

TOLL Today

TOLL HOLDINGS LIMITED

New Acquisition....

Summer 1998/99



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Season's Greetings

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Paul Little, Managing Director,
Toll Holdings Limited

Maintaining Our Momentum

Following Toll's Annual General Meeting on 11 November 1998 and as we are approaching the end of the 1998 calendar year, it is timely to reflect on our current performance and our future strategic direction.

I am extremely pleased to announce in the 1998 financial year, the Company has achieved a number of milestones including:

- Sales increased by 82% to \$854 million and are projected to exceed \$1.3 billion for the current financial year;
- Earnings before interest, abnormal profits and tax increased 39% to \$20.7 million;
- Profit attributable to members excluding abnormal profits of \$1 million, increased 77% to \$13.7 million.
- Basic earnings per ordinary share increased to 30.7 cents up from 22.5 cents in the previous year.
- The Company's Balance Sheet was again strengthened during the year with gearing reducing to 35.8%.
- The Company's Total Asset base has more than doubled during the last financial year to over \$340 million with Net Assets climbing from \$62 million in June 1997 to \$110 million in June 1998.

The above budget result in the 1998 financial year can be attributed to our rapid progress in integrating the various businesses acquired from TNT, continued focus on cost management and ongoing success in winning new business.

It is acknowledged that the year has been extremely challenging for all employees and subcontractors. The dedication, commitment and effort by everyone involved in achieving our progress and results are commended.

Toll continues to experience growth throughout its activities - thanks to the effort of our employees across all sectors of the business. The Company's growth is expected to continue well into the millennium as more and more blue chip companies:

- seek superior and innovative solutions for their transport and logistics services;
- divest and outsource their non-core businesses; and
- rationalise and consolidate their key suppliers with an emphasis on developing long term partnerships with preferred providers.

Group trading for the first four months of the current financial year has been above forecast and significantly ahead of the comparable period in the previous financial year.

Cash flows have remained strong in the current year with gearing now marginally higher than the 36% recorded at June 1998.

The acquisition of IPEC has enabled Toll to advance its vision of structuring to become the largest fully integrated logistics and transport service group in Australia.

Toll acquired the IPEC operations from Mayne Nickless effective 5 October and is now trading as "Toll IPEC". The acquisition is a sound commercial transaction.

Toll IPEC provides time sensitive parcel services by road throughout Australia. The acquisition complements our existing freight forwarding activities for pallet sized consignments and strategically expands the Group's service capabilities.

'IPEC' is a very strong brand name in the time-sensitive parcel market. We have internally appointed a new Toll IPEC senior management team which has extensive national and international experience in time sensitive operations, to grow the business and maintain the brand name.

As with past acquisitions, significant synergy savings have been identified which will be achieved through the planned restructure.

Toll's diverse capabilities now range across strategic value added activities including:

- Intermodal long distance freight forwarding;
- Contract warehousing and distribution;
- Specialised remote regional services to the resources sector;
- Cold chain management; and
- Ports facilities management.

These service capabilities are offered throughout our national network of 250+ depots driven by 6,500+ customer-oriented employees and sub-contractors. Collectively, we service more than 40,000 customers with the movement of approximately 10 million tonnes of freight annually.

Toll will continue to grow and develop its network and service capability. The development of our culture to promote highly motivated employees will ensure the Company maintains its ranking as Australia's leading transport group.

Notwithstanding all of our effort to-date, we still have an enormous amount of work ahead. The challenges for the 1999 calendar year will be to meet the demands of our customers' changing requirements in a dynamic environment, and to achieve our operating performance budgets.

To realise these challenges we need to be committed to continuous improvement of our people, systems and processes and align these to effectively support our customers. Toll will remain focused on the provision of innovative and cost-effective solutions that add real value for our customers. Our commitment will be aimed at the following strategies:

- Develop and foster our people and use their enthusiasm for innovation and managing change;
- Develop long term relationships with our customers through a thorough understanding of their needs and partnering them in the provision of innovative solutions;
- Align our capabilities and build communications to respond to customer demands and changing market conditions.
- Build critical mass through our operational networks where customers can rely on Toll to provide them with a seamless service across the total supply chain; and
- Further develop our Quality Management System incorporating attention to environmental and safety issues and the pursuit of continuous improvement.

I feel honoured to be a part of this dynamic organisation where the staff's enthusiasm makes me proud and excited about the future. This enthusiasm provides Toll with the confidence of being able to face and tackle the 1999 challenges.

I take this opportunity to:

- Thank our employees for their professionalism, dedication and loyalty throughout the year;
- Thank our customers for their continued support throughout the year; and
- Welcome all new customers and employees to the Toll team.

On behalf of the Toll Board I wish everyone a great Christmas and a safe and prosperous New Year.

Welcome to IPEC Employees and Customers

Since our Spring Edition of Toll Today we have acquired a new business. The Toll Group acquired IPEC, Jetsroad and Overnighers from Mayne Nickless on 5 October 1998 and the business is now operating as Toll IPEC Pty Ltd.

I take this opportunity, not only to extend a warm welcome to our new employees and new customers, but to also commend them for their co-operation and understanding through the transition process. It is always very unsettling during an acquisition, but we endeavoured to minimise the impact throughout the process by undertaking a very open and forward approach.

From the onset of the acquisition we endeavoured to inform IPEC's existing employees and customers of Toll's intentions of the business. We were of course, excited by the opportunity to bring forward our planned introduction of a time sensitive parcel operation. IPEC will provide skills, structure and equipment to build a highly successful parcel operation to complement our existing capabilities. The Toll plan is to build the IPEC business and improve its high brand name.

I also take this opportunity to commend the experienced and capable team we put in place to implement the acquisition. Their development and implementation of comprehensive plans portrayed their professionalism and dedication.

Adapting to, and Managing, Change

Toll has realised its vision of becoming a provider of 'Total Logistics Solutions' through successfully acquiring businesses which build on Toll's core competencies. The acquisitions have achieved real synergies across the Group through our networks, resources, capabilities and expertise. A key focus has been on

being adaptive and managing change effectively.

It really stems down to managing change in a dynamic environment whilst maintaining the company's culture and business ethics. People do not automatically resist change, but certainly do react to having change imposed upon them, especially when this is done arbitrarily and without consultation.

We have been extremely clear and open about our vision of where the organisation needs to go in order to survive and be successful. This will play a major role in building an internal culture that breeds success and enthusiasm. Success and enthusiasm are infectious, therefore we continuously strive to improve our people, our systems, our sites and equipment to provide our people with the knowledge and tools to deliver the best possible service to our customers.

Although, Toll has grown to an over \$1 billion company, we are maintaining a focused corporate and business strategy to ensure we build on core competencies whilst maintaining customer intimacy to maximise service delivery. This will ensure we build and maintain long term relationships.

We are proud of our employees and customers and look forward to a long term relationship with all.

Wishing you and your family a very happy and safe Christmas and may the New Year be filled with excitement and prosperity.



Mark Rowsthorn,
Executive Director

In Memory of Mark Evans

All of us at Toll were saddened by the tragic loss of Mark Evans and our thoughts go to his wife, Dewita and children Ashley and Navarone. On 23 August 1998 at 12.05 am Mark Evans was on duty making a customer delivery to Wollongong when he was killed.

This sad day will remain with those closest to Mark and the family forever and only time will heal the intensity of the pain we feel today.

In memory of Mark and his family we have set up a Memorial Fund for the children's education. We hope that this will ease, to some extent, the financial burden. The Toll Board, management, employees, contractors and customers send their warmest and heart felt thoughts to the family.



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richard_raw@toll.com.au or paul_rush@toll.com.au

New Acquisition

The Toll Group and Mayne Nickless have signed a sale agreement for the acquisition of IPEC, Jetsroad and Overnights on 5 October 1998. The business is now operating separately from Toll's other freight forwarding activities and be known as Toll IPEC Pty Ltd.

Toll is excited by the opportunity to bring forward its planned introduction of a time sensitive parcel operation. The acquisition of these businesses will provide additional skills, structure and equipment to build a highly successful parcel operation to complement Toll's existing capabilities.

We have internally appointed a senior team (Toll IPEC Implementation Team) of experienced and capable people who have developed comprehensive plans to manage the transition and restructuring. The investment and restructuring will establish efficient operating systems to maximise service delivery that allows us to meet and exceed our customers expectations.

During the transition period the Toll IPEC Implementation Team visited most of the IPEC sites to extend a warm welcome to employees and sub-contractors and to respond to any questions.

Following the acquisition all employees, sub-contractors and customers were officially notified of the acquisition by correspondence and followed up with a visit. Toll is pleased that the sale had been well received by employees, sub-contractors, customers and the market.

The Toll IPEC Implementation Team has already identified network overlaps and implemented some strategic integration to achieve operational synergies.

New livery has been determined being the existing IPEC yellow and black colours with the addition of Toll to the logo.



Back Row from Left: Tony Terzo, Kel O'Neil, Peter Sheperdson, Joe Kosecki, Craig McClennand, Rod Johnstone, Geoff Jackson, Adrian Pitcher, Phil Bruggeman, Peter Wicks, Rod Sadler, John Collins
Front Row from Left: Austen Perrin, Lothar Biermann, Julie Feehan, Peter Tripodi, Pat Kearns, John Ludeke

Although there is still an enormous amount of work ahead, it is anticipated that there will be a smooth and efficient flow due to the high enthusiasm and eagerness of staff and the compassionate understanding of our customers.

A senior management conference was held over 1st and 2nd November 1998, at which our goals were established to identify opportunities to increase our customer base and to strengthen and equip our staff to return the best possible value and service to customers. Each State is now eagerly participating by developing their improvement plans.

On behalf of everyone at Toll I take this opportunity to once again welcome employees, sub-contractors and customers to the Toll Group and wish everyone a joyous Christmas and a safe and prosperous New Year.

