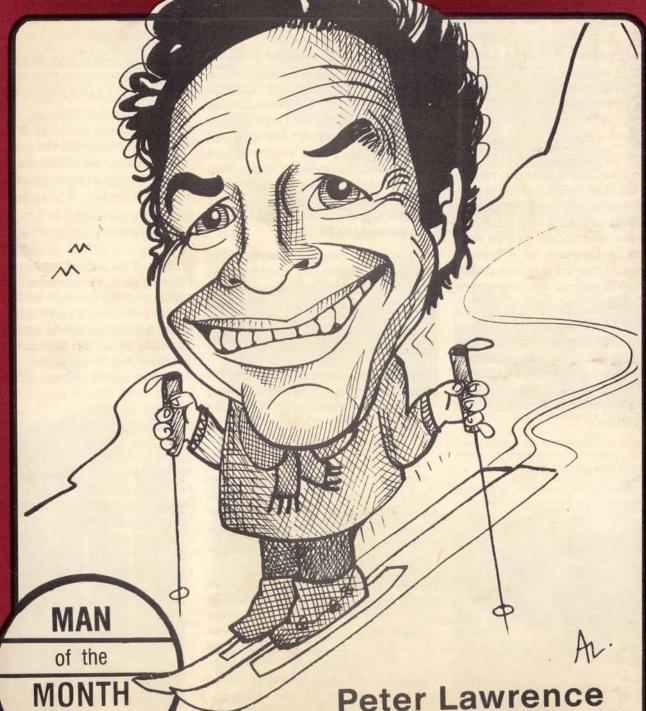
# REMIAL Volume 3 Number 2 1982

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OFFICIAL JOURNAL OF THE

AND HIRE SERVICES ASSOCIATION OF NEW ZEALAND INC.



Peter Lawrence

#### Man of the Month

# **Peter Lawrence**

# Art Davies Ltd. Mount Roskill

My first flirtation with the hire service started in January 1963, but first I must digress back to 1954 when Arthur Davies (known as Art) was building his house in the borough of Mt. Eden, Auckland.

During the construction of the building, he found that the neighbours wanted to borrow his mixer, wheelbarrow etc. and conceived the notion to start a hire business under his new house. At that time he was a foreman in a joinery factory, and the hire side was strictly outside his normal working hours.

In this era the day and time was really for the do-it-yourself type of person and he acquired more and more small equipment until one day in November 1965 a letter arrived from the local council forbidding any further business from the premises.

Right: Party equipment attractively displayed in the party hire showroom.

Lower: The Sales Counter with general equipment storage behind.



A small shop was rented in Sandringham for a brief period until a property came up for sale in Dominion Road, Mt. Roskill. Hire at that stage in New Zealand was in its infancy and Art being adept at repairing small engines was orientated to mower sales and service. Motor mowers were very fashionable and affordable and this is where the money came from in those early days.

In 1962 the company I was working for as a toolmaker decided to move out of Auckland and I was looking for a job. I applied for two and landed both, but decided to stay with the small man than the large company.

I had a good teacher in Art, and I learned fast. His wife Ethel looked after the shop and he and I worked some days from 7 a.m. to 9 p.m. as business got heavier.

The hire side was now growing very fast and we had a tiger by the tail. I was delivery boy, counterhand and mechanic in whatever order came first. More equipment was obtained and now the problem of space became critical.

A room about twenty feet square was rented from the car dealer next door and the old shop came down and a new building was erected in its place. We moved into the huge area in 1965 wondering how we were going to fill up such a vast area.

I must also point out at this time that the business was being pushed

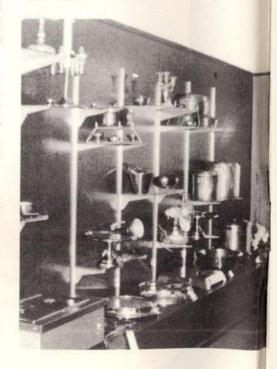


Peter Lawrence...Managing Director of Art Davies Ltd., President of H.S.A.N.Z. and a director of Region 4.

more and more into home handyman requirements, and the largest items on our price list were trailers.

The years 1967-68 were recession years, but not as far as Art Davies Ltd. was concerned. We were busier than ever and equipment was not only growing in variety but in depth as well.

In 1971 Art's wife, Ethel, died and we went into the boom years of 72-73 when the hire business went crazy. I acquired shares in the business and we now had two extra men on the staff. We obtained more equipment and the back yard was so full we could hardly get a vehicle in or out without moving something. Once again, we were running out of room.



A property opposite came up for sale and was bought. The house came down and we had a tar sealed yard for our trailers, mixers, trestles and staff parking.

In 1971 the house next to the yard was bought and down it came. Plans were made for a new hire building and yard which would treble our area. The same year Art was diagnosed as having cancer and was the start of a long series of treatments at the Auckland Hospital.

After many delays in plan acceptance and design changes, work started on the new building in January 1976. We moved in with the help of our numerous customers on 17th March, 1977. We put our gear out on our side of the road and had it returned to the other new premises. Art passed away in June to see his lifetimes work operating as he wished it would.

The old building is now rented out as a hardware shop which is open all day on Saturday as we are. The top floor serves as recreation hall and meeting rooms.

In 1979 I decided to venture into the party hire area and had the mezzanine floor of the building extended. We now have a showroom and a warehouse on the upper floor and it is establishing fast. Another service for the area we serve. We also now have four staff members and a part time office person.

Well, what are my thoughts as the managing director of a busy hire company. Looking back in retrospect, my twenty year flirtation with the hire business has been so enjoyable and worthwhile that I'm married to it. I take to the mountains in the winter and ski my heart out, and in the summer I tramp in the bush to blow out my lungs, so my holidays are just as enjoyable as my work.

