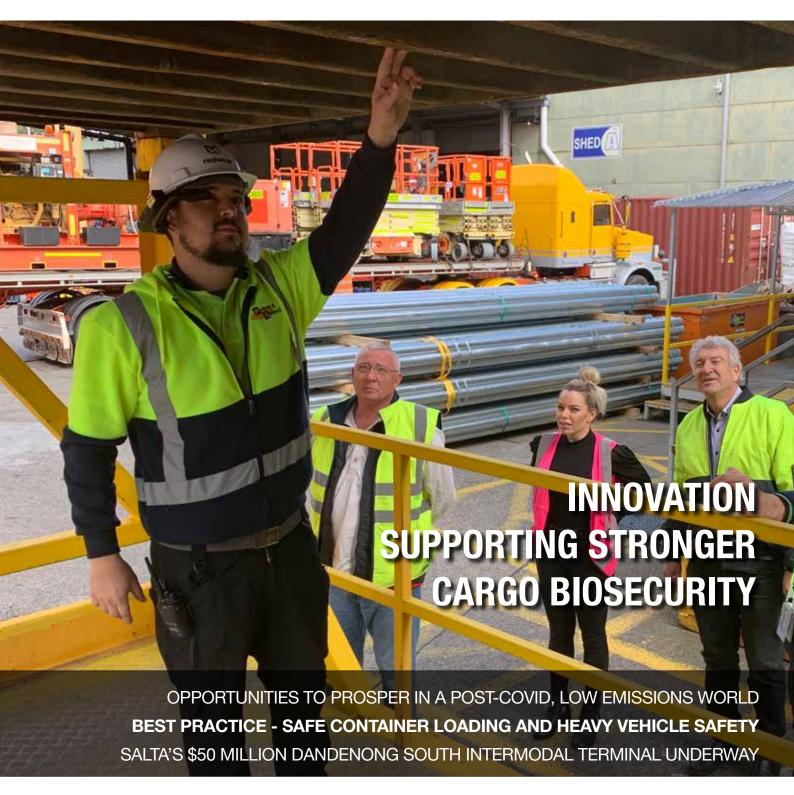
ACROSS BORDERS



"KEEPING AUSTRALIA'S INTERNATIONAL TRADE MOVING"









SOUTH EAST INLAND PORT NOW CONFIRMED FOR NEXUS DANDENONG SOUTH

Salta Properties is proud to have helped 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 Cranbourne Railway Line and Western Port Highway. The Dandenong South Intermodal Terminal will offer tenants direct access to the Port of Melbourne through the Inland Port Rail Network.

Join Bunnings, Woolworths, Visa Global Logistics, Silk Contract Logistics and Haulotte in Melbourne's perfectly positioned South East Logistics and Warehousing hub.

- Purpose built warehousing available
- 180Ha providing 500,000sqm of purpose built warehousing
- Direct access from the Port of Melbourne to the Dandenong South Intermodal Terminal
- 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 Cranbourne Railway Line, Western Port Freeway and the M1.



Intermodal Terminal

The 11 hectare Intermodal Terminal will cater for an initial annual capacity of 100,000 TEU. Work will start early in 2021, and the first phase of the project is expected to take just 24 months from works commencement.



Major road connections

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

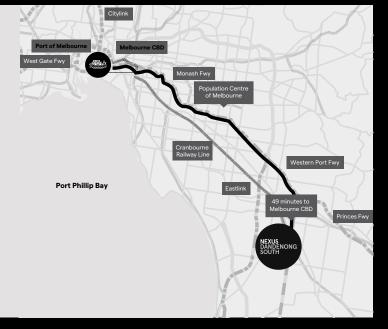


HPFV approved routes

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











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SPRING 2020



Recovery from the global pandemic with a focus on the efficient movement of goods

Freight & Trade Alliance (FTA) and the Australian Peak Shippers Association (APSA) have actively engaged with the Climate Change Authority as a part of their new research report, *Economic recovery, resilience and prosperity after the coronavirus*.

Importantly, the report identifies measures that will contribute to a 'triple-win' stimulus package in a low-emissions world offering a once-in-a-lifetime opportunity to not only jump-start an economic recovery but also set up Australia to prosper for generations to come.

FTA and APSA will continue to advocate for measures to build resilience to the economic impacts of the changing climate and to position Australia to take advantage of our abundant clean energy resources and emerging low-emissions technologies.

One particularly exciting opportunity is the potential for Australia to produce zero carbon bunker fuel for shipping to simultaneously create a new export industry, promote jobs and enhance the nation's fuel security.

In this Spring 2020 edition of Across Borders, we proudly showcase commentaries from members on how they are planning for the long term challenges associated with the global response to climate change.

We also extend our sincere appreciation to Brad Archer (CEO, Climate Change Authority) for his detailed foreword and for his personal interest in supply chains and transport related reform.

Our message is gaining traction that it is the efficient movement of goods through innovative solutions that will lead our economic recovery. FTA and APSA will continue a close relationship with the Authority and will support an increasing broader paradigm shift in government priorities in favour of exporters, importers and logistics providers.

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

Opportunities to prosper in a post-COVID, low emissions world

By BRAD ARCHER, Chief Executive Officer - Climate Change Authority

As we continue the fight to keep the coronavirus under control, governments have begun looking beyond the immediate emergency health and economic responses and towards longer term stimulus measures to support Australia's economic recovery.

In the Climate Change Authority, we are principally concerned with another highly profound problem – that of global warming. However, responding to the challenges of the pandemic and climate change come together in the Authority's recent research report *Economic recovery, resilience and prosperity after the coronavirus*. The Authority sees a "win-win-win" opportunity for economic recovery, resilience and prosperity.

The Authority found there are economic stimulus measures that could help jump start the economy, build our resilience to future shocks and position Australia to take full advantage of our clean energy resources and emerging low-emissions technologies – thereby positioning us to prosper in a world shifting to net zero emissions to avert the worst impacts of climate change.

A triple-win stimulus package could stimulate a virtuous cycle for Australia's future. The more prosperous our economy,



the greater our capacity to enhance our resilience, and the greater our resilience the better placed we are to maintain our prosperity in the face of difficult challenges.

I am grateful to have had the opportunity to meet with Freight & Trade Alliance (FTA) and the Australian Peak Shippers Association (APSA) to help the Authority understand the impact of COVID-19 on international supply chains and transport, and how these organisations are thinking about the long term challenges associated with the global response to climate change.

Worldwide, there is a growing focus on emissions associated with the production, transport and use of goods. As the world decarbonises, a significant competitive advantage will accrue to sellers of goods that can demonstrate a zero or low carbon footprint, and broader environmental sustainability credentials, right across their product life cycles. For both attracting investors and consumers.

