

'Unstoppable' National Group at forefront of mine-equipment supply

Strong case for renting rather than buying machinery, amid resource sector uncertainty.

Written by Tony Featherstone. As featured in Australian Resources & Investment Magazine, August/September 2021 Edition.

Mining-services star Mark Ackroyd has had a front-row view of mining cycles for decades. As founder and CEO of National Group – a leading equipment supplier to tier-one mining companies – Ackroyd understands the challenges of resource-sector volatility.

Over the years, Ackroyd has watched mining companies buy expensive equipment when commodity prices rise. Then, when the cycle inevitably turns, companies are left with depreciating mining equipment, hurting their balance sheet and cash flow.

"There's never been a more important time to rent rather than buy mining equipment," says Ackroyd. "Commodity-price volatility is rising and external forces, such as Covid and Chinese bans are adding to uncertainty. Long-term dry hire of earthmoving equipment has become a highly attractive option as the mining industry has grown, and as more companies transition to an owner-miner model (versus contract operators)."

Ackroyd says mining companies should heed lessons from the 2008-09 Global Financial Crisis. "The GFC fallout reinforced the benefits of mining companies keeping more capital in reserve for unforeseen circumstances. Renting mining equipment from a trusted supplier, such as National Group, reduces financial and operational risks, and frees up cash flow."

Renting equipment also provides a scaleable solution for mining companies wanting to increase production or expand mine-site operations, says Ackroyd. "They can use the equipment for a period and give it back when it is no longer required. Also, renting equipment aids their budgeting and allows better fleet customisation for their needs."

Buying heavy earthmoving equipment is a large capital expense. An extra-large excavator can cost up to \$18 million, weigh up to 800 tonnes and take 18 months to manufacture.

"Mining companies can quickly rent equipment from National Group, rather than wait longer periods for equipment to be manufactured, as is the case now during Covid," says Ackroyd.

Innovative approach

Ackroyd's "long view" on mining cycles is embedded in National Group's DNA. "From day one, our focus has been to build and maintain long-term relationships with top mining companies," he says. "We understand their needs and work closely with them through all stages of the mining cycle. Many of our clients have been with National Group for years or decades."

This focus on long-term relationships is captured in National Group's reputation as "unstoppable". The Queensland-based company prides itself on achieving consistent results for clients in all market and project conditions – and on its fleet durability.

From humble beginnings in 1997, National Group has become one of Australia's great privately owned mining-services companies. Since launching, its equipment (through National Plant & Equipment) has been used throughout Australia, across a range of commodities and locations, by the world's top resource companies.

From one bulldozer at launch, National Group has built a fleet of more than 350 units of heavy earthmoving equipment. This includes excavators, dump trucks, dozers, graders, loaders, compactors, water trucks and other earthmoving vehicles. New units are consistently added, giving National Group one of Australia's best earthmoving fleets.

New fleet additions include CAT 24 Motor Graders, CAT 6040 Excavators and CAT D11 Dozers.

National Group has fleet-wide availability of more than 90 per cent. Equipment can be rented for up to 700 operating hours per month, per unit – on a 12-month, two or three-year basis. Clients can choose fully maintained rental solutions, where National Group services and repairs units, or do it themselves through a self-maintained option.

The company also provides hire-to-buy options for clients that are considering buying mining equipment but want to free up capital in the short term. Ackroyd is proud of National Group's past and excited by its future. "The mining sector continues to grow, even during the pandemic. The five-year outlook is promising. National Group has an important role to keep supplying equipment and help our mining sector create more jobs and wealth for

Australia.”

Further Information

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The National Group comprises of leading companies from the mining, resource, transport and logistics industries. Servicing some of the biggest names in mining and with an excellent track record, the National Group has built a reputation as being ‘unstoppable’ in heavy earthmoving equipment and provides end-to-end production mining services.

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