

# ACROSS BORDERS

**NSWPorts**

**KEEPING AUSTRALIA'S  
ECONOMY MOVING**



TOWARD A RESILIENT AND ROBUST ECONOMIC RECOVERY – THE HON DAN TEHAN MP  
MEET IN REGIONAL NSW - APSA CONFERENCE, WAGGA WAGGA – 22 & 23 FEBRUARY, 2022  
BIOSECURITY 2030 - MOVING TOWARDS A STRONGER BIOSECURITY FUTURE – ANDREW TONGUE

“KEEPING AUSTRALIA’S INTERNATIONAL TRADE MOVING”



Australian Peak Shippers  
Association Inc. (APSA)

# THE ULTIMATE WAREHOUSE OPPORTUNITY AVAILABLE Q1 2023.

Artist impression

## FREE STANDING DISTRIBUTION FACILITY IN MELBOURNE'S PREMIER INDUSTRIAL ESTATE

**SALTA PROPERTIES IS PROUD TO ANNOUNCE THE RELEASE OF A 26,542 SQM DISTRIBUTION WAREHOUSE ACCOMPANIED BY A HIGH QUALITY 1000 SQM TWO LEVEL CORPORATE OFFICE. THE FACILITY WILL INCLUDE A 2,855 SQM SUPER CANOPY AND 10,000 SQM CONTAINER RATED HARDSTAND, SITTING ON A TOTAL SITE AREA OF 64,512 SQM.**

This brand-new facility will be constructed on Salta's Industrial Estate, Nexus Dandenong South and has been designed for major distribution requirements, offering full ring road access enabling B-Double one-way traffic flow to improve volume throughput. With a clear internal height of 10 metres to the underside of the portal haunch, a super canopy measuring 155 metres-long, six on grade roller shutter doors and eight weather protected internal recessed loading docks, the premises are well suited for most logistics operations.

The site has unique geographic advantages with immediate access to Western Port Highway connecting to the Monash Freeway and adjoins Silk Contract logistics, a major public company and provider of port related and conventional road-based transport services.

The property tenant will also enjoy the benefits of a priority truck entry/exit to the future Dandenong South Inland Port Rail Terminal which will deliver time-based efficiencies when picking up or dropping off containers. The Dandenong South Inland Port Rail Terminal, connected to the Port of Melbourne is expected to deliver tenants a significant cost saving on the transfer of containers to and from the Port of Melbourne when compared to road transport.

### Connection to Port

Direct connections to the Port of Melbourne via the Cranbourne Railway Line, Western Port Freeway and the M1.



### Intermodal Terminal

The 11 hectare Intermodal Terminal will cater for an initial annual capacity of 100,000 TEU. Works have commenced, and the first phase of the project is expected to take just 24 months from works commencement.



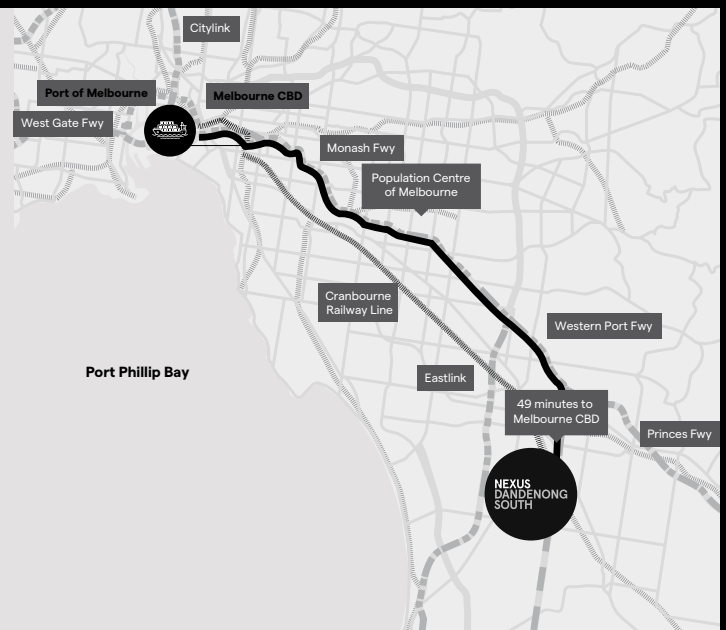
### Major road connections

Convenient dispatch and travel to the main population centre of Melbourne, without transiting congested inner-city streets.



### HPFV approved routes

Direct access to Victoria's higher mass limit High Productivity Freight Vehicle network via the intersection. Supports trucks up to 32m in length, weighing 77.5t.



### For leasing enquiries call

Clarenzo Perna, Development Executive,  
Logistics & Strategic Industrial Projects  
03 9673 1111 | Salta.com.au

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# ACROSS BORDERS

EDITION TWO 2021



## A way forward for the international trade sector

Our appreciation is extended to the Hon. Dan Tehan, Minister for Trade, Tourism and Investment for his proactive engagement on the current international shipping crisis and the likely establishment of a formal Federal Government led review.

In parallel to the reforms outlined in the minister's foreword, FTA and APSA are also working closely with the Australian Competition and Consumer Commission (ACCC) in terms of their investigation of potential anti-competitive conduct and assessment as to whether this has led to price increases in the container shipping industry.

At a domestic level, we will no doubt face further challenges as we move towards a new world of living and working with COVID-19. While New South Wales and Victoria have been forced into this situation with the outbreak of the Delta virus, we now watch with interest as other states make assessments as to when and how they transition away from absolute suppression policies.

The imminent phased opening of international borders (initially likely to be limited to states living with the virus) will no doubt attract a graduated return of passenger volume and much needed associated belly-space capacity for cargo. In the interim, we are again grateful to the trade minister for responding to our calls for the continuation of the Austrade administered International Freight Assistance Mechanism until mid-2022.

We are also proud to support the NSW Ports' lead on their call to secure the protection and preservation of industrial lands. This initiative and the many other operational strategies showcased in this edition of *Across Borders* will be critical to drive economic growth in a dynamic new era of international trade.

By PAUL ZALAI, Co-founder and Director, Freight & Trade Alliance (FTA)



Front cover – sponsored by NSW Ports

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68 Brooker Avenue  
Beacon Hill NSW 2100

T: 02 9975 1878  
E: [info@FTAlliance.com.au](mailto:info@FTAlliance.com.au)

[www.FTAlliance.com.au](http://www.FTAlliance.com.au)

**Editor** - John Park  
T: 0415 973 630  
E: [jpark@FTAlliance.com.au](mailto:jpark@FTAlliance.com.au)

**Advertising** - Paul Zalai  
T: 0408 280 123  
E: [pzalai@FTAlliance.com.au](mailto:pzalai@FTAlliance.com.au)

**Design** - Siren Design Studio  
T: 0412 103 569  
E: [sarah@sirendesignstudio.com.au](mailto:sarah@sirendesignstudio.com.au)



# Australia's international trade: Toward a resilient and robust economic recovery

By Hon. DAN TEHAN MP, Minister for Trade, Tourism & Investment

Australia is a trading nation. International trade and investment are vital to Australia's economic success. Trade drives jobs and economic growth.

The Morrison Government is working closely with Australian industry to mitigate the impacts of the COVID-19 pandemic on Australian businesses.

We are working to keep global supply chains open and accessible, expanding our network of international markets, sharing market intelligence, advocating for open, rules-based international trade, and supporting Australian exporters to diversify and spread their risk.

I want to reassure Australians that the Government is committed to exploring practical solutions and measures that keep Australia open for business, and which enable us to open our borders and facilitate international business travel as soon as possible. Some of these measures include the extension of the International Freight Assistance



“ *The Government is cutting red tape through its \$37.4 million commitment to implement the Simplified Trade System (STS) agenda. This will simplify border processes and reduce regulatory costs for 57,000 Australian exporters and more than 380,000 Australian importers* ”

Mechanism until June 2022, the Agri-Business Expansion Initiative (ABEI), efforts to remove barriers to digital trade and the Simplified Trade System (STS).

Our Government has extended the International Freight Assistance Mechanism (IFAM) until June 2022, to maintain the critical airfreight links between Australian businesses and their international customers, which is critical to maintaining the flow of exports and imports. This extension provides traders with additional time to adjust their businesses to the 'new normal' global trading environment and international supply chains.

IFAM is a temporary, targeted, and proportionate emergency measure which has supported the rebuilding and maintenance of global airfreight routes in the wake of COVID-19 containment

measures that saw commercial passenger flights drop by more than 90 per cent almost overnight.

IFAM has successfully reconnected nine Australian ports to 58 international destinations since taking flight on 1 April 2020. The program has enabled exporters of high-value, time-sensitive perishable exports to maintain their trading relationships with international customers, while also facilitating the importation of nationally important goods, including those critical to Australia's pandemic response. These freight flights have been critical to saving regional jobs and continuing to get local produce into the global markets during tough times.

As Australia's exporters face challenges posed by difficult trade settings and the COVID-19 pandemic, the Morrison Government is backing the nation's agricultural exporters by committing \$72.7 million to deliver the Agri-Business Expansion Initiative, which is supporting exporters to find new international markets.

Australia's agricultural producers and exporters are demonstrating their resilience and innovative spirit by embracing the opportunity to partner with Austrade.

Austrade is helping business go further faster, by increasing the number of dedicated trade specialists in local and overseas markets to rapidly scale up its services during the pandemic. These 'boots on the ground' have been critical for thousands of Australian exporters who have been unable to travel.

For example, Australian winemakers are selling more wines into non-traditional markets and the free trade agreement our Government has negotiated with the United Kingdom will see tariffs on

Australian wine exports into the UK eliminated - making Australian wines even more attractive.

Our Government is also working to ensure that barriers to digital trade are reduced as far as possible. We recently signed our most ambitious digital trade agreement to date with Singapore. We are also leading efforts on a regional digital trade initiative to bring together partners across the Indo-Pacific to agree high quality, commercially meaningful digital trade rules to help grow productivity, create new jobs and catalyse economic recovery from COVID-19.

Such an initiative could include regional rules to promote participation in the digital economy, remove barriers to digitally enabled trade, build trust in digital systems and increase digital competency and capability, all of which would support the freight and transport sectors to continue to grow and capitalise on the benefits of digital transformation.

The Government is cutting red tape through its \$37.4 million commitment to implement the Simplified Trade System (STS) agenda. This will simplify border

processes and reduce regulatory costs for 57,000 Australian exporters and more than 380,000 Australian importers.

The recently established STS Implementation Taskforce will review international trade regulations and streamline outdated ICT systems. This will complement the \$1.2 billion Digital Economy Strategy to help drive a jobs led economic recovery.

We are also engaging with Australian Industry and the business community to hear their concerns about international freight shipping. They have been navigating their way through rising costs, port disruptions and limited access to shipping containers. I asked the Department of Foreign Affairs and Trade (DFAT) and the Australian Trade and Investment Commission (Austrade) to convene a series of roundtables with exporters, industry peak bodies, port owners and shipping lines to discuss these issues further and explore solutions.

I look forward to continuing to work collaboratively with Australian industry and the Australian business community to navigate our way to economic recovery. I commend to you this edition of Across Borders.



Meeting at Parliament House Canberra 2, June 2021

*L to R – Paul Zalai (FTA/APSA), Mary Wu (Australian Meat Industry Council), The Hon. Dan Tehan (Minister for Trade, Tourism and Investment) and Michael Byrne (International Freight Coordinator General, Austrade)*

## Austrade – Supporting Australia's Producers

**Australian canola seeds make a welcome return to Pakistan: Australian Government acts quickly to secure export opportunity**

Australian canola growers are looking forward to a golden future in the growing market of Pakistan after a joint effort by government and industry reopened exports to the country. This will be the first time in five years that Australian canola seeds will be available in Pakistan.

Austrade, the Department of Agriculture, Water and Environment, and the Department of Foreign Affairs and Trade worked with Pakistani authorities to resolve phytosanitary and technical import issues.



As a result of their coordinated approach, Pakistani importers were granted permits to import Australian canola seeds in late May.

Agribusiness trading company Cargill and other traders can now resume exporting canola seeds to Pakistan.

The timing has been ideal for the Australian agribusiness industry with traders like Cargill looking to diversify into new markets.

“We now have access to a market we haven’t been exporting to for several years,” says Peter McBride, Director, Corporate Affairs – Asia Pacific, Cargill.

“It opens up opportunities for Australia to diversify its canola exports to a growing market, which will ultimately benefit Australian canola growers.

“Pakistan has a growing middle class and the potential to become a significant market for Australian agribusiness in the long term.”

The outlook for canola exporters is bright - Australia’s agricultural exports to Pakistan grew 35 per cent year-on-year to \$194 million in 2020 (primarily through pulses, cotton, horticultural products, and live breeder cattle).

## Brown Brothers harvests new opportunities in Asia and the US:

A rapid reset helped the Milawa winemaker to recover export revenue.

One of Australia’s oldest winemaking families has emerged from a crushing trade crisis with the assistance of Austrade, resulting in new sales and new partnerships in major and emerging wine markets.

Milawa-based Brown Brothers lost one of its biggest markets when China imposed hefty tariffs on wine exports to the country. It is a story repeated in almost every winery around the nation dealing in exports.

While the King Valley winery will not make a single sale to China in 2021, its quick pivot to other markets, with the help of Austrade, means all is not lost.

“Our exports have stood up really well in Singapore, Korea and the US,” Dean Carroll, CEO of the Brown Family Wine



Group, said. “We are where we thought we would be, pre-tariffs, which is excellent.”

Brown Brothers’ heartening results are thanks in part to Austrade. The agency has responded to trade disruptions by rapidly scaling up its services to support Australian agri-exporters via the \$72.7m Agri-Business Expansion Initiative (ABEI).

“Austrade can access information that a business cannot, or would find difficult to access,” Carroll said. “They’ve introduced us to distributors, helped coordinate government bodies and shared knowledge that has helped us navigate the challenges of overseas markets”.

“This is why Austrade is a valuable resource. It can be costly, time-consuming, and challenging to build your brand in areas you haven’t been before. To have an agency tell your story, do the research and create connections is a fantastic benefit.”

Brown Brothers has been exporting its namesake brand to Korea for six years but was keen to grow its footprint and introduce its softer, sweeter wines to younger consumers in Korea’s renowned sophisticated market.

Researching the market and meeting new partners is difficult when international travel is off limits, Carroll said.

Austrade had the answer, inviting Brown Brothers to a virtual business matching event in late March 2021. The winemaker has a long history of embracing innovation and was eager to try this new method of connecting with overseas partners. In 20-minute virtual segments with five potential distributors, the winemaker explained the provenance of the wine and walked through the tasting notes while the distributor sampled the product in real time.

After putting in the virtual legwork, the winery is starting to taste sweet success in this new and important market.

Brown Brothers will also continue committing resources to underdeveloped parts of its business, such as Japan. It has worked with the same Japanese distributor for more than 10 years and is ready to increase its exposure and expand its partnerships.

Austrade’s assistance will be crucial, Bruno Baudry, General Manager, Export Markets said.

“I have not come across a trade agency so proactive and commercial as Austrade in my decades of experience in the wine industry,” Mr Baudry said. “Trade promotion agencies in Spain and France are nowhere near as active. The staff are also very easy to work with and genuinely keen to help.”

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# Australian Peak Shippers Association (APSA) Calls for Shipping Reform

By OLGA HARRITON, APSA Chair / Global Logistics Manager - Manildra Group

An inquiry into ocean freight is under way in the United States, triggered by global supply chain challenges that have exposed substantial gaps in ocean freight laws. The Australian Peak Shippers Association (APSA) is calling for similar action in Australia.

Trade is the lifeblood of our country, without it, the country stops. As an island nation, our distribution channels require efficient and cost-effective delivery of goods in-and-out of Australia and should be the government's top priority. But the COVID-19 pandemic has had, and will continue to have, a devastating impact around the world, including having a crushing impact on Australia's shipping supply chain.

2020 was a chaotic year, global freight bottlenecks hit imports and exports with demand for ships and containers outstripping supply, and this continues in 2021. There are substantial lengthy delays at major trans-shipment ports, jeopardizing contractual obligations in reaching global markets. Additionally, these foreign-owned shipping lines elect which lanes they service, restricting our nation's trade markets. Exporters are competing against extraordinary demand for empty shipping containers, with shipping lines eager to serve the lucrative Asia to Europe and USA trade lanes. Importers are struggling to meet the increased demand for imported goods, with consumers spending up during the pandemic.



**“ Remarkably, farmers and exporters are struggling to even find space on vessels from Australia to meet export markets yet are harvesting a crop that should be worth about \$10 billion to the Australian economy. Those that can even ship goods, may be subject to exorbitant shipping and freight charges ”**

These constraints are being compounded by continuing industrial disputes and congestion at Australian terminals. Then you have the added imposition of freight rates and surcharges, imposed without notice, ultimately increasing the cost of getting goods in-and-out of Australia.

With harvest upon us, many farmers and exporters who have finally benefited from rain and delivered bumper crops, on reprieve from years of drought, will be caught in a crossfire of global transport uncertainty and upheaval.

Remarkably, farmers and exporters are struggling to even find space on vessels from Australia to meet export markets yet are harvesting a crop that should be worth about \$10 billion to the Australian economy. Those that can even ship goods, may be subject to exorbitant shipping and freight charges.

Meanwhile, APSA is calling for an extensive inquiry in Australia that will review ocean freight laws.

APSA is advocating for shipping lines to be required to provide a minimum 30 days' notice of pricing changes, this

would match regulation in the United States – giving exporters and importers an opportunity to stay commercially viable. This would allow Australian businesses to make commercial decisions on shipping prices, rather than operate with diminished margins and in some cases at substantial losses.

APSA is also calling on the Federal Government to class all Australian ports, as well as their personnel, as an “essential service” recognising the fundamental need to maintain business continuity of our sea cargo supply chain. This is essential to ensure goods are imported and exported without unnecessary impediment and with a high level of confidence.

Representing exporters, importers, and logistic providers, we have relied on APSA to drive regulatory change during the most challenging times. And today, APSA is right here with us all - fighting these significant challenges with resilience and tenacity.

APSA is urging governments and industry to support these crucial reforms, which would deliver significant improvements in how we govern ocean freight laws, strengthening our supply chain and local industries, while creating jobs.

During this time of global uncertainty, it serves as a good reminder that we are often at our best when life is challenging. Throughout this crisis I continue to be inspired by the commitment, the generosity, and support people have shown across the country.

Take care of yourself and each other – we're in this together.



Australian Peak Shippers Association Inc. (APSA)





## FTA / APSA CALL FOR A FEDERAL GOVERNMENT SHIPPING REVIEW

By PAUL ZALAI, - Director Freight & Trade Alliance (FTA) | Secretariat Australian Peak Shippers Association (APSA) | Director Global Shippers Forum (GSF)

Freight & Trade Alliance (FTA) and Australian Peak Shippers Association (APSA) representatives joined industry colleagues on 7 September 2021 in a virtual 'roundtable' meeting with The Hon. Dan Tehan, Minister for Trade, Tourism and Investment.

Following a global trade outlook commentary from Michael Byrne, International Freight Coordinator General, Australian Trade and Investment Commission (Austrade), each invited attendee was given two minutes to raise their key issues and challenges relating to international shipping and logistics - importantly this time allowed representatives to put forward solutions to address those issues in the short to medium term (*copy of FTA/APSA briefing below*).

The Minister concluded the meeting noting industry's concerns stating matters raised warrant dialogue with

parliamentary colleagues and further investigation.

In parallel, the Minister is undertaking further consultations with ports and shipping lines; maintaining a watching brief on two current hearings involving the United States Federal Maritime Commission; and awaiting analysis by the Australian Competition and

Consumer Commission (ACCC) to examine whether shipping lines should continue to receive broad exemptions from the Competition and Consumer Act.

While this outcome is clearly an encouraging development, we now look forward to the commissioning and terms of reference of the formal review.

"KEEPING AUSTRALIA'S INTERNATIONAL TRADE MOVING"



**FTA**  
FREIGHT & TRADE ALLIANCE



Australian Peak Shippers Association Inc. (APSA)

Dear Minister – thank you for the opportunity to deliver a brief presentation.

Freight & Trade Alliance (FTA) represents 433 businesses including major importers, customs brokers, freight forwarders and logistics service providers. Since 1 January 2017 FTA has performed a contracted Secretariat role to the Australian Peak Shippers Association (APSA) supporting industry associations such as the Australian Meat Industry Council and Australian Council for Wool Exporters and Processors (who will be presenting today) and major exporting businesses (you will also be hearing from Olga Harriton as the APSA Chair and Global Logistics Manager for the Manildra Group).

As you would be aware, APSA is the designated peak shipper body granted status by the Federal Minister for Infrastructure and Transport under Part X of the Consumer & Competition Act to represent the interests of Australian shippers generally in relation to liner cargo shipping services.

Further to our meeting with you on 2 June 2021 and correspondence on 2 August 2021, the impacts of international shipping line costs and capacity constraints has further significantly deteriorated with dire results for the Australian trade sector. We note your subsequent commissioning and sharing of the economic note from the Office of the Chief Economist and the report from the Boston Consulting Group. Both paint an optimistic picture of potential long term relief with a projected balance between supply and demand in international shipping services to take effect in the years ahead. We certainly hope this is the case.



We also greatly appreciate your call for today's meeting to gain views on associated reforms to support our economic recovery with a focus on viable solutions.

Fundamental longer term reviews need to focus on port efficiencies including waterside worker IR reform – FTA/APSA promoted this view in correspondence to the Attorney-General on 16 July 2021 – we await a response and engagement on these matters.

From an FTA / APSA perspective, the following short to medium terms solutions should be considered in a Federal Government-led review:

## **COMPETITION REFORM**

- We are not suggesting regulation of pricing as we need foreign owned international shipping lines to continue servicing Australia and to avoid the risk of vessel re-deployment to more lucrative markets.
- Equally, we appreciate the need for ongoing vessel sharing arrangements as larger vessels are deployed to provide economies of scale and potential cost efficiencies.
- We do however note the 2015 Australian Competition Policy Review (Harper Inquiry) that found that Part X is outdated and unnecessary – the inquiry suggested the Australian Competition and Consumer Commission (ACCC) introduce a narrower 'class exemption' as a first step to its repeal.
- FTA / APSA see merit in this approach as outlined in a detailed submission in response to the ACCC's December 2019 discussion paper 'Proposed Class Exemption for Ocean Liner Shipping' – furthermore, a focus is also required on exclusive dealings to ensure that shipping line end-to-end logistics services do not lessen competition.

