



# Econ

If you bring anything wrapped up in paper or cardboard into your home or workplace there's a chance that Visy Industries has been involved somewhere along the line. Since it was established in Melbourne in 1948, the company has grown to become one of the world's largest privately owned packaging and recycling companies.

Visy employs more than 8,000 people in Australia, New Zealand, and the USA. Total manufacturing revenues exceed \$2.8 billion and total manufacturing assets exceed \$3 billion.

During its first 30 years of operations Visy Industries' activities concentrated on the manufacture of corrugated cardboard boxes. In 1979 the company made a decision to begin supplying its own packaging paper needs and built its first paper recycling mill. The Visy group now operates eight paper recycling machines — six in Australia and two in the USA. Together these machines produce more than

## Establishing an efficient transport division results from attention to detail. For Visy Group the figures stacked up when its Tumut paper mill became the centre of attention

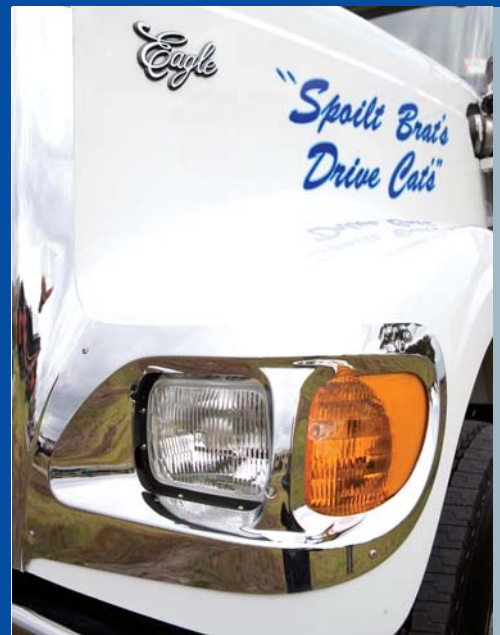
1.2 million tonnes of 100% recycled packaging paper annually.

In addition, Visy has constructed a \$400 million, plantation pine based, unbleached kraft pulp and paper mill at Tumut in New South Wales. The mill currently produces 310,000 tonnes of unbleached brown packaging paper and is a major investment in Visy's continued ability to recycle well into the 21st century.

The Tumut operation is growing and with plans to more than double production to 640,000 tonnes per annum it was time for the

company to take a calculated look at its transport costs. The result is Visy Logistics.

Craig Smith, Visy Industries' National Transport Manager used his experience gained from 22 years employment with the company to evaluate the entire existing transport system of sub contractors and external suppliers. Assisted by Helen Stevenson, the company's Commercial Accountant, a business plan was presented to the Executive Board that showed the potential for overall savings of 25-30 per cent could result from the establishment of an



**Helen Stevenson, Visy's Commercial Accountant with Craig Smith, National Transport Manager (centre) and Marcus Prato of Iveco dealer Adtrans.**

# omies of Scale

in-house transport operation centred on the Tumut operation.

"Visy always used owner/drivers or small contract based fleets but with the expansion of our operations in Tumut it became obvious that we did not have a sufficient pool of drivers that would cope with our future transport requirements," said Craig. "We transport raw materials into Tumut and bring finished paper products out to either Sydney or Melbourne. We looked at all options from road to rail and concluded that the sheer volume of business

required us to create our own transport company in order to have total control.

"We wanted to create a transport division that raised the status of drivers to the highest level of professionalism. Our choice of prime mover, the high level of specification and the high degree of support and fleet management control reflects these attitudes. In return we expect total professionalism from our drivers and a high degree of pride in their driving skills and their own presentation," he added.

The entire operation has been set up to



provide ease of legal compliance for a daily round trip of 1000 kms with quick hitching at Tumut for those drivers heading back to Melbourne. There's no delay and the staging points for rest breaks are timed to coincide with refueling points such as the Shell service station in Albury.

The incoming loads to Tumut consist of pine bark, wood chip, waste paper and pallets loaded into 25 metre, Vawdrey B-doubles that feature a curtain sider design with gates and an internal curtain plus a roll back roof. Jost JSK37CW fifth wheels with low friction inserts are used on all the prime movers and A-trailers, eliminating the need for grease on load bearing surfaces. Jost also provides the trailer landing legs.

