



Media Release

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RTF welcomes unfair commercial practices law change

News today that the Government is to address the issue of unfair commercial practices through legislative changes has been welcomed by the road transport industry, says Road Transport Forum (RTF) chief executive Nick Leggett.

Particularly encouraging is that specific provisions have been announced to extend protections against unfair contract terms in standard form consumer contracts to also apply to business contracts with a value below \$250,000, Leggett says.

"This will have a profound impact on small transport companies that in some parts of the country are subject to unfair contract terms in the form of unilateral deferred payments (UDP). This is an insidious practice used by some large corporates seeking to extend payment times to their suppliers beyond what is normally considered acceptable," Leggett says.

"RTF has lobbied hard for a legislative solution to UDP for the past few years. It first came to our attention when a number of transporters working for big players in the primary sector were forced to accept 60 to 90-day payment terms.

"Where we have some reservations is the Government's intention to prohibit 'unconscionable conduct'. RTF's concerns are whether this will be effective and even usable for small to medium businesses, without the legal resources to pursue it.

"We await with interest the Fair Trading Amendment Bill to be introduced early next year."

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About Road Transport Forum New Zealand (RTF)

RTF provides unified national representation for several regional trucking associations. RTF members include Road Transport Associations NZ, National Road Carriers, and NZ Trucking Association. The affiliated representation of the RTF is about 3,000 individual road transport companies which in turn, operate 16-18,000 trucks involved in road freight transport, as well as companies that provide services allied to road freight transport.

The road freight transport industry employs 26,600 people (3.0% of the workforce), has a gross annual turnover of \$6 billion, and transports about 70% of New Zealand's land-based freight measured on a tonne/kilometre basis.