Pat Kearns
General Manager, Toll IPEC Pty Ltd

Trauma Management Service

Toll is pleased to introduce a trauma management service to support staff following a traumatic event. The provision of a trauma management service for Toll is part of our ongoing commitment to caring for the health and well being of our national team of skilled and dedicated people.

Accidents and other traumatic incidents do happen and we recognise that these may cause psychological and / or physical injury. Traumatic incidents may include road accidents, assaults, robberies, industrial accidents, suicides and other life threatening experiences. Research indicates that the provision of professional assistance and support, following a traumatic incident, enhances recovery and reduces the chances of long term psychological problems.

Toll has appointed Davidson Trahaire to provide trauma management services to the Toll Group, Australia wide.

Davidson Trahaire has a decade of experience in the provision of trauma management services. Their reputation for quality, reliability and consistency has been built particularly through their role in establishing trauma management services in Australian industries. Their trauma management service is delivered by experienced, qualified and registered professionals,

who are available to provide on-site debriefing, counselling and consultation 24 hours a day, 365 days a year. Further, they provide support in the sensitive area of working with the family members of staff who have been involved in a traumatic incident.

Consultancy services to management teams are also available and cover issues such as:

- what to expect from staff who have been involved in a critical incident;
- how people generally respond in such circumstances;
- the symptoms that are commonly experienced;
- behaviours to expect and monitor;
- managing employees who return to work after an incident; and
- providing assistance to employees in maintaining job performance.

These services are offered nationally through Davidson Trahaire's eight offices and 40 regional locations.

Details regarding contact procedures are currently being drafted. In the interim, for further information contact Rod Walters, General Manager Human Resources.

Ford Provides New Challenges

The beginning of January marked the beginning of Toll's new contracts with Ford Motor Company of Australia Limited. The new contracts have provided Toll with many new challenges, leading to innovations in technology and operations.

The Ford work is divided into what they call "inbound" and "outbound" freight services. Inbound freight services cover the movement of automotive components from Ford's suppliers located in NSW, SA, QLD and VIC to their major assembly plants located in Broadmeadows, Geelong and Brisbane. Outbound is the term Ford use for the movement of automotive parts and accessories from their central Melbourne warehouse to their 75 major dealers located throughout Australia.

To oversee these activities, Ford has appointed Toll to the role of Lead Logistics Provider. In this role Toll is responsible for optimising the logistics effort through coordinating their transport requirements to give a least cost service.

Prior to the awarding of the new contract Toll had a long term relationship with Ford through the outbound contract which Toll (through Interlink) had held since 1991. It was through this contract that Toll provided day to day proof of their ability to pro-actively provide service innovation that resulted in genuine service improvement and cost downs to Ford. This track record was fundamental to Toll's success in securing the business.

The Ford contracts are truly an integrated Toll Group operation as they combine operational elements from across Toll including Toll SPD, Toll Express, Toll Linehaul, Toll IPEC and Toll Logistics Automotive Division. The Automotive Division has responsibility for account managing the Group's activities at Ford as well as providing operational capability for the Lead Logistics Provider function and the Melbourne and Geelong supplier milk runs.

Toll SPD provides the full load operating infrastructure for our road operations that moves suppliers' materials from Adelaide and Sydney to Melbourne. They also coordinate the full load rail operation that moves automotive parts and accessories from Ford Customer Service Division's (FCSD) Melbourne warehouse to the major Ford dealers throughout Australia. Toll Express is involved in supporting the less than full load activities from suppliers located in Ballarat and various interstate locations, whilst Toll IPEC provides overnight Vehicle Off Road (VOR) Services nationally.

Prior to the commencement of the new contracts Ford did not have its Melbourne based suppliers on milk runs. The new milk run operation is a result of Ford's need to have more control over

the movement of materials into its plant. The new milk run operation has reduced the number of vehicles entering their receiving docks to less than a third and has made material control simpler and more visible.

The Melbourne milk run operation has been an opportunity for Toll to develop a new level of technical and operational expertise that will have potential application across the Toll Group. The introduction of an integrated routing and despatch system has provided enhanced operational flexibility for optimising the milk run operation and providing Ford with

Logistics Analyst Karin Diep uses the CAPS routing software to produce the routes used daily by the milk run vehicles that pick up production parts from Ford's Melbourne suppliers.



Fleet Supervisor Shane Coster controls the twenty trucks servicing Ford's Broadmeadows and Geelong Plants.

the technology to control its material flow into the plant. The system has been developed in

conjunction with Toll Logistics Automotive Division, Toll I.T. Department and Berty Systems. The details of the system are outlined in the article entitled 'Toll takes Technology on the Road' – featured overleaf.

The other aspect of the inbound operation that has broken new ground for Ford has been the introduction of "mirrored" deliveries from major Sydney suppliers. The concept of "mirrored" deliveries allows an even flow of material to the production plant. Toll provides two evenly spaced B Double road deliveries from Sydney and Adelaide each day. The second delivery is a mirror image of the first. This provides Ford with greater material control and lower line side inventory holdings of the components, ie: reduced cost.

On the outbound contract Toll has introduced new 48' containers for moving parts and accessories to Perth to provide Ford with significant savings. As part of the outbound work Toll has developed in conjunction with Ford an I.T. interface via the Internet to facilitate the production of KPI's relating to tracking stillages and providing delivery performance reports for Ford's parts and accessories distribution.

Toll Takes Information Technology On Road

The Automotive Division of Toll Logistics, a member of the Toll Holdings Group, has purchased innovative mobile computing software developed by Australian Company, Berty Technologies, as a key component of its on-road logistical management IT solution.

The software forms a core part of the overall IT solution that assisted Toll to win the Ford Motor Company of Australia Tender earlier this year. It enables time-efficient management of all pick-ups and deliveries; provides accurate inventory records, including when parts will arrive; where deliveries are in the supply chain; controls supplier delinquencies and increases productivity.

Drivers access and input data from mobile data terminals. Other remote devices such as handheld computers, palmtop computers and EFTPOS based terminals may also be attached.



Driver Paul Drummond pictured entering pickup confirmation into the dispatch system, which then confirms delivery schedule back at Ford, Broadmeadows.

Wayne Hunt, General Manager, Toll Automotive comments "at the time of Tender, Ford was supplied direct by a minimum of 168 vendors amounting to as many as 140 separate deliveries daily. More particularly, not all deliveries were full loads; far from it – some trucks would carry a full load, others only a carton or two. The receival area at Ford was working full time trying to handle all the deliveries."

"Ford needed to introduce controls and management into their supply chain logistics. Toll Logistics looked at this part of the tender process and, due to the number and complexities of the pick-ups required, decided to seek an IT solution which would meet Ford's criteria as well as seamlessly work within our own logistics system."

The software developed by Berty provided the solution. Colin Rosen, Managing Director, Berty Technologies said "we were delighted to work with Toll in forming a solution which would enable complete real-time management of the complex logistics required by Ford".

Developed as an open, windows-based product, Berty provides a true end-to-end solution from the point of data entry through to back office, accounting and invoice generation.

Michael Farrell, Electronic Commerce Analyst – Information Technology, Toll Group comments "we chose the Berty system because of its wide-ranging functionality, open systems technology, flexibility and user friendliness, also the software required only minimal modifications in order to comply with Ford's production schedule and to provide a foolproof supply management system."

Since its appointment, Toll has been able to reduce the number of daily deliveries into Ford from 140 to an average of 55 full loads operating to planned daily delivery windows at Ford.

Toll drivers unload their own vehicles, enabling Ford to concentrate on the Lineside supply of componentry. This has been achieved through management controls, sophisticated logistical routing and real-time communication facilitated through Berty.

Berty provides complete supply chain visibility. Ford's order processing system provides each supplier with a MRS (materials requirement schedule), sent electronically up to 60 days in advance and updated weekly.

