

MEDIA RELEASE

NATROAD WARNS UNFAIR CONTRACTS WILL SEND MANY DRIVERS TO THE WALL IN PANDEMIC WAKE

The National Road Transport Association is warning that large numbers of owner-drivers in the road transport industry face going out of business without urgent Federal Government action on unfair contract terms.

NatRoad CEO Warren Clark today addressed the Senate, Rural & Regional Affairs & Transport References Committee, asking it to pressure the Federal Government to urgently re-vamp legislation for small business contracts.

The Committee is examining the Importance of a Viable, Safe, Sustainable and Efficient Road Transport industry in a series of hearings interrupted by COVID-19.

Mr Clark said while small business has had protection from unfair contract terms since 2016, the current law is inadequate in defining those terms for businesses that were required to invest capital up-front to secure work.

“Under the current law, a large corporation can decide a contract is void after 30 days and take its business elsewhere,” Mr Clark said.

“The reality is that a small owner-operator of heavy vehicles may have to spend hundreds of thousands of dollars on a truck or a trailer to secure that contract.

“Termination clauses are so heavily in favour of the big customer that they can make onerous demands on a small operator knowing that it’s easy to walk away and contract someone else.

“Penalties can’t be imposed against a customer for including or relying on an unfair contract term without a court order which involves more time and potentially a big legal bill.”

Mr Clark said the average NatRoad member was a small business operating on a profit margin of about three percent.

“Many of those truckies have been slugged an estimated \$100,000 in extra permits and administration charges through the COVID-19 pandemic just to operate across state borders,” Mr Clark said.

“These small operators transport 60 percent of all road freight – they’re an essential industry that kept Australia moving at the height of the pandemic.

“Yet the system of border passes and permits in place has made it seem like we are eight different countries, and has added massively to their business costs.”

Mr Clark said he hoped the inquiry would urge the Federal Government to introduce a mandatory code to define unfair contract terms and address harsh payment terms without resolution to court action.

“We have already had discussions with Treasury and it’s now time for the Government to act,” Mr Clark said.

Ends



About NatRoad

With a proud history dating back to 1948, NatRoad operates to represent its members and as advocates for the \$96 billion road freight industry. With more than 45,000 trucking companies employing more than 140,000 people across the country, the road transport industry is one of Australia's biggest economic drivers.

NatRoad is a not-for-profit Association that is 100% funded via its membership fees and business partnerships. No funding is provided by government or unions. We know the road transport industry. Our board is made up of individuals who run transport businesses and have members from owner-drivers to road freight and large fleet operators, representing all aspects of the industry. General freight, road trains, livestock, tippers, express, car carriers, as well as tankers and refrigerated operators.

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