In very simple terms, FTA/APSA is of the view shipping lines should compete in line with normal competition law faced by others in Australian commerce. If the government determines a need for special ongoing protections to shipping lines, it is recommended this be overseen by a federal maritime regulator with a mandate to ensure minimum shipping services are provided ensuring essential export access to market.

## **NOTIFICATION**

- As per the US, FTA/APSA recommend shipping lines should be forced to provide a minimum 30 day notice period on any freight or surcharge variation – this provides importers and exporters the opportunity to factor in costs and make commercial viability assessments
- We also see merit in implementing measures similar to the current US Federal Maritime Commission review, to ensure fair and reasonable container detention practices are administered by shipping lines for the dehire (return) and handling of empty containers.

## **TERMINAL ACCESS CHARGES**

- All businesses face a dilemma of how to deal with unavoidable costs such as rent, infrastructure, labour and power. Those same businesses are then forced to either absorb costs or pass them on to their commercial clients. Similarly, stevedores and empty container parks should be forced to either absorb operating costs or pass these on to their commercial client (shipping lines). Shipping lines then have the choice to absorb costs or pass these onto shippers (exporters, importers and freight forwarders) through negotiated freight rates and associated charges.
- Instead, stevedores and empty container parks are reducing fees to shipping lines and holding transport companies at ransom to pay Terminal Access Charges with no option to pay or are denied access to container collection / dispatch facilities.
- As outlined in our submission to the Deputy Prime Minister in May 2020, 2019 data revealed in excess of \$300 million per annum was paid in stevedore-imposed Terminal Access Charges. Taking into account substantial increases in these charges since this time, and the similar model adopted by empty container parks, shippers are conservatively paying in excess of \$500 million per annum.
- We have been privy to the draft National voluntary guidelines for landside stevedore charges, prepared by the National Transport Commission (NTC)
- These guidelines appear to be largely modelled on the Victorian government's Voluntary Port of Melbourne Performance Model (VPPM) – to date, the Victorian experience has shown to be futile, allowing stevedores to continue rapid increases in Terminal Access Charges and in effect, giving tacit approval for this charging regime.
- We see a need for a revised scope of the NTC review to consider some form of regulation to force stevedores and empty container parks to negotiate rates direct with their commercial client (shipping lines) - no further regulation on pricing would be required as shipping lines could recover this cost in commercial dealings with contracted importers, exporters and freight forwarders.

We look forward to ongoing engagement with the Federal Government and industry colleagues in progressing these important reforms.





Australian Peak Shippers Association Inc. (APSA)



# APSA CONFERENCE WAGGA WAGGA NSW 22 & 23 FEBRUARY 2022

REGISTER AT [WWW.FTALLIANCE.COM.AU/UPCOMINGEVENTS](http://WWW.FTALLIANCE.COM.AU/UPCOMINGEVENTS)

## TUESDAY 22 FEBRUARY 2022

**SITE TOUR – Riverina Intermodal Freight & Logistics (RIFL) Hub & WELCOME FUNCTION**

## WEDNESDAY 23 FEBRUARY 2022

### OPENING & WELCOME TO COUNTRY

- Olga Harriton [Chair, Australian Peak Shippers Association (APSA), Global Logistics Manager – Manildra Group]
- Aunty Isabel Reid [NSW State Recipient Senior Australian of the Year 2021]

### KEYNOTE ADDRESS

- The Hon. Michael McCormack [Member for Riverina, NSW] - Inland Rail, priorities for regional centres

### INFRASTRUCTURE (Session Sponsor: Port of Melbourne)

- Georgia Nicholls [General Manager – Rail Freight, Australasian Railway Association]
- Port of Melbourne
- Transport for NSW
- Justin Bond [Committee Member, Australian Peak Shippers Association (APSA), Head of Global Logistics and Customer Service, SunRice]
- Mark Owens [National Transport and Logistics Manager, Manildra Group]

### SESSION 2 – PORTS AND SHIPPING (Session Sponsor: NSW Ports)

- Paul Zalai [Director, Freight & Trade Alliance (FTA) / Secretariat Australian Peak Shippers Association (APSA)] - Productivity Commission Inquiry into Vulnerable Supply Chains
- Ron Grasso [Lead, National Guidelines on Stevedore Infrastructure and Access Charges, National Transport Commission] – terminal access charges via a voluntary port performance model
- Campbell Mason [GM Commercial and Business Development, NSW Ports] – port and intermodal connectivity
- Patrick Chan [Chief Commercial Officer, Victorian International Container Terminal (VICT)]
- Andrew Fairley [ANL & CMA CGM Sales Director Australia] – global and domestic forecasts
- Kurt Wilkinson [Vice Chair Australian Peak Shippers Association (APSA), Fletcher International Exports]

### SESSION 3 – INNOVATION (Session Sponsor: Department of Agriculture, Water and the Environment)

#### BEST PRACTICE CASE STUDY

- Danielle O'Connor [Group Exports Logistics Manager, Teys Australia] - creation of an agile environment to deal with the ever-changing world of international trade.
- David Ironside [Assistant Secretary Plant Exports Operations Plant and Animal Exports Division – Department of Agriculture, Water and the Environment] – increased compliance with overseas phytosanitary requirements, Congestion Busting funding, investment and trade facilitation initiatives
- Patrick Hutchison [CEO, Australian Meat Industry Council (AMIC)]
- Tony Geitz [MD, Australia- Louis Dreyfus Company / Australian Cotton Shippers Association (ACSA)]
- David Alpen [Regional Operating Officer ANZ at Treasury Wine Estates]

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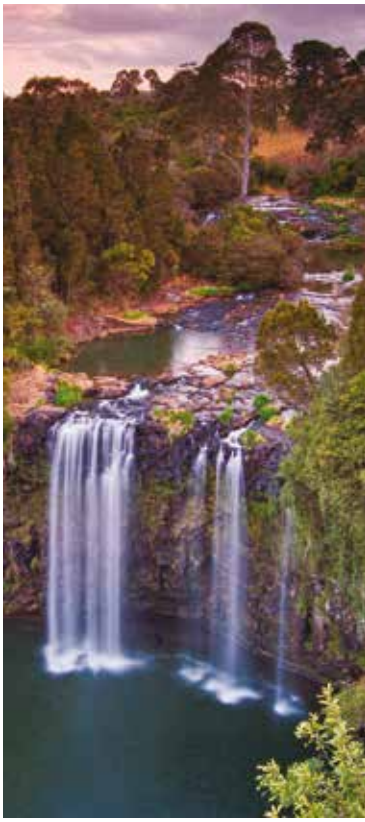


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# Global Trade Management best practice in 8 easy steps.

By ANDREW RONALD, Head of Sales - BSM Global

It is universally recognised that organisations involved in international trade are being challenged in the area of logistics. So, what does best practice look like and how is it achieved?

## **1. Appoint a Key Manager (KM) responsible to evaluate your current Supply Chain processes**

The ideal KM is experienced in process improvement and is empowered to assemble the right team. This team ideally has executive representation along with key operational staff who have the necessary skills and bandwidth to explore, design and execute your new strategy.

## **2. Exploration: Conduct an internal review as to the effectiveness of your existing Supply Chain**

Start with an in-depth look at your existing Supply Chain systems and processes. Pull apart legacy systems, mapping each touch point within a typical transaction. Identify gaps and highlight opportunities for improvement. Now define unified goals, aiming to be your version of “Best Supply Chain Practice”.

## **3. Validation: Engage with 3rd Party technology providers in the GTM space**

Seek innovation and technology. Leading companies incorporate new technology such as AI, SaaS and data analytics to strengthen Supply Chain's. Global Trade Management (GTM) software providers will evaluate and demonstrate how you can incorporate technology and efficiencies.

## **4. Maintain timely, accurate communication with stakeholders**

It's critical to ensure that any GTM supplier you engage has automated communication as a cornerstone of their system. Internal/external stakeholders involved in a typical transaction must be empowered to receive and generate accurate and timely updates via automated messaging.

## **5. Minimize misinformation**

A major problem in most Supply Chain's is the time wasted with the relentless updating of data as an order moves through its lifecycle. Incurring lost time, increased risk and costs. GTM systems automate document/data updates, thereby eliminating data duplication, decreasing errors, associated costs and risk whilst greatly improving efficiencies.

## **6. Improve visibility between stakeholders**

Good GTM software securely exchanges data via digital handshakes with ERP's and other applications within your Supply Chain. Bringing multiple levels of access with impregnable security they utilise permission levels to limit access to only those authorised in ensuring shipment fulfilment. Embracing best practice increases control and decision-making capabilities via automated reporting

## **7. ROI: Evaluate the total lifetime cost of any GTM software over purchase price**

The cost of the correct software is an important factor, however, of much greater importance is its ROI when measured against that quoted price. Consider the benefits to your organization, customers and staff in

time savings, improved efficiencies + potential for reallocation of head count to other divisions within the organization. A strong argument can be made for investment in Global Trade Management solutions that demonstrates a 2:1 or 3:1 ROI.

## **8. The right partner**

To stay ahead of the pack, you must be on a path of continuous improvement. It's therefore imperative to partner with a collaborative provider, one that supports you beyond the implementation phase. You should be looking for them to provide continuous improvement suggestions, activities and troubleshooting support designed to ensure that your Supply Chain remains robust and agile whilst you stay at the cutting edge of Global Trade Management technology.

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# Container Logistics Chain Study indicates Melbourne’s freight movements are growing in the west

By LINDA ALLISON, Stakeholder Advisor | Corporate Relations – Port of Melbourne

It is universally recognised that organisations involved in international trade are being challenged in the area of logistics. So, what does best practice look like and how is it achieved?

More than a decade since the first Container Logistics Chain Study (CLCS), Port of Melbourne has released a new study that indicates Melbourne’s freight industry continues to grow in the west of the city, and also demonstrates the need for more investment in rail.

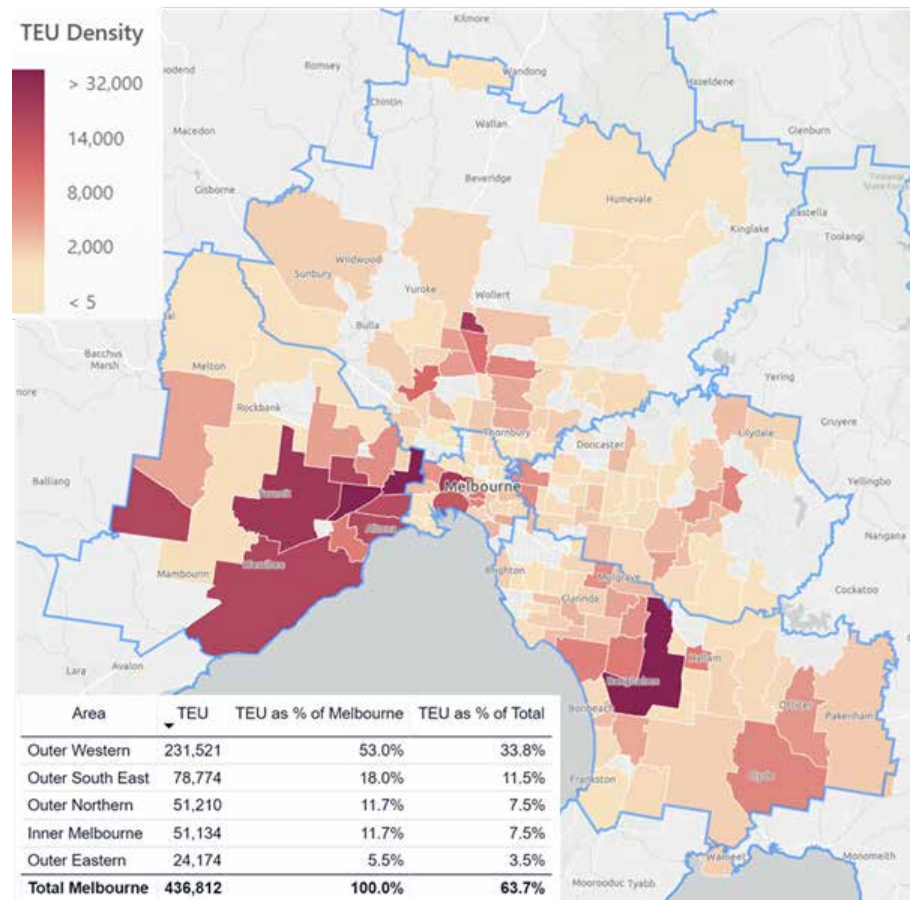
When Port of Melbourne Operations (PoM) commissioned the CLCS project in late 2019, the port and freight industry were looking forward to kicking off a study that would be valuable to industry and policymakers alike. Then the pandemic hit, and, despite the additional demands that were placed on the supply chain, industry dug deep, and contributed the data needed for this study. At a time when a study such as this could have been relegated to the ‘too hard basket’, there was tremendous goodwill by all involved, including from the Freight & Trade Alliance (FTA) and its members. The commitment by industry to work together at such a time is a testament to the value of the past report, and the anticipated importance of this edition.

The report was commissioned by PoM in partnership with the Victorian Department of Transport (DOT) and was undertaken by GHD Advisory. After some COVID-19 restrictions on gatherings in person delayed the release of the report, it was released via webinar in early September 2021.

### What the report investigated

The report relied on input from industry, as well as data from Department of Transport (DOT) and Australian Border Force (ABF). The study captured a wide range of container and logistics information including container origins and destinations, land transport

movement patterns, transport modes and travel distances. It also captured data at various points in the logistics chain, including arrival and departure day of week, time of day and dwell times, along with the most significant imported and exported containerised commodities.



**Figure 2** – Export containers by metropolitan area

The study (Figure 2) indicates that export containers have a greater spread across the metropolitan and regional areas, but 64% are from metropolitan Melbourne. The west of Melbourne is a key area for metropolitan export freight. The western districts account for the lion’s share of regional export containers - around 21% (Figure 3).



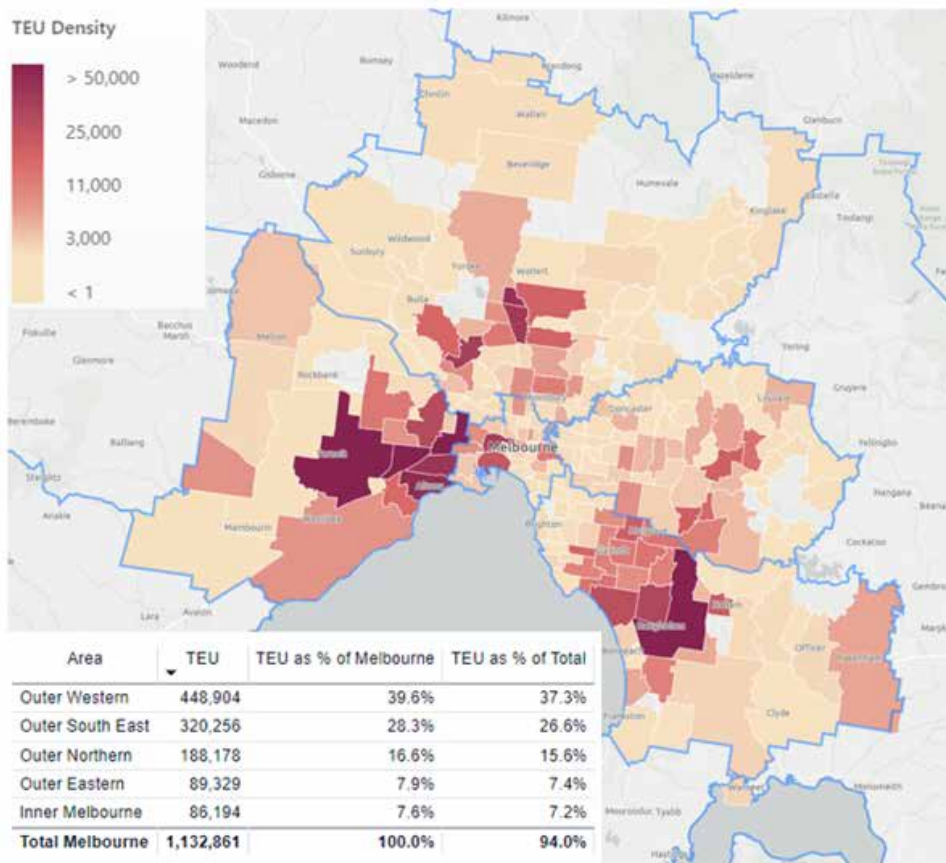
**Figure 1 – Import containers by metropolitan area.**

The data sample period was September and October 2019. The received sample period data was then extrapolated to estimate the annual movements for the 2019 calendar year, taking into account seasonal factors.

**The study’s assessment**

Figure 1 shows imports are predominately delivered in the metropolitan area (94%) and this has grown since 2009 (up 7%). The western suburbs of Melbourne are taking the largest percentage of imports (37.3%), but the south-eastern and eastern suburbs are not far behind (26.6% and 7.4% respectively).

One area that will be important for the industry and government alike to explore is the operating times for the various aspects of the supply chain. While the port operates on a 24x7 basis, container parks and import warehouses mostly operate in daytime hours – from 6am to around 4pm. As port volumes grow, whether there might be opportunities for other parts of the supply chain to operate at all times of the day could be explored. The use of automation, dynamic bridge limits, planning controls and residential issues are also important considerations.



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With headquarters in Australia and offices in the United States, Korea, Taiwan, Philippines, Malaysia and Indonesia exports are managed by Country Managers and on-ground staff in logistics and transport globally to ensure the most effective solutions to customers of all scales are met.

An aerial view of Manildra Group's world-class Shoalhaven Starches manufacturing facility in Nowra, New South Wales, where the Australian family-owned business produces wheat starches, vital wheat gluten, modified proteins, syrups, ethanol, and animal stockfeeds.

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## Port of Melbourne Strategic Considerations

The report points to several wider policy and strategic considerations:

### 1. The centre of activity for container movements remains in the west of Melbourne and is likely to continue to grow.

If freight movement in the west continues to grow, land use and transport planning will be key to ensuring growth can continue. The data also supports the location of an interstate terminal in the west.

### 2. Strategic transport planning to meet freight needs is necessary across metropolitan Melbourne.

The southeast of Melbourne remains a strong area for freight, and the north of Melbourne has scope to grow. Land use and transport planning (particularly network capacity) will be critical to ensuring land supply and supporting infrastructure is enabled in the right locations.

### 3. Amenity of residents in inner Melbourne needs to be considered as part of the growth in container movements in western Melbourne.

Noise and air quality and appropriate buffers between industrial and residential areas are important measures.

**4. Rail mode share has declined significantly since the last study.** Rail mode share as a proportion of overall containers has declined. This appears to be due to the majority of freight on rail being export containers, which have not grown at the same rate as import

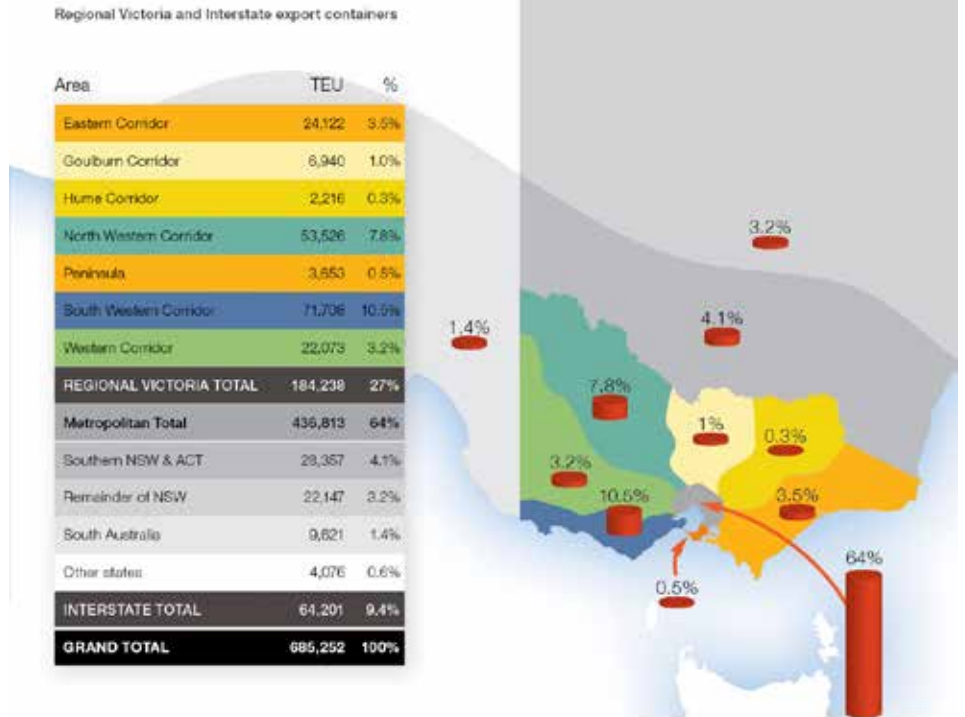


Figure 3 – Export containers – Regional Victoria and Interstate

containers. Investment in metropolitan freight rail networks is key to increasing rail as a mode share so that import containers can be shifted to rail. Direct linkages to all PoM terminals will be important as freight volumes grow.

PoM is committed to working with industry and government to improve the efficiency of the supply chain. We welcome feedback and questions at [information@portofmelbourne.com](mailto:information@portofmelbourne.com). The full CLCS and a summary report are available at [www.portofmelbourne.com](http://www.portofmelbourne.com)

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# Plant exporters reap early benefits from digital reforms

By DAVID IRONSIDE, Assistant Secretary of Plant Export Operations - Department of Agriculture, Water and the Environment

Exporters of plant products are among the first to benefit from new agricultural trade reforms led by the Department of Agriculture, Water and the Environment (the department)

Modern, streamlined digital systems are crucial for growing our agricultural exports by making it faster and cheaper for industry to get their product to market. Our systems and processes need to keep pace with technology and ever-increasing trade complexities.