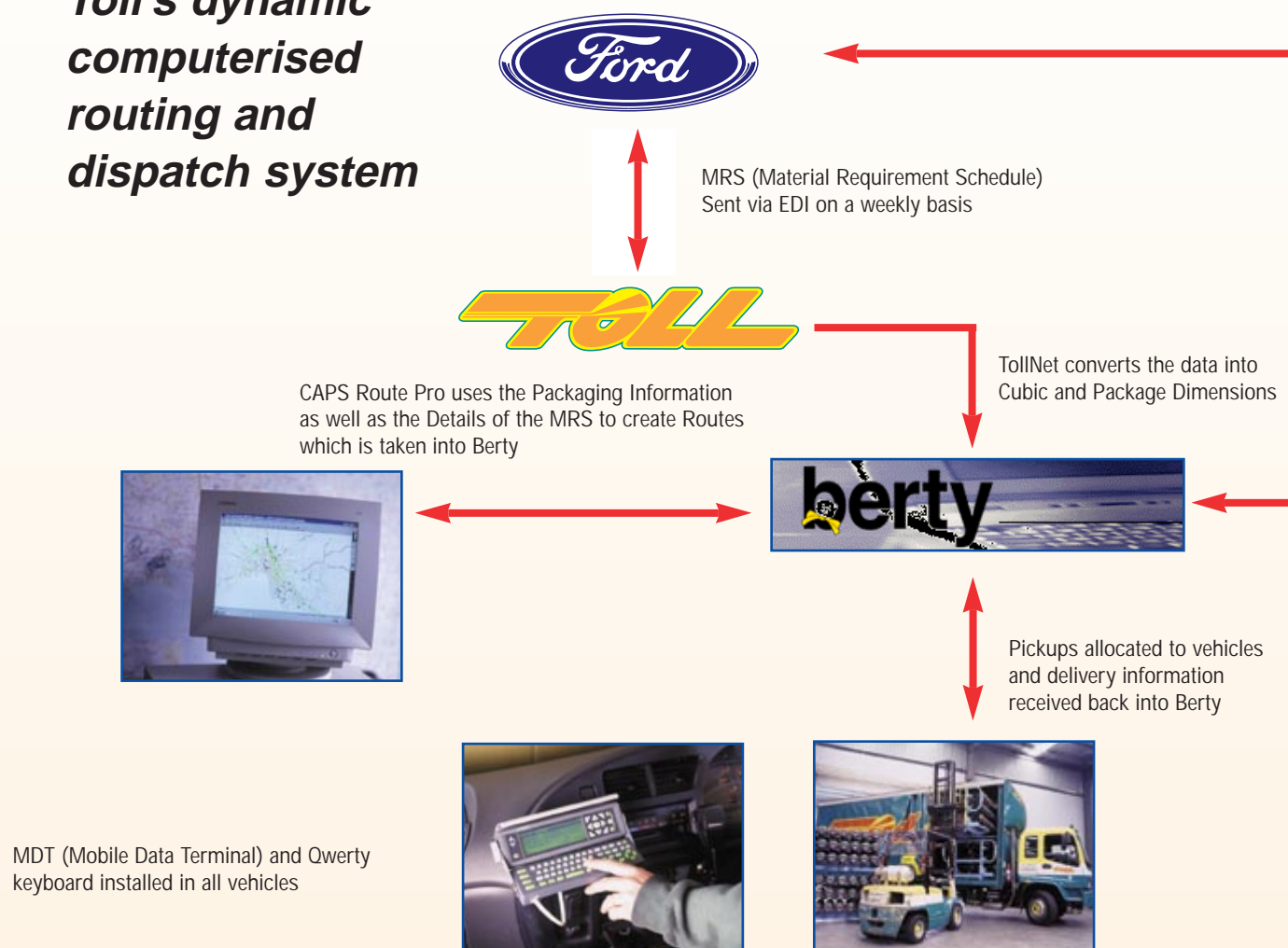
As part of the measures to control deliveries into Ford, suppliers are given a time-slot for pick-up. Toll captures this information and the MRS details via TollNet, establishes outer dimensions and transfers the information into the CAPS route pro (logistics modelling and routing tool) system which then works out the schedules and routes and sends the data to Berty. As the drivers log onto the system, Berty advises their next job, what they will be collecting, what time they need to be there, information on KANBAN cards, and, if appropriate, any stillages that are to be dropped off.

At any time, the system may be interrogated by individual part number to establish delivery status. This provides Toll with greater logistical control as well as the ability to respond to ad hoc requirements. For example, should production requirements change and additional parts are urgently needed, the system permits re-routing, or will schedule an ad hoc job, to accommodate the change.

Real cost savings to Ford will be obtained from reduced inventory made possible by the system's management capabilities, which allows for "safety stocks" to be reduced significantly. Ford is impressed with the technology capabilities and, together with Toll and Berty Technologies, are looking at the next phase of implementation which will introduce barcode wand at pick-up and delivery.

Each component within the supply chain is ordered by a KANBAN card, which relates to a container of parts. When the KANBAN barcode is scanned by Berty, the data is downloaded through the Berty system to Toll's back office where an ETA is attached to the information. This information is then sent electronically to Ford

Toll's dynamic computerised routing and dispatch system



where the KANBAN is cross-referenced to identify the supplier, the parts, quantity and delivery time. The direct benefit will be total accuracy and visibility of supply.

Another way in which Berty contributes to the streamlining and management of the business is through the use of KPI's (key performance indicators). In order to keep to the schedules, Toll is reliant on suppliers adhering to their pre-agreed time slots. Each supplier has a Service Level Agreement with Ford to supply the required components on time.

Delinquent suppliers may face heavy financial penalties should their non-compliance result in production down-time. In this respect, Toll acts as a facilitator between Ford and the supplier to ensure the task is completed on time. KPI's help to measure and manage this task by comparing real data with forecast data.

For example, the routing schedule will allocate a time period for each pick-up and delivery. When the driver arrives at the pick-up, arrival times are recorded within Berty, once the vehicle is loaded departure times are recorded, which then enables the driver to obtain information relating to the next job. Berty has an immediate record of the time spent at each job, this is compared with forecast or pre-determined agreed times and any variances may be further queried to establish the cause.

From this information it is not only possible to identify any extraordinary delays at a specific supplier, it also allows for the routing system to be constantly refined by comparing actual travelling time between destinations with that assumed by the system. This will enable Toll to continually reduce dead time, an issue caused where the vehicle arrives early at the next collection, and sits idle until the programmed loading time is reached.

Wayne Hunt advised "the Berty system provides Toll with a leading competitive advantage. We (Toll) won the Ford Tender (a five year contract worth around \$75 Million) on the strength of our ability to provide and ensure superior levels of supply management and control, Berty is a key contributor".

Toll intends to extend the use of Berty across its enterprise. Martin Dunne, Toll Group's National Manager of Information Technology advised that "Berty is currently being considered for Toll Express and the first phase of implementation will take place in Sydney within the next month or two". Beyond that, Toll will look at deploying Berty within IPEC, purchased from Mayne Nickless in October 1998, and then ultimately across the Toll Holdings enterprise.

Coca Cola Amatil appoints Toll for Metro Distribution

Coca-Cola Amatil (CCA) has awarded the contract for metropolitan distribution services for beverage products from CCA's Kewdale depot, Perth (WA) as well as local distribution at Bunbury, Albany and Katanning, to Toll Logistics. In submitting our proposal, we were very conscious of CCA's desire for a solution that maximises operational efficiencies. Specifically this includes management and operation of the total distribution process for route and bulk product.

Toll commenced the contract on the 1st September 1998. After the awarding of the contract to us we introduced a new fleet of vehicles to service the CCA operation. This fleet in excess of 20 vehicles has been commissioned, the majority of which (core fleet) have been livered in CCA colours. The additional vehicles

are livered in Toll colours with the provision for CCA livery billboards to a standard and configuration acceptable to CCA.

Todd Bail, who previously ran the Castrol distribution contract in Perth, was appointed as Contract Manager. Todd and Craig Curtis (a new recruit to Toll who is Todd's Shift Manager) have been working closely with Murray Rance, Toll's regional representative in Perth and Toll Logistics staff to consolidate the operations in keeping with our tender submission.

Toll is looking forward to continuing to work with CCA in an open partnership environment, where our lead logistics skills can provide significant benefit to their business, ensuring the formation of a true partnership environment to the mutual benefit of both Toll, and CCA.



National Rail Contract

The largest Pulp & Paper manufacturer in Australasia Amcor Ltd, is currently one of Toll Holdings' largest accounts, the business residing within the Logistics Division. Part of the existing business involves the operation of the "Toll Paper Train" which carries 200,000 tonnes of Paper & Pulp per annum to inter and intra-state destinations. This operation involves Amcor, Toll and VLine in a tri-partite arrangement.

With a view to a modal change from road to rail forwarding and the consequential cost savings involved, Amcor and Toll commenced discussions 10 months ago as to how this might be achieved. The task involved mills located along the Eastern seaboard of the mainland as forwarding points to various converting plants and customers located in all states, using both VLine and the National Rail Corporation (NRC) as a line-haul medium. Toll, as incumbent on-site contractors at the Mills would load and then re-deliver the product on its arrival in the various state destinations.

Total tonnage involved in inter-state movement is predicted at 175,000 per annum; in excess of 80 specially designed new rail tautliners, fitted with five track Jo-Loda systems, are involved together with 25 new air-bag suspension skeletal trailers. Additionally Toll will utilise its existing heavy forklift equipment and strategically located warehouses in each state in implementing this huge logistical operation. Of special significance to the operation, are the existing information technology systems of Amcor, Toll and the NRC, which will allow hourly load status information to be available and actionable.

Toll was awarded a three year contract by Amcor to provide these services from 1 July 1998.

For further information regarding this contract, contact Garry Harding, General Manager, Manufacturing Logistics on (03) 9791 4355 or Merv Hunter on 0419 529 831.

Lunches For Kids – John Nash Transport Community Initiative

In November 1991 an article appeared in the Herald Sun newspaper reporting that as an effect of the economic downturn, children in the Dandenong area were fossicking in rubbish bins for food. When Ken Perry at Fine Choice Auto Sales read of their desperate plight, he resolved then and there to build a lunch trailer and get a program up and running.

With assistance from within the Dandenong community he was successful in doing this, and in February 1992, with the help of the Lions Club of Dandenong, Ken and many others began cooking lunches at Greenslopes Primary School.

This was a 20 cent lunch for the children that had 20 cents, but those with no money did not go hungry. The lunch consisted of a sausage in bread with sauce, apples, and a glass of orange juice. This was a successful start to the campaign, spreading immediately to five schools in the local area. By the third school term a second trailer was introduced, giving the opportunity to service more schools, and thereby more children.

Ongoing success was extremely dependent upon sponsorship. Fine Choice Auto Sales, originally a Dandenong motor vehicle dealer but now at Nepean Highway, East Brighton, is a founding member and provides staff for the lunch program once a week along with accounting services.

Sponsors include Tip Top who donate all the bread requirements; BOC Gases (formerly CIG) supply the trailers with BBQ gas; South Gippsland Ice Supply, allow the use of their cold storage facilities in Cheltenham Road, where the apples, orange juice and low fat sausages are stored. Good rates for the apples, orange juice and sausages are obtained from Sellers Orchards (Dandenong Market fame), Berrivale Orchards and Huttons Smallgoods respectively.



John Nash Transport, which is part of the Toll Logistics - Manufacturing Division, located on Greens Road Dandenong supports in various ways, from storage, maintenance and painting of the trailers to the use of their board room for meetings. John Nash is an active member of the Lunches For Kids management committee, has made cash donations and has also donated the services of his staff in the production of a brochure. John works tirelessly with the program to ensure its ongoing success as he is a local business person supporting the local community.

