

Additional Comments from Labor Senators

1.1 Labor supports the Treasury Legislation Amendment (Small Business and Unfair Contract Terms) Bill 2015, however shares the concerns of some stakeholders regarding numerous sections of the Bill that place a significant compliance and cost burden on affected businesses.

1.2 The Government's own figures of additional compliance and costs to be borne by the business community is estimated at \$50 million. However, given the short period of time, just 6 months, that all businesses have to ensure their contracts are consistent with the proposed legislation, costs may be significantly higher than the Government's estimate.

1.3 Labor Senators understand the concerns with the Bill that have been raised by stakeholders including:

- the narrow definition of small business;
- the lack of a comprehensive disclosure regime to encourage small businesses to seek professional and legal advice before entering into a contract with another business;
- the lack of a reasonable time limit within which a small business can advise if it considers part or all of the contract is 'unfair' to ensure contract certainty;
- the definition of 'up-front price';
- the short time period for businesses to change their contracts before the legislation takes effect; and
- the \$100, 000 up-front price threshold for a small business contract.

1.4 Labor Senators believe the issues identified by the Committee warrant serious consideration from the Government and would lessen to some extent the regulatory load that businesses will have to bear if the Bill is enacted without amendment.

Senator Sam Dastyari
Deputy Chair