The name of Art Davies Ltd. is well known all over Auckland for its small equipment and service and will not be changed. As far as hire is concerned, if you do it right, you won't go wrong, and I for one would not change the lifestyle I have chosen.



1965 Art Davies Ltd. built larger premises on the original site.

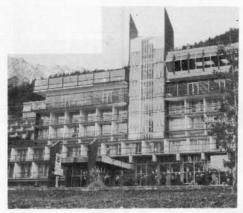




1971 This house we demolished to create a storeyard, and later we built on the site.

1977 The completed building — our current premises, 932 Dominion Road, Mount Roskill.





· Lakeland Inn, Queenstown.

# HIRE '82' 5th Hire Convention & Equipment Exhibition

### June 28 – July 2 1982

Convention programme.

#### Monday, June 28

Monday is registration day.

Registrations

2.00 p.m. to 6.00 p.m.

Cocktail Hour

6.00 p.m.

Dinner

7.30 p.m.

Relax and meet old friends!

#### Tuesday, June 29

**Opening Ceremony** 

9.00 a.m.

**Keynote Speaker** 

9 - 10 a.m.

Seminar Speaker - Geoff Barton

9.30 a.m.

Ladies Tour

9.30 a.m.

A Scenic tour to Arrowtown by coach.

#### Lunch

12.00 noon Luncheon served in the Equipment Exhibition area.

Seminar Speaker - Geoff Barton

1.30 p.m.

**Equipment Exhibition** 

3.00 p.m.

Cocktail Hour

5.30 p.m.

Dinner

7.00 p.m.

(Optional extra to programme.)
Travel by Gondola to the beautiful Skyline
Chalet for an evening of dining and entertainment.

## Lakeland Inn Queenstown New Zealand

To those who attended the 1981 Conference at Hamilton N.Z., Geoff Barton will need no introduction. He left his mark on all who listened to him.

The journey to Queenstown in itself to hear this dynamic man speak is a worthwhile experience and one that nobody will ever forget.

 Geoff Barton addressing delegates at the H.S.A.N.Z. Convention at Hamilton 1981.



#### Wednesday, June 30

**Breakfast Open Forum** 

8.00 a.m.

**Ladies Forum** 

9.00 a.m. An Auckland expert on Silverware.

Annual General Meeting H.S.A.N.Z.

10.30 a.m.

Lunch

12.00 noon. Luncheon served in the Equipment Exhibition Area.

**Bus Tour** 

1.30 p.m.
Tour to Cromwell and Clyde dam site.

#### **Evening Programme**

6.00 p.m. (Optional extra to programme.) Indoor Barbeque dinner. Ice Skating and entertainment at Waterfall Park.

#### Thursday, July 1

**General Business** 

9.00 a.m.

Open Forum

10.30 a.m. Questions and answers from our Suppliers.

Lunch

12.00 noon. Luncheon served in the Equipment Exhibition area.

**Equipment Exhibition** 

12.00 noon

Cocktail Hour

6.00 p.m.

**Annual Banquet** 

8.00 p.m.

#### Friday, July 2

7.30 a.m.

Full Day Tour (Optional extra to programme.)

Day trip to Doubtful Sound, Wilmot Pass and the underground powerhouse at Supply Cove on Lake Manapouri.



#### Tuesday, June 29

An optional extra.

#### Dinner and Entertainment at the Skyline Chalet

Travel there by 4 seater Gondola and witness one of the most outstanding views in New Zealand; overlooking Queenstown and its magnificent lake and mountain scenery.



#### Friday, July 2

An optional tour.

Doubtful Sound - A day trip you'll remember for a lifetime.

View of Doubtful Sound from Wilmot Pass.





This is a full day trip and you'll enjoy every minute of it.

Firstly we take a cruise on island studded Lake Manapouri. Then, upon landing at West Arm, take a coach tour into the man-made Cavern of the underground power house, 200m below lake level. Both the 2 km Spiral tunnel and the Machine hall at the end are carved from solid granite, unlined and unsupported by Pillars or reinforcing.

Then by coach through Wilmot Pass, the dense west coast rain forests to Deep Cove at the head of Doubtful Sound, an almost landlocked fiord of the Tasman Sea, for a cruise of the idyllic Hall Arm.

# REGISTRATION **FORM**

Please register the following delegates 5th Annual Convention, Lakeland Inn, Queenstown, N.Z. Monday June 28 to Friday July 2, Preferred first Name ..... Lady's Name ...... Preferred first Name ..... Company Name ..... Address ..... Phone: Business ..... Private ..... Mode of travel to Queenstown Car □ Bus □ Air Air New Zealand discount vouchers will be forwarded with acknowledgement of your registration. Accommodation Accommodation required: Twin □ Double □ Single □ All bookings for accommodation must be made with the Conference Secretary. Do not contact hotel direct. Accommodation Required: Arrival date ..... time ..... Departure date ...... time ...... Registration Fees: Conference Rates: ..... only delegates @ \$100 ea. \$..... ..... only ladies @ \$40 each \$..... .. only delegates @ \$40 each \$..... Tuesday ☐ Wednesday ☐ Thursday ☐ .. only ladies @ \$15 each \$..... Tuesday ☐ Wednesday ☐ Thursday ☐ **OPTIONAL EXTRAS** Tuesday, June 29 Dinner and entertainment at the Skyline Chalet. Travel to and from by Gondolas. ..... only @ \$18.50 each Wednesday, June 30 Indoor barbeque dinner, ice skating and entertainment at Waterfall Park. ... only @ \$18.50 each Friday, July 2

Full day bus and launch trip to Lake Manapouri's Underground Powerhouse, the Wilmot pass and Doubtful Sound. Includes packaged lunch. ..... only @ \$68.00 each

Cheque payable to H.S.A.N.Z. Total: \$.....

