

Newsagents Call on Senate to Reinstate Small Business Protections

The Rudd Government's last minute removal of the unfair contract term protections for small business from the national consumer law bill is a blow to thousands of newsagents Australia wide.

The Australian Newsagents' Federation (ANF) believes the exclusion of business-to-business contracts from its ban on unfair contract terms is a significant concession to the big end of town.

ANF CEO Anthony Matis said the proposed \$2 million cap per transaction would have provided protection to small businesses from certain unfair contract terms in standard-form contracts.

"The Federal Government has removed these protections at the 11th hour and we are calling for a turnaround," Mr Matis said.

"Already there have been three inquiries involving unfair contract term remedies and a Senate Economic Committee report into the need for and definition of unconscionable conduct as recently as December 2008.

"It is difficult to fathom why we need further inquiries into unconscionable conduct as there are widely acknowledged limitations in seeking redress through these provisions of the Trade Practices Act."

The Government maintained the need to ban unfair terms in all standard form contracts regardless of the parties involved through the many consultation stages of this bill. But in the bill recently introduced to parliament only unfair terms in all standard form *consumer* contracts will be void. ANF is calling for small business to be treated the same was as consumers.

In removing the protections for small business the Government cited the need to complete inquiries into the Franchising Code of Conduct and TPA unconscionable conduct provisions. The new amendment has been referred to a senate committee for further consideration.

ANF is calling on the Senate to vote down the bill until the business-to-business protections for small business are reinstated.

"I'm calling on the Senate to revisit the issue of unfair contract terms in a small business context, and restore the \$2 million small business transaction provisions to the legislation. It looked like the government was about to do the right thing but it appears the \$2m cap didn't make it," Mr Matis said.

"At the end of the day, the debate over these provisions reflects the divide between the interests of big business on one hand and the interests of small business on the other. If any sector need encouragement and incentive to stay afloat through these times its small business.

"There are a large number of mum and dad small business owners with their backs against the wall as they struggle under the daily burden of onerous contract terms in the current tough economic environment. We were devastated that this change was made at the last moment," he said.

The government is committed to a single national consumer law and the fast tracking of the unfair contract terms ban is part of that commitment. The ANF has joined the chorus of business organisations who have stressed the importance of having protections for small business as part of the bill.

"The Productivity Commission recommended that small business be regarded as a consumers and that protections for small business be in there. It's now up to the Senate to vote the bill down until those protections are reinstated."

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