For example, Australia's second largest superannuation fund, First State Super, has announced that in response to climate risks, it will reduce emissions in its listed equities portfolio by at least 30 per cent by 2023, seek a 45 per cent reduction by 2030 and divest from businesses that derive more than 10 per cent of their revenue from thermal coal mining. And a coalition of institutional investors, with more than US\$16 trillion in assets under management, has launched the Net Zero Investment Framework for Consultation, intended to assist investors to align their portfolios with net zero emissions by 2050.

Countries are also considering trade measures, such as tariffs, to discourage goods which embody a high emissions content. The European Union is currently consulting on the design of a 'carbon border adjustment', which it intends to introduce no later than 1 January 2023.

International civil aviation and maritime bunker fuel emissions are by convention not included in any individual country's total greenhouse gas emissions. Australia's national emissions total includes emissions from the direct combustion of fuels within Australia for transportation by road, rail, domestic aviation and domestic shipping (which account for just under 19% of Australia's emissions). Figure 1 shows both domestic and international sources of transport emissions for Australia. There are clear upward trends in domestic transport emissions and international aviation emissions.

The economic impacts of countries' responses to COVID-19 have caused a significant reduction in global emissions, including in the transport sector. One study has estimated that more than half of the world's population reduced their regular travel by more than a half. However, this reduction is likely to be temporary. And this, obviously, is not the way we want to reduce emissions!

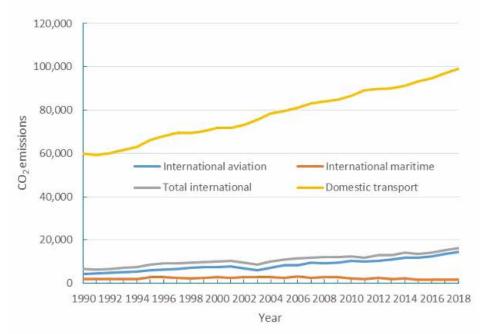
The leading global civil aviation and maritime associations are taking significant, proactive steps towards reducing the carbon footprints of their respective sectors.

The international civil aviation sector accounts for about 1.3% of the global CO2 emissions and this was trending upwards prior to COVID-19. In response, the International Civil Aviation Organisation (ICAO) is implementing its Carbon Offsetting and Reduction Scheme for International Aviation, targeting (prior to COVID-19) carbon-neutral growth in the sector from 2020. The strategy relies on efficiency improvements of current technology and using emissions offsets to achieve carbon-neutral growth.

Beyond these activities, the most promising candidate for aviation abatement is the introduction of biofuels or low-emissions synthetic jet fuels. These candidates are well-understood technologies; however, they face technical and economic challenges to deployment at sufficient scale.

The International Maritime Organization recently estimated the share of international shipping emissions in global anthropogenic emissions at about 2%. Its greenhouse gas strategy incorporates

Figure 1: Australian Transport CO2 Emissions (kilotonnes)



Source: Australia National Inventory Submission 2020 (UNFCCC Common Reporting Format tables) https://unfccc.int/documents/228034

a target of reducing emissions from international shipping by 50 per cent by 2050 compared with 2008 levels. Shipping faces challenges in replacing the current dominant fuel-very heavy oil-at scale, primarily due to its very low cost.

Lower emission alternatives include currently available but higher cost fuels like liquefied natural gas (LNG) or potential alternatives such as hydrogen or ammonia. The IMO's current efforts are focusing on improving ship design and efficiency.

Developing renewable and sustainable transport fuels

Five leading Danish companies operating in international transportation and logistics have joined forces with a multinational energy company and the City of Copenhagen to develop an industrial-scale production facility to produce sustainable fuels for road, maritime and air transport.

Copenhagen Airports, A.P. Moller - Maersk, DSV Panalpina, DFDS, SAS and Ørsted announced on 26 May 2020 they have formed a partnership that brings together the demand and supply side of the sustainable fuels market, with a vision to establish a new hydrogen and e-fuel production facility as soon as 2023. When fully scaled-up by 2030, the project could deliver more than 250,000 tonnes of sustainable fuel for buses, trucks, maritime vessels, and airplanes every year and reduce annual carbon emissions by 850,000 tonnes. (https://www.maersk.com/ news/articles/2020/05/26/leading-danishcompanies-join-forces-on-an-ambitioussustainable-fuel-project)

In Australia, the CSIRO on 4 August 2020 released its report Opportunities for hydrogen in commercial aviation. Prepared in collaboration with Boeing, the report outlines pathways for the use of hydrogen and hydrogen based fuels within commercial aviation, identifying opportunities that could be realised over the next 5, 10 and 30 years.

The efforts of the ICAO and IMO to reduce international aviation and shipping emissions will have flow-through impacts for domestic aviation and maritime emissions. These agreements should lead to the availability of more efficient aircraft and ships, which could be incorporated into Australian domestic operations. The Australian Government is supporting both international agreements.

However, it is not just a case of Australia waiting for clean technologies and supply chains to emerge. We have a very significant opportunity to contribute to their development and for our economy to benefit directly.

Australia has a range of initiatives underway that could position us very well as the aviation and shipping sectors, and the global economy generally, transition to a low emissions future. These include the National Hydrogen Strategy, which aims to remove market barriers, efficiently build supply and demand and accelerate our global costcompetitiveness. Its stated measures of success include Australia becoming a top three exporter of hydrogen to Asian markets and that we have a robust, internationally accepted scheme for certifying the origin of our hydrogen.

The Australian Renewable Energy Agency is developing a bioenergy roadmap, intended to help inform the next series of investment and policy decisions in the bioenergy sector. The roadmap will examine the role the bioenergy sector can play in accelerating Australia's transition to clean energy.

And the Australian Government will release its first Low Emissions Technology Statement later this year. This will prioritise technologies for inclusion in the Government's investment portfolio for reducing emissions - to help accelerate their development and deployment, in partnership with the private sector and like-minded countries.

In the Climate Change Authority, we are embarking on a body of work to explore how Australia can take advantage of the opportunities presented by growing low carbon trade and investment. We intend to examine:

- how we can classify and map the low carbon economy
- how climate policy, financial regulation and public investment can promote investment in the low carbon economy
- the challenges and opportunities for Australia presented by the global shift towards net zero emissions and possible policy responses from a trade and climate policy perspective.

COVID-19 is presenting challenges for Australia, and most countries around the world, that we have not seen the likes of since World War II and the Great Depression. In Australia, its emergence followed an unprecedented bushfire season and prolonged drought, which have already taken a significant toll in many communities. Taking an optimistic view, there are many opportunities we can seize to grow our economy and build a more resilient and prosperous Australia as we emerge from the impacts of the coronavirus.



Australian Peak Shippers Association - Report from the Chair

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

The Australian Peak Shippers Association (APSA) celebrated its 30th Annual General Meeting on 27 August 2020.

During this milestone event, I was privileged to be elected as the association's Chair.

