

Reflections on Transport and Crystal Ball Gazing

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Background

Accounting & Finance –
Post Varsity

Arthur Young NZ, Telecom
NZ & Banking UK

1996

Joined HWR

2006 – 2015

HWR Managing Director

Remain on the HWR
Board

(+ 30 subsidiary companies)

Chair

Blue Sky Meats

HWCP (Invercargill CBD Rebuild)

Boards

Invercargill Airport

Motorsport NZ

FAMILY OF BRANDS

CONCRETE



CONTRACTING



ENVIRONMENTAL



PETROLEUM



QUARRYING



TRANSPORT



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TOURISM



TRANSPORT WORLD, 491 TAY STREET, PO BOX 1104, INVERCARGILL 9840, NEW ZEALAND. TEL + 64 3 217 0199. WWW.TRANSPORTWORLD.NZ





HWR Sectors

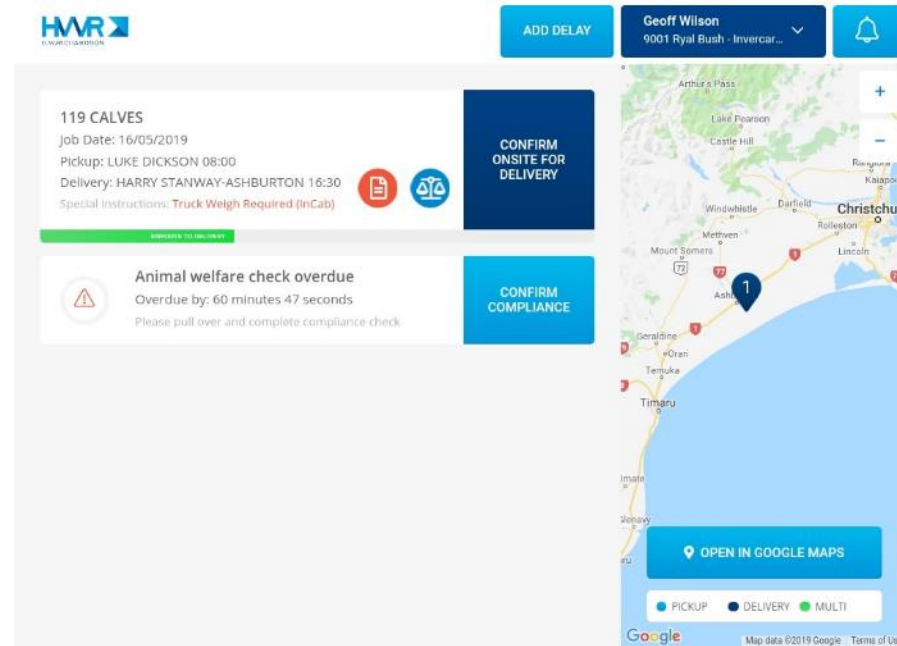
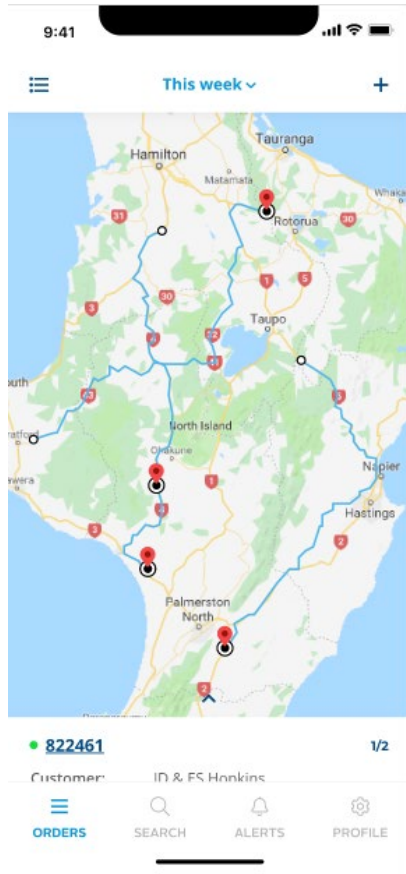
- Concrete: 350 Units - 30% of NZ market
- Fuel: 100 Units - 25% of NZ annual fuel demand
- Logging: 80 Units
- Milk: 120 units at peak – North & South Islands
- Transport: Major livestock and bulk operator

