

# Dead trucks give birth to new business

What do you do with your dead trucks? Start your own wrecking business!

That was the answer for doyen of the Wairarapa transport industry, Bill Hargreaves when he set up a subsidiary in Palmerston North.

"It originally started as a means to get rid of our old trucks," he said. "It developed from there."

He has plenty of scope for getting his hands on dead trucks. With 100 live ones in his companies there's usually one that's breathing its last.

Although for the past few years, as Mr Hargreaves is the first to admit, he hasn't replaced as he should have. "But the newer trucks are lasting longer," he says. "We don't do those terrific mileages running all over the country. We confine ourselves virtually to Hawke's Bay, Manawatu and Wairarapa. That's really our area of operation."

"We give a service to the local community. We do all

types of work for the local community. We concentrate on our own clients rather than fly-by-nighters. And we have found here just over the past two to three months that our clients are becoming more loyal to us. Service is what they require."

The business started from modest beginnings. Mr Hargreaves' father set up as a carrier in Dannevirke in 1921. Mr Hargreaves himself started - sowing lime - in 1951. He later took over his father's business, which by that time comprised four or five trucks.

The company began to expand, partly by acquiring other companies. One of these, in 1965, was Transport Wairarapa - itself an amalgamation of carriers effected in 1939 as a war measure.

In addition to trucks, the business includes at its Masterton base an engineering shop, a paint shop, drive through lubrication bay, underground fuel store, oil store, freight shed and water tanker fill.

Recently, deregulation of the transport industry provided a spur to diversification.

"We were looking for diversification," Mr Hargreaves says. "We've got to have diversification in the transport industry because the economic situation affects the transport industry probably more than any other."

"Also, with the rural side of the business, we're so affected by the weather. Your stock could be early or late. This year it's going to be very late, it's going to drag on for some time."

"It's very hard when you're doing your cash flow to read the crystal ball to say what the weather's going to be like next year."

Transport deregulation provided the spur, but deregulation of the oil industry provided the means to achieve diversification.

About 12 months ago, Mr Hargreaves started a new company, Fuel Line Distributors Ltd to distribute



BILL HARGREAVES

fuel around Wairarapa and southern Hawke's Bay, including deliveries to farms and some commercial resellers.

Involvement in fuel distribution goes back a long way. Mr Hargreaves' father acted as an agent for one of the companies that today forms part of Mobil Oil. In addition to holding that agency in southern Hawke's Bay since 1928, they've also

held it in Wairarapa since 1967.

The present arrangement is a totally new departure from an agency.

"When we were an agent everything was third party and invoiced on oil company paper," says Mr Hargreaves. "Now we use our own paper and in effect we've virtually bypassed the middle man. We're selling direct from the port to the consumer."

But the core business remains transport. Hargreaves Transport and Transport Wairarapa are basically the same company - the name on the truck door changes as you cross the Wairarapa border.

The company's bases are at Dannevirke, Feilding, Eketahuna and Masterton. There is a daily linehaul freight operation between several provincial towns and cities, such as Masterton, Palmerston North and Dannevirke, south Wairarapa and into Wellington.

The company is also starting to work closely with Railways in the area of small-goods. Rail has pulled their local trucks off the road and the Hargreaves group are working for them.

Main sphere of operations is unashamedly local. There are six mail runs serviced by small trucks - and a school bus - from Masterton out to the coast, so the goods carried include children as well as mail. As far as freight is concerned, anything goes - from a needle to a bale of wool.

"They keep us in contact with the local community," says Mr Hargreaves.

The mail runs connect with the freight runs, forming a wide network. Goods carted include fertiliser, wool and livestock. Rolling stock includes practically everything from one tonne up to 44.

Says Mr Hargreaves: "Having the school bus run, mail runs and freight runs

and rural we're probably one of the most diversified transport businesses of New Zealand. We're in all sorts of things."

Specialised areas include agricultural chemicals and processed timber. The firm operates for two or three mills, transporting, storing and holding export packs of timber.

All the work is done by company drivers - "we have no owner drivers whatsoever".

In fact, Mr Hargreaves gets quite heated about the way some large companies treat their owner drivers.

"The owner driver eventually carries the can," he says, candidly agreeing it was one of the reasons his companies pulled out of long haul freight.

