

27 November 2015

Free Range Egg Labelling Consultation Paper
Small Business Competition and Consumer Policy Division
The Treasury
Langton Crescent
PARKES ACT 2600

Via email: AustralianConsumerLaw@treasury.gov.au

Dear Manager Consumer Policy Unit,

FREE RANGE EGG LABELLING CONSULTATION PAPER

Thank you for the opportunity to provide comment on the Consultation Regulation Impact Statement on Free Range Egg Labelling (Consultation RIS).

Coles Supermarkets takes its responsible sourcing obligations very seriously and fully supports clear and unambiguous egg labelling so that our customers can make informed choices and have greater confidence and certainty regarding the eggs they purchase in our stores nationally.

Coles believes that the customer expectation of free range is that it is a higher welfare choice and that this means low stocking densities, that hens have access to the “range”, are free to display their natural behaviours and are not subject to processes such as beak trimming or forced moulting.

Proposed policy options

To assist our customers in making informed choices, Coles already provides clear information about the amount of space birds have to roam on our egg cartons. Coles also believes clearer national definitions around welfare measures such as stocking density would be helpful.

Coles considers the welfare of the birds extends beyond the size of the range area and any future requirement for free range eggs must include as an example a provision that hens are able to display their natural behaviours by having access to nest boxes, perches and litter for dust bathing. These and other significant welfare requirements both inside and outside the shed are already part of the Coles Brand free range egg standard including, importantly, that forced moulting is not permitted due to it being a major welfare concern.

In order to reduce customer confusion and provide information to assist customers to make an informed choice, Coles is supportive of *Option 3* in the Consultation RIS to create an Information Standard that compels all egg producers to label their eggs as ‘cage’, ‘barn’ or ‘free range’.

Coles does not support however the development of a ‘premium free range’ offer. Rather, Coles believes that all systems need to be accurately defined (i.e. ‘cage’, ‘barn’ and ‘free range’ or other systems). Through clearer egg labelling, customers will have a better understanding of each system and be able to make informed choices when purchasing eggs. Coles believes we need to offer customers a high welfare, value egg such as our Coles Brand free range offer and that the best option is to have all parties operating to at least a minimum higher welfare standard.

Coles acknowledges that the industry worldwide may be moving towards the standard of 1,500 birds per hectare as one of the welfare components of free range, but notes that this process will take considerable time and resources for our suppliers to make modifications to sheds and ranges in line with appropriate planning applications and these practical implementation issues need to be taken into consideration.

Coles is concerned that if a reasonable transition period is not provided, this may add unnecessary costs to egg producers and could have the unintended consequence of driving consumers away from free range eggs to other lower welfare alternatives. There is also a risk that a short transition period could mean that sheds which currently meet higher welfare standards could be converted to lower welfare alternatives. In addition, it may make it difficult for retailers to source sufficient volumes of free range eggs to meet customer demand in the short term, resulting in less free range eggs available for consumers.

Coles notes that the level of investment required to comply with any new requirements, especially in relation to stocking density levels, is likely to take some egg producers several years to acquire the necessary land and build the barns/sheds in order to comply. This may mean that it is no longer commercially viable for some egg producers to produce free range eggs.

Education and awareness

Coles believes any changes to egg labelling requirements would be best supported by a comprehensive, government-led consumer education and awareness campaign to ensure that it is fully understood by producers, retailers and consumers. This process will be simplified by clearly defining as 'free range', 'barn', 'cage' or other systems. To this end, Coles suggests that any new requirements being considered for introduction must apply uniformly across all jurisdictions.

Coles would be concerned about any proposal to require retailers to display egg labelling point of sale material. Our experience in the Australian Capital Territory where egg signage is required has been that in-store signage is difficult to manage on an ongoing basis and that the signage has been of little value to our customers as an information tool.

Thank you for the opportunity to provide comment on the Consultation RIS. Should you wish to meet to further discuss, please contact our National Regulatory Affairs Manager Jodi Dixon on (03) 9829 5981 or via email Jodi.Dixon@coles.com.au.

Yours faithfully,



Jackie Healing
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Coles