MTAA RESPONSE TO:

ACCC's consultation on IAG-RACI acquisition

July 2026

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MOTOR TRADES ASSOCIATION OF AUSTRALIA

Contents

Introduction

The Motor Trades Association of Australia (MTAA) welcomes the opportunity to respond to the ACCC's consultation on IAG's remedy offer in relation to its proposed acquisition of RAC Insurance (RACI).

MTAA has engaged with the ACCC on this matter throughout 2025 and 2026, lodging two formal submissions opposing the acquisition and publicly supporting the ACCC's decision in December 2025 to oppose the transaction. As the new Executive Director of MTAA, I have reviewed the full record of MTAA's engagement, the remedy offer, and the concerns raised by our member associations and the repair businesses they represent. I endorse the positions MTAA has taken to date and welcome the opportunity to build on them in this response.

MTAA's primary position remains that the acquisition should not proceed. The competitive harm is structural and permanent. RACI is Western Australia's leading insurer and an important independent competitive force. Removing it from the market cannot be undone by a time-limited set of behavioural promises.

There is also a broader need for greater transparency about the scale and nature of commercial disputes between insurers and motor body repair businesses. The ACCC has previously observed that it has limited evidence about the extent of disputation in the sector. This issue is being considered through the MVIRI Code reform process and could also be addressed through the proposed remedy by requiring IAG to report on key areas of commercial disagreement. More comprehensive reporting would allow the ACCC, industry and policymakers to better identify the frequency, scale and causes of disputes and assess whether further objective regulatory requirements are needed.

The ACCC should also recognise that RAC in Western Australia and RACT in Tasmania are now the only member-owned motoring clubs in Australia that retain their own general insurance underwriting businesses. Every other major state motoring club insurance business has been transferred to, or placed under the control of, a major insurer.

NRMA Insurance became part of IAG following the demutualisation of the National Roads and Motorists' Association's insurance business in 2000. RACV-branded home and motor insurance is underwritten through Insurance Manufacturers of Australia, a joint venture owned 70 per cent by IAG and 30 per cent by RACV. IAG acquired a 90 per cent controlling interest in RACQ Insurance on 1 September 2025, with an option to acquire the remaining 10 per cent. RAA Insurance was acquired by Allianz on 1 July 2025.

If the proposed acquisition of RAC Insurance proceeds, RACT would be the only remaining member-owned motoring club in Australia retaining its own general insurance underwriting business.

These are not transactions that can be reversed. Once a mutual insurance business is sold to a multinational insurer, the competitive constraint it provided, the local accountability it maintained and the member-focused model it represented are permanently lost. The structural changes made in Queensland and South Australia cannot be undone, and the ACCC's decision on this matter will determine whether the same outcome is repeated in Western Australia.

The consequences of insurance industry consolidation are not theoretical. MTAA is already receiving reports from industry stakeholders that the effects of Allianz's acquisition of the RAA insurance business are becoming apparent in South Australia. Early indications point to reduced consumer choice, the effective concealment of consumers' right to choose their own repairer, and job losses within the RAA's insurance division. These are precisely the outcomes MTAA warned of in its February 2025 and September 2025 submissions to the ACCC.

Allianz, operating under the RAA brand, is reported to be becoming increasingly aggressive in its engagement with local collision repairers. This pattern is consistent with MTAA's longstanding concern that multinational insurers, once they acquire the trust and market position of a regional motoring club brand, use that position to exert greater leverage over small repair businesses. South Australia provides a contemporaneous case study of the harms that flow from permitting consolidation of this kind, and the ACCC should weigh this evidence carefully when assessing whether behavioural commitments can adequately protect competition in Western Australia.

If the ACCC approves the acquisition with conditions, MTAA submits that the remedy offer as proposed should be rejected. It addresses some symptoms of market power but does not address the mechanisms through which that power would be exercised over the thousands of small repair businesses that service WA motorists. This submission sets out our concerns with the offer as drafted and, constructively, what we consider an adequate structural remedy would need to include.

1. Question 1

Provide a brief description of your business or organisation (if applicable), including any relationship you or your business/organisation have with IAG, RACI, or RAC.

The Motor Trades Association of Australia is the national peak body representing Australia's automotive retail, service and repair sector. Through our member associations, we represent over 9,000 businesses across the country, the overwhelming majority of which are small and medium enterprises. This figure includes 4,700 automotive repairers, 660 of which are located in WA.

