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The Hon Julie Collins MP

Minister for Agriculture, Fisheries and Forestry
Minister for Small Business

The Hon Stephen Jones MP

Assistant Treasurer and Minister for Financial Services

The Hon Andrew Leigh MP

Assistant Minister for Competition, Charities and Treasury
Assistant Minister for Employment

**ALBANESE LABOR GOVERNMENT TO EXTEND UNFAIR TRADING PRACTICE
PROTECTIONS TO SMALL BUSINESSES**

The Albanese Government will extend a crackdown on Unfair Trading Practices to small businesses after last year's commitment to protect consumers.

We heard during consultation on protecting consumers from Unfair Trading Practices that it is important to also extend protections to small businesses, who face power imbalances when dealing with larger businesses.

This is why the Albanese Labor Government will also address this significant gap in legal protections for small businesses, where thousands of businesses – including in the construction, agriculture and retail sectors – have experienced unfair practices that cause substantial harm.

The Albanese Labor Government will ensure that small businesses are fairly protected when dealing with large businesses.

This builds on action we have already taken to level the playing field for Australia's record 2.6 million small businesses including:

- extending unfair contract term protections to more businesses and introducing penalties for firms that breach them;
- improving the Franchising Code of Conduct; and
- delivering new action to improve small business payment times.

Treasury will consult this year on the design of protections for businesses, including on whether a principles-based prohibition should apply and whether specific unfair trading practices should be targeted to protect small businesses.

This will complement a statutory review of the amendments to strengthen unfair contract term protections that the Albanese Labor Government legislated in 2022.

The consultation will consider how Unfair Trading Practice protections can be used to address practices that harm small businesses.

In its submission to the Government's consultation on protecting consumers from Unfair Trading Practices, the Australian Competition and Consumer Commission highlighted a number of unfair practices small businesses may face, such as:

- Situations where larger businesses use their superior bargaining power to pressure smaller suppliers into accepting unfavourable contract changes, including in markets like food production and construction.
- Commercial tactics where large businesses may discourage small businesses from exercising their legal rights by suggesting possible commercial consequences.
- Retailers threatening to de-list suppliers in retaliation for seeking price increases to which they may have been contractually entitled.
- Online platforms making significant account changes with limited notice or without transparent process – affecting Australian small businesses selling online.
- Platforms using complex digital interfaces that may lead small businesses into accepting disadvantageous terms when signing up for essential business services.

Quote attributable to the Minister for Small Business, the Hon Julie Collins MP:

"This action is a matter of fairness.

"Small businesses are vital to our economy, and we're concerned about the disadvantages they face when dealing with unfair practices from larger players that might not breach existing laws but still cause harm.

"We've heard from various sectors including farmers, subcontractors, and small online retailers about challenging practices they've encountered. That's why we're moving forward with plans to extend these important protections.

"This builds on the extensive work our Government has already taken to level the playing the field for Australia's record 2.6 million small businesses."

Attributable to Assistant Treasurer and Minister for Financial Services, the Hon Stephen Jones MP:

"We want to ensure small businesses are protected from unfair trading practices just like we are taking action to protect consumers."

"This will be welcome news for small businesses across Australia who know the Albanese government has their back."

Quotes attributable to the Assistant Minister for Competition, Charities and Treasury, Andrew Leigh:

"Competition should be about better products and prices, not who can push around the little guy the hardest. Too often, small businesses – including farmers and suppliers – get strong-armed by bigger players who rewrite the rules to suit themselves."

"That's why we're cracking down on unfair trading practices. A supermarket shouldn't be able to drop a supplier just for asking for a fair price. A dominant firm shouldn't get to 'negotiate' by holding all the cards and stacking the deck."

"When competition turns into coercion, it's not competition at all."

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