



Behind you all the way



MILFORD

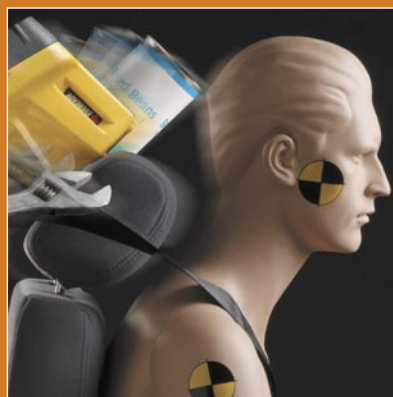
Summer 2005/06

matters

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Editorial

The increase in steel prices has been a real challenge for manufacturers.

Soaring input costs in the last financial year, which have seen steel prices increase between 30-40%, have been a significant challenge to profitability in the past year. So despite continued sales growth of just under 20%, we were not able to gain the full benefits of this to the bottom line. Manufacturing is a tough place to be in Australia at this time!

However, we are budgeting further growth and continue to believe in the future of our company as an Australian manufacturer. The need to be flexible and creative about how we do business is paramount. As previously indicated, we see investment in plant and

equipment, as well as better sourcing as key elements to secure our future. The coming year will see a number of new products introduced in both divisions, and our 'Sage Management System' is giving us the information we need to more fully understand our cost base.

We have also placed greater emphasis on safety in the factory and have seen a 37% drop in our lost time frequency rate, and a 28% drop in our medical treatment incident rate. Our goal is to reduce injuries to zero within 3 years, so while we have made headway, there is still plenty to go!

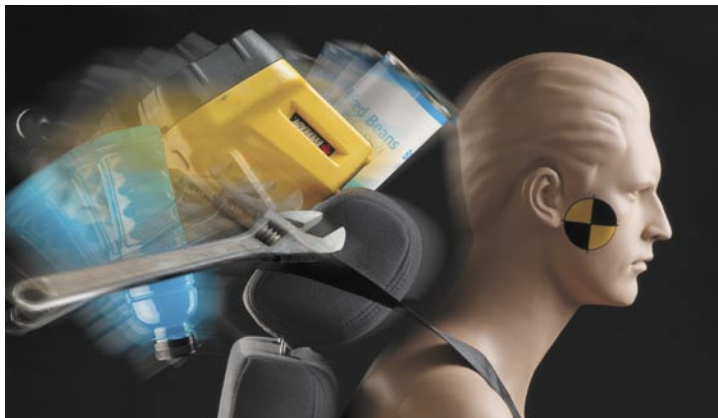
What's happening in VLR

During the last year there has indeed been occasion where we have not maintained our normally exemplary on time delivery performance. Much of this can be linked to a more painful introduction of our MRP system than originally anticipated. As a result of further fine tuning our systems and a number of recently announced initiatives, we believe that we are now well and truly on the road to restoring our rock solid reputation.

Significant effort is also being applied to the upgrading of our quality system to the unified TS16949 automotive standard. As part of our review, we determined that we could no longer justify the effort in maintaining ourselves as the only independently audited supplier of cargo barriers to

AS4034, and as a result we have withdrawn from the CE5 Tick, certification program. This does point to an issue in our small niche area. AS4034 is just about the only non-mandatory safety standard in existence, and it does result in some of the competition claiming compliance to the Standard when clearly they do not. We will be working with the re-formed Standards Committee to review and strengthen the Standard in this and other areas.

On a more positive note, the Safety Net is doing well, and our new look promotional material has been extremely well received. We are anticipating the launch of two new products that we believe will allow us to reach an even wider market.



Our new look

Our new promotional look for Vehicle Load Restraint (VLR) asks readers to think about the consequences of a crash. The message is that "a collision or heavy braking can be deadly ... choose to live ... choose Milford". This more challenging approach will be rolled out progressively over the next few months.

Tyson Group - raising the bar for van fit-outs

Long time Milford Cargo Barrier specialist, the Tyson Group has launched two new van accessory super centres. Branded Tyson's in Sydney, and Bris-Vans in Brisbane, they are both based on the concept of providing a highly visible one-stop shop for tradespeople, as well as a modern professional look for dealerships and company



car fleets seeking van conversions.

After 35 years in the business, Peter Tyson could see the opportunity to take servicing the van accessory market to

a new level. "We have been established in our markets for some time, but we saw the need to provide better service to our customers as well as increase market

share", he said. "There is more variety than ever in the fit-outs and it really helps to have a good display of the range of products available - racking, seating, windows, cargo barriers, roof racks, etc."

The Centres are situated at Milperra Road Revesby (over 3000sqm), and at Judds Court Slacks Creek (over 1800sqm), so be sure to visit if in either of these areas.

Employer risks escalate

Alarm bells are ringing in the Board Rooms of Australian employers following a pivotal Victorian Supreme Court appeal finding at the end of 2004. In 'The Queen vs. ACR Roofing Pty Ltd', a crane contractor was found to have employer obligations not only for employees, but also to its "independent" contractors, sub-contractors and even employees of contractors and sub-contractors. The Court found "where contractors are engaged to do work which might as readily have been done by employees, the employer has an obligation to provide a safe work system for the benefit of the independent contractors right down the contractual line". The finding is expected to set precedent in other State and Territories.