This appointment follows a two year period as Vice Chair supporting Sean Richards who did a tremendous job as Chair leading the association and our engagement with state and federal governments. We wish Sean all the very best as he continues his executive general manager role at Visy Logistics overseeing their impressive expansion activities.

We would also like to express our appreciation to David Werner from Cargill for his support as a valued APSA Committee of Management (CoM) member over the last two years.

Visy maintains its representation with Brian Thorpe replacing Sean on the CoM. We also welcome Justin Bond from SunRice, Brian Wright who is replacing Michael Dunstan as the representative for the Australian International Movers Association (AIMA) and Stacey McKenna who replaces Patrick Hutchison as the representative for the Australian Meat Industry Council (AMIC). All bring enormous experience in international shipping and landside logistics to our team.

I very much look forward to working closely with fellow officers of the association being Paul Zalai as Secretariat, Kurt Wilkinson from Fletcher International Exports who has been elected Vice-Chair and Eimear McDonough from Namoi Cotton and the Australian Cotton Shippers Association (ACSA) who continues as Treasurer.

I am proud to lead an incredibly high calibre representative group, essential to support Australian exporters during these difficult times.

Importantly, the AGM also addressed the following advocacy activities:

- representation and evidence before the Joint Standing Committee on Foreign Affairs, Defence and Trade into the public hearing 'Impact of COVID-19 on Australia's defence, trade and international relations';
- essential services (stage 4) Victorian COVID-19 restrictions;
- submission to the Federal Treasurer on 17 July 2020 recommending allocation of additional relief measures to support the air cargo supply chain sector;
- extension of the duty concession on imports of certain medical and hygiene products for use in combatting COVID-19 until 31 December 2020; and
- Border and Biosecurity trade digitisation and automation, cargo tracking, cost recovery and service performance measurement.

As members will also recall, FTA / APSA provided a formal submission in response to the Australian Competition and Consumer Commission (ACCC) discussion paper *Proposed Class Exemption for Ocean Liner Shipping*. Advice from the ACCC is that following the pandemic outbreak, they are likely to soon resume consultation towards a class exemption.

Finally, FTA/ APSA also provided a submission to the Independent *Review of the Victorian Ports System* on 14 August 2020 making seven (7) recommendations:

- 1. the Victorian government to include into the PPAR two-way disciplines between stevedores and transport operators to minimise adverse operational delays and provide predictability in shippers' landed costs:
- 2. the Victorian government align the PPAR to PBLIS to mandate that stevedores must provide free storage for the day the container is returned from the CEF and for the next two days after that;
- 3. the VPPM to measure truck turnaround time from entry within the port precinct to account for queuing times outside the stevedore gate;
- 4. Freight Victoria to engage with Transport for NSW to establish 'best practice' empty container park practices;
- 5. the Victorian government extend the PPAR to force shipping lines starting the container detention clock from after CEF processing and Border Hold has been released;
- 6. the Victorian government extend the PPAR to force empty container parks to recover all operating costs from their commercial client (shipping lines) rather than booking fees imposed on third-party transport operators; and
- 7. the Victorian government extend the PPAR to force stevedores to recover all operating costs from their commercial client (shipping lines) rather than Infrastructure Surcharges / Terminal Access Charges imposed on third-party transport operators.

FTA / APSA will continue its advocacy to ensure that market forces can be reintroduced with a removal of stevedoreimposed Infrastructure Surcharges. An open and competitive environment will determine appropriate price for services without the need for further government monitoring or intervention.

2020 /2021 APSA Officers and Committee of Management

- Chair: Olga Harriton (Global Logistics Manager Manildra Group);
- Vice-Chair: Kurt Wilkinson (General Manager Commercial Commodities & International Division - Fletcher International Exports);
- Treasurer: Eimear McDonagh (Director- Australian Cotton Shippers Association);
- Paul Zalai (Secretariat, APSA)
- Stacey McKenna (Australian Meat Industry Council);
- Flaminio Dondina (General Manager Procurement Casella Family Brands);
- Peter Morgan (CEO Australian Council for Wool Exporters and Processors);
- Brian Wright (Australian International Movers Association);
- Brian Thorpe (International Shipping Manager Visy Procurement); and
- Justin Bond (Head of Global Shipping and Customer Service SunRice)



The Beirut Explosion and dangerous goods – are you protected?

By FRAZER HUNT - Partner, Mills Oakley, Sydney.

The recent devastating explosion in Beirut is a timely reminder to those carrying, handling and storing dangerous goods to exercise due diligence and to comply with regulations when handling dangerous goods.

The shippers and forwarders involved in the misdeclaration will be held liable for the consequences, so here is a brief guide as to possible steps that can be taken to minimise your exposure to such claims:



The IMDG code is the internationally accepted guide for the identification and safe transportation of dangerous goods in packaged form. The code is mandatory under SOLAS regulations and provides advice on the packaging, labelling, stowage, segregation, handling and emergency response for each hazardous substance. In particular, it requires the issue of a compliant Dangerous Goods Transport Document and a Dangerous Goods Container Packing Certificate for each container. The code also imposes mandatory training on dangerous goods for shore-based personnel including shippers, freight forwarders, container packers and shipping line operators. Each dangerous good listed in the code has a 'proper shipping name' and one or more four-digit United Nations (UN) identification numbers and the code identifies subsidiary risks, UN packing group(s), special provisions, limited quantity per inner packaging, packing instructions, special packing provisions, emergency schedules for fire and spillage, stowage and segregation provisions, and cargo properties and observations. In short, it is a guide on handling dangerous goods by description and categorisation.

It is particularly important that the relevant dangerous goods are properly identified, declared and documented, as they will then be appropriately handled by the carrier, protecting not only the shipment itself, but also the carrier, warehouse and dockworkers and the general public. Otherwise, undeclared dangerous goods will be handled by carriers as nonhazardous cargo, with obvious risks, and misdeclared goods will not be handled correctly, creating dangers for the ship and crew and other cargoes. The shippers and forwarders involved in the misdeclaration will be held liable for the consequences, so here is a brief guide as to possible steps that can be taken to minimise your exposure to such claims:

1. Implement "Know Your Customer" policies and procedures that will verify that new customers are reputable organisations and have a history of shipping the relevant

cargo on the route requested. Make sure that they are a proper legal entity and that the relevant manufacturer (if not the customer) is identified and uses an independent testing laboratory. Then the new customer should be required to complete a form that includes full organisation details, their insurance arrangements, supply chain details and trade references. They should also be asked to sign a copy of your up to date standard terms and conditions with appropriate indemnities and agree to be bound by them.

