

Continuous improvement



We're not standing still. Our acquisitions and growth must be supported by consistent policies, services and technology so that each of our divisions can concentrate on what they do best.

Above (from left): Peter O'Brien, Financial Controller; Rod Walters, General Manager, Human Resources; Bernard McInerney, Company Secretary; Ross McKean, Group Treasury Manager; Hugh Marshall, General Manager, Purchasing; and Michael Fox, General Manager, Property.

During the year, we established a small corporate support group to guide and help our divisions achieve their objectives.

As well as ensuring acquisitions are efficiently integrated into Toll, the group is responsible for both the consistency of our policies throughout the whole organisation and the development of an infrastructure for superior performance and growth.

The group's key services include information technology, purchasing, property services, risk management, treasury and human resources.

The right tools for the right tasks

The information technology team enables our businesses to give customers value added solutions.

Using an open systems approach, together with appropriate state-of-the-art technology, we have rapidly improved customer services in pursuit of best practice transport and logistics solutions.

The major changes that came with the TNT acquisition challenged our information technology infrastructure, but we are merging both communication and operating processes ahead of schedule and with minimal disruption. One great benefit is the standardisation of financial and operating systems throughout our organisation. We now have the capability to deliver seamlessly, externally and internally.

Toll people have exceptional talents, and we're building exceptional support for them to achieve even more.



Electronic communication analyst Michael Farrell tests Toll's dynamic routing and dispatch system with Martin Dunne, General Manager, Information Technology. Toll's vehicles, which service its Ford contract, all have on-board computers – another example of technology as a tool for better service.

During the year, we made significant progress developing software applications, including:

- customer interfaces through EDI services;
- online freight tracking systems;
- dynamic routing and scheduling and cycle-time management;
- warehouse and inventory management systems using bar coding and RF technology;
- electronic billing and imaging systems; and
- detailed customer reporting systems.

Purchasing power and partnering

We established centralised purchasing this year to improve our buying power, while lowering costs, rationalising suppliers, partnering others and developing equipment standards.

Part of the integration process for acquisitions is targeting cost reductions, and we have already made inroads with telecommunications, energy and consumables. Other big expenditure items, such as fuel, lubricants and tyres, are currently being addressed.

Making property work properly

Managing day-to-day property issues and supervising major development projects to meet our operating and financial needs is an increasingly important part of our business. A major achievement was the completion of the \$10 million Webb Dock facility within budget and on time.

In the next 12 months, we have planned a number of new projects, including port operations, rail and road facilities. We will also look at restructuring our strategic property interests.

Managing risk, every day

An ongoing part of our business is managing risk, and this year we implemented systems to ensure that the key areas, such as treasury risk management and insurance, have adequate controls, and our exposures are managed within approved policies and guidelines.

We also established a Year 2000 project team, responsible to the Board of Directors, to implement our Year 2000 compliance plan in a satisfactory timeframe.

While there can be no assurance that the systems of other companies on which Toll relies will be Year 2000 compliant in time, we are seeking supplier confirmation that they are addressing the issue.

Enterprising productivity, quality and safety

A large part of the success of integration of acquisitions is due to our human resources specialists. In the first half of the year they established a new framework for enterprise agreements that provided wage adjustments over two to three years in return for productivity commitments.

We have introduced a group-wide framework at depot level, refining it to meet the individual depot or contract needs. We achieved this continuing development of workplace relations notwithstanding the significant changes that occurred as businesses were merged.

To build on the exceptional talents within Toll, we will maintain the pace of development of our people in safety, training and quality of service delivery.

Think teamwork