

**Senate Standing Committee on Economics**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Additional Estimates

13 – 14 February 2013

**Question: AET 43-45**

**Topic: Complaints Regarding AEC and Free Range Eggs Labelling**

**Written: Received from Committee – 19 February 2013**

**Senator RHIANNON asked:**

- 43. Are there currently any complaints lodged with the ACCC about any AECL member/egg producers concerning misleading free-range egg labelling?
- 44. How many complaints are there, what is the nature of those complaints?
- 45. How many such complaints have there been in the last year that have been resolved, and what was the outcome of those complaints

**Answer:**

- 43. Refer to AET 44
- 44. For the six month period July 2012 to December 2012 (inclusive), the ACCC received 40 contacts that raised concerns in relation to free range egg labelling. The issues cover both potentially misleading claims that eggs are 'free range' and concerns regarding an application for a free range Certified Trademark.
- 45. During the six month period contacts were progressed as follows:

<b>Actions</b>	<b>Outcomes</b>
- 9 under assessment	- 4 progressed to initial investigation - 4 were discontinued due to insufficient evidence - 1 remains an active assessment
- 5 initial investigations <sup>^</sup>	- 2 progressed to in-depth investigation - 1 warning letter sent - 1 was discontinued on the basis that the trader addressed ACCC concerns - 1 remains an active initial investigation
- 2 in-depth investigations	- 2 remain active investigations

<sup>^</sup> 1 initial investigation was active at start of the period. 4 initial investigations commenced during the period.

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There are a number of recent and current ACCC initiated proceedings before the Federal Court involving free range claims in relation to egg production and other claims involving poultry meat production:

- ACCC institutes proceedings against Iuv-a-duck for false misleading and deceptive conduct (Media release dated 15 March 2013)
- Pepe's Ducks to pay \$400,000 arising from false, misleading and deceptive conduct (Media release dated 19 December 2012)
- SA supplier penalised \$50,000 for egg substitution (Media release dated 5 September 2012)
- Court penalises wholesaler for "cruel deception" on free range eggs (Media release dated 4 February 2011)
- ACCC takes action over 'free to roam' chicken claims (Media release dated 7 September 2011)

The ACCC is considering broader compliance and enforcement issues associated with concerns in relation to free range representations.