Completed registration form and fee to be forwarded to:

The Convention Secretary, Hire Services Association N.Z., P.O. Box 851, Dunedin, N.Z.

Registrations close May 14, 1982.

# **OUT OF CHARACTER**

**By Peter Lawrence** 

To anybody visiting the new shopping centres that seem to be springing up everywhere one cannot help but marvel at the rows and rows of neatly stacked tins, jars and packets that these self-standing fixtures contain. It looks very clean and tidy and without doubt appeals to the majority of the intending customers as one would not want to buy foodstuffs from an untidy and dirty shop.

But what of hire operations? Do they need this sterile look?

Supermarket type operations are help yourself outfits and are designed to sell to the general public without any service, and it does not pay to get away with that one in the hire game, as service is one of the most important things we have to offer.

Most hire operations revolve around the person or persons that evolve the business, and the character of those good people rubs off into the style and make-up of their business. This character unlike instant coffee takes a while to evolve, sometimes many years.

Recently I had a chance to view an instant hire operation that sprang up overnight and was laid out in the style of a supermarket. The first look at the acres of carpet and the rows of equipment on their respective podiums was quite impressive and even awesome. The long counter with leaflets scattered down its length was also very imposing, but something did not seem to feel right.

The something that was missing was its character. The place was

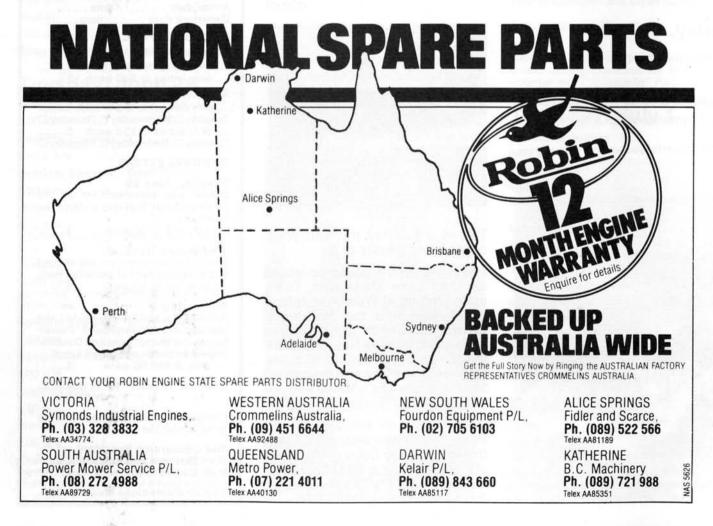
sterile, and to our type of customer he would not feel at ease. The reason for this is that our customers are characters also and when they enter our premises with greasy hands and dirty gumboots we accept it and don't worry about it.

But the same customer would not enter a supermarket with those greasy hands and dirty gumboots as he would feel out of place.

In any case he would be there with his wife doing the weekend shopping and would be clean and tidy. But what of the man doing that job around the house, and who suddenly finds that he needs something from that hire place down the road? Would he have a quick shower and spray himself with that sweet smelling bomb from the cupboard? I certainly don't think so.

We don't have to be untidy or have dirty premises, but we need to be different from those supermarkets up the road.

So, don't envy those crisp, clean sterile supermarkets. There is something missing and you would have to be a right old character to put that lot right.



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4) The warranty claims over the past 15 years have been negligible.



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- hold-ups on parts supply!

  d) Stocks of all popular sizes in Brisbane, Sydney, Melbourne, Adelaide and Perth.

Remember, Robin engines in most cases can be interchanged with any other brand. Replace your old engine with a Robin and notice the immediate difference.





On your next change overcompare the benefits!

# Making Money

# A precis of a convention paper presented by Mr. Ian Sinclair, Chartered Accountant, of Mel-

There have been many articles written about the evils of over trading. Most of those articles highlight the problems that arise from over trading. Broadly they are —

- 1. Undue reliance on high interest rate borrowings.
- 2. Tardy payment of suppliers accounts leading to refusal to supply or prices which are not as keen as would be obtained from a supplier who could expect prompt payment.
- 3. Undue management time devoted to extending lines of credit and explaining why accounts have not been paid, instead of that management time being devoted to the improvement of profitability in the business.

I am going to talk about exactly the opposite side of the coin, that is, where the business has too much proprietor's capital involved for the amount of trade being handled and not enough borrowings. Whilst this business situation does not lead to insolvency as over trading may do, it can lead to missed business opportunities and if the business is at all worthwhile and capable of generating a reasonable return on investment, that return on investment will not be nearly as good as the case of a similar company where proper and intelligent use of borrowed funds is made.

#### **RATIOS**

As a lead in to the subject I will briefly discuss ratios that are generally understood in the business community. You will have heard or read in the newspaper of gearing ratios. A gearing ratio is basically the relationship between the proprietors funds in the business and the outside funds employed. Proprietors funds mean the share capital in the case of companies and its retained profits. In the case of family owned companies that ownership also extends to include loans by the shareholders and their associates.

The same basis applies in the case of individuals in business or partnerships or trusts or whatever form the business enterprise takes. The other part of the ratio relates to funds provided by ordinary trade creditors or loans or mortgages or even such things as provisions for holiday pay and the like. Sometimes those ratios will be expressed in a different way by way of percentages and you will occasionally see borrowings expressed as a percentage of total assets or borrowings expressed as a percentage of proprietors funds in the manner I defined earlier.

Let us take a simple case at the extreme.

In the case I have in mind the business has hire plant of £500,000, buys for cash, pays its rent in advance and the proprietors family are the only ones who work in the business and it therefore has no liability for holiday pay or long service leave or the like, never buys anything on hire purchase and always has cash in the bank.

In that scenario the proprietors equity is 100% and you cannot express it as a ratio because there is no creditors base to work from.

