EDITION ONE **2023**

ACROSS BORDERS

A GLOBAL REACH, WITH A FAMILY TOUCH.

CRITICAL INFRASTRUCTURE REQUIREMENTS – FTA TALK TO CERTIS SECURITY

DEVELOPING SUPPLY CHAIN SECURITY – AUSTRALIAN BORDER FORCE

CARE-FACTOR 2023 INDUSTRY CHARITY BALL

“KEEPING AUSTRALIA’S INTERNATIONAL TRADE MOVING”

FTA FREIGHT & TRADE ALLIANCE

Australian Peak Shippers Association Inc. (APSA)

NEXUS DANDENONG SOUTH

SOUTH EAST PREMIER LOGISTICS ESTATE

Salta Properties is proud to have helped to shape the city's evolving warehousing, manufacturing and transport industries for 50 years.

Comprising more than 180 hectares, Nexus Dandenong South is located adjacent to the Western Port Highway and offers tenants access to Victoria's HPFV (High Productivity Freight Vehicles) network for high mass and high volume trucks. With a direct access from a controlled intersection on the M1 Freeway, freight can travel direct to the Port of Melbourne toll free and without traffic lights.

The Intermodal Terminal will connect Nexus Dandenong South directly with the main rail line and the Port of Melbourne.

Dedicated rail infrastructure includes two 700-metre rail tracks within the terminal and a 900-metre spur track constructed by the Victorian Government.

Join Bunnings, Woolworths, Mondiale VGL, Silk Contract Logistics, Infrabuild, Schneider Electric, Australian Select Timber, Tigerpak, Kings Group, Martin Brower and Haulotte in Melbourne's perfectly positioned South East logistics and warehousing hub.

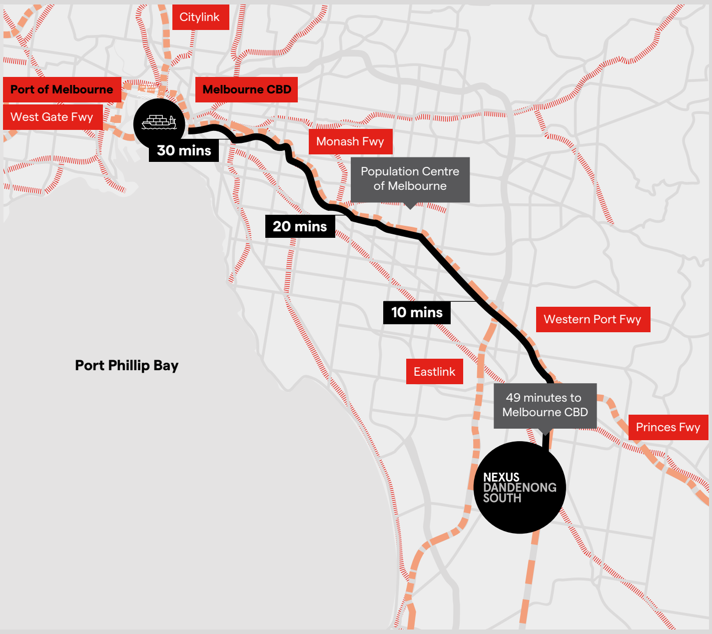
- Purpose built warehousing available
- 80Ha providing 500,000sqm of purpose built warehousing
- HPFV approved route with direct access from a controlled intersection on to the M1 freeway

Connection to Port
Direct connections to the Port of Melbourne via the Western Port Freeway and the M1.

First intersections
Located at the first intersection along the M1 to Western Port Freeway – a high capacity exit built for the next generation of freight vehicles.

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 Salta's new intersection. Supports trucks up to 32m in length, weighing 77.5t.



For leasing enquiries call

Clarenzo Perna | Director, Logistics & Strategic Projects
03 9673 1111 | Salta.com.au

SALTA
CELEBRATING 50 YEARS

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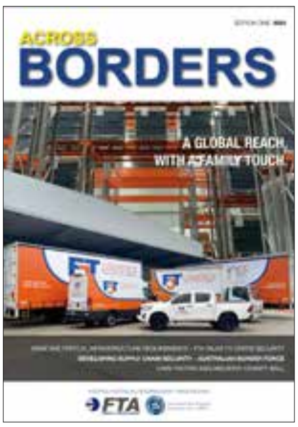

***Front cover** – sponsored by FJT Logistics*

Across Borders is published by Freight & Trade Alliance (FTA)

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ACROSS BORDERS

EDITION ONE **2023**

SHIPPING REFORM AND FREIGHT FORWARDING SERVICES ARE ESSENTIAL FOR AUSTRALIA’S ECONOMIC RECOVERY

After years of record high freight rates leading to multi-billion-dollar profits for foreign owned shipping lines, it is now a welcome relief for importers to see freight rates significantly reduce.

The question remains how long this benefit will be enjoyed.

It is evident that many shipping lines are again starting to take control of the situation within alliances by increasing blank (cancelled) sailings by agreement. In a period of adverse economic times and a corresponding reduction in demand, the privileged exemptions to competition law both in Australia and internationally, appears to be how some major carriers are publicly predicting that highly profitable operations will be restored.

At a domestic level, Freight & Trade Alliance (FTA) and the Australian Peak Shippers Association (APSA) continue to lead the industry advocacy for regulatory reform to generate operational efficiency and reduce other unfair export and import cost recovery regimes resulting in inflationary pressures. To that end, we are encouraged by meetings with Federal Ministers, their advisors, and departmental representatives in Canberra during the recent Parliamentary sitting period to discuss key elements of the Productivity Commission’s report on *Australia’s Maritime Logistics System.*

The ongoing turbulent operating environment places an increased dependence on freight forwarding businesses to provide traders with continuity of professional logistics services including the ability to seamlessly move between shipping lines to achieve competitive rates, ascertain equipment availability and forecast capacity restraints.

Our appreciation is extended to one such freight forwarder, FJT Logistics, for their contribution and front cover sponsorship of this edition of *Across Borders*.

We trust that members find this edition enlightening on the above and many more emerging issues affecting the international trade sector.

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

"KEEPING AUSTRALIA'S INTERNATIONAL TRADE MOVING"

FTA FREIGHT & TRADE ALLIANCE

Australian Peak Shippers Association Inc. (APSA)

JOIN THE ALLIANCE

2023 Membership Benefits

ADVOCACY - Freight & Trade Alliance (FTA) and the Australian Peak Shippers Association (APSA) are the leading industry bodies representing the international trade and logistics sector. This is achieved by bringing together importers, exporters and logistics providers to form an influential advocacy body. Importantly, we also ensure that members are at the forefront of all emerging supply chain issues through our responsive operational support, professional development training, industry updates, commercial services and corporate events.

REAL TIME SUPPORT – FTA Premium Members have real-time access to our support services as an extension of your operational team – through our extensive network and access to key personnel across government and commerce, we can assist businesses with operational matters.

LEGAL SUPPORT – Providing legal counsel to FTA is Customs Global Trade Law (CGT Law) and Mills Oakley for APSA. FTA members are eligible to receive up to 30 minutes free legal support per issue from CGT Law.

TERMS & CONDITIONS – Exclusive to FTA members, for the one off payment of $825 (incl GST) receive from CGT Law a clear, concise and legally robust set of trading terms and conditions designed specifically for customs brokers and forwarders; a letter explaining the Terms & Conditions; a template credit application; a letter of authority; a credit application and guarantee; letter for use to customers introducing the new terms and conditions; ACCC Court Action Trading Terms Case; and updates to the documents due to legal developments (all proforma documents are provided in Word format).

INSURANCE SUPPORT – FTA Premium members receive free insurance review & support from Logical Insurance Brokers.

WORKPLACE / HR CONSULTANCY – FTA Premium Members receive hotline support via Employsure.

ACROSS BORDERS MAGAZINE – we supply members a FREE member magazine providing expert commentaries on emerging trade and government reforms (both in hard copy and electronically).

ALERTS – our webinars, podcasts, daily notices (some content password protected) and weekly report keep members at the cutting edge of operational matters, reforms and advocacy activity.

SHIPPING REPORT - regular updates and consolidated monthly reports

CONTINUING PROFESSIONAL DEVELOPMENT (CPD discounts apply to FTA members to attend our one-day conferences to assist customs brokers in meeting their annual licensing obligations. Each event provides participants with a minimum of 21 CPD points. Additional topics can be completed online complimentary to attendance, to meet the required 30 CPD points for the licensing period of 1 April 2022 to 31 March 2023.

CPD - BORDER COMPLIANCE PROGRAM EVENTS

Friday 5 May 2023 - Novotel Brighton Beach Hotel, Brighton Le-Sands
Saturday 6 May 2023 - Novotel Brighton Beach Hotel, Brighton Le-Sands
Friday 19 May 2023 - Hyatt Place, Essendon Fields
Saturday 20 May 2023 - Hyatt Place, Essendon Fields
Wednesday 14 June 2023 - Brisbane Airport Conference Centre
Saturday 24 June 2023 – Hyatt Regency Hotel, Perth

EARLY BIRD REGISTRATION SPECIAL PACKAGE

Member Early Bird Registration provides you with a unique 30+ CPD points including Continued Biosecurity Competency (CBC) as prescribed by the Department of Agriculture, Fisheries & Forestry.

- attendance at one of the above listed CPD Border Compliance Program events – 21 CPD points
- complimentary access to mandatory Continued Biosecurity Competency (CBC) online via ComplianceNetFTA.com.au ; and
- complimentary access to additional CPD points via our online training platform

REGISTER NOW at www.ftalliance.com.au/upcoming-events

NOTE: The Department of Agriculture, Fisheries & Forestry reserves the right to add additional mandatory CBC sessions during the accreditation.

ONLINE CPD / CBC – we offer extensive material via our online training platform with courses, resources and assessments available at listed prices. FTA members are offered unlimited CPD and CBC content for $165 (incl GST) per person per accreditation period (1 April to 31 March).

WAREHOUSE AND DEPOT SECURITY IDENTIFICATION CARD - FTA has partnered with Inbound to provide industry with an easy way to procure compliant WADSICs – these cards being a mandatory requirement for every person who is physically present and participating in any of the operations of the Section 77G Depot or Section 79 Warehouse licensed place - $49.50 incl GST each

APPROVED ARRANGEMENTS / DEPOT / RACA – we have partnered with Andrew Christie Consulting to provide advocacy support to our Biosecurity Treatment Provider Reference Group (BTPRG).

AA, Depot and RACA application services available – price on application.

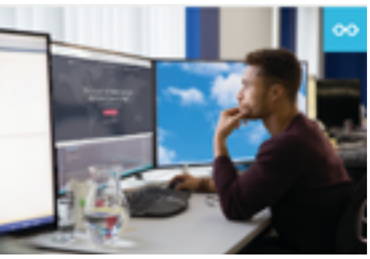
WISETECH ACADEMY – FTA company member discounts apply for a wide range of high quality, cost effective courses provided by the WiseTech Academy, including:

- Approved Arrangement accredited training to manage onsite biosecurity risks.
- Section 77G Depot training to ensure all staff understand and meet licensing conditions.
- Safe Container Loading Practices and Chain of Responsibility

As a Registered Training Organisation (RTO 45574), the WiseTech Academy provides:

- TLIX0008 Comply with biosecurity border clearance (pre-requisite training for NCCC and AEPCOMM Approved Arrangements)
- TLI50822 Diploma of Customs Broking

WOMEN IN LOGISTICS – is an initiative to support and facilitate opportunities for networking and professional/personal development for women in the supply chain sector with all profits going to charity.



BORDERWISE – FTA members receive a significant discount on the use of BorderWise – easy access to comprehensive customs reference materials used by trade professionals to correctly classify goods and meet regulatory requirements at the border for import and export declaration reporting.

Note: Member discounts are itemised at our 'Featured Sponsor' link available from the FTA home page at www.FTAlliance.com.au

BRANDING – FTA provides members with access to its logo for use on stationery, email signatures & web sites.

DIRECTORY – FTA provides members' details on a directory listing increasing access to new markets.

FTA Premium Membership is open to customs brokerages, freight forwarders, Section 77G Depots and Approved Arrangement premises.

- FTA's Premium Membership rates are based on a scale of employees within a business / per ABN.
- Annual fee from time of subscription
- Membership pricing effective 1 July 2022 (includes GST)

Less than 10 employees $924

Less than 30 employees $1,353

Less than 50 employees $1,754.50

Less than 100 employees $2,156

More than 100 employees $2,838

Further discounts are offered for online CPD / CBC registrations to businesses with six (6) or more registrations, with the option for an all-inclusive invoice for membership and training – price on application to czalai@FTAlliance.com.au

FTA Individual Membership: $297 (1 April to 31 March) - is available to any licensed customs broker whose company does not hold FTA Premium Membership providing access to all online CPD / CBC courses and member discounts (1) to attend our annual one-day conferences and (2) for the use of BorderWise Software.

FTA Importer Membership & APSA Exporter Membership: $2,420 per annum

Biosecurity Treatment Provider Reference Group (BTPRG) Membership: $2,200 per annum

Affiliate Membership: $2,420 per annum - for businesses and regulatory bodies affiliated with the international trade sector. Included as Affiliate Members are transport operators, law firms, software providers and government agencies - a unique opportunity to join the growing alliance as a valued member of the Australian freight and trade community.

Sponsorship – as per our prospectus, FTA and APSA offer a wide range of online media and events which provide unique opportunities for entities wishing to engage with the freight and trade sectors.

Membership forms are available at the JOIN THE ALLIANCE tab from the FTA website at

www.FTAlliance.com.au

For further detail, please contact us on 02 9975 1878 or info@FTAlliance.com.au

OUR PORTS AND PEOPLE – STRENGTHENING OUR ECONOMIC ENGINES

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

Almost all products consumed daily in Australia travel through our ports.

Our livelihoods – from food and jobs to energy – depend on a strong, functioning, and resilient ocean freight supply chain to safeguard Australia's social and economic wellbeing.

The sustainable efficiency of our ports directly impacts our country's economy – as reflected in more than 98 per cent of Australia's international trade by mass being carried by sea.

Our dynamically evolving industry faces unprecedented challenges.

While there was a shortage of containers at the height of the pandemic, the global economy is now facing too many 40ft containers, whilst 20ft food quality containers remain scarce.

The decline in global consumer demand is not an economic stabilisation from a frantic post-lockdown consumption rush, but a significant downward shift in appetite.

Blank or cancelled sailings are also on the rise, when the opposite should apply leading up to the year's biggest spending period.

As the peak industry body, the Australian Peak Shippers Association (APSA) advocates for a strong, resilient, and sustainable ocean freight industry representing exporters, importers, industry, logistic providers, shippers, and businesses.

APSA's united, consistent, and strong voice for our industry is underpinned by our work to support initiatives that unlock the strength and full potential of Australia's ports.

Triggered by global supply chain breakdowns that exposed substantial gaps in ocean freight laws, APSA has led the charge for an inquiry by the Australian Productivity Commission into the performance of the maritime logistics system between water, wharf, and warehouse. Whilst the final report outlines reforms that will achieve improvements in productivity, we recognise additional and substantial progress is required to yield significant and ongoing benefits.

Released in January, the Productivity Commission's report warns the Federal Government of a $600 million annual direct cost to Australia's economy due to inefficiencies at our major container ports.

Furthermore, the greater indirect impacts on business and consumers of port inefficiencies are magnified economy-wide by the sustained disruptions to imports and exports, intensified by a lack of competition in some parts of the maritime logistics system.

Additionally, reforms are required to protect Australian shippers from ongoing and spiralling costs in unfair pricing regimes imposed by foreign owned shipping line contracted stevedores and empty container parks. Ideally, entities would either absorb operating costs or negotiate with their commercial client, the shipping lines, rather than imposing hundreds of millions of dollars in fees on transport operators who have no ability to influence service or price.

Harnessing the power and contribution of industry, APSA calculates administrative costs alone from terminal access charges and container detention fees to be at least $1 billion a year in direct impact on our trade sector, for the past three years of the pandemic.

Backed by the collective knowledge, advice, connections, and resources through the invaluable input of APSA members, we are urging the Federal Government to appropriately implement the findings of the Productivity Commission's report, to:

- enhance and support a strong and sustainable ports industry.
- balance the needs of our growing community and economy with Australian aspirations for sustainable quality of life, and
- future-proof our country through the restoration and security of trade, investment, and job-creation.

With government leadership and appropriate implementation, targeted legislative change will enhance port efficiencies, decrease costs for importers, exporters and consumers, drive trade and investment, sustain industries, increase jobs and support communities.

As vital economic engines, our ports connect farmers, industries, businesses, communities, and consumers to the global marketplace.

Job-creation remains key to the sustainable growth of our industry, employing tens of thousands in administration, transportation, logistics, operations, purchasing, customer service, productivity, maintenance, safety, cleaning and more.

In the face of unprecedented and complex adversities for our dynamic industry, APSA remains ever grateful for the commitment and expertise of all individuals working in concert for the shared success of our strong ocean freight industry.

In recognising the knock-on impacts of the pandemic on our ports and the economies they support; our industry must step up to meet our roles of responsibility in ensuring supply chains remain open.

Because we know that when our supply chain is secured, we share in the benefits alongside our people with communities world-wide.

That way, we thrive together.

FPH embedding Sustainable Practices across the business

A commitment to sustainability at Flinders Port Holdings (FPH) means the organisation will act positively to achieve sustainable outcomes, minimise harm to the environment and work to be at one with its communities and the environment, while ensuring financial and operational resilience now and into the future.

It's great to talk about sustainability, but putting it into practice is more important, along with committing to make changes that will make a difference going forward. One important factor in the sustainability chain is making sure logistics are finely tuned, whether it be in the way FPH operates and organises shipping and container movements in and out of its ports, stevedoring or in the equipment it procures to facilitate that movement.

Ensuring FPH purchases equipment and machinery which is sustainable in the long-term, including in its fuel efficiency, is essential. FPH recently purchased five Noell Diesel Battery Hybrid Straddle Carriers, which will be the first Konecranes Noell Diesel Battery Hybrid Straddles in the Asia Pacific region.

Fitted with a battery module that will capture power during braking and lowering, the new straddles will offer fuel savings of approximately 32.5 per cent without compromising on performance. Over the nominal life of the straddle (approximately 50,000 operating hours), the hybrid model provides an estimated 415t of carbon dioxide reduction when compared to its comparable diesel-electric model. The five new straddles will be delivered later in 2023.

While saving on fuel, FPH will use smart technology to optimise usage of the straddles, to enable it to avoid unnecessary lifts or movements.

"Sustainability at Flinders Port Holdings is essential, and it relates to more than just reducing our carbon footprint or using electric vehicles," Group Environment Manager Katrina Nagle said.

"It's about sustainable port development, using renewable-based energy, integrating sustainability into our planning and decision making, and minimising pollution and waste. We're working with our employees, partners, suppliers, customers, and our local communities across South Australia to be socially responsible."

Investing in more sustainable equipment, such as the straddles and electric vehicles, is helping to future-proof FPH by developing resilient infrastructure and more efficient operations. It allows FPH to embrace technology and innovation to reduce its environmental impact, increase health and safety and facilitate a smoother experience for customers.

As a vertically integrated business FPH's responsibilities don't end at its various ports across South Australia, or just in logistics. The organisation's leadership has embedded sustainable practice across FPH from its ports to freight forwarding, logistics, warehousing, and supply chain partners, on the water and on the wharves.

FPH launched its first Sustainability Plan in 2020 and in late 2022 launched its second edition. The plan has helped FPH to concentrate on the wider environment, how every element can play a role in contributing towards more sustainable operations, and how the organisation can improve how it works.

Sustainability is becoming a part of everything FPH does – its long-term planning, investment decision-making, supply chain management and employee satisfaction.

That also includes environment, social and governance (ESG). These areas of risk and opportunity are an increasing focus for institutional investors and shareholders, and for consumers and employees that are conscious of the impacts of business on ethical and societal concerns.

Sustainability is essential to the long-term growth and resilience of FPH's business and the economy, as well as for the wellbeing of people and the natural environment – including lowering emissions and supporting the monitoring of water quality. The cleaner and greener the working environment for the FPH team across all working sites, including regional ports and corporate offices, the more the environment and the neighbouring communities will benefit.

Everyone at FPH plays a role in achieving ESG goals, with the impact of its work on the environment and the community a particular priority. Through its annual cultural survey, workers have told the leadership team they want the organisation to have an active involvement in community and environmental outcomes. They also want FPH to grow its business and strengthen its economic contribution. The ideas and involvement of its people is vitally important to the success of its sustainability plan, and for the organisation as we move towards an increasingly green future.

Flinders Port Holdings


South Australia's leading port owner, operator, and logistics specialist.
flindersportholdings.com.au

VICT – The Gateway to Victoria

Victorian International Container Terminal (VICT)
a world leading, fully automated port facility offering a superior customer experience.

Our Mission is to provide a highly efficient, sustainable, reliable gateway for goods to Australian consumers.

Victoria International Container Terminal
An ICTSI Group Company

www.vict.com.au

GLOBAL SHIPPER

News and activities from the Global Shippers Forum

Speaking up for cargo owners in international trade

CONTENTS

MARKET CONDITIONS

Shippers ‘burnt’ by high shipping contract prices

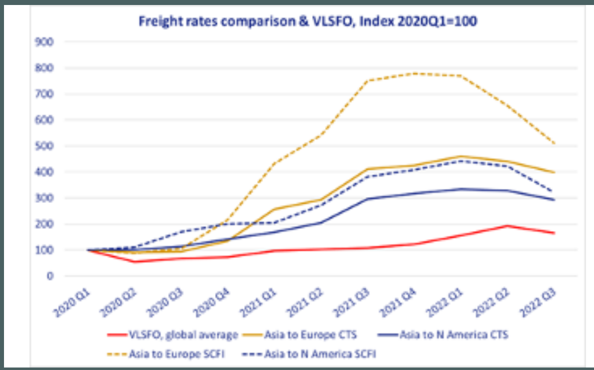
The dramatic fall in spot shipping rates has stranded many shippers who committed to contracts or the first time, and many now feel ‘burnt’ by the experience, says GSF.