## Criminal

"We've found we couldn't compete with the larger companies who employed owner drivers," he says. "They just screwed those poor owner drivers down till they were just working for nothing. We just couldn't compete with owner drivers working for nothing."

"And as you know, they've been falling over one after the other, the owner drivers. In fact it's criminal the way some of those poor owner drivers have been screwed."

He gives as an example a firm transporting bales of wool "for less than they'd get for a parcel". As he points out, wool is slow to load because of the time taken to tarp it and rope it.

"I don't think the owner drivers realise what they're getting for the job half the time," he says. "They don't know until probably two months afterwards."

He sees company vehicles and company drivers as part of his firm's success story. Most drivers are on 10 years' service or more. All are experienced.

"They know what the job

is," he says. "They know where to go. They know the customers. They know the facilities that they're going to and they're used to doing all that."

Another avenue of diversification Mr Hargreaves has tried is warehousing. "I was wanting to retire from the transport side and go more into warehousing," he says. "I've always had a lean for warehousing. But I haven't retired yet."

"As far as trucking's concerned, we're just getting lumbered down with that many regulations. They're just coming in all the time. It's so hard to operate. You've got something on your plate all the time."

"I used to design all my own vehicles at one time - we used to build all our own. Nowadays, it's becoming so technical you've got to have

a few letters behind your name."

Mr Hargreaves has taken more of a back seat lately with RTA affairs, although he still keeps interested in what's happening locally. He maintains his interest in the NZRTA industrial committee.

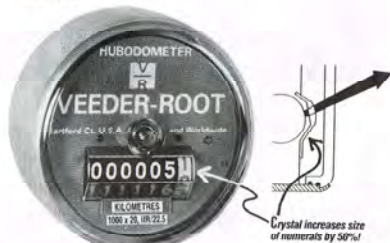
"You've got to have someone there who knows what's gone on before," he says. "History is very important in doing your negotiations. I'd like to see some more younger ones come on to the industrial side to learn. It takes a lot of learning and there's a lot of patience involved."

But once a trucker, always a trucker: "Once you get diesel in your blood that's your profession. It's so ruddy interesting. There's always something different on your plate."

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## We do anything says rural carrier

We can do anything is the proud belief of Russell Wilkin, manager of Transport Wairarapa's Masterton operation.

"Over the years a lot of rural carriers have got away from being a rural servicing industry and gone into trying to specialise in bulk cartage, or grain cartage or livestock," he says. "We haven't. We do all types of contracts."

"We don't really specialise in any one thing. We have never gone into these fibreglass crates built on to the trucks. We don't do that. If we wanted 10 trucks to cart bananas we'd take 10 crates off to do it. The same with the manure. We can strip gear down and go straight into carting fertiliser. We can do anything."

The continually changing

pattern of rural transport means flexibility is the key to the firm's success. The work's never the same from one year to another.

Says Mr Wilkin: "Even in the fertiliser: for the past few years because of the drought, shortage of food and that, they've been using a lot of high analysis manure. This means where you'd probably cart 50 tonne of straight super you've dropped down to carting 15 or 20 tonne of high analysis stuff which is quicker reacting."

"Now they've found out it hasn't put the manure back into the ground. It's just a flash in the pan. So this year we've found they've reverted to using ordinary super which lasts in the ground a lot longer. Once that happened you go back

to carting 50 or 100 tonnes again."

The company does not run any particular marque or model truck - fleet types tend to vary according to what the best offer is at the time of purchase.

"There's no bad vehicles today," Mr Wilkin says.

The main criteria for purchase are tare weight and fuel economy. All the top weight vehicles must be capable of carrying 44 tonne.

"Our preference is to service our local clients," says Mr Wilkin. "Right-oh, if we go to the saleyards and somebody's there from Gisborne who wants a load of cattle to go home, we'll quote on the job and have a go at it. But our first preference is to service the jokers that look after us every day."

"Right-oh, we're not going to rob the pants off them," Mr Wilkin says. "But they're not bending us backwards trying to get us to do it for nothing."

The company has noticed signs of an upturn in the rural economy in the past few months. There's the increase in super cartage, fencing materials are being carried for the first time in two years and farmers are having their roads metalled again.

Attitudes have changed as well. Last year, to get a job out of a farmer Mr Wilkin would have to give the best price possible. This year the attitude is: You jokers stuck by us when we were in trouble. You've been loyal to us and given us good service. We want the job done.

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