

## Senior Move Managers – Fuel Adjustment Factor (FAF) Information Sheet

The Fuel Adjustment Factor will come into effect on all quotes issued from 1 April 2022, it will be reviewed monthly to determine whether the rate is acceptable given current fuel prices and taking into consideration any movements in government policy. On 1 October 2022 a review will be undertaken to determine the viability of the removal of this surcharge.

Diesel and Fuel prices throughout New Zealand and the rest of the world are ever increasing. Previously, Senior Move Managers has absorbed these changes and not passed them on to our customers. However, for our services to be financially viable, unfortunately we will need to pass these costs on to you. We have chosen to absorb the regional fuel taxes in Auckland and not add these on as an extra cost to moves within this region.

**What is a fuel adjustment factor?** A FAF is a surcharge on top of your quoted transport rates to cover the cost of fuel. This is kept separate from your original quote and added at the final invoice stage.

**How is it calculated?** A fuel adjustment factor is a percentage-based increase on the value of your quote at the time of invoice. Senior Move Managers reserves the right to review this rate monthly to determine whether the cost of fuel is covered. The current rate is set at 12.5% of the base price of your quote (the GST exclusive amount). This rate, if it changes, will not take effect retroactively and will only apply to new quotes from the date of that change going forward. As a result, quotes which are not accepted by the expiration date stated on the quote, will be quoted with an adjusted FAF rate (if required).

The FAF will be clearly identified in a separate line on your final invoice.

### Worked Example:

The GST exclusive value of the below quote is \$1,483.13 – At the time of invoice, a Fuel Adjustment Factor will be added at 12.5% of this amount (or adjusted as per the conditions above).

The total value of your invoice would be \$1,668.52 + GST or \$1,918.80

### Recalculated Amount:

\$1,418.13 + 12.5% = \$1,668.52 (GST exclusive).

\$1,668.52 + 15% (GST) = \$1,918.80 (GST inclusive).

								Amounts are tax exclusive
Item	Description	Quantity	Unit price	Disc %	Account	Tax rate	CATEGORY	Amount NZD
Decluttering	Donation/ sale and disposal of items	6.00	94.50		Sales - MM hours	15% GST on Income		567.00
Cleaning (Standard) - 3 Bedroo	Cleaning (Standard) - 3 Bedrooms	1.00	422.625		Sales - Cleaning	15% GST on Income		422.63
Cleaning (Extra) - Add'l Bathr	Cleaning (Extra) - Add'l Bathroom	1.00	52.50		Sales - Cleaning	15% GST on Income		52.50
Skip - 3m3	Skip - 3m3 **If required**	1.00	441.00		Sales - Rubbish Removal	15% GST on Income		441.00
Subtotal								1,483.13
Total GST 15%								222.47
<b>Total</b>								<b>1,705.60</b>

Senior Move Managers appreciates your understanding, it was not a light decision to pass these costs on to our clients. However as is common practice within the freight and transport industry, we have made this decision to ensure the viability of our services moving forward.