Plant exporters are already working with us to trial new ways of delivering digital services. Here are some examples:

## Plant export pilot

The department has recently piloted a change to how it validates accredited properties using the Plant Exports Management System (PEMS). PEMS allows for the automatic validation of a property at the time of inspection, replacing the manual check typically done later in the supply chain when the consignment is ready to be exported. The success of this pilot for the citrus

“ *Digitising processes like these improves the regulatory service for industry participants by reducing errors, administrative burden, and department turnaround times* ”

industry will lead to the roll out of this enhancement to other horticulture commodities.

This will mean less unintentional non-compliance at inspection, creating efficiencies for industry and the



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Bulk grain being loaded onto a ship at an Australian port.

Image: DAWE

department, as well as reducing the risk of consignments being rejected overseas.

### Improving plant export regulation

In June we surveyed horticulture and grain exporters to identify duplication and simplify requirements across international export trade. We are now working with stakeholders to streamline government processes, to make it

cheaper and quicker to get produce into overseas markets.

Work is under way to evaluate alternative assurance methods such as recognising industry standards, developing third-party auditing regimes, and identifying technologies to automate certification processes.

We are also targeting areas of duplication and potential opportunities

to harmonise our systems with state and territory government requirements.



In partnership with Grain Trade Australia, we're developing the Grain Storage Assets and Operations Standards. The proposed standards may provide an alternative method of assurance for the department.

Similarly, together with Citrus Australia, we're working on a horticulture



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“Modern, streamlined digital systems are crucial for growing our agricultural exports by making it faster and cheaper for industry to get their product to market. Our systems and processes need to keep pace with technology and ever-increasing trade complexities.”

packhouse grower supply assurance model. This model aims to recognise packhouses which have suitable management systems and controls in place over their grower supply base, in turn reducing the level of direct department oversight on farms.

#### A new digital application for exporters

The department is also rolling out a new digital application to a small group of agricultural export industry participants to trial. This application allows industry participants to complete and submit their EX26b forms online. An EX26b form is used to update an establishment's registration details including changes in company details, management, operations, and structures.

Digitising processes like these improves the regulatory service for industry participants by reducing errors,

administrative burden, and department turnaround times.

**On the horizon**

Regular users of PEMS will notice other enhancements as they are rolled out in the coming year. This includes the ability to record vapour heat treatment results for the mango industry and a new communications workflow which will allow industry to use PEMS to request plant export authorisations and access certificates.

These reforms are part of the **Busting Congestion for Agricultural Exporters** package, worth more than \$328 million over 4 years from 2020–21. The reforms are expected to produce at least \$236 million in benefits for industry over a decade. The package includes \$10 million specifically for streamlined plant export services giving farmers quicker, easier and cheaper access to overseas markets. The centrepiece is \$222.2 million to modernise our export regulatory systems, including digital services, that will benefit all exported agricultural commodities.

Projects are being rolled out in increments from now through to 2023–

24. This means exporters and farmers will get the benefits straight away rather than waiting for a whole project to be completed. When fully implemented, government fees and charges for industry are expected to be \$21.4 million lower than they would have been without these reforms.


24. This means exporters and farmers will get the benefits straight away rather than waiting for a whole project to be completed. When fully implemented, government fees and charges for industry are expected to be \$21.4 million lower than they would have been without these reforms.

Read more about our reforms at [awe.gov.au/market-access-trade/transforming-export-services](http://awe.gov.au/market-access-trade/transforming-export-services). [QR code]



To stay up to date on plant exports, sign up for our Plant Export Operations industry advice notices at [awe.gov.au/export/controlled-goods/plants-plant-products/ian](http://awe.gov.au/export/controlled-goods/plants-plant-products/ian). [QR code]






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## PORT OF NEWCASTLE SETS SIGHTS ON FUTURE DIVERSIFICATION



Port of Newcastle CEO, Craig Carmody

There's a lot happening at the Port of Newcastle, and it can be summed up in one word: diversification

With trade worth approximately \$26 billion to the national economy each year, a deepwater shipping channel operating at 50% of its capacity, significant Port land available and enviable access to national rail and road infrastructure, Port of Newcastle is opportunity rich.

The Port has a host of major projects underway and plans to invest millions of dollars in new infrastructure over the next five years to achieve diversification, improve the efficiency of existing operations, open the door to new trade and create local jobs.

"These are investments, such as the Port's recent \$28.4-million purchase of two Liebherr LHM 550 Mobile Harbour Cranes and associated infrastructure, the potential Empty Container Park EOI launched in September, our Mayfield Site Redevelopment Plan and our Kooragang

2 ship Unloader, among others," said CEO Craig Carmody.

Further underpinning the Port's future diversification plans is the expansion of clean energy trade and the game-changing \$2.4-billion Multi-purpose Deepwater Terminal project.

"We are firmly focused on seizing opportunities, such as the container terminal, that will create a broad mix of trade opportunities, in turn enabling Australian producers and manufacturers to compete more successfully in international markets," Craig said.

Furthermore, the Multi-purpose Deepwater Terminal investment would provide a viable alternative and more cost-effective export route for regional NSW farmers and manufacturers.

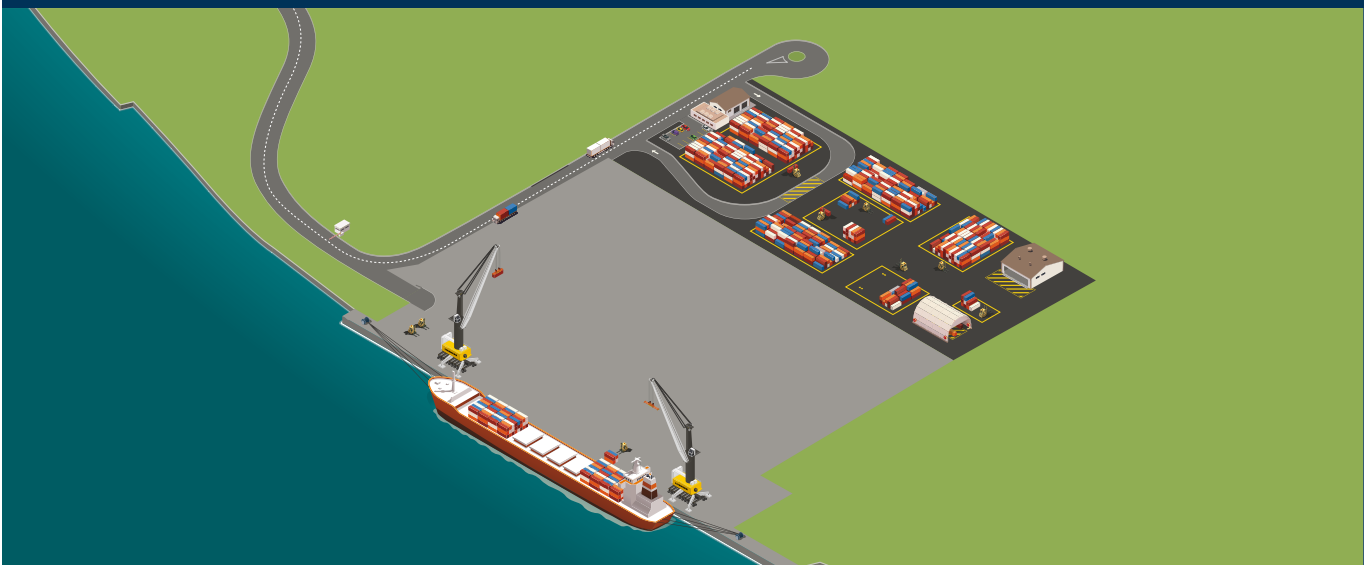
"A container terminal at Newcastle would increase regional NSW global competitiveness and allow these suppliers to avoid congested Sydney supply chains. A win-win for the region and regional NSW," added Craig.

The Port currently handles 4,400 ship movements and 164 million tonnes of cargo annually, including dry bulk, bulk liquids, ro-ro, general and project cargoes and containers. Containerised trade is expected to increase through the Port with the addition of the Mobile Harbour Cranes.

"Shipping companies and stevedores are welcome to contact us to discuss the opportunities around a potential Empty Container Park at the Port of Newcastle or complete the EOI process. With the Port's investment in infrastructure, prime location and access to rail and road links, this could be a great opportunity for a collaborative partnership with our growing Port," said Project Director Lindsay Crutch.



### Expressions of Interest: Potential Port of Newcastle Empty Container Park



Following the purchase of two Liebherr L550 Mobile Harbour Cranes, Port of Newcastle opened an Expressions of Interest (EOI) via Tenderlink.com regarding potential establishment of an Empty Container Park in the Mayfield Precinct of Port of Newcastle.

Learn more by visiting [www.portofnewcastle.com.au/projects-and-development/](http://www.portofnewcastle.com.au/projects-and-development/)

If you would like further information, or to discuss the EOI or opportunity, please contact our Project Team.

**Lindsay Crutch**

Project Director

E: [Lindsay.crutch@portofnewcastle.com.au](mailto:Lindsay.crutch@portofnewcastle.com.au)

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### Word from a team member

“Being in charge of the export FAK to the Pacific Islands is quite challenging. We close the container’s doors at the very last minute to make sure our client gets the **best transit time**. We pack where we operate, and operate where we pack, which simplifies the cargo and communication flow.”

Alexandre Zoghbi, LCL Export

For any bookings or enquiries: [au-sales@sifalogistics.com](mailto:au-sales@sifalogistics.com) | +61 (0)451 746 179





# Enabling our Ports to build a productive, prosperous Australia

By MARIKA CALFAS, Chief Executive Officer – NSW Ports

Whilst the world continues to work towards finding a new COVID normal, Australia's ports and port supply chains have remained resilient, operating 24/7 to service businesses and the community.

As an island nation, our ports are our gateways to the world, moving 98 per cent of Australia's trade volume by sea.

During this Covid pandemic, awareness of the role of our ports and supply chains in supporting the nation's economy and the lives and lifestyles of Australians

has expanded. However, many people would be surprised to know that almost half of all items in a Sydney household arrive inside a container through NSW's container port at Port Botany.

Over the past 12 months Port Botany handled record container volumes of 2.7M TEU (20-foot containers), an 11 per cent growth in container imports. This has been driven by increased spending on goods such as furniture, electrical items, white goods, home renovation items and medical equipment, as Covid restrictions have limited travel and spending on services and many people have been working from home.

Over the next decade we expect container volumes to continue to increase as the population grows.

### Cities that Deliver

The productivity and growth of any city requires the cost-efficient flow of goods through and around it.

In a future where micro-fulfilment centres, drone and robot couriers, and delivery on demand will be integral to the goods distribution network, policy makers must make informed decisions about land allocation. The right mix of lands to support the economy requires an understanding of the interconnected nature of the freight and logistics system.

The impact of poor land use decision making is being felt acutely in Sydney as the freight task grows faster than population growth. Transport for NSW predicts freight will grow 152 per cent between 2016 and 2056, compared with just 54 per cent population growth over this same period.

Port Botany can handle the growing trade volumes, but it does not operate in isolation. The landside logistics task of managing freight at this scale relies on efficient operations of the road and rail network, warehouses, empty container parks and support facilities. This can only happen if there is adequate infrastructure capacity and industrial land available in the right locations, unimpeded by restrictions that arise from urban encroachment.

Historically Sydney has witnessed a significant reduction in industrial lands. There remains only 390ha around Port Botany. This compares poorly against



international comparators, with Antwerp and Rotterdam ports each having 3000ha and Los Angeles port 1000-1500ha of industrial zoned land within 5km of the port. Port of Vancouver, which has a surrounding industrial land area less than 500ha, demonstrates the unintended economic consequences of inadequate industrial lands.

With this in mind, it is concerning that the retention of the remaining industrial lands in Sydney is under threat from rezoning. The Greater Sydney Commission is currently conducting a review of the NSW Government's Industrial and Urban Services Land Policy. This review will consider whether the current 'Retain and Manage' policy for industrial land protection should be changed to permit more 'flexible use' to potentially allow rezoning to enable residential and other non-industrial uses.

**Fuelling Productivity through Freight and Logistics**

The protection and preservation of industrial lands in cities is critical to our future as every citizen is connected to our freight and logistics system in some way. It provides the food we eat, the goods

we rely on to live and work, and takes our Australian exports to the world. The efficiency of this system impacts heavily on the cost, speed and competitiveness of goods purchased and exported.

The rezoning of industrial lands for residential and commercial uses may result in profits for landowners and developers. However, these short-term gains create long term cost increases for businesses and consumers as freight and logistics providers are pushed further away from the customers they service or operational restrictions are imposed.

This creates operational inefficiencies, adds extra trucks to road networks, increases truck travel distances and road congestion, generates larger environmental impacts, and brings forward the need for infrastructure investment. This will increase as trade volumes grow.

In Sydney we should learn from the adverse impacts of past industrial land erosion. The need for industrial lands in central locations to service a growing Sydney will increase in the future as population and freight volumes grow and our supply chain evolves with advancing

technology. Policy which takes a whole-of-system approach to improving the city's freight and logistics productivity is therefore essential and this requires industrial lands that serve the freight and logistics system to be retained and protected today. The need is urgent.



Marika Calfas is the CEO of NSW Ports, responsible for managing NSW's key trade gateways of Port Botany, Port Kembla and two intermodal hubs at Enfield and Cooks River. Together, they deliver \$4.4 billion annually to NSW's economy and support 30,000 jobs



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## WISTA – YEAR IN REVIEW



Alison Cusack, Founder & Principal Lawyer, Cusack & Co and WISTA Australia President

In September WISTA Australia held its Annual General Meeting. Alison Cusack, WISTA Australia President, presented her annual report which highlighted the dedicated work undertaken by the committee of management over the last year. It was indeed apparent that COVID was no barrier in advocating for opportunity, diversity and safety within the maritime sector. WISTA was delighted to acknowledge 10 years of sponsorship by the Mediterranean Shipping Company.

WISTA would like to congratulate Monika Lemajic, Naval Architect, Thales Australia for achieving global recognition in the **2021 Top 100 Women In Shipping** through The Nautical Institute – Women in Maritime.



Monika Lemajic, Manager – Transformation and Operations, Deloitte Australia

WISTA Australia would also like to congratulate the President, Alison Cusack on taking out the **2020 Young Achievement Award at the Australian Shipping and Maritime Industry Awards**. Sponsored by the Daily Cargo News (DCN), the 2020 award ceremony had a decidedly COVID flavour to it, being held online. Alison's tireless hard work in promoting the interests of women in the industry recognised her dedication, vision and leadership and was the deserving recipient.

WISTA Australia continued the National Webinar Series into 2021 which was originally introduced due to COVID-19. The webinars have showcased a variety of fantastic female presenters.

In March, Andrea Slattery gave a presentation on the "Importance of Authentic Leadership", which was followed in April with a presentation by Michelle Taylor on "What you need to know about Competition Law in the Maritime Industry".

In May, we convened a panel discussion on "Suez Canal: What happened and what to expect now?" which was chaired by Monika Lemajic, with Alison Cusack, Kerry Woonings and Jeanine Drummond as panellists.

In August, Emma Rhoades presented on "Communication in Context" and how we can elevate our communication skills. In September, Margot De Villers, provided a detailed

### STOP PRESS:

WISTA Australia is delighted to announce the appointments of Michelle Taylor as President of the Maritime Law Association of Australia & New Zealand (MLAANZ) and Naraya Lamart as MLAANZ Australia Vice-President.

MLAANZ is a not-for-profit association, comprising over 500 members from Australia, New Zealand and several other countries. Its members include representatives of major exporters, shipping companies, port operators, ship, cargo and liability insurers, lawyers, judges, academics and government and defence agencies. The Association's objectives include: supporting and advancing reforms in maritime law and its administration, facilitating the unification and harmonization of maritime and commercial law internationally, and of maritime customs, usages and practices, facilitating justice in the maritime sector, and furnishing a forum for the discussion and consideration of issues affecting participants in the maritime sector.

presentation on "Project Cargo Shipments & Challenges – The Marine Surveyors' Perspective". "An overview of lower and zero-carbon fuels to power the maritime industry" was also presented by Angela Gillham.

WISTA Australia continues to support female presenters sharing their valued skills and insights with our logistics, trade and maritime community. Our webinars are provided at no cost to members and a small fee for non-members. WISTA Australia members and associates are encouraged to nominate themselves to present at a future webinar.

The WISTA Qld Branch enjoyed an evening of cocktails and nibbles at the Inchcolm Hotel in Brisbane while listening to Emma Rhoades from 'Her Leadership Journey'. Emma was a great speaker - she shared her insights and tips about building influence in the workplace and becoming a confident and influential leader. A great night had by all!"



Emma Rhoades – Her Corporate Journey

Kerry Woonings, WISTA's Vice-President hosted a networking event in Dampier which was a joint organising effort by Dampier Seafarers Centre, Women in Maritime, WISTA Australia and Smashed Glass. The event saw women from Rio Tinto, Pilbara Ports Authority, vessel officers and marine cadets coming together to network. Over 50 women got to network, and the feedback has sparked interest from other regional ports to host similar events.





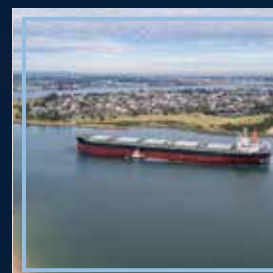
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  - Newcastle Bulk Terminal
  - Kooragang 2 Ship Unloader
- Indigenous Students STEM Scholarship
- Warehouse Development
- Harbour Signage Improvements for Port Users
  - Tippler Pedestrian Bridge Upgrade
- Mayfield Site Redevelopment Concept Plan
- Renewable Energy Contract



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# If I had a crystal ball

By SARA HALES, Head of Aviation and Air Cargo – Freight & Trade Alliance (FTA) | Director - AVISTRA

A few weeks ago, American Airlines advised that it would be suspending flights into Australia for 2 months, effective 2 September 2021. The airline cited “unprecedented demand for wide body passenger aircraft” following the opening of borders in the Northern Hemisphere. Australia’s reduced passenger caps, and the lack of clarity around Australian operations make Australia a good place from which to source fleet to service fast recovering markets elsewhere.

Since then, additional airline withdrawals and frequency reductions have further reduced space availability into and out of Australia, increasing reliance on funded flights to maintain critical supply chains into the country and preserve access to export markets.

The Australian Government has outlined a four-stage process for return to open borders, each stage triggered by passing various vaccination milestones. The Sydney Morning Herald’s COVID-19 vaccine tracker estimates the third phase will commence around mid-November. At this point, measures may include abolishing caps on returning vaccinated Australians, and lifting travel restrictions on outbound travel for vaccinated Australians. Great news.

However, it is the 4th phase which aviation desperately needs as this is when Australia’s international borders are anticipated to reopen. Unfortunately, the government’s plan does not indicate what milestone will trigger a transition to the 4th stage.

Airlines will continue to allocate fleet to markets where there is certainty and hope of making a profit. As we stage Australia’s aviation recovery, it will be necessary to convince airlines to re-allocate fleet to Australia, and it will be essential to provide certainty and clarity for operators.

Of course, while all of this happens, various other parts of the aviation and airline industry are also changing in ways that are going to complicate Australia’s aviation recovery.

Many aviation industry workers have been stood down, including ground handling workers, many of whom have been excluded from airline-focused wage subsidies. A lot of these people have had to find other work, and may not be available to return to the industry as it seeks to get flying following the border opening.

Additionally, the airline industry plans fleet allocations six months to a year ahead and the Northern Winter season is in its final stages of development as I write. The

opportunity for the industry to enjoy a strong return in time for Christmas seems to be escaping our grasp, with seemingly only Qantas positioning for market share in what might simply be a corporate game of cat and mouse, almost daring the government not to open the borders in time for Christmas.

So, if we peered through our crystal ball, what might we see in terms of the new airfreight environment post COVID?

## **Air freight rates will stay high - and some customers will exit the market**

With reduced capacity and increased demand (e-commerce, shipping impacts, etc), air freight rates will stay high, both in and out of Australia, for several years. We will likely never see a return to the low rates of 2019 and earlier. This will have implications for Australian exporters who have a low value product which requires a fast transport mode. Low yield products will either find another way to market, another market altogether, value add or switch to higher yielding products.

## **New customers - the rise and rise of e-commerce**

Ben Fanzi, General Manager - Express and Parcel Services, Australia Post, comments in the company’s eCommerce Industry Report 2021; “The events of 2020 gave rise to a sudden and permanent shift in buyer behaviour”. 82% of Australian households shopped online during 2020.

As international e-commerce imports increase, we anticipate a shift in airline business models, with either express operators opting for express cargoes inbound and offering space outbound to the general air freight market, or with traditional general freight carriers seeking a share of the high yielding express pie. While arrangements like these already exist, we anticipate a deepening of these relationships, and for this strategy to feature as a core part of the business plan rather than opportunistic tactics.

## **New relationships and ways of doing business together - code share etc**

While code share hasn’t been popular amongst air freight operators, with many airlines operating a consolidated network, code share and other similar arrangements may become more appealing. Like airline alliances in the passenger business, we could see an increased level of collaboration and network sharing in the cargo business to best serve the needs of customers and to best leverage flying assets for required returns.

## **New technologies**

Across Australia and around the world there are numerous examples of trials using drones to complete last mile deliveries of small items - like cups of coffee. These trials are all about testing and developing navigational, operational and regulatory settings and capabilities. Drones are coming to a town near you - and for that matter so are other advanced air mobility type aircraft. Especially for small parcel type cargoes, they offer real opportunities to lower cost, improve service levels and environmental performance and we anticipate seeing them being deployed in several logistics use cases.

Additionally, the airline industry, and many shipper industries, are under increasing pressure to reduce carbon emissions, and various types of fuel and propulsion systems such as electric and hydrogen based are being developed. Subject to sufficient operational capabilities regarding uplift and flying distance, cargo may offer a suitable early use case scenario for new aircraft types as they try to win public confidence and demonstrate safety and efficacy.