As shipped volumes declined and spot rates fell, many shippers were left to pay a contract premium, or suffer a default penalty. This has been a bitter experience for those using contracts for the first time and will not help the push for more contracted work by shipping lines.

Speaking at the release of the latest GSF/MDST Quarterly Review of the global container shipping market, GSF Secretary General, James Hookham said “Many shippers were persuaded to commit more volume on contract terms at the beginning of 2022, by predictions that record spot rates would continue throughout the year.

Yet there were clear signals even then that interest rates would probably rise and inflation and energy price increases could be expected to soften consumer demand for goods.

The Quarterly Review shows the steep fall in spot rate indicators since the beginning of 2022 (dotted lines) compared to the slower decline on CTS rates that include contract pricing (solid line).



Source: GSF/MDS Transmodal Container Shipping Market Quarterly Review for Q3 2022.

https://globalshippersforum.com/wp-content/uploads/2023/03/Container-Shipping-Market-Quarterly-Review-2022Q4.pdf

CARGO INSURANCE

General Average demystified

GSF has partnered with cargo insurance group TT Club in publishing new guidance on General Average, the legal practice where shippers and other parties are required to contribute to the costs that a ship owner incurs following an incident during a voyage.

General Average is rarely invoked, but when it is, it can be a source of significant cost and frustration to shippers, who may need to pay additional fees, in advance, to recover undamaged cargoes stranded aboard a stricken ship. Sometimes, the incident does not affect the cargo at all.

Most cargo insurance policies will provide cover for General Average claims and the new document provides a plain terms explanation of how General Average works and the obligations on the different parties involved. Essential reading for shippers in these unpredictable times!

Copies are available from:

https://www.ttclub.com/news-and-resources/publications/stoploss/stoploss-demystifying-general-average/

GLOBAL SHIPPERS FORUM

CBER RESPONSE

Consortia benefits not shared, GSF tells competition regulators

GSF has told the European Commission it should end the current exemptions from EU competition law for container shipping lines operating in consortia and replace them with more transparent arrangements.

GSF was responding to a Call for Evidence issued by the Commission on whether the EU Consortia Block Exemption Regulation (CBER) had benefited users of consortia shipping services since it was last renewed in April 2020. Given this period coincided with the most tumultuous time in liner shipping in living memory GSF's answer was definite... it hasn't!

The CBER is the EU legislation that allows shipping lines to exchange commercially sensitive information to organize and manage vessel sharing agreements and other services when working in a consortium. This produces cost and efficiency savings for shipping lines, which are supposed to be shared fairly with their customers, in the form of more frequent and predictable services and lower prices.

In its response, GSF said it did not support the renewal of the current Regulation beyond 2024 because the benefits of service reliability, capacity availability and price stability shippers were entitled to expect had not been delivered. However, shipping lines have still been able to work together in ways that would otherwise be illegal to their mutual benefit and have made record profits in the process. That was not the basis on which the Commission renewed the CBER in 2020.

GSF argued that although vessel sharing agreements yielded benefits for shippers the exemptions in the CBER are far wider than are necessary for their operation. The data exchanges necessary for VSAs to work could be authorized using more legally precise ways. stated the GSF response. A decision by the European Commission is expected later in the year.

Copies of the GSF response to the European Commission are at: https://globalshippersforum.com/wp-content/uploads/2023/03/GSF-Response-to-CBER-Call-for-Evidence-221003.pdf

CONTAINER CLEANLINESS

Pest experts head for Brisbane

A second international workshop on howA second between countries in or on freight containers will be held in Brisbane, Australia this July.

Convened by the International Plant Protection Convention, the Brisbane event builds on the outcomes of a successful inaugural conference held in London last September in which GSF participated. The workshop will bring together plant health experts and industry representatives from around the world to consider possible new measures for container cleanliness and the responsibilities of different parties for ensuring containers and cargoes are pest-free.

GSF will be participating in the Brisbane conference and GSF Director, and Chief Executive of the Australian Peak Shippers Association, Paul Zalai has joined the IPPC steering committee preparing the program for this international event. Registration is now open at: https://www.ippc.int/en/news/registration-now-open-international-workshop-on-pest-risk-mitigation-of-sea-containers-and-their-cargoes-and-the-facilitation-of-international-trade-defining-the-way-forward/

CONTAINER PACKING

'Make a P.E.S.T. of Yourself', GSF tells shippers

To help shippers respond to the growing focus on the cleanliness of containers and the need to prevent their contamination by potentially invasive pests, GSF has produced a handy way of remembering the four key actions that shippers should take. Think PEST!

The first is to ensure that the empty container provided for your use is clean and free of visible contamination, pests or residues from previous cargoes. If it is not, shippers should Push-back on the suppliers of the empty container and insist a clean one is provided. You won't get paid to clean up the previous user's mess.

Once a 'clean' container is received the real task for the shipper, or their contracted packer, begins - to Exclude all pests from the container during the cargo packing operation. There is plenty of guidance available on how to do this - and on what not to do, starting with the Code of Practice on the Packing of Cargo Transport Units, known as the CTU Code. https://globalshippersforum.com/wp-content/uploads/2023/03/CTU-Code-A-Quick-Guide-2022-ENG.pdf

If this seems a bit daunting, take a look at 'The CTU Code - A Quick Guide' published by GSF and 6 other international organizations working together in the Cargo Integrity Group. <GSF website link to follow>

Even closed and sealed containers can become contaminated by pests if they are left in locations close to vegetation, stood on soil or under strong illumination. So the third step is to Store containers on hard-standing and away from pest habitats.

But Nature can defeat even the best laid plans and if anyone spots evidence of pest contamination at any stage of the packing operation, or especially during the unpacking of a container, they should Tell their supervisor or manager, who should consider informing the national plant protection organization in serious cases.

So remember, Push-back, Exclude, Store and Tell, the four actions to take to reduce the risk of spreading invasive pests through containerized cargo. Go on, 'make a PEST of yourself !'

MEDIA COVERAGE
GSF making headlines around the world

Check-out these great examples of GSF speaking up for shippers in the global business and trade media:

Publication Title	Date	Article headline
Hellenic Shipping News	21-Dec-22	Declining trade is testing shippers' patience, pockets and commitment
Loadstar	16-Nov-22	Shippers face a 'stick or twist' contract choice as economics flounder
Loadstar	29-Nov-22	EC must rethink a consortia block exemption not fit for purpose, say shippers
Loadstar	02-Dec-22	Did Maersk clash with tough EU competition rules with TradeLens?
Loadstar	21-Dec-22	Shippers rue contract deals as spot rates continue to tumble
Maritime Advocate	21-Dec-22	Impatient shippers
Seatrade Maritime News	21-Dec-22	Will shippers hold back container cargo from contracts for lower spot rates?

Monitored and provided by: Portcare International Ltd
http://portcare.com/

CLIMATE CHANGE
Will IMO double the price of bunker fuel to fund decarbonization of shipping?

GSF is closely monitoring discussions at the International Maritime Organization (IMO) where crucial decisions are expected soon about how and when the shipping industry will be required to reduce its emissions of carbon dioxide and other greenhouse gases to meet internationally agreed targets.

Shipping contributes about 3% of all GHG emissions (about the same as Germany) and like every other sector and country, is expected to achieve a net-zero target by 2050, under the Paris Agreement.

Discussions on how this could be achieved have lasted several years in the IMO's Marine Environment Protection Committee (MEPC). Several short-term fuel efficiency measures have already been agreed that are taking effect this year, but there are three major proposals taking effect over the next 5-10 years that could be decisive in reducing emissions but could also dramatically increase the cost of shipping.

First is a Global Fuel Standard, a mandatory fuel specification that sets a maximum carbon content for bunkers that progressively reduces over time. This would create a market for alternatives to conventional fuels, such as ammonia, or hydrogen or for electrically powered ships, as the permitted carbon content was lowered. But these new fuels create carbon emissions during their production, so the second proposal is for a harmonized methodology to calculate the entirety of emissions for a fuel from production to use, in a consistent way.

The third proposal, and the crunch issue for shippers, is for a fuel levy or an emissions trading scheme that would force up the cost of conventional bunker fuel for shipping lines, encouraging them to switch to the lower-taxed alternatives. One of these so-called 'Market Based Mechanisms' is a new levy based on the carbon content of fuels, that would be collected from shipping lines and reinvested in helping the industry to decarbonize. This could result in a doubling for current fuel prices under some of the proposals.

As shippers know to their cost, when fuel prices go up in the shipping industry, so do surcharges and Bunker Adjustment Factors. GSF is concerned that attempts to stimulate the required investment in zero carbon shipping could end-up being funded up-front by customers through the 'Mother of all BAFs'. This would also neutralize the incentive for shipping lines to invest in greener alternatives, and they could carry on burning high carbon fuels but at their customers' expense.

The 80th meeting of the MEPC takes place at IMO HQ in London between 3 and 7 July. GSF's Policy Council will be reviewing the potential impact of the different proposed measures at its meeting in May.

AIR CARGO
Airlines seek shippers looking to pilot use of cargo trackers

A pathfinding project in the air cargo sector is seeking shippers who are wanting to use smart cargo tracking devices to monitor their shipments.

The IATA Interactive Cargo Project has been developing new rules for the use of devices that can be included in cargo to monitor the location, condition and immediate environment of shipments before during and after flights. The initiative has brought together airlines, forwarders and shippers, together with technology businesses and tracker manufacturers to agree common procedures for the approval and use of self-powered tracking devices. GSF is representing shippers on the project and was instrumental in the adoption of common acceptance procedures for cargo containing such devices.

Cargo trackers require prior approval and careful handling, as they emit radio signals to transmit their data that could interfere with aircraft equipment, plus they are normally powered by lithium-ion batteries, which can be hazardous, and are normally transported as Dangerous Goods. Specifications and procedures have been agreed that reduce these risks to acceptable levels.

The Interactive Cargo Project has now moved into a pilot project phase, with a series of controlled trials underway amongst participating airlines and other partners. Shippers interested in joining these trails and exploring the scope for use of this technology should contact the GSF Secretariat, in the first instance:secretariat@globalshippersforum.com

MARKET INDICATORS

GSF/ MDST Market Indicator Explainer

Four times a year, GSF publishes a comprehensive review of the container shipping market with its logistics data partner MDS Transmodal. Our aim is to help shippers understand what's going on in the complex global marketplace and has proved popular in tracking shippers' experiences over the past three years.

Each Quarterly Review analyses the behaviour and trends in global shipping according to eight performance indicators, intended to report the developments that are important to shippers, including levels of overall trade, deployed vessel capacity, market concentration and service quality and predictability of port calls.

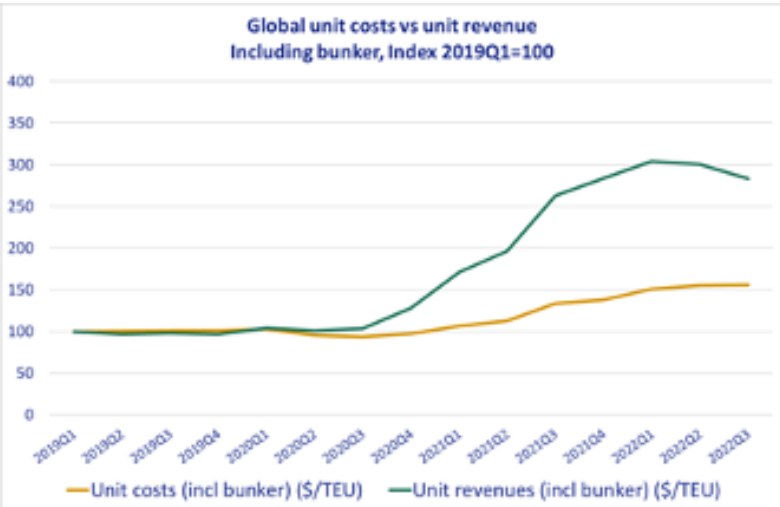
Global Shipper will feature one of the eight indicators and explain its significance, how it is calculated and how it helps describe what is going on from a shipper's point of view. This issue features Indicator #4: Unit Costs and Revenues

This indicator tracks the average global cost to shipping lines of transporting a container by sea (the gold line in the graph below) and the average revenues they receive for that movement (the green line). It is a crude but effective measure of the profitability of ocean container shipping, but also shows the source of pressures on costs and rate increases.

Factors affecting a shipping line's variable costs include fuel prices and charter rates. The unit revenue earned per container moved will be dependent on prevailing shipping rates and the numbers of containers moved during the period under review. The difference between the two indicators gives an indication of the profit earned per container carried. The Review reports the movement of these indicators as an index, relative to the baseline of Q1 2019.

The historical low profitability of container shipping is shown by the closeness of the two lines during 2019 and the first half of 2020. The dramatic rise in revenue per box from Q3 2020 onwards. as the stay-at-home buying boom got underway, is followed by a gradual reduction during 2022. The costs of moving a container reduced slightly in 2020 (compared to the baseline) as fuel prices slumped early in the pandemic and have since shown a steady but much slower rise than earnings. The gulf between costs and revenues per box reveals that container shipping remains a highly profitable sector, at least for the moment.

The next GSF/MDST Quarterly Review will be released in June 2023 and shipper members of GSF national associations can join an new Working Group that will preview the results ahead of publication. Please contact the GSF Secretariat for further details: secretariat@globalshippersforum.com



Source: GSF/MDS Transmodal Container Shipping Market Quarterly Review for Q3 2022. https://globalshippersforum.com/wp-content/uploads/2023/03/Container-Shipping-Market-Quarterly-Review-2022Q4.pdf

Global Shipper is the news briefing for cargo owners and shippers in international trade produced by the Global Shippers Forum.

Editor & publisher: James Hookham

Production: Sarah Abrahams

Published by: Global Shippers Forum Association Ltd

GSF is grateful for the support of Freight and Trade Alliance in the production of this Newsletter.

Global Shippers Forum is a global trade body of over 25 national shippers' associations, working together to achieve safe, competitively efficient, and sustainable international movement of goods. GSF works to ensure the customer's voice is heard in the development of international transport policy and regulation and trade procedures.

To find out more about any of the items in Global Shipper please email the GSF secretariat at secretariat@globalshippersforum.com

Follow GSF on LinkedIn, and visit the website

https://globalshippersforum.com

GLOBAL SHIPPERS FORUM

NEWS IN BRIEF

- GSF Secretary General, James Hookham is speaking at the annual Swiss Shippers Forum hosted by the Swiss Shippers Council in Interlaken on 26 and 27 April https://swiss-shippers.ch/de/event/swiss-shippers-forum-2023
- A revised edition of the Cargo Integrity Group's summary of the CTU Code has been issued in six languages. CIG is an informal partnership of seven international trade and shipping bodies promoting best practice in the handling and packing of cargoes in containers and other transport units https://globalshippersforum.com/wp-content/uploads/2023/03/CTU-Code-A-Quick-Guide-2022-ENG.pdf
- GSF is hosting a seminar dedicated to the issues facing global shippers TOC Europe conference and exhibition in Rotterdam on 15 June. The 'Listening to Cargo Owners' session will focus on the challenges and opportunities shippers large and small see in the coming months, given the unpredictable market conditions and rapidly changing logistics markets in both ocean freight and air cargo. https://www.tocevents-europe.com/en/home.html

Emerging aviation technologies and their implication for the freight and logistics sector.

By SARA HALES, Managing Director - Hales North

Driven in part by an industry wide commitment to the decarbonisation of aviation, and partly by the sector's continuous commitment to innovation, hundreds of new aircraft platforms are currently under development around the world. Some of these are described as advanced air mobility (AAM).

> *"This sector is likely to be a major disruptor to aviation, transport and logistics operations. Globally, the market size is estimated at $90B by 2050 (Roland and Berger, March 2022), however, this is still just 10% of the estimated size of the total aviation market in 2050."*

At their simplest, AAM aircraft may be thought of as electric helicopters. They include aircraft powered by electricity, hydrogen and other sustainable fuel sources and include a variety of aircraft systems which develop both lift and thrust for flight. Some are capable of vertical take-off (vertical take-off and landing, or VTOL), some of taking off over very short distances (short take-off and landing, or STOL) and some use a conventional take-off and landing method. Aircraft operating ranges vary from the very short (some even less than 50km) to much more extended range.

Many of these aircraft propose to enter into service as crewed systems, and to then evolve towards uncrewed (either remotely or autonomously piloted) as infrastructure and public acceptance for the mode is established. Some OEM's are proposing to enter into service an aircraft which is uncrewed from its initial release (such as Wisk).

In terms of payload, emerging aircraft types which hold relevance for the freight and logistics sector include small capacity drones, capable of sub 20kg loads, through to larger aircraft.

Swoop Aero – Kite Red Earth

For the purpose of this discussion, we will focus on the use of smaller drones through to aircraft capable of carrying a circa 1000kg payload.

Some leading manufacturers such as BETA, Pipistrel (Textron) and Elroy Air are building aircraft specifically for freight and logistics operations. Additionally, the carriage of freight, both in large and small consignments, offers a relatively low risk, low complexity operational scenario through which to further operationalise technologies ultimately destined for the transportation of people.

The freight and logistics sector has a broad suite of operational needs, and the relevance of emerging aircraft types varies across the sector.

Critical, urgent and high value, small capacity deliveries

Emerging aviation technologies offer new solutions to transport critical, urgent and high value cargoes in small consignments. Australian OEM and operator, Swoop Aero, have been working in this space around the world since 2018.

Swoop's Kookaburra platform is capable of carrying circa 3kg payload a range of 130km at a cruise speed of 100km/h. Swoop's platform is remotely piloted with a pilot to aircraft ratio as low as 1:10 for certified beyond visual line of sight operations. The aircraft itself has a very low unit cost, making the platform highly cost-effective both in terms of capital, and operational cost. Swoop has been operating around the world delivering critically needed aeromedical supplies to places as diverse as outback Australia, parts of Africa, remote Scotland and Vanuatu.

The economics for technologies like this in the delivery of critical and high value low volume consignments are easy to comprehend. Alternative modes include the use of helicopters and fixed-wing aircraft, or ground transport modes. Ground transport logistics modes can result in poor outcomes, and even deaths, when urgently needed medical supplies are not able to be delivered as quickly as needed. Airfreight logistics with full scale aircraft are expensive.

In this use case scenario the customer is often Government or another health service provider, and the goal is improved health outcomes rather than reduced costs. A great proving ground for emerging technologies to further develop aircraft and supporting technology stack capabilities, and build political and social support for the emerging sector.

Parcel logistics and e-commerce

AAM is also highly relevant for the parcel logistics and e-commerce sectors which manage the delivery of small parts, urgent documents and e-commerce consignments. It is anticipated that early operationalisation of the technologies will include services supporting critical supply chains in areas of low operational complexity and low noise sensitivity, such as regional Australia.

The parcel logistics and e-commerce markets offer emerging aviation technology platforms the opportunity to further develop the technologies themselves while assisting to construct the narrative of safe and socially valuable operations required to support social licence.

This segment will also include deliveries in cities. Automated door to door drone delivery offers industry a significant opportunity to reduce both the cost and the carbon emissions involved in delivery of goods to consumers – important as the e-commerce sector continues to grow. A number of proponents have conducted trials around the country, including Google's Wing drone delivery service.

The adoption of these technologies may lead to a shift in both consumer expectations, and the operational cost base of the sector and could result in major disruption within the express logistics field. This disruption could impact strategic investments such as location and size of property assets and the broader network design across fulfilment, 3PL and other express logistics facilities, as facility providers and operators consider issues such as operational airspace.

Larger volume, wholesale and general airfreight sector logistics

Less easy to understand is the role that emerging aircraft technologies will play in the general airfreight sector where there is greater sensitivity to cost and lower sensitivity to time. Within Australia, road transport is extremely cheap and efficient. There is no information available to date which suggests that these technologies will offer a more cost-effective solution than current road transport options for the general cargo community.

Larger capacity drones, and crewed eVTOL, eSTOL and eCTOL aircraft may be used in a range of scenarios including

1) batched movement of express cargoes between terminals

2) urgent larger capacity logistics to support remote areas and disrupted transport routes

3) high value supply chains such as pharmaceuticals and technology products such as the next iPhone release

While some enthusiasts proclaim that the technologies will replace trucks in the transport of general cargoes, it is our belief that this would require a significant shift in operating economics, and in the public acceptance of aircraft noise. At a time when the transport industry has other automation and decarbonisation options under development, it is our feeling that this is unlikely at least in the short to medium term.

AMSL Aero

Australian manufacturer, AMSL Aero successfully test flew the Vertiia aircraft in February 2023. Vertiia is a multi-rotor, electric vertical taketake-off and landing (eVTOL) aircraft designed for the aeromedical and passenger markets. Vertiia has a payload of 500kg and can travel up to 250km on batteries or 1000km on hydrogen with a cruise speed of 300km/h.

As an efficient and sustainable eVTOL, Vertiia will offer freight companies the opportunity to reduce their carbon footprint and minimise operational costs, while being capable of a range of mission lengths which well reflect the needs of Australian logistics operators working in remote and inter-regional environments. The large door opening designed initially to fit a 2.1m stretcher for aeromedical applications offers an efficient and safe way to load and unload the aircraft, while the aircraft interior boasts good volume capabilities and is highly configurable to suit the needs of logistics operators.

Vertiia is launched initially as a crewed aircraft, however AMSL Aero are developing remotely piloted and autonomous systems to roll out as users gain confidence in the technology.

AMSL Aero was founded by Andrew Moore and Siobhan Lyndon in 2017 and last year achieved $23M in funding to progress development of the aircraft. Aiming for certification in 2025 and delivery of the first aircraft in 2026 there is a strong likelihood that this aircraft will be an early entrant to the Australian AAM and logistics landscapes, and unlocks new possibilities for operators.

What should your company do about emerging aviation technologies?

This sector is likely to be a major disruptor to aviation, transport and logistics operations. Globally, the market size is estimated at $90B by 2050 (Roland and Berger, March 2022), however, this is still just 10% of the estimated size of the total aviation market in 2050.