- 2. Review your customer's description of the goods to identify vague descriptions that might identify dangerous goods. One actual example is the description "computer parts" that turned out to be lithium batteries that were shipped LCL and caught fire in transit, destroying the other goods in the container and putting the vessel at risk.
- 3. Scrutinize any changes to documents and descriptions of goods after the shipment has been booked and/or is already in transit. For example, changes to the parties to a bill of lading should involve further "Know Your Customer" investigations and changes to goods descriptions should be scrutinised and explanations sought.
- 4. Do not accept guarantees or letters of indemnity unless supported by a bank and also for a legitimate purpose for example, an offer by shippers to indemnify you for the consequences of issuing shipping documentation with a clear misdescription of goods should be rejected such conduct is fraudulent and the indemnity will be unenforceable.



Safe Container Loading Practices & Heavy Vehicle Safety

Container Transport Alliance Australia (CTAA), Freight & Trade Alliance (FTA) and the Australian Peak Shippers Association (APSA) have partnered with the National Heavy Vehicle Regulator (NHVR) to create the **Safe Container Loading Practices & Heavy Vehicle Safety** campaign.

The campaign is part of the NHVR Heavy Vehicle Safety Initiative (HVSI) funded by the Commonwealth Government, and has also attracted the support of ICHCA Australia, and global organisations such as the Global Shippers Forum (GSF) and the World's leading transport and logistics insurer, TT Club.

Cargo inside shipping containers that is poorly packed, poorly restrained or unevenly distributed can cause serious safety issues through the transport chain. This may compromise vessel safety, rail transport safety, and road transport safety, including the heightened risk of truck rollovers, load shifts contributing to road accidents, and heavy vehicle axle mass breaches.

Container transport in Australia will experience significant growth over the next two decades.

In 2017/2018, there were over 8 million Twenty Foot Equivalent Units (TEUs) exchanged through Australia's capital city container ports of Melbourne, Sydney, Brisbane, Adelaide and Fremantle. By 2032/2033, the task is expected to grow to over 19 million TEUs.

Over 80% of containers are transported by road, with a current estimate of over 3 million truck trips per annum carrying full containers to and from ports. With the forecast rise in the container freight task out to 2032/2033, the number of truck trips will more than double to over 7 million trips per annum.

Under Chain of Responsibility (CoR), importers, exporters, and freight forwarders have obligations to ensure that their actions (or inactions) do not contribute to a breach of the Heavy Vehicle National Law (HVNL). This includes taking practical steps to ensure

that cargo inside shipping containers is packed and restrained so that it does not cause a breach of road laws.

If you neglect your duties in this regard, you could be risking the lives and well-being of every person who comes within reach of containers you or your supply chain partners have loaded and shipped internationally and domestically.

The Safe Container Loading Practices campaign will be launched in mid-September and will be complemented by a series of practical Webinars raising awareness of best practice in container cargo and transport safety.

Unique resources will accompany the campaign, including:

 A free online training course developed in collaboration with WiseTech Academy, suitable for all parties in the container transport logistics chain.

The online course will raise awareness about the consequences of unsafe container loading practices, how to minimise risk in containerised cargo packing and transport, the practical application of Australian CoR laws, and truck rollover prevention;

- A Safe Container Loading Practices Checklist for use by importers, exporters and their packers, both in Australia and overseas.
- Links to Australian best practice guidance, including the Australian Load Restraint Guide, the Australian Dangerous Goods Code, and workplace health & safety guidance on safely packing or unpacking containers; and
- Links to International best practice guidance, including the IMO Code of Practice for Packing of Cargo Transport Units (IMO CTU Code).

CTAA, FTA, ASPA and ICHCA Australia will be promoting the online training course and campaign resources during the Webinars in October and early November 2020.

The online course, campaign resources and the Webinars will be made available to all on a free of charge basis as a part of the Commonwealth Government's funding.

Join us in promoting safe container loading and transport practices to minimise death, injury and commercial loss.

The course will be complimented by a series of FREE webinars with presentations from leading experts in their fields:

Implementing Best Practice Container Packing

Tuesday, 13 October 2020 (12.00pm to 1.00pm AEDT)

Overseas Packing Requirements to Facilitate Onshore Biosecurity Treatments

Thursday, 15 October 2020 (12.00pm to 1.00pm AEDT)

Chain of Responsibility and International Transport Obligations

Wednesday, 21 October 2020 (12.00pm to 1.00pm AEDT)

Chain of Responsibility and Container Transport

Wednesday, 28 October 2020 (12.00pm to 1.00pm AEDT)

Insurance & Commercial Considerations

Wednesday, 4 November 2020 (12.00pm to 1.00pm AEDT)









To register for the **FREE** online course or FREE webinars go to

www.FTAlliance.com.au

Further enquiries please contact Caroline Zalai on 02 9975 1878

SAFE ROADS...

A unique online training course has been developed in

- Introduction and impact of unsafe container loading
- Packing and minimising risk for containerised cargo
- Truck Rollover Prevention
- Heavy Vehicle National Law and Chain of Responsibility
- A practical application of the HVNL and Chain of Re sponsibility Laws
- International organisations and conventions for safe transport

Supporting organisation: ICHCA Australia

A Heavy Vehicle Safety Initiative administered by the NHVR on behalf of the Commonwealth Government







Sustainability remains at the forefront of the ports industry

By ADAM COOPER, Company Secretary / General Counsel – Flinders Port Holdings

As industries across the globe face up to the coronavirus pandemic, positive news has been hard to come by. Yet one positive trend has arguably maintained momentum even in the face of COVID-19. Over the last six months the issue of sustainability has remained at the forefront of industry and investor debate about the future of our economies.

As this edition of Across Borders Magazine highlights, this positive trend has been apparent in ports and logistics. Most of Australia's major port operators have now published or are on their way to publishing sustainability policies and plans. We at Flinders Port Holdings published our own group-wide plan in April, centralising coordination, oversight, and delivery of our work in this space.

What is most telling within this trend is that the majority of these plans, our own included, are not siloed but instead directly aligned with overall business strategies. Instead of an addendum to business planning, sustainability is now seen as a central facet of it and a value generator in its own right. Furthermore, if we are to future-proof our businesses and our infrastructure then working in a sustainable fashion now is critical. Sustainability is not only about building an ethical business, it is about building a resilient business.

We have already started to make significant progress at our operations. At the Flinders Adelaide Container Terminal, we have significantly cut energy consumption. We have also entered into a Virtual Generation Agreement for the increased supply of renewable-based electricity across our Port Adelaide facilities. We are also working to ensure sustainable practice is embedded across our supply chain operations beyond the wharf. This is important to our customers who are increasingly engaging with us as their end-to-end supply chain partner.

On a strategic level, we have set out medium-term and stretch goals across





Environmental, Social and Governance (ESG) metrics. There are other approaches to sustainability planning but for our stakeholders, including investors, and customers the ESG framework allows us to measure and communicate progress, and to plug in to wider sustainability programs being implemented through supply chains we operate in.