(Total Fleet: 1,200 Heavy Trucks)



HWR IT Hierarchy

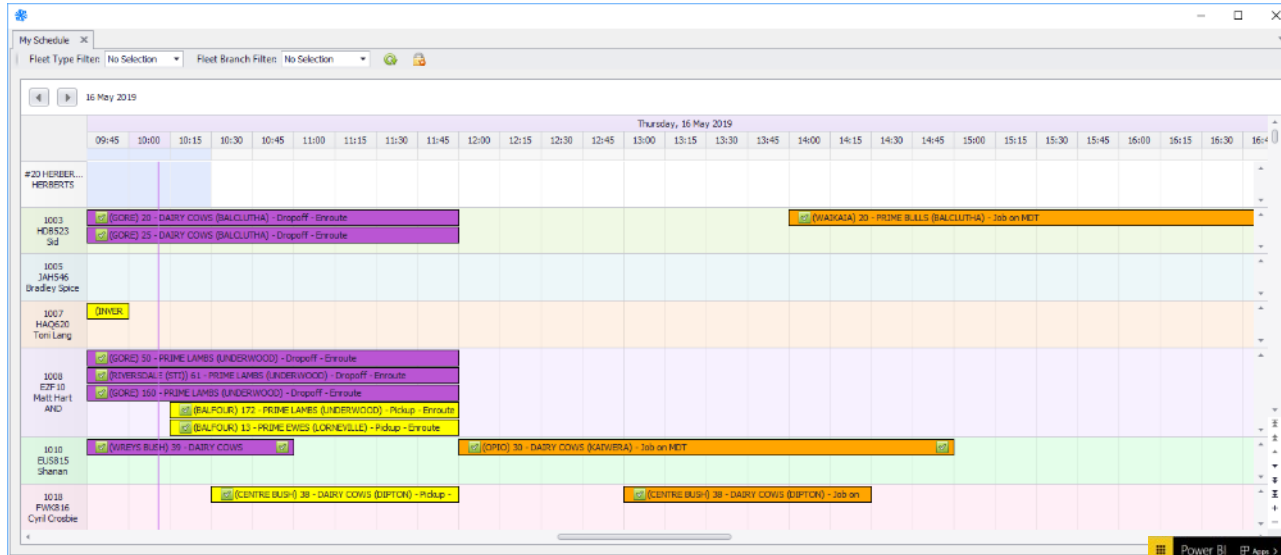
	Concrete	Transport
Dispatch System	Command	Frost
In Cab Technology	Navman	
Finance System	Greentree	



The new and improved world of information sharing for our drivers

Where is my order?

