



Unseen Costs

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At the end of this presentation you will have an understanding of:

- the unseen costs in relation to obtaining Certificates of Fitness;
- the loss of revenue; and
- the loss of manpower hours.

NB. All costs highlighted in this presentation are conservative.

Body Swap

On completion of refurbishment of body and fitting to new Mercedes 8 x 4 rigid we were unable to obtain a Certificate of Fitness because of late delivery of curtains. These curtains had been ordered but would not delivered for 3 days. The cost associated to Linfox was:

- hire of replacement 8 x 4 for 3 days on short term rental rate of \$1,050
- ongoing fleet costs of \$400
- loss of staff productivity of \$300



One of our service providers obtained a 28 day permit while we arranged for the LT400 Certificate to be given to the Testing Station the following day. Five months later our unit was intercepted and the COF Certificate had fallen from the pouch and when the Enforcement Agents checked the computer records all that showed was that the 28 day permit had expired and there had been no record of the LT400 being entered into the system. This unit was immediately ordered off the road. After many hours of investigation by our staff, the outcome was that the Testing Station that had issued the COF had not entered it into their IT system.



The cost of this debacle to Linfox was:

- Accommodation and wages for driver \$250
- Loss of next service \$1,000
- Loss of staff time and productivity \$200
- Delivery failure

On another occasion, we took a brand new truck which also had the body refitted from a previous truck and it failed the COF because it had side marker lights on the body. This previously was not an issue but because of the changes to the Lighting code for heavy vehicles no side were allowed on Rigid units. .

Our options were:

1. Complete an application form to obtain a permit to operate the unit with the side lights fitted which would have meant at least 5 days' delay in obtaining a COF.
2. Remove all lights so we could obtain COF which we did.



Costs

Removal of wiring and lights \$250

Loss of revenue – half a day \$800

Staff wages \$180

Reinstall wiring and lights \$500



In obtaining a Certificate of Fitness on trailers in New Zealand, it is required to replace the Kingpin every 100,000 kilometres or 12 months whichever occurs first. This regulation is a complete overkill in regard to safety as there is more likelihood of a failure by the installation of the new pin not being tensioned correctly. On investigation throughout the industry both by manufacturers and insurance bodies, there is unanimous agreement that this regulation needs reviewing.

Costs

Pin - \$150

Fitting - \$60

Working Together



To Achieve Cost Effective and Safe Road Transport Within New Zealand



South Island



Ironically, this unit had a current COF and was operating on a daily basis!

