



# HPMV a Customers Perspective

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# Toll Group



## Australasia's Leading Logistics Company

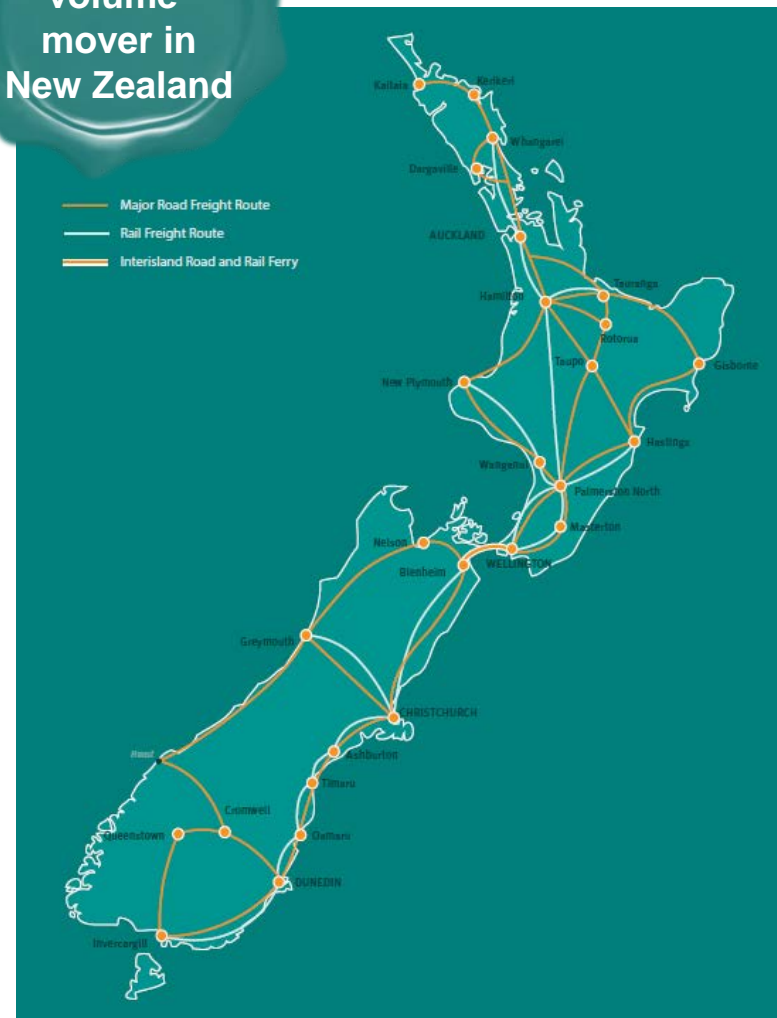
- Turnover of over AU\$8.7 billion pa.
- Global team of over 45,000 employees.
- Significant growth since being publicly listed in 1993, at the time with a turnover of AU\$150 million and a team of 600 employees.
- Operating from 1200+ plus sites in 55 countries, Toll has the largest footprint of any forwarder in Australasia.
- Fully Integrated Supply Chain Solutions with end to end IT visibility for control and transparency.
- Committed to Health and Safety, Environmental Sustainability and Customer Care through Service Performance Management.

# Toll NZ Network

Toll is the No 1 volume-mover in New Zealand

## Toll NZ Domestic Coverage

- **Toll New Zealand** operate 40+ business sites linked through a nationwide IT platform with a team of over 950 people.
- **Toll Freight Forwarding** is New Zealand's largest freight forwarder, moving more volume than any other operator through 20+ branch locations.
- **Toll Parcels** is a nation wide domestic parcel service fully integrated through Toll Freight Forwarding for items up to 25kg.
- **Toll Auto Express**, Nationwide vehicle transportation on rail and road.
- **Toll Logistics** operates 120,000 plus m2 of warehousing with Tier 1 WMS linked to the transport network.
- **Toll Customised Solutions** for point of sale VAS and specialised 3PL.
- **Toll Priority**, Urgent national and international air freight parcel movements.
- **Toll Global Forwarding** provide the global reach in Air and Sea freight, customs and specialised distribution.
- **Toll Carriers** the major transport provider in Northland.



