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TOLL Today

TOLL HOLDINGS LIMITED

Revolutionising the Transport Industry

See Managing Director and Executive Director's Reports on Pages 2 and 3

Autumn 2002



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Revolutionising the Transport Industry

On 31 January 2002 the Federal, NSW and Victorian Governments, in a joint media release, announced that FreightCorp and National Rail Corporation Limited will be sold to National Rail Consortium Pty Ltd owned by Toll Holdings and Lang Corporation for \$1.2 billion on 21 February 2002.

The Toll Lang consortium, an all Australian joint venture, will bring new efficiencies and improved service levels to the nation's major rail freight operations, and will considerably improve the competitiveness of rail freight generally, throughout Australia.

Our joint venture brings together the management expertise, financial strength and market knowledge needed to reform rail operations nationally.

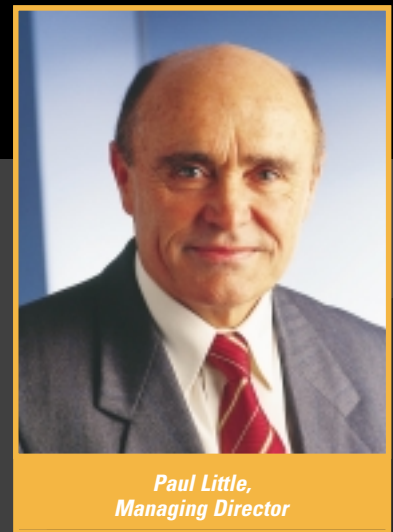
FreightCorp (previously owned by NSW Government) carries over 85 million tonnes of freight a year, including coal, grain, and minerals. National Rail Corporation mainly hauls containerised freight and industrial products.

Our clear objective is to dramatically improve rail operations' share of the domestic freight market and to deliver very significant productivity improvements to existing rail users. It is about promoting an improved price and service level for our customers.

Whilst rail services are currently on offer to our customers, we believe that this development now provides us with a unique opportunity to offer rail as a cost-effective fully integrated alternative.

It is inevitable that an efficient rail service within Australia will facilitate a modal shift off road and sea onto rail. Whilst there will be many winners from this change, road transport will continue to be a major component of the fully integrated offering we make to our customers.

We have offered to invest up to \$50 million to upgrade the Melbourne-Perth and Sydney-Brisbane rail corridors to allow double stacked trains to operate from Melbourne to Perth, and to reduce transit times



*Paul Little,
Managing Director*

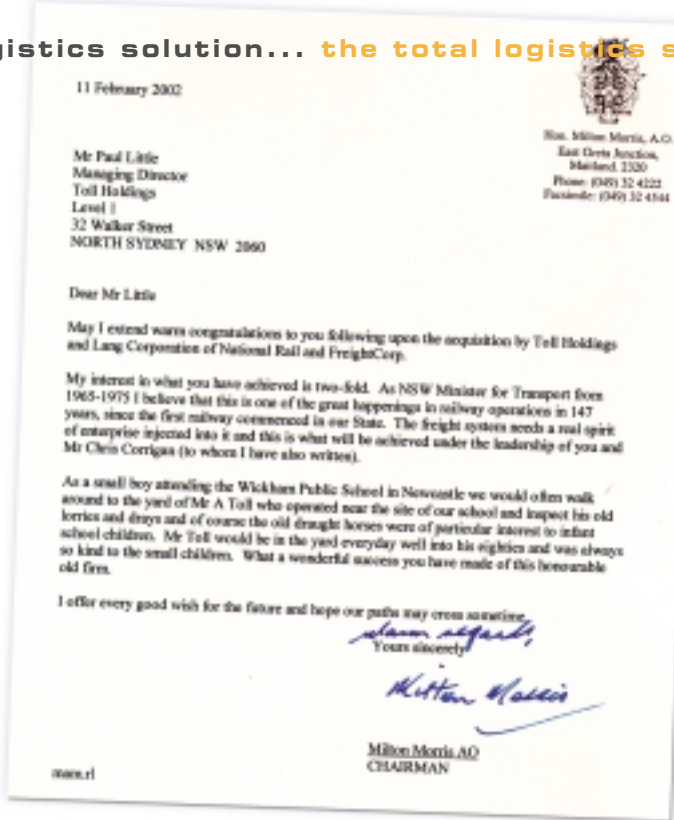
between Sydney and Brisbane.

This investment would depend on the Federal and NSW Governments agreeing to a track leasing proposal by the ARTC, by the end of March 2002.

We also intend releasing 120 surplus locomotives and 650 surplus wagons for use or purchase by other rail operators.

The ultimate winners from this privatisation, are a very broad cross-section of the community, and it is very difficult to find someone that is not going to benefit by the outcomes from an efficient rail capability.

The Federal, NSW and Victorian Transport Ministers agreed that the sale outcome was a historic step forward in the restructuring of the rail freight industry.



**Mark Rowsthorn,
Executive Director**



All Aboard...

On 21 February 2002, Toll Group and Patrick Corporation (formerly Lang Corporation) completed their \$1.2 billion acquisition of National Rail and FreightCorp.

The combined businesses are now owned by National Rail Consortium, a new joint venture company owned equally by Toll and Patrick. They have revenue of over \$1.1 billion, employ over 3,400 people and deploy total assets over \$1.7 billion.

This transaction presents an outstanding opportunity to reform and grow the rail freight business in Australia, and realises a vision that Toll has been pursuing since first entering the rail sector with the acquisition of Railor in 1993.

A key component of the drive towards profitability and growth will be the integration of both Toll Rail and Patrick Rail into

the new business, a process that has already begun. This initial integration phase is targeted for completion by the end of April 2002.

National Rail and FreightCorp will migrate to a new single business structure by 1 July 2002, followed by a continuous program of change to dramatically improve rail's share of the freight market, particularly the intermodal market.

The new Chief Executive Officer is Stephen O'Donnell. Stephen comes to this new role from Pasminco. He will be supported by a number of Toll and Patrick management and staff who will be transferring to the joint venture.

The sale process for National Rail and FreightCorp was very complex, involving the Federal, New South Wales and Victorian Governments. At the height of the Bid, nearly 400 Toll and Patrick personnel and advisers were engaged. Toll and Patrick worked side by side without a single hitch. Our success is a tribute to the outstanding quality and hard work of these people, and their tremendous teamwork.

Business Development Group

A new Business Development Group (BDG) has been formed to improve our Account Management and pursuit for new business across the Group.