Our member associations include the Victorian Automotive Chamber of Commerce (VACC), the Motor Trade Association of South Australia and Northern Territory (MTA SA/NT), the Motor Trade Association of Western Australia (MTA WA), the Motor Trades Association of Queensland (MTAQ), and the Tasmanian Automobile Chamber of Commerce (TACC). The Australian Motor Body Repairers Association (AMBRA), which operates under MTAA, is the national committee representing motor body repairers.

MTAA does not have a direct commercial relationship with IAG, RACI or RAC. Our interest in this acquisition arises from our role representing body repair businesses and the broader automotive repair sector. Our members include independent repairers who provide services to IAG and RACI policyholders in WA and who would be directly affected by the increased market concentration that would result from this acquisition.

MTAA has previously provided two submissions to the ACCC on this matter and related insurance acquisitions:

- a joint MTAA/AMBRA submission in February 2025 regarding IAG's proposed acquisition of RACQ and Allianz's proposed acquisition of RAA; and
- a submission in September 2025 specifically opposing IAG's proposed acquisition of RACI, in response to the ACCC's Statement of Issues.

MTAA also issued a media release on 11 December 2025 welcoming the ACCC's decision to oppose the acquisition.

2. Question 2

Outline any concerns you have regarding the impact of the Acquisition on competition.

MTAA's concerns regarding the impact of the acquisition on competition were set out in our September 2025 submission and remain unchanged. They are summarised below.

The acquisition would give IAG a combined share of approximately 55 to 65 per cent of the WA motor vehicle insurance market and 50 to 60 per cent of the home and contents insurance market. This would remove RACI, the state's leading insurer, as an independent market participant. The ACCC recognised these concerns when it declined to clear the acquisition under the former informal merger regime in December 2025 and subsequently determined on 17 April 2026 that the renotified acquisition required an in-depth Phase 2 assessment under the new mandatory merger regime.

The proposed 20-year exclusive Distribution Agreement between RACWAH and RACI (owned by IAG post-acquisition) would allow IAG to continue operating under the trusted RAC brand. Motoring clubs are consistently among the most trusted insurance brands in Australia. Consumer inertia is a recognised feature of insurance markets, with many policyholders renewing with their existing provider rather than actively comparing alternatives. The combination of IAG's scale with the RAC brand would entrench IAG's dominant position and make it considerably more difficult for remaining competitors to attract and retain customers.

For the repair sector, the consequences of this level of concentration are direct and practical. The loss of RACI as an independent purchaser of body repair services would significantly reduce competitive tension in the WA repair supply chain. Our members consistently report that when insurers increase their market dominance, the consequences are predictable: downward pressure on repair rates, more restrictive contractual terms, longer payment timeframes, increased steering of consumers toward preferred repairer networks, and reduced scope for repairers to exercise professional judgment on repair methods and parts selection.

MTAA acknowledges that, under the former informal review, the ACCC reported finding limited evidence that IAG would have the ability or incentive to restrict competing insurers' access to repair services. However, it is undeniable that repairers are very wary of expressing concerns about insurers due to the risk of reprisal. Instead, they frequently report to their state motor trades bodies that unfair practices continue and there is a significant imbalance of power. MTAA therefore considers that the proposed increase in IAG's share of repair-service purchasing in WA raises wide-ranging concerns about bargaining power, repair pricing, contractual terms and work allocation that warrant closer examination under the current assessment.

With a dominant share of the WA market, IAG would have the ability and incentive to channel repair work to preferred suppliers or multi-site operators, exclude independent repairers from its networks, and impose terms that independent businesses cannot sustainably accept. This would undermine the viability of small and medium-sized repair businesses, reduce consumer choice, and risk compromising repair quality and vehicle safety.

These concerns are supported by recent evidence. A member survey conducted by MTAA in June 2026 found that 87 per cent of respondents had experienced unfair trading practices, with the most common forms being unilateral changes to pricing and trading terms, pressure to accept unfavourable conditions, and unrealistic performance targets.[1] In the insurer-repairer context specifically, members reported insurers dictating the cost of repairs, altering repairer estimates without adequate justification, and using assessment and pricing practices that displace repairers' professional judgment while shifting costs onto small businesses. We therefore ask the ACCC to acknowledge that the power imbalance is real and has genuine adverse impacts on repair businesses.