For those in the express sector, the impact is already happening. A number of global express logistics providers have already made investments in emerging aviation platforms. For other sectors, and for the property sector which underpins the logistics sector, it is appropriate to be gathering intel through the early stage of the industry and ensuring that business intelligence on emerging aviation technologies is included in board level, long term strategic deliberations in order to adequately protect and grow future market share and shareholder value.

If you would like help understanding how these disruptive technologies pose both threat and opportunity for your operation, Hales North will be pleased to assist.

Hales North

Fast track your Dangerous Goods Air Freight accreditation

In 2020, WiseTech Academy embarked on a journey to revolutionise dangerous goods training and accreditation for air freight forwarders, operators and logistics professionals in Australia. Today, we are proud to announce the results of these efforts in partnership with Australia's leading DG trainers, DG Air Training

High-quality dangerous goods accreditation

WiseTech Academy has now launched a new catalogue of 100% online air and sea Dangerous Goods Accreditation courses.

These courses have been developed by experienced Australian and international dangerous goods trainers to ensure your team's compliance across ICAO/IATA's Dangerous Goods Regulations for air cargo and 49 CFR Department of Transportation requirements. All air accreditation courses have also been approved by the Civil Aviation Safety Authority (CASA).

A world class training experience

For your staff, engaging online courses feature videos, quick quizzes, assessments, and certificates of completion. For your organisation, your own administration portal gives you full visibility of staff learning progress, dangerous goods qualifications, and reaccreditation reminders.

What does this mean for you?

This new suite of courses offers you and your team fully accredited, localised training that is:

- High quality (engaging courses and full visibility of staff progress)
- Compliant with air requirements (delivered to ICAO/IATA DGR specifications)
- Faster and more effective (don't lose staff to lengthy off-site training)
- Available anytime, anywhere (delivered exclusively online)
- Cost-effective (lower rates than other providers)

Dangerous Goods Air Freight Accreditation – Online Courses

Dangerous Goods Regulations (IATA DGR) for Preparing DG Consignments (excluding Radioactive) – Initial | Online	$476
Dangerous Goods Regulations (IATA DGR) for Preparing DG Consignments (excluding Radioactive) – Recurrent | Online	$350
Dangerous Goods Regulations (IATA DGR) for Accepting DG Consignments – Initial | Online	$476
Dangerous Goods Regulations (IATA DGR) for Accepting DG Consignments – Recurrent | Online	$350
Dangerous Goods (Hazmat) Regulations (IATA DGR) for Preparing DG Consignments (all Classes) – Initial | Online	$476
Dangerous Goods (Hazmat) Regulations (IATA DGR) for Preparing DG Consignments (all Classes) – Recurrent | Online	$350

www.wisetechacademy.com

Why choose WiseTech Academy?
WiseTech Academy is a WiseTech Global company offering high-quality online learning for logistics professionals. Educators include senior supply-chain professionals with decades of experience teaching and delivering logistics training internationally.

Menzies Aviation selects Wipro to transform its air cargo services

The cargo warehouse of the future will operate very differently from today's facilities - think autonomous vehicles, robotics and paperless environments. As part of our plans to transform and fortify our position as the leader in the market, we have selected global technology services and consulting company Wipro to provide a cutting-edge warehouse management system, which will improve business efficiencies, employee experience and customer service, as well as proving a platform to adopt future systems and solutions in the years ahead.

This product will provide greater visibility of cargo location to both Menzies and our customers, support scanning technology for cargo and documentation, and integrate directly with customers' operating systems, resulting in increased transparency and real-time-tracking. It will also enable new technologies developed for warehouses of the future including robotics, autonomous vehicles and true paperless environments.

Robert Fordree, Executive Vice President Cargo, Menzies Aviation, said: "Following a rigorous tender process for a new warehouse management system, we are excited to announce our partnership with Wipro to drive forward our global technology transformation and ambitious growth strategy. At Menzies, we are committed to investing in innovative solutions, such as our recently launched robotic inventory checks and digitalisation of flight packs, and Wipro's platform will ensure we can utilise cutting-edge systems and products in the years ahead."

Robert Fordree – EVP Cargo, Menzies Aviation

"This agreement will enable end-to-end digitalization of our operations, process standardization, consistent customer service and enhanced employee experience, which is hugely important in attracting a new generation of cargo professionals. Our teams will be able to utilise an operating system that is more aligned to the look and feel of everyday apps, and our customers will benefit from increased transparency of cargo status, use of automation to speed up processes and improved safety and security procedures.".

Venky Sanjeeva, Global Head of Airline Solutions, Wipro Limited, said: "Wipro is delighted to partner with Menzies Aviation, a global powerhouse in aviation services. This partnership enables us to leverage Wipro's extensive technological capabilities coupled with Menzies' vast cargo-handling and management experience to deliver a product that will help revolutionise the air-cargo industry. We are excited to deliver a modern, contemporary cargo handling solution architected on latest technologies that will support Menzies' air cargo transformation and growth plans. Wipro's new product is radically simple to use through a reimagined user experience paradigm. It will also address the urgent need for improved efficiencies in the supply chain driven by the tremendous growth in e-commerce business, while also improving processes in air cargo. We will continue to leverage Wipro's vast technology prowess and invest in the product to deliver industry leading solutions to Menzies and the air cargo industry."

Wipro's revolutionary cargo handling product was architected using cloud-native technologies, and will address all our needs, and those of the air cargo industry, more broadly. It was developed to improve business efficiencies, enhance employee experience and customer service through increased automation, and provide critical business insights with best-in-class security.

We will be rolling out the product to five air cargo locations – Bucharest in Romania, Wellington, Christchurch and Auckland in New Zealand and Macau in China – by the end of 2023, with further plans to fully implement it across our global network by the end of 2024.

The partnership aligns with our digital road map and will set the foundation for our warehouses and overall cargo management and services.

People.Passion.Pride

People.
Passion.
Pride.
Since 1833.

New: The WiseTech Diploma of International Freight Forwarding

Are you seeking to grow your team of freight forwarders or advance your own logistics career? The WiseTech Diploma of International Freight Forwarding helps to prepare professionals for their role as an international freight forwarder and is now available online at WiseTech Academy.

A fresh approach to logistics education

The WiseTech Diploma of International Freight Forwarding provides those joining or progressing within the logistics industry a thorough education in their chosen career as an international freight forwarder.

The accessible, online format of the Diploma offers a new approach to logistics learning, enabling those already working in the industry to complete their studies in their own time.

Become a global freight forwarder

Upon successful completion of the Diploma, professionals and students will walk away with a deep understanding of international freight forwarding that will equip them to work successfully within the logistics industry.

The comprehensive program content seeks to develop skills and expertise in freight forwarding, transport modes, safety and security, dangerous goods compliance, customs, regulatory requirements, transport logistics contracts, insurance, liability and risk.

A world class training experience

The WiseTech Diploma of International Freight Forwarding is delivered via the Academy's interactive learning platform, featuring engaging videos, quick quizzes, assessments, access to industry experts, and a supportive online community.

What's included

- 16 self-paced courses
- 100% online
- Pay-as-you-go
- Diploma Certificate
- Access to student forum
- Interactive learning platform

WiseTech Diploma of International Freight Forwarding | Online

WiseTech Diploma of International Freight Forwarding | 100% Online $1,024

What you'll learn

The WiseTech Diploma of International Freight Forwarding is a WiseTech Global accredited qualification in freight forwarding, supporting students and professionals in gaining access to the world of international transport and logistics. The 16 courses included in the Diploma provide students with insight into the global movement of cargo, the relevant regulatory requirements, and the conventions and barriers that impact the flow of trade. Upon completion, graduates will possess the functional knowledge and skills they need to operate as a freight forwarder anywhere in the world.

The Diploma is made up of 16 x pay-as-you-go (PAYG) standalone courses, each priced at $64.

www.wisetechacademy.com

Why choose WiseTech Academy?
WiseTech Academy is a WiseTech Global company offering high-quality online learning for logistics professionals. Educators include senior supply-chain professionals with decades of experience teaching and delivering logistics training internationally.

A global reach, with a family touch.

Sal Milici, General Manager Trade Policy & Operations at Freight & Trade Alliance (FTA) recently had the opportunity to sit down with Alessandro D'Orto, Director & Founder of FJT Logistics to get his reflections on his long career and introduction to the world of freight forwarding in the early 1980s.

From the moment Alessandro founded FJT Logistics in Australia in 2001, he was determined that the company would be set apart from the competition. Alessandro considers "*FJT is separated from the rest as we specialise in trust and customer service*."

The company with Italian roots has built its strong Australian identity and market presence, always anticipating, and offering what the Australian and global market has required.

With offices in Australia, New Zealand, China, Hong Kong, Italy and Spain, and partnering with an extensive global network, FJT Logistics has evolved to become one of Australia's largest privately owned truly integrated freight forwarding companies, enabling it to provide reliable, efficient, end-to-end logistics services across the globe. "*Customers deal with one brand every step of the journey, eliminating complexity and providing improved visibility.*"

Sal Milici – Alessandro, how did you get into the freight business?

My passion for the industry has been nurtured by family tradition, as both my grandfather Giuseppe and my father Mario worked on the wharf in Livorno, Italy, as longshoremen and stevedores.

Sal Milici - What is your background in logistics?

My journey in the industry began in Livorno, Italy in 1981, when I was just 17 years old as a delivery boy for one of the most renowned shipping agencies in the Mediterranean, Coe & Clerici S.P.A., a shipping agent for CMA in the 1970's & 1980's (now CMA-CGM), Evergreen Line, ABC Container Line and Lykes Line to name just a few. In 1991, I commenced working at F.J.Tytherleigh Italia S.R.L, where I had the good fortune to work with Mr John Columba Grant, President of F.J.Tytherleigh (UK) Ltd, a company with offices in Australia, New Zealand, Hong Kong and the USA.

Sal Milici - How would you describe your company culture?

I thank Mr Grant for much of my professional growth and other valuable advice, including how the importance of employees is not less than the importance of customers, respect for all people no matter their role or level of experience, and ultimately the balance to always be humble and gracious while remaining ambitious. Retaining these family values continues to fuel the growth and success of FJT Logistics.

Sal Milici - What do you offer that sets you apart from your competitors?

We have a very strong desire in providing a personal customer experience and enjoy working with customers who we can build a strong ongoing relationship with. Often, an honest long-term relationship is better than winning the large contract. Our intimate understanding of all aspects of our services and industry pricing helps us to respond quickly and competitively to our customers. We really do care about what we are doing and about providing customers business an advantage. Even as we digitise, logistics is still about people and relationships.

Sal Milici - What would customers say about FJT Logistics?

We have a large number of long-term customers who have been with us since we started in 2001. We have handled their business for years and they have never forgotten the service we have provided. It's because we have an attitude of "*let's get the job done in the simplest and most efficient way for the customer*". We have maintained this attitude throughout and continually instil it across the team. Customers like the fact that we can make quick decisions. We don't need to go to a head office across the other side of the world or pass the details through a long chain of people. We make decisions here and now.

Sal Milici - What do you see as the challenges for our industry?

COVID was a significant factor in the business of freight forwarding in recent times. As a global freight forwarder, we dealt with it calmly and it produced some great opportunities for the business. Everyone working in the logistics industry knows the challenges the international supply chain is facing now. Russia's war on Ukraine affecting the supply and flow of goods, numerous countries experiencing inflation, and the debate about relations with China go without saying. Rise in fuel oil prices, staff shortages, shipping schedule reliability, driver shortages, unreasonable container detention charges and general industry infrastructure failings can cause daily issues, but we continue to remain resilient and overcome these challenges.

Sal Milici - What would you consider your biggest achievement?

Celebrating 21 years in Australia was a great achievement and a fantastic milestone in our company's history. It's a reflection on the support of my family and the great work of our entire team, past and present.

Sal Milici - Tell us about your team

We have a hierarchy of roles, but we all work closely together to get the job done. The support of family members in some of our local and international offices embodies our mission statement "*A global reach, with a family touch*" and helps us maintain consistency and stability in vision, organisational structure and culture. This opens more opportunities for business development and the business' continued success. Our team has the freedom in how they can help customers without the inflexibility larger multinationals have in place. We give them the trust and courage to work through challenges that will help them grow. "*We are always looking for shining stars in the industry to join our company and make a valuable contribution*."

Sal Milici – Where is the business currently at?

We have increased our investment in National warehouse facilities and our own vehicles, and diversifying our business to ensure we can keep up with shifts in customer behaviour and customer expectations. We are also investing in supply-chain-management visibility software and new internal systems to complement our operational support and further enhance our customer service and customer experience.

Sal Milici – Where do you see the next 2-3 years for FJT Logistics?

FJT has a clear vision of where we are, where we want to be and how to get there over the course of the next 2-3 years. What's attractive about FJT Logistics is that it is in expansion mode, not just in Australia & New Zealand, but also into strategically placed international locations. We're planning to expand aggressively and it's going to be an exciting time so keep your eyes peeled.

FJT LOGISTICS
Your Freight Solutions Partner

A Tale of Many Cities
"It was the best of times, it was the worst of times."

By NEIL CHAMBERS, Director – Container Transport Alliance Australia

The famous opening line from Charles Dickens' novel "A Tale of Two Cities" has similarities with the current state of play in landside container logistics in Australia.

> *There are some prime examples of Governments, regulators, and industry working collaboratively to deliver outstanding productivity breakthroughs. Yet in other areas we are lagging.*

There's a continuing keen focus on the rising costs of landside logistics services, set alongside higher inflation, a weakening Australian economy and flatter container volumes. The higher costs are ultimately borne by importers, exporters and, in turn, by end consumers.

Rising costs include:

- Ever increasing landside access charges and ancillary fees at container terminals and empty container parks;
- Elevated fuel (diesel) and engine additive costs (Ad Blue), and reductions in fuel tax credits for on-road diesel use;
- Rising toll charges;
- The cost of traffic congestion, including that caused by major road infrastructure projects, which to many seem unending;
- Higher labour costs driven by labour and skills shortages such as the scarce availability of competent truck drivers;
- Truck and trailing equipment ordering delays due to supply chain disruptions; and
- The costs of natural disasters like floods, there impact on efficient supply chain operations, and their aftermath.

Rising business costs are always inevitable. What's not inevitable is what initiatives can be taken to offset these higher costs through greater transport efficiency and productivity?

Here's where the analogy with Mr. Dickens' famous opening line comes in. There are some prime examples of Governments, regulators, and industry working collaboratively to deliver outstanding productivity breakthroughs. Yet in other areas we are lagging.

For instance, both Qube Logistics and ACFS Port Logistics have trialed the operation of 42m B-triple road trains in the Port of Brisbane carrying six empty TEU. A collaborative effort between the National Heavy Vehicle Regulator (NHVR), the Port of Brisbane and the operators which will make the cartage of empty containers on Fisherman's Island between empty depots and container terminals over 30% more efficient.

Can this productivity improvement be achieved in other Australian container ports? Interest has been expressed in Port Botany and in Melbourne, but access constraints will need to be trialed and overcome, so it's unlikely to occur overnight.

Another large productivity benefit being derived from performance-based standards (PBS) truck combination designs is the Hammar MegaReach tandem-tandem split-quad axle side-loader operated by up-and-coming container logistics company Clenton's Transport in Sydney.

The description of the trailer design is a bit of a mouthful, but this beauty can handle up to 34 tonnes of container payload. The side-loader also has an extendable top arm with a six-metre reach, allowing containers to be double stacked two-wide.

Container freight is getting heavier, so this type of operating vision will really help to meet future container freight demand safely and productively.

PBS-approved A-doubles have become a productive mainstay of operators in Brisbane, Melbourne and Sydney.

One example is CTAA alliance company Lawson Port Logistics in Melbourne operating over 50 A-doubles night and day from Melbourne's three international container terminals to five "hub" depots, for staging and final delivery to or pick up from import and export customers. These productivity benefits are passed through to customers, somewhat offsetting the rising input costs mentioned earlier.

Contrast that however with the situation in Fremantle where the WA Government will not allow full container A-double operations on roads outside of the confined port precinct at Rous Head. A proposed trial of PBS-approved A-double combinations in WA has seemingly been shelved, leaving many operators perplexed, and customers left with only higher cost, less productive transport options available to them.

On the empty container front, CTAA is working very closely with the Victorian Minister for Ports & Freight, Hon. Melissa Horne, the Victorian Department of Transport, transport operators, empty container parks and shipping lines to improve the "paperless" entry of trucks into empty container depots in Melbourne.

With the right technology applications, and the provision of the necessary electronic information sharing from shipping lines into depot management and truck appointment booking systems, there should be no reason why truck drivers need to exit the cab of their truck to check on their arrival status with depot operations staff. Direct allocation of the truck to the fork servicing area improves truck processing and turnaround times significantly.

Optical recognition camera (OCR) technologies are also being used more and more to process truck information on arrival and allocate trucks to "green lanes" for prompt servicing. The brand-new empty container depot in the Port of Brisbane commissioned by Medlog Australia is a prime illustration of this, and CTAA is encouraging more empty depots to follow suit, in all capital city ports, including through the Victorian initiative.

Unfortunately however, there are still several high profile and high volume international container shipping lines that aren't providing timely electronic information of depot return location directly into truck arrival notification systems such as Containerchain. This perpetuates landside inefficiencies, with unnecessary data entry by transport operators and thousands of emails and other forms of "work-arounds" that must be undertaken to verify that an empty import container can actually be accepted by an empty depot for de-hire.

There have been discussions with these shipping lines over many years, with no discernable outcome. Perhaps it's time to regulate? If shipping lines want to service Australia's container shipping trades, they should be compelled to provide a minimum standard of information exchange to assist in improving landside efficiencies. This is one issue that CTAA is raising with the Federal Government as they ponder any official response to the recent Productivity Commission report into Australia's maritime logistics systems.

"Container freight is getting heavier, so this type of operating vision will really help to meet future container freight demand safely and productively."

Container Transport Alliance Australia
Dedicated. Connected. Better.

Remember Your First Role in The Industry?

By LEANNE LEWIS, Director – Insync Recruitment Group

Traditional freight forwarding introductory roles such as the 'runner', customs and job registration clerks are declining due to the ever-changing world of international trade

You may be reading this article reflecting on your long-standing career from Runner to now Operations Manager (as an example) and everything in between remembering the amount of support and training that got you here today.

I want to stress how important it is for all when recruiting their next staff member to remember where they came from when that candidate asks for an opportunity which includes training but you're too busy to provide it, what would have happened to your career if that was said to you.

In any business, the staff are one of the most valuable assets. It is the employees who bring ideas, creativity, and innovation to the table. Therefore, it is essential to invest in their training and development. Staff training is not just about keeping the employees up to date with the latest technology or processes. It is about building a culture of continuous improvement and growth, which can positively impact the business in several ways.

Here are some reasons why training your staff is a positive to the business:

1. Increased Productivity and Efficiency - Training your staff ensures they have the necessary skills and knowledge to perform their job roles to the best of their abilities. It can help them become more efficient and productive, resulting in improved overall performance. A well-trained employee will work smarter, not harder, leading to better utilisation of resources and time. They will also have a better understanding of their role within the organisation, which can boost morale and job satisfaction.

2. Improved Customer Service - Customer satisfaction is crucial to the success of any business. A well-trained staff member will be able to provide excellent customer service, making customers feel valued and respected. They will know how to handle difficult customers, resolve conflicts, and provide solutions to problems. This can lead to increased customer loyalty and positive word-of-mouth advertising, which can benefit the business in the long run.

3. Reduced Employee Turnover - Staff training can improve employee retention rates. Employees who feel valued and invested in are more likely to stay with the company. They will see a future for themselves within the organisation, which can lead to better job satisfaction and higher morale. This can lead to reduced employee turnover rates, which can be costly to the business.

4. Increased Innovation and Creativity - Training can encourage creativity and innovation within the workplace. It can provide employees with the skills and knowledge to think outside the box, leading to new ideas and solutions to problems. This can lead to improved processes, products, and services, which can keep the business ahead of its competitors.

5. Compliance with Industry Regulations and Standards – International Trade has specific regulations and standards that businesses must comply with. Training can ensure employees are aware of these regulations and have the necessary skills to meet the requirements. This can prevent costly fines and legal issues, which can negatively impact the business.

6. Improved Health and Safety - Training can also improve health and safety within the workplace. Employees who are trained in safety procedures and protocols will be better equipped to handle potential hazards and prevent accidents. This can lead to a safer work environment, which can prevent injuries and reduce insurance premiums.

7. Increased Profitability Ultimately - Staff training can lead to increased profitability. A well-trained staff member will be more productive, efficient, and effective in their role. This can lead to improved customer satisfaction, reduced employee turnover, and increased innovation and creativity. All these factors can positively impact the bottom line of the business, leading to increased profitability.

Everyone is busy and the cost of running a business is increasing year on year and as your staff would be one of the biggest costs, why not invest in them to ensure you get the best return.

Staff training is a positive for any business. It can improve productivity and efficiency, customer service, employee retention rates, innovation and creativity, compliance with industry regulations and standards, health and safety, and ultimately profitability. It is an investment in the future of the business and its employees. Therefore, businesses should prioritise training and development programs to ensure their employees are equipped with the necessary skills and knowledge to succeed in their roles.

insync recruitment group

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We are a specialist recruitment agency that has provided National recruitment solutions to the International Transport & Logistics industry successfully for more than 10 years.

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TT Club warns of the hazards in full liability contracting

By MARCUS JOHN, Managing Director - TT Club, Sydney

Commercial relationships are sensitive, but it is vital to take-up business opportunities whenever possible. Inevitably therefore there will be instances where a freight forwarder, in order to win or retain business from a customer, is required to accept full liability for the goods. Caution should be exercised in accepting such business.

Under normal circumstances, when contracting to undertake shipments for a customer, a freight forwarder or logistics operator would expect to be able to agree to provide the required services on trading conditions of their own choice. It is, of course, critical to ensure that business is contracted on terms that are incorporated clearly. Where possible, operators should use standard trading conditions, including 'belt and brace' clauses covering any temporary storage or ancillary services, alongside the use of house bills of lading or house air waybills, as appropriate.