Hugh Cushing is heading up this initiative as Director – Business Development. Hugh started work with QRX in 1975, and since 1997, has held the position of General Manager Group

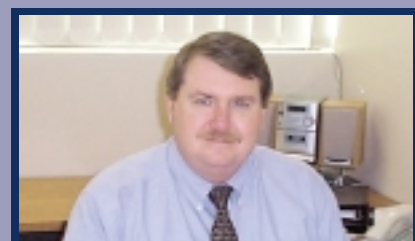
Development at Toll North.

The BDG will initially focus on three key areas.

1. Account Management

The BDG will work with all business unit General Managers and Divisional Directors to establish an effective account management plan for our large

Continues on page 4



**Hugh Cushing, Director – Business
Development.**

Toll Solutions Group – Working Towards One Toll

The Toll Solutions Group was formed in July last year as part of Toll's overall strategy to achieve its 'One Toll' vision.

Over the last six to eight months the Toll Solutions Group has made concrete progress in each of its three focus areas:

1. Support larger, more complex new business development opportunities involving significant cross-business unit requirements.
2. Drive the development of new services and capabilities required to meet the increasingly demanding needs of our customers.
3. Assist in developing new account management processes to provide Toll with a single, integrated interface to the customer across all its service offerings.

In all cases, this progress was made working with the various Toll businesses as part of joint projects and initiatives.

Toll Solutions worked on several large customer business development opportunities and was successful in winning significant new business with Unilever, George Weston Foods, Capral Aluminium, and Cadbury Schweppes.

In addition, work was completed on several other large tenders and are awaiting the customers' final decision.

The business with Unilever involves the first implementation of Toll's Managed Transport Service (MTS) offering. MTS provides the customer with a single point of the planning, execution and administration for all transportation requirements across all sites, modes and carriers (both Toll and non-Toll). As a new service proposition MTS gives

Toll the following additional capabilities:

- A legitimate 4PL transport service offering
- A way to deliver the full range of Toll's transport services in a single integrated offering – realising 'One Toll'
- A new methodology to improve efficiency and productivity of current operations based on international best practices

The initial implementation of MTS is underway working in partnership with Unilever, a large and important customer. Once operational at Unilever, several other existing and new customers will be incorporated.

Unilever's decision to adopt MTS supports their broader strategic plans to reduce costs and improve service levels. It also reflects their intent to be recognised as a leader in the adoption of new and innovative approaches to supply chain management.

A project implementation meeting was held in mid-January with the initial start-up of the basic service scheduled for 1 February. Over the next 6-8 months, new systems and enhanced capabilities will be phased into the operation, as they become available.

Other areas Toll Solutions is focused on include the creation of a centre of excellence to support modelling and analysis requirements across the business.

Toll recently acquired the full set of CAPS modelling tools that address a range of transportation and supply chain design requirements. The CAPS

modelling tools are used by a number of large 3PL and logistics service providers around the world. A structured training program is planned to develop the skills necessary to fully exploit the value of these new tools in our business.

The CAPS tools were used in a recent large multi-million dollar tender response and will be incorporated into the MTS offering. Toll Solutions will be conducting internal training and orientation programs over the next few months to help the business units identify and exploit opportunities with our customers.

We piloted a new integrated account management framework with Woolworths - a large customer with whom Toll conducts business across several of its business units. An account team was formed to develop an overall strategy for working with Woolworths to meet their needs by effectively bringing to bear the full mix of Toll service capabilities.

These initiatives represent the value and power of realising the 'One Toll' vision. In every case the results came from working closely and collaboratively across a number of Toll business units. Toll's size and financial strength in the market enables it to make the investments required to develop and introduce new services such as MTS and the CAPS tools.

These initiatives and initial successes are only the beginning. Further benefits will emerge as we gather momentum and develop new services for our customers that exploit the full value of Toll's wide range of capabilities.

Business Development Group

national customers with an aim to grow Toll's business with those customers and to ensure we deliver world class solutions.

2. Tender Response Management

Large tenders spanning a range of services are increasingly becoming the norm. Response to these tenders demands coordination of the service offers of multiple business units. It will be the role of BDG to play this coordinating role and to improve our success rate at winning major tenders.

3. Solutions Development

The existing Toll Solutions Group, headed by Tom Thompson, will join the BDG. Toll Solutions is being developed to provide specialist technical supply chain management support across the Group.

As part of BDG, Solutions will play a critical role in the account management and tender response process, as major clients demand more sophisticated technical solutions to their logistics needs. Within Solutions, Toll will have

(continued from page 3)

access to a wide range of skills involving:

- Warehouse management systems
- Route planning and optimisation
- Network modelling
- Supply Chain visibility tools

When combined with the continued roll out of Toll Works and Toll Connect products, this arms our business development teams across the business with an unparalleled capacity to develop Best Practice Supply Chain Solutions for our customers.

Toll Group Wins Safety Award in South Australia

The Toll Group in South Australia has again been recognised by the SAfer Industries Road Transport Committee for its efforts in developing, implementing and maintaining safe systems of work in the road transport industry.

After winning the 'Inaugural Best Practice OH&S Program' award in 1999, Toll has again been successful in 2001 and was presented with a 'Certificate of Recognition', recognising initiatives ensuring safe workplace practices.

The SAfer Industries Road Transport Committee is an industry based group with members from transport companies, training suppliers, insurance agents, Workcover, unions, industry associations and government.

SAfer Industries is a SA Workcover initiative formed in late 1997 to focus on the top ten most hazardous industries based on workers compensation claims. The committee was formed in 1998 and Toll has maintained a

continuous involvement since its inception.

SA Workcover's Manager Customer Service Operations, Rose Mitchell, presented the award. Rose congratulated Toll on its achievement and noted that Toll's success was especially commendable considering the integration of other businesses into the Group whilst maintaining a high standard for safety and safe work programs.

Accepting the award on behalf of Toll was Geoff Lauder, Toll Express State Manager SA / NT. Geoff praised the efforts of all employees within the various Toll businesses involved in OH&S management and acknowledged the support of consultant Applied Innovative Services for coordinating the award submission and liaising between the businesses.

Geoff added, however, that while the efforts achieving this award were



Left to right: Richard Staniford – SAfer Industries Committee Chairman, Derek Hutchins – Toll Express, Robyn Andjelkovic – Applied Innovative Services, Geoff Lauder – Toll Express, and Rose Mitchell – SA Workcover.

admirable, the task was still ahead of us to maintain our standard and there were further improvements that could be made.

