

Chapter 1

Introduction

Background

1.1 The Trade Practices Amendment (Predatory Pricing) Bill 2007 was introduced into the Senate on 18 June 2007 by the Leader of the Family First Party, Senator Steve Fielding¹.

1.2 On 21 June 2007, on the recommendation of the Selection of Bills Committee, the Senate referred the bill to the Standing Committee on Economics for inquiry and report by 1 August 2007.² The committee dealt with this private bill concurrently with its inquiry into the provisions of the Trade Practices Legislation Amendment Bill (No. 1) 2007.

1.3 The bill proposes to amend the *Trade Practices Act 1974* to prohibit predatory pricing in the following three markets:

- the market for groceries;
- the market for the sale of fuel; and
- the market for pharmaceutical products, proprietary medicines and toiletries.³

Conduct of the inquiry

1.4 The committee advertised the inquiry in *The Australian* newspaper on 27 June 2007 and invited written submissions by 9 July 2007. Details of the inquiry were placed on the committee's website. The committee also wrote to a number of organisations and stakeholder groups inviting written submissions.

1.5 The committee received 27 submissions, which are listed at Appendix 1. A public hearing was held in Melbourne on 27 July 2007. Witnesses who presented evidence at this hearing are listed at Appendix 2.

1.6 The Hansard transcript of the committee's hearing and copies of the submissions are tabled with this report. These documents and the committee's report are also available on the committee's website at:

http://www.apf.gov.au/Senate/committee/economics_cte/trade_practices/index.htm.

1.7 The committee thanks those who participated in this inquiry.

1 *Journals of the Senate*, No. 149, 18 June 2007, p. 3938.

2 Selection of Bills Committee, *Report No. 10 of 2007*, dated 21 June 2007.

3 Senator Steve Fielding, Second Reading Speech, *Senate Hansard*, 18 June 2007, pp 49–50.

Structure of the report

1.8 Chapter 2 of the report provides background information on the bill and explains the factors that a court may consider in determining a predatory pricing case. Chapter 3 covers the evidence received by the committee in submissions and at the public hearing.