However, due to the commercial pressure to attract or retain business, there will be instances where the transport operator is required to agree to process shipments on a full liability basis. While quite typical for project contracts, this may happen for high value cargo, such as electronic or perishable products.

This type of contract or agreement quite simply imposes full liability on the forwarder or transport operator, most typically meaning compensation up to the full value of the cargo being stored, handled or transported in relation to certain contracted risks, such as cargo loss and damage. When a transport operator is faced with such a request, it is important to consider effective risk assessment and mitigation in order to determine the commercial viability of accepting these more onerous terms.

In particular, it is certainly advisable, even if full liability is accepted to add a stipulation that excludes any liability for consequential loss such as the cost of delivering a replacement order or reputational damage caused to the cargo owner.

Apart from discussing with an insurance broker and liability insurer, it may be possible to seek 'back-to-back' terms from counterparties involved in fulfilling the contractual obligations, such as delivery agents. Where this is achieved, it can be an effective mitigation.

To most international forwarders such 'back-to-back' arrangements will involve inland haulage operators as sub-contractors. In this country traditionally all domestic road transport carriers would carry goods on an 'all care, no responsibility' basis. Many continue to operate under such terms, although some are moving towards accepting limited liability for the value of the cargo.

For forwarders using road haulage services on behalf of their customers 'back-to-back' liability with sub-contractors would be ideal; in practice this is more often not the case. In addition, under amendments to the Australian Consumer Law, introduced relatively recently in 2016, unfair contract terms provisions are putting transport operators' terms and conditions at risk of being rendered null and void, when they are on a 'take it or leave it' basis; if at least one of the parties to the contract is a small business.

Examples that TT are aware of may help illustrate different levels of exposure.

Two international air cargo moves – one when several pallets of electronic notebooks with a value of USD600,00 were stolen from a haulier's truck, left unattended when on-carriage was taking place. The second – also saw the theft of notebooks, fewer pallets this time but of higher value (USD875,000), again stolen from a truck during the delivery process.

Now, in the first instance the transport operator (forwarder), on the basis of a logistics services agreement, the delivery agent (haulier), as a sub-contractor was bound to contract terms accepted with the cargo owners, and therefore liable to the full cargo value, indemnifying the transport operator in full.

In the second example, the forwarder arranged air carriage from Asia to be followed by road transport to the final destination through an airline (sub-contractor). Under the terms of the master air waybill, the airline was permitted to substitute road carriage in place of air carriage, thus limiting its liability. As a result of its full liability agreement, the forwarder was obliged to compensate the customer at the full cargo value. While the circumstances were similar, the result for the transport operator accepting the full liability terms was starkly different.

More recently – last year in fact – TT had an insured (a member of the mutual) who agreed to full value liability in respect of a consignment of frozen bread transported by road/rail from Sydney to Perth. The cargo suffered temperature damage at some point during transit. The member had sub- contracted a major rail operator who, in turn fully excluded liability. It not only refused to pay the claim but also was uncooperative in providing supportive documentation in respect of the loss. The outcome was the member was fully liable to their customer (without any recovery prospects), and had very little information to even know when, where and how the loss occurred.

To conclude, it is vital to realise that in many instances, the forwarder's liability insurer will also only provide cover under agreed standard trading conditions. As mentioned these could be subject to the limits of international conventions, and in Australia the Consumer Law. As a result, it is prudent for forwarders to consider carefully all the potential risk elements they might encounter before finalising an agreement with a customer on full liability terms.

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ACFS PORT LOGISTICS (AUSTRALIA) OPEN FOR BUSINESS IN AUCKLAND, NEW ZEALAND

The journey of ACFS Port Logistics is a story underpinned by growth, through opportunity and positioning key infrastructure assets through a detailed strategic road map, which include four key objectives;

- Client Engagement
- To be On-Port in Every Port.
- End to End Port Logistics Solution
- Go-West Zone Strategy - to be within last mile(15km) of end customer

Terry and Arthur Tzaneros started ACFS Port Logistics (ACFS) with a very clear mission and strategic view of what they wanted the business to look like, with a customer centric focus, partnership and solution being at the forefront of every decision made. The Tzaneros's understood that without partnership, collaboration and a "can-do attitude" by the business, that their dream to build a unique Port related logistic solution for customers would not be realised.

Since inception in 2005, Terry and Arthur Tzaneros vision was to be "On Port in Every Port". The purpose of which was to lower costs in waiting and congestion charges at the wharf. This was achieved by having sites adjacent to the Terminals to maximise container yield by utilising 30 metre long High Productivity Vehicles (HPV's). These trucks are dedicated to the terminals, and act as a buffer for customers so containers are collected at night, made available during the day and thus avoiding costly additional charges, improve on time delivery to DC's by taking away Terminal performance but more importantly allowed clients to maximise their own labour productivity and costs.

In just under 10 years of operating ACFS, this strategy came to fruition through its largest and most strategic acquisition, by acquiring 100% interest in Patrick Port Logistics (PPL) (part of Asciano Limited's Terminals & Logistics division), and its associated Port property facilities. Terry and Arthur recognised that having the right infrastructure is key to ongoing success and offering superior customer solutions to the market. With this acquisition came a large portfolio of property assets, that included FCL container depots, Empty Container Depots, and a strategic rail facility on the Port of Melbourne (Appleton Rail) which services regional rail in VIC and NSW, that ultimately was the beginning of the rail and intermodal strategy which is so strong today . It was though this acquisition that the strategy was fast tracked and realised, now in a position to offer an "end to end" solution which encompasses Port Cartage / Rail, Customs/Quarantine Depots, Intermodal Terminals, Warehousing, 3PL / e-Commerce and Empty Container Depots for which ACFS service all key shipping lines.

From 2017, Arthur Tzaneros penned the phrase "Go West" which was his vision to expand operations through a zoned strategy to be within 15kms of a customer's DC. As quoted by Arthur "With Sydney's three intermodal terminals established at Enfield, St Marys, and Spring Farm, we now have the blue print to accelerate the opening of new terminals in other major Australian cities and New Zealand". Additionally with the opening of these terminals came new purpose built 3PL and e-Commerce facilities that now encompass in excess of 350,000sqm of warehouse space.

It was then through client engagement that the Auckland DC was born. As quoted by Terry Tzaneros "During Covid it was difficult to travel so my vision of international expansion to offer our clients an alternate was placed on hold, but I am delighted to say that our patience has paid off"

The new Auckland DC is a large site with an impressive 25,600sqm warehouse, 30,000 pallet positions and a Container Yard measuring 8,400sqm. The facility will be accessible by rail as a stage 2 development and is located 18km from the Port of Auckland / CBD and 10kms to Auckland Airport. This milestone represents a very proud moment for Tzaneros and the extended ACFS Port Logistics family. Not only for crossing the boundary of domestic to international but also being able to offer an alternative to the New Zealand market. And now with the New Zealand service in full operation, ACFS has truly exceeded customer objectives by extending their offering.

It's evident that the ACFS culture has allowed them to navigate through challenging times such as the 2008 GFC crisis, Terminal strikes, pallet shortages, Empty Park congestion and more recently COVID-19. More importantly it has facilitated customer requirements consistently, so that they could meet the supply chain demands in recent years where unprecedented volumes and impacts of COVID-19 were clearly evident. As quoted by Arthur Tzaneros CEO & Managing Director "ACFS is continually striving to provide tailored and innovative solutions to achieve and exceed customer objectives."

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Introducing Online Dangerous Goods Sea Freight accreditation

WiseTech Academy is proud to launch a new way for your staff to get fully compliant with the IMO's IMDG Code for sea cargo. Read on to learn about the course and WiseTech Academy's corporate training solution, enabling logistics organisations to accelerate, track and manage staff learning and accreditations.

Get your team Dangerous Goods compliant

WiseTech Academy's world class, 100% online Dangerous Goods Sea Freight learning is designed to ensure your team is upskilled and fully compliant with the IMO's IMDG Code for sea cargo.

Upon successful completion, your staff will be equipped to prepare consignments of dangerous goods for carriage by sea per the current IMDG Code amendment.

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The *Dangerous Goods Regulations (IMDG Code) for Preparing DG Consignments* course is designed for personnel who have no previous compliance training or who are due to update their DG qualification.

This course is intended to be self-paced, so that you can complete it at times that are convenient for you.

What's included

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- Captioned videos and multimedia
- Access to experts
- Certificate of accreditation
- Corporate admin portal
- Compliant with IMO/IMDG

Dangerous Goods Sea Freight Accreditation – Online Courses

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Dangerous Goods Regulations (IMDG Code) for Preparing DG Consignments (Shipper, Consignor, Freight Forwarder) – Initial	$182
Dangerous Goods Regulations (IMDG Code) for Preparing DG Consignments (Shipper, Consignor, Freight Forwarder) – Recurrent	$168

What you'll learn

These courses provide you with the knowledge to interpret and apply the requirements of the IMDG Code to consignments of Dangerous Goods being sent by sea transport. Contents include IMDG Code and legislation, code classifications, packing dangerous goods, labelling consignments, preparation of transport documents, fumigated cargo transport units, dangerous goods in port areas, and more.

Successful completion of the initial course enables you to prepare consignments of dangerous goods for carriage by sea for the duration of the current IMDG Code amendment. The Recurrent course is for those renewing their existing accreditation and updates persons accredited with IMDG Code Amendment 40-20 to the new IMDG Code Amendment 41-22, which is valid until 31 Dec 2025.

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As a company, we have placed emphasis on modern tools and perspectives to innovate and create new products and services that will streamline the industry. Across 2023 and beyond, OneStop will introduce advanced data smarts and machine learning capabilities into our current and future product suite and business operations. The upcoming year presents an opportunity for all of us to commit to innovation in driving progress in the supply chain. By incorporating these technologies, OneStop aims to increase efficiency, improve decision-making, and transform operations for the entire community.

Sam Askin
CEO, OneStop

"This year marks the start of an exciting time ahead for OneStop! With our commitment to future forward solutions, we are integrating state-of-the-art tech and automation capabilities, aimed at delivering value for the entire industry. We are confident in the positive impact our efforts will bring in 2023 and beyond."

Have global economies hit bottom?

By PAUL BETTANY, Collinson FX

A year dominated by inflation, rising interest rates and Central Banks, has lead to speculation of an inevitable recession in Europe and perhaps the USA. Inflation has dominated the economic and social environment in Europe and the USA, for most of 2022, but has been largely avoided in the power-house Asian countries of Japan, South Korea and China. The Federal Reserve has lead the way in the fight against inflation, aggressively raising interest rates, in an effort to quell rampant inflation.

Economic Conditions

The war in Europe has been a key ingredient to the inflation crises encompassing Europe and the USA, along with massively expanded national debt levels. The Russian invasion of the Ukraine, in February 2022, lead to immediate sanctions imposed upon Russia, by Western Governments. These backfired somewhat, as energy and commodity supplies from Russia dried up. This lead to huge spikes in prices for said energy and commodities, driving inflation to levels not seen in more than 50 years. The war continues and no end appears to be in sight, so we can expect the economic conditions to remain severely challenged.

The Federal Reserve saw the writing on the wall and embarked on a massive QT (quantitative tightening) operation, also rapidly raising interest rates. This course of action has been followed by most Western Central Banks, but with varying degrees of enthusiasm. The consequences have been, inflation has stabilised, albeit, at very high levels. The tightening of liquidity has also lead to much tougher economic conditions for the consumer, meanwhile disposable income crashed due to mortgage rates sky-rocketing. The other major and unwanted side effect, has been the pressure on Bank balance sheets, which has sparked the recent mini-banking crises.

The pressure on the Fed to halt interest rate rises and loosen liquidity is enormous, with the sudden appearance of the banking crises. If they do succumb, they could undo much of the good work achieved in the war on inflation. The Fed and the US Treasury have been forced to bail-out banks, once again, which is extremely unpopular (except with depositors and banks), setting a nasty precedent for nationalised banking.

Australian Economy

The Australian economy has fared relatively well, supported by strong commodity prices and demand for exports. The lack of early action by the RBA, to 'nip inflation in the bud', has taken a toll. The RBA acted too late, as the Federal election in May 2022, probably prevented earlier intervention. The growing pressure from mortgaged home-owners, tamed the velocity of rate rises and added political pressure to the mix. Australia remains a heavily indebted country, with the high level of mortgage debt becoming a key influencer to monetary policy. Higher mortgage rates, translate directly into consumer spending and disposable income.

The AUD has been extremely volatile and susceptible to global instability in 2022/23. The surging interest rates in the USA, lead to a surging US Dollar, which forced the AUD back to below 0.6200 by October 2022. The RBA's reaction to surging domestic inflation, by raising rates at every meeting since, has closed the interest rate differential gap and allowed the AUD to bounce back, to trade above 0.7100 by February 2023.

Conclusion

The past year has been a very difficult time globally, with the Western world beset with war, pandemic and economic chaos. The appeaance of a possible banking crises will add furher gloom to the already challenging economic environment. If the Fed maintains their hawkish monetary policy, and somehow manages to cauterise the emerging banking crises, then we can expect far better economic conditions for the second half of 2023. If the Fed (and by virtue, other Western Central Banks), blink and retreat, or the Banking crises escalates, then conditions may head south very fast.

Anyone else a little weary?

By BRETT CHARLTON, State Manager Tasmania – DSV Global Transport & Logistics

I must admit that this morning when I remembered that I had to write this article, I considered plugging it into the Chat AI thingy and letting it do the work for me. But that would be cheating (and besides, the company I work for seemed to have blocked it at the moment).

Sal Milici (left) and Paul Zalai (right) of FTA / APSA meeting with Brett Charlton in Canberra, Thursday 9 March 2023

When one of my relatives told me about this Chat GPT when it first came out, it was around the ability of it to change the script of the Matrix to have Keanu Reeves talk like a surfer dude. He was super impressed and very insistent that I give it a go, so give it a go I did. The first thing I typed in was "write a three-hundred-word article of the challenges of international shipping and logistics in 2023".

As Marvin (that's what I am calling AI – you Douglas Adams readers out there know what I am talking about), spat out narrative at around a line every three seconds, I was not only impressed but philosophically confronted about what was a pretty spot-on narrative. I mean it was lacking my cynicism and metaphorical references, but by and large it covered what I would have touched on regarding subject matter. Delays, weather events, virus stuff (biological and electronic), global trading shifts, workforce issues etc.

Considering that Marvin's disclaimer says it only takes information from data before 2021 it wasn't a bad summation of the situation. Marvin is also quite handy for other things as well. I had a play around with job descriptions (say, "import Freight Forwarder operator") and it came up close to what someone would write up these days. I asked it if I had cartons at a declared L x W x H and weight, how many could I fit into a standard 40' HC container? It gave me the answer and even, rather condescendingly actually, reminded me to not forget to allow some space for air and doors. All of this is very interesting and fun to play with of course, but when there is a real issue, Marvin lacks the network of people that can step up and fix problems as they occur – so there is still some room for us humans….. for a while anyway.

Whilst we are contemplating changes, I find myself these days talking about (and thinking about) so many other evolutions afoot in our world currently. As I write this article, I have two events coming up that are on my mind in this regard. The first event is in three days' time (from time of writing) where I am flying to Canberra as a panel member of the National Freight and Supply Chain Strategy Freight Industry Reference Panel for the Australian Government. At this day long meeting we will be discussing the key priorities in freight and supply chains for Australia. It is quite mind boggling actually and I have been spending some time speaking with industry colleagues to ascertain their views to see if they correlate with mine – by and large they do thank goodness. From where I am sitting it seems that most people are trying to forget a virus that shut the planet down just a little bit ago, the outcomes of that scenario are still very much playing out. Inflation, workforce disruption, global supply chain changes are all part of our industry's day to day juggling act.

Regardless of your political or ideological views it would be a brave person to place their hand on their heart and say the weather events of our planet are not something we need to consider immediately when it comes to planning.

When you start to see second hand Tesla's in your local car yard (In Launceston, Tasmania no less) you know an energy transformation is rapidly coming our way. There are departments and committees and advisors galore in this space with papers written regularly on what is coming – much of the narrative seems to be filled up with questions rather than answers, or generic answers that could be used for all industries (freight and supply chain are not alone with the topics I raised above – indeed it complicates matters more as industries in Australia compete with each other to push their issues to the front of the line).

The second event is in two weeks' time when I partake in a Rally from Rockhampton to Hobart (over 3,500KM's) via the Artesian Basin over seven days in an old Ford Econovan with over 550,000kms on the clock to raise funds for cancer research. I expect I will get to witness firsthand the weather events of the last few years on our regional roads and I know for absolute certain that Marvin will be completely useless out there.

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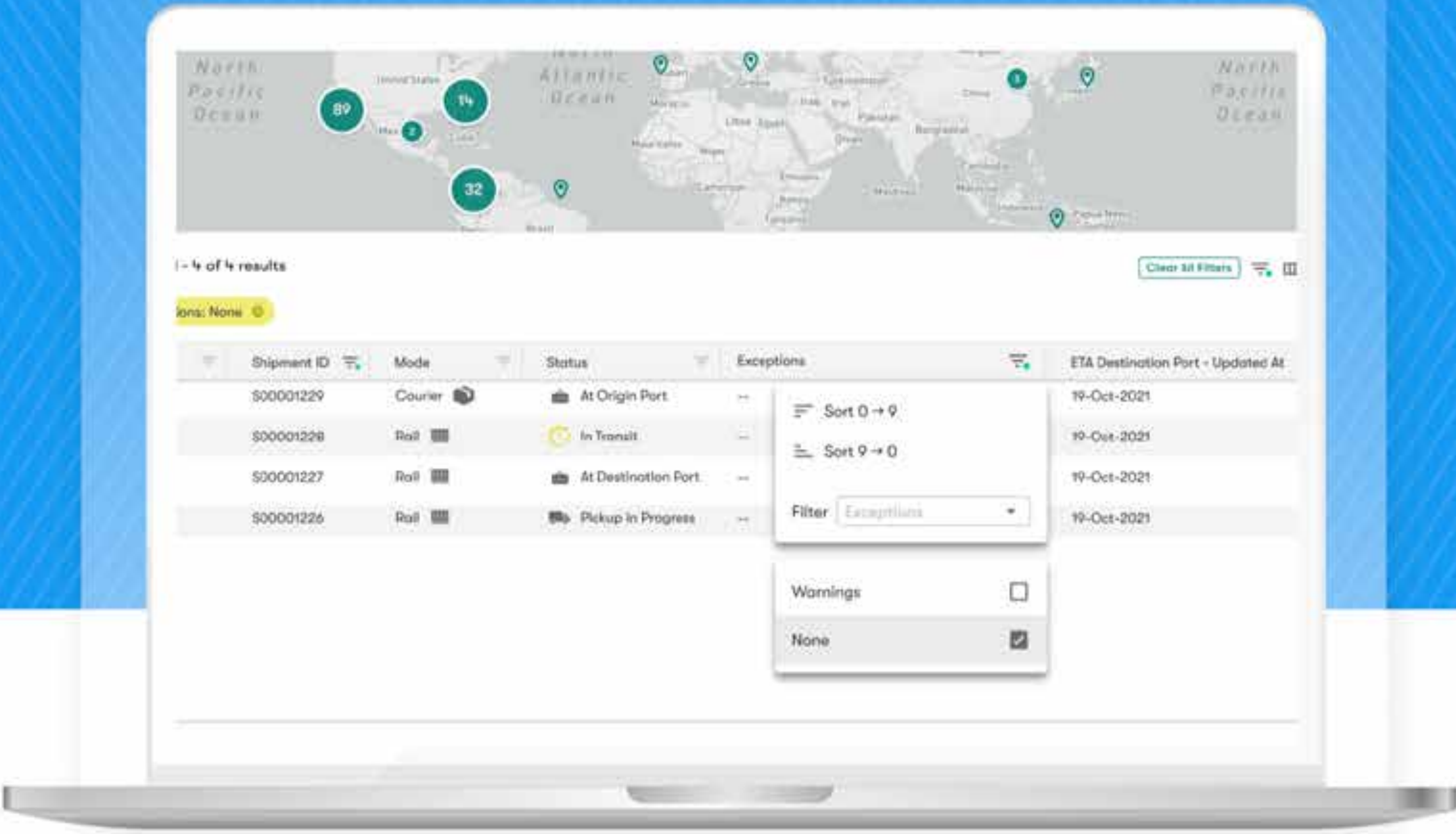

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The Legal and Commercial Realities of Standard Trading Terms & Conditions

By JAMES COTIS, Principal – Logical Insurance Brokers

As we have mentioned in previous articles, having a strong set of Standard Trading Terms and Conditions (STCs) which include various industry conventions, liability limitations and exclusions, and ensuring they are properly incorporated, is a must for all Freight Forwarders (forwarders). Equally important is making sure they are periodically reviewed and updated as necessary.

However, one of the recurring themes we have been noticing over recent years is that forwarders may not have a full understanding of how their STCs operate, so we believe it is timely to write an article addressing this issue.

The following case study illustrates the point. (for the sake of brevity, we have excluded much of the detail, teasing out the salient points only).

Late last year, we received a call from a Victorian based forwarder (not a client of Logical) who were "at their wits' end" trying to resolve an incident between themselves, their customer and their Victorian based 3PL services provider.

The forwarder had been working with their customer for over 15 years, assisting them import "exclusive" food ingredients into Australia's eastern states. The food ingredients did not require temperature controlled conditions, however, there was a limited timeframe before the ingredients spoiled.

The forwarder had been working with the 3PL provider for 10 years and had an excellent working relationship with them.

The customer's complaint to the forwarder related to cargo left sitting in the 3PL provider's warehouse for too long, which

subsequently spoiled. The spoiled cargo was valued at c. USD250,000.

The forwarder had an arrangement with the 3PL provider that this customer's cargo was to be dispatched under the First Expire, First Out (FEFO) rules of oldest cargo to be dispatched as a priority.

The forwarder asserted that the cargo was correctly recorded and labelled and should have been dispatched by batch numbers under the previously agreed FEFO rules.

According to the 3PL provider, all cargo was being dispatched as instructed by the forwarder.

The 3PL provider claimed that they continuously requested delivery instructions from the forwarder about the subject cargo, and were told to deliver the longer expiry dated cargo.

