

Distribution logic

The distinctive Border Express trucks are a common sight around Australia. Celebrating 25 years in the business, the family management team, comprising founder Max Luff and sons Mark, Jon, Geoff and Grant, is embarking on a significant new venture. Charles Pauka and Melissa Waller report from Albury-Wodonga.

Marking its 25th anniversary, the company is expanding operations into integrated logistics. Building on recent years' solid growth of 30% per annum, the company has recently purchased a four-hectare site at the new Logic Park, just south of Wodonga.

The initiative of the Wodonga City Council, Logic Park is set to become a major hub for the purpose of manufacturing, distribution and warehousing in the Albury-Wodonga area. Set on 610 hectares of industrial land, the site runs adjacent to the Hume Highway and the Melbourne-Sydney rail line. Although this rail advantage is not being utilised at present, there are plans for it to become a major intermodal 'port' in the future.

Woolworths is already operating a 58,000 m², \$100 million regional distribution centre on a 25 ha site. In addition, Patrick has recently purchased a eight-hectare site for a 3PL warehousing facility and is the preferred rail terminal operator for the proposed intermodal container terminal.



Why here?

Strategically located on the major inland Sydney-Melbourne corridor, Albury-Wodonga is an ideal decentralised location for businesses unable to establish or expand within metropolitan areas. The twin cities have well developed road, rail and air transport infrastructure, excellent communications facilities and plenty of land still available for development.

The location of the park makes good sense and the council has invested a lot of time and effort, not to mention money, into the design and development of the site. By road the park is six hours from Sydney and Canberra and three hours from Melbourne.

Albury-Wodonga is also on the main rail line between Sydney and Melbourne. Passenger and freight trains regularly service the inter-capital route, stopping at Albury-Wodonga on their way. The park is sited right alongside the railway line, allowing for easy construction of sidings for the proposed inter-modal terminal.

By air Albury-Wodonga is serviced by the major national carriers either directly or through strategic alliances with regional airlines. Sydney is approximately one and a half hours away by air and Melbourne is approximately 45 minutes.

Albury is also well situated to service other regional centres with an extensive transport infrastructure radiating outwards by road, rail and air.



All systems go

Border Express warehouse and distribution manager Andrew Wickham is passionate about the company's expansion into warehousing. "Warehousing in the capital cities is becoming prohibitively expensive for many companies," he said. "Land prices are going through the roof and suitable flat sites, with good transport access, are becoming more and more difficult to find."

As most businesses distribute even amounts of goods to Melbourne and Sydney, it is surprising the regional concept hasn't taken off before. "If you are located in either of these cities, your customers will be receiving their orders overnight," says Andrew.

"Since Albury-Wodonga is well located between the two capitals, transport costs for overnight services into Sydney or Melbourne compare very favourably, and warehousing costs are significantly lower."

The newly-opened Border Express warehouse is 7,500 m² and has the capacity for 12,930 pallet spaces. 7,000 m² is dedicated to warehousing, and the other 500 m² for covered loading areas, which will allow product to be handled in all weather conditions. The site also features office space not only for Border Express staff but also for the on-site staff of future warehouse users.

At any given time the warehouse will be able to process four B-doubles and four rear load pans/containers. Adding to their ease of operation, the warehouse will incorporate Paperless Warehousing technology and Border Express have recently signed an agreement which will allow them to roll out this system to other warehousing sites where required. A versatile fleet of Crown forklifts will be providing the materials handling capability, with the number and kind of forklifts optimised to the nature of products being handled at any one time under a flexible leasing arrangement.

The building is fitted out with the latest double-deep Schaefer pallet-racking technology, ensuring safe, efficient operation designed to accommodate long-term pallet storage and live pallet picking, and can be fitted out with picking/packing systems to suit any number of product types. Taking advantage of being a green-fields development, the facility was designed with a high degree of flexibility, incorporating technology and OH&S standards that will ensure a long service life. The warehouse design also incorporates energy-saving and efficiency measures and can easily be fitted out to handle temperature-controlled goods if required.



The 7,500 m² warehouse under construction, now completed.





The warehouse will accommodate a wide range of product types.

The warehouse already has a number of new clients and once the warehouse is full, which the company is confident will be in the near future, construction will begin on the next building. Space has already been allocated on-site for this project, allowing for in excess of 12,000 square metres of additional warehousing.

From near and from afar

Albury general manager Geoff Luff says the new facility, while catering for local users, also aims to draw business from outside the region. While this may take somewhat of a mind-shift from traditional ideas of warehousing and distribution, Geoff is confident that the cost benefits of warehousing in Albury-Wodonga rather than one of the capital cities will appeal to their customers.