3. Question 3

Describe the extent to which IAG's remedy offer would address any concerns you have in relation to the Acquisition, including with respect to the Distribution Agreement commitments, smash repair services commitment, repair service facilities commitment, and supporting commitments.

MTAA considers that the remedy offer does not adequately address the competition concerns arising from the acquisition nor the history of insurer overreach. It addresses some symptoms of market power but leaves untouched the primary mechanisms through which that power would be exercised over repair businesses and, by extension, consumers.

Distribution Agreement commitments

The competitiveness and benchmarking provisions are a monitoring mechanism, not a competitive constraint. They do not replicate the competitive pressure that RACI, as an independently owned insurer with its own commercial incentives, currently places on the WA market.

The annual benchmarking exercise assesses whether RAC-branded products compare favourably against competitor products in WA. After the acquisition, however, IAG would itself be the dominant insurer in WA, issuing products under multiple brands. The benchmark would be measured against a market that IAG substantially controls, reducing its effectiveness as a genuine check on pricing or service quality.

There is a more fundamental question about whether IAG is the appropriate party to conduct competitive benchmarking at all. IAG's recent expansion in the Australian insurance market has relied significantly on acquisitions rather than organic growth. The acquisitions of RACQ in Queensland, the proposed acquisition of RACI in Western Australia, and the long-standing underwriting arrangement with RACV in Victoria

[1] Motor Trades Association of Australia (MTAA), *Submission on Unfair Trading Practices Protections for Small Businesses*, July 2026, available at: https://cdn.prod.website-files.com/67c3f89f42075a88c8c04929/6a5428f1744d94c6ab18f557_MTAA%20submission_Unfair%20trading%20practice.pdf

demonstrate a consistent pattern: where IAG has been unable to grow its competitive position through product quality, pricing, or service, it has purchased it.

MTAA members with direct experience of IAG's operations observe that IAG collects substantial market data but has not demonstrated an ability to use that data to improve its competitive offering to repairers or consumers. Many repairers who work with IAG do so not because IAG offers competitive terms, but because IAG has acquired so many brands that repairers feel they cannot afford to refuse the work. This is market power through consolidation, not competitive merit.

By contrast, smaller insurers that have entered and grown in the WA market, such as Youi, have done so by competing on product design, pricing, and service. These are the market participants whose conduct demonstrates what genuine competitive benchmarking looks like. Entrusting IAG with the task of benchmarking its own competitiveness, in a market it would dominate through acquisition rather than organic growth, does not provide a credible constraint.

The ACCC's own analysis supports this concern. The Notice of Competition Concerns noted that RACI has delivered strong operating performance relative to IAG, while providing a level of service to consumers and the repair industry that IAG has not matched. This reinforces the point that the competitive pressure RACI currently exerts on the WA market cannot be replicated by a benchmarking exercise administered by the acquirer.

While the RAC commitment prevents its products being less favourable than comparable IAG offerings, it does not constrain RAC pricing or service standards relative to genuinely independent competitors. This means the commitment does not recreate the competitive pressure historically provided by RACI.

These types of decisions are made at the micro level – through interactions between assessors and shop owners. An enforceable undertaking will have limited impact on those interactions.

The requirement for ACCC approval of amendments to the competitiveness and benchmarking provisions is a procedural safeguard, not a substantive competitive remedy. It relies on the ACCC to monitor and enforce compliance over a prolonged period, which the ACCC's own guidance recognises as a limitation of behavioural remedies.

The termination right exercisable by RACWA where IAG fails to comply with a remediation plan is not available until eight years after commencement, well beyond the five-year term of the undertaking itself. This limits RACWA's ability to use the termination right as leverage during the period in which the behavioural constraints apply.

Smash repair services commitment

The commitments regarding exclusivity and non-penalisation of repairers who work with other insurers address some of the symptoms of market power, and MTAA acknowledges that. However, they do not address the underlying structural concern: IAG's significantly increased bargaining power as the dominant purchaser of repair services in WA.

The commitments are framed in general terms that will be difficult to enforce in practice. The prohibition on terms that "unreasonably restrict or limit" a repairer's ability to work with other insurers, or that are "materially less favourable" in relation to prioritisation, relies on subjective thresholds that small repair businesses will struggle to challenge.

