

TOLL

TODAY

OUR NEW LOOK

POWERING THE AUTOMOTIVE INDUSTRY

How moving vehicle parts around the world requires clever thinking and smart planning

"DEAR PRIME MINISTER"

Michael Byrne calls for national road safety reform

NEXT LEVEL ECOMMERCE

Toll's new eCommerce hub is a game changer



CONTENTS

FEATURES



4

LIFTING THE SAFETY BAR

MAKING IT PERSONAL FOR SAFETY ACROSS TOLL

6

LIFTING THE SAFETY BAR

ROAD SAFETY AGENDA

Michael Byrne's six-point plan for road safety in Australia

9

BUSINESS SOLUTIONS

NEXT LEVEL ECOMMERCE

See what all the hype's about inside our new advanced automated fulfillment centre



14

BUSINESS SOLUTIONS

POWERING THE GLOBAL AUTOMOTIVE DRIVE

Toll is meeting the world's demand for the latest cars through our seamless end-to-end delivery experience

16

BUSINESS SOLUTIONS

INTRODUCING OUR NEW WORLD-CLASS TOLL RESCUE HELICOPTER BASE

17

OUR COMMUNITY

- 17 **5 MINUTES WITH...**
- 18 **TOLL EXCELLENCE AWARDS**
- 20 **JAPAN POSTS SIGNS HISTORIC AGREEMENT FOR EARTHQUAKE RECOVERY**
- 20 **SNAPSHOTS FROM AROUND THE GLOBE**
- 22 **MEET OUR NEW PRESIDENT GROUP OPERATIONAL SERVICES**
- 23 **TOLL'S GRADUATE PROGRAM**

TOLL

TODAY

EDITORIAL



Kathryn Mancuso

DESIGN



Tommy Skillen

ADVERTISING



Bernie Dalton

bernard.dalton@tollgroup.com

We would love to hear your feedback or ideas for *Toll Today*, email:

editor@tollgroup.com

Toll Group
Level 7, 380 St Kilda Road
Melbourne VIC 3004 Australia

TOLL



A year to reflect and a future to act on

Welcome to the second edition of our new *Toll Today*. As we close out the financial year 2018, I'd like to thank our customers, suppliers and employees for your support and commitment to Toll. It is important we acknowledge the progress our people and community have made in continuing to build a Toll that is poised for a bright and prosperous future.

Over the last several months in particular I've been out talking to customers, students, governments, employees and our global communities about some of the issues I'm passionate about, including the future of logistics and safety reform. Our work as a business on safety reforms continues with urgency.

In Australia, I have asked our country's leader for national consistency and regulatory changes in heavy vehicle road regulation (page 6&7). We have the answers, we now need action to avoid further unnecessary deaths on our roads. I won't rest until we make this happen.

With eCommerce changing pace rapidly, Toll launched its new \$160 million advanced eCommerce fulfilment hub in Sydney earlier this year (page 9-12) to help our customers support their customers to receive their online deliveries in record speed, with greater flexibility.

Investment in our people has also taken a great leap forward, as our Graduate Program expands on a global scale to attract a new generation of aspiring leaders into the dynamic world of logistics (page 23).

As always, I appreciate your support and trust in Toll as we enter the financial year 2019 with greater focus on our customers and their needs, as well as our people who will make this happen. Please ensure you read our Toll Excellence Awards where we highlight the incredible achievements of our people in striving for better (page 18).

I hope you enjoy the May edition of *Toll Today*.

Michael Byrne
Managing Director

FEATURED IN THIS EDITION



Eve Eadie

Five minutes with
Page 17



Peter Stokes

Meet our new President
Group Operational Services
Page 22



Graduate Program Goes Global

Meet our new talent
Page 23



Making it personal

Through a combination of focused workshops, robust process and practical application, Toll is getting real with safety for its people and communities

Toll is taking action to embed a safety-obsessed culture, with the roll out of incident and injury free (IIF) workshops across the organisation for all employees.

The IIF Commitment workshops are designed for leaders across the business and look at ways to activate people to be proactive about the safety of themselves and their colleagues on the frontline. The first of these two-day workshops have been delivered this year, with two in New Zealand and one in Sydney, with more to be delivered in Perth, Sydney, Melbourne, Singapore, Shanghai and New Jersey.

The workshops are having an impact on leaders' understanding of what's possible in making Toll incident and injury free, according to Richard Turner, Group General Manager Health, Safety and Environment. "There's a clear excitement among participants when they finish the IIF Commitment workshop."

"People see what's possible. There's a clear shift in mindset to 'We can make Toll incident and injury free – it's up to us, our leadership, and every individual to lead together as a team'," Richard says.

Executive General Manager in NZ, Greg Miller, says that business leaders were prioritising the two-day workshop. "We can

see the passion and work that is being done with these workshops, in making meaningful inroads in our safety-obsessed approach.

"As of early April we have had 360 people through our IIF program," Greg says.

The second phase of the rollout is the four-hour IIF Orientation workshops, which will be attended by everyone across the business as the program is delivered across the Group.

This workshop is where the workforce hears their role in achieving and actively creating the Toll IIF Culture through a series of conversations designed to examine, explore and understand our own relationship to safety.

Upon completion, participants are left an action – to focus on the one or the few things we can do that will make a difference for our own safety, the safety of our co-workers, our families and those we care about.

Richard says it is important that everyone at Toll experiences these workshops.

"Toll has never had a greater commitment to being safety-obsessed, and we will reap the rewards in safety outcomes by having every single employee and contractor worldwide take part in this IIF process."

Richard says. ●

"IT IS OBSERVABLE TO THOSE MANAGERS WHO HAVE SEEN THESE CHANGES THAT THIS IS A PARADIGM SHIFT IN HOW LEADERS AND MANAGERS ARE EXPECTED TO WORK IN A RELATIONSHIP WITH THEIR WORKERS"

– NEW ZEALAND IIF LEADERSHIP TEAM

"I WAS IMPRESSED BY THE QUALITY OF MANAGEMENT AND THE COMMITMENT THEY HAVE SHOWN THROUGHOUT THE LAST 2 DAYS... MAKES ME FEEL CONFIDENT THAT WE ARE DEFINITELY MOVING FORWARD"

– INDUSTRIALS 2017 IIF COMMITMENT WORKSHOP PARTICIPANT

Profiling

Richard Turner, Group General Manager, Health, Safety and Environment at Toll Group

Tell us a bit about yourself?