Indeed, compatibility in approaches to sustainability across the supply chain space should be the long-term goal of the sector. Ports Australia's soon to be published Port Sustainability Strategy Development Guide will enable ports and port businesses to take a systematic approach to sustainability strategy development which is aligned with industry good practice. There will not be a one-size fits all model, but Australia's supply chain sector overall will benefit if there can be consistency in approaches to and measurement of sustainability.

While in the near-term the market will continue to be challenging, what the sustainability trend shows us is that threats – in this case threats linked to environmental degradation and climate change – can lead to innovation and value creation. The

embedding of sustainability into the supply chain sector is hugely exciting. And we are seeing other exciting innovation being driven by businesses looking to become more resilient. In South Australia we have seen a marked increase in interest in our Flinders Warehousing and Distribution (FWD) operations. FWD enables tailored supply chain solutions, including warehousing, distribution, customs, quarantine and transport. This model is saving our partners time and money, but it is also giving them peace of mind in what is becoming an increasingly complex supply chain environment.

Whether it is progress on sustainability or integration there are positive trends within the supply chain sector, particularly in Australia. As we start to emerge from COVID-19 there is an opportunity to further embed sustainable and innovative practice as trade recovers. We will certainly be pushing this agenda.





Through integrated stevedoring, infrastructure and logistics services, Flinders Port Holdings connect South Australian businesses to each other and to the world.

flindersportholdings.com.au





Port of Melbourne welcomes largest container capacity ship to dock in Melbourne

Sal Milici, Head of Border & Biosecurity - FTA / APSA

was recently a guest of Victoria International Container Terminal (VICT) for the arrival of the CMA CGM Ural that berthed at the VICT facility in the Port of Melbourne. The following media release was provided by Port of Melbourne.





The Port of Melbourne (PoM) welcomes the CMA CGM Ural, the largest container ship by maximum capacity to call at the port.

The 299 metre long vessel is one of six currently deployed on the South-East Asia - Australia trade route called the 'AAX1'. It commenced its 42-day round-trip in Malaysia, calling at Singapore. It then made its way around Australia's south-west coast and arrived into Melbourne's Webb Dock for handling by terminal operator Victoria International Container Terminal (VICT).

Named after the Ural mountain range that runs from north to south through western Russia, the vessel can carry up to 10622 TEU, with containers stacked up to 12 high on-deck.

Compared to the 4,500 TEU carried by the average container ship currently

calling at PoM, this is a significant increase in load carrying capacity.

The CMA CGM Ural will spend 44 hours in Melbourne before departing for Sydney and Brisbane.

Brendan Bourke, CEO Port of Melbourne, said the arrival of CMA CGM Ural is an indicator of the durability of Australia-Asia trade, despite the challenges presented by COVID19 and recent natural disasters. It demonstrates the port's ability to accommodate the next generation of global container vessels.

"The arrival of CMA CGM Ural shows Port of Melbourne's capacity to service the growing number of bigger vessels we'll see into the future. PoM's operations have undergone significant change over the years including automation, changes to supply chains, and to the infrastructure that supports them." "We're always looking at ways to leverage the significant capability of our operations. We've developed a 30-year strategy that addresses PoM's critical role as part of an interconnected network of physical infrastructure, commercial systems and land-uses," he said.

Anthony Orgill, General Manager Asia ANZ Lines, ANL, said the arrival of the vessel was significant for the shipping industry.

"By implementing larger container ships into our services, we can support clients operating between Australia, South East Asia and beyond. Today's occasion marks a fantastic milestone as a business and as an industry, highlighting our ongoing evolution to accommodate increasing demand, population growth and productivity," he said.

Tim Vancampen, CEO, VICT, stressed the arrival of CMA CGM Ural highlights the growth of the shipping industry and brings further economies of scale to the Victorian market and supply chain.

"VICT welcomes the 10,622 TEU CMA CGM Ural as the largest capacity vessel to call at the Port of Melbourne and congratulates all parties involved," he said.

Service



Patrick Chan, Chief Commercial Officer - VICT

"VICT is well equipped to accommodate this class of vessels ranging from 10,500 – 13,000 TEU and plans to further invest in the Port of Melbourne to accommodate the next generation of vessel ranging from 15,000 to 18,000 TEU. We will ensure that Port of Melbourne will continue to fulfil its role as the main gateway to Victoria, and consolidate and expand its position in the global shipping network."

Distribution

Management



Sal Milici, Head of Border & Biosecurity - FTA / APSA



Media inquiries Michelle Hindson, Port of Melbourne, 0414 207 049

Grace Business Services

As a leader in commercial project logistics, Grace is committed to working closely with you and your clients to effectively manage every step of your refurbishment and fit-out project to ensure it's a complete success.

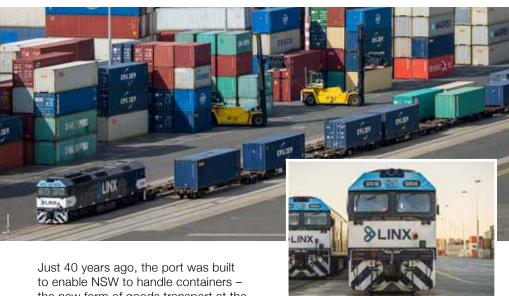
From hospitals and hotels to educational facilities and corporate offices, our solid reputation has been built on our capability, expertise and resources to provide an extensive range of bespoke fit-out services, including project management, logistics, installation and asset management.





Port Botany On-Track to Support NSW

Connecting NSW and Australia with the global marketplace is the foundation of Port Botany.



Just 40 years ago, the port was built to enable NSW to handle containers – the new form of goods transport at the time. Today, Port Botany has cemented its position as Australia's premier port, importing goods to service the people and businesses of NSW and exporting goods to the global marketplace. In fact, 42 per cent of all goods in a Sydney household have been imported in a container through Port Botany. It is also Australia's largest common user bulk liquids facility, handling fuel and gas.

Planning for NSW's growing trade volumes

Currently Port Botany handles 99 per cent of NSW's container volume, or 2.5M TEUs. Yet NSW Government forecasts estimate that Port Botany could be handling over 7.3 million TEUs by 2056.

Rail is a fundamental part of our strategy to sustainably support this growth. Our long-term goal is to move 3 million TEUs per year by rail, which is about 40% of future forecast volumes. We have a significant program of works underway to help us achieve this goal. This is supported by rail infrastructure investment by Government and port and logistics operators. Some of the key projects include:

Port Botany on-dock rail:

As the only port in the nation with ondock rail at all three of its container terminals, Port Botany creates efficiencies for importers and exporters by removing the need for double handling by trucks.

Together with the stevedores, we are investing in a staged program to increase 'on-dock' rail capacity to deliver a total of 3 million TEU rail capacity at the port.