## **Multimodal solutions**

Simultaneously to air freight costs rising, and fleet availability becoming problematic, sea freight both becomes more expensive and increasingly unreliable. Multi modal transport routes may offer a solution for price sensitive cargoes, and in Australia’s case,

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offer significant opportunities for Northern Australia to position as an entry point. We anticipate seeing some creativity emerge as shipping, road transport and air transport come together to find client solutions that offer the required service level at a cost that is acceptable to the user.

## New airports

The operational vulnerability of highly centralised cargo operations is front of mind as industry struggles with current impacts at ports like CGO (Zhengzhou) and PVG (Shanghai Pudong)

Non-traditional / secondary airports may position to win cargo business on grounds such as reduced congestion, efficient and cost effective multi modal solutions, lower airline OPEX through increased proximity to Northern Hemisphere and particularly Asian markets, and reduced risk or improved risk mitigation through decentralisation of the freight task.

## New players and changed market balance

Increased risk, changing opportunities and the significant impact of COVID-19 on the health and risk appetite of incumbent airline businesses is likely to create opportunities in the market for additional operators.

Further separation of the ownership of the customer pipeline and ownership of metal is anticipated as organisations double down

on their own unique skillsets and strengths. This has been occurring in several instances within the passenger industry and we anticipate seeing it as a continued theme within the cargo industry.

## Changed risk models

Air freight is a game of risk management - like any logistics task. Participants in the supply chain add value often by removing or mitigating risk. In an uncertain environment, there are greater risks, and greater ways of adding value through managing that risk. We anticipate seeing new players in the market, functioning in various ways to remove or absorb risk - at a profit. We anticipate innovation in business models and structure including as mentioned above, greater specialisation, more flexible asset utilisation, and even the emergence of new roles within the air freight value chain.

## Government investment

The sector is strategically important for government. Governments remain interested in export development - which is understandable, yet few in government understand that the real drivers of air freight capacity are imports and passengers, not exports. Australia's exporters hitch a cheap ride (well, at least, it used to be cheap) and are, in the most part, the backload.

We anticipate seeing continued government investment in the sector, both well informed

(such as IFAM), and not so well informed. We anticipate that few industry participants would dissuade government investment in their own business. However, industry should ask itself, what are the risks to your business, should government invest in ways which reduce your own hard won competitive advantage? Government investment will be drawn to measures including export development, air service development, on-airport infrastructure (e.g.: cargo terminals), land transport connection (first / last mile efficiencies), technological development, carbon reduction and hopefully, industry attraction.

Overall, we are in for an interesting ride. A time of turbulence that will see the end of some businesses and the beginning of others. Charles Darwin said:

"It is not the strongest or the most intelligent who will survive but those who can best manage change."

Logistics professionals manage change and disruption every day for a living. That's the gig. Sounds like fun, doesn't it?



# Key gateways bolstered with IATA CEIV Pharma

By BEAU PAINE - Regional Vice President Cargo – Australia, Menzies Aviation

During the winter months we were delighted to announce that our cargo operations in Sydney and Melbourne received the Center of Excellence of Independent Validators for Pharmaceutical Logistics accreditation (“CEIV Pharma”) endorsing their ability to handle pharmaceuticals transported from all over the world into Australia.

In June, our Sydney cargo operation became the first Handling Agent in the Oceania region to achieve CEIV Pharma. The accreditation is significant for Menzies, as the IATA CEIV Pharma underlines our capabilities for handling high-value, time sensitive, and temperature-controlled pharmaceutical products with speed, consistency and efficiency. The following month, our Melbourne base received the Company’s second accreditation in Australia. This achievement is particularly important, as Melbourne is Menzies’ second largest cargo operation in the Oceania & South East Asia network.

CEIV Pharma is an industry-wide programme established by IATA that combines a multi-stage process of independent audits, validation, and training. Over almost two years, our cargo teams have been working towards this prestigious accreditation which envelops the safe and secure transportation of pharmaceutical products. In obtaining CEIV Pharma accreditation, we have strengthened the supply chain in the region and can provide confidence to manufacturers, freight forwarders and carriers around the globe that the cool chain will be preserved and that products arriving into Sydney and Melbourne will be free of contamination.



*Menzies Aviation Melbourne Team*

CEIV Pharma encompasses many of the existing pharmaceutical standards and guidelines such as the European Union Good Distribution Practices, World Health Organisation and United States Pharmacopeia. The CEIV Pharma program not only elevates staff levels of competency, but it also ensures that participating companies upgrade their procedures, processes, risk assessment methodology and infrastructure to meet the very specific and delicate handling requirements for time and temperature sensitive pharmaceutical products.

With experienced and trained teams in these key Australian ports, the certification represents an exciting opportunity for potential future expansion of operations in the region. Moreover, the accreditation demonstrates Menzies’ commitment to offering the highest standards of handling pharmaceuticals and vaccines in the region, which is particularly important given the ongoing COVID-19 pandemic.

Menzies continues to develop its air cargo services operations globally and is focusing on achieving CEIV Pharma certification in more bases to strengthen its supply chain. Melbourne is the second station to be certified globally, with upcoming certifications expected in London Heathrow, Amsterdam and Budapest, as they near conclusion of the process. As the certification seeks to



*Kayla Moa, General Manager Cargo – NSW & ACT - ‘Sydney Cargo – first ground handler to be recognised with IATA CEIV Pharma in Oceania’.*

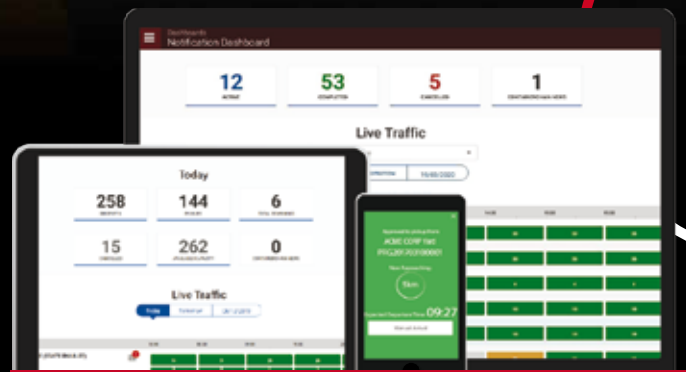
minimise product loss attributed to handling and environmental factors during transport, it will showcase Menzies’ best in class handling practices globally.

With over 5.5 billion doses of covid-19 vaccine administered across the world, and closer to home, 14 million Australians receiving at least their first dose – and making progress towards the 70% of population vaccination target, we are edging closer to a likely relaxation of restrictions and opening of international borders. 2021 continues to be a challenge for the aviation industry but we are hopeful the end is in sight and 2022 sees the recovery of the tourism, travel and resumption of normality.





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## SALTA'S \$155 MILLION DANDENONG SOUTH INTERMODAL TERMINAL UNDERWAY

Salta Properties and the Victorian Government have signed an agreement to develop the Dandenong South Intermodal Terminal

The Victorian Government and Commonwealth Government will jointly invest \$28 million on government owned land to connect rail to Salta's Intermodal Terminal site boundary as part of Government's objective to retain Victoria's status as the number one destination for containerised freight in Australia.

Salta will concurrently invest \$155 million to construct the Dandenong South Intermodal Terminal to be located on Salta's 180-hectare Nexus Dandenong South Industrial Estate. The terminal will be equipped with the latest technology that enhances operational efficiency and supports future growth of up to 560,000 twenty-foot equivalent units per annum.

The Dandenong South connection is just one part of the broader Victorian Port Rail Shuttle Network, forecast to cut freight transport costs by up to 25 per cent while slashing truck movements on suburban roads by up to 175,000 trips each year.

Salta's current investment to date of in excess of \$200 million has been spent on land, road, and other infrastructure works

on its Industrial Estate, in anticipation of the Intermodal Terminal.

Sam Tarascio Snr, Salta Properties Founding Director, said he was delighted to reach an agreement with the Victorian Government after investing millions developing the Nexus Dandenong South Intermodal Terminal Estate.

Nexus Dandenong South is home to major users of freight services including Woolworths' \$215 million Melbourne South Regional Distribution Centre, Bunnings' 40,000m<sup>2</sup> Regional Distribution Centre, plus major logistics businesses, Mondiale VGL and Silk Contract Logistics.

Salta anticipates the value of warehouse developments at the Nexus Industrial Estate at Dandenong South will exceed \$1 billion over the next three to five years. Significant capacity still exists for additional tenants, who can benefit from being located adjacent to the Dandenong South Intermodal Terminal.

Work will commence on the Intermodal Terminal in late 2021 and the project is expected to take approximately 24 months

to complete, becoming Melbourne's largest Intermodal Terminal.

On completion, the Dandenong South Intermodal Terminal will be a 24 hour a day fully automated terminal and will offer a safer working environment for users. Trucks will have dedicated lanes for loading and unloading, and the use of Automated Rail Mounted Gantry Cranes (ARMGC) will reduce noise pollution because they are powered by electricity over diesel powered reachstackers, which also allows the cranes to lift and lower containers with precision, assisting in preventing damage to containers.

Two 700 metre rail tracks will be constructed within the Intermodal Terminal, linking to an additional 800-metre



spur track being built by the Victorian Government to link the facility with the main line.

Another environmental benefit of the ARMGC is the use of a specialised power feedback system that allows the crane to generate its own power when lowering a container. This power is either redirected to assist other cranes that are performing a lift or is fed back into the grid. ARMGC also produce a smaller carbon footprint when compared to diesel powered reachstackers.

During peak periods, the automated cranes will have capacity to handle both trains and trucks simultaneously. While during non-peak periods, they can perform

housekeeping functions (i.e., optimising the container stack for upcoming moves).

The Intermodal Terminal will be controlled by a state-of-the-art Terminal Operating System (TOS), which is best described as the brains of the operation. It instructs the cranes on what moves to perform and optimises crane operation time to efficiently manage operations.

The TOS is integrated with the vehicle booking system (VBS), which manages truck appointments at the terminal and the Gate Operating System (GOS) that coordinates truck entry and exit.

The entry and exits have Automated Optical Character Recognition System, which

provides high-definition photos of containers to the terminal operator and scans the container registration number to inform the TOS.

The Dandenong South Intermodal Terminal will be a state-of-the-art facility creating a new benchmark in terminal innovation. Salta Properties is currently in discussion with a number of major logistics operators in regard to the terminal's operations.

For more information on the Dandenong South Intermodal Terminal, call Clarenzo Perna Development Executive, Logistics & Strategic Industrial Projects, Salta Properties on 0475 200 111



# Reference Checks Are Worth It....

By LEANNE LEWIS, Managing Director – Insync Personnel

255 million jobs were lost due to COVID-19 globally! The job market is a tough one, and people will go through great lengths to find a job.

Studies show that people lie on their CV and some of this “false” information is highly significant.

There will always be a percentage of people who will use inaccurate information in order to mislead their interviewer. This is where reference checks come in.

The definition of a reference check is – “an act of contacting previous employers of a job applicant to determine and confirm job history”.

Traditionally reference checks are done over the phone or by emailing referees given by the candidate. Due to this manual and time-consuming process, usually reference checks are done late in the hiring process. A lot of time would be wasted if the Recruiter/ Human Resources Manager was to contact all referees.

Speaking to someone who knows the candidate in a professional capacity can help inform the potential employer of their corporate personality. This would narrow

down whether or not the candidate would be a good fit for the role. Additionally, a reference check can help the employer decide between their top candidates for the role.

Reference checks can also be used to get information about the candidate to set them up for success in their job, such as preferences in management style, work environment and feedback delivery etc.

While you will want to note down any suggested areas for improvement it's crucial not to automatically treat constructive criticism as a red flag.

We all have areas to improve and a good reference check will help identify these points, which you can then evaluate against the strengths and aptitudes the candidate brings to the role.

Key Points to Ensure a Successful Reference Check

- Research who you are going to be speaking too – not all candidates provide details of a genuine referee they reported to.
- Have your questions prepared to make sure you will be 100% happy with all answers.

- Keep an open mind with all feedback both positive and negative.

- Remember candidates generally are not going to provide reference details of someone they believe will give negative feedback.

Reference checks provide vital insights on the candidate's previous workplace performance. This process doesn't have to take up too much of your time and is definitely worth it. It filters out candidates that turn out to not be as qualified as you first assumed. All that time, money and labour down the drain and you have to start from square one.

With a small amount of time invested in a reference check, this could all be avoided!

The value of reference checks are a significant step that should remain in recruiting and the onboarding processes.



# Recognise the power of the internet

By MIKE YARWOOD, Managing Director, Loss Prevention – TT Club

It may be obvious that the internet is fundamental to global business. It clearly has proven to be a hugely valuable facilitator for transactions and information alike. As with so many things on which we rely in life, it is critically important to be alert to the inherent risks we face. Here, that means being constantly on guard, both personally and corporately.

## Procurement Fraud

In the ordinary line of business, companies transact with numerous other businesses to support their activity. Whether it be for freight services, key commodities (such as fuel) or simply stationary supplies, purchases are frequent and almost exclusively these days completed electronically, giving rise to increased risk of fraud through the procurement process.

Continuing our fraud awareness series, we here highlight procurement fraud, which affects businesses throughout the global supply chain and is particularly facilitated by today's fast-paced digital environment.

In mitigating the risks, effective due diligence is critical. Regardless of value



or frequency of a purchase, or whether your supplier is on the same industrial estate or another continent, the same fundamental rule around due diligence applies: **know at all times exactly who you are dealing with.**

There are many common procurement fraud schemes. Here we focus on two: duplicate or false invoices and the phantom vendor.

## Duplicate or false invoices

- What is it?

Such invoice frauds involve the intentional submission of false, duplicate or inflated invoices, purportedly from an established supplier or contractor. These are in fact submitted by a fraudster infiltrating the process to deceive your business into paying amounts not due.

Inevitably, any payment made will fall under the control of the fraudster. The erroneous transaction will take time to be revealed, by which stage the funds will have been transferred, typically through a series of other banks, and lost forever.

This type of fraud requires a degree of sophistication, building a profile of the type of transactions your business makes, with whom, with what frequency and at what approximate values. Recognise that profiling a victim, infiltrating email exchanges and digitally altering documents require relatively low investment in cost or expertise. **It has never been easier to generate an invoice that looks genuine and does not attract additional scrutiny.**

Those conducting this type of fraud will typically use spoof email addresses and target individuals they have been monitoring, placing them under pressure to pay an invoice immediately. The fraudster may pose as a known contact, using an almost identical email address and a familiar tone of language. They might claim that the invoice is already overdue or assert negative effects on

credit ratings or commercial standing and threaten legal action in the event of non-payment to force the transaction through.

- How it happens – a real life example

X Logistics purchases all truck fuel from Y Oils. One day, when staffing levels are low due to a seasonal holiday period, somebody purporting to be from Y Oils contacts John, who works in the accounts department of X Logistics. The Y Oils representative is irate, demanding immediate payment of an outstanding invoice. John is presented with what appears to be a legitimate invoice, of which there is no record in the accounting system. The Y Oils representative threatens to restrict the available payment credit facility severely, which John recognises would be catastrophic for the company. He is unwilling to take the risk and arranges payment. The following day John calls Y Oils to apologise for the oversight and seek confirmation of receipt of the funds. Nobody at Y Oils knows anything about the invoice or the call the previous day. The fraudsters had intercepted an earlier invoice, created a fictitious copy, and convinced X Logistics to make payment.

## The phantom vendor

- What is it?

**The phantom vendor procurement fraud scheme is an insider threat, involving someone who has access to business critical information and systems, and sufficient operational knowledge to disguise their actions.**

The fraudster, often an employee, creates a fictitious vendor within the accounts system. All know your customer (KYC) and due diligence processes may be completed. The fictitious vendor then submits invoices which are duly authorised and paid as if genuine.



Such frauds may be difficult to detect depending on the size and structure of your business.

- How it happens – a real life example

John, who works in the accounts and compliance department of P Logistics, creates a new vendor account named Q Oils and completes all of the required KYC verification requirements. The banking details attached to the Q Oils account are for a bank account under John's control. Every other month, John generates a false invoice for a value around US\$2,000, carefully not using a rounded value to avoid suspicion. On each occasion John enters the invoice into the accounts system and duly authorises the payment.

#### Mitigating the risks of procurement fraud

Detecting a fictitious company or business transaction will be challenging in periods of higher demand, particularly where businesses operate with a skeleton or remote workforce. Fraudsters generally study the victim in order to strike at a vulnerable time.

Management controls should be developed and tested which incorporate

robust due diligence, 'four eyes' checking and escalation procedures. Awareness training will increase the likelihood of fraud detection within your business and escalation procedures will expedite investigation, leading to decisions by those in authority to protect the business.

TT Club's top tips to avoid procurement fraud:

- Talk regularly about fraud, engendering a sceptical and politely paranoid mind-set
- Be alert to the insider threat and develop effective whistle-blowing procedures
- Incorporate a multi-step, segregated authorisation process for payments; don't be rushed, always 'take five'
- Develop strict verification processes for any changes to existing account details (e.g., phoning a known contact to validate a request)
- Check your bank statements carefully and report suspicious activity to your bank

**Above all, take this seriously; even the most experienced staff can be duped.**

#### Supply chain cybercrime: more targeted, smarter

With some 90% of world trade transported by sea, coupled with the logistics challenges of Covid-19 and emerging new trends in cybercrime, the importance of cyber security in the supply chain has never been more critical.

**The supply chain is inevitably an attractive target for hackers given that numerous actors in multiple jurisdictions will use common software applications,** with the result that once the software has been compromised in one entity it may be possible to expose vulnerabilities across a range of businesses globally.

Awareness of the vulnerabilities across the maritime supply chain has been growing over recent years. The International Maritime Organization (IMO) recognised this and mandated cyber risk management within the context of the existing International Safety Management (ISM) Code. However, this necessary focus on the purely maritime aspects of cyber security should not be seen as a panacea. TT, in collaboration with UKP&I, highlighted in 2018 the risks at

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the ship/port interface; the implications of cybercrime have only increased in the interim.

The last year alone has demonstrated multiple vulnerabilities that could each be exploited through a cyber event. Threats to the Covid-19 vaccine supply chain are now clearly in the spotlight, while the impacts of the Suez Canal blockage continue and persisting pandemic risks are played out, for example recently in Yantian.

## What are supply chain cyber risks?

Cyber risks can be defined as the risk of loss or damage or disruption from failure of electronic systems and technological networks. In practice, we are talking of the illegitimate breach by hackers to access Information Technology (IT) or Operational Technology (OT) systems with the potential to disable controls, disrupt activities, or release, modify or destroy data.

In the maritime domain, such a cyber-attack might include radio frequency (RF) domains, meaning both global navigation satellite system (GNSS) and automatic identification system (AIS) jamming, and spoofing are viable attack methods. This has significant implications for navigation and safe passage.

Similarly, Terminal Operating Systems used within the port infrastructure, for example cargo handling equipment, are equally vulnerable to potential breaches. Pandemic-induced dislocation and increased exposure from remote working have only heightened the risk of fraud.

## The latest threats include:

- Cyber criminals are becoming **more sophisticated** in their approach. Ransomware attacks are more targeted than previously, cyber criminals are no longer taking a 'shot gun' approach and assessing who falls. The tools that cyber criminals have at their disposal are proliferating.
- **More targeted attacks**, tailored to the target in terms of the demand are being made. Historically there may have been a simple request for US\$500 in bitcoin to re-establish access to systems. Today, the demand is aligned with the turnover of the company. Higher demands are assessed on the likely value of the denial of service, turnover and cash reserves to pay.
- **Change of direction**. Where a ransomware attack used to involve a simple denial of service, an attacker now

might raise the stakes by adding in a threat not only to deny access, but to release or sell sensitive data on the dark web.

- **Third party service providers** contracted to manage cyber security have themselves become a target for cyber criminals. A recent ImmuniWeb report suggests that 97% of the leading cyber security companies had their data exposed on the dark web during 2020.

Apart from the obvious motivation of financial gain, there are well-documented instances where the innate attributes of the global supply chain – the systems and processes to facilitate trade across national borders – have been exploited to carry out illicit trades, primarily around narcotics and people trafficking.

## Mitigating cyber risks

TT Club regularly highlights the importance of robust cyber security risk management and urges boards and management to carry out thorough assessments, including analysing the integrity of safety critical data. A 'top ten' list might look like this:

1. Strengthen the 'e-perimeter fence' and ensure only approved software programmes can be run on systems and networks
2. Ensure software patches are applied diligently and quickly
3. Maintain effective anti-virus software and strong spam filtering
4. Compartmentalise IT and OT infrastructure with the aim that an infected area can be isolated and quarantined
5. Systematically back up key data regularly, including ensuring that the backup files are held offline
6. Educate employees not to download malicious content, open unsecured web browsers or fall victim to social engineering attacks and phishing scams; train them to recognise and report threats
7. Collaborate intra and cross industry to raise awareness and identify threat trends (including being open to increased information sharing)

8. Develop a robust incident response plan, with a well-prepared and dedicated team having clear objectives

9. Develop robust contingency plans, since preparation is key to resilience during or following an attack

## 10. Be alert and expect the attack; it's not if but when

### Concluding comments

The general public in most, if not all, countries around the world in recent months have had their awareness of the global supply chain heightened, whether through media on their screens or gaps on shop shelves. Many will be aware also of the recent ransomware attack involving the US fuel supplier, Colonial Pipeline, which effectively shut down their supply system.

Such public awareness is compounded in the global supply chain by the impact on national economies. As the feasibility of more damaging cyber activities increase – whether initiated by criminal or more sinister state actors – all stakeholders involved must prepare for the inevitable and build resilience to the evolving cyber threats.