Other supporters include The Big H Chemical Company; Gotcha Security Services; Tender Fresh Butchers and the Dandenong Lions Club.

Lunches for Kids could not have become what it is today. Apart from providing a nutritious meal for children, the program has also had a positive social effect. Mums and Dads, many of them up against the myriad social and economic problems associated with unemployment, have pitched in to assist in the lunch making. Mixing with other parents and doing something worthwhile lifts their spirits and self esteem. Behavioural problems with some children also dissipate on the day that they know will bring a BBQ lunch.

For more information, or if you can make a donation; please write to Lunches for Kids, PO Box 4061, Dandenong South, 3164.



1998 Kalgoorlie Cup

For the third year in succession, Toll in conjunction with Castrol, hosted the 1998 Kalgoorlie Cup, which concluded a weeklong racing program in Kalgoorlie that has been held annually since the turn of the century.

The event is special in two ways – it not only displays the unique relationship shared with Castrol but, it is the feature event of the Kalgoorlie Race Round – respected by many for the activity and patronage it generates in the Goldfields region.

With the highest attendance ever recorded at the ‘Melbourne Cup’ of the Goldfields, our clients were treated to a fun packed day supported by a full program of light entertainment.

The challenge now for Tony Didio of Toll Express and Hamish Moffatt of Castrol is to go ‘one better’ for our clients in 1999.

Photo left to right: Hamish Moffat, Sales Manager, Castrol, Marilyn Streeter (partner of Paul Streeter from KLGm), receiving Door Prize, as Tony Didio, Toll Express, looks on.



Toll Express Brooklyn Enterprise Bargaining Committee

Following the merger of the Toll Express operations in Mt Waverley to the Toll Express Brooklyn site, the Enterprise Agreements for the previously separate sites had to be put into a single readable document.

That task was delegated to the Toll Express Mt Waverley / Brooklyn EBA Committees, who along with Arthur Woods and TWU Victoria Branch organiser responsible for the yards, met with Toll Express management team members, on a weekly basis until the task was completed.

The Toll Express EBA Committee representatives were drawn from all shifts and classifications across both the former sites to ensure that all facets of the EBA and the need to develop a workable document was produced.

Not only did the Toll Express EBA Committee develop a comprehensive document covering Drivers and Yard staff, they did it without disruption to work schedules or disputation. The meetings were held in the Toll Express Brooklyn Boardroom every Tuesday from 7.00 am to 9.00 am for a period of six weeks.

The meetings not only produced a new enterprise agreement, but also contributed to improving the working relationship and communication flow between the workforce representatives and the senior management team.



What had been envisaged a difficult unrewarding task by all participants at the beginning of the talks was recognised at the end of the negotiations to have contributed to developing a team spirit which had produced benefits for both employees and the company alike.

Photo:

Standing left to right: John Harvey – Supervisor Brooklyn, Eugene Cody – National Operations Manager, Rod Clohesy – Terminal Manager, Martin Chambers – Driver Brooklyn and Kenton Muller – Branch Manager.

Seated left to right: Justin Orr – Owner Driver Delegate, Graham Jones – Leading Hand, Les Young – PM Supervisor, Tom Wells - Supervisor, Arthur Woods – TWU Organiser, Wayne Johnson – Driver Brooklyn and Alan Thornton – TWU delegate Brooklyn.

Toll SPD Embarks On Culture Change Program

With the recent merger of the TNT Container Express business in addition to the Mayne Nickless and Brambles acquisitions, "The Way We Do Things Around Here" was somewhat fragmented.

General Manager, David Jackson, believed the potential available in the "new business" could only be maximised if the current "modus operandi" was challenged and challenged by all people in the business.

It was then that Operation Leapfrog was born. A program that ensured we would become the best and leapfrog over our competitors was developed. All that was required was an open mind and a willingness to participate.

A series of weekend development programs across the nation were scheduled at secluded locations where Dr. John Hill facilitated the very hands on program. It consisted of team building and problem solving, where teams competed fiercely for the winners trophy.

Not dissimilar to our work environments, all participants were keen to know the progressive score (or how the business was going). The mechanics developed to measure performance were implemented in the participating workplace locations. All participants understood the common goals for the business, developed a new approach and took ownership of the program.

At the final conference held in Perth, the attendees were asked if they would like to write an article for Toll Today and the rest of this article is an extract of what they had to say.

"The weekend taught us to take action and be a part of it, not just spectators on the stands. We learned to operate as teams with the emphasis on listening to all team members, not just the noisy or pushy ones. We obtained some valuable insights about our personalities, behaviour and how others perceive our behaviour. The greatest lesson we learnt was that we have to involve everybody as people are our greatest asset."

"The team activities we undertook brought out some very fierce competition between the two teams and proved just how much 'scoreboards' drive us along."

"We finished with an activity where we perished in the Arctic Circle. Had we involved the whole team, the sum of all ideas and input may have saved our lives. The moral of the story is that we must learn to listen and work with people who see the world differently to ourselves. We all have valuable information to share. We all can make a contribution, which will affect and impact positively on the business and our lives."

"On the way back from the weekend we noted that whilst some of us began the weekend with some reservations and a degree of trepidation, we were provided with a clear understanding of the direction and future of Toll SPD. If we want intelligent, commercial decisions made in our business, we must give our people all of the information. Who knows how far a committed team can take us?"



*The group attempting one of the team activities.
From front: Vanessa Cooke, Stuart Barnett, Julie Holmsted,
Peter Mackinnon, Sean Daley*

"The weekend provided the opportunity to take time out to listen to some words of wisdom, spend time with our work colleagues and look at our work environment and situation from a different perspective."

The general consensus around the country is that Toll SPD has embarked upon a program that has got everyone talking about how we can do things differently, smarter and more efficiently. Scoreboards are now appearing in the depots and they are being driven, not by the managers, but by the drivers, forklift operators, operations teams, administration teams and sales teams.

It is clear that vision with action can change the world and everybody has something to contribute. Just ask anyone at Toll SPD.

Toll SPD Bulk Business



A Toll container at a 45 degree angle attached to the new bulk conveying system developed by Toll SPD.

Following the integration of Toll SPD and Container Express there is a combined revenue of bulk freight which represents 10% of the total Toll SPD revenue.

This is a significant segment of the business which, we believe, will have sustainable growth from both existing and new customers.

Types Of Bulk Freight

Dry Flowable Products - Most of the products are flowable and are unloaded by gravity discharge. The products include soda ash, fertilisers, urea and grains.

Other products associated with the food industry, such as sugar and malt, for example require food grade quality containers and / or protection from contamination through the use of fully enclosed plastic liners.

The method of operation is to load products into specialised 6.1 metre containers through top roof hatches.

Cargoes are discharged from small hatches located in the doors and gravity fed into a hopper or below ground receival facility with the assistance of a tipping skel trailer.

Toll SPD has in excess of 800, 6.1 metre containers suitable for the carriage of bulk and palletised freight.

Many of the bulk commodities are raw materials and move on the traditional backloading lanes to the manufacturing centres in Melbourne and Sydney.

The two-way movement of containers under load improves the asset utilisation of equipment and the competitiveness of Toll SPD in the market.

Non Flowable Products - This area refers mainly to commodities described as powdered products and include cement, flyash and magnesium oxide.

These products will not flow easily and in addition to the tipping trailer require further assistance from the use of aeration mats on the container floor, vibrators and / or vacuum conveying system.

The current method of operation for the carriage of these products in bulk are by sea (large volumes) or by road in pneumatic tankers (smaller volumes).

These products have densities of 700 kg and excess to the cubic metre and are most suited to the rail and sea mode of transport.

Toll SPD has developed a method of operation to transport and convey commodities of this type in containers by rail and sea.

Benefits to customers from the movement of product in bulk includes:

- The saving in packaging costs. For example, non-returnable bulka bags cost up to \$25 per bag with 10 to 20 bags used for every container.
- The saving in handling costs from the labour used at the point of packaging to the loading / unloading function, to the use of pallets and warehousing.
- The saving in linehaul costs from the increased payload of loading containers in bulk (say 25 tonnes) to packaged product (say 20 tonnes)

Flowable Liquid Products - These products are primarily lubricants and acids with a number having a 'dangerous goods' classification.

Again because of the dense nature and 'dangerous goods' classification they are suited to the carriage by rail.

They are moved in 6.1m ISO tanktainers provided primarily by container leasing companies or are shipper / company owned containers.

Toll SPD also works closely with other operating divisions and particularly has an interface with Toll Logistics Resources Division.

Collectively the two businesses can provide a total logistics solution to bulk customers. Toll SPD provides the linehaul and container equipment and the Resources Division provides the delivery function for bulk freight to regional centres / mine sites. This is particularly the case in Kalgoorlie and Port Hedland, WA, where a combined approach has been taken to service significant contracts.

Toll SPD – Shipping

In addition to the rail and road mode of transport, Toll SPD provides a sea option to customers particularly for the movement of freight between Brisbane, Sydney, Melbourne and Adelaide to Fremantle.

Toll SPD has recently finalised negotiations with sea suppliers which will maximise the service and cost options for our customers.

Each week there are around 120 containers arriving in Perth by sea which represents 20% of the total inward container movements to Perth.

Most of the Toll SPD container fleet that is 6.1m, 12.2m and 14.6m units are CSC plated and therefore suited for carriage by sea.

The use of sea provides our customers with the choice of mode which can result in lower costs for less time sensitive freight. If you would like to know more about the benefits of moving your freight by sea, please telephone John Haselhurst on 0419 217 140.



Who's The Turkey?



Being a one eyed North Melbourne supporter and missing them play in the 1996 AFL Grand Peter Dean of Toll Express Brooklyn decided that he would do anything to see his team play in the 1998 AFL Grand Final.

