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Standing Committee on Economics
PO Box 6021
Parliament House
CANBERRA ACT 2600
AUSTRALIA

Re: Inquiry into the Competition and Consumer (Price Signalling) Amendment Bill 2010 and the Competition and Consumer Amendment Bill (No. 1) 2011

The Australian National Retailers Association (ANRA) appreciates the opportunity to provide feedback to the Standing Committee on Economics regarding the Competition and Consumer Amendment Bill (No.1) 2011.

In January 2011 ANRA provided comments to Treasury regarding the exposure draft of the Bill. The arguments put forward at that time have not substantially changed.

As ANRA outlined to Treasury, members support the presence of a legislative framework that encourages competition across the Australian economy. This includes support for the current laws that prohibit collusion and cartel behaviour. These laws are critical to supporting the competitive markets that ANRA members operate in.

ANRA understands that it is the Government's intention to only initially apply the price signalling legislation to the Australian banking industry. The legislation is, however, drafted such that its scope can be extended to other prescribed goods and services in the future. Consequently, it is possible that these laws could be extended to parts or the entire retail sector at some point in the future; hence ANRA's interest in 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.

ANRA has three recommendations around this process:

1. The Government has publicly stated that the price signalling legislation will only be extended to other sectors "*after further review and detailed consideration*". It is imperative that this process is formalised in the legislation.
2. The legislation should also explicitly require the Government to undertake a detailed legal and economic review before it extends the proposed price signalling provisions to additional goods and services.
3. In addition, legislation should provide specific criteria or issues to be considered as part of the review process, 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 subjected to the price signalling laws and face detrimental unintended consequences.

It should be noted that this is ANRA's initial feedback only. 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 to assess 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

Margy Osmond
CEO - ANRA