The efforts in OH&S management and safety record of all Toll businesses in South Australia have contributed to this award and congratulations and thanks are due all round.

QRX'S Management Development Program

QRX has recently embarked on a new initiative in Brisbane as part of its management development program.

The objective of this new program is to ensure that the Brisbane operation of QRX has available a team of multi-skilled specialist managers to carry the business forward into the next decade.

The methodology adopted in setting up the program involved the formation of a project team to identify skills and competencies required for each of the key operational positions within Brisbane.

Participants for the program were then identified and through a detailed self-assessment questionnaire areas for development were highlighted.

The questionnaire gave the participants the opportunity for two-way feedback with their managers to discuss gaps between current skills and competencies and those required for future roles.

The program involves job rotation where each participant will spend approximately six months in different areas of the business in order to gain a broader view of the way the total business operates. On-the-job training is also combined with a variety of short courses which are provided either

internally or externally.

The first module in the program is workplace safety. Subjects include workers compensation, rehabilitation, accident investigation, as well as familiarity with the relevant QRX's occupational health and safety processes and documentation. Each participant will be required to actively investigate a workplace accident and manage the workers compensation / rehabilitation of an employee.

Fiona King, QRX's Human Resources Manager, stated "With safety being a high priority within QRX, this module of the development program is seen as an important first step."

At the conclusion of the development program, each participant will be required to present a comprehensive overview of their experience, together with a business improvement case study based on their observations in the different areas of the operation.

The sponsors of the program, General Manager Viv Botsford and South Queensland Regional Manager Drew Sargeant believe this program will assist QRX in continuing to provide outstanding service to its customers as well as being an employer concerned with offering career development for those employees seeking to further their careers.

Toll Assists with Bush Fires for 11 Days

Toll was contacted by the NSW Department of Transport on 29 December 2001, to supply equipment to carry water to fire fighting units and dams in the bush fire areas of Colo Vale and Mittagong, just south of Sydney.

These areas were experiencing the worst bush fires in many decades and had a major shortage of water.

With the assistance of Toll Fleet Management, Toll Liquid Distribution, Refrigerated Roadways and Finemores Transport's CJ Dean, we were able to supply trucks and tankers with drivers who worked together as a team under the watchful eye of Brian Withers, the Assistant Workshop Manager in Wagga Wagga.

The whole effort lasted 11 days and at the height of the fires Toll



supplied four fuel tankers, four prime movers and two fridge vans with all auxiliary equipment. In addition, a tanker and fridge van were supplied to the Hawkesbury region North of Sydney.

To get an idea of the enormity of the task, in one 27-hour period from 10.00 pm Saturday night to 1.00 am Monday morning 540,000 litres were delivered to the firefighters.

A top effort was put in by all concerned to supply and man all the equipment for the lengthy duration.

Congratulations everyone for a top community effort.

Emma Drinks to Kind Companies

In September 2001, my 10-year-old niece Emma was diagnosed with leukaemia.

Emma and her family live on Kangaroo Island in South Australia. As one can imagine, it is a difficult and heartbreaking time for all concerned when something like this happens.

The family is separated for long periods while Emma receives treatment in the children's hospital in Adelaide. I recently spent a week in Adelaide helping my sister-in-law and spending time with Emma.

Due to the effects of chemotherapy, Emma has difficulty finding food she likes and can tolerate.

A drink she really enjoys is a blackcurrant juice in a fruit box. We had trouble finding enough of these in the supermarkets. When I returned to Perth I wrote a letter to Coca-Cola Amatil, who produce the drink, explaining the situation.

Within two weeks I had a reply and a donation of 15 cases of the drink.

I then had to get these to Adelaide, so I phoned Toll Logistics to enquire about the cost of transporting these across the Nullabor.

Toll offered to send them over at no expense to me.

The arrangement was to have the cases collected from a depot in Adelaide, but

it actually delivered them to my sister-in-law's front door..

I am writing this letter because I feel the need to let people know of the good deeds that do still happen in this otherwise negative and tragic society we sometimes feel we live in.

I would like to thank both companies for their generous donations.

Emma is responding well to her treatment.

*Trish Moyle
Dalkeith Road, Nedlands*

*Courtesy The Post Newspaper,
Claremont / Nedlands, WA*

A Dollar A Week Goes a Long Way

The Salvation Army has awarded Toll Transitions ACT and South NSW Division a Certificate of Appreciation in recognition of their support throughout the year.

The idea of donating to the Salvation Army originated when Beate Himbert requested a casual day every Friday (so that everyone could get into a weekend mood).

Tony Barker National Account Manager Defence and Contract Manager then suggested that \$1.00 should be collected from everyone that turns up in casual clothing and donated to a charity.

Beate Himbert decided on a 'Donation for the Salvation Army' Day and the staff at Toll Transitions National office, ACT office and Purchasing Centre donate what they believe is a reasonable amount each week.

Total donations being made per week is between \$40 to \$100, that is a range from \$2,000 to \$5,000 each year.

Thanks Beate for being a warm and caring person and donating your time to help others in need and a big thank you for everyone's generosity.





QRX Helps Sick Kids' Appeal Keep on Track

The 15th Annual Woolworths CARE FOR KIDS Appeal has broken all previous records bringing in more than \$1,070,000 to help Queensland's sick and injured youngsters.

The annual appeal, which is a Royal Children's Hospital Foundation Queensland initiative, helps to work wonders for the thousands of kids who rely on the hospital every year.

Appeal organisers have publicly acknowledged Toll's QRX business as a major contributor with their recent fundraiser.

Foundation CEO Karen Murphy, said "given the centralisation of Woolworths supply and distribution functions, which have

made a big impact on so many Woolworths suppliers, we are just so grateful that your company continued to support the Woolworths CARE FOR KIDS Appeal."



Drew Sargeant – QRX South Queensland Regional Manager with Karen Murphy – CEO Royal Children's Hospital Foundation Queensland (centre) and Beta McKenzie – Director Public Relations Royal Children's Hospital Foundation (left).

To
the Toll Transport Fundraising Group 2001 2002

A Very Happy Christmas
and New Year

From
The children at the
Royal Institute for Deaf and Blind Children,
their families and teachers

Toll Run the Rip Fun Run / Walk

Sorrento Surf Life Saving
Club Charity
Fun Run / Walk



In perfect conditions the first Sorrento Surf Life Saving Club (SLSC) 'Fun Run / Walk' (Toll Run the Rip Fun Run/Walk) was a huge success as over 500 runners and walkers enjoyed the beautiful landscape of Point Nepean National Park.