At the other end of the scale is a bank which might have a capital and retained profit of \$100 million, takes in \$900 million in fixed deposits and current accounts of customers and has \$1,000 million in assets, including its premises, overdrafts, cash and the deposits with the Reserve Bank. The gearing ratio of that bank is 1:9 and its liabilities are 90% of its total assets. I do not suggest that private companies or enterprises should adopt those gearing ratios or percentages, but it is a ratio that is not uncommon with banks and finance companies and it means that if they are lending at a markedly higher percentage rate than they are borrowing they have an opportunity to make a return on their shareholders' funds far in excess of the earning rate spread over their assets as a whole.



lan Sinclair, Chairman of Directors of, and a major shareholder in Builders Equipment Hire Pty. Ltd. and also Managing partner, Melbourne office, of the Chartered accountancy firm Duesburys.

To illustrate that point a finance institution might earn 15% p.a. on its assets, that is \$150 million, it might pay 11% on its borrowings, which is \$99 million, leaving a gross profit of \$51 million with operating costs of \$20 million and a net before tax of \$31 million, which is a return of proprietors funds of 31%. Much better than the earning rate on assets which would be achieved if it was entirely the bank's money that it was lending.

As an aside you will all be aware of a bank's reluctance to take any risks whatever in its lending policies. Whilst many of us gnash our teeth and say that the bank is being ultra conservative, that is not really a fair comment because after all any highly geared organisation cannot afford to incur much in the way of losses when 90% of its funds are not going to share in those losses.

#### TRADE BUSINESSES

Most trade businesses incur some liabilities in the ordinary course of their business. As I have mentioned there is provision for long service leave and holiday pay and accounts which are paid in the ordinary 30 day trading terms for plant replacement or service supplies. Again in the case of a hire business with \$500,000 worth of plant turning over \$600;000 a year it could be reasonably expected that provisions and trade credit would run at something like \$50,000 at any stage and thus a hire business with no borrowings and no overdraft would probably have a ratio of 1:9 by having ownership of 90% of its assets. Manufacturing businesses would tend to have higher ratios of creditors to proprietors funds by reason of the higher element of bought in supplies to be manufactured and sold on a fairly quick cycle.

Although the figures vary widely most trading or manufacturing businesses would have a ratio of proprietors funds to liabilities of 60/40, many more would be 50/50 and some which are still quite prudently managed would have a ratio of 40/60.

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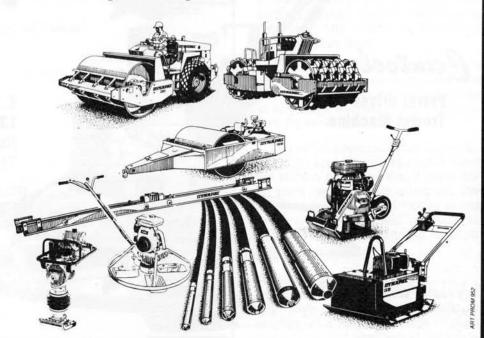
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#### LIABILITIES AND LIABILITIES

It has been said that no-one goes broke by reason of losing money. That of course is not true. If you continue to lose money for long enough eventually you will reach a situation where you have not got money to meet commitments, people refuse to supply you and you cease to do business.

What is meant by that broad statement that you sometimes hear in finance circles is that you strike financial trouble when you cannot meet your commitments as they fall due. Herein lies the key to borrowings or gainings. There is no harm at all in having borrowings as long as the cash flow of your business has the capacity to meet those borrowings or commitments when they fall due. It means if you have any significant level of borrowings they should not all be at call deposits or money which falls due in a largely bunched up amount at some time in the future which cannot be met unless fresh large borrowings are made or assets are sold off. Again reverting to finance companies which are always highly geared, you will see in the notes to their accounts that they analyse on an annual basis of up to

five years when their receivables fall due to them and when their unsecured notes and debentures fall due for payment. Again you will notice that prudently managed finance companies organise their transactions so that the amount of money coming in on a month by month basis closely approximates the money going out on a similar basis month by month. They of course continue to lend fresh money out. That too is geared to the amount of money they raise from the public in fresh debentures and unsecured notes.

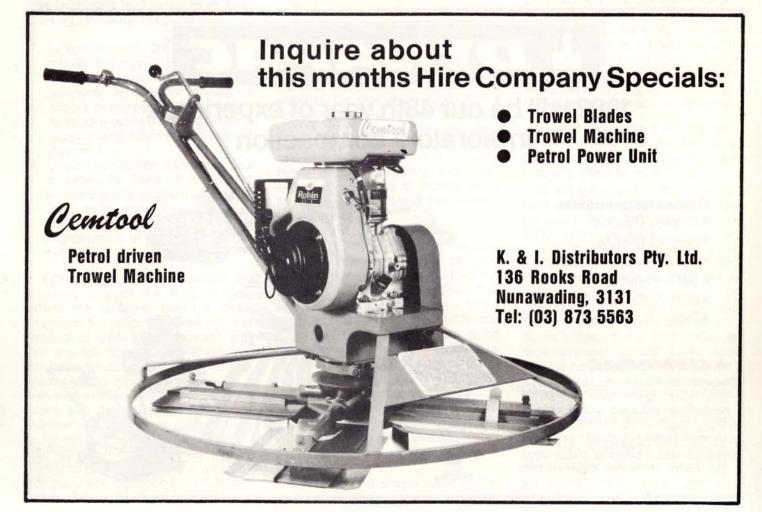
Exactly the same principles apply in a trading business and even more so to any hire business. If commitments are entered into by way of borrowings to finance additional plant a prudent manager carefully assesses the repayment schedule he is entering into and matches it with the additional cash and of course net income after allowing for additional expenses the new asset will earn him.

