

## 50 TONNE

As the industry lobbies to increase the weight to 50 tonne I ponder who will be the beneficiary if/when the change is approved.

Will it be the customer, the transport operator or both?

The transport industry has many operators that are not aware of the costs, and price their services at a level that does not provide them an adequate return for their capital, effort and risk.

My fear is all the benefits will be passed to the customer and insufficient attention will be paid by transport operators to receiving part of the economic benefits that should arise from the increased weight.


new weight will have an impact on the business in other ways. Some of the existing equipment may become uneconomic as it will not have the load capacity of 50 tonnes. The industry has adapted to changing equipment and weights over many years but the cost of having equipment that does not carry maximum loads can be more than just revenue loss. Customers may defect as they can get heavier loads carted elsewhere and the equipment may not be worth anywhere near as much as its value was before the change in weight.

Some of these costs are not obvious but are nevertheless real in terms of the business cycle.

The challenge for transport operators will be - when do I invest in equipment that can carry the greater tonnage? Should existing purchases be capable of the new weight configuration even though there is no certainty when the increased weight will be introduced? Some may say their equipment will be 50 tonne compliant but we do not know what the regulations will be.

I have often heard 'timing' in business is key. Some operators may decide to be ready now and all investment decisions will incorporate the expectation the 50 tonne limit will be introduced within the lifespan of the current equipment being purchased.

Whilst the change is mooted and promoted by the industry it may be some time for the regulators to agree. There are plenty of opponents to such a change so investing in equipment that is 50 tonne capable could be adding additional cost that is not recovered in the current lifetime of the equipment's economic life. I can hear some saying there are hidden benefits of having equipment that is now 50 tonne capable e.g. it does not get under the same strain as the lighter equipment. The push for lightweight trucks (to enable as much payload as possible) has caused some issues with performance of the tractor units being pushed beyond breaking point. This additional weight capacity may come at a cost that is not recovered for some considerable time.

So what is important when the change is made is for the transport operator to keep some of the benefits to reward the investment risk and to improve financial returns. The customer can benefit but not by the full amount. Transport operators need to have some of the benefit. 

Trevor Thornton  
Transport Advisor

Grant Thornton 

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