



Fonterra Milk Supply Transport Fleet Services and Assets

No Pain – No gain

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MILK SUPPLY |  Fonterra

IRTEENZ 2006

WE ARE THE GATEWAY

The way it was

- Late 80's, many small Dairy Companies
- Over 600 Milk collection vehicles
- All competing for supply, best payout (fat per kg)
- Different configurations
 - A Trains
 - Three axle Semi-trailers
- Price driven – RUC's & Minimum maintenance

Milk Transport Today

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- **16 Depots**

- **North Island**

- **Kauri**

- **Te Rapa**

- **Te Awamutu**

- **Waitoa**

- **Edgecumbe**

- **Reporoa**

- **Whareroa (Hawera)**

- **Longburn**

- **Pahiatua**

- South Island
 - **Tua Marina (Blenhiem)**
 - **Brightwater (Nelson)**
 - **Takaka**
 - **Kaikoura**
 - **Christchurch**
 - **Clandeboye**
 - **Stirling**
 - **Edendale**

The Predominate Unit

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- 438 Milk Collection vehicles
- 8x4 Tanker and 4 axle Trailer



Milk Transport Statistics

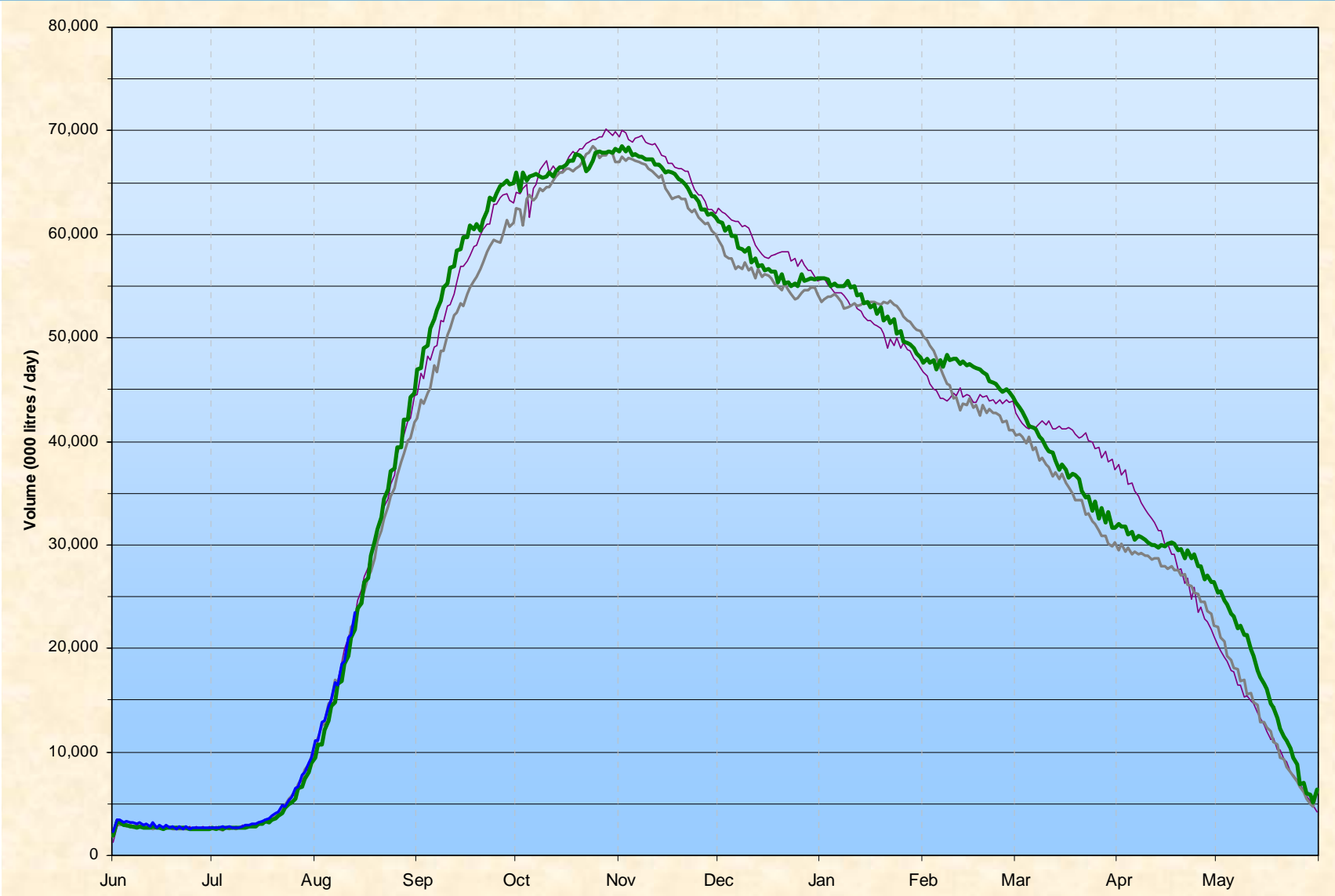
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- 1230 driving staff (supplemented by temporary drivers)
- 70 million litres collected on peak day (72,000 tonne)
- 15 million tonnes collected and transported annually
- 74 million Kilometres per annum

