MEDIA RELEASE

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NEW MINIMUM PAYMENTS PROPOSAL THREATENS OWNER DRIVERS

The SA Small Business Commissioner has called on the Federal Road Safety Remuneration Tribunal to ditch a new minimum rates proposal which threatens to send small business owner drivers bankrupt.

The proposal by the Tribunal effectively sets a whole range of minimum rates for freight traffic and is due to come into effect on 4th April 2016.

“This Tribunal has come up with a proposition which will severely hurt many owner drivers who will not be able effectively backload freight at rates below the new minimums which have been set by the Tribunal,” Small Business Commissioner, John Chapman said.

“I have been approached by a business in Mt Gambier which says the new rules will have a serious impact on its operations” Mr Chapman said.

“Their concerns have been backed by a myriad of organisations including the National Farmers Federation, the Council of Small Business of Australia, the Australian Livestock and Rural Transporters Association and the Australian Industry Group."

“We see a real risk to regional areas in terms of livestock shipments which will also be caught under the new regime.”

“Here we have a tribunal determining what commercial freight rates will be without a full understanding of how the industry works.”

“Many owner drivers will discount their rates to ensure their trucks don’t return from a trip empty – yet they are now being told that new higher minimum rates will apply.”

Mr Chapman said this was an example of Government red tape interfering in the commercial market place and one which favoured big transport companies over small business operators.

“We already have Chain of Responsibility legislation which is designed to improve road transport safety from start to finish – we do not need another intervention such as this.”

“What is worse is that a lot of owner drivers are unaware this is about to come into force.”

The new ruling will also place a liability on companies which use owner drivers to transport freight and owner drivers fear this will push their business to big transport operators.

“There is little information in the market and massive concern from those who do understand the full implications of this extraordinary decision,” Mr Chapman said.

Mr Chapman warned that the flow on effect from the new rate schedule could cause damage to truck dealers and financiers who may see a flood of trucks enter the market as owner drivers find their freight business is no longer viable.

The Small Business Commissioner called on the Tribunal to defer the implementation of the new rules until further and widespread consultation and research takes place.