The forwarder claimed to have given no such instructions and had an understanding that the subject cargo had been delivered.

The forwarder's customer alleged the losses resulting from the spoiled cargo was the forwarder's responsibility so lodged a claim against them for USD250,000, plus other costs.

The forwarder alleged that the 3PL provider was negligent because they didn't follow the agreed FEFO process, so lodged a claim against them for the same amounts.

The 3PL provider denied liability, and reiterated they were acting on the specific instructions received from the forwarder and claimed they had "ample correspondence" from them confirming their assertions. According to the forwarder, no such correspondence ever materialised. The 3PL provider was claiming storage and disposal costs against the forwarder.

The forwarder reported the incident to their insurance brokers (very late), who in turn, lodged a claim with the forwarder's liability insurers.

The forwarder had been advising their customer that their liability insurers had been notified and they were awaiting the insurer's response.

Meanwhile, the forwarder and 3PL provider had been debating their relevant positions for over 4 months, in which numerous emails flowed between them, largely containing claims and counter claims against each other.

The forwarder's insurance brokers became involved (late) and, according to the forwarder, didn't understand the circumstances surrounding the loss or how the logistics industry operated. There were questions raised about the suitability of the forwarder's insurance program. It was later recognised that the liability insurance program was not appropriate for the forwarder's requirements.

The customer held cargo insurance, however, their insurers were not notified of any loss. In fact, the cargo was destroyed. No one was able to recall who gave instructions to destroy the cargo or why it was destroyed without prior notification to the cargo insurers.

Based on the many telephone discussions we had with the forwarder, there appeared to be four main factors at play:

- The forwarder's customer's claim against them for cargo loss (c. USD250k);

- The forwarder's claim against the 3PL provider (c. UDS250k cargo loss);

- The forwarder's rejection of the storage and disposal costs billed to them by the 3PL provider;

- The 3PL provider's claim against the forwarder (storage costs c. AUD25k; disposal costs c. AUD20k).

The customer was pressing the forwarder to pay for their cargo loss.

The forwarder refused to pay the 3PL provider's costs and demanded that they pay their customer's cargo loss due to their allegation that the 3PL provider was negligent and responsible by not following the FEFO process.

The 3PL provider refused the pay for the cargo loss because of their allegations that they were following the forwarder's specific instructions for the subject cargo. The 3PL provider was pressing the forwarder to pay the storage and cargo disposal costs.

We obtained copies of the legal documentation for review (STCs: signed by the forwarder's customer and T&Cs: as between the forwarder and 3PL provider). It is relevant to comment here that the forwarder, 3PL provider and customer had not considered checking these documents during their communications.

We noted that the forwarder's STCs contained a total exclusion of liability to their customer and where liability could not be excluded, it was limited to AUD100. The forwarder's STC's extended to exclude the liability of its subcontractors to its customers (in this case the 3PL provider).

The 3PL provider's T&Cs contained an indemnity from their customers (in this case the forwarder) for losses suffered by the 3PL provider resulting from a breach of contract by the forwarder.

Our experience over many years in reviewing these types of documents reveals that these liability limitations and exclusions are typical.

In summary, our analysis of these documents indicated:

- The forwarder's customer's claim for cargo loss (c. USD250k) was fully excluded under the forwarder's STCs. Neither the forwarder or the 3PL provider were liable or if they were liable, the liability was limited to AUD100;

- The forwarder's rejection of the 3PL provider's invoices for storage and cargo disposal costs (c. AUD45k) may not be sustainable because the 3PL provider's T&Cs note that they would have no liability;

- The forwarder may be liable to the 3PL provider for storage and cargo disposal costs if the 3PL provider can show a breach in contract by the forwarder.

When we discussed these observations with the forwarder, we suggested they seek appropriate legal advice, which they did. The advice largely agreed with our analysis.

Where a properly constructed forwarder's liability insurance program is in place, liability insurers would act to defend the position of the forwarder.

Further, the forwarder expressed their disquiet about not understanding the significant liability limitations contained within their STCs.

The other issue exercising the forwarder's mind was the awkward conversation they were about to have with their customer, firstly explaining the STCs limitations and secondly, why it took nearly 6 months to bring this to their customer's attention. The forwarder believed this had the potential of severely damaging (if not breaking) the relationship with their customer.

We suggested that taking a strictly legal approach may not be in the best interests of the parties.

Therefore, we proposed that all the parties come together to negotiate a commercial settlement they can all "live with."

Following numerous meetings and correspondence, broad agreement was reached along these lines:

- The cargo loss was shared between the forwarder, 3PL provider and customer.

- 3PL provider agreed to drop the storage and disposal costs against the forwarder.

As a result, all parties continue to successfully work together. The forwarder has remarked that the relationships between their customer and 3PL provider has never been better, with significant additional work arising from both partnerships.

What are the key takeaways?

- Ensure STCs are fit for purpose and properly incorporated.

- Carefully read and understand the exclusions and limitations contained within the STCs.

- Communicate with stakeholders early and try not to get lost in the "weeds".

- To help prevent misunderstandings and manage expectations about losses and potential liability, refer customers (and other relevant parties) to the signed STCs, and point out any liability exclusions and/or limitations which may apply.

- Carefully read and understand the exclusions and limitations contained within any third party service provider's T&Cs.

- Keep good records and registers of all relevant documents and information.

- Review current insurance arrangements… are they adequate?

- Learn from previous near misses, incidents, claims to help prevent future losses.

Post Script: The Forwarder has recently become a client of Logical.

Disclaimer: This article is designed to provide helpful general guidance on some key issues relevant to this topic. It should not be relied on as legal advice. It does not cover everything that may be relevant to you and does not take into account your particular circumstances. It is only current as at the date of release. You must ensure that you seek appropriate professional advice in relation to this topic as well as to the currency, accuracy and relevance of this material for you.

"Okay, we have yet another transport business collapse. What can I do to minimise the pain?"

By FRAZER HUNT, Partner - Mills Oakley, Sydney.

In the space of one month in the first quarter of 2023, we have seen the collapse of Focus Container Line and Scott's Refrigerated Logistics.

Scott's Refrigerated Logistics was Australia's largest dedicated national temperature-controlled supply chain network with about 750 vehicles, 550 rail containers, 200,000 pallets and 24 cold storage facilities across Australia before its collapse in the first week of March. Scott's collapse resulted in suppliers scrambling to retrieve about half a billion dollars' worth of frozen and chilled food stuck in limbo in its warehouses before it went off, with not enough capacity for warehouses elsewhere to take the food, at least in the short term.

The company's directors blamed the business failure on the high cost of maintaining an ageing fleet, the ongoing operational impact of COVID-19 on Australia's supply chain, sustained flooding, and derailments. However, it is telling that Scott's also relied on some very large customers for its business, including the big supermarket chains, and whether the freight rates demanded by those large customers were sustainable in the medium to longer term is another issue. Further, increases in both fuel and electricity prices over the past year would have eroded the bottom line of the company.

The collapse of Scott's Refrigerated Logistics came hot on the heels of the Australian start-up, Focus Container Line, which entered administration in February, only 3 months after it launched its service between Ningbo (China's second busiest container port), Auckland and Australia with 2 chartered ships and 3,000 branded containers. It's collapse, reminiscent of Hanjin Shipping, left containers in limbo, mostly sitting in east coast Australian depots and in New Zealand. Focus' collapse forced the owner of the containers to locate and retrieve them from the container depots and anybody who was unfortunate enough to have cargo in them to locate the container, arrange for it to be devanned from the Focus container, reload it into a new container and pay the extra costs of shipping the cargo to its intended destination.

Focus Container Lines started up late in the pandemic, at a time when capacity on established ocean carriers was tight and customers were willing to pay top dollar for expedited service. However, Focus experienced fierce competition from more established shipping lines, plunging cargo volumes and freight rates, before calling time.

There are always lessons to be learned when large businesses collapse, but the cyclical nature of our economy, both locally and globally, leads to booms and busts which cause businesses to collapse with an immediate fallout to everybody in their wake, including households who may experience short term shortages on the supermarket shelves.

So what do you do if your business happens to get caught out by one of these business collapses? Rest assured, you will get little joy from the administrators appointed after the collapse to sort out the mess. They generally have bigger fish to fry than sorting out your issues.

If your goods are being held by the administrators of the collapsed business, they may exercise a particular lien over the goods for any outstanding sums owed by your business to the collapsed company in respect of those goods. If the company had a right in its terms and conditions to exercise a 'general lien' over the goods for all outstanding amounts (not just in relation to the goods over which the lien is asserted), then provided that the amount claimed is actually owing and is due and payable, then you will be required to pay the outstanding sums to have the goods released.

However, liens can only be exercised if the owner of the goods owes money to the company exercising the lien. The case of Australian Tallow & Agri Commodities Pty Ltd v Malaysia International Shipping Corporation [No 2] [2001] NSWCA 16 held that it is commercially unacceptable for a company to attempt to exercise a lien over goods to secure amounts payable by persons who have no interest, actual or potential, in those goods. Accordingly, if your goods are stowed in the containers not owned by you, there is no right of that party to exercise a lien over those goods for outstanding container leasing fees, nor can the subcontracted carrier or warehouse exercise such a lien.

Further, most cargo policies do not cover loss of or damage to goods caused by delay, so you are unlikely to be covered if your goods are perishable and do not reach their destination in time before they spoil, unless damaged by some other cause e.g. the reefer is left unplugged. However, if the voyage or transit is not completed as a result of the carrier's business failing, you will be entitled to be reimbursed for the extra costs of getting your goods to their intended destination.

If there is anything to be learned from the recent business collapses, the circumstances that led to their collapses are ongoing and that there will be further business failures as fuel prices and interest rates continue to rise, and inconvenience to those directly impacted by the fallout, so be vigilant in choosing reliable service providers and if you are caught out by such a collapse, act quickly, because being an unsecured creditor of the collapsed business, you stand to recover only a few cents in the dollar from the liquidation, even if you are lucky.

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Cybersecurity in Logistics: Lessons from the Past, Predictions for the Future

By JONATHAN SHARROCK, Chief Executive Officer – Cyber Citadel

The cybercrime landscape is constantly changing, but one thing is for certain – the risk of attack goes up year on year. Awareness is improving however, and businesses just need to take the reins and **drive home good cybersecurity practices.**

Supply chains are increasingly the weakest link in security posture, accounting for 62% of system-level intrusions over the year 2021-22 according to the latest Verizon report. This trend has continued, with IBM reporting a fifth of all cyberattacks in 2022 originating with supply chain compromise. **Human-related elements remain the dominate cause of data breaches**, whether by spear-phishing, misuse of credentials, targeted social engineering, or poor security practices. With 82% of data breaches in 2022 originating with a human cause, if companies want to improve their security posture they must start with their workforce.

Remote and hybrid workforces are becoming permanent features of organisations, and so **remote access, cloud storage, and mobile devices are becoming central elements of network vulnerability.** File transfer service GoAnywhere has already been targeted this year by the Clop ransomware group resulting in data breaches for around 130 companies using the tool.

Desktop and file sharing vulnerabilities are the leading cause of ransomware attacks, with emails following closely behind. The frequency of these attacks is increasing, driven by the accessibility of AI-based tools, such as deep fakes and voice cloning as well as generative AI which is capable of creating novel content rather than simply acting on existing data, which will facilitate social engineering attacks. The availability of Ransomware as a Service (RaaS) and the Cryptocurrencies needed to pay for it on the Dark Web are also contributing to the financial success of the online criminal marketplace and will continue to encourage this **democratisation of cybercrime.**

Already in 2023, email-based marketing platform Mailchimp has been hit by a social engineering attack, its second in the last year after a phishing attack in 2022 imitated the authentication service Okta to obtain credentials and infiltrate over 100 companies. This highlights the need to **consider people and processes, as well as technology** in cybersecurity policy. Multi-factor authentication, for example, is an essential tool in securing a company network and reducing reliance on secure passwords. But, as the Okta-impersonation incident makes clear, users need to be aware of potential scams and security protocols should not assume that granting access means that the user is genuine or that the connection is secure. **Removing assumptions is the key principle of Zero Trust Architecture** (ZTA), an approach which is gaining traction.

ZTA will likely become essential in larger organisations operating remote workforces and cloud storage. The logistics sector relies heavily on **partners and third-party service providers.** Since they cannot be guaranteed to meet the security standards of your own company, layers of risk are added to the network. Auditing security practices of partner organisations should become standard practice, but implementing ZTA guarantees the security of your own network.

Critical Infrastructure businesses should adopt ZTA, as breaches to these systems cost around 1.5 million AUD more than average, yet surprisingly the uptake is lower than in other sectors. Legislation will catch up with these issues in 2023, with the U.S. alone introducing five new comprehensive consumer privacy laws, and security compliance programs such as the Australian Energy Sector Cyber Security Framework (AESCSF) already extending their jurisdiction. Prohibiting ransom payments to perpetrators is also being considered in Australia, with other countries looking to be informed by such legislation. Paying ransoms is already not advised, but this indicates the seriousness with which states are prepared to tackle this issue.

ZTA aside, **emphasis should be on getting the basics right.** Run Vulnerability and Penetration Tests (VAPT), carry out a security posture review, and implement basic but effective measures. The ASD Essential 8 is a concise guide to basic digital hygiene, and reaching the recommended level of maturity for your organisation in the Essential 8 model should be a priority. It demonstrates your commitment to cybersecurity, which is increasingly important for meeting the requirements of legislation and industry standards, as well as cyber insurance.

A data breach is inevitable, but what really defines good cybersecurity is the incident response plan. **Good plans contain the fallout** from an attack: cost, client perception, and reputational damage. **Good plans that are tested save money** – 3.75 million AUD on average. Risk quantification can save even more by predicting the cost of response, productivity loss, legislative fines, and reputational damage, and mitigating in advance. These practices also contribute to evidence of risk assessment in the event of an insurance claim.

Ultimately, **time is money.** According to the 2022 IBM report, it took over 9 months on average to identify and contain a serious data breach, and over 10 months for supply chain issues. The most effective way to reduce this is by continuous monitoring through a Security Operations Centre (SOC), such as Aegis from Cyber Citadel. This **SOC-as-a-service offers affordable real-time monitoring,** threat-detection, and rapid response. Cyber Citadel have also formed a partnership to bring clients **complete visibility** of their risks, current security posture, and improvements over time. This means **company executives can directly follow cybersecurity progress** and ensure they are compliant with the necessary regulations.

The last two years have revealed how much the cyber landscape is changing, but also what lies ahead. To prepare businesses Cyber Citadel are working with the Freight & Trade Alliance (FTA) to bring companies the latest, most important information and resources needed to keep the logistics sector secure. If there is something you want to know about, get in touch with Cyber Citadel or the Freight & Trade Alliance (FTA) and we will endeavour to make the next article, webinar, or video meet your needs.

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Importance of monitoring for changes in due diligence and global compliance

By SUNG CHOI, AVP for Solutions Consulting – e2open

As we dive into 2023, supply chain and business leaders should anticipate yet another year of unpredictability with disruptions similar to those experienced in 2022. Changes in global compliance and due diligence will be important to take note of as they are constantly evolving.

For example, in October 2022, the U.S. Department of Commerce's Bureau of Industry and Security (BIS) applied additional export controls on advanced computing and semiconductor manufacturing items from the United States to the People's Republic of China, Hong Kong and Macau, and Canada has recently enacted sanctions on Sri Lanka.

These regulatory changes would mean a need for supply chains to update their strategies in order to stay on top of things. Despite the need for compliance, some freight forwarders and custom brokers differentiate themselves from others by providing compliance as an added service to customers on top of their normal operations.

Critical aspects of due diligence

When it comes to due diligence, it is imperative that businesses ensure they are accountable. By thoroughly screening parties, commodities and destinations against hundreds of lists in an era of increased enforcement, businesses will be protected against financial and reputational risk.

This is often a complex and costly task but investing in due diligence screening is a worthy investment for supply chains as it offers a secure, tested and scalable technique that automatically screens transactions, clients, suppliers and other stakeholders against global lists, preserving compliance while reducing time and expenses.

By providing a value added service such as due diligence screening, freight forwarders and brokers allow businesses to verify if a business partner, supplier, contractor or even customer is listed on one of the more than 900 official denied parties, politically exposed person lists, subject to ownership sanctions or the newest forced labour entity list. By identifying these individuals or organisations, the businesses they are affiliated with, the commodities they are transporting, and the destinations of the shipments, risk assurance is ensured. Supply chain leaders can anticipate problems and understand what specific due diligence checks need to be rectified to avoid fines and reputational damage. This type of value added service can be a key differentiator in a crowed logistics service provider marketplace.

Importance of global compliance

It is important for supply chain leaders to plan, optimise and execute global trade with ease. When supply chains keep track of the latest global compliance regulations, they are able to export and import confidently. Although global trade compliance can be daunting with its constantly-changing regulations and increasing penalties, supply chains understand the purview of it affecting businesses altogether.

By keeping track of ongoing updates, supply chains can ensure duties, taxes and fees for landed cost calculations are accounted for, making it easier for businesses to price goods accordingly and reduce product costs. This is why supply chains must demonstrate due diligence across territories because it only helps them guard their companies from being fined, penalised and sanctioned. As a service provider, freight forwarders and brokers can give the necessary confidence that they are part of the compliance journey and ensure shippers are following the regulatory requirements.

Global compliance and due diligence therefore goes hand-in-hand, as they both need to be worked on and monitored together simultaneously. Unfortunately, companies are struggling with this as they have to manage a vast amount of information in order to ensure they adhere to global compliance. This is especially so when it comes to keeping track of the changes and ranges from the custom tariffs used to classify goods, the duty rates needed to calculate landed costs, and the controls determining if a company can legally complete the transaction. Additional services such as the management of trade agreements and qualification of goods can be included. Understanding these needs and providing this capability is key to providing the best service possible.

Leveraging on technology

Back in the day, companies had to collect various publishing trade content further complicated by the number of countries and government agencies involved, the differences in trade regimes, a wide variety of formats and rapidly changing regulations. Today, investing in a platform that offers automation capabilities to minimise disruptions to the flow of goods and customs declaration self-filling in a single platform with the world's most comprehensive and current trade content database will help supply chains stay on top of global compliance.

Progressing into 2023, freight forwarders and custom brokers must stay on top of global compliance regulations and due diligence checks to not only ensure their house is in order, but to add value to their customers as well. Failing to do so will only result in more issues that can become costly. This is a complex task that requires time and effort, therefore the appropriate investment into technology and software will help optimise business efficiency.

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The Carbon Credit Conundrum

The challenges and questions posed by credits and offsets

By KAI LINCOLN, Vice President - SEKO Logistics - Global Sustainability

In the shadow of all good intentions hide nefarious opportunities. Despite the dramatic tone of this statement, in no other area has this been recently exposed more than with the carbon credit and carbon offset market. There is widespread criticism surrounding both sustainability "techniques," claiming they are generally not sustainable practices.

Carbon Credits vs Carbon Offsets

Note that "carbon credits" and "carbon offsets" are terms often used interchangeably. They are different, though the challenges with both are similar:

- **Carbon Credits:** Carbon credits are usually associated by the government and are more relevant to company and country regulations, requiring companies to stabilise their balance sheet of emissions through the purchasing of good "credits." With these carbon credits, companies gain permission to generate one ton of CO2 emissions. If they exceed their allotted amount, companies must buy new credits to increase their cap.

- **Carbon Offsets:** Carbon offsets are any reduction or removal of greenhouse gas to make up for emissions that occur elsewhere. Offsets are what the public is more familiar with as you see them when purchasing flights, paying for deliveries, etc. Ultimately, the goal of carbon offsetting is to reduce most if not all of a portion of your carbon footprint.

Both started out as genuinely positive initiatives by paying for green energy, planting trees or other environmentally sustainable projects aimed at mitigating greenhouse gas emissions, with profits that originated from fossil fuel burning activities or companies. Unfortunately, this simple concept based on good intentions has become murky and shrouded in scepticism.

While there are programs that are doing good and the concept should not be discarded entirely, there are critics, even within the pro-green camp, who believe that carbon credits are not a viable solution for tackling climate change. For now, let's look at a few of the main areas of criticism plaguing this space.

Primary Criticisms of Carbon Credits

While carbon credits and offsets can be a useful tool in mitigating greenhouse gas emissions and funding important projects, it is essential to address the following issues to ensure the effectiveness and credibility of the carbon credits system.

Lack of Standardisation:

This is common across most new industries as companies and/or governments are competing to own the global standard. At present, there is no universal standard for carbon credits, which has led to the creation of multiple systems, methodologies and protocols. This lack of standardisation has made it difficult to compare and verify the impact of different carbon credits, leading to scepticism and distrust amongst the public.

Difficult to Verify:

Verifying the impact of offsets can be difficult, as it often involves monitoring emission reductions over a long period of time or with imperfect science. There is also a risk of fraud and mismanagement in the carbon market, as some projects may not deliver the emissions reductions they promise.

The amount of funding that actually reaches projects may also be diluted through numerous layers of management fees.

Double Counting:

Linked to the lack of standardisation, carbon credits can be traded multiple times, which can result in the same emission reductions being counted more than once. While this may sound unreasonable, it is an opportunity for carbon credit sales platforms to double profit on a single credit. As carbon credits are not a physical asset, it becomes very difficult to verify true "ownership;" thus, undermining the integrity of the carbon trading system and making it difficult to accurately track the impact of carbon credits and offsets.

Additionality:

The additionality principle states that a carbon credit should only be granted if the emissions reduction would not have taken place without the additional financing provided by the carbon credit. In short, the only way a project would exist is if funding from carbon credits contributed an "additional" benefit to the reduction of CO2 emissions than if the project had not been funded and was not operational. However, this principle is difficult to enforce or even prove at times as it is often a challenge to determine whether a project would have taken place without the financing provided by carbon credits.

