



Media Release

17 April 2018

Fonterra is right to reduce payment times

Road Transport Forum Chief Executive Ken Shirley acknowledges the action taken by Fonterra to reduce its payment times to small and medium suppliers and contractors.

“Fonterra’s previous policy was blatantly unfair to these smaller businesses and was really just using them as a cheap form of finance,” says Shirley. “It was quite an outrageous practice and we are pleased that they have dropped it.”

“It is good to see Fonterra bucking the growing international trend for large companies to extend payment times. Over the last few years and on both sides of the Tasman there have been a number of examples of larger companies using this kind of corporate bullying to their own advantage and to the detriment of small businesses that depend on them.”

The Road Transport Forum has been working on a legislative solution to the issue of deferred payments.

“Our proposal is based around the unfair contract term provisions that already exist in the Fair Trading Act. By extending the provisions that currently 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.”

“We look forward to meeting with Small Business Minister Stuart Nash in the next few weeks and working with his officials on this proposal,” says Shirley.”

Contact:

Ken Shirley

Phone: 04 472 3877

Mob: 021 570 877