



Media Release

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RTF supports dealing to unfair commercial practices

The Road Transport Forum has welcomed the release of the Government discussion document to consider additional protections against 'unfair' commercial practices.

"RTF has lobbied Government ministers ever since they took office last year to do something to protect small business against the pernicious creep of unilateral deferred payment terms," says RTF Chief Executive Nick Leggett.

Unilateral deferred payment terms, which see large companies extend payment times out to two or three months and longer, have a major impact on many small New Zealand business including a number of transport operators.

"Typically, small businesses are not flush with cash and it is therefore critical that they are paid for their services within a reasonable timeframe."

Late payers, especially big corporates, use UDP as a means of exploiting small suppliers and transporters as a cheap source of finance.

"It is an insidious practice that needs to be stamped out and it is good to see the Government recognising that through the release of this discussion document."

"RTF will be studying the various options carefully and talking to our members before submitting. We want to make sure that whatever option comes out of this process does not have an adverse impact on business."

"We are wary of the frequent tendency that governments have of using a sledgehammer to crack a nut and do not want to see a swathe of unintended consequences when a simple solution such as extending the provisions of the Fair Trading Act would do the job," says Leggett.

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