

Appendix 1 Conduct of Inquiry

Appointment and terms of reference

1.1 On 8 December 1998, the House of Representatives agreed to a resolution appointing the Committee and setting out its terms of reference and its powers. The following day the Senate agreed to the resolution after making an amendment relating to the membership of non-Government Senators. On 10 December, the House agreed to the Senate amendment.

1.2 The resolution appointed the Committee to inquire into and report on:

- a) the degree of industry concentration within the retailing sector in Australia, with particular reference to the impact of that industry concentration on the ability of small independent retailers to compete fairly in the retail sector;
- b) overseas developments with respect to this issue, highlighting approaches adopted in OECD economies; and
- c) possible revenue-neutral courses of action by the Federal Government (ie courses of action that do not involve taxation reform).

1.3 The Committee members were not all appointed until the Senate first met after the summer break on 15 February 1999.

1.4 The Committee met on 16 February 1999 and decided that submissions should be lodged by 26 March 1999. It also decided that it would adopt a wide interpretation of its terms of reference. It agreed that an examination of the purchasing practices of the major retailers, especially those relating to purchases from primary producers, came within the scope of the inquiry, as did the impact of concentration in the retailing sector on rural and regional communities and on consumers. However, it decided that it would not consider the issues relating to retail tenancies in shopping centres. These were addressed in detail in the May 1997 report of the House of Representatives Standing Committee on Industry, Science and Technology, *Finding a Balance Towards Fair Trading in Australia* (the Reid Report), and have been the subject of on-going reform at the State and Territory level.

1.5 The Committee issued a press release on 16 February 1999 outlining its intention to give a broad interpretation to the terms of reference. In the release it also said that it was prepared to receive submissions in confidence and hear witnesses in private session if necessary. It noted that some individuals wishing to criticise the purchasing practices of major retailers might be concerned that, if they did so publicly, they might be subject to some adverse response in the marketplace.

Advertising the inquiry

1.6 Advertisements seeking submissions were placed in the national press and in the main rural paper in each State on various days between 19 and 25 February 1999. In addition, the Committee wrote to over one hundred organisations and individuals advising them of the inquiry.

1.7 A wide range of individuals and organisations made submissions. This, along with a substantial degree of media publicity, reflected the level of interest throughout the broad community.

Evidence to the inquiry

1.8 The Committee received 332 written submissions (see Appendix 2), including one submission endorsed by over 500 signatories. In addition, it received two pro forma letters, consisting of 70 and 410 letters, respectively. Most of the submissions were authorised for publication, but some were accepted in confidence.

1.9 During the course of the inquiry, the Committee also received additional information relating to the written submissions, details of which are listed in Appendix 3.

Course of the inquiry

1.10 The first stage of the inquiry sought to establish and analyse the main contentions put forward by industry participants and other organisations. Public hearings were held in Canberra, Melbourne, Adelaide, Perth, Sydney and Brisbane. Those who appeared before the Committee included representatives from the major chains, independent industry associations and their members, independent wholesalers, primary producers, manufacturers, and the retail employees' union.

1.11 The second stage of the inquiry sought the views of regional Australia. The Committee held public hearings in Launceston, Bendigo, Cooma, Dubbo, Bundaberg and Kingaroy.

1.12 The final stage of the inquiry included three days of public hearings in Canberra, where the major chains were given the opportunity to respond to the concerns raised during the first stages. The Committee also heard evidence from manufacturers, market analysts and the Australian Competition and Consumer Commission.

1.13 A total of 183 witnesses gave evidence (some appearing twice) with 19 of those appearing *in camera*. Details of the witnesses appearing are at Appendix 4.

1.14 *Hansard* recorded 1,379 pages of evidence (including 127 pages of *in camera evidence*) at the Committee's hearings. The transcripts of evidence are available on the Parliament's Internet website at :

<http://www.aph.gov.au>

1.15 The Committee wishes to acknowledge the assistance provided by the Australian Consumer and Competition Commission, in particular, Chairman, Professor Allan Fels, General Manager, Mr Hank Spier, and Director of Mergers and Acquisitions, Mr Tim Grimwade.

1.16 The Committee wishes to thank all those who contributed to the inquiry.