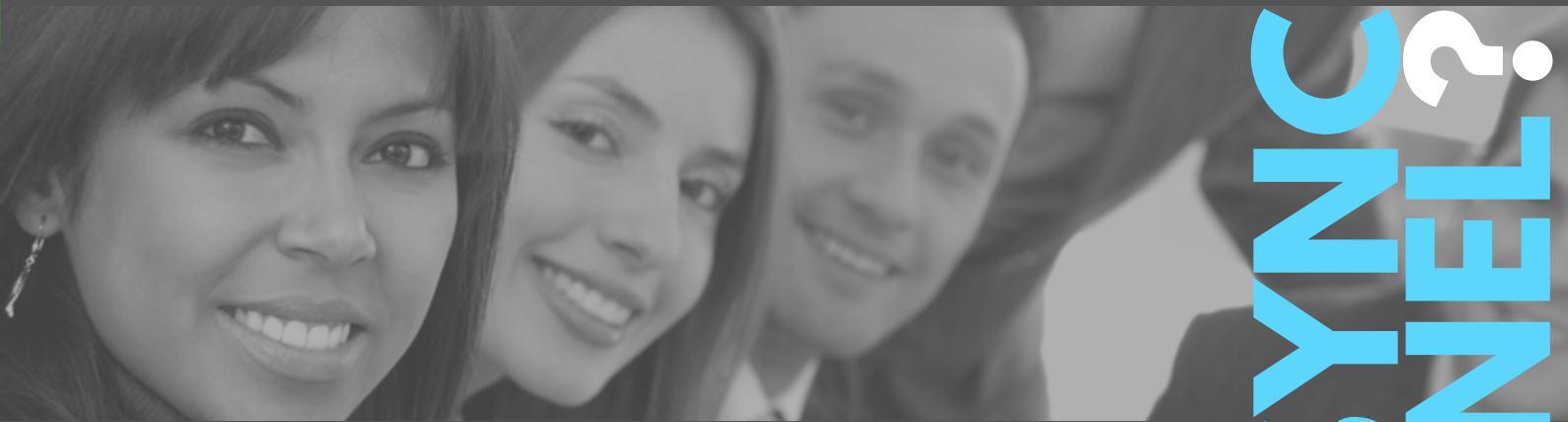
The reality is that all businesses are susceptible to a Colonial Pipeline event, more than likely resulting from an employee failing to spot a phishing email and launching a malicious link.

### For further insights:

Risk Focus: Considering threats in the maritime supply chain

White Paper on Port Community Cyber Security <https://sustainableworldports.org/wp-content/uploads/IAPH-Port-Community-Cyber-Security-Report-Q2-2020.pdf>





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## The Single largest and most strategic investment in the history of ACFS, and this is Just the beginning

By ARTHUR TZANEROS, Managing Director & CEO – ACFS Port Logistics and  
TERRY TZANEROS, Co-founder – ACFS Port Logistics

ACFS Port Logistics (ACFS) was founded by Terry and Arthur Tzaneros in December 2005, with a vision to provide improved national logistics solutions for Australian importers and exporters

From its original base in Port Botany in NSW, ACFS has expanded footprints to cover all major ports in Australia, making the company the largest privately owned container logistics carrier in the country.

ACFS covers a diverse range of services from Transport, FCL Depot Storage and services (Including Quarantine), Warehousing such as 3PL and e-commerce, Bonded Container

Devanning and 24-Hour Empty Container Depots. ACFS has now made its single largest investment in the development of a strategically located Rail Intermodal Terminal to provide even more solutions for its clients.

The ACFS operations are underpinned by extensive knowledge and experience across the supply chain sectors. Using this advantage, ACFS have built a

### Stage of Development

Concept



Design



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comprehensive portfolio of facilities and clientele in Sydney, Melbourne, Brisbane, Perth and Adelaide. In 2021, ACFS have been on the pathway to develop an expanded Intermodal service for the most critical area of Western Sydney. Coupled with an upgraded IT platform, this is to improve the overall service, visibility and delivery efficiencies for ACFS customers. The flagship site will be the St Marys Intermodal Facility, where approximately over 70% of ACFS 300,000 plus TEU are destined for.

#### From Concept to Development

A simple question was asked internally “how do we evolve and offer a superior service to our clients in Western Sydney?” and it became the pivotal moment the concept of a new site that could replicate Port Botany in Western Sydney was created.

Designed in partnership with Pacific National to accommodate the latest in technology and operational excellence, the St Marys Rail Terminal has a massive 44 hectares footprint that will be serviced by up to 5 daily 600m train services provided on a port shuttle by Pacific National Trains

with Capacity for 87TEU each way. The first stage of St Marys is a 10-hectare development which will include a 7HA rail intermodal and 3HA empty park, while the overall intermodal site is approx. 44 hectares in size that will include large scale warehousing.

#### Location and Delivery of site

With the development planned to be completed in early October 2021, the catalysts for selecting St Marys as the new hub were the ongoing challenges in getting to/from Western Sydney via the road network and increasing costs associated with it. Located 60km from the Port and in the heartland of industrial Sydney, St Marys was the ideal location for containerised solutions.

The team at ACFS are proud to be involved in such a significant game changer with Pacific National, as it is projected that ACFS will move a minimum 110,000TEU to St Marys in year 1, lifting mode share on rail from 17% to approx. 23%, delivering on the NSW Government and Ports objectives, and delivering better outcomes for importers and exporters.

This project will contribute both during and post construction to Western Sydney’s labour market and offer environmental benefits by the removal of 80,000 truck trips off the congested Sydney M5 & M7 Motorways per year.

From the initial concept to reality, St Marys will launch the grand opening on approx. the 18th of October 2021



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## Transport Safety – Protecting All, but at a Cost

By NEIL CHAMBERS, Director – Container Transport Alliance Australia (CTAA)

Less than three years' ago on 1 October 2018, the Heavy Vehicle National Law (HVNL) was amended to mandate that every party in the transport supply chain has a duty to ensure the safety of their transport activities.

Since then, the costs of compliance have increased significantly.

These added costs have been borne primarily by transport companies who have bolstered safety staffing levels and heightened safety measures to minimise risks for themselves, and, importantly, for their customers.

The aim of Chain of Responsibility (CoR) provisions in the HVNL (and equivalent laws in WA and NT) is to ensure that everyone in the supply chain actively prevents safety breaches and aligns transport safety law with the concept of "duty of care" underpinning Workplace Health & Safety (WHS) laws.

**Complying with the law is a shared responsibility and all parties in the transport supply chain are responsible.**

Customers of transport companies across Australia, be they importers, exporters, freight forwarders, wholesalers, retailers, or manufacturers, are likely to be defined in the Chain of Responsibility (CoR) provisions of the law given their roles in the supply chain. These roles include being a consignor/dispatcher, packer, loader, scheduler, consignee/receiver, or loading manager for freight.

Breaches of the law can occur through vehicle over-loading (mass breaches), vehicle and load dimensions, load restraint, fatigue, speed, and vehicle maintenance.

Penalties and sanctions range from formal warnings to court-imposed fines and penalties relating to the commercial benefit derived from offences.

The most severe safety breaches could incur up to five years' imprisonment and a \$300,000 fine for individuals, or \$3 million for corporations.

**How do I protect my commercial and safety interests?**

One of the most important safety strategies for companies is to engage transport providers who have a good safety and compliance reputation, and clear safety management policies and processes.

Using a container transport example, mis-declarations of container weights, as well as not knowing how the cargo inside the shipping container is packed and internally restrained, can lead to heightened safety risks.

Research conducted by National Transport Insurance (NTI) found that significant on-road incidents involving container-laden heavy vehicles are 36% more likely to result in a truck rollover incident compared to vehicles carrying general freight.

Reputable container transport operators implement policies and procedures to mitigate these risks.

These include:

- Close communication with customers and others in the logistics chain on actual declared container weights;
- Procedures to ensure that heavy vehicles are not overloaded (i.e., are within gross vehicle mass and individual axle mass limits);
- Driver training in safe vehicle operations, including appropriate heavy vehicle speed for the conditions; and
- Safe container packing and unpacking policies and procedures.

In 2020/21, CTAA, in collaboration with Freight & Trade Alliance (FTA) and the Australian Peak Shippers Association (APSA), undertook a "Safe Loads / Safe Roads" campaign with Commonwealth

funding through the National Heavy Vehicle Regulator (NHVR) to highlight the significant safety dangers of poorly loaded or unrestrained cargo inside import and export shipping containers.

See: <https://www.ftalliance.com.au/safe-container-loading-practices-heavy-vehicle-safety>

**Safety peace of mind comes at a cost**

Be aware though that good safety culture, training, policies, procedures, and auditing come at a considerable cost. Then again, what price do you put on your own corporate reputation and safety risk exposure in the supply chain?

Reputable transport companies now:

- Employ dedicated safety and compliance managers;
- Have robust safety management systems in place;
- Maintain recognised safety accreditations;
- Train their staff thoroughly in safety compliance; and
- Are subjected to exacting internal and external safety audits.

The costs of safety must be understood, recognised, and accepted. After all, from a transport customer perspective your own Chain of Responsibility (CoR) risks are minimised by partnering with transport providers who help protect your back.

They give you greater peace of mind that safety lapses due to poor procedures, a lack of safety commitment, and poor training are less likely to occur. In turn, they minimise the risk of considerable damage to your corporate reputation, your commercial interests, and, as importantly, to your own people.



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# The strangest life I've ever known

By BRETT CHARLTON, Manager - Agility Logistics Tasmania.

This publication will be full of statistics, graphs and commentary around the world of shipping and logistics and the chaos that is out there presently, so I thought I might take this opportunity to steer away from facts and figures and contemplate this whole mess we are in from a philosophical bend rather than rinse and repeat.

I could quote some intellectual, religious or ancient words of wisdom here but for some reason (probably the hazy 60's music obsessions of my 20's) I seem to fall back on "This is the strangest life I've ever known" by Jim Morrison of the Doors.

## It is.

There is not a day that goes past where the headlines do not spell out doom and gloom, division and confusion. Despite my most enviable position of living on an island at the bottom of the planet without lockdowns (at time of writing and long may it continue) the weight of the monotone and tired voices of colleagues around the planet with their challenges is heavy.

Even from our most enviable place, the passing of a loved one on the large island is relegated to a glitchy video screen and the ability to celebrate a life deserving of so much more is removed. You cannot enter anywhere without first having to stare down at a screen and activate an app to scan a QR code before going through a door. Is it even comprehensible to anyone to be in a world where if your vaccination status is not ticked you may be not able to provide for your family?

I get it, we are in "unprecedented times" and there is a global pandemic under way. We have to do everything we can to protect those that are vulnerable, but it perplexes me the world that we are entering.

I was on a call the other day, a roundtable (without a table) about the transport, shipping and logistics scene in Tasmania. The usual crowd were on the call.

One of the industry representatives of the trucking community mentioned something interesting.

On a national level, approximately 15 to 20% of drivers are not in favour of taking the vaccine. Working on the current thought process that at some point mandates will come in around "no jab, no job" what does this mean for our already waning trucking industry. It is already difficult to get people into the industry, what will happen when 15% of the work force disappear to explore other opportunities? We are nowhere near autonomous vehicles as yet. How will this play out with terminals, warehouses and other aspects of the industry – even to the level of office staff. At some point perhaps businesses would not want visitors from non-vaccinated personnel (truck drivers, commercial people and the like) – what happens to those that have been in the industry for many years and are now out for not taking the vaccine – is that IP lost forever due to a mandate? Did I mention division at the start of this article?

I do not write this from any personal perspective, purely pontification around potential cause and effect of the current pathway.

On another topic, I recently attended a shipping line led discussion about how the world looked to us, the "VIP"

customers. The discussion was led by the usual power point presentation that emphasized the view of the shipping line in regard to why there are high prices and little capacity. We all know why by now and I am sure there is other commentary in this magazine explaining it all (to be honest, I am a little tired of explaining it over and over again). It was the people around the room; predominately freight forwarders, that was of interest. Everyone looked that little more perplexed, greyer and in some cases (including mine) wider. The genuine sense of care that was in that room around the customers and the frustration and heartache of not being able to provide a solution was evident.

I have taken to using an analogy in my narrative these days, and unfortunately (my least favourite word) it rings true too often.

When there is a storm and the power goes out and you live in a rural area, and your home is the last one on the power line, you are the last to get the power connected. That is Tasmania now for international freight.

Good luck out there and stay safe.



# Maritime industry comes together to support the East Timorese Community

The WA maritime industry has come together to provide humanitarian support of much needed essential items to the East Timor community.

Fremantle Ports was approached by Ted Graham AM, the Honorary Consul General of the Democratic Republic of Timor Leste, seeking assistance from service providers for the shipment of a number of containers of relief goods to Dili. Mr Graham advised the damage caused by the early April floods this year

was enormous and all at the same time as COVID in one of the world's poorest countries. He has provided some statistics taken from respected agencies like the UN report;

- 13 Districts (Municipalities) affected out of the 13 that exist, so country wide disaster
- 30,000 total affected households across the country
- 4500 Houses destroyed or damaged across the country
- Huge infrastructure damage country wide including roads, bridges, water, sewerage etc.

- At one stage in Dili the Dom Bosco charity was feeding and trying to house 10,000 people

Two organisations, “Containers for Timor” and “Timor Leste Village Supporter Group” have a single objective to assist the people of East Timor by providing free, safe and much needed medical, educational and other goods to help improve lives. Donations will be directed to support education needs, medical and disability, community projects and disadvantaged communities including orphanages. The focus will be predominantly on remote district



group shot (l to r) John Park (FTA) Peter Snell (Timor Leste Village) Emma Cribbin ( Keys Freight & Logistics) Brian Vawsal (Timor Leste Village) Joan Varian (Containers for Timor) Robin Russell (Containers for Timor) Gary Mawson (ACFS Driver ) Kevin Cooper (Total Containers) Cos Breglia ( Keys Freight & Logistics) James Granville ( WA State Manager ANL / CMA-CGM)



Anthony Hughes (ACFS) and James Granville (CMA CGM & ANL State Manager WA)

communities that are in most need of support.

Containers used to transport the donated goods to Dili have been purchased, or supplied free of charge, and will be repurposed for other projects as training/ project centres such as classrooms and women's sewing centres. Donations will often provide the required furniture to equip the re-purposed containers. The shipping of donations redirects hundreds of tons of good quality items being sent to landfill from many donors who no longer require the goods and wish to see them put to good use rather than landfill.

Fremantle Ports sought the assistance of John Park, Head of Business Operations at the Freight & Trade Alliance (FTA) to utilise his industry knowledge to co-ordinate support for this project.

Several FTA members and industry participants agreed to either supply free of charge or at discounted rates/fees their services to these organisations.

Fremantle Ports Corporate and Community Relations Manager Neil Stanbury thanked all organisations for their donated time, money and expertise to make this shipment happen.

"This was a complex undertaking involving many key organisations which generously donated and worked tirelessly to support the wonderful work," Mr Stanbury said.

Ted Graham, Honorary Consult of the Democratic Republic of Timor Leste, said that he was extremely grateful to all those organisations involved and gave his heartfelt thanks on behalf of the people of Timor.

"This will ensure that young children can receive much needed educational materials to continue their education. The whole community benefits," he said.

Organisations which played a role were:

- Freight & Trade Alliance (FTA)
- Fremantle Ports
- Keys Freight & Logistics
- Total Containers / Sea Containers WA
- ACFS
- ANL / CMA-CGM
- Bolloré Logistics



Gurpreet Gill (ACFS driver)



# The Pandemic and the Economic Crises

By PAUL BETTANY, Collinson FX



**Introduction**

Lockdowns caused by an explosion in the Delta virus plague half of the Australian economy and keep both State and International borders closed. The strict lockdown laws in NSW and Victoria have been in response to the outbreak of the Delta virus. The vaccines are offered as a solution, and we can look to the UK as a template for the future.

**Pandemic Management**

The pandemic hit global markets at the beginning of 2020 and the whole year was consumed with managing and controlling that virus and supporting individuals and businesses that have been devastated by it. This evolved into the Delta variant sweeping through NSW and Victoria in 2021, triggering devastating lockdowns, until vaccines can save the day. The much-criticised vaccine roll-out is now fully underway and NSW now promises a re-opening with vaccine rates of 80%. This will only be until the next variant sweeps through the nation and the whole devastating process begins again. The lockdowns are destroying small and medium sized business, which are the biggest employer of workers. The UK opened up at 50% and have decided to live with the virus. Australia is far more risk-averse, indicating re-opening at 80%. Vaccine passports will be rolled out as a ticket to restriction of freedoms.

**Central Banks and Monetary Policy**

The key to the fiscal response has been monetary policy employed by the RBA and

Central Banks around the world. Central Banks have cut interest rates to 'effectively zero' in order to ensure debt service and pumped unprecedented levels of liquidity (QE) into economies. Debt monetising (Government Debt purchasing by their own Central Bank) has always been a big policy 'No-No'. To ensure low interest rates and support demand for debt, the RBA and Western Central Banks have quickly adopted this previously taboo practice. This has ensured funds for necessary fiscal expenditure and support, while not tripping a surge in interest rates due to oversupply and lack of demand. This has effectively underwritten the massive debt, issued by Government and at historically low rates. Central banks have also expanded this monetary 'largesse' to commercial debt, to ensure liquidity in markets and low interest rates. The debt mountain is unsustainable and the resurgent inflation numbers ensure that Central Banks will have to rethink their 'Modern Monetary Theory'.

**The Post-Pandemic Economy**

The vaccine is seen as the panacea to economic recovery and is promising a lot. This is the second year of the pandemic and is the result of mutating virus variants. The real issue is if there are further variants that are vaccine resistant, coming to add to the economic and social devastation. This would be an economic apocalypse and may force a change in strategy. Herd immunity and treatments will be the only option. The Central Bank action has massively expanded

the balance sheet of the RBA, as is the case in Central Banks around the world. Massive deficit spending and debt monetisation has triggered rising inflation which is now striking fear into the hearts Central Bankers collectively, around the world. Supply chain issues have been blamed for much of the inflationary pressures, but this may not be transitory. The past has taught us that inflation can be very stubborn and damaging.

**Monetary Policy and the Impact on Currencies**

The massive injection of liquidity into global markets has necessarily reduced interest rates to unprecedented levels. This has triggered huge asset bubbles in housing, commodities and other asset classes. The new Biden administration in the USA has chosen to double down on existing mutated Keynesian policy, to continue to massively expand fiscal and monetary stimulus. The currencies are now a reflection of monetary policy and the erosion of purchasing power of said currencies, from massively expanded Central banks' balance sheets. The AUD was supported by strong commodity prices, but the 'Lock-Downs' have crushed economic activity and the AUD.

**Conclusion**

The Australian economy came out of the 2020 'Alpha' variant comparatively well (except for the inept Victorian Government experience), but the Delta variant has hit the economy hard. All hopes are pinned on re-opening the economy and all borders, following massive vaccine rollouts. If the vaccines provide the safety and cover for Governments to re-open the borders and the economy (and stay open), then we could see a massive economic recovery in the 2022 calendar year? This is what was being speculated on towards the end of 2020. If another variant comes along, or the vaccines do not work as effectively as hoped, then Australia and the World face enormous challenges.





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## The 'hybrid work model' – Future or Fad?

By NICHOLAS HACKENBERG, Employment Relations Specialist - Employure

For most employers before the pandemic, having staff work remotely was not a thought that crossed their mind. The traditional, almost anachronistic 9-to-5 workday was simply the way society operated. Some businesses in certain countries had recently trialled four-day work weeks to shake up the formula, but aside from these experiments, there was little, if not any talk of doing things differently.

Then COVID-19 hit. In the blink of an eye businesses had to either close or pivot their operations to an online format. Staff were given tools to carry out their job at home, the verb 'zoom' took on a new meaning, and workplaces across the world were left empty, with many wondering how long their new work arrangement would last.

As governments have gotten better at detecting and controlling the virus, it has allowed for society to slowly return to a version of what we call 'normal', that is, how we viewed the world in 2019. Better control over the disease and a strong vaccination take up has allowed restrictions to ease, resulting in businesses reopening their doors, and getting staff back into the workplace.

A workplace in 2021 has a new and improved infection policy to improve the hygiene of employees, and to minimise the risk of transmitting infections. A bottle of hand sanitiser can be accessed seemingly every few metres, plastic dividers have been placed between employees in offices or customers at a supermarket checkout, and cleaning has become more regular and thorough.

As a result of better hygiene, coupled with rising rates of vaccination, many businesses who have had staff work from home since early 2020, now have the confidence to bring employees back in without endangering themselves or others. However, the flexibility demanded by the unprecedented nature of the pandemic, has opened up opportunities for businesses previously thought impossible.

As the volatility of the COVID-19 crisis continues to affect us, it has resulted in business owners making immediate decisions on how to manage staff and working conditions. This is where the hybrid model has gained popularity.

The typical hybrid work model that has now become common place in Australia, sees employees spend roughly 2-3 days a week in the workplace, while the other 2-3 days are worked from home. Some staff may have set workdays each week, while others might alternate on different days depending on their roster.

The concept of rostering, previously only usually seen in jobs that pay by the hour rather than a salary, has been adopted by a growing number of business owners who want to adopt a hybrid work model to spread out their employees across different days of the work week.

By allowing for certain workdays to be carried out at home, this model not only appeases employees who prefer to work remotely, but it also lets them better connect with their manager / boss when they are back in the workplace.

The first quarter of 2021 saw snap lockdowns affect businesses across Western Australia, Victoria, and Queensland. Further into the year we

again saw lockdowns in Victoria and Queensland, as well as South Australia and New South Wales. During these times, employers had processes in place to allow staff the flexibility to work from home indefinitely when required and return back to the workplace in a limited capacity when it was deemed safe.

There is, however, still a split between employers and employees as to where the work should be carried out.

Roughly three-quarters of respondents in a recent survey of almost 1,200 executives expressed concerns about management issues that could arise out of a hybrid work model, although they did acknowledge the productivity levels of employees who work from home were the same, if not better, than those in a work setting.

Only four per cent of respondents believed their employees want to be back in the office, while 71 per cent said most of their workers prefer a hybrid work model over in-person work.

This begs the question, where to from here? While the past almost two years have been filled with uncertainty and challenges, they have also offered new lessons for businesses. Changes to working conditions, government subsidies, vaccination availability and informal requirements and expectations of employees has meant the traditional workplace has evolved.