#### **EXAMPLES**

I have prepared two simple sets of figures to illustrate the points I have made.

Those of you who are aware of accounting standards and the need to present accounts in a certain way, will appreciate that I would get about 1 out of 10 for accounting presentation in these papers, but I am sure you will realise they are simplified so that the point I am making is well illustrated.

The first example is the type of hire company that has a 1:9 or thereabouts gearing ratio. The expenses I have taken in the illustration are by way of illustration and do not bear a relationship to any known hire company and in particular they are not Builders Equipment's figures. The first part of the paper shows assets and liabilities. the second part the Profit and Loss account and the third part the cash flow. You will notice that plant replacement is a little bit higher than depreciation and this is a thing that you would normally expect because plant does cost more on a year by year basis, and even if the same number of equipment items are maintained, the amount you



EXAMPLES	OF A LOW	GEARED C	OMPANY	
LIABILITIES Proprietors Capital Creditors	\$550,000 50,000 \$600,000	Debtors Plant	ASSETS	\$100,000 500,000 \$600,000
PROI	FIT AND LOS	S ACCOU	NT	
EXPENDITURE			INCOME	TITET A
Operating Costs Interest Depreciation Profit	\$425,000 75,000 100,000 \$600,000	Hireage		\$600,000
OUT Costs New Plant Drawings	CASH FI \$425,000 100,000 75,000	<b>-OW</b> Hireage	IN	\$600,0Q0
	\$600,000			\$600,000

EXAMPLES	OF A HIGHER	GEARED COMP	ANY
Proprietors Capital Creditors \$ 90,00 Overdraft 60,00 Hire Purchase 350,00	0	Debtors Plant	<b>ASSETS</b> \$150,000 900,000
	500,000		
	\$1,050,000	TVOAS	£1,050,000
PRO	FIT AND LOS	S ACCOUNT	
EXPENDITURE	E	INCO	ME
Operating Costs Interest	600,000 87,000	Hireage	1,000,000
Depreciation Profit	135,000 178,000		
Front	\$1,000,000		\$1,000,000
		etholis.	
	CASH FL	.ow	
OUT		IN	
Costs Interest	600,000 87,000	Hireage New Hire Purcha	1,000,000 se 120,000
Hire Purchase repaym			
(Capital) Plant	120,000 180,000		
Drawings	133,000		
	\$1,120,000		\$1,120,000

will need to spend on replacement would always be more than the depreciation vote.

The second example is a reasonably geared hire company with 80% more plant with a lower plant utilisation rate, and it follows a lower volume of missed hires; higher operating costs but not proportionately so as the costs of operating the depot will not expand in the same proportion as additional equipment and income. There is the new interest expense and a proportionately higher depreciation charge.

You will notice that on the same proprietor's capital, the second business earns a profit of 78% higher and the proprietor is able to draw almost double to meet tax, his living expenses and to pursue alternative investment opportunities outside the hire business.

I think these figures will make a case for more reasonable gearing. There is always the worry in a pro prietor's mind that turnover and therefore profit might fall away and therefore there might not be sufficient money coming in to meet the hire purchase repayments. In the examples I have given, the hire purchase repayments are \$120,000 a year. Let us say something unforeseen happens and hireage income drops away by \$200,000. Expenses might drop by \$50,000 to \$100,000 and profit would drop to guite low figures. The cash flow shows that the commitments to the hire purchase company would still be covered and the obvious answer is if the downward trend is long term the business would need to stop buying new plant and indeed to dispose of some surplus plant.

As a rough rule of thumb I think it would not be prudent to have the capital repayments on hire purchase at any stage exceeding the depreciation figure in the accounts.

You will all appreciate that depreciation is an accountants figure that does not involve cash and that if there are no plant replacements going on, the whole of that amount of money would be available for capital repayments even if the business earned no profit at all.

#### A NOTE OF WARNING

I do not suggest for one minute that any lowly geared business should engage on a sudden splurge of plant in the hope that hires would automati-





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Overall Length: 463 mm (18¼")
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cally follow. What I would suggest is that as opportunities occur to add new plant for known or highly likely hirings you should not be constrained because you have no ready cash available, but that you should seriously consider acquiring the additional plant on hire purchase and gradually lead up to the sort of gearing and profitability that example 2 gives. Further if it was intended to open an additional depot financing that depot by hire purchase finance against new plant you should very carefully do cash flow and profitability budgets to ensure that if the new depot is not successful, the cash flow of the existing business is capable of meeting the hire purchase commitments of the additional depot.

#### **LEASING**

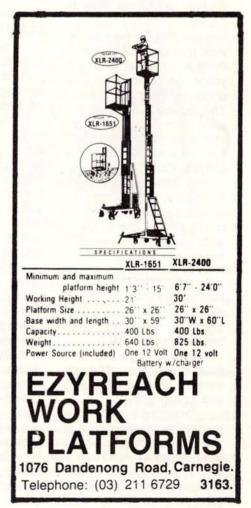
There have been many papers written on the benefits of leasing. Basically leasing is hire purchase with the deposit at the end of the contract rather than at the beginning. Because of the repayment terms it usually means that plant is written off over three or four years against profits rather than on the more conventional rates which are no longer used in the depreciation tables for tax purposes.

It has an advantage that tax com-

mitments are lowered significantly in early years but at the end of the day when the plant items eventually are sold or even thrown away, the amount of tax deduction is broadly the same as under hire purchase. All that has happened is that you have deferred some of your tax payments into later years. In doing this the published profit that you would show in your accounts is lower in your earlier years and if you were ever thinking of selling your business it would appear superficially less profitable and therefore have less of a goodwill value than would a business financing through the medium of hire purchase.