My wife Ange and I have a daughter, Emily and a son Jackson. We grew up in Wollongong, NSW, and left in 2003 to live in Vietnam before returning to Australia in 2009.

I started my career at BHP as an apprentice fitter straight from high school while I was playing rugby league for the Illawarra Steelers.

I didn't enjoy the fitting and turning and didn't see a future for myself in that, so when an opportunity came up in emergency response, I took that. Obviously working with the ambulance you see people after the event of a safety incident. I still remember the day when a tradesman came into the station and had to have four fingers amputated. I realised then that I wanted to be on the other side of the fence so I could make a difference before accidents happened – this is what took me into safety.

Over the years I've also held a number of senior roles with large organisations with responsibility for Australia, New Zealand, America and Asia in manufacturing, construction, logistics, warehousing, facility and waste management.

Why does safety matter to you?

The safety of our people matters to me. Absolutely no-one intentionally gets injured at work. They're always injured as a result of trying to do the job differently for their own benefit or for the benefit of the company.

In my 20 years I've personally investigated 13 fatalities, and seen far too many injuries. All of them could have been prevented and every one of them had an impact on more than just the injured person. Every incident needs to have an investigation that clearly identifies genuine root cause and corrective actions that prevent reoccurrence.

What's the best way to create a culture of safety?

It's important that individuals care for themselves and care for their workmates. You can have all the rules and regulations and procedures in place, but I say to people, when you were teaching your kids about safety, how many procedures did you run them through to show them how to be safe? None.

We teach our kids by demonstrating safe behaviours and genuinely caring. You see a kid's face light up when they're recognised, and adults are the same. We need to recognise people who show leadership in safety.

Nothing is more important than a colleague or workmate stopping someone from doing something that is unsafe.

What's your personal commitment?

I'm passionate about what I do and I don't want to waste time in getting the right outcome. Doing things safely needs to be instilled as a part of running our operations every minute of every day. We do it because we want to. I aim to have systems and processes in place to underpin the culture we desire so people go home safely every day.



Richard Turner
Group General Manager
Health, Safety and Environment

“NOTHING IS MORE IMPORTANT THAN A COLLEAGUE OR WORKMATE STOPPING SOMEONE FROM DOING SOMETHING THAT IS UNSAFE”

– RICHARD TURNER

Forklift operator creates award-winning safety device!

One of the ways Toll celebrates leadership in safety is through the Excellence Awards (see page 18 for full story).

The winner of the 2017 Safety Contribution Award is Jason Vellis, a forklift operator in a Toll Express depot in Melbourne. Jason is on the Health and Safety Committee and runs safety inductions for casual employees and subcontractors.

During this work, Jason noticed a potential hazard as vehicle drivers could not always clearly see when Check Weigh Cube (CWC) pedestrian staff were in an area.

On his own time, and originally purchasing materials with his own money, Jason created and set up warning beacons that flash a bright blue light to alert drivers that pedestrians are working within a three-metre radius. Jason's final prototype added a strap so workers could attach the beacon over their shoulders like a sash.

This simple and effective safety device is now being implemented at other Toll Express depots across Australia and Jason's initiative and leadership have been recognised through his Safety Contribution Award, with his achievements celebrated by the business.

Congratulations Jason from everyone at Toll. ●



Jason Vellis
Forklift Operator

Global Stop for Safety 2018 – coming soon!

This event will bring all of our teams globally together, to focus and reflect on safety – our number one priority – which is critical during our transformation journey. ●

“WE DON’T NEED ANY FURTHER RESEARCH, STUDIES AND COMMITTEES. WE HAVE IMMEDIATE, CRITICAL OPPORTUNITIES BEFORE US TODAY THAT, WHEN IMPLEMENTED, WILL SAVE LIVES. WE KNOW WHAT NEEDS TO BE DONE. IT IS TIME FOR ACTION”

– MICHAEL BYRNE



Toll’s six-point plan sets the road safety agenda

Toll is taking a stand on road safety in Australia, with Managing Director Michael Byrne’s open letter to the Prime Minister setting the political and media agendas.

In the wake of several highly publicised fatalities on Australian roads over Christmas involving heavy vehicles, Michael’s letter set out a six-point heavy vehicle safety plan and urged immediate action to save lives on the roads.

The plan called for streamlining of national legislation, as well as licensing systems and incentive schemes. It also reminded the public that in 93 per cent of multi-vehicle fatalities involving a truck, the other party was at fault, and proposed a

driver education campaign for all road users to help overcome this.

Michael’s concluding remarks included this call for immediate action: “We don’t need any further research, studies and committees. We have immediate, critical opportunities before us today that, when implemented, will save lives. We know what needs to be done. It is time for action.”

Michael’s letter also received strong support from the industry, with Michael Kilgariff, Managing Director of the Australian Logistics Council (ALC), fully endorsing the six points in Michael’s plan.

“The proposals contained in the plan are entirely consistent with longstanding ALC policy, and offer a clear pathway to

delivering improved road safety, not only for heavy vehicles, but for all road users,” Michael Kilgariff said.

Toll is continuing to lobby hard for urgent action and we will continue to work with government and the community to create safer roads for all of us.

“Toll is passionate about this issue and we won’t stop until we see common sense prevail,” says Michael Byrne. ●



Toll's six-point plan:

- 1** Have one rule book for heavy vehicles and heavy vehicle drivers across the country. No variations, no exceptions. This must cover a standard definition of a heavy vehicle as well as a national approach to: mandatory stationary rest times for heavy vehicle drivers, speed limits for heavy vehicles and a driver licensing system.
- 2** Introduce a national operator licensing system.
- 3** Enhance community understanding of how to drive safely around trucks, including through the graduated licensing system and education campaigns.
- 4** Incentivise and reward safe, modern fleets with life-saving technologies.
- 5** Make telematics mandatory for regulatory purposes.
- 6** Draw on private sector expertise from transport operators in any discussion on improving road safety outcomes pertaining to heavy vehicles.

VOLVO TRUCKS PROUDLY BUILT HERE



It's a little known fact that Volvo Trucks has been designing and building trucks right here in Australia for more than 45 years. When partners, such as TOLL, purchase a Volvo truck they are supporting Australian families and businesses through our 1,500 direct employees and 85 local suppliers.