The Milk Flow

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Fleet Services and Assets

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- **120 Fleet Service personnel**
- **13 Service Centres**
- **Standardisation of process (merging of different dairy Companies)**
- **Servicing regimes**
- **Roadside campaigns**
- **Raise our Standards**

- **Compliance**

- **Loading**

- » **44 tonne is the legal limit**

- **COF**

- » **Minimum standard, not maintain to standard!**

- **Get all the ducks in a row on the pond**

Going from this

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To This

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NOTICE
AUTHORISED
PERSONNEL ONLY TO
OPERATE EQUIPMENT
IN THIS AREA



18.4.200



18. 4. 2001

Preventing a Mess
is far easier
than cleaning up
a Mess





NOTICE

AUTHORIZED PERSONNEL ONLY TO OPERATE EQUIPMENT IN THIS AREA

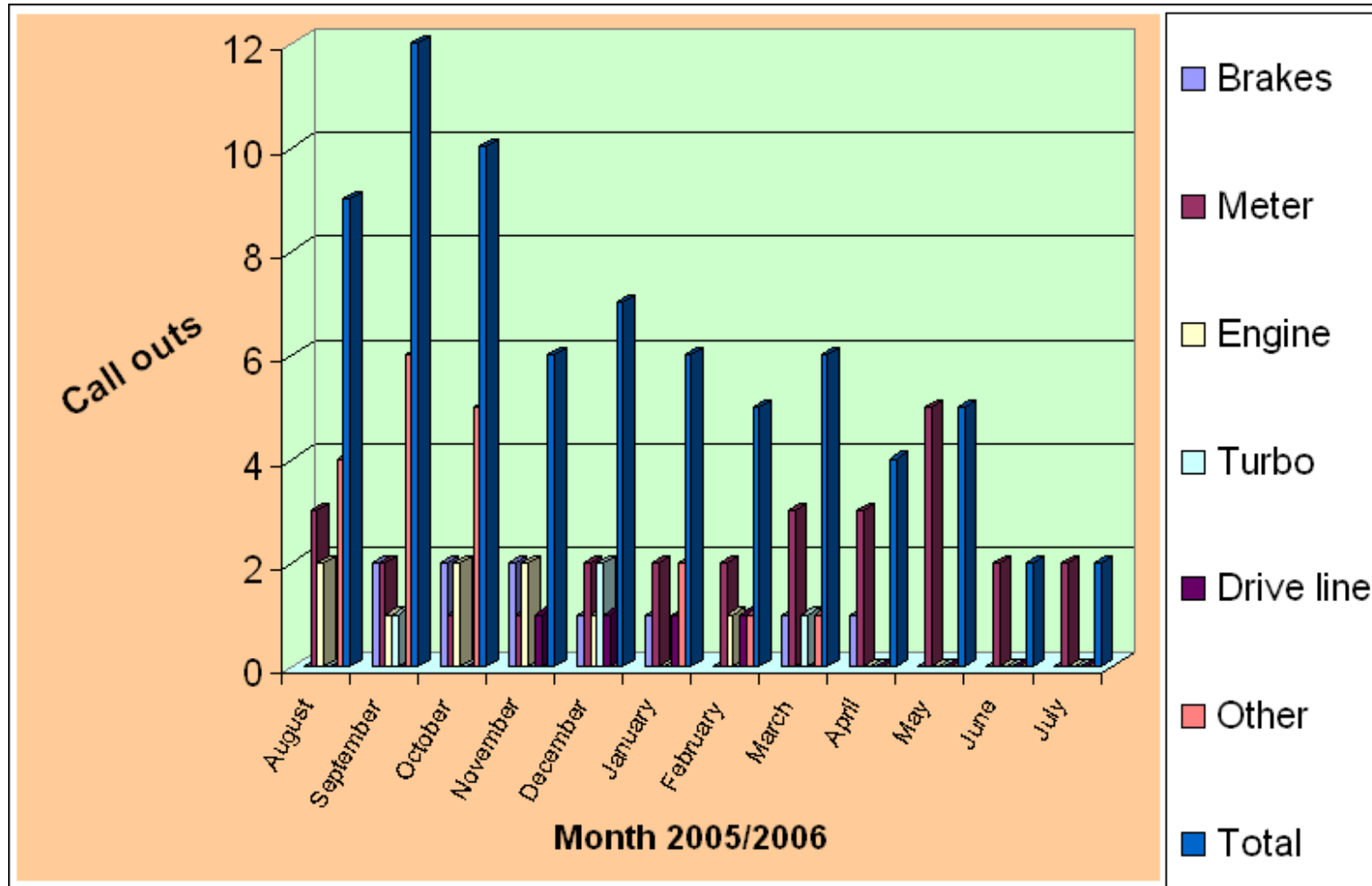
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SAFETY GLASSES MUST BE WORN

