



MEDIA RELEASE

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Truckies win historic case under Independent Contractors Act

A recent Federal Magistrates Court decision that found in favour of three truckies sends a stern warning to businesses that treat independent contractors unfairly.

I'm advised the Court found in favour of three owner-drivers (Keldote Pty Ltd, L&D Lowe Transportation Pty Ltd and Tambo Walters Pty Ltd) in an action against Riteway Transport Pty Ltd.

In early 2007 Riteway told the three owner-drivers, central to the company's Sydney to Melbourne operations, they would have to replace their single trailers with new b-doubles.

I'm further advised the company offered each of the three drivers compensation that was less per round trip than the additional costs associated with running the new trailers and less than the amount requested by the drivers to cover their costs.

Section 12(1) of the Independent Contractors Act (IC Act) allows an application to be made to the Court to review a services contract on the grounds that it is unfair or harsh.

In his judgement, Federal Magistrate Cameron concluded that the contracts were unfair.

The reason is that the contracts entitled Riteway to impose unilaterally, and without making financial compensation to the applicants, a significant change to the equipment required to service the contracts.

This is an historic judgement - the first substantive action brought for an unfair contract under the Independent Contractors Act.

Federal Magistrate Cameron has amended the contract with the truckies to limit Riteway's power to require the owner drivers to provide new vehicles.

I'm advised damage costs are still under consideration.

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