Volvo Trucks has recently been awarded the certification to carry the iconic 'Australian Made' logo on our locally built Volvo FM and Volvo FH trucks – trucks designed & built right here in Australia, for Australian conditions and customers.

Volvo Trucks. Proudly Australian Made.





W

elcome to the impressive
world of automation

Consumer demands are powerful and changing rapidly,
and Toll is responding with a new facility to help
fuel eCommerce



Responding to the growing demand for online shopping in Australia, in February Toll officially opened its state-of-the-art \$160 million eCommerce fulfilment centre in Sydney this year.

The facility, set on around 33,000 square metres – equivalent to 27 Olympic-sized pools – brings together a series of automated processes with the capability of processing 70 million items a year, ready to meet the demands of Australians who spent about \$24 billion on online shopping last year, with this figure set to grow.

Meeting our customers' growing needs

Toll's President of Global Logistics, Chris Pearce says the new facility is a response to demand from its customers to provide faster fulfilment services, helping them raise profit margins and lower costs.

"Retailers will benefit from the ability to deliver goods to their stores and direct to customers faster and more efficiently. And shoppers will enjoy flexible order times and faster processing so they can receive their purchases within hours not days," Chris added. "This advanced automation technology will increase our productivity fivefold – capable of picking, processing and packing 70 million items per year."

But it's not all about speed. Some consumers would actually prefer free delivery than to pay for fast delivery. When that's the case, they'll use the click and collect process on offer. This service applies to a variety of collection points, as well as delivering goods on hangers to quickly replenish stock in-store.

"It's about flexibility. Our customers and consumers want choice in the way they receive their products," Chris says.

The success of the eCommerce facility is the outcome of two and a half years of planning and building, with the project borne from a partnership between Toll and anchor tenant, Specialty Fashion Group (SFG).

SFG's General Manager of Logistics, Alex Linton, realised very quickly when he started in his role five years ago that the volumes of orders that SFG would be doing in the future, warranted a facility of this scale.

"Our business was growing at a rate of knots in the eCommerce space," Alex says, with SFG owning retail brands including Rivers, Katies and Millers.

Toll was already engaged as one of SFG's delivery partners, and the two businesses started building a business case to create the new site, with an official partnership launched between the two companies in March 2014.

“IT’S ABOUT FLEXIBILITY. OUR CUSTOMERS AND CONSUMERS WANT CHOICE IN THE WAY THEY RECEIVE THEIR PRODUCTS”

– CHRIS PEARCE, PRESIDENT GLOBAL LOGISTICS, TOLL GROUP

“We’ve evolved together over time and the culmination is this Sydney facility which we have today, which will support the business for the next 10 years,” Alex says.

It means SFG can offer its customers a service that’s ahead of its competition, Alex says. “In terms of speed to market and accuracy, we’re able to process orders in the eCommerce space significantly faster than we ever have before.”

The whole middle of the supply chain

Toll’s Senior Project Manager of the facility implementation, Leon Land, says the project is an outstanding example of collaboration, technology and best practice.

“A lot of talented individuals collaborated on this project and pushed boundaries in what is possible with technology, customer alignment and expectations,” Leon says.

“Orders can be fulfilled faster than ever before. From the moment an order is received there are automated processes—from pulling out boxes of stock, selecting which box it will be packed in, adding documents, automatically optimising the size of the outbound carton, automated eCommerce processing stations and sorting deliveries into pre-determined chutes,” Leon says.

“This automation means you can turn an order from an electronic instruction from our customer, into a physical item ready to be dispatched, within about 30 minutes.”

Toll’s General Manager of eCommerce, Luke James, says providing flexibility and meeting customer expectations on the last-mile-delivery is important to Toll’s eCommerce strategy.

“The new eCommerce hub is exciting for Toll as it gives us the ability to provide differentiated service offerings to our customers because we are in control of



Inside the new automated eCommerce fulfilment centre.

their freight from end-to-end. The site is the lynchpin – it’s the whole middle of the supply chain,” Luke says.

“The speed of the new facility allows people to place orders late in the day and still get it into Toll’s freight networks for same day and next day delivery.”



Opening of the new facility – Executive Chairman, Toll Group, John Mullen; The Hon. Melinda Pavey MP, NSW Minister for Roads, Maritime and Freight; Alex Linton, General Manager, Logistics, Specialty Fashion Group; Chris Pearce, President, Global Logistics, Toll Group.

Obsessed with safety

The new facility achieves safety and environmental initiatives such as reducing the probability of safety incidents through a 70 per cent reduction in manual handling. The facility also has a four-star NABERS rating, is fully LED-lit, uses rain water harvesting and has a carton recycling machine.

“One of the things that we here at Toll are absolutely obsessed about is safety and the facility has been designed to maximise safety. It’s very impressive,” says Leon.

Examples of this, Leon says, are the driverless forklifts operating in an area where pedestrians don’t tread, and the trucks being wire-guided down put-away aisles where there’s no reason for humans to go.

“The overall design that barricades the right areas, the outbound mechanisation, the conveyors that go into the back of the trailers—all mean higher safety.”

The design is also ergonomical, with platforms spring-loaded to move up and down to the height of the pickers.

“This means less bending for the operators who are handling that stock,” Leon says.

Chris Pearce says he’s looking forward to continuing to grow with SFG and says it’s a big year ahead at the new facility, as more and more customers join the site.

“We’re currently working with a number of additional high-profile retailers, with a view to moving them into the site throughout 2018,” Chris says. “So they can deliver to their bricks-and-mortar stores and their online customers faster than ever before.”



\$160M

eCommerce investment



33,000m²

equivalent to 27 Olympic-sized swimming pools



Capable of picking, processing and packing

375,000

items per day or 70 million items/units per year



70%

reduction in manual handling



30min

from when a consumer pays to dispatch



200

onsite workers



System carries

29,495

pallets



1,935m

of Goods On Hanger (GOH) rail

Welcome to Zara

Global fashion giant Zara launched its online store to the Australian market in March and Toll is helping fuel deliveries.

Zara is one of Toll's newest customers at its new eCommerce hub in Sydney, with all Zara's online orders processed at the facility.

To meet peak demands driven by the media attention and customer excitement that surrounded the launch, Toll hired 190 staff working on 24-hour rotating shifts to fulfil Zara's orders in the first week.

Toll is moving all click and collect orders to Zara's 20 stores Australia-wide, as well as delivering to Sydney metropolitan and NSW country customers. Since the success of the launch, Zara has expanded its work with Toll to include delivery to all Perth and Adelaide customers.