“What we’re developing is a one-stop-shop. We can bring the containers in from the port at Melbourne, de-stuff at our Laverton facility and bring the goods up here. We warehouse them, pick and pack, take them to the capital cities or wherever they have to go and distribute them,” Geoff said. “We have trucks going to all parts of the country every day, and facilities in all major centres. With the technology built into the warehouse, we can give them a real-time view of their stock position, and they can also locate their own warehouse management staff on-site if required.”

Although Border Express founder Max Luff says when he first started the company he couldn’t have imagined that their



operations would grow so far as this, to incorporate anything the scale of the warehousing facility they have just opened, he had always hoped for something ‘bigger’ for Border Express.

“First of all we believe in the concept of Logic Park and we realise that it’s research and development money to a degree. We will have invested about \$7 million there by the time we’ve finished the warehouse and we’ve got room for another 12,000 sq m. The philosophy is that not only will it generate transport, but it will also be an operating warehouse in its own right.”

“Over the last 25 years, we have built up an extensive, reliable nationwide transport operation. With the new warehousing facility at Logic Park, we can combine the two into what everybody is talking about these days, a truly integrated logistics service,” Max said.





Celebrating 25 years

When he began his transport company with just a shed and two semis, Border Express transport operator, Max Luff could never have imagined that 25 years later he would have a fleet of over 300 trailers operating out of all major capital cities.

Having begun his career as a teacher in 1953, one might wonder how Max came to find himself in the transport industry in the first place – the two don't exactly go hand in hand. However, it seems transport has always been a part of Max's life: "I used to spend all of my university holidays driving trucks. I lived in Bega and a guy down there always had a job for me, and he paid full truck driver's wages of about \$20 for a 70 hour week. We used to drive these trucks up and down the highway between Nowra and Sydney, back in the 40s and

50s. In those days there was no bridge at Batemans Bay, there was a punt across the river and we would have to queue up to get across."

Max's first teaching post was at Nowra, where he spent some time before one fateful weekend he found himself in Albury, and upon meeting his future wife decided it was where he would stay. At this point Border Express was not even a twinkle in Max's eye, and he spent some years working with his father-in-law, a produce merchant, before they began a joint transport venture. "It's quite remarkable when you look back, we started Albury Border Transport in 1959 and it was turning over about \$500,000 a year. We eventually sold it to Ansett Freight Express (who were later bought out by TNT) in the early 70s, and I went with them."

The third quarter

In 1981, Max decided it was time to go out on his own and started Border Express. However, after 20 years in the industry Max found he wasn't alone, having built some strong friendships with customers Moore Paragon and what was then Borg Warner.

"On the 6th of October 1981 we didn't have a business and by the 7th October we were doing national distribution for Moore's. We didn't have any prime movers of our own, but what Ansett had done was teach me the value of owner/drivers and sub-contract pullers. So I leased six flat-top trailers."

Max says if you were to compare his life to a football match, the third quarter would be all about Border Express. Max contributes some of the company's success to good decision-making early in the game and recognising good opportunities. After just two years of operation, for example, the company bought a share in

Finemores Transport, which was just coming out of receivership.

"This proved to be very beneficial over the years as Finemores didn't wish to compete in the Albury area. We worked with them when the national tenders were called for the newsprint mills.

"The coaching panel continued to make some very good tactical moves. By 1987 we had totally outgrown our Wagga Road site and we were fortunate enough to buy back the original premises that we had first purchased as Albury Border Transport in 1967. That was a long time ago!"

Building an empire

The Albury site was to become the new headquarters for Border Express, an impressive modern building from which the nationwide operations are co-ordinated. On-site they also have a nationally accredited in-house training program, which has trained 450 staff to date. They also employ an in-house development and support team of 14 IT staff for their integrated information systems.

Over the years, the company has continued to expand its operations to include warehousing and distribution facilities in every state. Border Express now owns facilities in Albury, Sydney, Brisbane, Adelaide, Barnawartha and two sites in Melbourne. They also lease additional facilities in Melbourne, Canberra, Perth, Gold Coast and Darwin. From these sites Max employs a massive 650 staff, as well as 90 tow operators and 80 sub-contactors.

A family affair

Amongst the Border Express team are Max's four sons who have worked alongside their father to build the company into what

is today. Geoff and Grant work with Max at the Albury office, whereas Border Express director Jon Luff operates out of the Sydney office and Mark takes care of the Melbourne operations.

With the company's 25th birthday coinciding with Max's 75th birthday, he is happy to see his sons taking such an active role in the business: "I see the company very much remaining in the hands of our family for the foreseeable future. I see the company going from strength to strength as the management team now settles down to the fine-tuning phase."

As somewhat an eternal optimist, Max's positive attitude gives him a youthful energy and it is this drive that has seen Border Express progress into such a successful business. And Max isn't planning on slowing down any time soon, with the new warehouse facility marking the beginning of a new phase for Border Express. 