When Peter heard a Grand Final ticket give away on the radio called "How far would you go to win Grand Final tickets?" he thought of this as a way to see his team play in the Grand Final.

A radio station in Melbourne offered Peter two Grand Final tickets, but in return for the tickets, Peter had to dress up as a Turkey and follow Pauline Hanson and the One Nation Political party around country Victoria, while she was on her election campaign.

As they went through towns such as Ballarat and Kyneton, and Pauline gave her speeches, Peter had to get as close as possible when the media attention was on her and make turkey noises and flap his wings just like a turkey.

Peter won the tickets but the worst thing of all was that his team got beaten by Adelaide.

Thanks FOX FM.

Photo: Peter Dean – Local Driver, Toll Express Brooklyn.

Melbourne Cup

The girls from Brisbane were once again in Melbourne for the Spring Racing Carnival, this time accompanied by Yvonne from Adelaide.

Melbourne retailers noted a marked increase in trading as their credit cards were continually swiped. They even had to purchase another suit case to take the shopping home.

Champagne sales undoubtedly went through the roof and a good time was had by all.

"Special thanks to Eugene Cody (who now has a new nick name – dare we ask) who once again looked after us and to Kenton Muller and John Danaher and the Sales Team for their great hospitality on Oakes Day.

"Thanks Guys – See you all next year."



Left to right: Sonja McLeod – Administration Manager, QLD, Yvonne Stone – Customer Service Co-ordinator, SA, Sue Drake – Customer Service Co-ordinator, QLD and Linda Mysliwy – Receptionist, QLD.

Webb Dock Develops A Unique Workplace

During April and May this year management and staff at the new Webb Dock Terminal participated in the commencement of an innovative workplace project. The project, conducted by Des McGowan (a management consultant from Corporate Alignment), was developed to ensure that the different groups of staff brought together to form the new Webb Dock Terminal could develop a shared single workplace culture within the first six months of the terminal's opening.

The project has involved interviews and feedback sessions with all staff and management at the terminal, a survey of the customers of Seacargo, Seafast and Toll Tasmania (Brooklyn) and strategic planning meetings of management. Based on the

direct input from these primary stakeholders in relation to a preferred workplace environment and current levels of customer service, the project has produced a Vision, Mission and Values Statement that will have direct implications for all primary stakeholders of Toll Tasmania at Webb Dock.

Rather than let these valuable outcomes just 'sit on the wall' in the new terminal's foyer or in an annual report, teams and projects have now been identified to ensure the Vision, Mission and Values are gradually implemented throughout all aspects of the workplace environment at Webb Dock over the next 18 months.

Training Package

Toll Tasmania has embarked on a new training and assessment project to be known as the Toll Tasmania Training Package. With funding and training support provided by the Federal Government, seven Toll employees will form a project-working group to develop the new Training Package.

Each will undergo Workplace Assessor Training leading to eventual qualification as Category 2 Assessors.

The project will be led by Bob Biggar Toll Tasmania's Quality Manager, working in close association with the Specialised Division's Quality & Training Manager, Leanna O'Neill and with Toll Tasmania Senior Management's commitment and support

The Toll Group has expanded rapidly in recent years and it is considered vital that our training and development approaches meet the future needs of the company whilst fitting in with the new national training system.

Toll Tasmania has adopted the Transport and Distribution Competency Standards and Qualifications as the platform for its new Training Package.

These standards have recently been endorsed for the transport industry and should provide Toll the opportunity to customise its contents, so that it directly meets the company's needs.

The National Training Package consists of competency standards, a new qualification structure and guidelines on how to recognise an employee's competencies against the standards.

It is our intention to take these national materials and other relevant material that meets our needs, so that Toll will have a nationally recognised training and skills recognition system.

The benefits of this project will be significant for Toll and its employees. Toll will be better able to focus on its internal training and work functions, while our employees will receive recognition for the skills they have achieved on-the-job.



Top row, left to right: Bob Mulcahy, Tasmanian ITAB Executive Director, John Kelleher, Project Consultant and Peter Howard, Group Dangerous Goods Manager.

Bottom row, left to right: Chris Gardner, CUB Supervisor, Steve McNamara, Special Projects Officer, Brett Turner, North West Manager, Ann Murray, Branch Manager, Launceston and Bob Biggar Tasmanian Quality Manager.

It is anticipated that most of Toll Tasmania's permanent, operational employees will be awarded a Level 1 Certificate for the competencies that they have achieved while working in the transport industry and that many others will be eligible for higher level qualifications, based on their current skill levels.

This in turn will provide a better career pathway for many employees.

To achieve these outcomes, in the next few weeks the Toll Project Team will be selecting about 12-15 employees to participate in skills audits and assessment trials and to help develop the Training Package over the next 12 months.

This cross sectional selection of employees will come from Toll sites at Webb Dock and Hobart.

Once the results of this trial have been reviewed and opportunities for improvement implemented it is hoped that the Training Package may be "rolled out" in all Toll Tasmania and later across the Specialised Group.

Refrigerated Roadways Educates Bundaberg's Kids

Over the last four months Refrigerated Roadways hosted a Training and Awareness Program called "Living with Heavy Vehicles" at three Queensland State Schools in the Bundaberg area.

The Program, initially developed by Queensland Transport aims to make school children more conscious of road safety, particularly when walking alongside the road and riding bicycles around heavy vehicles.

Approximately 1100 children from Grades 4-7 had a 20 minute classroom presentation by Jeff Merrick (Refrigerated Roadways), Marie Shepard (Qld Transport) and the School's Adopt-A-Cop, on 'Bicycle and Road Safety around Heavy Vehicles'. The classroom presentation was followed by an external presentation where the children had the opportunity to explore and sit in the cab of a Kenworth B-Double. Other Refrigerated Roadways representatives were present to help with the external presentation and hand out sample bags to the children.

As Refrigerated Roadways' vehicles regularly travel past these schools, it is imperative that the children are educated on the risks and dangers associated with being around heavy vehicles. The program has the full support of the Queensland Transport School Safety Initiatives.

The importance of the program was highlighted by the attention it received from the local media. In fact, one local television network perceived the program important enough to have televised it on the 6.00 pm local news.



Thabeban State Primary School

Top row left to right:

Brian Ralph, School Principal,
Kevin Jones, Bundaberg Depot
Manager and
Rob Mercer, Produce Manager.

Centre row left to right:

Wayne Miller, OH&S Manager,
Kevin Goldsworthy, Driver,
Ian Genrich, Supervisor,
Maree Shepherd, Safety Officer –
Qld Transport and
Arthur Bond, Deputy Principal.

Bottom row left to right:

Jeff Merrick, National Training
Manager and Judy Kirschner,
Richers Transport.



Enough To Make Others Go Green With Envy

Since the last edition, Edwards Transport has taken delivery of five new 48ft Chiller/Freezer trailers. This is a milestone for the Edwards business as they are the first new pieces of equipment under Toll's ownership.

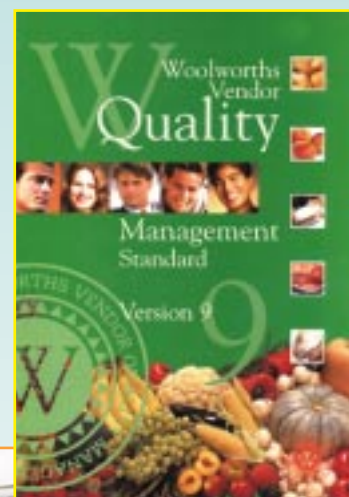
Compared to the existing fleet, the new trailers have increased capacity for up to four pallets or up to 2.5 tonnes pending increase to payload levels from January 1, 1999. This enables Edwards to respond to increasing competition in its mainland operations.

You will also note that the new trailers sport the new livery of the Toll inspired Edwards' logo. Gradually, the complete Edwards fleet will display the new logo.

In addition, Edwards has just successfully completed its Woolworths Vendor Quality Management Standard (WVQMS) gap analysis, which was conducted by Food Operations. The overall comment received was as follows:

"..... The current system is heavily based on its commitment to quality and safety initiatives to its customers..... The premises and facilities are of immaculate condition and operations / procedures certainly compliment the premises. There is every confidence in Edwards Transport as an Approved Supplier."

Edwards is very proud with the progression of Quality Assurance over the last 18 months and is now going through the process of integrating HACCP and WVQMS. We would like to congratulate all personnel with the overall achievements.



Carpentaria Acquires 'UTO'



On 10 August 1998, Carpentaria completed the acquisition of UTO from MIM Holdings Ltd.

UTO had long been a difficult competitor for both NQX and QRX for the past 10 years, controlling the major copper backloading volumes between Mt Isa and Townsville, and Townsville and Port Kembla.

During the past two years UTO had exited most of their non-MIM general freight activities. Consequently centrepiece of the acquisition is the Mount Isa Mine freight contract which has been secured for five years as part of the sale process.

The contract is Performance Based giving us the opportunity to develop a long term strategic alliance with MIM over the next decade.

The Carpentaria Division now provides National Road and Rail Freight Services for:

- Mount Isa Mines
- McArthur River Mining
- Ernest Henry Mining
- Copper Refineries Ltd
- Carpentaria Gold Ltd

Additionally, as a result of UTO's exit from the market NQX has also won the contract for Oakey Creek Coal – Tier 1 Queensland, another MIM Joint Venture.

John McMahon, Driver



The contract offers the Carpentaria Division excellent volumes on several strategic corridors.

Brisbane to Mt Isa	8,000 tonnes per annum
Townsville to Mt Isa	24,000 tonnes per annum
Mt Isa to Townsville	48,000 tonnes per annum
Townsville to Port Kembla	25,000 tonnes per annum
Townsville Local Haulage to Port	125,000 tonnes per annum

MIM operate Copper, Lead and Zinc mining operations in Mt Isa. Cloncurry and Boorooloola Smelting Lead and Copper Anode in Mt Isa which is then transported by Rail and Road to Townsville.