Unloading at Tumut is somewhat unconventional. The A-trailer is moved backwards to join the B-trailer and then tilted to 60 degrees via a full-length lifting platform. Loading is running at a peak payload of 39.5-40 tonnes on both the inbound and outbound trips.

The outgoing loads of finished rolls of paper to Sydney and Melbourne are retained by peg holes mounted in the floor of the trailer that lock onto restraint systems for the reels. Being a high centre of gravity load with a product height of 2810mm, the deck height of the trailer is kept low by using 275/70R22.5 Bridgestone tyres to keep overall heights under 4.3 metres, aided by the Jost fifth wheel heights being 1200mm.

Management systems put into place for the prime movers include the establishment of fully maintained operating leases through the National Australia Bank's Custom Fleet Division of Melbourne. The business plan recognised a total "whole of life" approach of two years/one million kilometers with two drivers assigned to



**Cat C15s are running at 550hp. The interior cab layout and dash appearance of the Eagles spell quality all the way.**

each of the eight new prime movers to ensure 24 hour running over a five day week. An additional driver is available to cover for illness and vacation requirements.

"The drivers we hire will be the key to the success of the Visy Logistics Division," said Craig. "We want our drivers to represent the highest standards in the industry for driver attitude to the equipment and to other road users. In return they can expect to receive an annual wage in the region of \$87,000 per annum which is above average for a work schedule that enables them to be at home very night and not sleeping in the truck.

"By not being on the road for days at a time without getting home the salary they earn is what they take home. It's not spent on food and other items that result from being on the road for long periods. For that reason all prime movers are fitted with fridges for their own food and drink that they take with them if they wish," he added.

Visy Industries is no stranger to transport operations, owning in the region of 180 curtainsider trailers. When it came to buying prime movers for the new Visy Logistics division Craig Smith specifically went for premium specification North American drivelines with four International Eagle 9900i prime movers and four Kenworth T604s.

"Future orders for another seven units will depend on how these two products compare on the Tumut operation," said Craig. The engine and drivelines are identical with Cat C15s running at 550hp and 18-speed, double overdrive Eaton Roadrangers plus 4.3:1 diffs. The Eagles used Hendrickson Primaax suspension while the T604s have the Kenworth airbag set-up," he added.

The Eagles are the first single day cab units to enter B-Double work in Australia and were supplied through Adtrans Truck Centre at Laverton. General sales manager Marcus Prato explained that the final specification was a result of very close liaison between Visy Logistics, Custom Fleet and the engine and driveline manufacturers themselves. "With such a precise transport operation we were able to tailor specifications exactly to the work planned," he said.

The controls in place include the latest in real-time VDO satellite tracking systems supplied by Whittakers Speedometer Service to record individual vehicle location, speed, engine rpm, driver influence and fuel economy. With additional vehicle performance monitoring by Custom Fleet, Craig Smith is confident that every aspect of the Visy Logistics entry into transport will satisfy the company's stringent adherence to Duty of Care and Chain of Responsibility legislation.

"Our plan for the future is to interface the VDO monitoring system with our payroll system," said Helen Stevenson, the company's Commercial Accountant. "Driver's log on with their own personal keytag and this will automatically record their operating shift patterns for salary payment," Helen added.

Other driver benefits from the adoption of tracking and monitoring systems will create opportunities for a personnel rewards scheme.

"We also intend to use the KPI's [Key Performance Indicators] from the VDO vehicle monitoring systems as an incentive for a regular reward scheme including such benefits as a dinner for two at a local restaurant. Supporting this programme will be an ongoing involvement by Melbourne based Journey Management Pty Ltd, for driver training and fatigue management," said Craig.

Visy Logistics has based its operating costs around the ability of the B-double rigs to return fuel consumption figures at maximum gross weights of 62.5 tonnes each-way running of a minimum of 1.6 km/l with an expectation of improvement to 1.8 km/l. However, with an order for an additional seven prime movers pending, the pressure is on for strong competition between the Eagle 9900i's and the T604s to see if any rig can better these figures and approach 2.1km/l in economy. Either way it will be an interesting outcome.

Given the commitment of the company to establishing a high standard from day one, the final comment comes from Craig Smith. "We can control, we can reduce costs, the biggest issue is reliable, loyal drivers. Presentation is everything. By providing the opportunity to enjoy their job and dress smartly, we aim to inject pride into the profession".



**Transmissions are manual shifting with Autoshifts preferred for the future. Jost 5th wheels are grease-free with low friction inserts.**