The Member for Flinders, The Hon. Greg Hunt started the race and also competed in the run.

The event will be held annually and all monies raised will go to Sorrento SLSC and the Sorrento Fire Brigade. Each participant on completing the event received a show bag and a free T-shirt for supporting the event.

The winners of the events were:

10.6 km Male	1st	Jeremey Horne	33.32
	2nd	Justin Wilson	36.08
	3rd	Leigh Stokes	37.06
10.6 km Female	1st	Alison Couper	44.26
	2nd	Kerry Bunn	45.52
	3rd	Jane Wilson	47.38
10.6 km Under 15 Male	1st	Julian Grant	47.36
	2nd	Duncan Mackenzie	65.30
5.7 km Male	1st	James Fleming	22.42
	2nd	Nicholas Wallace-Smith	24.10
	3rd	Tim Ockleshaw	24.40
5.7 km Female	1st	Liz Bey	27.28
	2nd	Jane Cowen	29.58
	3rd	Susan Hopkins	30.22
5.7 km Under 15 Male	1st	Tim Whitten	24.46
	2nd	David Nicholls	26.02
	3rd	William Wright	28.02
5.7 km Under 15 Female	1st	Haley Tomlinson	28.14
	2nd	Meg Whitten	28.58
	3rd	Estelle Lopes	32.56

The sponsors for the event were Toll Holdings, South Coast Medical, Sorrento Hotel, Parks Victoria and Michael Digby Builders. Rye and Sorrento Probus assisted in staging a very successful charity event.

The Sorrento Surf Life Saving Club looks forward to seeing everyone again next year.

Young Western Australian Transport and Logistics Professional of the Year for 2001

Tanya Carter, Toll IPEC's Support Services Manager for WA was recently recognised as 'The Young Western Australian Transport and Logistics Professional of the Year 2001'.

The Chartered Institute of Transport and Logistics and the Logistics Association of Australia WA have joined forces to promote the recognition of young achievers within our industry. The award is for people under 30 years of age who have made significant contributions to the industry.

The award is designed to encourage and reward the highest standards in the practice of transport and logistics and to encourage young people towards further innovation and personal achievement.

As one of five finalists, Tanya attended a gala presentation at the Ascot racecourse on 24 November 2001, not knowing the result of her nomination.



Tanya Carter (right) – Young Western Australian Transport and Logistics Professional of the Year with a 'truckie's' handshake from WA Minister for Planning and Infrastructure – The Hon. Alannah MacTiernan.

Tanya said, "I am delighted with the award and very proud to be part of Toll IPEC. I have been with the company since 1989, starting as a trainee receptionist. During this time, I have held a number of positions from administration, sales and then management. Over this time I have been given the opportunity to implement many successful initiatives."

In addition to leading a number of significant Toll IPEC projects in WA, Tanya

is currently studying Human Resource Management on a part time basis.

The award was presented by The Minister for Planning and Infrastructure, The Honourable Alannah MacTiernan MLA, in front of an audience of more than 300 transport and logistics professionals.

In winning the award, Tanya has been given the opportunity to visit an International Transport and Logistics Conference, all expenses paid, to the value of \$7,000.

Toll IPEC Two New Apprentice Trainees

Aaron Wilson and Jeremy Booth joined Toll IPEC on Monday, 14 January 2002, under a trainee apprenticeship for 12 months.

During this time they will be trained in all facets of the business. Both Aaron and Jeremy, are excited to be given this opportunity with such a progressive transport company.

Feedback from the field is that they are keen to learn and complete all given tasks.

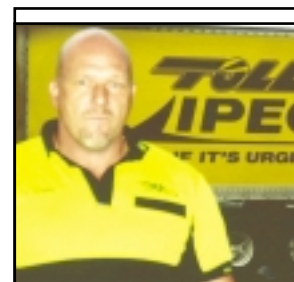
As part of Toll IPEC's participation John Knight performs the role of mentor during their 12 month contract. John's role is to ensure their smooth integration into the workplace, develop a structure that facilitates their competencies and promote a strong work ethic.



Left to right: Aaron Wilson, Jeremy Booth and their mentor John Knight.

The Hero who was at the Right Place, at the Right Time

Steve Newton, a Toll IPEC trailer driver in Sydney, was on his way to a major customer recently when he saw clouds of smoke and a section of broken crash barrier as he crossed the 76 metre high Pheasants Nest Bridge on the Hume Highway south of Sydney.



On investigation he found a car had left the road and had careered 40 metres down a steep embankment.

Noticing a fellow motorist pull in and start running towards the bridge, Steve stopped by the side of the road to investigate and saw a car lying on its roof some distance below. He quickly made his way down the steep rocky slope and assisted the other motorist in moving the injured driver to safety, just before the car burst into flames.

Steve stayed at the scene providing reassurance to the driver until she was taken to the Camden Hospital suffering from cuts and abrasions.

Well done Steve – it takes a lot more than being at the right place, at the right time.

Golden Circle & Toll SPD Sign Five-Year Agreement

In November 2001, Golden Circle and Toll SPD formally recognised the benefits derived from working closely together over many years, by signing a five-year supply agreement.

The partnership has delivered value in terms of:

- Market share
- Service delivery
- Continuous improvement
- Reduced supply chain costs.

Noel McKay, Toll SPD's on-site manager at Golden Circle, has played a key role in the partnership.

Over the past three years, Golden Circle's interstate volume has increased by 25%, from 100,000 to 125,000 tonnes. This has been largely due to Golden Circle's marketing push into the southern States, especially New South Wales and Victoria, which has been supported by Toll SPD's national infrastructure and service capabilities.

In addition, modal shifts from road to rail and rail to sea on some corridors, improved load planning and equipment utilisation, Toll SPD has been able to deliver significant cost savings to, and improved service delivery for, Golden Circle. This has enabled Golden Circle to increase market share as, when competing with manufacturers in New South Wales and



Left to right: Noel McKay – Toll SPD; Lee Metselaar – Toll SPD; Steve Whapham – Golden Circle; and Steve Ingham – Golden Circle.

Victoria, input costs must be minimised to remain competitive.

Barry Kelly, Managing Director of Golden Circle, described the agreement as a significant step forward for the company in its relationship with Toll.

"We firmly believe it places us in a strong position as we seek to further expand our business interests Australia-wide," Mr Kelly said.