- Lead to the Port of Townsville for export.
- Copper Anode to the Copper Refinery in Townsville for refining to Copper Cathode which is either exported via Port of Townsville or sold domestically to Metal Manufacturers in Port Kembla.

As MIM had owned and operated its own inhouse transport operations for 30 years, this outsourcing exercise had many sceptics.

Operations have now been running for some 12 months and we are pleased to report MIM is very happy with our performance to date.

Toll can now proudly add MIM to its major account list.

The Carpentaria Division thanks Toll Senior Management and Board for the immediate and wholehearted support they offered in concluding this acquisition which went from start to completion in just six weeks.



Customer Service

In 1996, Carpentaria Transport committed to developing a centralised Customer Service Call Centre to service the divisions of NOX Freight System and QRX, The Transport People. Their research had shown them that while each division handled their own telephone business and enquiries, there was no actual data showing how well the customers were being serviced.

A survey of their customers revealed that the customer had a high priority on the following services. They required:

- Easy contact and fast to respond.
- Pickups to occur within a reasonable time frame.
- Freight is to be delivered within the agreed transit time in the same condition that it left their premises.

The Centralised Call Centre is able to monitor these requirements as it services:

- Pickups.
- Sales Enquiries.
- Customer Service Enquiries for the various divisions of NOX, QRX, QRX Refrigeration, Freshmark and UTO.

In its initial stages, the Carpentaria Centre was mainly reactive but now supports sales initiatives with proactive telemarketing campaigns.

The heart of the Centre is a Qmaster Automatic Call Distributor that allows management to adjust the call traffic flows according to peak call periods. Calls can also be channelled to specific staff members according to skill levels. The Automatic Call Distributor measures the activity and provides results on several of the Call Centres' Key Performance Indicators.

The main measurements for the Customer Service Consultants are all focused on the customers requirements. These measurements include:

- How fast do Consultants answer the phone?
- How easy is it to place a complete pickup?
- Is the phone number easy to remember?
- Can the same person who handles the pickup handle any other enquiries from the customer?
- Does the consultant sound friendly, professional and convinces the customer that they will act responsibly as the customer's agent?
- Does the consultant enhance the established relationship?

The National Customer Service Manager, Allan Ford, believes that the Carpentaria Customer Service Centre can rightly claim to be among one of the best in Australia today.

"Right from the start," he said "I have enjoyed the support of the Executive of Carpentaria, and we have had one goal, to be the best in the eyes of our customers!"

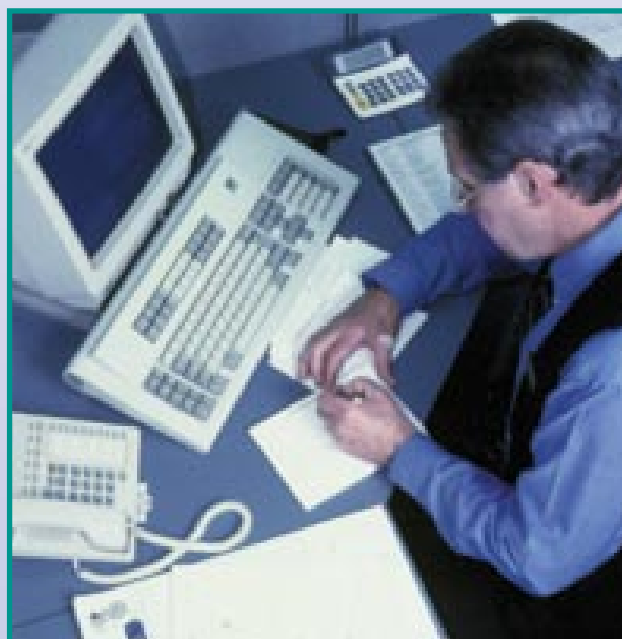
Allan explains why it is of utmost importance to receive internal support for the concept right across the network.

"The Customer Service Centre effectively removes the call traffic away from operations and allows them to concentrate on their business. At the same time, it is vital that each branch has a commitment to supply information to Customer Service in a timely manner. This information could be regarding changes to transit times, damages, shortages, missed pickups or misdirected freight. It is a key factor that our internal customers feel that we support their business plans."

The Customer Service Centre shares the same freight management system as the operations network so communications, freight tracking and service changes can be communicated quickly and efficiently.

Hugh Cushing, Carpentaria General Manager Marketing & Business Development when asked of the future said, "We are now ready to lift the bar and supply clear and precise information to operations, that will allow them to address areas where service failures or process non-compliance has been observed. It is part of an ongoing cultural change that recognises our transport customers requirements and the importance of establishing sustainable customer care relationships."


In an industry where 5% of telephone customers hang up before their call is answered, Carpentaria Customer Service, while responding to over 44,000 calls each month, reports an abandoned call rate of only 0.6%.



Timely calls taken at the Customer Service Centre

In a service organisation such as the Toll Group, challenges are an everyday event. Once in a while, people take time out to reflect on the outcome of such challenges. Shown here are endorsements to our efforts.

THE WAY WE DO THINGS AROUND HERE

 **MITSUBISHI MOTORS AUSTRALIA LTD.**
A.C.N. 007 870 395
FAX NO: (03) 9694 2880

MATERIALS MANAGEMENT DIVISION

TO: MR. W. HUNT
GENERAL MANAGER,
AUTOMOTIVE DIVISION
TOLL LOGISTICS

FROM: MR. K. BERMINGHAM
MANAGER
MATERIAL PLANNING
MMAL


SENDER NO: MM-0498

SUBJECT: MMAL VISIT TO MELBOURNE

Dear Wayne,

Just a short note to thank you and Kevin for your time on Thursday 22nd October 1998. The vendor visit and introduction to fixed time windows was successful, as a result of the planning by all Toll and Mitsubishi personnel. Can you please pass on my thanks to all involved.

Regards


K. BERMINGHAM



TELEFAX
Ref. No. 2340
Page 1 of 1
Date: 11/9/98
To: Toll Express
Attention: Alan Hobbs

Dear Alan,

CONGRATULATIONS

on your highly commendable personal attitude to customers' needs. Your help in dispatching our urgent order to East End Garage, Shepparton, yesterday was greatly appreciated. The goods arrived this morning as you had arranged.

What else can I say, 'NEVER LEAVE TOLL EXPRESS'!

Regards,


Jan Grant
Sales Administration Manager

Australia Pty Ltd
980 778
Respect Highway - Aust. Sales (02) 9674 6263
Spares (02) 9674 2133
Admin. (02) 9674 6263

22 June 1998
Ron Freeman
Toll Transport

Dear Ron

In the afternoon of Thursday 18 June, we had Toll Express come out and do a pick-up at our Clayton factory. Unfortunately just after the Semi had left our premises we had one of our New South Wales clients phone requesting an order be delivered to them the next day. We phoned Toll Express to see if it was at all possible to have this order to them the next day. Within 10 minutes we had another Toll Express Semi truck out to us picking up this order for us.

Thanks to the excellent customer service at Toll Express that order was delivered to our New South Wales client by 3pm the following day.

So on behalf of our Client in New South Wales and the Management at Otter Nails I would like to congratulate everybody involved on there excellent customer service.

Yours sincerely

MARK ROWE
Warehouse Manager

MR/jc



Revesby

TO: GEOFF LAUDER
PETER MILE

CC: JOHN LUDEKE

DATE: 01 SEPTEMBER, 98

ROBYN ANDJELKOVIC
KYM HALL

Ladies and Gentlemen,

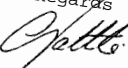
"The 1998 South Australian Meat Industry Awards"

May I extend my thanks and congratulations to all members of the Toll Express, Adelaide team who's efforts culminated in the winning of the 1998 South Australia Meat Industry Award for Packaging, Transport and Distribution, as presented Friday 28th August 1998.

Geoff has proudly forwarded to me a copy of the Master Ceremonies announcement, the final sentence of which reads "Toll and its employees are to be highly commended for their dedication to product quality and safety," heartedly concur.

Once again my thanks and congratulations.

Regards


Maurie Tattle
General Manager



31st August 1998

Geoff Lauder
Toll Express
22 Pedder Cres
Regency Park SA 5010

Dear Geoff,

Congratulations on your success on receiving the "1998 South Australian Meat Industry Awards for Excellence - Packaging, Transport & Distribution Category."

This prestigious awards clearly an indication of the consistent planning, application and dedication of you and your staff over a long period of time.

As a major sponsor and preferred Workers Compensation Agent for the National Meat Association, we commend your efforts and wish you well in the future.

Yours sincerely

Stephen Cunningham
BUSINESS DEVELOPMENT MANAGER

TELEPHONE (08) 8213 4224 FACSIMILE (08) 8231 3433
COMMERCIAL UNION GPO BOX 1985 ADELAIDE 5001
COMMERCIAL UNION WORKERS COMPENSATION (SA) PTY LTD ACN 081 979 053

The 1998 South Australian Meat Industry Awards for Excellence

Awarded to:

TOLL EXPRESS

Winner of Packaging, Transport & Distribution Category

TOLL EXPRESS operates from a modern, architecturally designed transport terminal at Regency Park. TOLL EXPRESS is a large and expanding business which handles a range of meat and meat products as part of its extensive warehousing and transport contracts for Woolworths Supermarkets in Alice Springs, Katherine and Darwin.

The Judges were particularly impressed by the company's customer focus which provides a "total transport solution" and the emphasis given to quality assurance and safety.

TOLL EXPRESS is licensed under the SA Meat Hygiene Act and is TruckSafe and ISO - 9002 accredited. Inspections at the warehouse revealed a comprehensive data recording and continuous tracking of product and its temperature while under the company's control.