#### CONCLUSION

I trust what I have said today will have been of some interest to you. Whilst the figures are not those of Builders Equipment, the business principles outlined in this paper are those that we have adopted in the last few years and we have found it to have been beneficial in the sense that our business has produced encouraging profits as a percentage of shareholders' funds and has enabled us to become much larger than would have been the case had we had to rely on retention of profits or fresh capital from our shareholders.



Circle 23 on Reader Service Card

# Briefly . . .



Gartner

#### **New ARA President**

George Gartner was installed as president, March 18 during an official ceremony at the ARA Convention in Miami Beach Florida.

George (Bo) Gartner, 50, is vice president of the FW Gartner Co., established 58 years ago by his father and uncle in Houston, Texas. This business is still operating at the same location, and is its main store. Gartner also has a branch in Corpus Christi, and a recently opened facility in Pasadena, Texas, specialising in Contractors' and industrial equipment along with some home owner's tools as a sideline.

And we thank State Bank staff magazine for this exercise on the pronunciation of "ough."

With plough it's ow, thorough (uh), ought (aw), through (oo), rought (uff) and trough (off).

"Imagine," says the magazine, "the frustation of a migrant student having to read aloud: —

'A thorough man, making a rough trough when ploughing, ought to keep struggling through'."

## TOO MUCH INFORMATION:

Contrary to suggestions that customers have sufficient information on the use of equipment, Garry Butler ACME Hire thinks there may be times when it is better for them not to know too much. At a recent attempted breakin at one of his branches thieves tried to get into the safe with oxy equipment but used a welding tip rather than a cutting tip! A number of dead matches also told a story. The moral of this story is "Don't give out instruction with sheets the equipment"!

## VEHICLE SUPPORT STANDS

The Standards Association of Australia has published a standard dealing with vehicle support stands.

AS 2538 was prepared at the request of the Department of Defence following the failure of a number of stands. This standard should ensure that stands which are not fit for purpose, and hence dangerous to those using them, are identifiable.

AS 2538 specifies crifor design, conteria struction and materials for stands which have a nominated capacity of 1 tonne or greater. The strength and stability of a stand as well as the security of the means of height adjustment are established by performance tests. Labelling re*auirements* are also included.

Copies of AS 2538 can be purchased from any SAA office at a cost of \$7.20 plus a \$1.50 postage and handling charge.



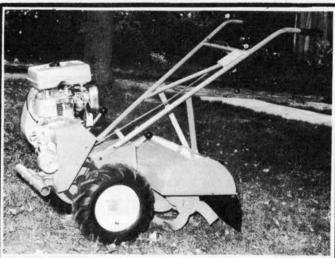
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#### MANG JR2000 ROTARY HOE

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ORDER NOW TO AVOID DISAPPOINTMENT.



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# Experience a boom in business with Wagner Easy Renters.

"7,714 airless paint spray units sold in 1981 to U.S. Rental Industry "RER SURVEY

The facts are there. Airless paint spray units are in demand. A recent RER Survey showed airless paint spray units ranked No. 15 in terms of equipment purchased in 1981 by the American Rental Industry. Airless paint spray units left some of the better known items of equipment for dead.

The airless market in Australia is untapped.

58% of American rental companies carry airless paint spray equipment. So should you. But make sure it's Wagner, the brand name respected throughout the world.



Lets one person be a whole painting crew. Lightweight and compact. The G-10 gun with the adjustable tip will spray most coatings, from stains to latex. Control valves allow for pressure control and safe pressure release, as well as continuous circulation for easy cleaning. Easy to maintain, easy to rent.

A powerful way to profit from the growing number of one-person professional paint operations. Compact and easy to carry on site. Tungsten carbide wear parts. Durability tested for constant hard use. High output, sprays most architectural coatings. Adjustble pressure. Easy to maintain, easy to rent.



WAGNER SPRAYTECH AUSTRALIA PTY. LTD.

556 Swan Street, Burnley, 3121. Phone: 428 3321.

NSW: 74 – 76 Sydenham Road, Marrickville 2204. Phone: 519 2601. QLD: Unit M, 33 Curtin Avenue, Eagle Farm, 4007. Phone: 268 5357.

15 Colray Avenue, Osborne Park, 6017. Phone: 443 1373.

290 Wakefield Street, Wellington. Phone: 858 726.

Shop 2 - Southdown Market, cnr. Church Street & Industry Road, Penrose, Auckland. Phone. 595 297.

Circle 93 on Reader Service Card

## INDUSTRIAL RELATIONS

- a call for change

May I take this opportunity to answer interested 'hire' personnel, who believe that it is an opportune time for the employees of our industry, to develop their own "control of industrial purpose," in a "union" or "society" type structure, whilst respecting the role of the H.A.A. within the framework of the Industry.

Now! I am no "Tollpuddle martyr, but as a fence sitter, I sometimes see solutions to many problems not evident to biased or involved people. Inflationary wage demands cannot expand an industry. Prices rise, customers diminish in numbers, men lose jobs, firms undercut, firms go broke, more men lose jobs — Result-Chaos-1930 style.

We are all to blame, Unionists, Parliamentarians (whose 20% started a "gold rush"), and owners demanding stricter budgets and higher profits.

Yes! a debate is needed. Industrial relations and current trading practices need review, because all our problems do not stem from high wages. Our problems will indeed, require the total representation of all employees, to participate, plan and organise. Naturally, certain trade employees are already within their own particular trade union. but not within the Hire Industry. The majority, whose welfare is being sought, have no particular classification at all. These people range from Management, Sales Personnel, Controllers — Hire clerks — General Office Personnel, Fitters — Mechanics (not within a Union) Drivers - Yardmen and Labourers.

Among the recommendations put forward, is the participation of all employees, in all the classes and facets of our Industry, To combine their efforts to the total welfare of the Industry as a whole. It is agreed that Industrial Harmony is the vital ingredient to any Social Contract, and must also include an Industrial relationship where consumer benefits and price stabilisation can be controlled.