Master Foods Awarded Woolworths Supplier of the Year for 2001



The Food Business of Master Foods Australia and New Zealand has been awarded the prestigious honour of the inaugural Woolworths Supplier of the Year for 2001.

Mr Jim Eve, General Manager, Master Foods, accepted the Award from Roger Corbett, CEO of Woolworths – Australia's Biggest Retailer at a function in December 2001.

Toll SPD, as a key Master Foods freight provider for New South Wales and Western Australia has contributed to

the success in the Supply Chain Management – On Time Delivery category. A great team effort.

Against all the retail suppliers (over 15,000) to Woolworths, Master Foods won the Award for the performance in the following areas:

- Store presence / merchandising support – display
- Speed to market
- Supply chain management - on time delivery
- Minimal out of stocks sales

performance

- High levels of growth product innovation – Entry

The Award is a calculation of quarterly results voted by all sectors of Woolworths business and is very much performance based in which all areas of our business contributed to winning the Award.

Roger Corbett said on the evening "No one will ever have the prestige of having their name first on the Award again."

Toll Vehicle Distribution's Training Focus

This year Toll Vehicle Distribution (TVD) is beginning the challenge to train in excess of 400 drivers through the Certificate III in Transport and Distribution.

Michelle Nation, TVD's Training Compliance Manager is coordinating this on a national basis to ensure a consistent business approach. The aim of the training is to ensure that anyone driving for TVD has been provided with the tools to conduct their job safely and professionally.

The Certificate III in Transport & Distribution is a trade equivalent qualification that is nationally recognised. It has been developed by the 'Australian National Training Authority' (ANTA) at the request of the Australian Federal Government.

The competencies contained with the Certificate III have been developed by the transport industry as the minimum standards acceptable. TVD has Driver Equipment Trainers (DET) who have reviewed these competencies and have chosen the 21 units which are most relevant to the operation requirements of transporting cars, some of these units include, Carry Out Vehicle Inspection, Follow OH&S Procedures and Apply Customer Service Skills. DETs are located at each TVD site to train new drivers in the equipment, induction and anything else that is required for them to do their job.

The twist on this training is that we are utilising internal

trainers to deliver the certificate. Vehicle distribution is a very specialised field and who better to train our drivers, than our own internal experienced DETs. Our DET's underwent an intensive two week training providing them with a qualification in Certificate IV in Workplace Training and the necessary skills to deliver the Certificate III in Transport & Distribution.

The DET's are: *David Knott – Dry Creek SA; Tom Palmi – Greenacre NSW; Scott Grady and Colin Rosengrave – Laverton VIC; Scott Moon and Andrew Peterson – Wagga Wagga, NSW; and Rob Smith – temp. Hamilton QLD.*



Top row – left to right: David Knott – Dry Creek, SA, Laurie Brothers – GM TVD; Scott Moon – Wagga Wagga, NSW; Andrew Peterson – Wagga Wagga, NSW; Scott Grady – Laverton North, Victoria; Merv Oldfield – DECA Trainer; Michelle Nation – TVD Training Compliance Manager. Bottom row – left to right: Jim Knight – DECA Trainer; Tom Palmi – Greenacre, NSW; Robert Smith – Wagga, Wagga, NSW and Colin Rosengrave – Laverton North, Victoria.

Suppliers Require Certification

to AS/NZS ISO 14001 (1996) Environmental Management System

Toll Logistics – Automotive and Vehicle Distribution – Ford and Holden Contracts were audited by DNV on 10 and 14 December 2001, respectively, and were recommended for certification to AS / NZS ISO 14001 (1996) – Environmental Management System.

The environmental management standard provides organisations with the direction to implement an effective environmental management system, which can be integrated with other management requirements.

This will assist Toll to demonstrate sound environmental performance by

controlling the impact of our activities such as truck emissions, storm water run off, paper recycling and electricity conservation.

Our customers had set a target date of 31 December 2001 that required all sites supplying to them to gain this certification by December 2001. And we did it!

Congratulations to Paul Rosbrook, Jim Short, Shane Coster, Andy Chick, Michelle Nation, Debbie Reich and Sue Jones for their tireless efforts in getting Automotive and Vehicle Distribution, respectively, over the line and establishing a practical environmental management system.

Another Logistics Site Acquires Quality

Dandenong Acquires Quality ISO 9002

Back row left to right: Gerald Tolley, John Lovie, Andy Dennett, Matthew Reichelt, Vinny McPherson, Carmel Parker, Terry Couacaud, Billy Delmo, Ron Fryers, Alan Bligh, Bruce Davis, Greg Cahill, Warren Whittle, Gavin Mullins, Narrelle Alex, Simon Harkness and Owen O'Connor. Front row left to right: Stuart Adams, Carlo Fraia, Jim Squires, Warren Aron, Steve and Alberse.



Albany Woodchip Loader is ready for the First Ship



The new Albany Woodchip Loader is ready for the first woodchip carrier Oji Universe due in Albany on 13 March to commence loading the first shipment of blue gum (eucalyptus globulus) woodchips for Japan.

The shipment of approximately 40,000 tonnes will be loaded with dozers

reclaiming from the stockpile to the ship loading conveyor at 1,200 tonnes per hour. Bob Golding, the facility manager and his team are looking forward to the challenge of commissioning the system to fully demonstrate the facility's capacity.

Woodchips have been continuously delivered to the new port infrastructure by rail since mid-November last year and by the end of January over 25,000 tonnes had been stockpiled on the concrete storage pad.

Plantations of blue gum are grown throughout the Great Southern region of Western Australia. These are harvested by Albany Plantation Export Company (APEC) and chipped at their new mill at Mirambeena Industrial Park and then railed 20 km to the Toll / Itoshu joint venture located at the Albany Port. Woodchips can be unloaded from trains at the rate of 850 tonnes per hour onto a 1.2 hectare stockpile capable of storing up to 80,000 tonnes.

Our Toll Logistics Industrial Division at Dandenong acquired ISO 9002 and celebrated their achievements at a dual Christmas and Quality party in December last year.

They said it could not be achieved at Dandenong but with a lot of hard work it was.

The celebration was held to thank all employees for their involvement in gaining the Certification ISO 9002.

Special thanks to Carmel Parker and Narrelle Alex for their special efforts.



Toll Energy Logistics Wins Phillips Petroleum Contract

Phillips Petroleum, a US based oil exploration company, has recently awarded Toll Energy Logistics with the contract to provide supply base services in Darwin to service the Bayu-Undan Gas Recycle Project in the Timor Sea.