Leakage:

With the additional cost for a company to purchase carbon credits to satisfy their local emission policies, some companies are simply choosing to shift the problem, leading to "leakage." This can occur when a company is located in a place that enforces strict policies regarding carbon emissions and chooses to relocate to another area with more lenient environmental standards. This is done to either reduce costs of compliance or to take advantage of less expensive and readily available carbon credits. While Country A may see emissions declining, which, on face value, is a good thing, Country B might see emissions increasing. This is true in Europe and the United States, where emissions are showing a decline, while countries like India and China are continuing to increase, leading to a net increase in emissions.

If Not Credits or Offsets, Then What?

So, this leaves us with the question, "If not credits or offsets, then what?" There are other theories and approaches that are often preferred by the proponents of emission reductions, such as Science-Based Targets, Planetary Boundaries, Ecological Footprint calculations and more. These involve quantifiable reporting, which allows a company to measure and track their movement in emissions rather than simply emitting and buying a credit to offset the negative impact.

As reporting in this space matures and becomes more accessible and accurate, companies and the broader public will begin to understand what businesses are truly doing to minimise their impact on the environment. While transparency is needed to drive change, the reality with material reductions in emissions is that innovation is falling short for some of the biggest emitters – ocean, air and road transportation. Electrifying these fleets or bringing in wind or solar to extend range or finding truly clean alternative fuels is not a scalable reality today.

With that, the public must ask themselves, "Are carbon credits/offsets a 'better than nothing' alternative for the present?" Do we have enough trust in the system that by purchasing a credit for your company or an offset for your next flight will be beneficial in the long run? Or, do we believe that the area is not effective in producing results that we're better off keeping the money in our accounts until true innovation delivers solutions that will generate real emission reduction?

Either way, floods and fires, droughts and hurricanes, extreme heat and polar bombs are real and are not waiting for us to decide. It is my hope that within the next few years, we will see a convergence of innovative technology, alternative fuels and a standardisation of the carbon market that will enable a significant and immediate reduction in greenhouse gas emissions coupled with real and traceable funding for quantifiable green initiatives.

SEKO CARES

Newcastle leads the way at first GreenPort Congress

From 15-17 February, the City of Newcastle was host to the first ever GreenPort Congress in the Southern Hemisphere.

Over 160 port operators together with participants from the maritime supply chain gathered to discuss global and regional sustainable practices. The event was an opportunity for the Port of Newcastle, among others, to showcase its sustainability efforts and achievements.

Located more than 150 kilometres north of Sydney, the city is home to the biggest coal exporting region in the world and discussions centred around the port's strategy of diversification and use of sustainability-linked finance options.

Port of Newcastle CEO Craig Carmody, told conference delegates, "It's beholden on all of us to prepare for the future" adding, this needs to be done in a "sustainable, resilient and methodical way". Port of Newcastle's business strategy is for "50/50 by 2030", that is 50% of revenue should derive from non-coal sources by the end of this decade. Currently the split is 31% from non-coal trade, up from 11% in 2018. "Four years ago we were losing banks because we were the world's biggest coal port. And we've worked over four years to change that. So, if a port as big as ours in coal can change, this idea that transition is too costly is absolute nonsense."

As it stands, coal has made the Port of Newcastle critical to the success of the state of New South Wales' economy, contributing $70 billion in trade and providing 10,000 jobs. "We are the single largest revenue source for the State Government. So, we can do all this [diversification] and we don't put at risk our role or the economy of NSW," Mr Carmody said, adding the port handles 160+ million tonnes of coal per year.

Creating a level playing field

The opening panel session canvassed views from port operators, shipping lines and freight forwarders, including insights from two small island developing states. While there was discussion around innovation, collaboration and alternative fuels, the topic of levelling the playing field for investment in decarbonisation took centre stage.

Maersk's, My Therese Blank, said there was an opportunity for more to be done at the level of the International

Maritime Organization (IMO), specifically "market-based measures to cover the competitiveness gap between the fossil fuels and the green fuels" by 2025.

Maersk would also like to see a strengthening of emission reduction targets.

However, Ms Blank said there was a great opportunity for industry to make a difference.

"In 2022 there was only 30,000 tonnes of green methanol produced globally, we now have eight signed partnerships to enable 750,000 tonnes to be available in the next two years."

Mr Carmody commended the work of the IMO but said creating a level playing field for decarbonisation needed to be based on scientific targets. It's not for people to come up with their own idea of what success looks like. It has to be science-based, target-based and it has to tie in with international targets that have been agreed to. "Those of us in the first world are going to have to do some of the heavy lifting. The truth is, if we are going to do this, we're all going to have to pull ourselves up and some of us are more capable based on our wealth, to do that," he said.

This was a sentiment mirrored by PNG Ports and the Solomon Islands Port Authority.

"We will follow the guidelines of the IMO as a guide only. It's what we can manage within the resources we have," said Rodney Begley, acting CEO of PNG Ports. The organisation has "conflicting challenges" in meeting the needs of the community in a country with 95% unemployment and limited education, and the demands of the government as a state-owned enterprise. "Sustainability is a blessing and a curse and how we manage that," Mr Begley said.

Eranda Kotelawala, CEO of Solomon Islands Ports Authority said, "We need support… around 80% of infrastructure in Pacific ports is more than 50-60 years old".

Available solutions

One avenue for the cruise industry to reduce its carbon footprint is through the use of shore power. Cruise Lines International Association (CLIA) members have committed to equipping their vessels to connect to shore-side electricity facilities wherever available at ports "as soon as possible but no later than 2035", according to the association's managing director Joel Katz.

Right now, 40% of global capacity is already fitted to operate on shore-side electricity, which is a 20% increase over the last year. Of newbuild capacity, 98%

is either committed to be fitted with shore power or be configured to add shore power in the near future. "But only 29 ports around the world currently offer us the ability to use shore power in at least one berth," he said.

Taking up the call for shore power is the Port Authority of NSW. The organisation will deliver a world-first 100% renewable electricity shore-powered precinct and first shore-powered cruise terminal in Southern Hemisphere. Shore power will be one of the biggest contributors to the port authority achieving its goal of net zero emissions by 2040 with a focus on Scope 1 and 2 emissions (and 75% emissions reduction by 2030). CEO of the Port Authority of NSW, Philip Holliday said, "It will be the first bulk precinct in the world to operate with that capability".

The port authority will provide 100% renewable shore power for cruise and bulk terminals at White Bay and Glebe Island by 2024. It is investing $60 million in renewable shore power in the region, reducing ship carbon emissions by 14,000 tonnes per year or the equivalent of planting 70,000 trees.

Implanting sustainability within the logistics chain was another topic of discussion. **Sal Milici, General Manager Trade Policy and Operations, FTA/APSA** moderated a session on Green logistics: multimodal supply chains whilst also presenting on the challenges and opportunities of implementing sustainability from an international logistics and cargo owner perspective.

Decarbonisation of global shipping is a critical issue as the shipping industry is responsible for a significant portion of the world's carbon emissions. The International Maritime Organization (IMO) estimates that shipping emissions account for approximately 3% of global greenhouse gas emissions, and this figure is projected to grow unless action is taken.

Sal said that if we want to implement sustainability the first thing we must do is measure emissions. Stating that "you can't manage if you don't measure".

Svitzer Australia's Ivan Spanjic said the Australian Government and industry partners need to take action to make biofuel a feasible option in the region. He said carbon-neutral towage operations in the country would not be possible by simply building different kinds of tugboats. Svitzer will bring around 180 new tugboats into service by 2040, less than half its global fleet. "The horrible truth is that we're not going to get there by building, we can't build our way to a sustainable future," Mr Spanjic said. "It's going to require the optimisation of our existing assets, a switch to biofuels and rapid introduction of low or zero emission power sources."

While tugboats may account for only 4% of total shipping carbon emissions globally, that's still around 40 million tonnes of CO_2 or the equivalent of seven million cars per year.

Today's solution is biofuel but uptake is hampered by gaps in the supply chain in terms of infrastructure, policy and legislation. "Everyone talks about methanol which we also subscribe to, we also talk about batteries, but biofuel is just as effective, it's just not as well known," he said.

Newcastle 2022 GREENPORT Oceania live

If we try to decarbonise in isolation we will fail, a message of hope.

By TRISTAN ANDERSON, Executive Advisor, Transport & Infrastructure Strategy – GHD Advisory

I was privileged to deliver a keynote address to the national rail conference AusRail in Brisbane late last year. It was a relatively last-minute request, but it was a great opportunity to discuss something which had being weighing hard on me and others in the industry.

It also gave me the opportunity to conduct a live experiment with the audience. The premise I wanted to test was; If we continue to work the way we currently do, we will fail to decarbonise rapidly and we will miss out on significant technological advancements. The basis of this premise was something we are all familiar with but something perhaps we don't often see unfolding in front of our faces – Game Theory. The most popular conundrum of game theory is the Prisoner Dilemma. Essentially this dilemma shows that when people are unaware of what others are doing, they are forced to rationally hedge their bets, which results in all players achieving a pretty average outcome.

At the conference I shared a QR code which linked to a survey with three questions. One of which was; **If you knew fully decarbonising your business would definitely add cost and highly likely lose you customers which may result in job insecurity for you and your colleagues, would you:**

1) Move at the same rate as your competitors as to not create a potential market share loss,

2) Forge ahead with decarbonisation no matter if it puts you and your colleagues' jobs at risk,

3) Would not progress decarbonisation at all,

4) Other.

Most attendees answered with option 1, move at the same rate as your competitors.

The second question was; **If you knew a competitor was definitely moving forward with ambitious but expensive decarbonisation plans would you,**

1) Maintain your current low cost but higher emission setting and gain market share as your competitor becomes more expensive,

2) Announce a similar plan to your competitor but seek to be a fast-follower and adopt the parts that work after your competitor has tested them,

3) Announce an even more ambitious plan but risk losing more cost sensitive clients.

Most attendees answered with option 2, announce a similar plan to your competitors and seek to be a fast follower.

The problem with this combination of answers is that in reality industry will not progress, as most players are hoping to follow and not lead. I shared an obligatory sports analogy, that our 'race' to net zero being like a velodrome cycling race where the two competitors play chicken with each other for as long as possible as it only makes sense to be in front at the very end of the race.

What is at stake is too important for us to play decarbonisation chicken, but left up to our own devices that is what we will do. Research from the Gratton Institute has shown that no material decarbonisation is expected before 2030 based on current Government and company strategies and the transport sector even shows an increase to 2030.

The last question I asked was; **What is the main thing holding you back from rapidly decarbonising your business?**

The main answer here was, a lack of a clear directive. Essentially, we are waiting to be told. This implies the need for Government intervention. The problem with this is that once that happens it will be a rush to the decarb door and we won't all be able to get through at once, we are already constrained in terms of skills and expertise, prices for decarbonisation options will sky-rocket in this stampede. If you are waiting for an imperative or waiting for technology to drop in price, you may find that technology will be even more expensive if you move with the herd.

The good news is that there are collaboration and innovation options available, an example of this is how the big mining companies came together to jointly develop rapid options to move their mine truck fleet to electric vehicles. This initiative is called the 'Charge-On Challenge' and has been highly successful. Industry associations have an important role to play, as do consultants, bringing industry together in a safe collaboration space to rapidly move forward and short-circuit the stalemate.

GHD Advisory

Sustainability – Making Different the New Normal

By VANESSA RICHARDS, Director - Southern Cross Cargo

The realisation that a healthy economy cannot be sustained without healthy environmental and social systems has bought corporate sustainability to the forefront of many business leaders. Can companies do both? Can they have a decent business and conduct it decently? I firmly believe so.

Four things are critical for success though;

1. You must have a plan (goals, objectives, milestones) and create the vision with your stakeholders;

2. the strategies MUST support your plan, be embedded into the business and not sitting as an add-on to the side. Meaning that it must permeate through every business discussion and decision for it to be truly effective.

3. Recognition must be given to creating long term value (as well as short term) and understanding that this value may extend past the generations contained within the immediate business.

4. Most importantly, do not under any circumstances fake it! Do not pretend that you are making changes if you are not. You will get caught out, it will affect your reputation and you will risk all the true and valid changes that people are making.

As far as ability to encourage substantial change is concerned, very few industries permeate across as many different areas as the logistics industry. In any one day, logistics personnel can engage with global agents, shipping lines, airlines, trucking companies, manufacturers in different sectors, buyers – and various people within those departments such as sales, operations, finance and IT. Add to this the fact that the transport industry is one of the biggest emitters of direct carbon dioxide (CO_2) emissions due the burning of fossil fuels and we can see why it is imperative that our industry steps up to be involved in making change.

And we have some exceptionally smart and passionate people within our sector involved in things like decarbonisation, circularity, alternative energies etc. Many of them have been forging forward in this area for many years, not just stressing the importance of change but actively leading it.

But if you are a company or individual within your company, looking at the negative impacts of climate change, loss of biodiversity, the approximately 300 million tonnes of plastic that the world generates every year, urbanisation, food waste, human rights violations etc – it can be daunting as to how to go about even starting to make a difference.

How do you convince your stakeholders in a post covid, tightening economic world, that outside of moral and ethical obligation, there are other commercial benefits for a business to pursue more sustainable business practices?

Let's start with the basics.

- **Meeting customer demand.**

More of our customers are demanding it because their consumers are demanding it from them. Meaning that this gives you new market opportunities and can prevent you from losing current ones.

- **Meeting or surpassing legal and Government requirements.**

Sustainability strategy can help address legislative pressures and help businesses stay ahead of the compliance curve. It's not a case of if – it's when.

- **Attract and retain top talent.**

One of the things we have recognised in the Logistics sector is that it is often difficult to attract new talent into the industry. Many employees will actively look for companies that have implemented sustainable business policies.

- **Reduce costs.**

Once you start looking at integrating sustainable strategies into your business you will, without question, identify various cost saving measures.

- **Attract or keep investors.**

If you are wanting to consider selling to or bringing in investors, they are going to want to see a company that has long term viability as opposed to only short-term gains.

So where do you start?

There is a lot to go through – and once you start on this journey, I can assure you that you will become more engaged in the various ways that our industry is looking to make change.

But for those yet to engage – this is for you.

o Understand what is important to your company's stakeholders – employees, leaders, customers – this way you can engage and set targets that are relevant to your organisation to begin with. Don't try and do everything all at once. The overall sustainability plan should ultimately seek to go beyond change within your organisation but start within first. Look at your energy use, look at your waste and recycling programs, do you have a policy that governs your staff training and development. Identify short term and long-term goals that are achievable, but don't be afraid to push beyond what is required with bold commitments.

o The best person to lead sustainability within your organisation (besides everyone) will be someone who is passionate about change but is also someone who knows a lot about the various areas of your business. True sustainability requires buy-in and collaboration with all company departments – operations, finance, Customs, warehouse, IT etc etc.

o Consider completing an Environmental and Social Governance (ESG) assessment for external certification. There are various ones around, we have received EcoVadis certification, and we did so because it asked us to address all of the areas of our business with people, planet and process.

This is a formal measurement and reflection of your company's commitment to safeguarding environmental and social systems and gives you a framework to grow on and discuss with your stakeholders for increased awareness and buy in. Publish this scorecard for added accountability and actively work towards improving your scorecard. Look at the United Nations Sustainable Development Goals (SDGs) and see how you can align change within your own organisation – this will give you a global focus and make sure that you really think about how you – regardless of the size

ENVIRONMENT

of your company – can make a difference. Look at options to measure the carbon output of your company as well as your customers. The best way to understand your impact is to measure it – then you can actively have a base to improve from.

o Once you get a better understanding of the goals you want to achieve, look for avenues of collaboration and partnership. Don't be afraid to engage with competitors. Collaborate with customers, service providers, agents.

o Don't just go immediately to offsetting. Look for ways to actively reduce your impact – and then, if you do bring in offsetting, look for ones that are validated and serve as a funding source to make change – for example they may be investing in green logistics solutions. Be actively involved in making a difference within the supply chain – learn about the programs that you are engaging with. Look for innovative approaches and strategies within our industry.

o Get past the acronyms and buzz talk and understand that true business leaders will see this change not just as critical but strategic and beneficial.

o Celebrate successes and milestones along the way and publish internally and externally. This helps keep stakeholders engaged and allows you to have a greater impact.

Some useful websites to help you on your journey:

https://www.smartfreightcentre.org/en/how-to-implement-glec-framework/

https://sdgs.un.org/goals

https://unglobalcompact.org/

https://ecovadis.com/

https://bcorporation.com.au/

https://www.climateactive.org.au/

https://www.climatecouncil.org.au/

Southern Cross CARGO
Freight • Customs • Warehousing & Distribution • eCommerce

Sustainability Acronyms:
CDP – Carbon Disclosure Project
COP26 – 26th United Nations Climate Change Conference of Parties – Glasgow 2021
CSR – Corporate Social Responsibility
ESG – Environmental and Social Governance
GRI – Global Reporting Initiative
ISO – International Standards Organisation
LCA – Life Cycle Assessment
NFI – Non-Financial Information
SDGs – United Nations 17 Sustainable Development Goals
TBL – Triple Bottom Line (Environmental, Social, Economic)
UNGC – United Nations Global Compact
WBCSD – World Business Council on Sustainable Development

WOMEN IN LOGISTICS

By JODIE ELISARA, National Product Manager, Freight Forwarder Services | State Manager South Australia – Bond Transport Group

The transport industry is often referred to as pale, male and stale; being male dominated, it is also an ageing workforce with little appeal to upcoming university and school leavers, who we as an industry are relying on to fill these soon to be vacant roles and with whom we want to bring modern diverse concepts to our industry.

Women in supply chain, logistics and transport make up approx. 27% of the industry which within land transport specifically this drops to approx. 20%. These roles are more often in low paying clerical, administration, cleaning and sales roles where we see a pay gap of approx. 15%.

In 2001 according to the census survey the average age working in the transport sector was 35-44 years old, in the 2021 census it was 45-54 years old, evidence to the fact that recruiting new talent to our industry is paramount to ensuring that the knowledge and expertise of our industry continues to thrive.

Why have women generally not worked in transport? I believe this is due to an historical negative perception of the industry. Transport and logistics have been viewed by many as rough, aggressive and a boys club mentality. This has often made the transport workplace a non-desirable place to work for many women. Plus, you only know what you see – without women in visible roles there is no – "wow that lady is driving that big truck I want to do that", or "look at that lady working that machinery," or "look at that CEO she is leading the business" our future women leaders don't have a vision board available currently.

Personally, I was blessed entering the industry in late 1999/2000 directly from high school at 17 to have a select few women who took me under their wing and showed me we could play in the transport and logistics field while maintaining our dignity and setting a standard we wanted to see amongst our peers and industry. Whilst I did incur physical assault, verbal abuse and misogyny, I never gave up and refused to ever stoop to those standards. I strongly believe the standard you walk past is the standard you accept and I wanted to be part of the change. With the support of some wonderful mentors – both men and women I can now look back and see our industry is changing. There is movement and this is an industry that is becoming safer, more inclusive and open to diversity.

The change is coming and women are continuing to rise. The attraction to have a career in Australia that keeps our economy moving, where no day is the same, where we feel we are part of the solution is clear. Transport & Logistics work is varied and able to fit a more varied lifestyle demand. We are seeing more women enter the transport industry, there is far more women behind the wheel – literally and metaphorically speaking. International Women's Day (IWD) is certainly shedding light on women in more male dominated roles, along with organisations like UNIQ YOU providing mentoring to young women coming through and partnering them with female leaders in generally male dominated roles like transport and logistics.

In an industry where we expect to see significant growth in infrastructure and transport there is a glaring barrier to attracting new talent and importantly increasing the diversity of people and skills in our industry.

To include supply chain, logistics and transport during the career expo range for school children between 15-18 with an emphasis to highlighting the access for women in our industry – funding to ensure businesses who recruit through traineeship and apprenticeships are well rewarded and diversity of applicants highlighted this would all work toward avoiding what is potentially laying in front of us. It is not all doom and gloom, in the 2021 census there was significant growth of females employed in the fields of transport, mining, engineering and IT and with support from our peers, tertiary and government we will see this area develop. I am hopeful and optimistic for our future.

Sundowner Walk, Panel Discussion & Networking Evening

On Friday 17 March 2023, FTA and Next Leap Training Solutions hosted an evening at the Rowers on Cooks River for ladies from the industry. The opportunity to wind down from the week with a short walk and make new friends with industry peers was enjoyed by everyone. It was great to see men attend to support their colleagues and a diverse range of ages represented which added to the important discussions.

Thank you to our panellists Joyce Campbell, Next Leap Training Solutions, Bayside Council Mayor, Dr Christina Curry, Kaylee Salzke, OneStop. and Leanne Lewis, Insync Recruitment Group for their thoughtful provoking insights which carried on throughout the evening.

Discussions related to creating an equal opportunity culture, supporting all working parents by providing flexibility, mental

Karen Vasquez & Leticia Martins (HubX)

Kaylee Salzke, Gary Want, Chris Harnett, Daniel Laroche & Cindy Wang – OneStop.

Sundowner Walk with the new edition FTA Pink Bucket Hat!

health in the workplace, technology and skills into the future, the value of mentorship, our ageing sector and setting goals.

It was quite apparent that life after covid has created a new working norm incorporating more flexibility and the desire for a greater work life balance. The real challenge facing our sector is how to be viewed as an appealing profession for young people to join.

Importantly, $4000 was raised for the Bayside Women's Shelter, continuing our theme of building a strong community.

We would also like to thank our Major Sponsor OneStop. and Drinks Sponsor, Insync Recruitment Group.

WISTA International

WISTA Queensland has hosted many events with members and friends. Ladies gathered for a night of networking and axe throwing at Maniax in September 2022. It was great to get everyone together to meet the new committee members and connect. The night commenced with a coach demonstrating the dos and don'ts for axe throwing including tips and guidance for how best to throw. Everyone was then given a chance to practice followed by a competition to determine who was the best axe thrower. A great night was had by all with new skills learnt, lots of laughs and a few sore arms the next day.

Christmas lunch was held late last year to celebrate the end of the year at the Queensland Maritime Museum. The museum was formed by a volunteer group in 1971 and we were pleased to be able to support them by hosting our event there. We organized a food truck of delicious Vietnamese food and locally made desserts. Everyone enjoyed lunch next to the river enjoying the beautiful sunny day and city views. We also had panel speakers, Deborah Wood from Port of Brisbane, and Kisana Ward from Auriga Pilots, to share their stories of working in the industry. With over 35 attendees from Ports, pilots, freight forwarders, maritime lawyers, shipping lines, tugs, marine insurers, it was a wonderful afternoon with new and old friends.

