

## ARE YOU COVERING ALL YOUR COSTS?

The following table outlines the costs of ownership & operation of a typical Class 7 machine, operating 400 hours per year, equipped with a 10.9m front, suitable & compliant quality comb trailer, auto steer & assuming 50% equity. There are many ancillary expenses such as compressor, accommodation, additional licences & permits etc. that are not covered in this table that do need to be covered. Your hours may be different, your item costs may be different & your equity level would be different. You are invited to use this table as an example to define your own costs of operation & determine your own profit margin.

|                                 |                   |                   |             |                     |
|---------------------------------|-------------------|-------------------|-------------|---------------------|
| Machine/front/trailer           | \$570,000         |                   |             |                     |
| Canola P/U                      | \$30,000          |                   |             |                     |
| Chaser Bin                      | \$0               |                   |             |                     |
| Corn front                      | \$0               | Interest rate     | 8.00%       |                     |
| Total \$                        | \$600,000         | Years kept        | 5           |                     |
| Trade value 0.50 of total       | \$300,000         | Finance term      | 5           |                     |
|                                 | Quantity          | Change@hrs        | \$/item     | \$/hour             |
| Hours/yr                        | 400               |                   |             |                     |
| Fuel                            | 0                 |                   | \$1.35lt    | \$0.00              |
| 1st Fuel filter                 | 1                 | 300               | \$65.00     | \$0.22              |
| 2nd Fuel Filter                 | 1                 | 300               | \$75.00     | \$0.25              |
| Engine oil                      | 28                | 150               | \$5.00lt    | \$1.40              |
| Eng. Filters                    | 1                 | 150               | \$53.00     | \$0.35              |
| Hyd. Oil                        | 60                | 1000              | \$5.20lt    | \$0.31              |
| Hyd. Filters                    | 3                 | 1000              | \$76.00     | \$0.23              |
| Grease                          | 8                 | 400               | \$7.00      | \$0.14              |
| R&M                             | 5.0%              |                   |             | \$75.00             |
| Tyres -drive                    | 2                 | 4000              | \$3,800.00  | \$1.90              |
| Tyres -steer                    | 2                 | 4000              | \$1,500.00  | \$0.75              |
| Depreciation                    | 10.0%             | \$300,000         |             | \$150.00            |
| Financial P&I                   | \$285,000 debt    | 2 payments/yr     | \$70,275.84 | \$175.69            |
| Shedding                        | 1.0%              |                   |             | \$3.00              |
| Labour                          | 2.00 times hrs/yr |                   | \$25.00     | \$50.00             |
| Work Cover Ins.                 | 6.50%             |                   |             | \$1.63              |
| Superannuation                  | 9.00%             |                   |             | \$2.25              |
| Rego                            |                   |                   | \$275.00    | \$0.69              |
| Insurance                       | 0.68%             | \$570,000 insured | \$3,876.63  | \$9.69              |
| PL insurance                    | 0.0093%           | \$10,000,000      | \$930.00    | \$2.33              |
| Vehicle exp's                   | 20,000 kms/yr     | @ \$1.50/km       | \$30,000.00 | \$75.00             |
| OS Permits                      |                   |                   | \$65.00     | \$0.16              |
| <b>Total</b>                    |                   |                   |             | <b>\$551.07</b>     |
| <b>Total Costs / year</b>       |                   |                   |             | <b>\$220,427.04</b> |
| <b>20% Desired Profit Level</b> |                   |                   | <b>=</b>    | <b>\$661.28 /hr</b> |

These figures are valid at the time of writing & are derived from the averaged costs of machines quoted by dealers & the averaged hours of operation derived from the surveys of professional contract harvesters.

*The price set out or referred to herein is a recommended price only and there is no obligation to comply with the recommendation. Specifications and price subject to change without notice.*