This is a timely strategic expansion of Toll's specialised oil and gas logistics services resulting in national coverage with current supply base operations in Dampier, WA and East Sale, Victoria.

The Wesfarmers' Transport Depot in Pruen Road, Berrimah WA, is quickly being upgraded into an onshore supply base capable of meeting the growing needs of the oil and gas industry in the Timor Sea. The scope of work in the contract includes the provision of warehousing, linehaul, local transport, crane hire, equipment hire and stevedoring.

Amcor/Toll Project 'No Injuries No Incidents'

Last September, Amcor Australasia – Paper Division and Toll Logistics – Industrial Division embarked on a new joint initiative aimed at achieving industry best practice in the safe carriage and handling of paper within Australasia.

The 'No Injuries / No Incidents' project is a new initiative undertaken as part of the broader partnership between Amcor and Toll. Adrian Gardner – General Manager, Paper Marketing & Logistics and Garry Harding – General Manager, Toll Logistics Industrial Division, have committed to the project with the full support of senior management from both companies.

Following the launch of their 'No Injuries' program in February 1997, Amcor has been totally committed to providing a safe working environment for its employees, contractors and customers. Since the 1970's, Amcor and formerly APM have been pro-active in seeking industry best practice in the way paper is handled and transported. This has been exemplified by the commissioning of various studies, simulations and trials on load stability, securing and restraint. With Toll equally committed to providing a safe and injury free workplace, a joint workshop was held on 22 October 2001 to formulate a 'plan of attack'.

This workshop, involving key representatives of Amcor, Toll, TWU and industry consultants, identified eight key factors that needed to be addressed if our goal of 'no injuries / no incidents' was to be achieved. These were:

Culture

Must be committed to safety at all levels and 'walk the talk'

Reporting

Must be appropriate, timely and acted upon

Layers

Must have accountability and responsibility through supervisory and management levels and continually audit to ensure compliance

Experience

Must employ the right people and learn

from both our and the industry's experiences

Equipment

Must be fit for purpose and fully maintained

Education

Must practically induct, train and share experiences and awareness

Work practices

Must audit, review and change practices across all employees and contractors

Physical environment

All loading and unloading sites must be covered and environmental factors considered

As these key factors related to either the equipment or the culture / training / people involved in the transport and handling of paper, they were then distilled by Adrian Gardner and consultant Hugh O'Donnell into two natural groups. These then became the two projects as outlined below:

Project 1 – Suitable and Fit for Purpose Equipment

The key strategies to be undertaken as part of this project include identifying

the current equipment (trucks, trailers, containers, jo-loaders and restraining gear) used on all sites, agreeing the specifications and suitability of equipment and reviewing the condition and maintenance of same.

Project 2 – Effective Education Systems and Work Practices

The key strategies to be undertaken as part of this project include auditing existing procedures and practices, developing common induction and training procedures, establishing minimum competency levels and implementing ongoing improvement processes.

With agreement between Amcor and Toll to implement the appropriate systems within Toll's relationship with Amcor initially and then 'roll out' the model for same to Amcor's other contractors and the industry thereafter, Craig Hilton of Industrial Division has been appointed to manage the project teams on a full-time basis.

Both Amcor and Toll are proud to be involved in this project and to set Australian industry and possibly world best practice standards in what we are doing.

Left is Craig Hilton – Toll / Amcor Safety Project Manager with Andrew Simpson – Toll NSW Paper Manager.



Toll Liquid Distribution Awarded the Shell Contract

On 1 November 2001, Toll Liquid Distribution was awarded the Gladstone contract by Shell Australia.

This contract is for the delivery of bulk fuels, including aviation fuel from Shell's Gladstone Terminal facility to the Gladstone metropolitan and regional areas. The regional deliveries include numerous mine sites.

The operation employs three permanent drivers and one 25 m B-double with 2 trailer configurations (one single trailer is dedicated for aviation fuel). This operation works on a 24-hour roster, 7 days a week.

These drivers and the vehicle currently deliver as far south as Bundaberg,

Emerald in the northwest and Moura in the west. A considerable amount of driving is conducted on dirt and mining roads.

The dedicated Shell B-double is given backup support by one 19 m B-double and one 25 m B-double based in Rockhampton. These two units currently deliver various grades of fuel from Gladstone for BP, Caltex and Mobil to central Qld.



Unilever Awards Toll a new four-year contract

Unilever recently awarded Toll Holdings a new four-year contract for their Australia wide freight requirements which further builds on the long-term partnership Toll and Unilever have enjoyed.

These services include multi modal transport solutions provided by the various businesses including Toll SPD, Toll Logistics, Toll Tasmania and Toll Refrigerated.

To achieve its strategic goals for business growth, process simplification and service improvement, Unilever in partnership with Toll have embarked on a program of change to significantly improve the overall effectiveness of its supply chain.

One key project involves the creation of an innovative new

approach to supply chain management. After extensive analysis of several alternatives the best recognised vehicle to deliver this outcome was the provision of a 4PL service – namely Toll's MTS (Managed Transport Service) offering.

MTS provides a single point of management and control for all of Unilever's transport requirements in Australia. It consists of an integrated set of world-class business processes, IT systems, and performance management capabilities.

We look forward to continuing our long and mutually beneficial relationship with Unilever and are excited by the prospect of being able to refine our service offering to another key client.

Quote

"Focusing our efforts on the one ongoing continuous improvement program with the one freight provider [Toll] will deliver vastly improved customer service."

Gavin Thompson
Unilever Australasian Customer Services and Distribution Manager

Left to right: Ray Busuttill – Unilever Customer Services and Distribution Manager, Victoria; Bob Henzell – Unilever Distribution Methodologies Manager; Rob Toshack – Unilever Customer Services and Distribution Manager, NSW and Gavin Thompson – Unilever Australasian Customer Services and Distribution Manager.



Toll Transitions Workplace

Defence Material Organisation...

Congratulations to Andy White and Bill Symes, Toll Transitions Workplace Melbourne for their great work with the Defence Material Organisation. The move involved over 500 staff over a period of 8 months.

Major Steve Trotter, National Logistic Manager said "...the work done by Andy White and the team was first class. The removal took considerable planning and the advice received from your people ensured an efficient, speedy and hassle free move. In particular, your people displayed flexibility and a real customer focus, which resulted in a very satisfactory experience for our staff..."

Soldier Career Management Agency moves home...