A Speed Networking Event at the Story Bridge Hotel was held in February. The event gave everyone a chance to network and get to know each other through a series of brief exchanges during a set

period of time. With attendees joining from a across the industry, everyone was paired up with someone for a brief exchange supported with a list of questions about your careers, goals, and hobbies. It was great to see everyone getting to know each other and new connections were formed over the evening.

International Women's Day on 8th March was also celebrated with a breakfast event at Room with Roses. Over 20 people attended the event and the speaker, Amanda Stoker, spoke to the International Women's Day 2023 campaign theme, "Cracking the Code – Innovation for a Gender-equal future." Amanda is a company director, columnist for the Australian Financial Review and host of Sunday with Stoker on Sky News Australia. She was formerly the Assistant Minister for Women, Industrial Relations, and the Assistant Minister to the Attorney-General whilst serving as a Liberal National Party Senator for Queensland. Before politics, Amanda was a barrister, law academic and public prosecutor. Amanda spoke about her experience as a lawyer and a Senator and the positive outlook of the work she's done to support and promote women and lessons learnt along the way. Her talk was well received by the women that attended with some interesting questions and discussions after her speech.

Centre – Amanda Stoker

WISTA WA International Women's Day event - Ainslie De Vos, Kelly Thomas, Anna Dartnell, Ella Cahtarevic & Kerryn Woonings

WISTA Western Australia celebrated International Women's Day on the 8th March with the support of event sponsors Transitainer WA. WISTA Members and friends heard from the inspiring, intelligent, and insightful Anna Dartnell, General Manager of Aurizon's Bulk Operations in Western Australia. With leaders such as Anna, and the female Director and General Manager leadership team at Transitainer WA, Kelly Crossley, and Kelly Thomas. This event was an opportunity to rejoice in how far our industry has come and acknowledge that there is still work to be done.

Other WA events included a Pit to Port educational and networking event hosted by Squire Patton Boggs and an End of Year Sundowner also enjoyed by members and friends.

The EU's implementation of the Import Control System 2 (ICS2).

By SUSAN DANKS, Head of Customs & Regulatory Compliance - Freight & Trade Alliance

A new advance cargo information system called the Import Control System 2 (ICS2), has been implemented by the EU to provide risk analyses on goods before they enter or transit the customs territory of the European Union (including Norway and Switzerland). Note that it does not apply to intra-European transport.

Entry of the goods into the EU is a 4-step process, consisting of:

1) Lodging of an Entry Summary Declaration (ENS) in ICS2. This document is for advance cargo screening and is to HAWB level. **It is not the customs declaration system used to clear the consignment for release into free circulation.**

The ENS has a prescribed format and must be lodged within specified time frames. Its "filing" (lodgement) can contain either partial or full information, as discussed below.

2) Cargo arrival and examination by Customs in case of a potential risk;

3) Temporary storage of goods before their release or bonded storage and;

4) Lodgement of the customs declaration

The system is being implemented in three releases. Release 1 covering the pre-loading process for postal and express consignments by air was implemented on 15 March 2021,

Release 2 on 1 March 2023

From this date, all freight forwarders, air carriers, express couriers, and postal operators transporting goods to or through the European Union (including Norway and Switzerland) will be required to submit an ENS. This entails submitting pre-loading advance cargo information data to EU Customs through ICS2, where it will be risk assessed. Before departure, the air carrier or freight forwarder must also lodge in ICS2 a mandated pre-arrival information data set, which includes the journey details. The pre-loading and pre-arrival messages are collectively referred to as the Entry Summary Declaration (ENS).

The information required to be submitted at pre-loading includes:

- Shipper name
- Shipper address
- Consignee name and the consignee's EORI number if the goods are staying in the EU.
- Consignee address
- An accurate cargo description which includes the 6-digit HS code for each item in that shipment
- Total quantity
- Total weight

This information must be input before shipments are loaded onto an aircraft and within the following required timeframes:

(a) The ENS, or when it is not possible, the minimum data set for air pre-loading, must be lodged as early as possible but at the latest before the goods are loaded onto the aircraft which will bring them into the customs territory of the Union;

(b) When only minimum data set was lodged under (a), the complete ENS must be lodged at the time of actual departure of the aircraft when the duration of the flight is less than four hours;

(c) For other flights than those mentioned under (b), the complete ENS must be lodged four hours before the arrival of the aircraft at the first airport in the customs territory of the Union.

These requirements apply to all goods (except documents), regardless of value. Failure to provide it may lead to non-acceptance of the goods at origin.

The carrier bringing the goods into the EU is the party responsible for lodging the ENS, however, ICS2 allows the filing of information by all parties involved in the transport of a consignment where the carrier does not have complete information. This is referred to as a multiple filing. Freight forwarders, express couriers, and postal operators are legally responsible for providing data, either direct to ICS2 or through the air carrier. If through the air carrier, the carrier will then complete the ENS. (Direct filing by the forwarder could provide competitive protection as they are not then sharing their customer details with the carriers.)

Note that parties filing ENS data in ICS2 must have an Economic Operators Registration and Identification (EORI) number, which is obtainable on application from the EU customs authority in all member states.

Postal operators and express couriers, who have previously been declaring partial information regarding inbound shipments (under ICS2 Phase 1), are now also required to coordinate with their air carrier to submit all required data.

Failure to comply or providing inaccurate data may lead to in financial penalties, cargo being stopped at the border, no customs clearance, rejection of poor quality ENS declarations, and cargo delays.

Release 3 on 1 March 2024

From this date carriers for goods transported by sea and inland waterways and roads and railways will also have to complete ENS dataset for all goods, including postal and express consignments carried by these means of transport.

The required information must be input before shipments are loaded and within the following required timeframes:

Sea freight

(a) No later than two hours before the arrival of the vessel at the first port of entry into the EU for arrivals from Greenland, Faeroe Islands, Iceland, ports on the Baltic Sea, Black Sea, Mediterranean Sea or Morocco;

(b) No later than two hours before the arrival of the vessel where the voyage is less than 24 hours and the goods are arriving from other third country territories and entering the EU, the French overseas departments, the Azores, Madeira or Canary Islands;

(c) No later than four hours before the arrival of the vessel for bulk cargo in cases other than (a) or (b) above;

(d) For containerised cargo in other cases than (a) and (b) 24 hours before the goods are loaded onto the vessel which will bring them into the customs territory of the Union.

Rail Transport

(a) When the train voyage takes less than two hours from the last train formation station outside the customs territory of the Union to the first point of entry into the customs territory, the ENS is to be lodged at the latest one hour before the train arrives at the border entry point of the Union;

(b) In other cases than those mentioned under (a), the ENS is to be lodged at the latest two hours before the train arrives at the entry point of the Union.

Road Transport

The ENS must be lodged no later than one hour before the goods arrive at the entry point of the EU.

Transport by inland waterways

The ENS must be lodged no later than two hours before the goods arrive at the entry point of the EU.

Modernising the Methyl Bromide Fumigation Methodology

By ANDREW CHRISTIE, Founder & Director – Andrew Christie Consulting and Chair - Biosecurity Treatment Providers Reference Group (BTPRG)

The Department of Agriculture, Fisheries and Forestry have been reviewing the Methyl Bromide Fumigation Methodology with the intent to develop a methodology that communicates their requirements clearly. The Department is aiming to help treatment providers meet regulations and provide assurance that fumigations are correctly applied.

This methodology not only provides assurance that onshore treatment providers are following the requirements for a successful fumigation but also provides a framework for off-shore treatment providers.

When reviewing the methodology, the Department has sought feedback from accredited AFAS overseas treatment providers and overseas government authorities regarding its usability and practicality. Currently there are 12 approved AFAS countries.

The Australian Fumigation Accreditation Scheme (AFAS) is a bilateral arrangement between the Australian Department of Agriculture, Fisheries and Forestry and other country's biosecurity regulatory agencies. AFAS manages the high biosecurity risk posed by ineffective Methyl Bromide (MB) fumigations.

AFAS ensures ongoing compliance of registered Methyl Bromide treatment providers against the AFAS standard. AFAS registered treatment providers are trained in all AFAS requirements and undergo regular compliance assessments providing increased confidence in the pre-export Methyl Bromide fumigations conducted on Australian bound consignments.

The Department has made the decision to make methodology changes based on a number of factors including:

- Feedback and levels of compliance
- Enforceability, to remove ambiguity and simplify language
- Clearer articulation of requirements and how this applies to fumigation scenarios
- Improve usability by providing context and removing assumed knowledge

The Department has communicated this to industry and the take home message to 12.1 treatment providers includes:

- The majority of the changes involve wording, language and readability
- Additional reporting requirements for Records of Fumigation
- Movement of monitoring lines to perimeter fencing
- Top ups can now be undertaken on BMSB treatments

Since notifying industry of the review, the Biosecurity Treatment Providers Reference Group (BTPRG) has been working with their members to ensure that the changes to the methodology are consistent, workable, safe and provide the levels of assurance the Department is seeking.

The BTPRG have had a number of meetings with the Department to relay any concerns and professional experiences. These concerns and experiences have been taken on board and the Department is currently considering each of the concerns.

Some of the concerns raised by BTPRG include undertaking the fumigation in a safe manner, specifically in relation to the movement of monitoring lines. There was also concern regarding the removal of leak detection requirements. It was noted that the Department requirements are in addition to state and territory legislation

So, what does this mean for industry?

- Greater compliance for both onshore and off-shore treatment providers – the Department has provided clearer guidelines for methyl bromide fumigations
- Ability to top up BMSB treatments reducing the number of failed fumigations
- Clearer guidelines for onshore and offshore treatment providers

The BTPRG has been advocating for changes to the methodology for some time. The removal of ambiguity and out of date requirements has put additional pressure on its members to achieve successful fumigations.

For treatment providers interested in joining the BTPRG, our purpose is clear in that we strive to achieve:

- Collaboration with the Department of Agriculture, Fisheries and Forestry to deliver nationally consistent communications to onshore biosecurity treatment providers,
- Support onshore biosecurity treatment providers to develop practical compliance assurances to satisfy departmental requirements,
- Coordinate onshore biosecurity treatment providers in delivering a nationally consistent advocacy position(s) to government to lead reform and implement best practice,
- Provide avenues for onshore biosecurity treatment providers to communicate consistent advice to depot facilities on best practice and compliance measures (Approved Arrangements: 4.1. Heat treatment site, 4.6 Fumigation and 4.7 Secure unpack for treatment of seasonal hitchhiker biosecurity pests); and
- Inform other FTA members and affiliates (incl depots, freight forwarders, customs brokers, importers and exporters) of the obligations of onshore biosecurity treatment providers.

Australia's sanctions regime

By SUSAN DANKS, Head of Customs & Regulatory Compliance - Freight & Trade Alliance

Australia's export controls are contained in legislation that includes the Customs Act 1901, the Defence Trade Controls Act 2012 (DTCA), Weapons of Mass Destruction (Prevention of Proliferation) Act 1995 and Military End-Use provisions (section 112BA) and by sanctions. The Department of Foreign Affairs and Trade (DFAT) administers the implementation of sanctions, which restrict or prohibit the export of specified goods to particular countries or individuals or entities.

This article provides an outline of Australia's sanction's regime.

Department of Foreign Affairs and Trade (DFAT)

The Australian Sanctions Office (ASO) of DFAT administers the implementation of sanctions which restrict or prohibit the export of specified goods and/or services to particular countries and/or designated individuals and entities as well as travel bans and targeted financial sanctions on designated persons and entities. Although sanctions are distinct from the Defence and Strategic Good List (DSGL) administered by the Department of Defence, in many cases an export may require both a DFAT sanctions permit and a Defence Export Control (DEC) permit, both of which must be obtained prior to export.

The Australian sanctions regime has two types of sanctions:

1. United Nations Security Council (UNSC) sanctions, which Australia must impose as a member of the UN; and

2. Autonomous sanctions, which are imposed as a matter of Australian foreign policy.

The DFAT Sanction's webpage is at https://sanctions.dfat.gov.au/

Contravening Australian sanctions laws is a serious criminal offence. Penalties include up to ten years in prison and substantial fines.

Consolidated List

The persons and entities on which targeted sanctions have been imposed under Australian laws and UNSC regimes are listed on the Consolidated List at https://www.dfat.gov.au/international-relations/security/sanctions/consolidated-list,

These controls apply to export by both individuals and corporations and whether or not the goods or services are supplied from inside or outside Australia. They also define an 'asset' as including an asset or property of any kind, whether tangible or intangible, movable or immovable, and however acquired.

The Consolidated List includes, where available, the name (including any aliases), date of birth, place of birth, citizenship and address of listed persons and entities but does not include persons or entities listed under other Australian laws, or other countries laws.

Listed persons and entities are subject to targeted financial sanctions, which prohibit:

- directly or indirectly making an asset available to, or for the benefit of, a listed person or entity; and
- if you hold an asset that is owned or controlled by a listed person or entity, using or dealing with that asset (this is commonly referred to as an 'asset freeze').

Note that if goods to be exported to a country subject to sanctions are also in the DSGL, a separate permission is also required from Defence.

Financial transactions through the Australian or US banking system

Australia has a strong legal and operational counter-proliferation financing, anti-money laundering (AML) and counter-terrorism financing (CTF) framework as part of which, international payments and receipts are oversighted. Reporting Parties under the Anti-Money Laundering and Counter-Terrorism Financing Act and its Rules must risk assess transactions for potential money laundering or terrorism financing when providing a designated service to a customer. In Australia these financial controls are overseen by the Australian Transaction Reports and Analysis Centre (AUSTRAC), which is Australia's financial intelligence agency in these areas.

Unlike banks, licensed customs brokers and freight forwarders operating in Australia are not generally reporting entities under this legislation unless they also hold an Australian Financial Services License or deal with financial securities as an agent of another person. Financial institutions such as banks that have banking relationships with foreign entities must however conduct a stringent due diligence assessment of the services provided to each party in a transaction, as opposed to only conducting a customer due diligence assessment of the foreign entity itself. This is why questionnaires or further details may sometimes be sought by your bank as they relate to foreign transactions.

Contravening the requirements of the Act and Rules can be a serious criminal offence and imprisonment for up to ten years and substantial fines can be imposed. Infringement notices can also be issued by AUSTRAC for any non-compliance with required procedures, including a lack of due diligence in properly identifying customers and their beneficial ownership, failure to meet reporting or record keeping obligations and not providing information when requested.

Note that banks and other financial institutions may also question USD payments to overseas individuals or entities as US sanctions law covers payments made by Australian entities through the US banking system (i.e., payments in USD) and as such some banks may restrict or question certain USD dealings to identify, mitigate and manage financing risks such as money laundering and terrorism. These assessments are also required for certain AUD transactions by AUSTRAC.

Sanctions measures on Russian Federation (Russia) and Belarus

Australia imposed additional duties of 35% on imported goods that are the produce or manufacture of the Russian Federation (Russia) or Belarus as a consequence of Russia's illegal invasion of Ukraine that was supported by Belarus. The measures are currently in place until 24 October 2023 and may be further extended.

Goods that are the produce or manufacture of these countries are also not currently eligible for a concessional rate of customs duty such as found in tariff concession orders, and nor are they eligible for the GST exemptions provided for Schedule 4 bylaws. As Schedule 4 concessional items, by-laws and TCOs are unable to be claimed for use with these goods, the 5% general rate applies in addition to the 35%.

An in-transit exemption to the above duties applies for goods that had left the place of manufacture or warehouse in Russia before 25 April 2022 provided that they had not left customs control in another country during shipment and prior to being entered for home consumption in Australia. Please be aware that difficulties in obtaining vessel space ex Russia has meant that some such goods are still arriving in Australia. It is critical however that a solid document trail exists to prove that the subject goods were in transit when the additional duties were imposed as any claim for in transit will likely go red line on lodgement.

The Russia sanctions regime imposes the following Australian autonomous sanctions measures:

• It is prohibited to supply, sell or transfer any of the following goods directly or indirectly to, for use in, or for the benefit of Russia:

o arms or related materiel

o aluminium ores (including bauxite), alumina and related products (as designated in the Autonomous Sanctions (Export Sanctioned Goods – Russia) Designation 2022) at https://www.legislation.gov.au/Details/F2022C00380

o certain luxury goods (as also designated in the above Designation)

o items suited for use in the following categories of oil exploration or oil production projects in Russia (as specified in the Autonomous Sanctions (Russia, Crimea and Sevastopol) Specification 2015):

o oil exploration and production in waters deeper than 150 metres;

o oil exploration and production in the offshore area north of the Arctic Circle;

o projects that have the potential to produce oil from resources located in shale formations by way of hydraulic fracturing (other than exploration and production through shale formations to locate or extract oil from non-shale reservoirs).

• restrictions on the import, purchase or transport of certain goods

• restrictions on certain commercial activities

• restrictions on the provision of certain services

• restrictions on providing assets to designated persons or entities.

• restrictions on dealing with the assets of designated persons or entities.

• travel bans on designated persons.

Due Diligence

Entities are responsible for undertaking proper due diligence checks necessary to understand whether any of the persons or entities connected with a proposed activity are listed. If the transaction will in any way involve a listed person or entity, then legal advice should be obtained before taking further action. If you are, or think you may be, holding an asset that is owned or controlled by a listed person or entity, you must hold (or 'freeze') the asset and inform the Australian Federal Police as soon as possible.

Entities must ensure they comply with Australian sanctions law and, if applicable, understand how the goods/services being provided will be used and whether they will be on sold. It is imperative therefore that Australian entities undertaking business overseas conduct due diligence to ensure there is no non-compliance with Australian law. This requires understanding your customer's business and organisational structure, especially where that entity has an office in a country subject to sanctions.

"These controls apply to export by both individuals and corporations and whether or not the goods or services are supplied from inside or outside Australia."

The level of due diligence required will vary depending on the nature of the activity you propose to engage in and the risk of non-compliance with Australian sanctions law. At a minimum DFAT expect you to:

• conduct your own checks on the person or entity involved in the sanctioned activity;

• understand the company structure (if applicable) and any links to designated individuals and entities;

• understand the end user and the end use of a good;

• check the Consolidated List to ensure you are not dealing directly or indirectly with a designated person or entity; and

• keep records of the due diligence that is conducted.

BorderWise: Taking the complexity out of compliance

BorderWise is a web-based product that brings together a range of cross-border content and data – including law and regulation, Tariffs, and duty rates – whilst delivering unique advanced search functionality for importers, exporters, customs brokers, legal experts and other trade professionals.

In a single window it provides an integrated Tariff Nomenclature for each country, and you can search and bookmark thousands of global customs publications, including tariff classifications, legislation, prohibitions and restrictions, Dual Use Goods and Munitions Lists, CITES, Prohibited Imports and Exports, and Dumping commodities.

The libraries also provide Free Trade agreements in full text, their specific Rules of Origins and certificate of Origin or Declaration of Origin requirements, so you can do all your due diligence checks before you import or export.

Featuring comprehensive reference libraries for various countries including Australia, Canada, the European Union, New Zealand, South Africa, the United Kingdom and United States, BorderWise also has intelligent search capabilities, so you can quickly find and bookmark relevant information.

Comprehensive and reliable information at your fingertips

Keeping up with ever-changing cross-border requirements and regulations from Customs and other partner Government Agencies – such as Biosecurity – when declaring goods for import or export purpose from a single country is complex, time consuming and requires knowledge of the numerous measures and laws that apply at the border.

This can result in increased exposure to non-compliance and ultimately penalties. For trade professionals, compliance is not an option – it's the law.

For many trade professionals and legal experts, BoderWise is the software of choice to assist with declaration reporting in a "pressure cooker" environment. It's designed to help you meet the demands of international trade volumes with speed and accuracy, while also providing peace of mind.

Improve visibility and manage your licenses with the BorderWise User Management Portal

The BorderWise User Management Portal empowers organisation administrators to view and manage your cross-company usage quickly and easily.

The User Management Portal has a range of useful features, including:

1. An intelligent dashboard with the information you need at your fingertips on licenses and usage, including a log of system activity.
2. A simple user menu to keep track of BorderWise licenses across your company, and filter by active, inactive and administration users.
3. Easy access rights management, enabling you to disable or deactivate an account when someone leaves your company or moves into a different role.

Special FTA members offer

Many FTA members have taken up our special BorderWise offer, benefiting from WiseTech Global's commitment to continually innovate and build the best trade ecosystems for global logistics. For more details on this special offer, visit FTAlliance.com.au.

Avoid the risk of penalties, costly delays or reputation loss. Let BorderWise navigate the complex world of border compliance and customs reporting for you.

What to do if you receive an infringement notice

By RUSSELL WIESE, Director – CGT Law

Imagine a system where the Australian Border Force (ABF) can issue fines without needing to prove that an offence was committed, and the amount of that fine is larger than what a Court would be likely to hand out for the same offence – That is the infringement notice scheme as currently administered by the ABF. Given the harshness of the infringement notice scheme, it is important that you understand what to do if you receive an infringement notice.

> *"While the payment of an infringement notice is not an admission of guilt, having received an infringement notice does not look great on your record."*

What is an infringement notice

The infringement notice scheme is sound in theory. It is a scheme whereby voluntary administrative penalties are issued for strict liability offences as an alternative to the Commonwealth prosecuting in respect of the same offence.

It is meant to apply to offences where there is really no dispute that the offence was committed and where it is not necessary under the law to prove an intent to commit the offence.

The amount of the penalty to be issued is less than the maximum that could be imposed by a Court.

Infringement notices are used by many Government agencies with border functions such as the ABF, the Department of Agriculture, Fisheries and Forestry, the Department of Climate Change, Energy, the Environment and Water and the Department of Health and Aged Care.

When are they issued

Not all offences can be the subject of an infringement notice. The Customs Regulations specify the offences that can be the subject of an infringement notice. The nominated offences are all strict liability offences, meaning that the offence is committed regardless of an intention to commit the offence. For the most serious offences, such as smuggling and deliberate avoidance of duty, infringement notices cannot be issued.

