

Manager, Consumer Policy Unit
The Treasury
Langton Crescent
Parks ACT 2600

Via email: uctprotections@treasury.gov.au

16 March 2020

Dear Manager

RE: Enhancement to unfair contract term protections

The Australian Food and Grocery Council (AFGC) welcomes the opportunity to provide input into the enhancement of the unfair contract term protections. The AFGC represents suppliers and manufacturers of food and grocery products in Australia. Our membership includes some of the world's largest food and grocery companies as well as some of the smallest, family owned Australian businesses.

The AFGC supports regulations governing unfair contract terms for small businesses. We see the review that is currently underway as strengthening these protections not by changing their essence but through clarification and redefining the terms, enabling the protections to achieve their intended outcome.

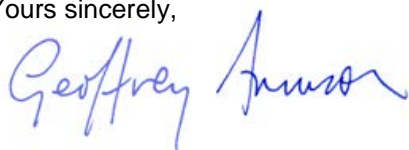
The AFGC supports the clarification of the existing regulations, especially as they relate to the definitions of a small business and standard form contracts. The AFGC considers that the inclusion of a turnover threshold for the definition of a small business will aid all parties to contract negotiations. It provides a clearer delineation for those seeking to deal with small businesses as well as ensuring small businesses with staff numbers that fluctuate seasonally still benefit from these protections.

Further to this, the AFGC considers that for the unfair contract term protections to reach their full potential, education needs to be provided to all sectors of the economy so they understand their rights and responsibilities in ensuring contracts are negotiated and enacted in accordance with these provisions. Education should be clear, in plain English and provide case study examples, especially in relation to what constitutes a standard form contract. There should also be an ability for businesses, both small and large, to contact the ACCC for advice on whether their situation falls within the boundaries of the unfair contract protections.

Finally, the AFGC considers that appropriate business conduct is necessary for a sustainable and prosperous Australian economy. Industry can take a leading role in this area. Initiatives such as the Business Council of Australia's [Australian supplier payment code](#) is a premier example of industry leading the way to ensure that conduct between large and small businesses supports competitive businesses with healthy cash flows to grow the economy.

Should you have any further queries in relation to unfair contract protections, we would be happy to meet with you and discuss this matter further.

Yours sincerely,



Geoffrey Annison, PhD
Acting Chief Executive Officer