In our opinion, this has serious implications for the use of

vehicle load restraints by contractors. As more and more outsourcing takes place, contractors are often running around with unrated, or worse still, no cargo barrier in their vehicle, supposedly by their choice. When questioned, Fleet and Line Managers we have spoken to often say that sub-contractors are not their responsibility. The ACR Roofing decision clearly begs



to differ and builds on the 'Sammartino vs. Mayne Nickless Express t/a Wards Skyroad' case in 1998, which found that an employee could not be made a full-time sub-contractor and then lose the rights of an employee.

"Employers need to be aware of the increased risk that they are inadvertently running" points out Greg Spooner, Product Manager

VLR. "The key principle of each Occupational Health and Safety (OHS) Act is the 'duty of care' responsibility given to employers to provide a safe place of work for employees. Duty of care requires everything 'reasonably practicable' to be done to protect the health and safety of others at the workplace... the duty holder must show that it was not reasonably practicable to do more than was done or that they have taken 'reasonable precautions and exercised due diligence'."

We believe that this new ruling will be a spur to companies to review their safety procedures, not only in the vehicle of course, but in the entire work place. The penalties for not doing so are extreme – up to \$2m for corporations in one State, and up to \$184k for individuals.

Warning! Examples of Accelerated Mass in a 48km/hr head on collision

Item	Static Mass	Collision Mass
Gas Bottle	5kg	100kg
Tool Box	15kg	300kg
Suitcase	20kg	400kg
Compressor	60kg	1200kg



The Australian Automotive Aftermarket Association Trade Show for 2005

The Australian Automotive Aftermarket Association (AAAA) Trade Show was held at the Sydney Exhibition Centre Darling Harbour, April 7-9.

The show aims to present the latest developments and products available to motor industry tradespersons and consumers, inviting Australian and overseas exhibitors and

even a few racing celebrities. Around 350 manufacturers and suppliers were assembled, exhibiting parts and accessories ranging from neon lights for the boy racer to parts identification software for mechanics. This year's show featured special sections reserved to display parts for the four-wheel drive and performance sectors, which

the AAAA believes are areas of growth in the Australian market.

Milford took the opportunity to once again highlight the dangers of unrestrained loads. We fitted out a Holden Adventra with a Cargo Barrier in the front position behind the driver's seat and showed off our Safety Net in the rear.

More importantly we used the show as an opportunity to demonstrate a prototype of our new Gear-Safe product. The feedback was very constructive and assisted us to finalise the brief of an exciting new product due out later this year.

Testimonial

I'm writing to relay my experience of a serious crash and roll-over I recently had in my Landcruiser, fortunately



the vehicle was fitted with a Milford cargo barrier. The accident happened just north of Walhalla (Victoria), my vehicle left the road on the left side of the road and struck a tree head-on then rolled multiple times down a steep embankment finally coming to rest against a tree some 80 meters down from the road.

The forces from the initial frontal strike to the tree and then the rollovers were quite substantial as evidenced by the damage to the car. Despite the severity of the accident both my passenger

and I were able to walk away from the wreckage sustaining only minor bruising and scratches. The cargo barrier not only prevented my fridge, tent, recovery gear, tools, axe and numerous other heavy potentially lethal items from entering the passenger compartment but also aided in preventing the roof from collapsing.

The emergency services personnel were amazed at how minor our injuries were, but due to the severity of the forces involved in the accident, we were air

lifted to the Alfred hospital for precautionary trauma treatment and observation. We were discharged 3 hours after arriving at the hospital and returned to normal duties the next day.

I could never again feel safe in a vehicle where the passengers were not properly protected against loose cargo in the event of an accident and I will be fitting a cargo barrier to my next four-wheel drive.

Colin

Colin Armour

Did you know:

Our Patch grows

Most plants survived the summer, and we have now planted a further 450 plants in a working bee attended by 29 employees and family. The Our Patch Coordinator for West Torrens, Caroline Wilson, was very excited that we have a very rare self-seeded native grass just starting to grow on our site. Also one of the plants we planted last year was a silver Banksia and we have 5 onsite all surviving very well. The survival rate of this plant in recent area plantings has been less than 10%. How lucky are we?

click!

www.cargobarrier.com

Look out for Milford's all new upcoming Gear-Safe.



Further details available soon at www.gear-safe.com

Focus on the New 'Gear-Safe'

As part of the development of this new range, Milford conducted focus group market research in Melbourne recently. A prototype was displayed to various groups including those associated with buying or using fleet vehicles, plus the 'original equipment' and 'after market'. Potential end users were also included.

The conclusions reached from that exercise are that the 'Gear-Safe' offers a new level of convenience especially suited to commercial travellers and others who work from

and carry documents and equipment in their car/van or station wagon.

The aspect of safety in preventing loose objects from flying around the vehicle in the event of an accident was also a major consideration. Suggestions from the group, such as colour of the container, will be taken into consideration.

Greg Spooner, VLR Product Manager, commented that Milford believes the fleet buyers and managers will find 'Gear-



Safe' an essential item. Not only for the reasons stated, but it is yet another aspect of considering risk management issues.

The 'Gear-Safe' range will be launched in January/February 2006.

Staff Profile: Annie Burgis

Annie joined the company in May of this year and works in accounts and customer service. She joined Milfords after working in a similar role at several photographic labs.

Big changes ahead for Annie! She is marrying fiancé Tony early next year and planning a U.S.A honeymoon. They will spend time in Disneyland, Las Vegas. She is obviously very impressed with the U.S lifestyle

having visited Hawaii on no less than 7 occasions.

Annie is a big Crows supporter and can be seen at all the home games. She has no plans to have a family, life is full enough with a fiancé, a cat and a dog.

Other activities for Annie include camping and travelling. Her favourite past time is scrap booking.



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