In the 2021/22 year the most common offences the subject of infringement notices were:

- False statements resulting in an underpayment of duty
- False statements not resulting in an underpayment of duty
- Offences relating to the movement of goods under customs control
- Breach of a condition of a depot licence
- A breach of outturn reporting requirements
- Importation of a prohibited import

Amount of the penalty

The main problem with the infringement notice scheme is that for non-duty related offences, the penalty is fixed at 45 penalty units ($12,375) for corporations. This means that the same penalty applies for the most serious breaches as for very minor breaches. For some offences, such as the deliberate releasing of goods prior to clearance, a $12K fine may be appropriate. However, there have also been instances of an infringement notice being issued for minor offences, such as errors on import declarations that have no security or duty consequence.

The high fixed penalty has the outcome that in some instances infringement notices are an unfair consequence and far exceed the penalty a Court would issue if the matter was prosecuted. For instance, in February 2023 the County Court of Victoria found that a defendant had smuggled 80,420 cigarettes which carried a maximum penalty of $84,000. However, the only penalty imposed by the Court was a $500 good behaviour bond.

While there would be increased uncertainty, the infringement notice scheme would be a lot fairer and more effective if ABF officers had discretion to issue lesser fines for less serious, inadvertent or first-time offences. A single $1,000 fine is likely to be sufficiently persuasive to change the behaviour of most customs brokers.

Effect of paying an infringement notice

While the fines are high, paying an infringement notice has the significant benefit that the recipient of the notice cannot be prosecuted for the alleged offence. It gives the recipient of the fine certainty that the matter is finalised.

If the infringement notice is not paid, the Commonwealth maintains the right to prosecute for the offence. This does not mean that the Commonwealth will prosecute. I have seen infringement notices issued for offences which I am sure that the director of public prosecutions would not have the inclination or resources to prosecute.

An infringement notice is not taken to be an admission of guilt and carries no conviction. However, this is not to say that the issuing of infringement notices will not be raised if your depot / warehouse / customs broker licence is ever called into question.

It is important to note that if an infringement notice relates to the seizure of goods (such as a prohibited imports) payment of the infringement notice will result in the forfeiture of the goods (transfer of ownership) to the Government.

If the infringement notice relates to an underpayment of duty, that duty will still be required to be paid in addition to the infringement notice.

Disputing an infringement notice

The recipient of an infringement notice can request the withdrawal of the notice. Generally, the request should be made within 28 days of the receipt of the notice. This is an internal review and is relatively informal. You also have the option of simply not paying the infringement notice.

If you disagree that an offence was committed or consider that the penalty is unfair, we recommend requesting the withdrawal of the infringement notice. While the payment of an infringement notice is not an admission of guilt, having received an infringement notice does not look great on your record. It is certainly an event that would need explaining if you were applying to become a Trusted Trader.

Even if the infringement notice remains, putting forward a strong case for withdrawal can help with maintaining your reputation and provide a credible explanation for an inadvertent breach.

We often assist importers, forwarders, depot operators and customs brokers in requesting the withdrawal of an infringement notice. Below are some of the topics we commonly cover:

Validity – Has the notice complied with the legal requirements, such as:

a) Was it served within the required timeframe

b) Does it include all relevant information

c) Is it addressed to the correct person

Offence – Was the offence actually committed:

a) Do you have all the details you need to consider the claim made by the ABF

b) Is there a defence to the offence, such as reasonable mistake of fact

c) Are all of the legal elements of the offence established

Providing context – Why did the breach occur and what steps have been taken to ensure that it will not happen again? This is particularly important if the breach occurred due to circumstances outside of your control. For instance, infringement notices are issued for a failure to lodge a cargo report or outturn report within a required timeframe. On occasions there can be legitimate and unavoidable reasons for a delay in lodging a report.

Reasons in favour of a withdrawal - Each case is different and there is no set criteria for withdrawal of an infringement notice. The factors that may be relevant are:

a) The seriousness of the breach

b) Whether the conduct of the relevant party was deliberate, careless, negligent or whether the breach was inadvertent

c) The compliance record of the relevant party

d) Any fault of another party, such as reliance on ABF advice or documents

e) Whether there are multiple infringement notices for essentially the same event or series of events

f) Whether the amount of the infringement notice is proportionate to the totality of the offending conduct

g) Whether the issuing of an infringement notice is consistent with any published compliance policy of the ABF or other Government authority issuing the fine

Infringement notices are here to stay. The Government has recently increased the size of the penalty by about 20%. The focus should always be on avoiding breaches that can result in the issuing of an infringement notice. However, sometimes this is not possible, and breaches occur even by companies with strong compliance records. If you do receive an infringement notice, specialist advice should be sought on whether there are grounds for the withdrawal of that notice.

“The main problem with the infringement notice scheme is that for non-duty related offences, the penalty is fixed at 45 penalty units ($12,375) for corporations. This means that the same penalty applies for the most serious breaches as for very minor breaches.”

CGT LAW
CUSTOMS AND GLOBAL TRADE

International transport of recyclables and electronics: keep up so you don't get caught out

By the DEPARTMENT OF CLIMATE CHANGE, ENERGY, THE ENVIRONMENT AND WATER (DCCEEW)

Customs brokers and freight forwarders directly contribute to efforts to achieve a circular economy through your participation in the movement of materials.

> *"All electronic waste exports should use the following Australian Harmonized Export Commodity Classification (AHECC) code: 8549 - Electrical and Electronic Waste and Scrap. This was added to chapter 85 in January 2022"*

Australian Government

Department of Climate Change, Energy, the Environment and Water

You are part of a system of regulation that supports safe transport of recyclables and problematic waste, and that holds producers to account for the waste that arises from their electronic products.

This regulation relies on you entering the right information into the Integrated Cargo System (ICS). Your client may also need to hold a licence or a permit. If they don't, both you and your client could be at risk of breaching obligations.

DCCEEW is here to help. Further information on the relevant Acts, rules and regulations you and your clients need to comply with are on the DCCEEW website at dcceew.gov.au/environment/protection/waste.

Exporting recyclable material – glass, plastic and tyres

The Recycling and Waste Reduction Act sets rules for exporting certain recyclable material. To obtain a licence, the waste being exported must be:

- Glass – processed into cullet or fines
- Plastic – sorted into a single polymer or resin and processed into a pellet or flake
- Tyres – crumbed or shredded for recycling or use as a fuel, tyres for reuse, and tyre-derived fuels (TDF)

This means that some material can't be exported at all unless your client holds an exemption to do so – such as whole baled tyres or unprocessed single polymer waste plastic. Check our website[1] for details of companies that hold licences and exemptions.

Ensuring only properly processed waste glass, plastic and tyres are exported prevents these materials from being dumped overseas. It also builds capacity to turn these waste materials into high-value recycled commodities in Australia. This creates jobs, builds a more sophisticated industry and has positive outcomes for the environment and community wellbeing in Australia and overseas.

Did you know?

From 1 July 2024, DCCEEW will regulate exports of waste paper and cardboard. Rules are currently under development.

Importing and exporting hazardous waste – check the detail

The Hazardous Waste Act covers the export, import and transit of hazardous waste, as well as other wastes including household waste and certain plastics. Hazardous waste includes toxic, explosive, corrosive, flammable, ecotoxic and infectious wastes. Common examples are:

- Used lead-acid batteries, including lead grid and paste
- Electronic and electrical equipment including components such as printed circuit boards
- Waste pesticides, chemicals and oils
- Medical wastes
- Plastics that are hazardous (for example, from computers and cars), mixed or contaminated
- Process Engineered Fuels (PEF)

Hazardous Waste and export and import controls are defined under an international agreement known as the Basel Convention. Determining if waste is hazardous and navigating the consent process can be complex. If your client is considering the export or import of hazardous waste, they should contact the Hazardous Waste section for assistance or visit our website for further information.

Did you know?

All electronic waste exports should use the following Australian Harmonized Export Commodity Classification (AHECC) code: 8549 - Electrical and Electronic Waste and Scrap. This was added to chapter 85 in January 2022.

Importing TVs and computers: Incorrect Customs Tariff Codes can be costly!

Customs brokers and freight forwarders play an essential role in Australia's only nationally regulated electronic waste recycling scheme, the National Television and Computer Recycling Scheme (NTCRS). Since 2011, the scheme has provided Australian households and small businesses free access to industry-funded collection and recycling services.

The NTCRS relies on Customs tariff code data to identify importers who are liable under the scheme, and the extent of their liability. Using the wrong Customs tariff codes could mean tens or even hundreds of thousands of dollars in additional costs for importers. Levies are calculated using the average weight of products covered by each Customs Tariff Code.

We're here to help. We want to ensure customs brokers and freight forwarders are confident they are using the correct Reference Number and Statistical Codes on customs declarations. We know there are many competing demands on brokers and freight forwarders and time is always short.

Did you know?

You can check the correct television and computer product codes in Schedule 1 of the Recycling and Waste Reduction (Product Stewardship – Televisions and Computers) Rules 2021, available on the DCCEEW website[2].

Contacting us

Hazardous Waste

If you require further information on hazardous waste rules and regulations, and obtaining a permit, please visit our hazardous waste permits page[3] , or contact us:

Phone: 1800 803 772

Email: hazardous.waste@dcceew.gov.au

Waste Exports Section

You can apply for a waste export licence through our Waste exports[4] page or by contacting us:

Phone: 1800 852 974

Email: exportwaste@dcceew.gov.au

National Television and Computer Recycling Scheme

Phone: 1800 332 783

Email: ewaste@dcceew.gov.au

> *"This regulation relies on you entering the right information into the Integrated Cargo System (ICS)."*

References

[1] *https://www.dcceew.gov.au/environment/protection/waste/exports/licence-exemption-list*

[2] *https://www.legislation.gov.au/Details/F2022C00986*

[3] *https://www.dcceew.gov.au/environment/protection/hazardous-waste/permits*

[4] *https://www.dcceew.gov.au/environment/protection/waste/exports*

Interview

How businesses can get ahead of critical infrastructure requirements

Paul Zalai, Director at Freight & Trade Alliance (FTA) recently sat down with Steve McSweeney, Director Strategic Accounts at Certis Security Australia to look at the above topic.

1. Paul Zalai – Steve, last year Certis hosted a briefing with the Australian Border Force and freight forwarding executives. Have there been any major security developments on your radar since then?

The biggest security development has to be the recent changes to the Critical Infrastructure (CI) Bill, which are specific to multiple industries, including freight. This Bill is continuously being discussed and tweaked, but as you can imagine, is a very important focus for Australia. Part of the new requirements for relevant organisations (i.e., those that manage critical infrastructure) include submitting a risk assessment to the government each year, incorporating cyber and physical attacks. As part of this risk assessment, organisations will have to outline various strategies to reduce risks.

In addition, real-time acknowledgement and reporting of cyber breaches to CCTV software and Electronic Access Control Systems are paramount to the new requirements of the CI Bill.

2. Paul Zalai - What kind of organisations does the Critical Infrastructure Bill refer to?

The regulation of critical infrastructure under the Security of Critical Infrastructure Act 2018 (the SOCI Act) now places obligations on specific entities in the electricity, communications, data storage or processing, financial services and markets, water, healthcare and medical, higher education and research, food and grocery, transport, space technology, and defence industries, so almost everyone is affected!

The SOCI Act was amended to strengthen the security and resilience of critical infrastructure by expanding the sectors and asset classes the SOCI Act applies to and to introduce new obligations. The Department of Home Affairs website has some great fact sheets to help understand who is affected and how.

3. Paul Zalai - How is Certis helping customers meet these requirements?

We're working closely with our customers and partners to ensure they're compliant and have all the resources to mitigate risks. For example, we provide access to real-time data for accuracy and ease of reporting. This includes access control information and CCTV recordings, which help to identify breaches and issues in a timely manner. Additionally, we can assist with physical security reviews & assessments, helping identify vulnerabilities for remediation.

4. Paul Zalai - Is security simply a case of supplying enough personnel and CCTV cameras, or have we evolved from this with other technologies?

Security has evolved significantly to go beyond just having security personnel and CCTV cameras. It's much more complex and integrated now with broader business operations. For example, we're using analytics as part of our security solutions to glean insights on how sites can be pro-actively secure, or operational response times can be improved. Additionally, we're also incorporating drone usage into our patrol services to increase safety for frontline personnel and gather additional CCTV data for further operational insights.

Technology is evolving rapidly, and we're constantly innovating and looking at ways the latest technological advancements can be integrated to improve the solutions customers' experience. While ripping things up and starting from scratch is sometimes the solution, it's not always the answer; in many cases, it can be a matter of tweaking existing solutions so they are utilised more efficiently

5. Paul Zalai - It's not just customers who need to pivot. How has Certis adapted to recent policy changes?

Security is an always-on task, and whether you're talking about physical or cyber, it can't be a set-and-forget approach. As such, we're working with customers to help them establish a culture of proactivity in relation to physical and cyber breaches, just as we have done. This requires having clear visibility across all aspects of the business and access to real-time data so potential issues or breaches can be addressed as a priority. The use of real-time data is imperative today; there's no room for weekly reporting as the information becomes outdated and damage can be done, whether physical or cyber, so quickly. The biggest change we've implemented over the last few years, and one we're working through with customers, is to build a culture of security that is ingrained into all levels, from frontline personnel to management.

6. Paul Zalai - Who should be involved in security planning? What would their role be?

Security of people, systems and property impacts the entire business operations, so it's a conversation that should involve leaders of all facets of the business. Obviously, if we're talking about cyber security then people such as the CISO or CIO should be a part of the conversation, but equally so should the CEO or COO and Risk Manager.

The security planning should also be communicated to every individual of the business so there is visibility across the whole company, not just the leaders.

Developing Supply Chain Security

By MARTIN MOSELEY, Superintendent - Australian Trusted Trader | Customs Division | Australian Border Force

In November 2022 the Australian Trusted Trader (ATT) Team participated in the Department of Home Affairs Portfolio Industry Summit at the International Convention Centre in Sydney. The ATT team facilitated two panel discussions at the event focused on 'Developing Supply Chain Security' and how the program had successfully worked to 'Deliver Supply Chain Security' over the past seven years. The panel members comprised ABF staff, industry and academia.

> *"Exploitation of the international supply chain can have multiple negative effects, not just on your business, but on the wider community."*

These panels led to extensive discussion and some debate; interestingly it generated a number of enquiries on key aspects of supply chain security, so I find myself today writing an article for Across Borders on how to establish an effective international supply chain security program. Given the limited space available, this article will only touch on the core concepts of the subject. If demand requires I will happily supply more detailed content in follow up editions.

ATT has engaged with more than 1800 Australian businesses over the past seven years. There are some businesses that can demonstrate a comprehensive understanding of supply chain security and how their international supply chain could be exploited. However, there are still businesses that struggle to understand the context of their supply chain, let alone how to secure it. The majority of businesses ATT engages with fall somewhere in between.

Throughout this seven year journey, ATT's extensive engagement with industry has yielded a variety of examples of supply chain security maturity. ATT has found that many businesses often required considerable help to develop a functional level of supply chain security. For some, even a basic understanding of the international supply chain remained elusive.

To address this, ATT has developed training programs that support business to better understand the core components of supply chain security and how to limit supply chain exploitation.

The 'ATT Online International Supply Chain Security Education Program' has recently been launched and includes eight initial modules intended to provide a basic understanding of supply chain security. This online program is available to all those active in the international supply chain, not just accredited Trusted Traders.

Exploitation of the international supply chain can have multiple negative effects, not just on your business, but on the wider community. It is not just your physical supply chain that can be exploited, it is also the information associated with your supply chain, both electronic and physical that can be exploited. A secure supply chain creates better outcomes for business and the community. The key to supply chain security is effective security management built on a clear understanding of the security risks specific to your supply chain context.

The first building block in developing an effective Security Risk Management (SRM) program is to undertake a security risk assessment tailored to your international supply chain. Accurately assessing relevant threats and identifying vulnerabilities is the first step to understanding the security risks and subsequent development of mitigation strategies to address them. The threats faced will change, based on a range of factors. Understanding who may be in a position to exploit your supply chain and how they would undertake this exploitation is the key to a meaningful supply chain security risk assessment.

ATT promotes a contemporary approach to SRM and expects accredited Trusted Traders to manage security risks within their international supply chain. All accredited Trusted Traders are bound by the conditions specified in the ATT Rule, which requires Trusted Traders to have a security risk assessment that identifies supply chain risks; and takes measures to ensure they mitigate those risks. Whilst this is a minimum requirement for Trusted Traders, it is good practice for any business and will ensure effective utilisation of a business's security budget.

Before we go any further, it is useful to explore why SRM is different to other risk management disciplines. SRM should fit within an organisation's established risk management framework, however SRM introduces a new element; the concept of someone deliberately introducing an exposure to potential harm and actively seeking to bypass controls.

SRM focuses on what can be described as non-linear events. This is a subtle but important difference from other types of risk management. For example in Workplace Health and Safety (WHS) risk management, it is assumed that the person wants to stay safe, so if effective controls are in place then they will prevent the event occurring. However, in security risk management we consider the threat of people deliberately circumventing the controls. For example a trusted insider (employee or person of trust) with criminal intent could utilise their knowledge to exploit potential vulnerabilities within the supply chain. Thinking of the Swiss cheese model things do not happen in a straight line in security, people will find ways to circumvent, or go around your controls; hence the description as non-linear.

To ensure your business successfully implements SRM, it is important to understand how to embed the security risk process into day-to-day business operations. The trusted insider threat requires a proactive approach to security with a focus on effective governance. Businesses often struggle to make this shift because it is easy to focus on the tangible security outcomes such as the gates, cameras, guards; all those things you can see. SRM requires different thinking to focus on the things you cannot see. Particularly when we are asking a business to look at the trusted insider, we are asking them to consider who in their organisation has the ability to exploit them.

This is why we ensure that Trusted Traders focus on security risk management and have built resources to support this journey.

Once we understand the potential impact of the trusted insider it becomes critical to focus on who is responsible, who has influence over the entity's supply chain, who can make changes, and do these changes raise a red flag where appropriate? One of the key factors is security culture, but while we all understand culture, it is not always easy to define or change it; however it is critical if we are to effectively manage security. Adash Janiszewski, CEO of Providence, noted at the Home Affairs Summit in 2022:

"There needs to be an effective governance structure that provides accountability, oversight, personnel security and awareness to reduce the impact of a trusted insider event occurring and ensures your business processes are resilient to any trusted insider attack."

There is a lot to consider here, however effective governance and personnel security are the key to securing your business and your supply chain. A good place to start is by considering the following:

- Areas of vulnerability within your international supply chain.
- Who would exploit your international supply chain and why?
- How your supply chain could be exploited and why?
- What would be the likelihood of this occurring?
- What would be the consequence?
- Appropriate measures to reduce risk to a tolerable level.
- Residual risks (such as doing business on the internet) and allocate responsibility for managing these risks.

Why focus on SRM? A risk-based approach to security ensures improved corporate governance and transparency of decision making through managing risks that threaten the ongoing sustainability of the organisation. Such an approach greatly assists in justifying the organisation's investment in security and ensures the investment is not wasted. Organisational resources are finite and should be used as efficiently as possible. SRM helps rationalise security expenditure and ensure resources actually mitigate the risk. The ATT team has often seen the implementation of costly security measures that have limited, if any, impact on the risk to a business' supply chain security.

The effective implementation of SRM will deliver a more efficient deployment of business' resources towards effective security controls. Any funds invested in security should be allocated through a risk-based approach. This is achieved through implementation of integrated security controls to reduce the risk to tolerable level. This needs to be context and entity specific, understanding that there is no one size fits all approach.

The next step in the journey, once the security risk assessment is completed is to develop the security mitigations. These need to include an effective security governance structure and personnel security program, in most cases these will be embedded within existing corporate governance and human resource management structures.

In conclusion Security Risk Management (SRM) is the starting point of effective international supply chain security, supported by appropriate security governance and personnel security. If feedback indicates an interest, ATT will provide follow up articles on security governance and personnel security.

In closing, I would encourage you to complete the Australian Trusted Trader Online International Supply Chain Security Education Program to gain an introduction to international supply chain security.

> *"The effective implementation of SRM will deliver a more efficient deployment of business' resources towards effective security controls"*

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Calendar
of events 2023

Freight & Trade Alliance (FTA) is accredited by the Department of Agriculture, Fisheries and Forestry (DAFF) (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

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.

2023-2024 CUSTOMS BROKER LICENSING PERIOD

Member Early Bird Registration (closes 1 month prior to the event) at a cost $330 (incl GST) - **REGISTRATION NOW OPEN**

- Member Rate - $385 (incl GST)
- Non Member Rate - $495 (incl GST)
- Student Rate - $99 (incl GST)

Registration to a face-to-face session provides you with 30+ CPD points and your CBC as a part of one registration as follows

- attendance at one of the listed CPD Border Compliance Program events - 21 CPD points complimentary access to the Mandatory Continued Biosecurity Competency (CBC) Activity(s) for Class 19.1 Non-commodity for containerised cargo clearance (NCCC) and Class 19.2 Automatic entry processing for commodities (AEPCOMM) assessment via www.ComplianceNetFTA.com.au as prescribed by the Department:

- complimentary online access to additional 6 CPD points in Stream A via www.ComplianceNetFTA.com.au

2023 - 2024 CPD BORDER COMPLIANCE PROGRAM MARK YOU DIARIES!

SYDNEY
Friday, 5 May 2023 & repeated
Saturday, 6 May 2023
Novotel Brighton Beach Hotel, Brighton Le-Sands

MELBOURNE
Friday, 19 May 2023 & repeated
Saturday, 20 May 2023
Hyatt Place, Essendon Fields

BRISBANE
Wednesday, 14 June 2023
Brisbane Airport Conference Centre, Brisbane Airport

PERTH
Saturday, 24 June 2023
Hyatt Regency, Perth

ONLINE TRAINING

FTA offer practical online training at 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

REGISTER NOW at

www.FTAlliance.com.au/upcoming-events

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