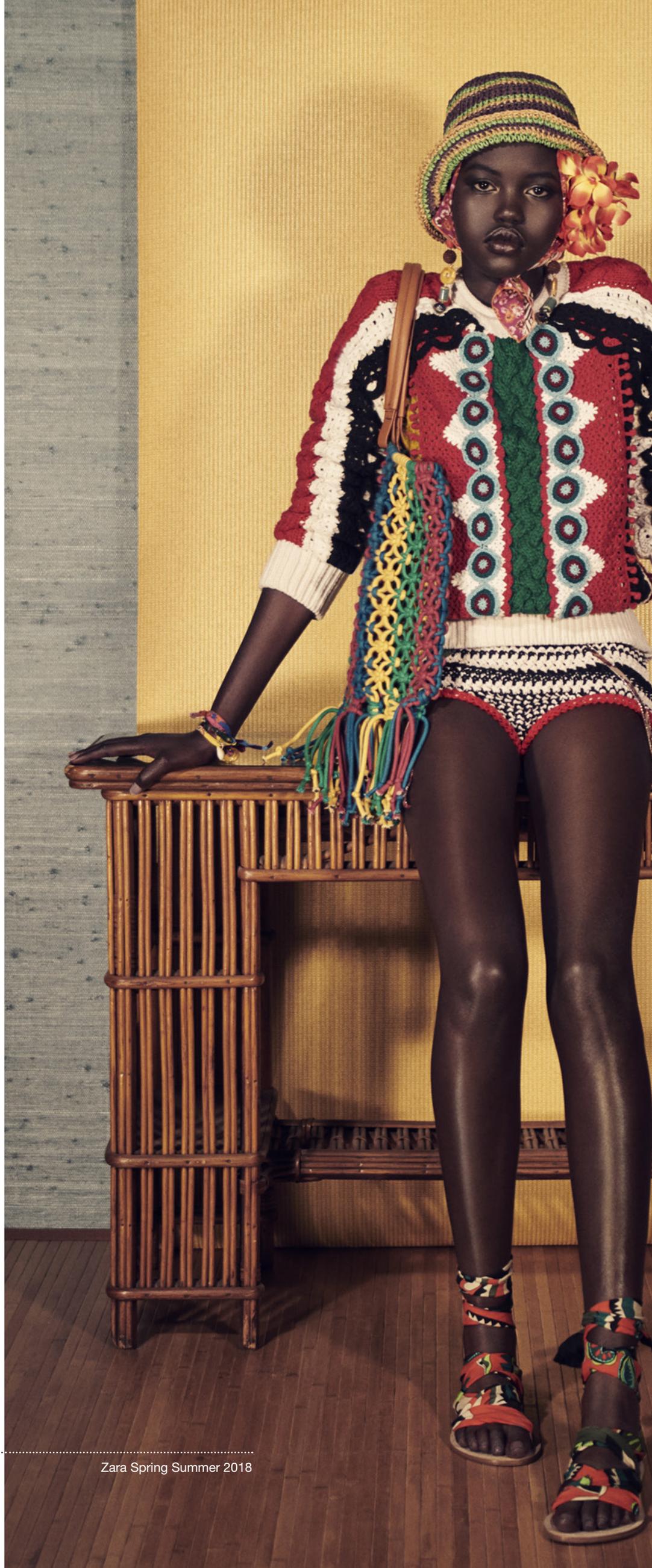
Jason Bush, Toll's Executive General Manager, Retail, Consumer & Healthcare, said Toll's ability to adapt quickly and provide a quality service was critical to being able to work together.

"Zara required a logistics partner in Australia who understands the dynamic nature of retail logistics and would be able to meet the unique requirements of their operation. This includes extreme volume spikes, the best levels of service in the online apparel market, and an ability to scale and grow the operation when and as required."

Zara has had a very strong operating performance in Australia over the last seven years. The company prides itself on knowing and delivering what their customers want, with meticulous attention to detail, and industry-leading technological innovation in every part of their value chain.

A key aspect of the service delivery required for Zara was not just speed to market but the quality of the product presentation and packaging. Toll understands that the unboxing experience is a critical aspect to the consumer in the growing eCommerce market.

Zara is committed to finding ways their operations can improve their customers' experience. They see great potential in the online market, and they believe that the quality of the zara.com/au service in Australia will be distinguishing. ●



Zara Spring Summer 2018

Toll hosts global Freight Forwarding collaboration panel in Dubai

Toll Global Forwarding leaders were joined by over 20 customers from industries including retail, IT/electronics, automotive, construction and industrials, to decode and debate current trends in the forwarding industry at the Toll 2018 Market Outlook in Dubai on 24 April.

Panel members included Emirates Skycargo and Ocean Network Express.

Thomas Knudsen, President Global Forwarding, Toll, who was also on the panel said, "We see a lot hunger in the c-suites of our customers to get ahead of the trends in forwarding.

"The panel discussion, which included lots of engagement for our customers and leaders in the audience, highlighted

the myriad of change and forwarding businesses and how our customers and Toll are gearing up for them."

There was no shortage of topics – from the use of technology in freight forwarding, industry disruptors, securing capacity during peak season, impacts of liner consolidations and regional market growth – there is an enormous change and possibilities in the industry.

Previously held in Hong Kong and South Africa, the event provided an opportunity for key carriers, customers and Toll to meet, collaborate and understand each other's markets, challenges and future opportunities in the Global Forwarding realm.



Eric Pilling, Global Head of Marketing and Sales, Global Forwarding, Toll Group; Khalid Bardan, Vice President UAE Sales, Cargo Commercial, Emirates Skycargo; Roger Witton-Smith, Director Commercial and Operations, Ocean Network Express, Dubai ME; and Thomas Knudsen, President Global Forwarding, Toll Group.

Powering the global automotive drive

It takes a creative, solution-based approach to meet the world's demand for the latest cars and Toll is in the driving seat...

With worldwide car sales peaking at \$88 billion in 2016, and strong growth forecast, Toll's automotive logistics solutions continue to expand to serve this exciting industry globally.

However, it's not a straightforward job sending cars, trucks, vans and all the associated spare parts around the country, and sometimes even across the globe.

But the diversity of Toll's transport fleet and its willingness to find creative solutions, gives Toll's automotive customers a seamless delivery experience.