The coming year will be the crucial turning point as to whether or not the employer / employee relationship can continue to adapt and evolve under a hybrid working model.

The greatest factor that will determine whether this model will be the new normal is trust. Employees who are trusted, and know they are trusted, generally feel more relaxed and comfortable than someone who is forced to go into work five days a week. A trusted employee enjoys the flexibility working from home presents them, which can often lead to increased productivity.

Ultimately, a business will thrive if employees are satisfied with their job. Employers need to adapt to the new

reality COVID-19 has introduced. They need to have open discussions with employees to determine what works well for them and what works best for the business. This will lead to a safer and more productive future in the workplace.

- Link to the “recent survey” [www.littler.com/publication-press/press/littler-survey-employees-want-remote-and-hybrid-work-more-employers-do](http://www.littler.com/publication-press/press/littler-survey-employees-want-remote-and-hybrid-work-more-employers-do)

- Employsure is Australia’s leading workplace advisory firm for SMEs, advising over 30,000 clients in Australia and New Zealand on workplace relations and workplace health & safety issues.

It was founded in 2011 to help SMEs navigate changes to Australia’s complex industrial relations system with the introduction of the Fair Work Act. It does this via its advice line where businesses can speak with its team of workplace relations specialists, and through onsite visits to their business.



## An introduction to cyber security - what you need to know, and what you need to ask....

By JONATHAN SHARROCK, Chief Executive Officer- Cyber Citadel

A malicious attacker will breach your IT network. It’s a statistical fact now.

**But what if you could find out how an attacker will gain access and how you could prevent it? Of course, you would ask for a briefing immediately. Well, the answers are there, businesses just need to invest a little time into finding out.**

Getting on top of cybersecurity doesn’t have to be daunting or expensive. The first step is always to understand the risk landscape of your company and then critically assess network security.

This starts with a Threat Risk Assessment followed by a Security Posture Review. These low-budget high-reward procedures tell you what your risks are, and whether the resources you have at your disposal are capable of mitigating them. Security companies

like Cyber Citadel can carry these out in a matter of days, and this valuable information places companies in much stronger positions to make good decisions about security changes.

The most crucial test of company security is a vulnerability assessment and penetration test (VAPT), which should be run at least once a year. It is important to realise this is a dual procedure: the two components are different and complement each other. A vulnerability assessment is a comprehensive but largely automated scan of a network to detect technical vulnerabilities, and the findings are passed on to the penetration test team. A penetration test is a human-led investigation to evaluate network security involving simulated cyber-attacks to reveal weaknesses, and it aims to provide both technical and business solutions.

When working with security providers, make sure you know what you’re paying for.

Ensuring the wellbeing of an organisation is a collective effort by all of the Senior Management Team and taking on the challenge of cyber security should also be viewed as such. Fortifying your digital infrastructure is only part of the solution facing many organisations. Educating staff on responsible data management, on how to recognise suspicious activities such as phishing emails and generally thinking “more securely” should be part of a company’s strategy in the 21st century.

It’s time to get on top of cyber security. It isn’t just a compliance issue. It’s about protecting your assets, safeguarding your reputation, and obtaining client’s trust. And with the potential cost of a data breach, it will save you money in the long term. Especially in the logistics



sector where business down-time is expensive.

Additionally, in logistics a cyber-attack can now have health and safety implications. GPS-hacking for example interferes with shipping navigation, not just interrupting supply chains but placing ships and their crew in danger. And attacks on SCADA systems controlling critical machinery could result in severe damage and employee injury.

Only a thin veil separates attacks in cyber space from the real world.

The IT (Information Technology) network is becoming interwoven with the OT – or Operational Technology – network. This process, known as IT-OT convergence, is quickening pace with the integration of Internet of Things (IoT) devices, and the remote monitoring of machines and environments.

Cyber Citadel understand that companies are driving the digitisation of processes to improve performance and output, which is great for business, but increases the vulnerability of operations to cyberattacks. By working with security providers, businesses can make sure that their operational development doesn't cost them their network security.

Many new technologies such as IoT devices, remote access software (RAS), and third-party provided software as a service (SaaS) are creating easy entry points for cyber criminals.


Third-party software has shown itself to create dangerous vulnerabilities in recent times. The attack on cybersecurity firm FireEye in 2020 occurred via RAS provided by Solar Winds, and this year an attack on remote monitoring and management software provided by Kaseya and used by many companies

“ *Getting on top of cybersecurity doesn't have to be daunting or expensive. The first step is always to understand the risk landscape of your company and then critically assess network security* ”



## 1. Get Assessed

- Threat Risk Assessment
- Security Posture Review
- Vulnerability and Penetration Test (VAPT)



## 2. Get Prepared

- Backup data in at least 2 places; one of these should be offline
- Educate the workforce
- Build cybersecurity into company development - use the ASD Essential 8 for guidance

worldwide was breached and resulted in various supply chains being halted.

Outsourced software and services security can be tricky to navigate. It is important to carefully consider services provided by third parties, and how much access they have to the company network. The principle of least privilege should always be applied: give away the minimum amount of access required to facilitate the job, nothing more.

Also consider the structure and architecture of the network. Use segmentation to isolate vulnerable sections of the network, and sections accessed by third parties. In the case of a breach, it is vital to prevent lateral movement through the network and the spread of malicious software to critical infrastructure and backups of data.

Do your best to secure your most important information, but only by making backups, and backups of those backups can you be sure your data is always recoverable and gain the best negotiating position in the case of a ransomware attack. At least one of these backups should be kept offline, disconnected from the network on an external hard drive for example, to ensure it can never be reached by hackers.

Backing up data might seem like an obvious and simple solution, but most attacks aren't sophisticated: they rely on basic errors made by organisations and their employees. Weak passwords, not implementing multi-factor authentication (MFA), and not patching software are classic mistakes that lead to data breaches.

Many businesses are turning to highly sophisticated cyber solutions involving AI and Machine Learning, but the reality is that whilst these approaches can provide insight and great processing power, they don't provide the business solutions required to improve overall infrastructure.

So, start simple, and keep mitigation approaches efficient and cost-effective. Self-assessment, both technical and general, is where to start, and this should define your cyber-policies and decision making.

For guidance on implementing mitigations, the Australian government recommends an 'Essential 8' improvements a company can make. Some of these are as simple as Multi-factor Authentication (MFA) or restricting privileges. The Essential 8 guidance is a great place to start.

For more information, take a look at Cyber Citadel's resource centre including white papers on topics like the Logistics and Global Health markets as well as a host of subject-specific videos.



**Cyber Citadel**

M: +61 466 533 533

M: +64 220 364 070

P: +61 2 8318 0290 | +64 9 940 2250  
jonathan.sharrock@cybercitadel.com

www.cybercitadel.com





# Limitation Conventions and *Forum Non Conveniens* - Strategically Navigating Different Regimes for Maritime Claims

By FRAZER HUNT, Partner, MAURICE LYNCH, Special Counsel and  
DIANA LEE, Law Graduate – MILLS OAKLEY

When a shipowner is sued for personal injury or damage to property in connection with the operation of their ship, the maximum amount that a claimant can be compensated is limited in many jurisdictions around the world by either international conventions or domestic laws. Significantly, depending on which regime applies, and a nation's own domestic laws, the maximum compensation amount that the shipowner can pay to the claimant can significantly differ.

The different regimes for maritime claims across jurisdictions raise a number of intertwining legal and commercial implications. Firstly, a shipowner has an obvious commercial interest in having any maritime claims decided in a jurisdiction where an international convention or domestic laws with a low limit on liability applies. Conversely, a claimant would seek to maximise their compensable amount by having the matter decided in a jurisdiction where a high limit or no limits on compensation amounts applies.

Secondly, and relatedly, due to the competing interests of a shipowner and a claimant, a *forum non conveniens* dispute can often arise as each party attempts to have the matter decided in a jurisdiction commercially favourable to them.

In this article, we will explore the substantial differences in compensable amounts between the Convention on Limitation of Liability for Maritime Claims 1976 (**1976 Convention**) and the Protocol of 1996 to Amend the Convention on Limitation of Liability for Maritime Claims 1976 (**1996 Protocol**) and the legal principles underpinning *forum non conveniens* and how they apply in the context of maritime claims. We will also discuss the MV Milano Bridge litigation where the claimant is represented by Mills Oakley, which involves the South Korean, Japanese and Hong Kong jurisdictions.

## **Overview of different maritime regimes and comparison of the 1976 Convention and 1996 Protocol**

Countries have either adopted international conventions or apply their own domestic laws regarding maritime claims. Currently, 63 states have ratified the 1996 Protocol, including Australia, which comprise approximately 70% of the world's shipping tonnage, meaning

that the limitations in the 1996 Protocol will likely apply to a majority of maritime claims. However, some countries, such as Egypt, Bahamas, Iran and Mexico have only ratified the 1976 Convention and not the 1996 Protocol, meaning that the limitations in the 1976 Convention apply. Additionally, some countries, such as the USA, China, Korea, Panama and Brazil have not adopted either conventions, and apply earlier conventions or implement domestic laws regarding maritime claims.

The maximum amount that a claimant can be compensated for by shipowners vary substantially between conventions and domestic laws, and this is highlighted by a comparison between the 1996 Protocol and the 1976 Convention. For example, the minimum limitation amount in the 1976 Convention for personal injury claims, which is 333,000 Special Drawing Rights, was increased substantially through the 1996 Protocol and its subsequent amendments and is now 3.02 million Special Drawing Rights. This means that in US dollars, the minimum limitation amount has increased from approximately USD 466,200 to USD 4,228,000.00. For ships of higher tonnage levels, the compensation amounts differ by approximately 360% between the 1976 Convention and the 1996 Protocol.



“ *The maximum amount that a claimant can be compensated for by shipowners vary substantially between conventions and domestic laws* ”

Accordingly, depending on whether a state has ratified the 1996 Protocol or not, the differences in the amounts that a claimant can be compensated for by a shipowner will be significant. Accordingly, parties involved in a maritime claim need to strategically assess which jurisdiction associated with the maritime claim applies a limitation regime that is favourable to them and determine how proceedings can be instituted in that jurisdiction. In this, the law of *forum non conveniens* is likely to be crucial.

#### What is *forum non conveniens*?

*Forum non conveniens* is a common law principle meaning “inconvenient forum”, where a Court acknowledges that it is an inappropriate forum for the determination of a proceeding and declines to exercise its jurisdiction.

The test for determining whether a Court is *forum non conveniens* differs between jurisdictions. In the United Kingdom, the Court decides whether it is the appropriate forum to determine the proceedings. In Australia, the threshold for a *forum non conveniens* order is higher, requiring that the Court be a “clearly inappropriate forum” pursuant to *Oceanic Sun Line Special Shipping Co Inc v Fay* (1988) 165 CLR 197 at 239. To determine whether it is a clearly inappropriate forum, the Court considers factors such as the parties’ place of residence, where the incident occurred and the governing law of relevant contracts.

In the context of the globalised shipping industry, these factors could be associated with multiple jurisdictions. Indeed, it is common for the place of residence of the shipowner and crew members, registration of the vessel, the governing law in relevant documents and the subject incident to be associated with different jurisdictions. Accordingly, depending on the circumstances, a party seeking a *forum non conveniens* order can have ample legal and factual bases for claiming that the jurisdiction in which proceedings are commenced is inappropriate, and another jurisdiction is more appropriate.

#### MV Milano Bridge case study

The need to strategically navigate multi-jurisdictional maritime claims is illustrated in a large claim against a shipowner involving the Japanese, Hong Kong and South Korean jurisdiction where Mills Oakley is currently representing the claimant. The shipowner’s vessel, MV Milano Bridge, crashed into four cranes owned by the claimant while attempting to berth at Busan port in South Korea, resulting in total destruction of one of the cranes and millions of dollars in other losses. The shipowner was incorporated in Japan while the claimant was incorporated in South Korea where the loss occurred.

While South Korea has not ratified the 1976 Convention, its domestic maritime regime largely mirrors the 1976 Convention, including its limitations on compensable amounts. Japan and Hong Kong on the other hand, have ratified the 1996 Protocol, meaning that its high limitations on compensable amounts apply in those jurisdictions. The limitation applicable in Korea is approximately USD 23,000,000 and the limitation applicable in Hong Kong and Japan is approximately USD 83,000,000. The loss exceeds USD 83,000,000.

Prior to the vessel owner commencing limitation proceedings in Korea, the claimant did the following:

- arrested a sister ship of the vessel which damaged the cranes when it called into Hong Kong to commence in rem proceedings and to obtain jurisdiction as of right in Hong Kong; and
- commenced in personam proceedings in Japan against the vessel owner who is domiciled in Japan.

In response, in order to strengthen the connection of the dispute to Korea, in addition to commencing limitation proceedings in Korea, the vessel owner commenced proceedings against the owner of the cranes alleging it was responsible for the collision in an attempt to reinforce the application of the lower limits of liability in Korea.

Regarding the proceedings in Hong Kong and Japan, the vessel owner asserts that these should be stayed on the basis of *forum non conveniens*. At a first instance decision in Hong Kong the Court found Hong Kong was a *forum non conveniens* but that decision is the subject of an appeal which will be heard in November 2021. The Japanese Courts apply a different concept to *forum non conveniens* have not yet decided on the issue.

#### Conclusion

The differences in maritime regimes across jurisdictions raise complex legal and commercial considerations that need to be strategically navigated by both shipowners and claimants. What is clear is that the limitation provisions in the 1976 Limitation Convention are outdated and have not kept up with inflation and so a harmonised approach is needed. Having a universal maritime regime which is more reflective of the nature of global shipping today and the size of assets involved will require more States to ratify international conventions such as the 1996 Protocol. This will reduce *forum non conveniens* disputes, make maritime claims simpler, faster and cheaper to run, and will provide certainty in relation to limitation and recovery actions. In the meantime, the principle of *forum non conveniens* will be crucial for achieving a commercially favourable outcome for clients involved in multi-jurisdictional maritime claim.

“ *Forum non conveniens is a common law principle meaning “inconvenient forum”, where a Court acknowledges that it is an inappropriate forum for the determination of a proceeding and declines to exercise its jurisdiction* ”

# Professional Indemnity Insurance & Risk Management – Is your business carrying too many unknown risks?

By JAMES COTIS, Principal – Logical Insurance Brokers

We have recently noticed an increase in inquiries about Professional Indemnity Insurance (which is also known as Errors & Omissions Insurance) among participants within the logistics industry, mostly from Customs Brokers. For the purposes of this article, we'll refer to this coverage as Errors & Omissions Insurance (E&O).

We believe these inquiries have been generated, in part, by the obligations as outlined in Australian Customs Notice # 2021/10 and the additional conditions contained within this notice, particularly Condition 8 which references maintaining suitable professional indemnity insurance.

There have been two broad categories of inquiry; those businesses who do not currently hold E&O insurance & those wishing to understand the current E&O insurance arrangements they have in place.

Therefore, we believe an article addressing these concerns & issues is timely.

By way of background, although we have no doubt that those engaged within the logistics industry would use great care, diligence & skill when acting for their customers, we are sure many are aware that the Australian Border Force (ABF) have been increasing their investigation, inquiry, and prosecution activities in recent years. This activity has led to increases in Infringement Notice Scheme (INS) penalties and liability to pay customs duty. In more serious cases, there is a threat of suspension or revocation of customs broking licences.

As transferring certain risks to insurers forms part of a risk management strategy, an important initial step is to understand & review the risk management frameworks within logistics businesses.

It is an unfortunate fact that many businesses, not just those within the logistics industry, believe they are terrific at managing risk and reference their success to date as evidence.

We say this because we are often asked to provide guidance to logistics businesses who have made some bad calls where they have become exposed to significant risks, usually because these risks weren't fully understood,

or worse, they were blissfully unaware of them. This has placed significant burdens on these businesses not just restricted to monetary payments, but also reputational, management/employee stress and distractions to name a few.

Unless business owners and managers stop and think about the potential uncertainties around a decision and proactively assess those uncertainties based on how likely they are to occur, and the impact they might have, they really aren't managing risk.

Therefore, we believe it is important to undertake risk assessments to help owners/managers of logistics businesses make better decisions. When a decision maker proactively evaluates and understands the risk associated with a decision, and they are clear on the business's appetite for risk, they can make better decisions faster.

We will explore the concepts surrounding risk management and some basic steps to assist identify, assess, analyse, evaluate, treat & monitor risks and procedures & processes which guide decision making in a future article.

Although there is a broad universe of risk, for now, we'll focus on one aspect of risk management, that is, treating/avoiding certain E&O risks by transferring them to an insurer.

However, before we start, it should be noted that one of the key risk management tools are the logistics business's Standard Trading Terms & Conditions (STCs) and how those are incorporated with customers. We would be extremely wary of insurers who do



not request a copy of the current STCs (and other legal/contractual documents such as HBLs) for review and approval as part of their assessment process, as this would indicate those insurers probably do not understand the logistics industry.

Where risk is to be transferred to an insurer, it is critical to get it right. A potential issue those within the logistics industry face is that many insurance providers do not understand the myriad of exposures unique to the logistics industry, which may cause coverage gaps. That is why it is important to consult with specialist insurance brokers and underwriters who have an in depth understanding of the various activities and exposures within this industry.

With that in mind, here are a few tips to assist identify/evaluate suitable E&O policy wordings:

- **Company & Employee cover:** Most E&O insurance policies would include cover for employees, however, that is not always the case, so it's a good idea to review the relevant policy wording.

- **Errors & Omissions:** Again, most E&O insurance policies would respond where there has been allegations of negligence or breach of duty arising from an act, error, or omission on the part of the insured entity and the customer suffers financial loss. It would be prudent to review the policy wording to determine the breath of coverage available.

- **Fines & Duty:** There is potential liability for underpaid duty where the ABF can demand duty payments under the Act and/or Broker Licencing Obligations which are challenging for Customs Brokers to resist. Fines may/ also attach. Usually, good quality policy wordings will note that the loss must directly relate to customs & import/export controls. Also check that policies provide cover for any statutory and regulatory provisions regarding the imposition and control of customs duties.

Readers should be aware that many typical non logistics industry E&O insurance policies specifically exclude incidents / also claims with respect to fines, duties, levies and other revenue imposts.

- **Costs:** When incidents/claims occur, most E&O Insurance policies provide cover for costs incurred for investigation & subsequent reports (prepared by specialist industry experts such as consultants/ lawyers), but the policy excess/deductible (sometimes 1,000s of dollars) may apply.

*“ Unless business owners & managers stop and think about the potential uncertainties around a decision and proactively assess those uncertainties based on how likely they are to occur, and the impact they might have, they really aren't managing risk ”*

Other policies do not apply the policy excess/deductible for investigation costs. It would be a worthwhile exercise reviewing those aspects.

- **Policy Limits:** The policy limits are another important consideration, as these are the maximum amount(s) insurers will pay. These should be carefully considered in light of the exposures/liabilities faced by each logistics business.

All policies of insurance (including E&O) contain definitions, conditions, limits, and exclusions. These are designed to define the scope of cover the insurer is offering and the premium required.

For the purposes of this article, we will focus on some basic policy exclusions around conduct of the insured entity and / or their employees. For example, behaviour which would potentially trigger policy exclusions include:

- Intentional or Reckless
- Gross Negligence
- Illegal
- Wilful
- Dishonest
- Fraudulent
- Criminal

The insurance certificate (or policy schedule) is another important document which should be reviewed. The insurance certificate should have a clear schedule

of the names of the insured parties and what services/activities and locations are insured.

For example:

- Are the Errors and Omissions (or Professional Indemnity) Insurance section(s) easily identifiable?
- Is cover for Fines and Duty easily identifiable?
- What are the applicable excesses/ deductibles – do they apply to expert costs (such as lawyers, consultants?)
- What are the limits in the amount the insurer will pay – are the limits per incident or aggregated annually?
- Does the policy respond on a claims made or claims occurring basis?

#### What are the key takeaways?

- Establish and review risk management frameworks.
- Assess and monitor risk appetite.
- Ensure all procedures and systems are fit for purpose and are regularly reviewed & updated as required.
- Keep good records of all relevant documents and information.
- Review Errors & Omissions insurance coverage, including the certificate of insurance and policy wording.
- Ensure the business's Standard Trading Terms and Conditions are regularly reviewed & updated as appropriate, which will keep them fit for purpose. Also, ensure that the STCs are properly incorporated with customers.



#### Who we are:

James and the team at Insurance Logic Pty Ltd t/ as Logical Insurance Brokers (ABN: 44 002 859 252; AFSL #: 237633) provide specialist risk management and insurance solutions to the logistics industry. Logical is delighted to be associated with the Freight and Trade Alliance (FTA) and is proud to be their appointed insurance adviser since its inception in 2012. James is also a regular presenter at FTA professional development events.

If you would like more information about how a carefully constructed insurance program can help protect your business, please feel free to contact James on 02 9328-3322, email jamesc@FTAlliance.com.au or visit the Logical Insurance Brokers website at [www.logicalinsurance.com.au/logistics](http://www.logicalinsurance.com.au/logistics).

# Interview

## CHRIS LEBON, Managing Director - United Carriers



Even in these challenging times Sal Milici, Head of Border & Biosecurity, Freight & Trade Alliance (FTA) found some time to sit down (virtually) with one of our new members UNITED CARRIERS and chat to their Managing Director Chris Lebon

### 1. Sal Milici – Chris to start off with can you tell us a little about yourself and your background?

I've always been geared to build a business but throughout the journey I've encountered many setbacks. Ultimately key events made me resilient and even more determined to succeed.

Freight forwarding happened to be the industry I started in when first getting out of school, starting as a "Doc runner" for a multinational.

### 2. Sal Milici - Can you give us an overview of the United Carriers business and its activities?

We are a select group of industry professionals with a wealth of experience in international freight forwarding, transport, warehousing and customs

brokerage. Together we help clients manage their global supply chains from end to end with the core intention of adding value and delivering success.

Our clients range from small, medium to large enterprises within a magnitude of industries, enabling us to cross trade best practices and solutions we have implemented in the past.