These, too, include a Standardisation and conformity with all awards on Salaries, Wages, Superannuation, Health, Safety, Workers Comp, Legal aspects, conditions, hours etc. In fact the whole gamut of a union's purpose. Industrial Relations within our Hire Industry have always been finely balanced between Private and Public ownership, Management and Staff, down to yardman level. Now the opportunity to develop further policies and requirements, and build a sounder, financially safer Industry, for all concerned, within the framework of development changes to create income uplifts and safeguards brought about by organised planning, implemented because the H.A.A. is fearful of "corn treading".

Certain proceedings should be on the basis that a Sound Industrial Relations Framework, between owners and their Employees of all ranks, would give opportunities for this better policy making in the disciplines which cannot be governed by the H.A.A.

What we do not want is Industrial Chaos. It is generally conceded, that good Industrial Relations are fundamental to sound economic development. Therefore, an acceptable process — to resolve disputes must be agreed to, and 'Consultation' must be the preference at all times.

Recent events have certainly indicated that a centralised control, would much better stabilise the Industry, and protect it from crippling "Equipment Booms" "Demarcation disputes", or any procedures, detrimental or unbecoming to our Industry. So too, can they "Watchdog" and expose all unfair practices and blatant price cutting.

The man in the street, our bread and butter Handyman must get his just reward. For too long, he has been subsidising the "Big" men on high discounts. At this moment, in Victoria alone, Hire firms are literally, throwing away, "Direct from Profits" nearly \$6m annually. A ridiculous state of affairs.

Yes! an Employee Industrial Organisation can play a greater and more significant role in providing this framework for the Industrial stabilising and good, of hire, more than the H.A.A. whose actual powers are no doubt limited. They can only "request" a member, whereas the "Control" of an Industrial Union would have powers to "Direction and Instruct". In view of this, the "control" of such a Union or Society,



Circle 122 on Reader Service Card

must be prepared to proceed only upon their terms of reference, formulated under our democratic principles, and open to democratic interference to stop malpractice.

I am of the view that a National inquiry is essential and necessary, and should be made to persuade all Employees and Owners to agree, and come up with a term of reference. My recommendations would include the investigations necessary to bring forward an acceptable plan for the formulation of a system, whereby the groundwork can be completed, and we can go ahead with the final planning.

Also! We do need leaders, and we certainly have plenty within our Industry — Business — Academics — Industrial — Public Relations — Union Experts — etc to examine and solve each problem that would occur in the forming of a "Federated Hire Industry Society".

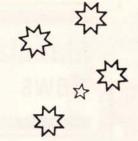
NOTE: The Government has indicated that Legislation will be introduced to facilitate the "Establishment of Industrial or Enterprise Unions."

They too, see my point, and for the same reasons.

Now Gentlemen, the ball is back in your Court. How do you want to play it?

Harry Curry

# HIRE ACTION **SURFERS** PARADISE 1982





11th International Hire convention & **Equipment exhibition** 

Chevron Paradise Hotel Surfers Paradise Australia.

**AUGUST 31st to** SEPTEMBER 4th

# **Programme**

#### Tuesday, 31st August:

Registrations — Afternoon. Delegates' Yard Tour

Ladies' and children's trip to Dreamworld.

Yard Tour to finish at Dreamworld.

Evening Cocktail Party to meet International guests and Sir John and Lady Moore.

#### Wednesday, 1st September:

Registrations.

9.00 a.m. - Opening speaker, the Hon, Sir John Moore, President of the Australian Conciliation and Arbitration Commission.

Speaker and Seminars to continue to Noon.

Trade Exhibition all afternoon.

Luncheon served in Exhibit area. Subsidised cash bar in Exhibit Area also Evening free in Surfers Paradise where the 'Fun Never Sets'.

#### Thursday, 2nd September:

Morning Speakers and Seminars.

Afternoon Trade Exhibition.

Subsidised cash bar and Luncheon in Exhibit Area 12.00 to 5.00.

8 p.m. — Luau Feast in Gardens.

Trade Exhibit re-opens at 8. p.m. to 9.00 p.m.



#### Friday, 3rd September

Keynote Speaker, 9 a.m., Mr. Alan M. Carroll, who needs no introduction to those who attended the 1981 Melbourne Convention or to those who listen to Alan on ABC Money Talk.

Speaker and Seminars continue till 12 Noon.

Afternoon Trade Exhibition and distribution of prizes.

7.00 p.m. to 1.00 a.m. — Convention Banquet and Wikety Wak Floor Show, (No Boring Banquet!).

vear "Australia's Zaniest Entertainers".

(Encore Magazine 10/81)

#### Remember:

Your full registration includes: Cocktail Parties. Yard Tour. Dreamworld Tour. All Seminars.

Luncheons and subsidised bar. Banquet and Floorshow.

# REGISTRATION **FORM**

#### Registrations Close 31st July, 1982.

Please complete by July 31st, 1982 and return

Organising Committee, Hire Association of Queensland. John R. Lemare, Riverside Shopping Centre, Graceville Ave GRACEVILLE, QLD. 4075.

Cheque made payable to -Hire Association of Qld

Delegate's Surname Ladies Surname. Preferred First Names Address Phone Company Name..... Men's Registrations @ 200 ea. Women's Registrations @ 150 ea. ..... Less 10% before July 31st.

Admission tickets, for functions you have indicated you will attend, will be included in your Convention kit. Please tick the appropriate boxes to secure your tickets.

Banquet & Floor Show Cocktail Party No. 1 Cocktail Party No. 2 Luau Feast Yard Tour Visit to Dreamworld ...

Suppliers additional reps for Banquet and Wickety Wak — \$35.00 each.