The first stage involves \$190 million investment at Patrick Terminals - Sydney AutoStrad, with \$120 million from NSW Ports to deliver on-dock rail infrastructure and \$70 million from Patrick Terminals to deliver automated rail operating equipment. The project commenced in 2019 and will double the existing portside rail capacity to deliver 1.5 million TEU when it is complete in 2023. The project will deliver significant benefits for importers and exporters with 33% faster turnaround times, decreased reliance on truck transportation and increased rail windows. Investment will follow at DP World Australia and Hutchison Ports Australia when the stevedores are ready to invest with NSW Ports.

Using rail, together with trucks, to move containerised freight will also reduce the growth of trucks on Sydney's road network. For every 1 million TEU moved by rail the number of trucks around the port are reduced by 900 trucks per day.

Connectivity to Intermodal terminals:

Our 30 Year Masterplan shows that 80 per cent of containers moving through Port Botany are delivered to locations within a 40km radius of the port. As such, port rail shuttles are essential to help move more of the freight task to and from Western and South Western Sydney freight precincts and to reduce truck growth on Sydney's roads.

For this reason, we are investing \$250 million to develop the Enfield Intermodal Logistics Centre including an intermodal terminal and logistics warehouses connected by dedicated freight rail to Port Botany. The intermodal terminal, operated by LINX Cargo Care, and seven warehouses are now fully operational, with other warehouse precincts currently under construction. Along with Cooks River and other intermodal terminals, these facilities will act as logistics hubs on the corridor to the growing Western Sydney and regional areas.

Port Botany Freight Line Duplication:

ARTC's \$400 million project to duplicate the remaining 2.9 km freight rail single track section of the Port Botany Rail Line between Mascot and Botany and construction of a passing loop on the Southern Sydney Freight Line at Cabramatta will further provide the capacity required to meet the forecast rail demand generated by the supply chain activities of regional NSW and metropolitan intermodal terminals, including Enfield Intermodal Terminal, Moorebank Intermodal Terminal and future intermodal terminals in Western Sydney.

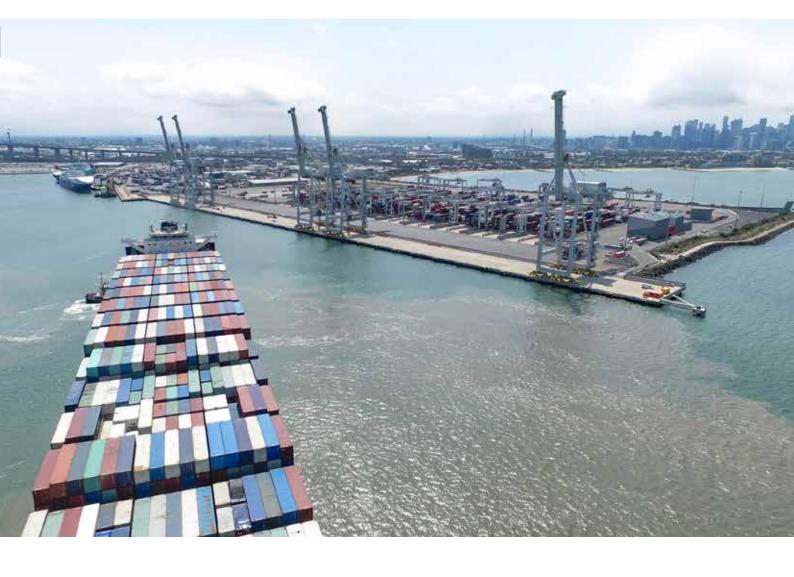
A sustainable future

With ongoing investment in supply chain efficiency, sustainability and a continued focus on optimising port and terminal capacity, Port Botany will be well equipped to support the State's growing needs for the next 40 years and beyond.



For more media information please contact NSW Ports on 0410 597 547 or vida.cheeseman@nswports.com.au

About NSW Ports NSW Ports manages Port Botany and Port Kembla, key export and import gateways connecting to global markets, and the Enfield Intermodal Logistics Centre and the Cooks River Intermodal Terminal. NSW Ports is a private consortium of leading institutional investors: IFM Investors (including Cbus, HESTA and Hostplus), Australian Super, Tawreed Investments Limited and Q Super. Our shareholders represent over six million Australian superannuation fund members and are long term investors with interests in a range of Australian infrastructure assets.



VICT. Melbourne's Most Efficient Gateway



The tank container – a valuable asset to be treated with care

By MIKE YARWOOD - Senior Claims Executive, TT Club

Having a deep heritage in the insurance of maritime containers, TT Club has an intimate understanding of the tank container sector, with a current insurable interest in around 53% of the global tank container fleet. Here, Michael Yarwood of TT Club offers important advice to those in the chemical logistics business on the secure and efficient use of tank containers.

The versatility of the tank container for both transport and storage can deliver efficiencies over traditional parcel tankers and drums, influencing how supply chains develop, providing additional efficiencies and flexibility. However, the multimodal transport of liquid and solid cargoes can present operational challenges for all stakeholders in the supply chain.

The tank container is a multimodal cargo transport unit (CTU), suitable for the carriage of both hazardous and non-hazardous cargoes. Due to its robust design and durability the tank container has become recognised as a highly safe, cost efficient, flexible and environmentally friendly means of transporting liquids and chemicals globally, allowing seamless transfer between all land and sea modes.

In March of this year the International Tank Container Organisation (ITCO) released its 2020 Global Tank Container Fleet Report¹. This annual survey reported that there were in excess of 600,000 U.N. portable tanks (tank containers) in the global fleet at the end of 2019. The report provides a valuable breakdown of the current global fleet, coupled with an overview of both the historic and future trends and developments of the tank container industry.

While, of course, covering a period prior to the COVID-19 pandemic – the 2020 survey highlights a slowdown in the growth of the global fleet in 2019

(7.88%) versus 2018 (10.81%), partially reflected by the fall in global trading conditions experienced by many sectors of the container shipping industry. Positively, the global tank container fleet continues to expand, attributed to shippers recognising the benefits of shipping their cargoes in tank containers (in favour of drums or parcel tankers). The survey reports strong growth for Chinese domestic bulk liquid movement as well as intra-Asia trade.

The report notes that the number of tank containers produced in 2019 was lower than in 2018, further suggesting that there will be challenges ahead for manufacturers unless the market sees a significant turnaround. The survey shows that, in 2019, a total of 54,650 tank containers were built (predominantly in China), compared to 59,700 in 2018 – a decrease of some 5,000 units.

Considering the widespread use of tank containers, often carrying hazardous chemicals or other sensitive cargoes, TT Club has found that the frequency of claims generally is low. Analysis of claims experience evidences the common errors and misconceptions which can result in the deterioration or total loss of the cargo and damage to the tank container equipment itself. Most frequent are allegations of cargo contamination. Whilst there are a number of potential causes, an area of focus is the sufficiency of cleaning of the unit following discharge of cargo.



https://www.international-tank-container.org/storage/uploads/ITCO_2020_Global_Fleet_Report_Final_18_March_2020.pdf

In order to avoid such issues, it is imperative to ensure that the last carried cargo is fully removed from the tank container before the next cargo is loaded. Effective cleaning after each carried consignment is therefore of paramount importance.