Repairers who depend on IAG for a substantial share of their work are unlikely to test these provisions, given the well-documented risk of commercial retaliation through reduced work allocation. MTAA's June 2026 member survey confirmed that fear of retaliation is one of the most significant barriers preventing small businesses from enforcing their rights.

They do not address the power imbalance, the core elements of which include:

- repair pricing and rates, which is the primary mechanism through which insurer market power affects repairer viability
- the variance between what IAG is willing to authorise for a repair and the repairer's quoted cost, which is a practical, measurable indicator of how dominant insurers exercise market power to suppress repair costs
- payment terms and timeframes, where repairers face extended delays that effectively require them to finance the insurer's claims costs
- insurer control over repair methods, parts selection, and technical decision-making, where dominant insurers override repairer professional judgment in favour of lower-cost alternatives
- steering of consumers toward preferred repairer networks, which restricts consumer choice and channels work away from independent businesses
- the terms on which repairers are admitted to or removed from preferred networks, including network criteria, performance standards, and termination provisions; or
- any internal accountability mechanism within IAG for overseeing compliance with the undertaking obligations.

The remedy offer is also silent on the design and operation of IAG's online claims process. MTAA has received evidence from WA repairers that IAG's claims portal presents repairer options to claimants primarily according to location, without clearly informing consumers that they may request an alternative repairer of their choice. This has a particular impact on consumers whose vehicles are covered by manufacturer repair approvals. A consumer who owns a prestige or specialist vehicle may wish to use a repairer with the relevant manufacturer accreditation, training, and tooling, but if that repairer is not presented as an option in the portal, many consumers are left with the impression that they must select from the repairers displayed.

This is not a neutral administrative feature. It is a practical mechanism for directing repair work toward repairers that IAG prefers, rather than repairers that the consumer or the vehicle's manufacturer would choose. In a market where IAG controls 55 to 65 per cent of motor insurance, the volume of claims processed through its portal would give it significant influence over the distribution of repair work across the entire WA market.

The remedy offer does not include any commitment that consumers will be clearly informed, at the point of claim, of their right to choose a repairer, including a manufacturer-approved repairer not displayed in the portal. This should be an explicit requirement of any undertaking.

These are the practical mechanisms through which market power translates into harm for repairers and, ultimately, for consumers and repair quality. MTAA's June 2025 submission to the MVIRI Code of Conduct review identified 16 areas where the existing regulatory framework fails to address these power imbalances, supported by independent legal advice from the Hon Michael Whitten KC. [2] The remedy offer provides limited protections in relation to exclusivity, retaliation, record-keeping and complaints handling, but leaves the substantial majority of the 16 issue areas identified in MTAA's June 2025 submission unaddressed.

Repair service facilities commitment

The commitment not to own or control repair service facilities in WA during the undertaking term is welcome in principle. However, the carve-out allowing IAG to acquire facilities where closure would leave an area without a local repair service is vague and could be used expansively. There is no requirement for ACCC approval before such an acquisition, nor any objective criteria for determining when the carve-out applies.

IAG's market power over the repair sector is exercised through contractual terms, work allocation decisions, and pricing leverage, not primarily through direct ownership of repair facilities. The facilities commitment addresses a secondary concern while leaving the primary mechanisms of market power untouched.

Supporting commitments

The requirement for IAG to notify repairers of the undertaking is necessary but minimal. A repairer who is told that IAG is subject to certain behavioural constraints gains very little practical protection if they cannot challenge IAG's conduct without risking their commercial relationship.

The repair services register provides a useful monitoring tool, but it is reactive and depends on the ACCC actively requesting and reviewing it. The annual independent audit may not capture conduct that occurs informally, including verbal instructions, allocation decisions, or the use of preferred networks to channel work.

The annual independent audit is a useful compliance safeguard, but its effectiveness will depend on the auditor's access to repairers, complaints, work-allocation data and communications beyond IAG's formal records. An audit based primarily on documents maintained by IAG may not detect informal conduct, verbal directions or commercially retaliatory allocation decisions.

The complaints handling process would be established and administered by IAG itself. A complaints process operated by the dominant market participant against whom complaints are directed does not provide the independence necessary for effective enforcement. This is precisely the kind of governance deficit that MTAA has been working to address through the MVIRI Code of Conduct reform process, where genuine independence in complaints handling and dispute resolution is a core principle.

