



Media Release

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RTF encouraged by Government's commitment to deal with corporate bullies

Signs that this Government is willing to do something about the issue of late payment terms is great news for many road transport operators, says Road Transport Forum Chief Executive Ken Shirley.

"It is very encouraging that Minister for Small Business Stuart Nash is following the situation in Australia as the Australia Government have taken a number of positive steps towards dealing with the late payment terms issue," says Shirley.

"On both sides of the Tasman there is a trend for large companies to extend payment times out to two and three months. In other words, these big companies are effectively using their suppliers and contractors as a cheap form of finance," says Shirley.

"This practice undertaken by Fonterra and other large companies is blatant corporate bullying."

"Small businesses in the transport sector and other industries are not cashed up and it is therefore critical that they are paid for their services within a reasonable timeframe."

The Road Transport Forum has been working with a legal expert in this field on a proposal based around the unfair contract term provisions that already exist in the Fair Trading Act. By extending provisions that exist to protect consumers in consumer-based contracts to business-to-business contracts large companies would be unable to force small businesses into unfair contract terms."

"The Road Transport Forum looks forward to working with the Minister and his officials on this proposal," says Shirley.

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