Technology is not just in the cab

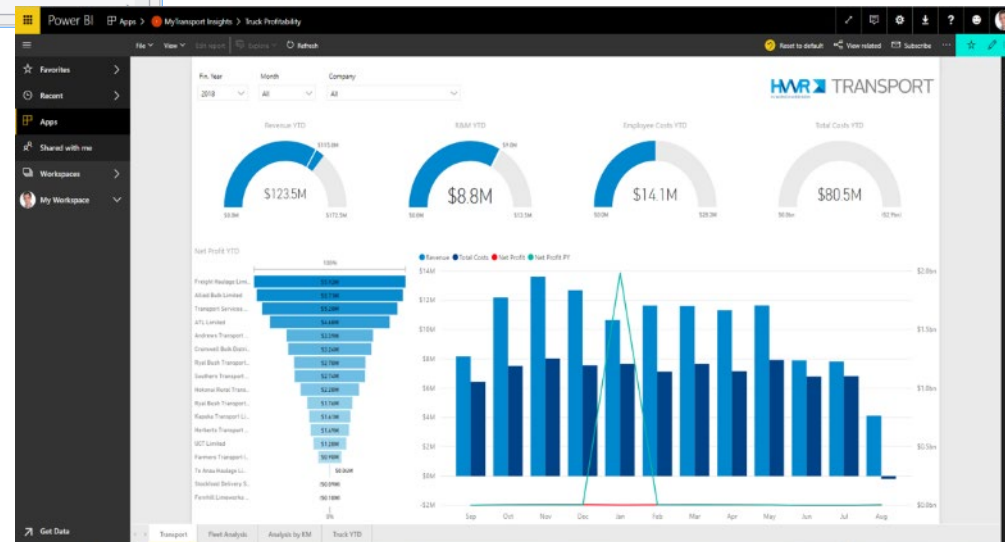


Financial reporting is critical

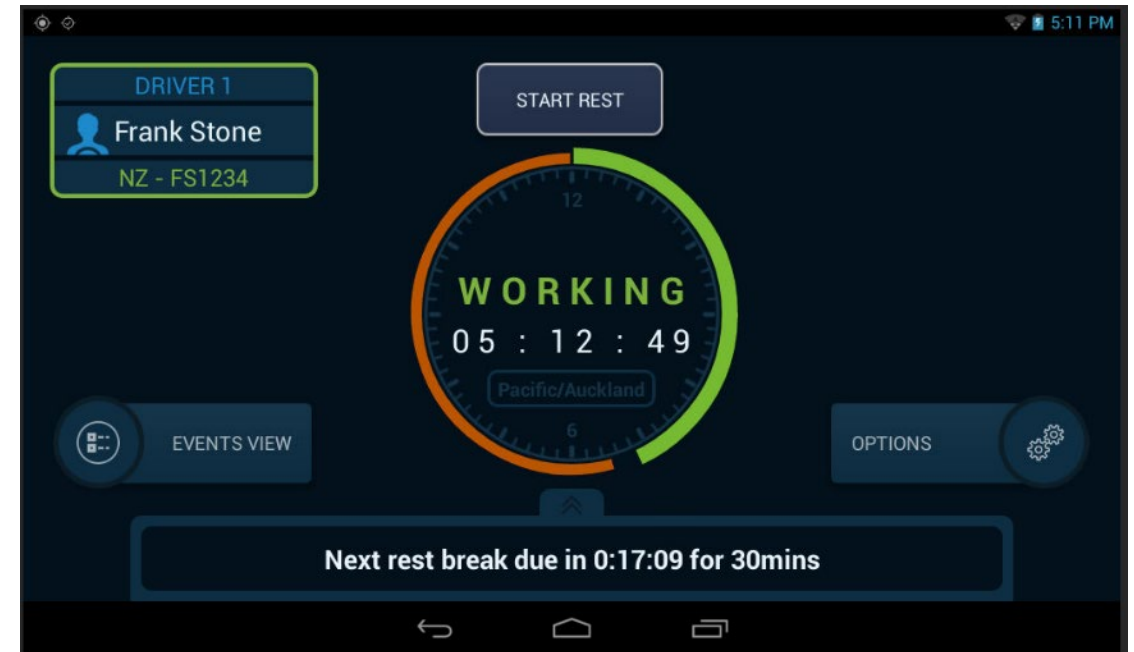
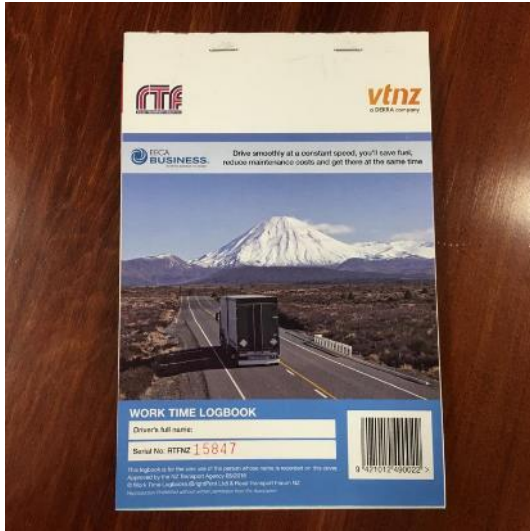
Managing one of New Zealand's largest fleets across 50 companies takes real-time information to ensure we achieve asset utilisation