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[2] Motor Trades Association of Australia (MTAA), Submission on the Motor Vehicle Insurance and Repair Industry (MVIRI) Code of Conduct Review, 23 June 2025, available at: https://cdn.prod.website-files.com/67c3f89f42075a88c8c04929/6858c76ea77e8d025c07c5d5_2025.06.23_MTAA_MVIRI%20Code%20Submission_FINAL.pdf.

What an adequate remedy would require

To reiterate, MTAA's position is that the acquisition should be rejected, as it will, without question, establish a significant imbalance of power. However, if the ACCC approves the acquisition with conditions, MTAA submits that a structural remedy is the second-best outcome, such as partial divestiture of IAG's existing WA insurance business or brands to restore competitive balance. This would be the only form of remedy consistent with the ACCC's own stated strong preference for structural fixes. The ACCC's published guidance states that structural remedies permanently change market structure and are more straightforward to administer, monitor and enforce.

Under the new mandatory merger regime, the ACCC has broad power to determine the nature, form and scope of conditions and is not confined to accepting or rejecting what the parties have offered. If the ACCC accepts a behavioural remedy, MTAA submits that the following elements would be the minimum requirements:

- Independent oversight. The complaints handling and monitoring functions should not be administered by IAG. There should be an independent complaints and monitoring body, not appointed by or reporting to IAG. Repairers should have access to a dispute resolution mechanism that does not depend on IAG's goodwill, and the ACCC should receive complaints directly from repairers.

- Internal remedy (and MVIRI code) custodian. IAG should appoint a dedicated senior employee responsible for overseeing compliance with the undertaking across its WA operations. The custodian should have direct reporting access to IAG's executive leadership, be responsible for training all WA claims and repair staff on the undertaking obligations, act as the first point of contact for repairers raising concerns and maintain the repair services register and the repair cost variance register described below. To avoid conflicts of interest, the custodian should not be a person whose performance is assessed against claims cost reduction or repair cost targets.

  This custodian role should also be extended to IAG's engagement with the MVIRI Code of Conduct.

- Repair pricing protection. IAG should commit that repair rates offered to WA smash repairers will not fall below current levels in real terms during the undertaking period. At a minimum, there should be a transparent benchmarking mechanism for repair rates comparable to the product benchmarking proposed for insurance premiums.

- Repair cost variance monitoring. Where the amount IAG is willing to authorise for a repair differs from the repairer's quoted cost by 10 per cent or more, this should be recorded and reported. IAG should maintain a register of all such instances, including the reason for the variance. The register should be provided to the independent auditor and the ACCC as part of the annual audit process. Persistent patterns of significant variance would indicate that IAG is using its market power to suppress repair costs below the level repairers consider necessary for safe, professional work.

- Payment terms. IAG should pay agreed repair invoices within 30 days, consistent with clause 8.1 of the MVIRI Code of Conduct. This should be an enforceable commitment.

- Repairer choice and consumer steering. IAG should disclose to policyholders their right to choose their own repairer. IAG should not cap its contribution to the cost of a consumer-chosen repairer at the rate offered by a preferred network repairer, unless this is clearly disclosed at the point of sale.

- Network access and termination protections. IAG should publish transparent criteria for admission to and removal from its preferred repairer networks in WA. Removal should be subject to notice periods, reasons in writing, and a right of review.

- Professional autonomy. IAG should respect repairer professional judgment on repair methods and parts selection where the repairer is following manufacturer specifications and industry standards. The remedy should prohibit IAG from directing repairers to use non-genuine parts or substandard repair methods to reduce costs, unless the consumer has provided informed consent.

- ACCC monitoring of repair supply chain effects. IAG should report annually on repair supply chain metrics in WA, including the number of active repairer relationships, average repair rates, average payment timeframes, repairer network entry and exit rates, and complaints received. This data should be provided to the ACCC and made available in summary form to industry.

- Mandatory MVIRI Code compliance. IAG should commit to full compliance with the current MVIRI Code throughout Australia and, once any revised Code is adopted, with the revised Code. The undertaking should also require compliance with any mandatory national version of the Code, including the appointment of a code custodian, that commences during the undertaking period.

4. Question 4

Provide any views you have on whether a period of 5 years is an appropriate duration for IAG's remedy offer.

Five years is not an appropriate duration.

The competitive harm arising from the acquisition is structural and permanent. Removing RACI as an independent market participant cannot be reversed by a time-limited behavioural undertaking. Once the five-year term expires, all constraints fall away, leaving IAG free to exercise its market power without restriction in a market it dominates.