TOLL EXPRESS exemplified the approach required in all links in the market chain from producer to consumer. Toll's attention to quality offered no opportunity for accelerated deterioration. Toll and its employees are to be highly commended for their dedication to product quality and safety.



NATIONAL MEAT ASSOCIATION OF AUSTRALIA
SOUTH AUSTRALIAN DIVISION

18 September 1998

Mr Geoff Lauder
Toll Express
22 Pedder Crescent
REGENCY PARK SA 5010

Dear Geoff

RE : 1998 AWARDS FOR EXCELLENCE

Congratulations on your win!

On behalf of the National Meat Association of Australia (SA Division) I take this opportunity to extend our sincere congratulations to you for winning the Packaging, Transport & Distribution Awards as part of the inaugural Meat Industry Awards.

The presentation dinner at Regency Institute of TAFE was certainly successful and it was pleasing to see the industry gathered together for such an event. There is no doubt that the standard has been set for the coming years.

Planning for the 1999 Awards for Excellence has already commenced and the organising committee has set a date in October 1999 for the presentation for the Awards.

I look forward to your participation in the 1999 Meat Industry Awards for Excellence.

Kind regards

PAUL SANDERCOCK
EXECUTIVE DIRECTOR

1ST FLOOR 100 GREENHILL ROAD
UNLEY SOUTH AUSTRALIA 5061
PHONE: (08) 8272 2400 FAX: (08) 8272 2433

New Appointments



Sharyn Villani joins Toll as
Secretary to Wayne Hunt, GM –
Toll Logistics Automotive Division



Evelyn Papadopoulos joins Toll as
Marketing Co-ordinator,
Toll Group and Toll Today Editor



Hugh Marshall joins Toll as
General Manager, Purchasing

A Day In The Life of... *An Operations Supervisor Looking Through the Eyes of a 10 Year Old!*



Operation Supervisor.

Job Description
 You will have a: Computer, Zepper, Printer, Phone, Office, Uniform, Scooter, Crates, Boxes, Fork Lift and some trucks. They organise all times and dates to deliver freight, on trucks to all the shops.

Personal Requirements

- Good hearing
- Good eyesight
- Good memory
- Loud voice
- Strong
- Aged 18 to 50
- A licence to drive a truck.

Education and Training
 You can get... trained on the job.
 You also have to learn how to use a computer.

By Trista Mietzel.

6:30
 It's morning. I rush around getting ready for work, and almost forgot my lunch.

7:30
 The phones are ringing off the hook and are giving me a head-ache. I start giving out orders to the workers, to get one truck loaded.

9:00
 It's lunch time and I don't want the lunch I have got, so I cross the road were my friend works, and get some food.

12:30
 I see our workers are not working hard, so I go out and tell them to get a move on, or else.

4:30
 There is only 3 hours till I can go home. At my home I live with 2 other people.

7:30
 Now it is time to go home. I have only a week till my pay packet.

Toll Racing Support Club

Toll receives many enquiries at Head Office and trackside from both employees and customers for Toll Racing posters, caps, polo-shirts and other items. Whilst we have stocks of brochures/posters and send them out free of charge, the cost and minimum order quantities for racing apparel, model cars, and other items make it prohibitive to commit to such expenditure without firm orders from interested parties.

Included here is a scale model race car complete with decals, and an artist's drawings of caps, tee-shirts and race jackets. If you are interested in purchasing Toll Racing apparel or the model race car, please fax the enclosed order form stating your size(s) and the number of each item to be ordered, by Friday 8th January 1999.

Once final order numbers and apparel designs are complete, the finished design copy will be forwarded to you, at which time there must be an order confirmation and payment (this is anticipated to be late January 1999).

With Toll Racing appearing in Melbourne, Sydney, Adelaide, Perth, Darwin, Cowes, Brisbane, Launceston and Benalla during 1999, it would be great for the team to be supported nationally by staff of the Toll Group kitted out in their Toll racing apparel.



Toll Racing Update

Toll Racing Bigger and Better For 1999

Following the securing of major sponsorship support from the Toll Group for 1999, Paul Little Racing has confirmed its commitment to contest all rounds of the Shell Touring Car Championships including the inaugural, The Sensational Adelaide 500 (9, 10 & 11 April), Perth (1 & 2 May) and Darwin (June 5 & 6).

The car will be a Ford Falcon, prepared by John Sidney Racing. John Sidney has prepared winning engines and race setups for Max Dumsey, (National Champion Sprintcards 1991/98, Nascar 1993), Kim Jane - Bob Jane TMarts (National Champion Nascar 1997/98) and Barry Graham (National Champion Nascar 1994).

John also assisted Glenn Seton during his successful 1997 Champion Touring Cars Campaign.

Other sponsors of Toll Racing include Walker Corporatin, Bridgestone Motorsport (Steel Cat Tyre Centres), Commins Diesel, Spies Hecker, Can't Tear Em, Sterling Trucks, Ampol, Graham Thomson Motors, Champion, Recar, Qantas and Ford Genuine Parts and Accessories.

At the official launch of the car in its new livery Wednesday 21 October 1998, Paul Little stated that Toll Racing's aim for 1999 is to achieve an overall Top 10 finish for the series, whilst also obtaining maximum media and corporate coverage for the sponsors.

All who have watched Paul Little Racing develop over the years, have no doubt that the level of preparation and commitment Paul and his team continue to demonstrate - will ensure no opportunity is missed to place the team on the winner's podium.

Bathurst 1000 1998 Race Report – By Anthony Tratt, Team Driver

The Toll Racing team arrived at Bathurst on Monday evening the 9th November in readiness for the big race of V8 Supercars. Tuesday and Wednesday were allocated days for setting up pit areas and garages, scrutineering of the car and checking of all driver and pit crew apparel for conforming to CAMS technical and safety requirements.

First day on the track is Thursday where the V8 Supercars get 2 hour practice sessions allowing the teams to find the correct suspension setting's needed to suit the circuit. During the first session which was dry, Toll Racing spent most of the time familiarising ourselves with the circuit and the speed of this fantastic track. At top speed down conrod straight our car reaches speeds of 280-285 km/hr through the super fast right hand corner into Caltex chase.

The 2nd session on Thursday was wet and we only spent around 1/2 hour in the car during this session as there is nothing to learn about the car if it is raining. Our fastest time in the wet session during practice would have placed us 20th out of the 45 cars entered for this race. This position driving in the rain soaked session was very encouraging for the team as we have never raced before at Bathurst.

Friday was qualifying day where we all had to put our best foot forward for a good position on the grid. Apart from a couple of quick qualifying laps, I mainly use this session to check the speed and handling of the

car. Due to some handling problems that couldn't be rectified during this session, we only managed to qualify 25th for the great race. John Sidney and his team worked late into the night, and most of Saturday reformatting the suspension in the aim of getting more power to the ground.

Saturday was a lazy day for the drivers, as the V8 Supercars do not go onto the track until 4.00pm in the afternoon. We have a one hour shakedown session which allows us to check all the race equipment eg: race engine, gearbox, driveshafts, axles and brakes which are all fitted to the cars on Friday night. Everything ran like clockwork during the Saturday afternoon session, with the set up in race trim and full tanks of fuel, the car showed very good speed and felt well balanced and comfortable to drive. John and his team enabled two seconds to be saved off our previous best with the revised suspension set up. If this were a qualifying session, we would have moved up to 14th place on the grid.

Sunday morning warm up arrived and disaster struck; as I was driving up through BP Cutting, an all mighty bang came from under the car. We had broken a tailshaft universal joint which was later found to be faulty even though they were brand new. Component failure can happen and generally does when you don't need it. All the crew members from Toll Racing had the car jacked up and the faulty pieces replaced in no time, still allowing us to line up on the grid for the race with about two minutes to spare. It was a fantastic effort by the crew to have done what they did with the time allowed.

At the start line we had a very bad vibration coming from the clutch. After leaving the line we had no clutch at all which was a side effect from the broken tailshaft earlier on. The tailshaft caused the carbon clutch to misalign which sent a massive shiver through the whole car; all we could do was soldier on and hope for the best.

The pit stop and driver change at lap 33 was very difficult due to no clutch. Second driver Bob Jones and the team led by John Sidney did a magnificent job in getting us back out on the track in very quick time without stalling the car.

After 48 laps with Toll now in 15th position, the fan belts (all three) decided enough was enough and parted company with their respective pumps. First - water pump, second - oil pump and third - power steering pump.

The race was over for the Toll Team, but a lot was learned and more experience gained during the week at Bathurst. I have seen other competitors not even complete one lap, but that is the nature of Bathurst. I now know why it is regarded as one of the toughest long distance events in the world.

See you at the track.



Caption: Toll Holdings Chairman Peter Rowsthorn pictured at the launch with Anthony Trass (Team Driver) right, and Bob Jones (2nd Driver / Endurance Races) to his left.



