

Motor Trades Association of Australia

Senator the Hon Michael Ronaldson
Chair
Senate Standing Committee on Economics
Parliament House
CANBERRA ACT 2600

Dear Senator Ronaldson

I write in relation to your Committee's inquiry in the provisions of the *Trade Practices Legislation Amendment Bill (No1) 2007* and the *Trade Practices Amendment (Predatory Pricing) Bill 2007*. MTAA is the peak national representative organisation for the retail, service and repair sector of the Australian automotive industry. The Association is a federation of the various state and territory motor trades associations and automobile chambers of commerce, as well as the New South Wales based Service Station Association Ltd (SSA) and the Australian Automobile Dealers Association. Members of the MTAA Federation include:

- The Australian Automobile Dealers Association (AADA)
- The Motor Trades Association of the ACT (MTA ACT)
- The Motor Traders Association of NSW (MTA NSW)
- The Motor Trades Association of the Northern Territory (MTA NT)
- The Motor Trade Association of South Australia (MTA SA)
- The Motor Trade Association of Western Australia (MTA WA)
- The Service Station Association Limited (SSA Ltd)
- The Victorian Automobile Chamber of Commerce (VACC) [incorporating the Tasmanian Automobile Chamber of Commerce]

MTAA also has a number of Affiliated Trade Associations (ATAs), which represent particular sub-sectors of the retail motor trades, ranging from motor vehicle body repair to automotive parts recycling. The Association represents the interests, at the national level, of over 100,000 retail motor trade businesses with a combined turnover of over \$120 billion and which employ over 316,000 people. The vast majority of businesses represented by MTAA employ five or less people.

MTAA has a long history of advocating for reform of the *Trades Practices Act (Cth) 1974* (the Act); in particular for amendments to strengthen sections 46 and 51AC of the Act. MTAA welcomes and supports the amendments to the Act recently proposed by the Government, which are the subject of this Inquiry. MTAA notes that the amendments proposed by the Government, if passed, will, among other matters; clarify the operation of the threshold of section 46; clarify that certain predatory behaviour is caught by the Act, and; raise the threshold in relation to unconscionable conduct.


MTAA strongly supports, and endorses the recommendations in, the submission the FTC has made to your Committee's inquiry into the amendments proposed for the Act. MTAA shares the FTC view that while the proposed measures, including those measures proposed in the Government's Bill, to strengthen section 46 in relation to predatory pricing behaviour are welcome, the Government should give further consideration to the proposed s46 (4A) with a view to further strengthening that provision.

In relation to the *Trade Practices Amendment (Predatory Pricing) Bill 2007*, MTAA supports the FTC view that the predatory conduct aspect of these proposed section 46 amendments, which would have effect within some concentrated sectors of the market, should be considered for wider application.

In conclusion, the Association agrees with the FTC that the *Trade Practices Amendment Legislation Bill (No1) Bill 2007* be passed and would also agree with those issues raised in the FTC submission that, in its view, are in need of further consideration.

The Association also supports the passage of the *Trade Practices Amendment (Predatory Pricing) Bill 2007*.

Yours sincerely

A handwritten signature in black ink that reads "Michael Delaney". The signature is written in a cursive, slightly slanted style.

MICHAEL DELANEY
Executive Director

13 July 2007