# The Freight Task Into Auckland

**Period : 01-Jan-12 - 31-Dec-12**

<b>Linehaul Inbound</b>					
<b>Cartage Type</b>	<b>Dest Suburb</b>	<b>Items</b>	<b>KG</b>	<b>M3</b>	<b>Count of Suburb</b>
⊕ ECM	Total	480	1,971,370	22,363.72	14
⊕ FCL	Total	5,199	91,854,996	235,311.92	50
⊕ FTL	Total	14,209	10,846,463	21,503.09	34
⊕ IMEX	Total	146	1,710,669	7,455.77	12
⊕ IPEC	Total	135,498	1,550,678	6,573.92	278
⊕ LCL	Total	641,038	247,757,424	602,023.70	249
⊕ OSA	Total	1,553	2,120	10.92	165
⊕ REL	Total	7,362	0	2,007.13	101
⊕ RFG	Total	5,830	2,949	175.90	2
<b>Total</b>		<b>811,315</b>	<b>355,696,669</b>	<b>897,426.07</b>	<b>16,590</b>

# The Freight Task Ex Auckland

Linehaul Outbound					
Cartage Type	Origin Suburb	Items	KG	M3	Count of Suburb
⊕ BLK	Total	4	4,168	16.69	1
⊕ ECM	Total	128	624,390	6,463.59	10
⊕ FCL	Total	5,428	100,027,596	316,369.41	46
⊕ FTL	Total	21,287	6,563,586	35,497.74	23
⊕ IMEX	Total	165	2,712,779	9,183.82	6
⊕ IPEC	Total	570,296	6,059,032	30,049.86	158
⊕ IPECC	Total	25	275	1.10	12
⊕ IPECS	Total	1	1	0.00	1
⊕ LCL	Total	2,349,650	394,742,321	1,254,905.14	188
⊕ OSA	Total	2,477	2,892	14.48	20
⊕ REL	Total	11,076	0	3,327.84	65
⊕ RFG	Total	3,606	296,369	905.31	4
<b>Total</b>		<b>2,964,143</b>	<b>511,033,409</b>	<b>1,656,734.97</b>	<b>26,498</b>

# Challenges Facing Industry

- Road Fleet renewal delayed while RUC was finalised resulting in an older than desired road fleet
- RUC changes have resulted in some configurations becoming obsolete resulting in a negative equity position for some
- Slow and cumbersome process for HPMV does not meet the needs of the industry
- Cost and effort to do the right thing often outweighs any advantage
- Lack of effective enforcement gives a competitive advantage to the non compliant
- Technology & Industry moving faster than regulator can keep up

# Toll Freight Forwarding NZ

## Path to Productivity

- First HPMV higher mass applications lodged May 2010
- First HPMV operating increased mass February 2013
- Out of 543 trucks Toll has 4 operating on HPMV mass permits
- Potential to de-truck if HPMV's could be deployed over key routes
- Permit process does not suit a network operator with a variable freight task

# Why Push for HPMV

- Capital cost similar for 22m-25m unit
- Operating cost similar at 44t 22m-25m
- Additional m<sup>3</sup> = additional revenue = higher km rate available which is critical if fleet is to be replaced with new equipment
- Only two options to improve margins:
  - Lower capital cost / cut corners
  - Improve productivity



# What 23m HPMV Looks Like



# What Industry Needs

- Change to route permits by unit type rather than individual by truck
- Manufacturers & Agency understand your clients are not engineers
- Enable ability to apply obtain and operate HPMV in real time 24/7/365
- Simpler process for inter-regional permits
- Understanding that we need to shift as much freight as possible in the smallest number of trucks

# What a REAL HPMV looks Like







**TOLL**

Thank You