For example, solutions like consolidation programs, pre-labelling at origin for warehouse by-passing and supply chain management by exceptions to name a few.

### 3. Sal Milici – So how does UNITED CARRIERS demonstrate their difference to other freight forwarders?

Internally we call it our team's rhythm. As a team, we work together to identify and share what's important to each individual client and then tailor our management of their supply chain to their needs and focus on execution. To create the rhythm, it takes high level cohesion with all members in each respective role.

### 4. Sal Milici - As we are all aware, the global shipping landscape has had its challenges in 2020 and 2021 due to the COVID-19 pandemic – how is the United Carriers team approaching these challenges?

With each member in our team having years of experience, our collective expertise has helped effectively navigate through disruption. We have identified two areas we focus on (1) Responsiveness, we do this through managing our clients supply chains by establishing rules and defined exceptions. When things don't go to plan, we communicate swiftly and collaborate on decision making. (2) Identifying Root causes, whilst realigning our clients' traditional ways of thinking about their supply chain, with pragmatic techniques to combat relevant challenges specific to their supply chain.

Whilst we cannot avoid the disruption, we have been able to provide clients with relevant market intelligence and insights, so they are in a better position to make appropriate decisions in the best interests of their business.

### 5. Sal Milici - Looking forward to over the next 2 years what do you see as the key areas of focus and opportunities for United Carriers?.

We put this out to our team and we all agreed that our unique culture has provided opportunities and built our business to where we are today, so our intention is to maintain and develop our culture and continue working with partners and clients that share our values and approach in empowering people to achieve success, however that may look.



United Carriers team in their new boardroom



# VALE– Brian Stockwell

In August 2021 the industry lost a legend. Stockwell International lost its original founder, Brian Stockwell.

In his 50th year of business, at age 78, Brian Stockwell passed with his family by his side.

After starting as a 'customs agent' Brian Stockwell and George Bulgin opened their doors in 1971.

There were many initial struggles to overcome, the manual preparation and clearances of customs entries, psychical examinations, surveys of cargo at the wharves and the clearance of parcels. There was very little containerisation, and transport operations from a different location was difficult to navigate.

His parents had borrowed him his start-up money so he was determined to pay them back for their faith in him and their continued encouragement of his future successes, even if they hadn't transpired in those early years.

10 years after the passing of George Bulgin, Brian decided to re-brand on his own to Stockwell International. During the early 90's they moved to Discovery Cove, opposite the new Port Botany container terminal and for the first-time incorporated Stockwell's transport department under the same



*Loyal Bulldogs supporter through and through*

roof. Boosting Stockwell's efficiency with container pick up and drop off.

Brian's focus and love for the business meant that he never retired and right up until a few days before passing, was still talking to their CEO about figures.

He loved having his own kids and nephew running the business and was excited to start to see the 3rd generation come through the business.

The love that Brian's family have for him and his business has created such a strong foundation, it brings the family together and will continue to do so into the future. This love also extends to the Stockwell Team and the family values that are extended to all of the staff.

Brian's passion for his business also transferred to his love for life with many interests and hobbies such as his beloved boat 'The Seadog', the Bulldogs footy team, skiing, fishing and road cycling. Brian would ride the age he was turning in kms on his bike for each of his birthdays and he was very serious about those long legend lunches.

Over the years Brian Stockwell and Stockwell International have supported many



*a toast to an industry stalwart*

causes from Cancer Awareness, Motor Neuron Disease to schools specialising in the education of children with intellectual disabilities and environmental plights. Brian Stockwell and Stockwell International have also sponsored several sporting players from his own grandchildren's football teams to surf lifesaving.

His legacy will live on through his family and the Stockwell name. The words of a poem that Brian treasured can be viewed at this link <https://www.desiderata.com/desiderata.html>

Cheers to a legend, Rest In Peace Brian Stockwell.



*Brian and Cheryl Stockwell*

# Compliance with new supply chain obligations

By STEVE McSWEENEY, National Business Development Director - Certis Security Australia

As with every industry, various stages of the supply chain are subject to industry legislation and regulation, often to ensure safety and security. It's important for decision makers and business leaders across all levels to understand these regulations, and ensure they're adhered to.

“*A key point in these new obligations is the increase in controls around individual access, which may seem simple. However, access control can be a complex and time-consuming task, particularly on busy sites*”

In July 2021, the Australian Border Force (ABF) shared new obligations for customs depot and warehouse licenses that aim to improve efficiencies, transparency, and security. While the updated obligations only specifically reference customs depots and warehouses, the changes impact the broader supply chain. These changes include:

- Strengthen existing controls within the supply chain
- Provide timings when notifying the ABF of particular matters
- Additional controls on persons accessing customs licensed sites
- Clear delineation of additional conditions as they relate to specific licence types
- Alignment of compliance controls for licence holders with the Aviation Transport Security Act 2004 and Aviation Transport Security Regulations 2005
- Alignment of compliance controls for licence holders with the Biosecurity Act 2015

A key point in these new obligations is the increase in controls around individual access, which may seem simple. However, access control can be a complex and time-consuming task, particularly on busy sites. While it's important for every customs depot or warehouse to be across the obligations, and adhere to them, they don't have to manage them on their own. In fact, investing in third-party support, such as an integrated security provider, is recommended to ensure compliance.

## **The importance of third-party security providers**

Sadly, many industry leaders overlook security as it's wrongfully perceived as an unnecessary expense or something that can be managed in-house, which can lead to infractions. This approach is detrimental to not only the organisation,

but to the broader supply chain, as it leads to avoidable disruption caused by non-compliance or improper security processes. Ultimately, the deployment of security professionals saves money, as it reduces the risk of non-compliance. But the benefits go beyond the cost of compliance: an effective, integrated security provider will become an extension of your organisation, not only ensuring security, but providing support to achieve broader objectives.

## **Meeting access control & CCTV requirements**

As part of the new obligations “a holder of the licence must not allow any person to enter the licensed place without making a record of their entry and exit”, which as previously mentioned, becomes extremely complex and time-consuming on busy sites. To effectively ensure compliance, we recommend organisations deploy electronic visitor management systems. These systems not only capture the required information for access (such as name, proof of identity (POI), etc.) but can also be used to issue visitor passes that accurately record arrival and departure times along with the other necessary information. If required, visitor management systems can be configured to include easily identifiable markers (e.g., “ESCORTED”), making it easier to identify non-compliant visitors.

Organisations are also now expected to meet improved standards relating to CCTV. In fact, “the holder of the licence must install and maintain unobstructed closed-circuit television (CCTV) that provides continuous coverage of the entire licensed area”. To meet this requirement, third-party security professionals are again recommended, to carry out site visits to inspect the area and ensure CCTV coverage conformance and quality (720p); failure to get this right, can leave depots and warehouses facing harsh penalties.



In addition, it's important CCTV makes up a part of your security strategy, rather than being the entire security solution. This means your CCTV network can be managed by your security provider and integrate with the wider security operation (e.g. access controls). The best security providers will also be aware of the latest requirements and ensure they're being met, taking the burden away from you. For example, CCTV footage is now required to be kept for a period of 30 days and provide access to the ABF if/when required.

### More than just security

As an integrated security provider, Certis Security Australia aims to embed itself into your organisation to help achieve combined success, rather than simply operating as a transactional third-party provider. Certis Security Australia has successfully designed, specified, installed and maintained a range of CCTV networks and access control programs for clients across Australia. Each program is created as a bespoke solution to the individual challenges faced by each client, as one size never fits all.

These programs have been developed to meet specific requirements. Certis Security Australia understands you need a system and approach designed for you and your needs. Security providers give organisations peace of mind their compliance needs are met, so they can remain accountable to internal and external stakeholders.

As supply chains expand and become more complex, so too do the regulations and obligations organisations are held to. It's a losing battle for organisations to try to achieve total compliance without external support. We recommend engaging an integrated security provider that goes beyond the traditional scope of security and utilises innovative technology solutions to deliver real value to your operations. By partnering with market leaders, you are able to design the solutions that work best for you and your customers for many years to come.

For more information on Certis Security Australia, its products and technologies, head to [certrisgroup.com/au](http://certrisgroup.com/au).

“ *Sadly, many industry leaders overlook security as it's wrongfully perceived as an unnecessary expense or something that can be managed in-house, which can lead to infractions* ”



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# CASE STUDY :

## Fulfilment by Amazon – small business seller

It takes real vision to see the potential for a moneymaking business amongst a pile of used, cardboard scrap. Yet that's exactly what EUGY founder, Hoon Kim, did when he visited his local recycling centre in New Zealand.

A Korean-born travel writer, animal enthusiast, and 3D-effects computer graphics specialist, Hoon first began to see how plastics were destroying the natural environment during his globetrotting, and the seeds for an idea were sown: a toy that was completely harmless to nature.

“He decided to make something fun and beautiful,” said EUGY spokesperson, Joanne Kim. “Something that could reconnect people to the wild, while also being able to easily return to nature.”

Experimenting with the idea of layering cardboard pieces to make puzzles, Hoon utilised his years of experience as a 3D graphic designer. Perfecting his formula, and patenting it, he began to produce small batches of animal puzzles from his garage.

Made from New Zealand recyclable cardboard, and printed with eco-friendly ink and put together with PVA glue—water-soluble & non-toxic—the EUGY puzzle kit sets were originally sold to museums, art galleries, and gift stores in the Auckland area.

“Hoon’s mission is to reconnect people to the wild and nature,” explains Joanne. “And to create a collective movement towards protecting our planet. We work towards this mission by partnering with various non-profit organisations to support their work in animal and environmental conservation. We’ve worked with children’s hospitals by donating funds or our EUGYs, too. Being able to support these incredible organisations for the betterment of our world is at the heart of what we do.”

Soon the toymaker’s eye-catching designs—which ranged from cows and kiwis, to whales and dinosaurs—captured the attention of a global market and the eco-friendly craft kits were launched overseas.

Establishing a successful presence in the US via Amazon—in addition to a global distribution network—EUGY then went on to sell through Amazon Australia when they launched just over a year ago.



*EUGY founder, Hoon Kim*

“It’s the perfect channel to sell on because of its wide customer reach and well-established systems,” said Joanne. “Although we had already expanded our distribution to a global scale, we still had a need to communicate our brand value, and to raise awareness in other key markets, which Amazon helped with.”

The business also relies heavily on Fulfilment by Amazon (FBA)—a service that takes care of sellers’ inventory, storage, delivery, customer service and returns handling, from the very beginning.

“As we’re based in New Zealand, using FBA has been integral to positively impacting our selling experience,” said Joanne. “FBA also helps streamline processes logistically. Moreover, FBA is a favourable option for managing handling and shipping costs. It is a service we would highly recommend to other sellers.”

In addition to seeing sales “increasing two-fold” during their tenure on Amazon Australia, Joanne has also noted highly positive results after participating in both Prime Day, and Black Friday, last year.

“We were able to increase sales, reach a new customer base, and amass a lot of new knowledge,” said Joanne. “As a result, we definitely plan to continue to actively be involved in these sale events moving forward.”

As for future plans, Joanne and the rest of the EUGY team are excited to both add to the sustainable range of products, and to expand into other international marketplaces.

“We have plans to continue to expand with the various Amazon marketplaces overseas, but most important for us is to stay true to our eco-friendly, sustainable ethos,” she said. “The environmental aspect of EUGY is the most important part. Without it, we wouldn’t be who we are.”

EUGY is one of the hundreds of NZ businesses selling on Amazon.com.au. Customers across New Zealand can visit Amazon.com.au and shop from millions of products across a huge range of categories and have them delivered direct to their door. In addition to the US store, Amazon.com, NZ customers can now access products from thousands of brands on the Australian store, Amazon.com.au.

“We are excited to offer Kiwis access to millions of products at great prices on Amazon.com.au, all underpinned by convenient delivery options,” said Tony Austin, General Manager of Exports for Amazon.com.au. “We know that many New Zealand customers are already shopping on the US store and we are pleased to be offering them a faster option.”



# The Lockdown Effect

By KAI LINCOLN, Managing Director - SEKO Omni-Channel Logistics

While we can all be excused for feeling the effects of COVID fatigue and the media's constant messaging around the financial pain being felt by pubs, cafes, tourism operators and a number of other businesses, for many businesses the lockdown effect has been hugely beneficial. For those in and around eCommerce, the redirection of discretionary spending is providing a material boost that is helping to support the economy with continued consumer spend and job creation.

With global travel non-existent, lockdowns very restrictive towards domestic travel, dining out, commuting and a few quiet ones at the pub, those Aussies who are still fortunate enough to be earning an income have found themselves with some money to spend. Clearly, the pre-pandemic spending habits of Australians has changed dramatically over the last 18 months.

Australians are known the world over as a travelling breed. Pre-COVID, we spent a lot on both domestic and international travel. In fact, various pre-pandemic numbers suggests that the Aussie travel bug saw us spending over \$122 Billion, or around \$4.8k per person, per year. No surprise that we also like a meal and a drink. 2019 per-person figures indicate around \$2.7k on dining out and \$1.6k on alcohol.



In total that's \$9k per person in areas where discretionary spending has been largely limited during periods of lockdown.

A conservative approach to spending would suggest that lockdowns lead to uncertainty and uncertainty leads to a more reserved approach to our spending habits. Developed countries, however, are now more than 80 years removed from the pain of the great depression and the GFC of 2008-2010 wasn't as horrific for many Australians, it also seems a distant memory. As a result, a conservative approach hasn't necessarily prevailed, and people aren't curbing their spending habits. Rather, as we're seeing in eCommerce, spending is simply being redirected.

Science has found that shopping can produce surges of dopamine in our brains that some scientists are saying is helping to counteract the blues linked to being locked down. Dopamine, that "reward" chemical we produce to make us feel better about life doesn't go away just because we can't get enjoyment out of travel or a night at a restaurant with our friends. Like food, dangerous activities, competitive sport and even sex, the mere act of shopping online is helping some, nay - a lot, of people "cope" with lockdowns.

This means that eCommerce merchants of all description, are experiencing material benefit due to the lockdown spending effect. Though the early days of the pandemic saw huge boosts to home office, gym equipment, leisure and active wear, shoppers have since returned to more traditional verticals, not because they need it, but because they like it.

This theory isn't just rhetorical either, it is absolutely quantifiable. The Australian Bureau of Statistics stated that in the 12 months to March 2020, online retail was growing at a rate of 14% per annum. For the period of March to February 2020-2021, this jumped to a whopping 67%. Clearly (and somewhat obviously), the lockdowns have driven people to online shopping.

These spending habits then roll down to the supply-chain providers who support online retail. This has meant abnormal growth for some logistics companies, while others are struggling to support the industries negatively impacted by the pandemic. If the companies negatively impacted can survive these downturns, it is expected that the pendulum will swing

back the other way and, once people are moving around more freely, travel, dining out and other more traditional avenues for discretionary spend will return.

What we don't know, however, is whether that \$9,000 per person per year will go right back into the traditional buckets, creating a flattening or even a receding trend for online retail or whether the discretionary spend will be spread more evenly across the sectors.

People have grown accustomed to the instant positive feeling that comes with buying that "thing" they want on the internet. Will these habits continue, or will people feel the same levels of elation and thrill by merely purchasing that trip to Europe, even if they have to wait 6 months for the physical realisation of it?

My personal opinion is that the money will flow back into travel and entertainment, with the unfortunate loser continuing to be traditional brick-and-mortar retail. Like a piece of cheese rewarding a mouse, consumers have now developed a dopamine and convenience fuelled habit of buying goods online and there's very little indication that traditional retail knows how to break that habit and steer us back into the big-boxes of old.

“ Clearly, the pre-pandemic spending habits of Australians has changed dramatically over the last 18 months ”

**SEKO** Omni-Channel Logistics



# Screenener accreditation – Are you ready?

By ANDREW CHRISTIE, Director – Andrew Christie Consulting

On 16 June 2021, the Department of Home Affairs (the department) began a staged implementation of a series of changes to the training requirements for air cargo screening and examination officers. The new Screener Accreditation Scheme is designed to ensure greater consistency in screening standards across the aviation, maritime and air cargo industry.

Organisations screening cargo under Enhanced Air Cargo Examination (EACE) Notice requirements (including both Tier 1 or Tier 2 airports) will require full implementation of the Screener Accreditation Scheme, whilst those operating under Baseline Air Cargo Examination (BACE) Notice requirements will only be required to implement some elements.

The aviation and maritime sectors were the first to see some of these changes, with all changes yet to be introduced into the air cargo sector. The department is cognisant of the challenges industry may face with the implementation of some or all of these changes, so full implementation is not proposed until July 2023. However, whilst being rolled out slowly the changes will require preparation and planning by those who currently screen cargo.

The first of six changes is the introduction of a specialist qualification in cargo screening.

The Certificate II in Transport Security Protection will (from 6 January 2022) replace the Certificate II in Security Operations and be the only recognised qualification for screeners. This requirement is relevant to those clearing and examining cargo under EACE

requirements with implementation deferred until 1 January 2023.

In the airport environment, an aviation or maritime security identification card is already a requirement, however, this will now extend to the maritime and air cargo sectors. Going forward all screeners will be required to hold a valid Aviation Security Identification Card (ASIC) or Maritime Security Identification Card (MSIC). This has a proposed implementation date of 1 July 2022.

Another requirement, for those operating under both EACE and BACE requirements is the introduction of a distinctive and recognisable uniform for public facing screening roles. All Regulated Air Cargo Agents and Cargo Examining Aircraft Operators will need to implement the uniform requirements by 1 July 2022.

The final few requirements of the new Screener Accreditation Scheme are relevant only to those screening cargo under EACE requirements. These changes have a proposed implementation date of 1 July 2023 and include:

Annual accreditation testing for those who independently screen people, baggage, or cargo. The accreditation will include x-ray image interpretation and practical assessment. This will be complemented by 40 hours of on-the-job training which must be completed annually prior to the accreditation.

To complement annual on-the-job training and accreditation, screeners will be required to complete 12 hours of continued professional development (CPD) each year. The options for CPD are varied and include supervised practice as well as options for further technical training.

It is important to note that there is work still to be done by the Department

of Home Affairs, in order to support the broader roll out of the scheme in particular, across the air cargo sector.

Work in supporting and upholding these requirements is underway, noting once again challenges that may arise not limited to (but including) current COVID-19 restrictions and outbreaks.

For some organisations, particularly those in the air cargo sector, who have not yet seen any of the changes, there is quite a bit to unpack. The proposed timelines allow for this, but I would caution you not to delay as there are operational and financial elements to be considered.

It is pertinent to consider if, going forward, it is best for you to continue screening using internal staff who will be trained and accredited as per the scheme or if you would perhaps be best suited to utilising qualified third-party screeners to meet your screening needs. This decision has financial implications, but the cost of training and retraining staff must be considered, and perhaps third-party screening costs may be balanced by the ability to redirect current screening resources to other areas of your business.

Should screening remain a function of your internal staff, it is essential you become familiar with the specifics of the Screener Accreditation Scheme and which elements are relevant to your business. I would encourage you to begin planning and allocating persons responsible for a measured rollout and sustainable program for ongoing screening compliance.





## Biosecurity 2030 – Moving towards a stronger biosecurity future

By ANDRW TONGUE, Deputy Secretary and Head of Biosecurity,  
Australian Government - Department of Agriculture, Water and the  
Environment

The Commonwealth Biosecurity 2030 strategy, released in May this year, is the Australian Government's roadmap to build a stronger, smarter biosecurity system through to 2030. It outlines how we will build our future system and keep Australia at the forefront of best-practice biosecurity.

Australia is facing increasing pest and disease risks that are getting more complex and harder to manage. Despite the COVID disruptions, this decade more mail and cargo will arrive than ever before, and through these pathways we will see a greater array of devastating pests and disease moving closer to our shores.

Our roadmap will help ensure our biosecurity system continues to protect us from current and future threats by focusing on better regulation and partnerships, smarter border clearance processes, improved use of technology, and ensuring our funding and investment model is sustainable in the long-term.

Work is already well-underway to build a more resilient, smarter biosecurity system. Our biosecurity preparedness, surveillance and responses will be improved in the coming years through innovations that we are developing and trialling.

### Green Lane Trial

As part of the Australian Government's Deregulation Agenda, we have established a proof of concept to trial new industry arrangements with importers. This program will test if equal, or better biosecurity outcomes can be achieved by using existing importer assurance systems to manage biosecurity risk across their supply chains.

Four pilots are being progressed with selected importers. Each pilot is being co-designed with the importing business running in parallel to existing biosecurity requirements.

The co-design process includes detailed mapping of the importer's systems, data and supply chain assurance mechanisms against biosecurity controls and risk trigger points.

The first pilot with Kmart was rolled out in August and is in the controlled testing

phase with ongoing monitoring and evaluation.

The other pilots are with FTA Food Solutions Pty Ltd, Becton Dickinson Australia and Stora Enso Australia Pty Ltd (Wood Products). These are in the discovery and design phase and are expected to be underway before the end of September this year.

### Container Scanning Trial

The department is supporting trials to improve pest and disease detection rates on or in shipping containers using different technologies. These include using cameras attached to port crane gantries to screen containers during standard ship to shore movements, and mobile application tools to identify and record internal container findings.

DP World is contributing to the trials which are operating at the Ports of Sydney and Brisbane. If successful, these concepts will be a game changer in enabling all arriving shipping containers to be screened in real time and for decisions to be made remotely on the need for further intervention.

### Document Assessment

We have worked with a third party to develop a world first technology and algorithm that has been custom built to handle the volume and complexity of the approximately 6 million documents we receive each year for assessment purposes.

We are aiming to automate the Minimum Documentation (Min Docs) assessment component to manage the increased volumes and enable our staff to focus on the higher risk parts of the assessment process.

The addition of 'Bots' or 'Digital Workers' will speed up the assessment process and reduce delays where documents are lodged in accordance with the Min

“ *As the Commonwealth Biosecurity 2030 roadmap clearly points out, by working smarter and more collaboratively, using the best data, tools and capability available, Australia will meet the rising biosecurity challenges* ”

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Docs policy and import conditions. This is expected to be implemented toward the end of this calendar year.