#### SINGLE DAY REGISTRATIONS

TOTAL registration due Accommodation deposit at \$50 per Adult (see form) TOTAL ACCOUNT PAYABLE

Accommodation: Please complete the separate accommodation sheet and send direct to the above address. Accommodation will be above ad confirmed.

#### **ACCOMMODATION**

ROOM ONLY PARADISE ROOMS Single Twin/Double Third Adult in Room \$12.00

Please

TOWER ROOMS Single Twin/Double TOWER SUITES

Each Additional Person (Suites Accommodate up to 5 persons)

PRESIDENTIAL SUITES — On Application Only
One Bedroom
Two Bedroom
From \$150.00 to \$200.00
From \$260.00 to \$280.00

CHILDREIN SOURCE
OCCUPYING SEPARATE ROOM
One Child Full Adult sole use rate
Full Adult twin/double rate
\$7.00

SHARING ROOM WITH PARENTS (From age 3-14)
Each child \$7.00
Cot Fee \$2.00

Please list all room occupants:

Arrival Date:... Departure Date: Arrival Date: Departure Date: Arrival Date: Departure Date: Arrival Date: Departure Date:

Please forward Accommodation confirmation

Company of Organisation: Address: ..Phone:

If cancelling please phone John Lemare, (07) 379 2156, as soon as possible.



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Circle 72 on Reader Service Card

## **Manufacturers** News

#### WAGNER RELEASES INEXPENSIVE HOOD FOR TOP SPRAY PAINTING PROTECTION

Wagner Spraytech Australia have just released a low-cost protective hood for the safety and comfort of spray painting tradesmen.

The new hood is the latest example of the Wagner Company's thorough involvement in not only perfecting their airless, aircoat and air-atomized electrostatic systems for maximum operator comfort and protection but useful accessories as well.

The new Wagner hood has a wide facial opening which can be adjusted with a drawstring. It is constructed from protective lightweight fabric chosen for operator comfort.

To ensure complete protection, it has a large yoke for tucking into overalls for a thorough spray-resistant seal.

Priced from only \$2.00 purchases singly or as little as \$1.12 in lots of 50, the hoods are therefore cheaply replaceable.

Details from Wagner Spraytech Australia. 428 3321.

or Circle 34 on our reader Service Card



#### For A Better Tomorrow Support HAA Today



Circle 123 on Reader Service Card



#### SPACE MASTER — AUSTRALIAN DESIGN AWARD

The Space Master elevating work platform distributed throughout Australia by A.N.I. Perkins and built by Static Engineering Co. Pty. Ltd. of Elizabeth S.A., recently received both the Australian Design Award and a Design Selection Label from the Australian Design Council of Australia.

This award, presented to Australian manufacturers for outstanding design, recognizes the superior safety and maintenance features of the Space Master which has become the market leader in Australia with sales by Perkins in all mainland states.

Attending the presentation ceremony at Elizabeth were Peter Smith, Construction Equipment Marketing Consultant for A.N.I. Perkins, Bill Lamont and Richard Allin of Perkins Adelaide and Melbourne branches together with senior executives of Wreckair Hire who are the largest users of the Space Master now having 16 units in their hire fleet.

# BRICK CLEANING MACHINES

The B.E.S. Brick Cleaning Machine Recycles useless Lime Mortar Bricks into Re-usable House Bricks or Paving Bricks in minutes.

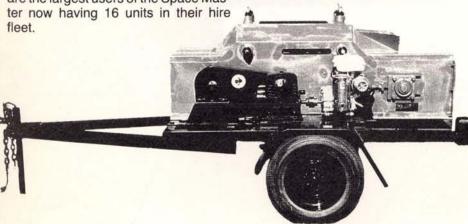
These units are
Fully Portable
Speedy & Efficient
Fully Serviceable
Easily Maintained
All Parts
Available & Guaranteed

With a little practice, a complete Novice could expect to convert over one thousand bricks per hour.

A fully trained operator easily doubles this figure with very little effort.

The units are manufactured in Western Australia by B.E.S. Mining Engineering Pty. Ltd.

For further information Circle 33 on Our Reader Service Card





Hire Association of 60-62 York Street, Sydney, 2000 Australia,

President: Ron Williams (03) 211 9488 Secretary: Rolf Schufft (02) 290 0700

Hire Services Association of New Zealand P.O. Box 2126, Christchurch

President: Peter Lawrence (09) 69 9740 Secretary: Jim Roberts (03) 69 741

#### **REGION 2**

The Hire Association of N.S.W. P.O. Box 129, Beecroft, 2119 President: Garry Butler (02) 546 2202 Executive Director: Denise Layton (02) 848 9817

#### **REGION 3**

Victorian Hire and Rental Association c/-1347 North Road, Huntingdale 3166 President: Brian Elms (03) 850 2316 Secretary: Des Whelan (03) 543 2455

#### **REGION 4**

The Hire Association of Queensland c/-39 Caswell Street, East Brisbane 4169 President: Arthur Staines (07) 391 5666 Secretary: Carol Staines (07) 391 5666

#### **REGION 5**

The Hire Association of S.A. 44 Lambert Avenue, West Lake Shore 5020. President: Neil Hallett (08) 336 2478 Secretary: Miss J. Hallett (08) 49 3965

#### **REGION 6**

The Hire Association of WA c/- 53 Catherine Street, Morley 6062 President: Des Brealey (09) 277 1944 Secretary: Alan Griffith (09) 275 4522

Published by:

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All advertising bookings and correspondence should be directed to: Brian Elms, c/- Box 136, Bulleen, 3105, Australia.

#### EDITORIAL:

Editorial information is welcome and should reach us by the 15th of the month preceding the month of publication.

#### ADVERTISING:

Advertising copy, bromides, transparencies or color separations should reach us no later than the 10th of the month preceding the month of publication.

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