Congratulations to the Toll Transitions Workplace team on the successful move of the Soldier Career Management Agency (SCMA) from Victoria Barracks to Fort Queenscliff.

The move, which has been 18 months in the making was finally completed in November 2001. Careful planning

ensured that various Defence classified documents, historical memorabilia, colours, trophies and awards arrived safely in their new home.

A critical issue in the move was also ensuring that the 140 SCMA staff and their families were relocated in a timely fashion. The large IT staff component were relocated first to ensure the new accommodation was fully operational in time for the office move.

HMAS Brisbane rolls into Canberra...

Toll Transitions Workplace recently assisted in the relocation of several large parts of the HMAS Brisbane.

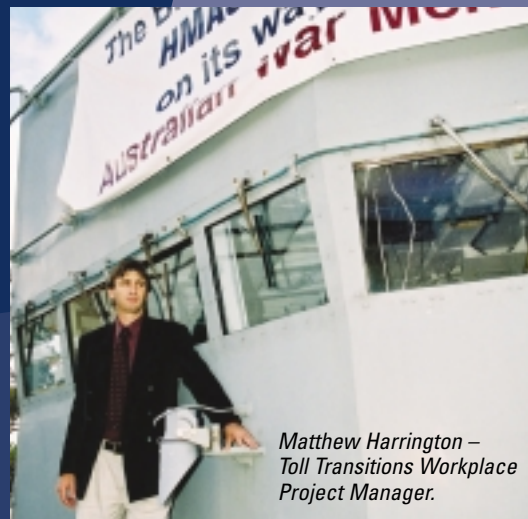
HMAS Brisbane was the oldest serving ship in the Navy, performing active duties in three conflicts.

The decommissioned vessel's missile launcher, bridge and propeller were moved from the Garden Island Naval Yards in Sydney, to Canberra, where they are to be put on display in the Australian War Memorial.

The move was a success thanks to the combined effort of Don Telford, Malcolm Gill, Toll Logistics, Matt Harrington, Toll Transitions Workplace and TenixToll.



HMAS Brisbane's propeller on the move



Matthew Harrington – Toll Transitions Workplace Project Manager.

Trinity has done it Again

Trinity Stewart who works in our Toll Transitions office in Fyshwick ACT has again been successful in taking out the 'Women's' class of the Go-Whoa in the Summernat series, Australia's largest car show, January this year!

Congratulations Trinity!

We reported on Trinity and the objectives of the Go-Whoa event in the winter edition 2001 of Toll Today.

Trinity Stewart drives a 1973 TC Ford Cortina with a 302 Windsor V8 and for the past three years, Trinity has won the Women's class of the Go-Whoa, which is now the fifth time in seven years that she has been successful in this event.

This year 350 cars attempted to qualify for the Go-Whoa event but only the top 50 quickest times for the males and the top 10

quickest females go through to the finals. Whilst the quickest male time was 7.92 seconds, Trinity was only 8.16 seconds. That's a great achievement!

But that's not all! Trinity was awarded further by coming second overall in the final top ten quickest time shootout.

Trinity has mastered this event by continually practicing and being thoroughly passionate about what she does. Well done Trinity!



Welcome to our New Appointments



Joanne Messing joins Toll as Assistant Accountant.



Mark Weller joins Toll as Group Financial Accountant.



Leah Kay joins Toll as Receptionist.

Staff Milestones

CLUB 10

TOLL LONG DISTANCE - CLUB 10

Andrew Baxter, Toll Finemores Transport, Cowra, NSW.
 Andrew Felton, Toll Finemores Transport, Wagga Wagga, NSW.
 Arthur Jarrott, Toll SPD, Enfield, NSW.
 Bill McPherson, Toll Finemores Transport, Albury, NSW.
 Chris Ramsden, Toll SPD, Enfield, NSW.
 Frances Cosson, Toll IPEC, Richlands, QLD.
 Graeme Jessup, Toll Finemores Transport, Albury, NSW.
 Ian Adam, Toll Finemores Transport, Orange, NSW.
 Kathy Tuckwell, Toll Finemores Transport, Wagga Wagga, NSW.
 Nada Lewis, Toll IPEC, Netley, SA.
 Robert Frankcombe, Toll IPEC, Richlands, QLD.
 Rodney Vella, Toll IPEC, Villawood, NSW.
 Ron Elliott, Toll Express, Altona, VIC.
 Shane Howe, Toll Finemores Transport, Albury, NSW.
 Stephen Delia, Toll SPD, Enfield, NSW.
 Stephen Jones, Toll Finemores Transport, Adelong, NSW.

TOLL LOGISTICS - CLUB 10

Adrian Kuhlar, Food & Beverages, Minchinbury, NSW.
 Allan Jackson, Industrial, Ingleburn, NSW.
 Anne Benic, Industrial, Footscray, VIC.
 Daniel Maisano, Industrial, Brooklyn, VIC.
 David Lacey, Toll Liquid Distribution, Laverton North, VIC.
 David Turner, Toll Liquid Distribution, Wagga Wagga, NSW.
 Geoffrey Baldwin, Automotive, Laverton, VIC.
 Jerome Gunnell, Food & Beverages, Penrith, NSW.
 John Flanagan, Food & Beverages, Lidcombe, NSW.
 John Gilmore, Food & Beverages, North Laverton, VIC.
 Karen Hides, Food & Beverages, Girraween, NSW.
 Kevin O'Rielly, Food & Beverages, Keswick, SA.
 Louis Debono, Food & Beverages, Girraween, NSW.
 Michael Williamson, Food & Beverages, Penrith, NSW.
 Peter Webb, Industrial, Ingleburn, NSW.
 Robert Hull, Food & Beverages, Wingfield, SA.
 Robert Seal, Industrial, Footscray, VIC.
 Royce Chester, Food & Beverages, Wingfield, SA.
 Shane Askew, Food & Beverages, Laverton North, VIC.
 Stanley Hoad, Food & Beverages, Moorebank, NSW.

TOLL NORTH - CLUB 10

David Bunton, NQX, Villawood, NSW.
 Lisa Delandelles, QRX, Tennyson, QLD.
 Marcia Little, QRX, Toowoomba, QLD.
 Toni Bakon, Malleys Transport, Tully, QLD.