The department is also using the same type of automation solution to streamline the ICS screening process for biosecurity officers processing Self Assessed Clearances (SACs). This automation solution provides greater visibility of current and emerging biosecurity risks as well as time efficiencies in processing SACs.

### 3D x-ray

We achieved ground-breaking work with 3D x-ray technology in a biosecurity application which also won a 2020 APS Innovation Award. Collaborating with industry, both my department and the New Zealand Ministry for Primary Industries were the first biosecurity agencies in the world to deploy 3D x-ray capability in an airport environment. The technology provides enhanced 3D images of the inside of parcels and baggage, making it easier to pinpoint items of biosecurity concern.

The department has also worked collaboratively with the vendor and the tertiary sector to develop and deploy the world's first algorithm to automatically detect biosecurity-risk material.

This technology is now being used at Melbourne Airport and international mail centres as part of our screening and has proven the technology is up to 3 times more effective in identifying biosecurity risks than current methods. Based on this success, the department is progressing

with the installation of additional 3D x-ray units over the next 2 years.

Work is also being undertaken to develop algorithms to support the detection of illegal wildlife and seeds and plants, and to test the use of 3D x-rays for pre-screening of air traveller baggage.

### Introduction of imported food virtual label inspections

In 2020, we conducted a trial of virtual inspections under the Imported Food Inspection Scheme (IFIS) as a response to the COVID-19 pandemic.

Using Microsoft Teams to conduct virtual inspections in real time, a departmental authorised officer could connect with an importer (or agent of the importer) through a smart device and conduct the imported food and food labelling inspection remotely.

The trial was a success, with 87% of the virtual inspections passing with flying colours. Some areas with limited internet presented challenges and any inspections that indicated nonconformant products, unclear findings, or network issues, were rebooked for a physical inspection.

As a result, we have implemented virtual inspections for low-risk food as a permanent option for the industry. It reduces delays in booking an inspection, particularly where COVID-19 lockdown restrictions apply, and reduces risk of infection during the pandemic.

We continue to explore how this technology and other innovations, such as smart glasses, may be used for other scenarios.

### The Biosecurity Portal

The Biosecurity Portal is our new 24/7 online portal that enables importers, brokers and approved arrangement providers to request, view and cancel their import inspection bookings online. This will replace the current email form.

The portal integrates the Australian Government's MyGovID to authenticate users with the Agriculture Import Management System (AIMS) to streamline the booking process.

The portal is currently being tested in beta version with a select number of clients taking part in a two-month trial. This will test the portal's functionality, client support process, communications, and reference material to ensure a fit-for-purpose product. If successful, it will make the day-to-day business of managing biosecurity inspection bookings smoother and more efficient.

As the Commonwealth Biosecurity 2030 roadmap clearly points out, by working smarter and more collaboratively, using the best data, tools and capability available, Australia will meet the rising biosecurity challenges.

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# Australia heading towards a ban on goods produced by forced labour – Issues for logistics professionals

By RUSSELL WIESE, Director – CGT Law

While we often marvel at the sophistication of modern supply chains, some of the worst historic aspects of supply chains remain. It is estimated that 25 million people worldwide are subject to forced labour. About 16 million of these people are exploited by global supply chains that involve private enterprise. It should come as no surprise then that there is strong support for legislation banning the importation of goods produced by forced labour. However, for that strong support to be transformed into legislation passed by Government, the law will need to be workable for small business and logistics professionals.

## What has been proposed

In August the Senate passed legislation banning products produced by forced labour. The legislation was introduced by an independent senator and passed without the support of the Coalition Government. The legislation has now been sent to the lower house where the Coalition will likely require significant amendments prior to giving the legislation the thumbs up.

The proposed legislation is simple in its operation, it seeks to add into the Customs Act the words:



*“The importation into Australia of goods produced or manufactured, in whole or in part, through the use of forced labour (within the meaning of the Criminal Code) is prohibited absolutely.”*

The Customs Act is also amended so that goods covered by the above definition fit within the meaning “prohibited imports”. This has significant implications as there are many sections of the Customs Act that deal with goods defined as prohibited imports.

## What is a good produced by forced labour?

The proposed bill picks up the following definition of forced labour from the Criminal Code:

*“the condition of a person (the victim) who provides labour or services if, because of the use of coercion, threat or deception, a reasonable person in the position of the victim would not consider himself or herself to be free to cease providing the labour or services, or to leave the place or area where the victim provides the labour or services. The victim may be in a condition of forced labour whether or not escape is practically possible for the victim, or the victim has attempted to escape.”*

Interestingly, it is not clear that all child labour fits into this definition.

A difficult element of the provision is that it applies to goods produced “in whole or in part” through the use of forced labour. The wording “in part” means that a good would be a prohibited import where only a small part was produced via forced labour. A jacket may be comprised of several different outer textiles, buttons, zips and threads. Only one component will need to be produced via forced labour for the jacket to be a prohibited import.

## Implications of being a prohibited import

There are significant consequences that flow from a good being deemed to be a prohibited import. Most significantly, prohibited imports are automatically forfeited to the Commonwealth. This

means that title in the goods passes to the Commonwealth. The Commonwealth will not compensate the importer for the goods it has seized. This can be a massive commercial consequence given the importer will not only lose the value of the goods, but also the profit that would have been made on the sale of the goods and the logistical costs in getting the goods to Australia.

The Customs Act also creates multiple offences that relate to prohibited imports. For instance, section 233 of the Customs Act makes it an offence to import any prohibited imports. The maximum penalty for this offence for a corporation is the greater of 15 times the value of the goods or \$1.1 million. This is on top of the loss of the goods.

## Enforcement issues

To be effective the law needs to be enforceable, and the importing community must be able to comply with the law. The biggest challenge is how the Australian Border Force (ABF) will be able to detect at the time of import whether goods are the product of forced labour. This is not like asbestos where the ABF can simply test the goods.

It is likely the ABF will base its inspections on tip offs or intelligence regarding certain suppliers or goods from certain regions. That is, goods will not be stopped and inspected at random, but rather seizures will be likely be the outcome of an ongoing investigation.

An option proposed by a Parliamentary committee reviewing similar legislation was that the ABF be given the power to issue rebuttable presumptions that the goods were produced by slave labour. Importers may respond to a rebuttable presumption by producing evidence relating to the production of the goods.

Another option is the system currently adopted for goods produced from illegally logged timber. Under this system the primary obligation is on the importer to undertake due diligence as to the source of the timber.



In some ways this is more effective than the ABF focusing on identifying prohibited imports at the border. Under a “due diligence” approach a greater proportion of goods are subject to inquiries as to source of the goods.

#### Issues for Customs Brokers

The difficult issue for customs brokers will be the risk of making false statements. It is possible that a community protection question could be tied to tariff classifications for clothing and apparel. That question could simply be “are the goods produced in whole or in part from forced labour?”

An importer and customs broker would need a reasonable basis for answering this question. There cannot simply be an assumption that goods were not the product of forced labour, especially if sourced from

an at-risk region. If the ABF approach to asbestos is any guidance, simply relying on a supplier declaration is unlikely to be sufficient. The ABF may require the customs broker to look beyond the declaration and understand what evidence is available to support the truth of the declaration.

Customs brokers that are found to have made a false statement will not have committed an offence if it can be shown that the false statement resulted from a reasonable mistake of fact. Importantly, the broker must actually consider the issue and the mistake cannot be based on ignorance.

Of course, this presents risks for customs brokers, but it also represents an opportunity for customs brokers to better understand their client’s supply chains and demonstrate greater value.

There is benefit in customs brokers starting that conversation now. Ethical clients will want to understand the potential new legislation and how it ties in with the steps they are already taking to remove slavery from their supply chains.

CGT Law and Freight and Trade Alliance (FTA) will keep you updated as this important law progresses through the parliament.



# Interview

## Dr. Bradley Armstrong, Commissioner – Anti Dumping Commission

Sal Milici – Head of Border and Biosecurity, Freight & Trade Alliance (FTA) recently had the opportunity to speak to Dr. Bradley Armstrong about his role as the Anti-Dumping Commissioner

### 1. Sal Milici - Brad, you are the new Anti-Dumping Commissioner. Can you tell us a bit about yourself?

First of all, it's a pleasure to be interviewed for 'Across Borders' in my role as head of Australia's international trade remedies agency the Anti-Dumping Commission (ADC), which I've been in since February.

This particular position brings together various aspects of my working and academic career.

A large portion of my government career has focussed on trade and economic issues. In addition to my time in charge of the Customs Group at the Australian Border Force (the focus of my first Across Borders' interview), I've worked across government, including with

the Department of Foreign Affairs and Trade, Treasury, Home Affairs, and the Office of National Intelligence (formerly ONA). I have been a trade negotiator, diplomat, policy officer and regulator. At university, amongst other things, I studied economics and international trade law. I also have an understanding of the private sector having worked for 11 years in commercial banking and corporate management both in Australia and overseas. I started my career as an apprentice carpenter in the building trade.

A bit more about myself ... as the ADC has offices in both Melbourne and Canberra, COVID restrictions permitting, I split my time between the two locations. I am originally from Western Australia and was born in the beautiful coastal town, Albany. I have spent many years working and living in Perth, the Pilbara, Canberra, Indonesia and Papua New Guinea.

My diverse working, educational and locational background leaves me well-placed to perform the functions of the Anti-Dumping Commissioner.

### 2. Sal Milici – Brad, can you explain the role of the Anti-Dumping Commission?

As Australia's international trade remedies authority, Commission staff investigate allegations of unfair trade practices involving exports entering Australia. These investigations seek to deliver a level playing field for industry. In undertaking our work, we perform the important function of administering Australia's anti-dumping legislation. Professionalism, excellence and independence underpins the Commission's approach.

In conducting our investigations, we strive to be as objective as possible. All of my staff understand that industry requires access to the most competitively priced goods, provided the goods haven't been dumped. If a business believes dumped or subsidised goods are injuring them, they can ask us to investigate. Once the Commission finishes an investigation, I advise the Minister about whether or not he should impose anti-dumping and subsidy measures.



The Commission also allows importers to seek a refund where they believe they have overpaid duties. They can also ask us to review or revoke anti-dumping measures.

Australia has a transparent, robust and contestable anti-dumping system. In all of our work, we strive to ensure our investigations are rigorous and completed in accordance with domestic legislation and Australia's international World Trade Organisation obligations. We accept submissions from all businesses, whether they are a manufacturer or importer. We also receive the views of foreign governments and foreign manufacturers. My team works across public and private sectors to inform and drive policy reform. We also engage with domestic and international stakeholders and contribute to policy development.

### **3. Sal Milici - What are your priorities as a new Commissioner?**

I became Commissioner at a time of unprecedented challenge to the global trading system. This reinforced to me the need for an even-handed anti-dumping system that is transparent, impartial, independent, and evidence based. This will maintain our reputation as a highly effective trade remedy authority. I want to work with industry to make the system more efficient and accessible for all businesses in the supply chain. One way we are looking to do this is through digital transformation. By leveraging digital technology, we are making the trade remedies system more user friendly and streamlined. We are also working with the Department of Industry, Science, Energy



and Resources to deliver legislative reforms to improve the system and make it easier for businesses to engage.

### **4. Sal Milici - How can Australian business interact with the anti-dumping system?**

If you believe dumped goods have injured your business, you can apply to the Commission. Also, if you are an importer or buy imported goods, you can make a submission to inform our work.

At the Commission, we want businesses to engage fully with the system. If you are a broker, for example, our Client Support Service can help you find useful information on the Commission's processes and existing measures.

I would like the business community to know that the Commission is even-handed in our approach. The recommendations I make are open to merits and judicial reviews. This process gives both domestic and foreign parties confidence in the integrity of the system.

### **5. Sal Milici - How do government and industry work together to ensure the system remains effective?**

The Minister and I regularly seek feedback from stakeholders such as the International Trade Remedies Authority (ITRF) members to make sure Australia's anti-dumping system remains fit for purpose. The Freight & Trade Alliance (FTA) is of course one of the current ITRF members. Having joined in 2020, the FTA has been a valuable member of the ITRF and constructively represents its members' interests. I know the impact trade remedy measures can have on business, both up and down the supply chain. That is why I want to work with Australian businesses to make the system as efficient and responsive as we can. I know that businesses value certainty in their dealings with us.

### **6. Sal Milici - What about small and medium size businesses? Do they receive support to engage with the system?**

The Australian Government understands that small and medium sized businesses need support to navigate the anti-dumping system. That is why the International Trade Remedies Advisory (ITRA) Service was established. It provides free assistance to smaller businesses.

If you would like to know more about trade remedies, you can get in touch with the ITRA Service for advice. They can help with preparing applications and submissions. It is independent of the Anti Dumping Commission.

### **7. Sal Milici - What has been the impact of COVID-19 and how has the Commission's approach to work changed?**

Whether you are in business or in government, we can all agree that the global pandemic has had an impact on us all. The pandemic has changed the way the Commission works but it has not changed the job the Commission does. We respond to applications from businesses, and we verify the information we get as rigorously as ever. The difference is that we now must perform most of our work virtually. To give you an example, before the travel restrictions, our investigators would travel to exporters' sites to verify information. We want to resume this once travel restrictions lift. For now, we have been working hard to establish a robust virtual verification process to complete cases. This means that we can verify information without having to visit exporters on-site.

### **8. Sal Milici - Finally Brad, what else is new in Australia's anti-dumping world?**

There are a number of reforms in the pipeline to improve Australia's anti-dumping system and make it easier for businesses. These reforms have largely come about because of the feedback businesses have given to the Australian Government through forums such as the ITRF. For instance, of interest to FTA members are the proposed reforms that will:

- Provide clarity and certainty by allowing importers to apply for binding advice on whether a particular product is subject to dumping or countervailing duties.
- Streamline the exemption process by automatically exempting goods from dumping and countervailing duties where a Tariff Concession Order (TCO) is in place.

The final point I would like to make is that the Commission continues to explore further reform options that we believe will assist importers to engage with the anti-dumping system.



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CGT Law's founding director is Russell Wiese. He has worked closely with customs brokers and freight forwarders for 15 years. He understands the pressures placed on customs professionals by both the ABF and their customers.

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Russell Wiese has helped FTA members and their clients for the past 6 years in his role as the head Hunt & Hunt's Customs team. Russell is excited to continue this relationship with CGT Law. FTA members will continue to enjoy 45 minutes free legal advice per issue. There is no need to initially obtain a referral from FTA – Simply contact us direct.



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**E:** [rwiese@cgtlaw.com.au](mailto:rwiese@cgtlaw.com.au)  
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## Customs Audits

By SUSAN DANKS, Head of Customs and Regulatory Compliance – Freight & Trade Alliance (FTA)

The Customs Act provides the Australian Border Force (ABF) with the authority to conduct audits of activities relating to import declarations including tariff classification, use of tariff concession orders, valuation, usage of permits and taxes payable on imports.

Every importer, exporter and customs broker dealing with the ABF has a chance of being audited to make an assessment as to risks and levels of compliance, either through a targeted audit directed at, for example, usage of a specific tariff classification or tariff concession order or as part of a random sampling of targeted goods or companies.

Various types of audits on import and export consignments are undertaken by the ABF and authorised under the Customs Act 1901. The ones customs brokers would readily identify are redline entries and monitoring audits.

### • Desktop audits (“redline entries”)

Desktop audits are conducted on nominated transactions as a random sampling or where a specific risk can be addressed by examining a transaction. They are authorised by Customs Act s.71DA and undertaken at ABF offices on import declarations routed red line on lodgement and undertaken before delivery of the goods. Queries relating to import declarations after they have been “dealt with” in accordance with the Authority to Deal are undertaken as monitoring audits.

### • Targeted (“monitoring”) audits

The ABF Compliance Audit team undertakes post-delivery audits for periods up to five years after the transaction to verify compliance of entities with the payment of duties and taxes and with other regulatory requirements. Any noncompliance detected may lead to increased intervention, demands for short paid duties, and significant administrative penalties.

Monitoring Officers visiting client premises must exercise their powers under the provisions of s214AA-214BB of the Act, which provides specific requirements as to notification, consent and the powers of the officer.

Monitoring powers can only be exercised with the written consent of the occupier or under a monitoring warrant. The “occupier” of premises includes a person who is apparently in charge of the premises, so if everyone else is away it could even be a receptionist, s.214AA refers. It would be wise therefore to ensure that businesses have procedures in place in case of this circumstance. Consent to enter premises can be refused or once given, withdrawn in writing at any time.

Monitoring powers can only be exercised for the purpose of verifying compliance, they cannot be used to search for evidence of an offence – what we call a “fishing expedition”. For this reason, a written list of Full Import Declarations (FIDs) to be reviewed is required to be provided by the ABF prior to the audit. Those documents should be made available at a suitable desk or location such as the Board Room for the officers’ use. It would be unwise to suggest that the Customs officers should pull the files from the records themselves. Customs brokers should encourage their clients to advise them if they receive any notice of intent to exercise monitoring powers so that they can attend and advise as necessary. They should also review the audit report before it is finalised.

It should be noted that all officers exercising monitoring powers must be authorised by the Chief Executive Officer (CEO) of Customs and must produce a photo identification card identifying them as a monitoring officer before exercising monitoring powers. They are also, according to guidelines, supposed to have a certain level of training, although the nature of that training has not been disclosed.

Given that the legislation appears to provide the ABF with audit powers before and after delivery of the goods, it would be reasonable to assume that those legislated conditions were sufficient to ensure compliance, right?

Wrong. Sections 240AA and 240AC of the Act provide that an authorised officer may require persons to produce commercial documents to verify the information provided to the ABF on import declarations (and other documents). I have seen documents requested from the customs broker under this section and an audit then launched with no further advice. Although I have received an opinion that the ABF is within its powers to audit via 240AA, there is not the level of formality as in monitoring powers and the process does concern me. If a s40AA request is received, you are therefore strongly encouraged to audit the documents yourself. Remember however that voluntary admissions cannot be made, amongst other reasons, where an officer exercises a power under a Customs related law to verify information in the statement.



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# What's on...

# Calendar

## of events 2021/22



Freight & Trade Alliance (FTA) is accredited by the Department of Agriculture, Water and the Environment (to deliver CBC training) and by the Australian Border Force (to deliver licensed customs broker CPD training) allowing members to receive high quality, practical, cost effective and flexible solutions.

**Further details and to book your place at FTA & APSA events go to [www.FTAlliance.com.au/Upcoming-Events](http://www.FTAlliance.com.au/Upcoming-Events)**

### CONTINUED BIOSECURITY COMPETENCY (CBC)

In order to maintain your accreditation for the class 19.1 NCCC and class 19.2 AEPCOMM approved arrangements, accredited persons must complete the continued biosecurity competency (CBC) sessions stipulated by the department in a given CBC period (1 April to 31 March) by the due date.

Failure to comply with CBC requirements will result in suspension or cancellation of your accreditation. Additionally, it may result in sanctions against the biosecurity industry participant.

The mandatory CBC Activity 21-22/01 (DOA031) for DAWE Class 19.1 NCCC accredited persons should have been completed by 5 July, 2021.

If you are NCCC accredited and you have not completed this mandatory CBC training please contact the Department directly on broker. [accreditation@awe.gov.au](mailto:accreditation@awe.gov.au) and request an extension.

On receipt of guidance from the Department please contact [czalai@ftalliance.com.au](mailto:czalai@ftalliance.com.au) to organise your online registration via ComplianceNetFTA.

This CBC Activity and assessment was included in the member CPD & CBC Training Package for the customs broker licensing period ending 31 March 2022.

**Cost: \$165 (incl. gst)**

"KEEPING AUSTRALIA'S INTERNATIONAL TRADE MOVING"



Australian Peak Shippers Association Inc. (APSA)

### 2021 - 2022 CPD BORDER COMPLIANCE PROGRAM (24 CPD POINTS)

#### MELBOURNE

Thursday, 11 November 2021 & repeated  
Saturday, 13 November 2021  
8:30am to 4:00pm  
Hyatt Place Melbourne

### 2022 - 2023 CPD BORDER COMPLIANCE PROGRAM MARK YOUR DIARIES!

#### SYDNEY

Friday, 6 May 2022 & repeated  
Saturday, 7 May 2022  
Novotel Sydney Brighton Beach Hotel

#### MELBOURNE

Friday, 20 May 2022 & repeated  
Saturday, 21 May 2022  
Hyatt Place Melbourne

#### BRISBANE

Wednesday, 15 June 2022  
Brisbane Airport Convention Centre

#### PERTH

Saturday, 25 June 2022  
Double Tree by Hilton Perth Waterfront

### 2022 AUSTRALIAN PEAK SHIPPERS ASSOCIATION (APSA) REGIONAL CONFERENCE

#### WAGGA WAGGA

Tuesday, 22 February 2022 & Wednesday, 23 February 2022  
Riverina Intermodal Freight & Logistics Hub (RIFL) Tour  
Welcome Cocktail Function - Riverine Club  
Conference - Wagga Wagga RSL

### 2022 INTERNATIONAL WOMEN'S DAY TWILIGHT WELLNESS WALK & PAELLA

#### BONDI BEACH - SYDNEY

Tuesday 8 March, 2022

### ONLINE TRAINING

FTA and APSA offer practical online training at [www.ComplianceNetFTA.com.au](http://www.ComplianceNetFTA.com.au) with resources and online assessment available at listed prices. Members are offered unlimited Continuing Professional Development (CPD) and Continued Biosecurity Competency (CBC) training for \$150 (excl GST) per person per accreditation period (1 April to 31 March). Further discounts are offered to businesses with multiple purchases with the option for an all inclusive invoice for FTA Premium Membership and CPD / CBC training - price on application to [czalai@FTAlliance.com.au](mailto:czalai@FTAlliance.com.au)



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### Customs Broker of the Year Awards

2015 - Finalist  
2016 - Finalist - Highly Commended  
**2017 - Finalist - WINNERS!**  
2019 - Finalist - Highly Commended  
**2020 - Finalist - WINNERS!**



 Level 1, 29 Kiora Road, NSW 2228

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+61 2 9525 9500 | +61 407 280 155



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