Not only does Toll offer freight transport of vehicles and parts, movement of heavy machinery and equipment and warehouse management, it also works with customers to create innovative solutions that the industry has never seen before.

Shaun Mooney, who heads up Toll's global automotive team, says it's about getting as close to customers' business as possible.

"Our core focus at the moment is understanding our customers as well as they know themselves," Shaun says. "Only when we know them that well can we answer their needs and anticipate their requirements in advance."

Global capability

Shaun says the integrated approach in the automotive field has firmly established it as an industry expert in Australia and the focus is now on expanding globally.

"It is all about making it global," Shaun says. "It's about deepening our relationships with the key players in the industry and furthering our knowledge of their needs throughout the Asia Pacific and beyond."

Toll's relationship with Mazda provides a good example of this, Shaun says.

"Our primary relationship is with Mazda Australia and we've taken the relationship global – we have services out of Thailand and South Africa, we're doing work in New Zealand and we've started discussion with

"WHEREAS ALL THE OTHERS SAID, 'WE CAN'T DO THAT'... TOLL CAME UP WITH SOLUTIONS FOR HOW IT COULD WORK"

– ALDO SCHEPIS
Mazda Australia

their headquarters in Japan."

Shaun is looking forward to all that's on the horizon as head of the global automotive team.

"It's a really exciting industry, there's a lot happening. You've got autonomous cars in the not too distant future, you've got electric cars here now," he says.

"The other opportunity on our doorstep is China and India - as their level of wealth increases car ownership rates will rise rapidly," Shaun says.

"It's highly likely the whole centre of the automotive industry will shift to Asia."

Toll will be there with its customers, supporting them through every step of the industry's growth.

"Our customers will grow if their customers get better customer service. And we can help them offer better customer service through our global reach, our network and our expert knowledge of the industry."



Unique solution to moving parts

Toll has worked with Mazda Australia for more than a decade, since customising its service offering for the movement of spare parts around the country.

Aldo Schepis, Mazda’s Director of Customer Support, says Mazda decided to choose one transport supplier as a partner when it opened its parts distribution centre in 2011.

“We threw out a challenge to our suppliers and said, ‘What we want is a partner to work with on our logistics solutions’. They listened to what our needs were and then went away and modified whatever was the constraint at their end to be able to deliver us what we needed,” Aldo says.

“Whereas all the others said ‘we can’t do that’ ... Toll came up with solutions for how it could work.”

The particular challenge at that time was for Mazda dealers to receive only one delivery of spare parts per day, regardless of how many different places the parts were sent from.

“Having one consignment a day was a unique request and it wasn’t something Toll did, but they created a solution. Our dealers know their operations will continue with one delivery each morning rather than having multiple interruptions, and this means our vehicle owners have seamless availability of parts when they need them.”

Mazda has a new battery coming onto the market later this year and Aldo says he’s working with the team at Toll to find a closed loop solution in storing, supplying and recycling these batteries.

“This is not something Toll normally does, but together we’re looking at best industry practice and working on a solution.”

Close partnering for growth

Daimler-Mercedes works in close collaboration with Toll, and Lachlan Wymer, Senior Manager of Parts Logistics and Operations for Mercedes-Benz, appreciates the comprehensive scale of Toll’s supply chain options.

“We have the tyranny of distance in Australia and Toll provides opportunities for different ways and means of getting freight to our customers in the best possible way,” Lachlan says.

The relationship between Toll and Daimler-Mercedes has expanded during the decade that the two companies have been working together.

“About 10 years ago we brought Toll on board under a major freight tender and they now do all freight services for all of our spare parts for all of our brands,” Lachlan says, listing Mercedes-Benz cars, vans and

“TOLL NOW DO ALL FREIGHT SERVICES FOR ALL OF OUR SPARE PARTS FOR ALL OF OUR BRANDS”

– LACHLAN WYMER
Mercedes-Benz, Australia

trucks, freightliner trucks, and Fuso trucks. One of the unique services that Toll offers is placing a dedicated account manager, Natasha Regan, onsite at Mercedes’ national warehouse facility in Melbourne’s Laverton North.

“Natasha sits in the office right next door to my main operations team, and she’s a valuable support to the overall day-to-day business here,” Lachlan says. “The value add that her skill set is providing to our operation is highly regarded.”

This close alignment, which has been in place since Toll’s transformation began, means that Toll is able to observe and participate in the Mercedes business operations and propose solutions the business hadn’t considered before.



Pre-assembly storage by Toll for Mercedes-Benz, Thailand.

Introducing our new world-class Toll Rescue Helicopter Base

The Toll Rescue Helicopter Base at Bankstown Airport, NSW, Australia, basked under the national spotlight in January during an official ceremony to celebrate its launch.

NSW Premier Gladys Berejiklian cut the ribbon to a great round of applause from the crowd that included Toll Global Logistics President Chris Pearce, Toll Executive GM Defence and Government Mark Delany, NSW Health Minister Brad Hazzard, NSW Ambulance CEO Dominic Morgan, and the helicopter pilots, aircrewman, doctors and critical care paramedics who deliver the service.

Since the Bankstown centre opened 12 months ago, it's already completed more than 1200 rescue missions – making it the busiest facility in the southern NSW region.

Mark Delany, says this service gives communities in NSW and the ACT the safest and most capable aviation service supporting their air ambulance care.

“Our pilots and aircrew are some of the

most highly experienced and trained aviation professionals in the country,” Mark says.

Toll is leading this project after winning a 10-year contract to operate the helicopter ambulance operations after a competitive tendering process. Bankstown is one of four locations – the others in Orange, Wollongong and Canberra – servicing the southern region in the NSW Government’s state-wide Helicopter Retrieval Network.

The Bankstown facility also houses the purpose-built Aeromedical Crewing Excellence (ACE) training centre. It features Australia’s only OEM AW139 Full Flight Simulator, a virtual reality crew training program and a state of the art helicopter underwater escape training theatre.

Scott Watkins, ACE Training Centre Manager says: “Having these highly advanced training devices ensure that our crews are trained and prepared for the missions they face every day. Training at this level is setting new standards within the industry.”

For more information on the ACE Training Centre visit:

www.acetrainingcentre.com.au or check out Toll Air Ambulance on Facebook.



President Global Logistics, Toll Group, Chris Pearce addresses the audience at the opening of the Toll Rescue Helicopter Base.