The mismatch between the five-year undertaking and the 20-year exclusive Distribution Agreement is the most significant concern. The Distribution Agreement would lock in IAG's position as the insurer behind the RAC brand for two decades. The behavioural constraints that are supposed to mitigate the competitive harm of that arrangement would expire after only one-quarter of the agreement's 20-year term. For the remaining 15 years, IAG would hold a dominant position in WA insurance, operating under one of Australia's most trusted insurance brands, with none of the transaction-specific behavioural constraints contained in the proposed undertaking.

If the ACCC were to accept a behavioural remedy, the duration should match the 20-year term of the Distribution Agreement. That is MTAA's preferred position.

At a minimum, the undertaking should operate for no less than 10 years, with a mandatory review and renewal mechanism that allows the ACCC to extend the term if competition concerns persist.

5. Question 5

Provide any additional information or comments you consider relevant to the ACCC's consideration of the remedy offer.

MTAA draws the ACCC's attention to four additional matters.

The ACCC's own framework favours structural remedies

The ACCC's published guidance states a strong preference for structural remedies in merger assessments.[3] Structural remedies permanently change market structure and are generally more straightforward to administer, monitor and enforce. IAG's remedy offer is entirely behavioural. It contains no structural component. Under the new mandatory merger regime, the ACCC has the power to determine the nature, form and scope of conditions and is not confined to what the parties have offered. MTAA submits that the ACCC should use this power to require a remedy proportionate to the scale of the competition concern it has identified.

Three major motoring club insurance transactions in a short period

This acquisition should not be assessed in isolation. In 2025, IAG's acquisition of RACQ Insurance in Queensland and Allianz's acquisition of RAA Insurance in South Australia were both approved. If the IAG/RACI acquisition proceeds, three long-standing member-based insurance businesses will have been acquired, or substantially acquired, by major national insurers within a little over a year.

This represents a fundamental shift in the competitive dynamics of insurance markets across multiple Australian states, with cumulative consequences for repairers and consumers that extend beyond any single transaction. The pattern is clear. These are not isolated commercial decisions. They are a systematic consolidation of insurance market power that is reshaping the sector nationally.

Systemic issues need systemic solutions

The competition concerns raised by this acquisition reflect systemic features of the insurer-repairer relationship: information asymmetry, steering, bargaining power imbalances, and the exercise of market power over small repair businesses. Transaction-specific behavioural undertakings are an inadequate tool for addressing concerns of this nature.

MTAA reiterates its call for a mandatory national Motor Vehicle Insurance and Repair Industry (MVIRI) Code of Conduct, enforceable by the ACCC, with meaningful penalties for non-compliance. The National MVIRI Code remains voluntary in most jurisdictions but has been made mandatory in South Australia. In South Australia, non-compliance can attract a maximum penalty of $50,000 for a company. For context, Allianz Group had a market capitalisation of approximately €114.3 billion as at 31 December 2024.[4] A $50,000 penalty is not material to a corporation of that scale.

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[3] ACCC. (2025, December 12). Remedies to address concerns with an acquisition. Australian Competition and Consumer Commission. https://www.accc.gov.au/business/mergers-and-acquisitions/remedies (Accessed: 11 July 2026). Section: "Types of remedies."

[4] Allianz SE, "Allianz Share: Key Indicators," reporting market capitalisation of €114.3 billion as at 31 December 2024, available at: https://www.allianz.com/en/investor_relations/share/key-indicators.html

MTAA is currently negotiating reforms to the MVIRI Code with the Insurance Council of Australia (ICA). Our June 2025 submission to the Code review, supported by independent legal advice from the Hon Michael Whitten KC, identified 16 key areas where the draft Code fails to address longstanding power imbalances, including insurer control over estimation methodology, inadequate payment protections, absence of mandatory assessor qualifications, lack of AI governance, and dispute resolution processes that do not meet standards of procedural fairness.

A mandatory national Code, administered by the ACCC, would establish baseline standards for insurer-repairer interactions across the industry. It would address these systemic concerns directly, removing the need to rely on merger-specific conditions that are time-limited, narrow in scope, and difficult to enforce.