We need to work smarter

GREAT GEAR GREAT PEOPLE GREAT MATES



Electronic Log Books



COMMANDtrack
Friday, 16-Aug-2019 Today Prev Next

Tracking - Nelson

Order	Status	Customer	Project Name	Street Address	Product Code	Start Time	Travel	Truck...	Unloa...	Ordered...	Delivere...	Plou...
Printed	Loading		To Job	On Job	Pouring			Washing		To Plant		
CHALKIE1	Hold	Downer New Zealand Ltd	Downer Proj	Chalkie Jobs 2019	Landscape Road Papatoetoe	201	08:30	30	45	45	12.01	12.00
SLA1	Normal	BPS Concrete Ltd		Leybourne St, Glen Innes							11.60	11.60
611	Hold	Downer Soletanche Bachy IV		City Rail Link 1 20 P262	12 Queen Street	402PF40CRL	09:30	40	25	25	35.01	30.00
622	Normal	Dominion Constructors Ltd		Pacificia	10-12 Commerce St	PUMPSLA0	09:55	20	15	5	1.20	1.20
622	Normal	Dominion Constructors Ltd		Pacificia	10-12 Commerce St	602PLS600	10:00	25	12	12	11.00	11.00
636	Hold	Gibson O'Connor Ltd		Fortunes Apartm... E 280 T 633 650	Fortunes Rd	302P	10:00	30	8	8	50.01	45.00
655	Normal	Rock Solid Holdings Ltd			2 Henderson Place	25XGP	10:00	15	15	35	2.00	2.00
614	Normal	Dominion Constructors Ltd		NNN Apartments	4-8 Kingstand Terrace	401GPSP	10:15	30	30		5.00	5.00
614	Normal	Dominion Constructors Ltd		NNN Apartments	4-8 Kingstand Terrace	301GPSP	10:30	30	15	15	24.01	9.00
622	Hold	Dominion Constructors Ltd		Pacificia	10-12 Commerce St	502PLS600	10:30	30	12	12	65.01	4.00
628	Normal	Conslab Ltd		Broadway New...	277 Broadway	307B	10:55	30	30	30	0.60	0.60
628	Normal	Conslab Ltd		Broadway New...	277 Broadway	302GPO	11:00	30	35	35	11.01	6.00
652	Hold	Lunch Breaks		Messages Only	Lunch Breaks	75A	11:00	1	30	30	0.15	0.00
652	Normal	Thomas Higgins Concrete Laying Ltd			Victoria Rd, Onehunga	201	11:30	20	50	50	6.00	6.00

(13) Orders To Load
 16-Aug-2019 628 9 262
 16-Aug-2019 DISPATCH 9 262
 16-Aug-2019 614 9 262
 16-Aug-2019 EARLYD... 26 262
 16-Aug-2019 MADE 56 262
 16-Aug-2019 CHALKIES 86 262
 16-Aug-2019 629 96 262
 16-Aug-2019 645 100 262
 16-Aug-2019 645 100 262

(3) Trucks At Plant
 3 338 6 73 P262
 3 472 10 19 P262
 L 313 8 18 P262

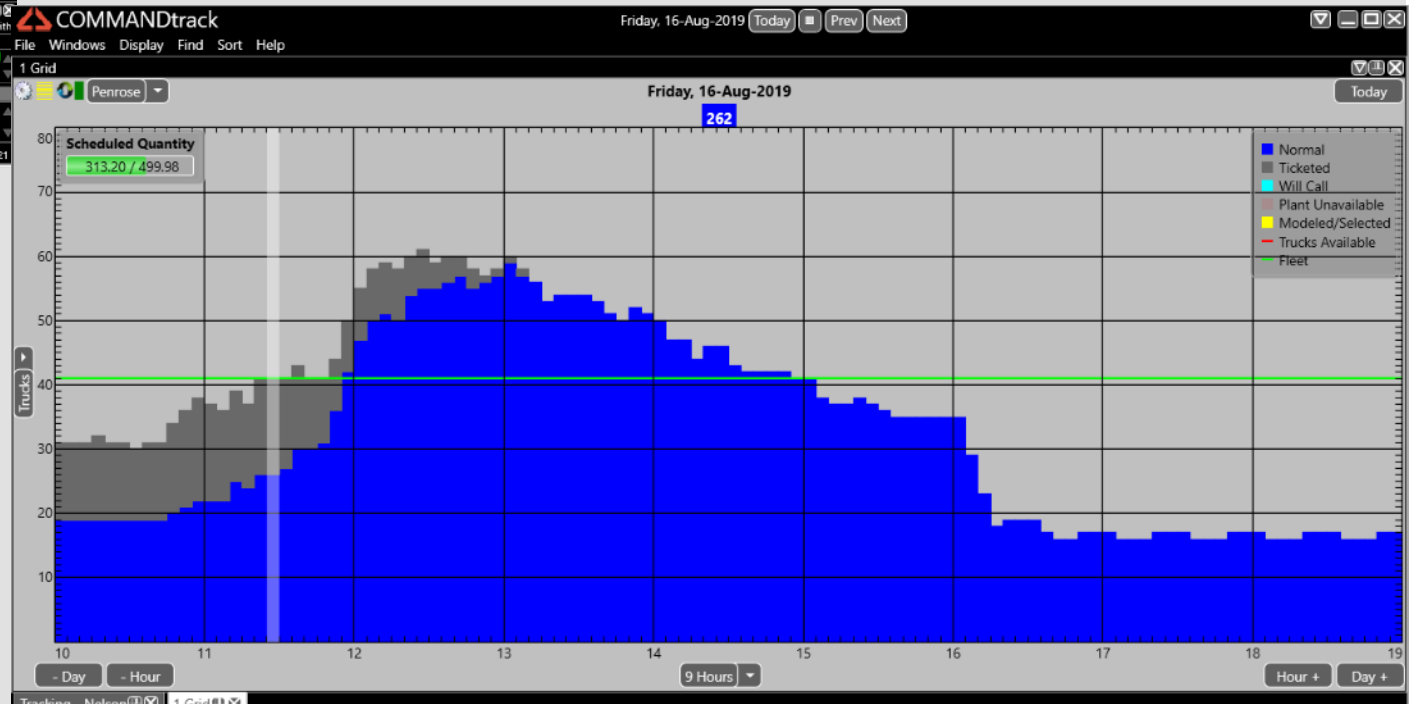
(2) Trucks Returning
 T 276 10 8 P262
 3 301 8 14 P262