Toll Rescue Helicopter Base, Bankstown Airport, NSW, Australia

Minutes with... Eve Eadie

NSW Same Day Driver
Bankstown Depot, Managed Solutions, Express Parcels



Eve Eadie

Tell us about your journey at Toll?

I've been working at Toll for nearly 40 years. I started on 5 July 1979, when I was 39. I actually started with Skyroad and I've been there ever since, non-stop through the different companies we've bought and sold.

Tell us a bit about your role and what does a typical day look like?

I get up at about 3.50am, do various things before I go to work, and get into the airport around 6.30am. It's a 50 kilometre drive for me, I enjoy it.

On a typical day, I clear the airport of any same day freight that comes in – Virgin first, then Qantas – advise the radio room operator, and work as I'm directed, either taking freight from the airport or picking up somewhere else. That takes up nearly the entire morning. In the afternoon it varies – I could be anywhere, it could be Mudgee, it could be Mayfair. I like to finish around

about 6pm. That's my typical day, it's more or less non-stop other than a half hour break, of course.

What's the most rewarding aspect of your role?

The appreciation from the customers, mainly, particularly with Same Day delivery. They really appreciate what you do and how fast you get the product to wherever they are - whether it's to the airport to get to other ports or from the airport to them.

We do a lot of medical deliveries and that's very satisfying. There are only a few of us on the fleet and we all work well together.

What do you like to do in your free time?

I love fishing, and I love my garden – I grow roses, I have two cats, their names are Muma and Baby.



Minutes with... Benny Lim

Head of Vertical Automotive and Industrials, Singapore



Benny Lim

Tell us a bit about your role?

I joined Toll on 1 October 2017 and I'm based in Toll City in Singapore.

The Automotive and Industrial Vertical formed early last year, and I'm responsible for the overall management of the profitability of the vertical, and that includes operations, account management, and business development in Singapore. There are slightly more than 100 people in my team.

What are some of the challenges?

In Singapore, the automotive industry is very challenging because the government restricts the number of vehicles that can be registered on the road by issuing Certificates of Entitlement. Every month there's only a certain quantity of cars allowed to register, and people have to bid for these certificates.

A typical bidding price for the ten-year certificate will be S\$40,000 to S\$80,000 (approximately A\$39,000 to A\$77,500), with the highest bid in the past few years going for S\$100,000 (A\$97,000). This caps the car population in Singapore and that limits the market growth.

Another challenge is competition in the market. There are quite a number of players in the automotive industry and we have to compete head on, particularly on pricing.

What are your objectives for 2018?

There are three objectives: one is to retain existing accounts, two will be to develop new accounts, and three will be to introduce innovative operational efficiencies and productivity improvements.

Where were you working before Toll?

I've been working in the automotive and transportation industry for 25 years. I worked with the Volkswagen group of companies – Audi, Man Truck and Bus – and also for SMRT Corporation in Singapore.

What do you like to do in your free time?

I go to the gym two or three times a week, I do a little bit of reading – mainly business books – and I enjoy spending time with my family.

I also like to travel and on our most recent holiday I went with my family to New Zealand for two weeks. We leased a car and drove around the North and South islands. We loved the scenery, particularly the mountains. ●

Toll Excellence Awards

The 2017 Toll Excellence Awards recognises individuals who've displayed the hallmarks of true excellence throughout the year, and teams who've gone above and beyond in delivering superior performance.

This year the awards recognise three stellar individuals: XingKai Tian in Global Logistics China for creating value for customers and improving our business; forklift operator Jason Vellis in Altona North's Global Express for designing a safety device on his own time that's now being rolled out across Express sites; and driver Dale Blindell in Tasmania's Global Express for delivering urgent blood to a premature baby in intensive care, even though his shift was over.

The three teams recognised in this year's awards are Kewdale Mining's Global Logistics, Energy Marine Global Logistics at Broome Supply Base, and the Global Forwarding in Vietnam.

Lesley Staples, Chief Human Resources Officer at Toll, says the awards are a chance to showcase the great talents at Toll and to remind everyone to strive for the highest standards.

"Toll is full of stars and I think it's important for everyone who works here to see that they are noticed, appreciated and thanked," Lesley says.

The Toll Excellence Awards celebrate our unity and reinforce our belief in teamwork.

"We all enjoy seeing others shining and being successful. This contributes to everyone feeling proud to work for Toll."

They're also important for promoting a culture of safety, Lesley says.

"The winning initiatives will reduce the likelihood of us hurting someone, improve our safety performance, and show our people and customers that we care about our employees and their people."

These awards remind customers and people right across the business of the

wonderful people who work at Toll and the fantastic work they're leading.

"The award winners make us proud and inspire us to have a go at making a genuine difference," Lesley says.

All of this year's winners receive a trophy and a personal letter from Managing Director, Michael Byrne, and will be taken out for dinner with Michael as he travels across sites in 2018.



The winners of the Safety Initiative Award (team) - Broome Supply Base, Energy Marine – Global Logistics

And the winners are...



SAFETY INITIATIVE AWARD (TEAM)

WINNER: Broome Supply Base, Energy Marine – Global Logistics



The Broome team, led by Shorebase Manager, Brian Philp, introduced a Proximity Alert System, improving safety practices and performance. The system led to a swift decrease in detections since its introduction, and has now become part of everyday operations.



CUSTOMER PROMISE AWARD (INDIVIDUAL)

WINNER: Dale Blindell, Driver, Tasmania – Global Express



Dale, a regular Royal Hobart Hospital driver, went above and beyond to organise a same-day delivery service to Melbourne for an urgent blood test for a sick, premature baby in the intensive care unit. Despite Dale's shift being over, he met the pathology team at the airport. Because of Dale's actions, doctors were able to get the test results back the next day and treat the baby.



MOST IMPROVED SITE AWARD (TEAM)

WINNER: Kewdale Mining, Global Logistics



The Kewdale team implemented several on-site improvement projects and built organisational excellence capability that led to improvements in safety, EBIT, overall site performance and team morale.



SAFETY CONTRIBUTION AWARD (INDIVIDUAL)

WINNER: Jason Vellis, PM Shift Forklift Operator at Altona North – Global Express



Jason created a Check Weigh Cube Beacon, a visual aid to alert operators that a pedestrian is working in the area. The device was developed in Jason's own time, using his own money, and is now being rolled out at other Global Express sites.