The transport of certain products may require additional internal cleaning, including removal of valves and changing of contaminated seals and gaskets, to prevent contamination of the next cargo. As part of the pre-trip inspection, the cleanliness of the tank container should be checked to ensure that it meets the requirement of the shipper, especially where certain prior cargoes are banned or the cargo to be transported has particular sensitivities.

The availability of a suitable cleaning station should be taken into account prior to a cargo being accepted for transport; certain cargoes may not be able to be processed. The cost and risks inherent in transporting the tank container in 'empty/ dirty' condition to a location where there is a suitable cleaning station also need

to be assessed. Apart from identifying a competent cleaning station, successful cleaning will require complete and informative instructions, including the full identification of the last commodity carried.

Certain types of tank container can give rise to additional challenges for the cleaning process. For example, units fitted with surge/baffle plates have a greater surface area to clean due to the additional internal structure and the areas where the baffle plates are fixed present particular difficulties.

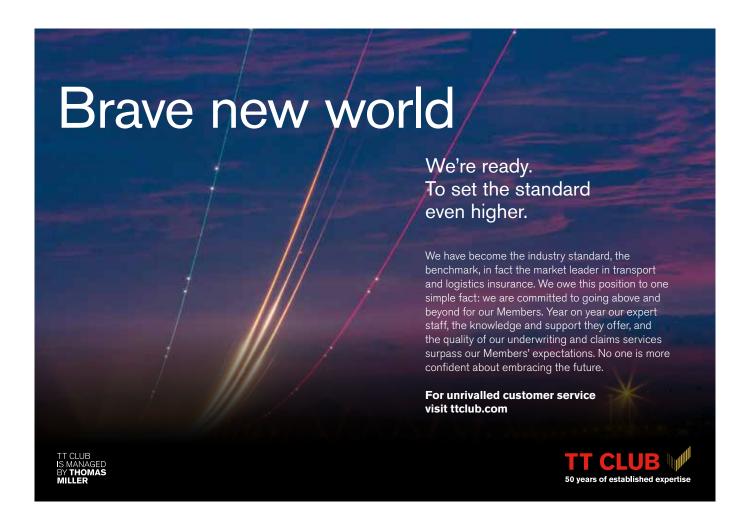
In order to provide greater understanding for those businesses entering or on the periphery of the industry, TT Club has collaborated with a number of experts to produce new guidance focused on managing risks in the tank container supply chain.

This latest addition to the StopLoss² series is intended to be a practitioner's good practice guide covering all stakeholders through the tank container transport chain whether operating, filling, discharging, cleaning or handling

tanks. Informed by typical incidents, the document is structured in such a way that it follows the natural chronology of the transport chain in order to provide ease of access. The publication incorporates several pieces of valuable operational reference material, with references to the applicable regulations, concluding with a 13-point checklist aimed at supporting consistent and successful outcomes for the tank container supply chain.



² https://www.ttclub.com/news-and-resources/publications/stoploss/stoploss-22---tank-containers/



Western Australia takes bold move towards new container port

While much of the country has been paralysed by COVID-19 and its devastating economic impacts, the Western Australian State Government is investing in long-term planning for a future freight network designed to meet that State's needs for the next 50 years or more.

It has endorsed the Westport Taskforce's recommendation that a future container port be developed in the existing Kwinana Industrial Area, south of Perth, and it be connected by an uninterrupted freight corridor that effectively rings the city – taking heavy container trucks off suburban roads.

The recommendation has been more than two years in the making and is the work of a multi-agency, multi-disciplinary project office supported by an expert consultant team – an unprecedented cross-government, industry and community engagement.

An additional \$97.2 million has been committed to progress environmental works, detailed design and a final business case.

"Fremantle Port has served our State for the last one hundred years, it's now time to plan and build the next big piece of economic infrastructure that sets our State up for the next century," said Premier Mark McGowan in making the announcement.

Now is the time to plan and build the next big piece of economic infrastructure to set WA up for the next century. Some \$25 million of the \$97.2 million in funding has been allocated for planning, corridor design and community and landowner engagement along what will be the main road connection into the port (Anketell and Thomas roads).

One of the key decisions ahead will be the timetable for transitioning the freight task from Fremantle Port to Kwinana. The transition will occur either in one step by 2032, or over a phased period that will see



Nicole Lockwood, Independent Chair of Westport"



both ports share the freight task for a further 15 years.

Independent Chair of the Westport Taskforce Nicole Lockwood said the final recommendations both focus on Kwinana as the ultimate location of a new land-backed port capable of handling up to 3.8 million TEU in the long-term.

"Those recommendations were based on the outcome of years of work including a review of past planning, significant technical data collection, extensive consultation, two detailed multi-criteria analyses (MCAs), a rapid cost-benefit analysis and a strategic risk analysis," she said.

"Priorities such as the marine and terrestrial environment, commercial and economic costs and benefits, social impacts, heritage and land use were heavily weighted."

The Fremantle experience underlines the importance of supply chain infrastructure. Westport's planning allows for the efficient distribution of up to 2.6M TEU by road and up to 1.2M TEU by rail, by 2068.

The new port and upgraded rail corridors will remove network constraints and make expansion of Intermodal Terminal (IMT) facilities viable – a likely catalyst for private sector investment in IMT capacity and improved network integration.

The most rigorous investigation into WA's freight needs in the State's history marks a new beginning for the Westport team.

It will now apply the same evidence-based approach to far more detailed work to build a business case over the next four years, for consideration by Infrastructure Australia.

Detailed design, the protection of land for future port and supply chain connections, the environment, and industry and community engagement including with Aboriginal Elders and groups will all be priorities.

Ultimately, WA is working towards a 21st century facility, embracing the latest in port design to create the capability to take the world's largest ships, and new technology to increase efficiency and reduce environmental impacts

The Westport Taskforce's final Stage 2 report is available at www.mysaytransport.wa.gov. au/Westport





The Curve of Confusion

By BRETT CHARLTON, Chairman - Tasmanian Logistics Committee

If NASA issued a press release saying that there is a space craft heading our way then it would probably appear on page seven at the moment and you would skip over it to the next COVID-19 story.

Seriously though, I am sure everyone at some point has contemplated the mental health side of this mad time on our planet and never has a concept such as "R U OK? Day" been as relevant as now. Taking the time to ask someone how they are doing at the moment is a deeper conversation than the traditional Aussie shallow greeting of "how 'ya goin" and an extra couple of minutes having a genuine conversation is something that can go a long way - it is certainly something that I have found to be more prevalent in day to day communications at the moment. We are all in this mess together.