Enforcement credibility

The credibility of any behavioural remedy depends on the credibility of enforcement. MTAA asks the ACCC to confirm publicly that it will actively monitor compliance with any undertaking accepted in this matter and pursue enforcement action if IAG fails to meet its terms. Under section 87B of the *Competition and Consumer Act 2010*, the ACCC can apply to the court for orders requiring compliance, payment to the Commonwealth of an amount reflecting any financial benefit obtained from the breach, compensation for affected parties, and other appropriate orders. Repairers and consumers need to know that these commitments are more than words on a page.

Repairer confidence in the process

MTAA is concerned about evidence that IAG's conduct during the assessment process itself may be undermining repairer confidence in the ACCC's review.

MTAA has received reports from WA repairers that IAG staff have communicated to repairers words to the effect that the acquisition is expected to complete in September and is effectively a done deal. MTAA is not in a position to identify specific individuals, as repairers who depend on IAG for work are understandably unwilling to be named. However, the effect of these communications is real and observable.

Repairers in WA have described a sense of resignation that the acquisition will proceed regardless of what they say. Some have told MTAA that they see little point in responding to the ACCC's consultation because they believe the outcome is predetermined. This is deeply concerning. If the businesses most directly affected by the acquisition do not engage with the ACCC's process because they believe it is futile, the ACCC's assessment will be based on an incomplete picture of market sentiment.

MTAA raises this not to make allegations about IAG's intentions, but to ensure the ACCC is aware that the volume of repairer responses it receives may not reflect the depth of concern in the WA repair sector. The absence of submissions from individual repairers should not be interpreted as acceptance of the remedy offer. It may instead reflect the chilling effect of a dominant market participant signalling that the outcome is already decided.

The ACCC may wish to take this into account when assessing both the adequacy of the remedy and the weight to place on the number of third-party responses received.

Transparency and data collection

There is a need for greater transparency about the scale and nature of disputes between insurers and motor body repair businesses. The ACCC has previously observed that it has limited evidence about the extent of disputation in the sector.

This issue is being considered through the MVIRI Code reform process and could also be addressed through the proposed remedy by requiring IAG to report on key areas of commercial disagreement. More comprehensive reporting would allow the ACCC, industry and policymakers to better identify the frequency, scale and causes of disputes and to assess whether objective regulatory requirements are needed. Without this transparency, it will remain difficult to reconcile insurers' claims that the system is operating effectively with the significant level of concern reported by repair businesses.

6. Conclusion

MTAA appreciates the ACCC's rigorous assessment of this acquisition and its willingness to seek stakeholder views on the remedy offer. The ACCC's scrutiny throughout this process reflects the seriousness of the competition issues at stake.

MTAA's primary position is that the acquisition should be rejected. The harm is structural. RACI is an independent, member-owned insurer that provides genuine competitive pressure in a market IAG already dominates. Removing it cannot be undone, and no combination of behavioural commitments can replicate what would be permanently lost.

The remedy offer, as proposed, does not meet the challenge. It relies entirely on behavioural commitments that are time-limited, difficult to enforce and silent on many of the practical mechanisms through which insurer market power affects repair businesses and consumers. A five-year undertaking against a 20-year Distribution Agreement leaves WA's insurance and repair markets without transaction-specific protections for three-quarters of the arrangement's life.

If this acquisition proceeds, the ACCC has the power under the new mandatory merger regime to determine the conditions. MTAA urges the ACCC to use that power to require protections proportionate to the harm: structural where possible, and genuinely enforceable where behavioural commitments are accepted.

Those protections should include meaningful reporting on the areas in which insurers and repairers most commonly disagree, including repair pricing, estimate variations, payment timeframes, repair methods, parts selection, work allocation and network access. Without transparent and consistent disclosure, it will remain difficult for the ACCC, industry and policymakers to reconcile insurers' claims that the system is operating effectively with the significant level of concern reported by repair businesses. Better data would help identify the scale, frequency and causes of disputes and support more objective and evidence-based regulatory responses.

The repair businesses that service WA motorists are predominantly small, family-owned enterprises. They cannot absorb the consequences of an insurer exercising substantially increased market power over their rates, terms, professional judgment and ability to serve other customers. They deserve a remedy that recognises this reality and provides both practical protection and the transparency needed to assess whether those protections are working.

MTAA would welcome the opportunity to speak with the ACCC case team to supplement this written submission. We are available at a time convenient to the case team. Please get in touch with our Executive Director to discuss further:

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