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General Manager
Infrastructure, Competition and Consumer Division
The Treasury
Langton Crescent
PARKES ACT 2600

Re: Competition and Consumer Amendment Bill (No.1 2011)

The Australian National Retailers Association (ANRA) appreciates the opportunity to provide feedback on the exposure draft of the Competition and Consumer Amendment Bill (No.1 2011).

ANRA members support the presence of a legislative framework that encourages competition across the Australian economy. This includes support for the current trading laws that prohibit collusion and the forming of cartels. These laws are critical to supporting the competitive markets that ANRA members operate in.

ANRA understands that the Competition and Consumer Amendment Bill (No.1 2011) is aimed at widening these anti-competitive provisions to capture price signalling behaviour that Australian courts have, to date, not considered violate the existing collusion laws.

The Government's intention, at this stage, appears to be to only apply this price signalling legislation to the Australian banking industry. The legislation is, however, drafted with the provision that its scope of operation can be extended to other prescribed goods and services in sectors in the future. It would not be impossible that these laws are extended to aspects of the retail sector at some point in the future; hence ANRA is keen to provide feedback on this Bill.

At this early stage, ANRA's main focus of concern is on the process of adding new goods and services to the law's coverage.

The Government has publicly stated that the price signalling legislation will only be extended to other sectors "*after further review and detailed consideration*". Notwithstanding the Government's stated intention, it is imperative that this process is formalised in the legislation; something that is missing from the Bill in its current form.

The current drafting of the Bill only provides that the price signalling restrictions will apply to any industry, goods or services that are prescribed by the Government. It does not explicitly require the Government to undertake a detailed legal or economic review before it extends the proposed price signalling provisions to additional goods and services.

Similarly, the Bill does not outline a process to be followed, or provide specific criteria or issues to be considered by the Government, before extending the coverage of these proposed price signalling provisions to new sectors of the economy.

Without an established process, and appropriate checks and balances, enshrined in the legislation, there is a risk that new industry sectors will unnecessarily be made subject to the price signalling laws and potentially face unintended consequences.

It should be noted that this is ANRA's initial feedback on the exposure draft of the Bill. Clearly, ANRA would have substantial additional feedback should any aspects of its members operations fall under the scope of this legislation in the future. Should that occur, ANRA would be keen to work with the Government to ensure that no unintended consequences arose from the application of this legislation to the retail sector.

Overall, ANRA believes the Competition and Consumer Amendment Bill (No.1 2011) needs to enshrine in legislation a methodology and criteria that can be used by the Government when assessing which goods and services should be covered by these laws.

Further information about ANRA's feedback can be obtained from Ms Margy Osmond, ANRA CEO via mosmond@anra.com.au or on (02) 8249 4520.

Regards

A handwritten signature in black ink, appearing to read 'MO', is positioned above the typed name.

Margy Osmond
CEO - ANRA