CUSTOMER SERVICE TEAM AWARD (TEAM)

WINNER: Global Forwarding, Vietnam



Global Forwarding Vietnam's contribution, commitment and drive has delivered a positive overall Net Promoter Score for Asia through their Voice of Customer surveys. They go above and beyond to ensure service levels are world-class for our customers, which includes many major retailers.



LEADERSHIP AWARD (INDIVIDUAL)

WINNER: Xingkai Tiang, Continuous Improvement Director, China - Global Logistics



Xingkai introduced 5S+1, Lean Six Sigma and applied lean thinking across China to create additional value for customers, generate savings, and take a data-driven approach to help continuously improve our business.

Japan Post signs historic agreement to support Fukushima's revitalisation

March 11 marked the seven-year anniversary of the Great East Japan Earthquake, when one of the largest earthquakes ever recorded triggered a tsunami that flattened coastal areas of the Tohoku District, killing more than 19,000 people.

In the Fukushima region the danger escalated after the nuclear power station was overwhelmed by water at Fukushima No. 1, leading to a meltdown of three of its reactors and the spread of nuclear waste contamination.

An evacuation was ordered across the region and nuclear radiation levels are still

high in some areas of Fukushima, with the official announcements showing the "difficult-to-return zones" cover 371 square kilometres, or about 3 per cent, of the region.

On 14 February this year, at a ceremony in the lead-up to the anniversary, Japan Post signed a comprehensive partnership agreement with Fukushima Prefectural Government that included a plan to monitor radiation in five areas that were previously in an "evacuation order zone" after the disaster.

Under the partnership, Japan Post's delivery vehicles will be equipped with



Mr. Yokoyama, President, Japan Post; Mr. Uchibori, Governor Area, Japan Post; Mr Sato, Postmaster, Japan Post.

SNAPSHOTS FROM AROUND THE GLOBE

Flying high at the Singapore Airshow

There was great excitement for Toll at Asia's largest aerospace and defence event, the Singapore Airshow, held at Changi Exhibition Centre in early February.

Toll's ST Logistics business, which focuses on all government business in Singapore, hosted a number of high-ranking government and military guests at the show.

There were presentations from Toll Rescue Helicopters, as well as a display for ST Logistics' SiTadel Supply Chain Control Tower system – the technology that is used to track and trace all Toll's assets in Singapore, particularly for the Singaporean Ministry of Defence (known locally as MINDEF). ●



ST Logistics at Singapore Airshow 2018.



Minister Chan Chun Sing visiting Toll City with Vincent Phang and team.

Touring Toll City with Minister Chan Chun Sing

In Singapore again, on 8 February, Toll City was delighted to host Minister Chan Chun Sing from the Prime Minister's Office and Secretary-General of the National Trades Union Congress.

ST Logistics CEO Vincent Phang and his team showed the Minister through the operations room for SiTadel as well as taking him on a tour of the latest Smart Cabinets for the Ministry of Home Affairs and Healthcare customers. ●

Heart-warming "Happy Birthday" in WA

Our drivers for the Woolworths online delivery service in WA showed how big their hearts are - putting a huge smile on the face of an elderly widower on her birthday.

A Woolworths customer based in Wellington, New Zealand, ordered a selection of goodies to be delivered to her mum in Geraldton, WA, adding a small note on her order that it was for her Mum's birthday. The drivers took it from there – one of them singing happy birthday as he knocked on the door, the other fussing over her and helping her open the bag of birthday goodies from her daughter.

The New Zealand customer wrote an enthusiastic letter of thanks to all involved. ●



東日本大震災

郵便株式会社
協定締結式



of Fukushima Prefecture; Mr Nakae, Chief Director of Tohoku

radiation gauges, with data to be collected automatically and shared with the Fukushima government.

Governor of Fukushima region, Mr Uchibori, spoke at the ceremony about the value this agreement has for the people of Fukushima, which is sponsored by Japan Post.

Under the agreement, Japan Post is also encouraging delivery staff to let their postal office know if they see any damaged roads or anything unusual, and the postal offices are sharing this information with the government.

Japan Post President Kunio Yokoyama said he was proud of the work being done to improve the daily life of Fukushima residents.

“We will provide maximum assistance for Fukushima’s revitalisation,” he said.

To mark the anniversary and its support

for people in this region, Japan Post served Fukushima cuisine at its canteens during February and March. Japan Post will also hold a Fukushima Fair at its Head Office during Japan’s summer this year. ●

“WE ARE REASSURED THAT JAPAN POST HAS SUPPORTED FUKUSHIMA REGION BY UTILISING ITS HUGE NETWORK”

– MR UCHIBORI



Let the games begin!

Watched by 1.5 billion people across world, the Commonwealth Games was held on the Gold Coast, Queensland, Australia in April and provided hundreds of world-class sporting events for thousands of athletes and hundreds of thousands of spectators.

Our Toll team worked closely with the organisers, customers and local staff in planning around road closures and restrictions, to ensure business continuity

during this time – this included extending operating hours to 24-hours a day, increasing staff and fleet numbers and moving delivery times and drop-off points. It was the first time the Commonwealth Games was held in a regional city and keeping our customers happy and informed created a buzz the local team will long remember. ●

Driverless delivery cars road-tested in Tokyo

In March, Japan Post trialled self-driving postal delivery cars on public roads in Tokyo, amid great media interest. Japan Post President Kunio Yokoyama said the company has a social responsibility to offer sustainable delivery services and announced the likely plan to have a fleet of driverless vehicles in the near future.

During the trial, the autonomous vehicle left Japan Post’s headquarters in Tokyo’s central district of Kasumigaseki and drove for two kilometres, making a short stop at a post office before finishing the trial in the Ginza neighbourhood. ●



Japan Post’s driverless delivery cars are trialled in Tokyo.

Meet our new... President of Group Operational Services

From the rugged mining landscape in Western Australia, to the demanding world of hard core logistics and supply chain, Peter Stokes, Toll's new President of Group Operational Services, brings with him a depth of leadership experience from the ground up.

Peter joined Toll on 1 November last year, based in Melbourne and is married with three boys.

Peter's career started in the mining industry, having studied geology he then went on to study a Masters of Mining and Mineral Technology at the WA School of Mines in Kalgoorlie. He then spent six years working in mining across Australia. He went on to study an MBA and work for 11 years at management consultancy Accenture in strategy, logistics and operational improvement across the mining, industrial, oil and gas sectors.

