



Australian  
Competition &  
Consumer  
Commission

# NEWS RELEASE

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## ACCC INSTITUTES LEGAL ACTION AGAINST 'GOODY' BAG COMPANIES

The Australian Competition and Consumer Commission has instituted legal proceedings against Goody Environment Pty Ltd and Nupak Australia Pty Ltd.

The ACCC is alleging that the companies engaged in misleading and deceptive conduct and made false representations regarding 'Goody' brand plastic bags, in contravention of the *Trade Practices Act 1974*.

The action concerns alleged representations by Goody Environment and Nupak that 'Goody' brand plastic bags, containing an additive supplied by Goody Environment and distributed by Nupak, were biodegradable and compostable in accordance with the Australian Standard\* and could be legally supplied in South Australia.

The ACCC alleges that these 'Goody' brand plastic bags did not satisfy the Australian Standard's\* requirements as to biodegradability, disintegration and concentration of toxic or hazardous substances.

The ACCC seeks orders including:

- corrective advertising by Goody Environment and Nupak on their websites and in newspapers
- the publication by Goody Environment of a notice in a relevant magazine informing the public of the court orders
- letters to be sent by Nupak to its customers advising of the court orders
- the implementation of a trade practices law compliance and education training program by Goody Environment and Nupak
- findings of fact
- declarations that Goody Environment and Nupak contravened the Act
- injunctions including interim injunctions to restrain Goody Environment and Nupak from continuing to make these representations, and
- ACCC's costs.

This matter has been listed for a directions hearing in the Federal Court, Adelaide on 15 July 2010.

*\*Australian Standard AS4736-2006 for Biodegradable plastics suitable for composting and other Microbial Treatment*

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