CLUB 15

TOLL LONG DISTANCE - CLUB 15

Bob Callander, Toll Finemores Transport, Albury, NSW.
 Brenda McManus, Toll SPD, Footscray, VIC.
 Brian McPherson, Toll Finemores Transport, Albury, NSW.
 Campbell Owen, Toll IPEC, Villawood, NSW.
 Col Plunkett, Toll Finemores Transport, Albury, NSW.
 Damien Edwards, Toll SPD, Regency Park, SA.
 Darren Wood, Toll Finemores Transport, Orange, NSW.
 Don Garner, Toll Finemores Transport, Albury, NSW.
 Edward Burnett, Toll SPD, Footscray, VIC.
 Frank Costantino, Toll Finemores Transport, Albury, NSW.
 Greg Oliver, Toll Finemores Transport, Cowra, NSW.
 Harold Sivewright, Toll IPEC, Lismore, NSW.
 Jeffrey McElroy, Toll IPEC, Villawood, NSW.
 Jim Campbell, Toll Finemores Transport, Albury, NSW.
 John Harvey, Toll Express, Altona, VIC.
 Lindsay Wheeler, Toll Finemores Transport, Albury, NSW.

CLUB 15 continued

Loui Kotsopoulos, Toll IPEC, Footscray, VIC.
 Peter Boot, Toll Finemores Transport, Albury, NSW.
 Robert Biggar, Toll Tasmania, Port Melbourne, VIC.
 Robert Gale, Toll Finemores Transport, Albury, NSW.
 Shane Deacon, Toll SPD, Regency Park, SA.
 Terry Bartsch, Toll Tasmania, Regency Park, SA.
 Tony Fisher, Toll Finemores Transport, Albury, NSW.

TOLL LOGISTICS - CLUB 15

Brian Devereux, Food & Beverages, Kewdale, WA.
 Clifford Hobbs, Food & Beverages, Homebush, NSW.
 Dale Tacono, Food & Beverages, Wingfield, SA.
 Gary Peat, Ports & Resources, Geelong, VIC.
 Heather Rogers, Ports & Resources, Geelong, VIC.
 John Martin, Ports & Resources, Geelong, VIC.
 Kevin Grimison, Toll Liquid Distribution, Laverton North, VIC.
 Noel Pownall, Ports & Resources, Geelong, VIC.
 Shane Grundell, Ports & Resources, Geelong, VIC.
 Siridasa Gunawardana, Ports & Resources, Geelong, VIC.

TOLL NORTH - CLUB 15

Alan Cochrane, QRX, Tennyson, QLD.
 Brian Cox, NQX, Eagle Farm, QLD.
 Lindsay Sinclair, NQX, Toowoomba, QLD.
 Michael Soich, QRX, Tennyson, QLD.

CLUB 20

TOLL LONG DISTANCE - CLUB 20

Anne Deed, Toll Finemores Transport, Wagga Wagga, NSW.
 Vincent Samyia, Toll SPD, Kempsey, NSW.
 Warren Luscombe, Toll IPEC, Toowoomba, QLD.

TOLL LONG DISTANCE - CLUB 20

George Cauchi, Industrial, Footscray, VIC.
 Neville Klingberg, Ports & Resources, Geelong, VIC.
 Ray Ferguson, Ports & Resources, Geelong, VIC.
 Shane McCulloch, Toll Liquids Distribution, Dry Creek, SA.

TOLL NORTH - CLUB 20

Darryl Beckwith, QRX, Tennyson, QLD.

CLUB 25

TOLL NORTH - CLUB 25

Stephen Thomas, QRX, Townsville, QLD.

CLUB 30

TOLL LONG DISTANCE - CLUB 30

Bert Petchell, Toll Express, Smithfield, NSW.
 Grant McPherson, Toll Finemores Transport, Wagga Wagga, NSW.
 Kerry Quirk, Toll SPD, Acacia Ridge, QLD.

TOLL LOGISTICS - CLUB 30

David Kenwood, Ports & Resources, Geelong, VIC.

TOLL NORTH - CLUB 30

Graham Huff, NQX, Rockhampton, QLD.

CLUB 35

TOLL LONG DISTANCE - CLUB 35

Phillip Hennessy, Food & Beverages, Kewdale, WA.

TOLL LOGISTICS - CLUB 35

John Bell, Ports & Resources, Geelong, VIC.

DIVISION BUSINESSES SERVICES

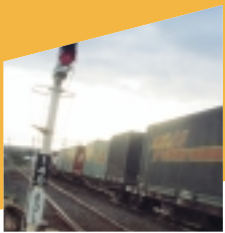
Toll Logistics



Automotive
Beverage
Defence
Food & Retail
Industrial
Ports & Resources
Toll Liquid Distribution
Toll Transitions
Toll Vehicle Distribution

- 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 facility management
- Relocation services to the Corporate, Government and Domestic sectors
- Virtual logistics

Toll Long Distance



Toll Express
Toll Finemores Transport
Toll Fleet Management
Toll International
Toll IPEC
Toll Linehaul
Toll Rail
Toll Refrigerated / FRL
Toll SPD
Toll Tasmania / Edwards

- Full load and less-than full load national distribution
- Multimodal
- Rail linehaul operations
- Time sensitive road-express service for lightweight freight consignments
- Overnight satchels
- Cold chain management
- Coastal shipping
- Temperature controlled distribution warehousing
- Cross-docking
- National and international distribution

Toll North



NQX
QRX
W & M Meat Transport
Carpentaria International
Kimtrans (50%)
R & H Transport (50.01%)
Freshmark
Malleys

- 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 Technologies / Business Development



Venture Fund Investments
AWX (20% equity)
Toll Solutions Group

- Strategic investment in e-commerce businesses
- Group Business Development
- Development of new services and capability

Automotive

Beverage

Defence

Food & Retail

Industrial

Key Industry Segments

Ports

Relocation

Resources

Services

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	Level 1, 32 Walker Street, North Sydney, 2060.	02 8923 2333	02 8904 0219
Toll Long Distance	Level 1, 32 Walker Street, North Sydney, 2060.	02 8923 2333	02 8904 0219
Toll North	146 Kerry Road, Archerfield, 4108.	07 3275 0400	07 3275 0444
Toll Technologies / Business Development	Level 8, 380 St Kilda Road, Melbourne, 3004.	03 9694 2888	03 9694 2880

OUR VISION

To be the most successful provider of integrated “Total Logistics Solutions” to Industry.

Editor: Evelyn Papadopoulos – Corporate Communications Manager
Toll Holdings Limited, Level 8, 380 St Kilda Road, Melbourne 3004. Telephone 03 9694 2826 Facsimile 03 9694 2880
www.toll.com.au e-mail tolltoday@toll.com.au