Peter then joined logistics and supply chain group Linfox, followed by five years as CEO of Barminto, a hard rock underground miner. It was from that role that Peter came to Toll in November last year to head up Group Operational Services. "I could see the opportunity of bringing Toll together and building that on a much broader global scale," Peter says.

Peter is now enjoying the opportunity to make this happen. In his global role he oversees five key areas: procurement, property, line haul, equipment and Toll's recruitment arm, Toll People. "We're now seeing the power of bringing in common processes and procedures across the group, leveraging our scale, and a common approach to managing our clients and suppliers," Peter says.

Peter is taking this unified approach, leveraging Toll's global reach to negotiate best outcomes for the business, across all areas of Group Operational

Services. "It's a significant part of the transformation program. We are starting on the bigger spend of procurement, bringing all of that under one banner," Peter says.

The massive agenda is led by a \$1.5 billion commitment to invest on new fleet and equipment over the next six years to ensure all vehicles have the latest safety technology.

One area where this streamlined approach is vital is safety, and Peter considers this is a priority under his leadership. "Our senior people are getting out there, more engaged, talking to our operators and listening to what they say and understanding what their safety concerns and issues are," Peter says, adding that this direct communication is important so that safety messages are not diluted through multiple levels of management. "And we're being really clear on our safety messages and what we need from our operators."

Another way that safety is being addressed is through streamlining equipment and processes. "We've been able to negotiate with Toyota for our forklifts to get a significant improvement in safety features on every one of them," Peter says.

Another area of focus is consolidating suppliers. "We are looking at how we can standardise across the fleet. We used to buy many different brands of trucks, we've now standardised to three big brands: Daimler, Volvo and Kenworth," Peter says.

"This means we can also standardise the way we run our workshops and make them more efficient. We'll also continue to bring workshops in-house and it enables us to have a better relationships with our suppliers."

Streamlining means different things to different areas of Group Operational Services. In property, it's about standardising the way things are done in the property portfolio, from the choice of strategic assets, to office fit-outs. "We're moving our key operations staff near our operations, not sitting in the city," Peter says.

Peter's role is wide-reaching with significant impact across the business, and Peter has a clear vision for the strength and success of Toll through this transformation.

"I'll continue to drive safety in every part of the business that I can influence," he says. "As a group, we'll continue



Peter Stokes,

President of Group Operational Services, Toll Group

"OUR SENIOR PEOPLE ARE GETTING OUT THERE, MORE ENGAGED, TALKING TO OUR OPERATORS AND LISTENING TO WHAT THEY SAY AND UNDERSTANDING WHAT THEIR SAFETY CONCERNS AND ISSUES ARE"

- PETER STOKES

to develop very deep relationships and broader portfolios with our big customers, and we'll have a much more standardised approach across Group Operational Services for the way we do business, whether that's procurement, equipment or property," Peter says. "This will continue to support a better outcome for the broader Toll Group, and that's exciting to be part of on a global scale."

A world of possibilities at Toll

Toll's Graduate Program enters next level for the future of logistics

Last year Toll launched a new two-year graduate program to attract a new generation of leaders to logistics.

Thirteen graduates based in Melbourne and Sydney began the program, after being chosen from a highly competitive field of more than 500 applicants.

Acknowledging the program's new global focus, all graduates must be bilingual and some of the second languages represented in the July 2017 cohort include Malay, Spanish, German, Cantonese and Tamil.

In a push to be even more global, the 2018 graduate program is being expanded. Doubling the intake to 26, with positions available in Australia, New Zealand, Singapore and Japan. Recruits are taken from an array of disciplines, with a degree in logistics and supply chain a bonus, and a second language a must.

Sharon Abbott, Graduate Program Manager, says the 2018 program is the next step in being truly global and gives graduates the chance to learn the logistics and supply chain business from the ground up.

"A great drawcard of the Toll program is that it presents the rare opportunity for select graduates to have an overseas placement. Working across Global Express, Global Logistics and Global Forwarding



sites, some of them are involved in shift work. It's a real chance to see the nuts and bolts of the business and get involved with the day-to-day operations," Sharon says.

Graduates can apply for the three-month rotation in Singapore, primarily within Toll City.

Ajay Gopal, one of two 2017 graduates

chosen, writes about his experience in Singapore operations below, demonstrating the calibre of bright and enthusiastic future leaders of our industry.

For more information on Toll's Graduate Program please visit: tollgroup.com/about/graduate-program

Toll Graduate Ajay Gopal shares his graduate experience on rotation in Singapore

Exciting opportunity

"As well as being our gateway to the largest market in the world, Singapore is emerging as a regional logistics hub. There are not many graduate programs that give you the experience of working overseas, and I am extremely excited to be given the opportunity to learn not just about the operations, but about the culture and motivations that govern business in Singapore and Asia. It also allows me to exchange ideas across borders, cultures,

and operations, and bring new ideas back to Australia.

Singapore and Australia have geographical differences, which in turn creates differences within the operations. I have been able to experience firsthand how these differences affect customer needs and how they can translate into desired value.

Highlights

Working at Toll City has provided me with the opportunity to see where logistics is heading to in the future. The approach taken with Toll City has been to build a facility that can service the supply chain needs of today, as well as 10 years in the future.

Although supply chain can sometimes have a reputation as an area with little innovation, my short time at Toll City has completely disproved that. A push for automation and a deep rooted analytics system controlled from a centralised location are just some of the areas that have been constructed and are being further developed. Seeing firsthand how Toll is investing into the future has been both exciting and motivating.

I have also enjoyed immersing myself in Singapore's diverse and vibrant culture – from the food to the nightlife. The people here have been warm and welcoming, and have invited me to many of their events such as rock climbing and futsal nights." ●

WRITTEN BY AJAY GOPAL, 2017 TOLL GRADUATE.



Ajay Gopal

A SMARTER WAY TO DRIVE



It pays to give your drivers the knowledge and skills to drive safely and more efficiently. Volvo Trucks' Driver Development training leads to less wear and tear on the truck, better fuel economy, happier and healthier drivers – and a healthier bottom line, too.

Smarter driving can reduce fuel consumption by up to 10%, without reducing productivity.

Read more about [DRIVER DEVELOPMENT](https://www.volvotrucks.com.au) - [volvotrucks.com.au](https://www.volvotrucks.com.au).

Volvo Trucks. Driving Progress

