



Topic: Food labelling

By Graeme Samuel

Food companies will receive some useful advice on how to avoid confusing or misleading their customers with the release of a new food labelling guide.

The *Food labelling guide*, released by the Australian Competition and Consumer Commission, identifies some of the problem areas that can lead to customers being misled by food product labels and explains manufacturers' obligations under the law.

Like all businesses in Australia, food companies must comply with the *Trade Practices Act*, which makes it illegal to mislead or deceive customers or to make false claims about the contents of products.

While sellers and manufacturers may not set out to intentionally mislead their customers, they need to be aware of the risk of doing so inadvertently through the overall impression their packaging or promotions may create.

In particular, the ACCC has expressed concern on several occasions about packaging that claims or gives the impression that a particular ingredient makes up a dominant portion of its type of the product.

For example, last year the Federal Court declared that Arnott's had misled its customers over some of its Snack Right biscuits. In the case of the Apricot Fruit Slice biscuits, it was found they contained only 1.7 per cent apricot, while 64.8 per cent of the content was sultanas.

Pictures can be just as misleading as names or words on a label, and producers also need to carefully consider how customers will interpret their labels. Just because a target market might be well educated and unlikely to misread the meaning of a label doesn't mean all customers buying the product will be as savvy.

Hiding important details in the fine print, on the back or bottom of a label or using an asterisk to qualify a claim is also unacceptable, and the ACCC has taken action against businesses for doing so.

Penalties of up to \$1.1 million and associated costs can apply for companies that break the law.

The *Food labelling guide* is available from the ACCC website:-

www.accc.gov.au and follow the 'For business' or 'Publications' link