, Australia

Brussels, October 2008





Department of the Environment, Water, Heritage and the Arts

Is Climate Change Happening?



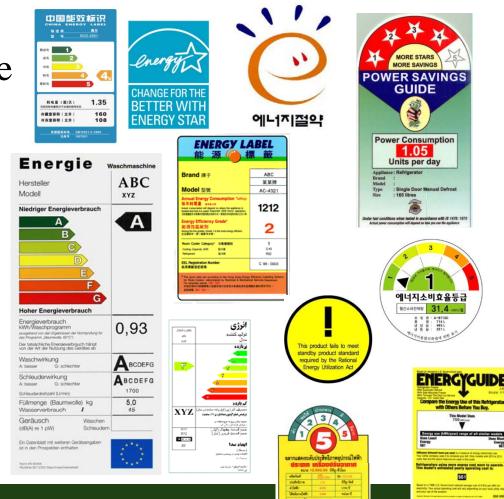
- Average temperature worldwide has increased 1.4 F degrees since 1880 (NASA Institute of Space Studies)
- The last two decades of the 20th century were the hottest in 200 years (US National Geographic News)
- IPCCC reports 11 of the past 12 years as amongst the dozen hottest since 1850
- Very likely humans are causing it, according to the IPCCC (February 2007)



Department of the Environment, Water, Heritage and the Arts

What have governments done about it?

- Labelling schemes are the most visible form of climate change action taken by government
- First order market intervention:
 - Informing & empowering
 - Push suppliers and pull purchasers

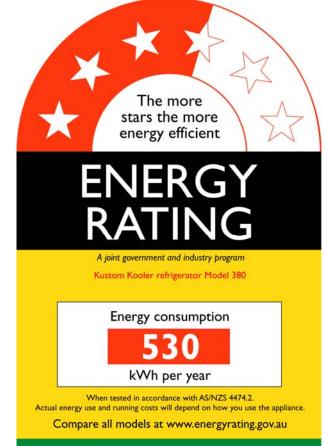




Department of the Environment, Water, Heritage and the Arts

What has my government done about it?

- Maintained the interest:
 - 94% (96% prompted) recall the label,
 - 80% think it important,
 - 75% claim they use it (Winton Research)
- Seen on more 3 million labelled products sold pa
- Could be as many as 5 million pa should TV s be added





Everyone likes labels (even economists)

Inform the market

- Overcome asymmetric information flows
- Provide marketplace with public, verifiable data
- Lower consumer information search costs
- Raise awareness about environmental issues and empower the motivated
- Work in tandem with other policies,
 - In Australia, refrigeration labels improved our market by 20% in a decade
 - Matching world best regulatory standards as well as maintaining the label reduced energy by 30% in two years



What can we do about it

Align global test measurement standards

- Lowers costs for everyone: industry and regulators and even may be passed onto consumers
- Align the label algorithms representing the performance steps within categorical labels
 - One test suitable for labels used anywhere

Acknowledge labels are communication tools

- Cultural and language differences exist
- National stakeholders have sunk invested in "their" label
- Labels are more or less effective (no label is ever wrong) and that assessment has to be made locally not globally
- Labels can't do everything and are certainly not the only thing



Department of the Environment, Water, Heritage and the Arts

What can we all do about it TODAY!

- Agree a statement calling for more information in our carbon constrained world using labels
- Authorise ECEEE to draft such a statement on our behalf
- Agree as our conference themes:
 - Let global cooperation inspire us
 - Let our common interest in appliance labels unite us
 - Let our need for urgent action on aligning the framework for appliance labels, drive us