(7) Trucks Out Of Serv...
 E 212 8 ??? P262
 T 275 10 ??? P262
 T 342 8 ??? P262
 443 8 ??? P262
 T 636 10 ??? P262
 652 6 ??? P262
 662 8 ??? P262

(1) Tracked Plants
 Search: 262
 Only Optimized Starts with
 (1) Tracked
 Penrose 305,18 798,40
 00 Available

Ready 313.20 / 499.98 114% 11:21

Order Scheduling and Truck Tracking



Real time Fleet requirements

Technology
Gains:
0 – 5 years

Load amalgamation

(Multi-customer / multi-transport company)

Control waiting time

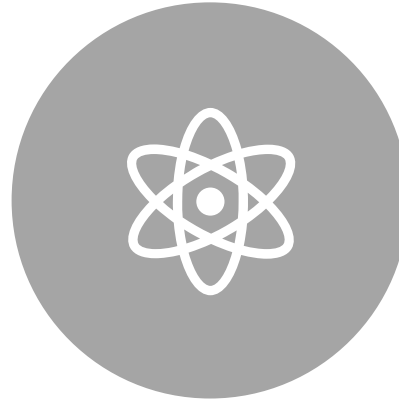
Automated driving

(less driver fatigue)

What powers the truck....



ELECTRIC



HYDROGEN



OTHER GAS FORMS

Very little available commercially at 50t capacity

Tesla Options*



Battery weight

6,000 kg for 300 miles (500 mile flat road)



Present engine weight and fuel for same distance

250kg of fuel + 750 kg of engine = 1,000 kg



5,000 kg difference

Payloads in real terms



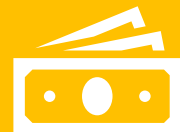
30 tonne (diesel)

vs

25 tonne (battery)
(50 tonne gross)



Need 20% more trucks on the road



Capital cost 2 or 3 times that of Diesel

Technology & Infrastructure

Infrastructure – Export Task

NZ is exporting water
(as meat, milk product, logs
and wine etc)



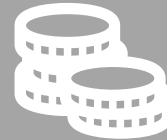
Sea Port Ownership

(re-use capital for other
infrastructure)

Private investors
are screaming out
for Quality Stocks



Total Combined Profits = \$235m



Assume P/E x 22

Total Value = \$5b

(majority are 100% local body owned)



\$2.5b for other infrastructure while
retaining cornerstone share

How could
we better use
this capital?

4 LANE HIGHWAY
WHANGAREI
TO
INVERCARGILL

REMOVE RAIL AND
CREATE A 2 WAY
AUTOMATED TRUCK
HIGHWAY ON MAIN
TRUNK