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- **Empowerment of the People**
- **Root cause analysis**
- **Maintenance Best Practise**
 - **Business Centred Maintenance**
 - **Team work – working together**
 - **5S – clean & tidy, everything in it's place**
 - **Focused Improvement**

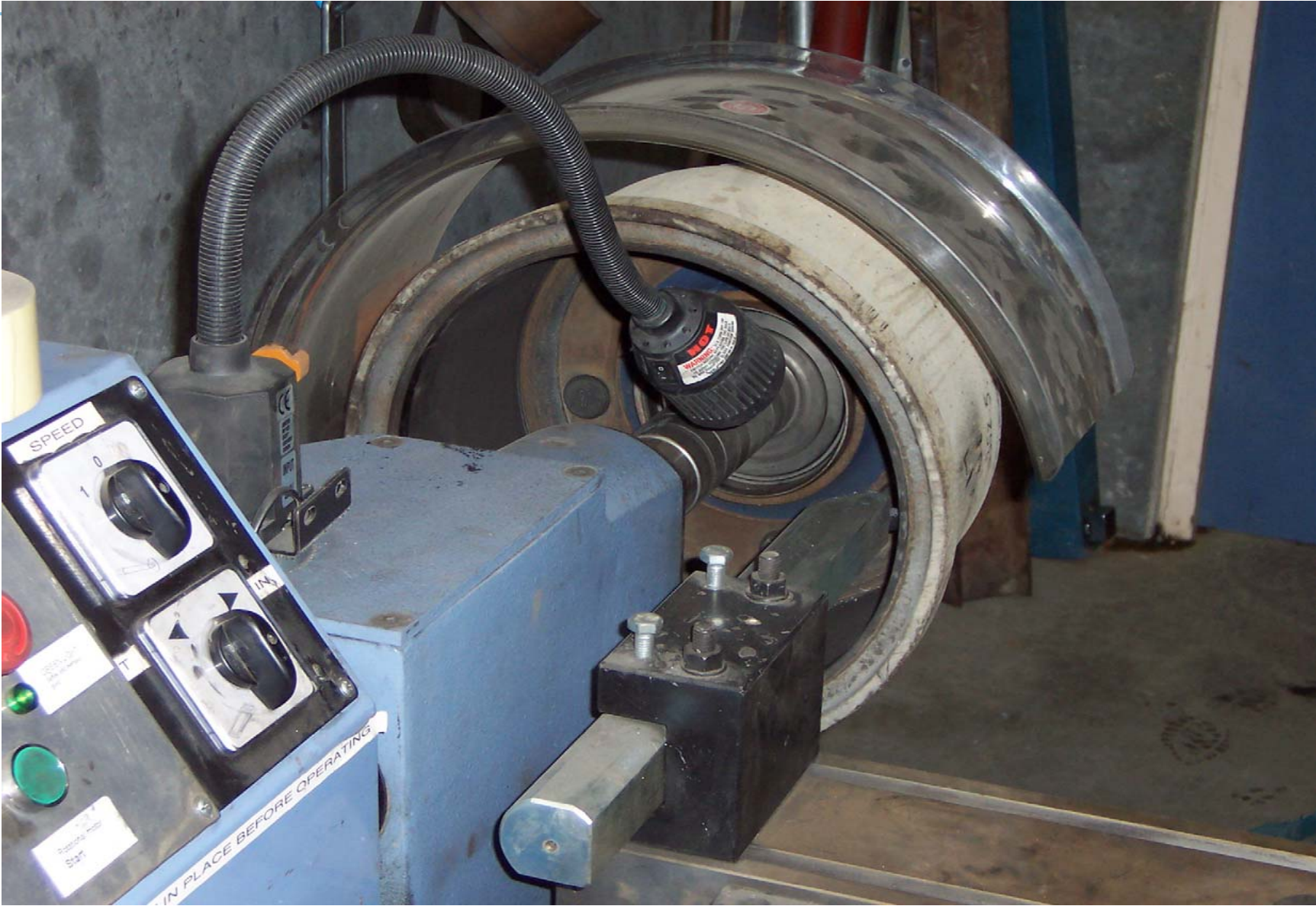
• Visual Performance Measurement



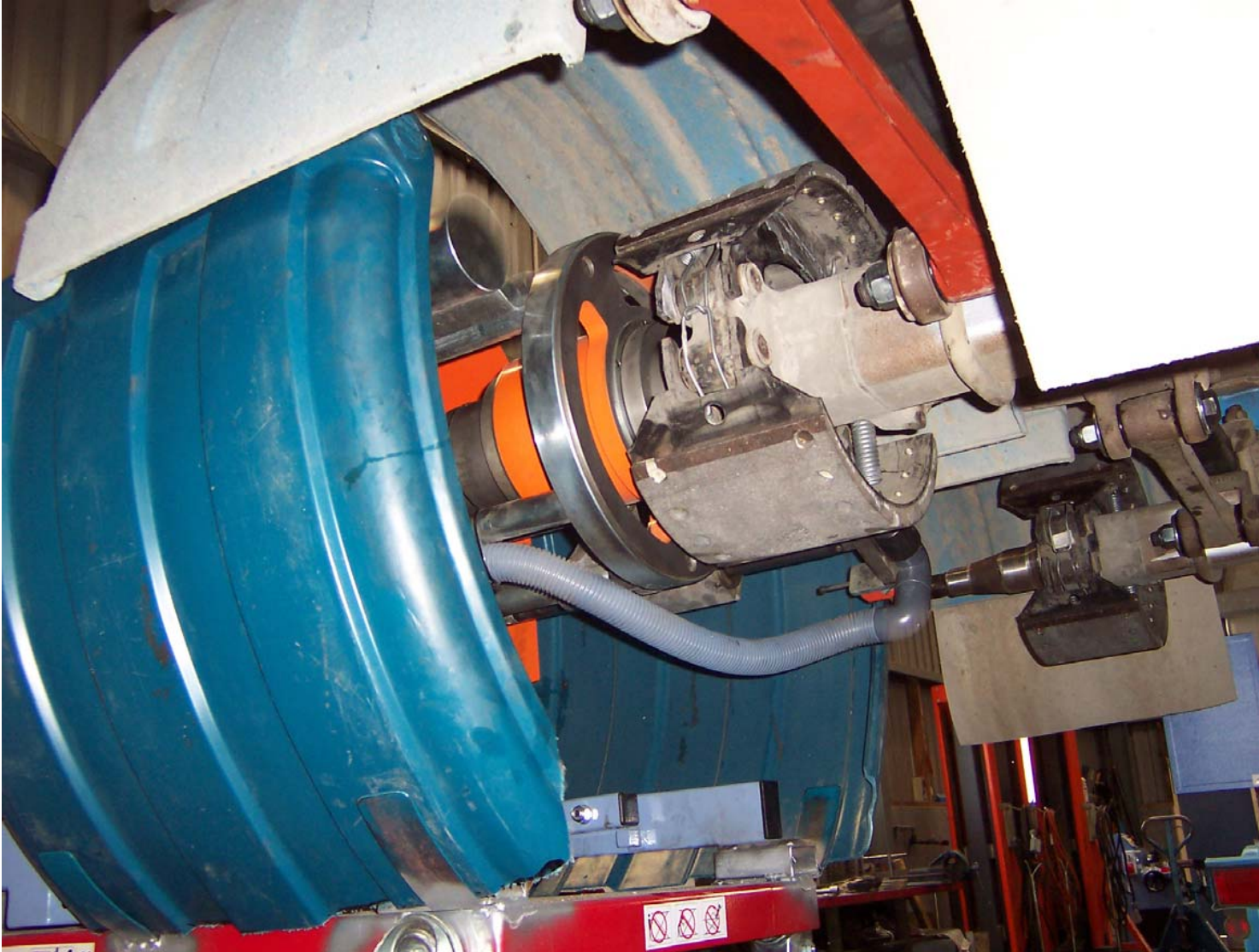
- **Raise the bar and involve the staff**
- **No COF's – random audit**
- **Planned/Unplanned Maintenance from 40/60 to 95/5**
- **Fleet availability of 95%**
- **The CVIU is not the enemy nor is LTNZ**
- **The enemy is Wally**

- **Standard specification across the country**
 - **Euro spec cab safety**
 - **EBS**
 - **Truck and Trailer**
 - **Disc brakes**

Drum Lathe



Lining Profile Machine



- **COF from 40% reject to 11% reject**
- **20 less units than last season**
 - **\$450k per combination = \$9m capital**
- **No longer target for Govt authorities**
- **Good relationship with workforce**
- **Reduction R & M costs**
- **Better return when selling older rigs**

- **Self regulated**
- **Vehicle Inspector on each shift**
- **100% compliant 100% of the time**
- **The Service Manager becomes the COF for the Fleet**
- **Random Fleet audit by 3rd Party**
- **No requirement to stop for roadside checks**





Thank You

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