

3 May 2015

## **Extending Unfair Contract Term Protections to Small Businesses**

The Treasury  
Langton Crescent  
PARKES ACT 2600

Thank you for the opportunity to provide input to this important issue. We apologise for the late lodgment.

COSBOA has been seeking relief for its members from the behaviour exhibited by some larger businesses through the misuse and abuse of contracts, particularly around the negotiation of contracts and the lack of good faith and also the inclusion of clauses and information that is too the detriment of the smaller business person.

We agree with the approach of the draft and understand the need for this ground breaking legislation to perhaps tread carefully in its first flush.

The area of greatest concern is around the threshold for the initiatives of the legislation to take effect. We consider that thresholds to be too low as it will not pick up some of the worst contracts imposed upon small business from big businesses including leases, newsagent contracts and franchises.

With that in mind we support the legislation and look forward to working with the government in ensuring that the legislation has the effect of creating fairness and transparency for the small business person. A person who is vulnerable through their natural trust and optimism which is abused too often, particularly by the biggest landlords.

We also understand that for any legislation to be successful it must change the culture that exists in some sectors. For example we should change the culture of the landlords, the largest supermarkets and many franchisors where small business people are too blame if they sign a bad contract. Or we must change the culture of small business in Australia and ensure they do not ever trust any big business.

This change can be achieved by increasing sanctions against big businesses to amounts, or actions that caused concern for the Directors of these companies. At the present time they get off scot free if they damage small businesses or the economy.

Peter Strong  
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