Staff Milestones

CLUB 10

Toll Logistics – Club 10

Anne McMullen, Resources & Government Division, Botany, NSW.
Bob Keith Claybrook, Resources & Government Division (Energy), Welshpool, WA.
Bruce Stuart Davis, Manufacturing Division (JNT), Dandenong, Vic.
Christine Walter, Food & Retail Division, Sunnybank, Qld.
Delia Beavis, Food & Retail Division, Chullora, NSW.
Gerard Andrew Carlin, Manufacturing Division, Darra, Qld.
Gregory Scrimshaw, Food & Retail Division, Keswick, SA.
Jeff Newton, Food & Retail Division (Unifoods), Knoxfield, Vic.
Julie-Anne Jaques, Beverage & Country Division, Botany, NSW.
Keith Wake, Food & Retail Division (Tankers), Chullora, NSW.
Livio Poloni, Automotive Division, (Bridgestone Contract), SA.
Mal Davey, Food & Retail Division (Unifoods), Knoxfield, Vic.
Malcolm John MacLeod, Manufacturing Division (TNT), Chullora, NSW.
Marnie De Vos, Food & Retail Division (Unifoods), Knoxfield, Vic.
Mathew Hokin, Beverage & Country Division (Tooheys), Lidcombe, NSW.
Merle Moden, Food & Retail Division (Unifoods), Knoxfield, Vic.
Michael McGeady, Food & Retail Division (Coles), Sunnybank, Qld.
Pheakdei Ok, Resources & Government Division, Mitchell, ACT.
Phillip Williams, Beverage & Country Division, Kempsey, NSW.
Robert Geoffrey Griffiths, Resource & Government Division, Botany, NSW.
Robert McInture, Beverage & Country Division (CUB), Cardiff, NSW.
Sharon Patricia Kemp, Food & Retail Division, Laverton North, Vic.
Sidney Pearce, Food & Retail Division, Keswick, SA.
Thi Lan Dau, Resources & Government Division, Mitchell, ACT.
Tommy Busuttill, Automotive Division (Toll Packaging), Campbellfield, Vic.
Trevor James Humphreys, Manufacturing Division (JNT), Dandenong, Vic.
Van-Vung Vu, Resources & Government Division, Mitchell, ACT.

Toll Long Distance – Club 10

Don Kidner, Toll Express, Smithfield, NSW.
Jason Pye, Toll Express, Smithfield, NSW.
Leonie Lloyd, Toll Express, Smithfield, NSW.

Toll Specialised – Club 10

Peter Barker, Toll Tasmania, Devonport, Tas.
Kenneth Pullen, Toll Tasmania, Hobart, Tas.
Athol Gamble, Toll Tasmania, Launceston, Tas.

Toll Carpentaria – Club 10

Alan Humphreys, NOX, Sydney, NSW.
Anne Cavanagh, NOX, Bundaberg, Qld.
Anthony Alvos, NOX, Hamilton, Qld.
Barrie Walpole, QRX, Mackay, Qld.
Brian Haynes, NOX, Brisbane, Qld.
Brian Willmott, QRX, Brisbane, Qld.
David Hughes, QRX, Mackay, Qld.
David Robke, QRX, Conrains, Qld.
Des Shipp, NOX, Brisbane, Qld.
Eric Hay, QRX, Townsville, Qld.
Frank Perregrini, NOX, Sydney, NSW.
Fred Argaet, NOX, Townsville, Qld.
Geoff Reid, QRX, Brisbane, Qld.
Graham Armstrong, QRX, Townsville, Qld.
Ivan Bailey, NOX, Melbourne, Vic.
John Schiffmann, NOX, Brisbane, Qld.
Ken Drury, QRX, Mackay, Qld.
Lori Siepen, Carpentaria Head Office, Brisbane, Qld.
Lyle Corbett, QRX, Rockhampton, Qld.
Mario Mifsud, QRX, Moolabin, Qld.
Mark Durbridge, NOX, Darwin, Qld.
Michael Garrett, QRX, Townsville, Qld.
Michael McConnell, QRX, Moolabin, Qld.
Michael Watts, QRX, Moolabin, Qld.
Neville Linke, QRX, Rockhampton, Qld.
Noel Prendergast, NOX, Hamilton, Qld.
Owen Fitzpatrick, NOX, Brisbane, Qld.
Paul Thistlethwaite, NOX, Rockhampton, Qld.
Peter Smith, QRX, Conrains, Qld.
Phillip Kasperek, QRX, Moolabin, Qld.
Ray Gardner, QRX, Townsville, Qld.
Ray Millmore, NOX, Brisbane, Qld.
Roger Canavan, HO Finance, Moorooka, Qld.
Stephen Channing-Pearce, NOX, Brisbane, Qld.
Tim Kehoe, Human Resources, QRX, Moolabin, Qld.
Tracey Stewart, NOX, Brisbane, Qld.
Warren Major, Carpentaria International, Newstead, Qld.
Dennis Bollard, W & M Meat Transport Pty Ltd, Qld.
Lyndon Bunn, W & M Meat Transport Pty Ltd, Qld.
Bob Isaacs, W & M Meat Transport Pty Ltd, Qld.
Jim Lumsden, W & M Meat Transport Pty Ltd, Qld.

CLUB 15

Corporate – Club 15

Martin Dunne, Information Technology, Toll Corporate, Melbourne, Vic.

Toll Logistics – Club 15

James David Battle, Ports Division, Cardiff, NSW.
Keith Gordon, Geelong Port, Vic.
Violetta Mitankovska, Corporate Office, Mascot, NSW.

Toll Carpentaria – Club 15

Brian Brookfield, QRX, Brisbane, Qld.
Darryl Munro, NOX, Emerald, Qld.
David Hagan, QRX, Moolabin, Qld.
Ed Carruthers, NOX, Brisbane, Qld.
Greg Casford, QRX, Brisbane, Qld.
Ian Higgins, NOX, Mackay, Qld.
Jim Benstead, Carpentaria Head Office, Moorooka, Qld.
Ken Bailey, QRX, Rockhampton, Qld.
Kevin Williams, NOX, Newcastle, NSW.
Lesley Dunnett, QRX, Mackay, Qld.
Leslie Dunnett, QRX, Mackay, Qld.
Noel Ries, NOX, Sydney, NSW.
Peter Murray, Carpentaria Head Office, Moorooka, Qld.
Rod Gardiner, IT, Carpentaria Head Office, Moorooka, Qld.

Toll Specialised – Club 15

Tony Hughes, Toll Tasmania, Burnie, Tas.
David Woolley, Toll Tasmania, Hobart, Tas.
Rex Weeks, Toll Tasmania, Hobart, Tas.

CLUB 20

Corporate – Club 20

Bernie Canning, Toll Corporate, Melbourne, Vic.
Cheryl Barbary, Toll Corporate, Melbourne, Vic.

Toll Logistics – Club 20

Barry Shaw, Food & Retail Division, Chullora, NSW.
Dieter Beckhauser, Resources & Government Division (Esso),
Wurruk, Vic.
Ricci Revera, Food & Retail Division (Unifoods), Knoxfield, Vic.

Toll Carpentaria – Club 20

Jeff Williams, NOX, Brisbane, Qld.
Rod Taylor, NOX, Sydney, NSW.

Toll Specialised – Club 20

Wayne Donohue, Toll Tasmania, Launceston, Tas.
Andrew De-Ville, Toll Tasmania, Hobart, Tas.

CLUB 25

Toll Logistics – Club 25

Peter Annetts, Manufacturing Division (PGH Bricks), Cecil Park, NSW.
Lawrence Foley, Food & Retail Division (Coles), Sunnybank, Qld.
Geoffrey Jones, Beverage & Country Division (CUB), Cardiff, NSW.
David Bolitho, Food & Retail Division (Coles), Sunnybank, Qld.
Zac Poole, Food & Retail Division, (Unifoods), Knoxfield, Vic.

Toll Carpentaria – Club 25

Doug Weakley, Fleet Controller, Contrain, Qld.
Ed Wardrop, QRX, Townsville, Qld.
Graeme Rothery, QRX, Rockhampton, Qld.
Herbert Jones, NOX, Rockhampton, Qld.
Ron Carbis, QRX, Townsville, Qld.

CLUB 30

Toll Logistics – Club 30

Daniel Patrick Donovan, Beverage & Country Division,
(Schweppes), Archerfield, Qld.
Maurice Gosling, Beverage & Country Division, Kempsey, NSW.

Toll Carpentaria – Club 30

Frank Duce, QRX, Moolabin, Qld.
Peter MacDonald, NOX, Brisbane, Qld.



DIVISION	BUSINESSES	SERVICES
Toll Long Distance	Toll Express Toll SPD Toll Train Toll IPEC Toll Linehaul	Full load and less-than full load national distribution Multimodal Rail line haul operations Time sensitive road-express service for lightweight freight consignments.
Toll Logistics	Toll Automotive Toll Manufacturing Toll Ports Toll Beverage and Country Toll Resources and Government Toll Food and Retail	Specialised warehousing including overflow and cross-docking Inventory management National and contract distribution Port operation management Dynamic vehicle routing Sequence in line supply Packaging design and manufacture Recycling Project and facility management
Toll Carpentaria	NOX QRX W&M Meat Transport Carpentaria International Kimtrans (50%) R&H Transport (50%) Freshmark Malleys Transport (50%)	Specialist regional Queensland and Northern Territory carrier Multimodal Refrigerated freight services International freight forwarding National service capability Bulk and wharf services Fresh produce specialist carrier
Toll Specialised	Toll Tasmania Refrigerated Roadways Edwards NZ Forwarding	Cold chain management Coastal shipping Temperature controlled distribution and warehousing Cross-docking National distribution

THE TOLL GROUP DIVISIONAL OFFICES:

Division:	Address:	Telephone:	Facsimile:
Corporate Office:	Level 8, 380 St Kilda Road, Melbourne, 3004.	(03) 9694 2888	(03) 9694 2880
Toll Logistics:	52-60 Kent Road, Mascot, 2020.	(02) 9313 2593	(02) 9313 2533
Toll Specialised:	Level 8, 380 St Kilda Road, Melbourne, 3004.	(03) 9694 2888	(03) 9694 2880
Toll Long Distance:	52-60 Kent Road, Mascot, 2020.	(02) 9313 2593	(02) 9313 2533
Toll Carpentaria	839 Beaudesert Road, Coopers, 4108.	(07) 3845 8298/9	(07) 3892 9822

Six years ago we had a vision. Today's reality is that Toll is Australia's largest fully-integrated distribution company. We ended the financial year in great shape – we grew our sales, profits, earnings and dividends. Now, we're moving forward to realise the potential for: our company, our shareholders, our customers and our industry.

OUR VISION

**To be the most successful provider of integrated
"Total Logistics Solutions"
to Australian Industry.**

