

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

2014 - 2015

Department/Agency: ACCC

Question: SBT62-66

Topic: Fibreglass Insulation

Reference: written - 31 October 2014

Senator: Xenophon, Nick

Question:

I refer to concerns brought to my attention about the marketing of fibreglass insulation as a 'wool' insulation product.

62. Is the ACCC aware of this practice or of any companies in Australia that market their products as such?
63. Has the ACCC received complaints about this? How many complaints? When were the complaints received?
64. Has the ACCC conducted any investigations into this? Does it consider this to be misleading consumers?
65. Is the ACCC aware of the potential dangers associated with fibreglass insulation, particularly imported products? Do companies have to include warning labels on products?
66. I note that NZ courts have found the case for deceptive practices and ordered manufacturer Knauf to address this. Justice Brown ruled that Knauf's insulation product Earthwool contravened the Fair Trading Act, in the use and marketing on the name, and that in future it must be accompanied by the words "glasswool" or "glass insulation" in the same font and print size. Is the ACCC aware of the NZ action regarding Earthwool? Does the ACCC consider that the marketing of Earthwool gives the impression it was made from the wool of sheep or other animals?

Answer:

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In June 2014, the ACCC received a complaint in relation to the marketing of fibreglass insulation. Concerns were raised in relation to the label and other representations and images had the potential to mislead consumers as to the composition of the product and related handling requirements. The complainant provided additional information to the ACCC in August to support the concerns raised. This matter has been escalated to an enforcement team for further assessment.

Once further information is received it will be assessed and the ACCC will form a view.

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- 66 The ACCC is aware of the NZ court action regarding Earthwool and the particular marketing of Earthwool. The response by Knauf to the NZ court action and the decision in that case will form part of the ACCC's assessment of the matter.