Speaking of a mess, there isn't a day that goes by at the moment where the grey hairs on my beard don't get a little lighter. Equipment and space shortages in various ports, industrial action, weather, increased infrastructure surcharges, maddening upward curves (everything has a curve now) of import freight rates mixed with the day to day contemplation of "what does this lockdown level in this area mean" is a whirlpool of complexity that has to be navigated because freight forwarders, transport companies and related supply chain services are now the superheroes of the planet - but Darth Vader and his mates are standing on every corner at the moment just throwing bad voodoo in front of everything.

The above said however, there always seems to be a way and in the majority of cases the champions of our industry are trying to plow through the issues on an hourly basis and by and large have had some success. When level 4 was announced in Melbourne there was concern around how the impact of distribution centres would impact the supply chain to and from Tasmania. There was an underlying understanding that the essentials like food and basic supplies would be ticked off as all ok, but the construction industry was concerned. Some timber supply companies were contemplating not being able to deliver timber into Melbourne and whilst obviously devastating from that industry's perceptive, some of the trucking companies were contemplating a potential 60% reduction in drivers as a result. Trailers moving timber north to the big island are used to bringing things back (obviously) so for a while there some real concern was being raised about empty equipment flows between Tasmania and the mainland.

Whilst everyone was thinking about food and necessities, some were thinking about how a potential lack of trailers over Bass Strait may impact such things as packaging for wine, honey, beer etc. By all accounts, it seems that the timber business has been able to accommodate the level 4 scenarios and trailers are moving – but who knows what will happen next week. Discussions with customers indicate they are definitely looking to increase their on-island stock holdings of packaging "just in case".

My recent appointment to the National Freight and Supply Chain Industry Reference Panel has been eye opening. There is certainly a lot of work going

into this at Commonwealth and State levels and we have recently embarked on a survey program to understand if industry have an awareness of the action areas, whether industry consider governments are working on 'the right things' to deliver results and how well industry believes the actions are progressing. From my perspective, one of the challenges will be how the focus on the action areas will change as a result of COVID-19. It is an interesting and important role - I cannot help but feel a sense of pride in being involved in the future direction of the freight and supply chain at a National level (it is also nice to be representing Tasmania in this as well).

Like most of us I expect, I am reading reports on reports from various sources as well as webinars and conference calls around what the future looks like. It is a brave person that can categorically make a statement around what their position is. From my point of view, I certainly hope that stability and cooperation emerge as the position of choice for all, as if there was ever a time this was needed it is now.

I sincerely wish for you, your families and co-workers all the best for this concerning time that we find ourselves in



Fremantle port embracing digitalisation with outstanding results

By ANDREW SMITH, General Manager - Containerchain

For some time now, we have come to place significant value on digitalisation through common platforms that connect the landside and portside sectors of the container logistics supply chain. Driven by common data-platforms and interoperable technology solutions, gone are the days of having to manually complete forms or enter the same data numerous times over, or having trucks waiting in queues only to be turned away due to incorrect documentation.

With a greater understanding of the value of data driven platforms and technology solutions from both shipping lines and landside transporters, it's never been easier for the logistics industry to pinpoint exactly where containerised freight is at any point throughout its journey. This adoption of digitisation has led not only to increased visibility but also greater productivity, predictability and accountability for companies within the supply chain to abandon archaic processing methods and cater to what is expected by their customers as the 'new normal'.

The Port of Fremantle, currently fourth busiest in Australia, is at the forefront of adopting digitisation and technology solutions with around 89% of its daily delivery orders from its shipping line partners being received electronically and seamlessly into the key community-based landside platform being Containerchain.



The Port of Fremantle identified truck congestion as being one of the key areas for improvement at the port, which is situated amongst ferry access to a popular Western Australian tourist destination. By working with Containerchain since 2013 and supporting the implementation of their eGate and Driver mobility products, as an extension of the already successful vehicle booking system, Notifications, at the Empty Container Parks (ECPs); the Port of Fremantle was able to reduce truck congestion on roads surrounding the terminal by advocating with the shipping lines to communicate directly with the transport companies electronically in real-time to notify of delays. The introduction of eGate put the onus on the shipping lines and transporters to supply the information electronically, requiring no further monitoring or input from port stakeholder resources.

The strong take up of Containerchain products by industry has seen the Port of Fremantle become a front runner in terms of EDI transactions, helping to create an insight in to queuing and servicing of vehicles.

Fremantle Ports Logistics Manager Sue Hellyer said, "Containerchain Notifications and the associated eGate application is currently the most widely used empty container technology solution within the Fremantle port precinct, providing a platform to regulate the flow of traffic and enables ECPs to forecast and service industry demand.

The WA Port Operations Taskforce, along with Fremantle Ports, has had great success in working with shipping lines and other industry participants to ensure that the majority of delivery orders are provided in an electronic form. This support from shipping lines has made Fremantle a frontrunner in this digital space, leading to greater efficiencies for the container supply chain".

The eGate product has not only been a success in reducing congestion around the port. Transport operators have benefited from being able to see exactly where their trucks are in relation to the port precinct via eGate's geofence technology, including where they sat in queues to load or unload containers, and the type of work they were undertaking. This, along with the use of Notifications, has enabled transporters to plan their journeys more efficiently by being

able to view the truck processing capacity of the port ahead of time and book an appropriate timeslot by simply confirming the container number and depot, with all other required information being auto-populated in Containerchain electronically by the shipping lines

Once created, the booking is then electronically dispatched to the depot and the Driver mobility app used by each transporter, producing a completely digital and paperless exchange of information between the parties with minimal manual data entry and reduced capacity for human error. The use of eGate and Driver mobility, coupled with Notifications, has delivered complete visibility and accountability beyond just GPS tracking and enabled all stakeholders to better predict and reduce turnaround times at an operational level, which has led to improved resource planning and less port precinct congestion.

Containerchain's General Manager for Asia Pacific, Andrew Smith said that the adoption of digitisation and latest technology products like Containerchain by the Port of Fremantle has provided significant improvement in operational visibility, planning and execution compared with other larger port precincts in Australia. "The efforts of the Port of Fremantle and the transport and depot community in implementing our integrated Containerchain solutions have been significant and have led to significantly improved turn times and lower operating costs for truck operators, lower traffic congestion in and around the port precinct, and importantly, greater visibility and proactive planning between cargo owners and freight forwarders and their transport service providers for moving cargo.'

In recent times, the COVID-19 pandemic has further amplified the need for greater use of technology within working environment's as the world and its industries shift to a 'new normal' that rely on even less physical interaction and more contactless and digital driven processes. Having adopted Containerchain's Notifications, eGate and Driver mobility products, the Port of Fremantle is already ahead of the curve in ensuring a safe working environment using contactless technology where possible for all involved.

ABOUT THE ORGANISATION

Containerchain is a technology company who provides a connected suite of cloud-based software applications to the landside container and cargo logistics industry. Currently used in 9 countries and 20 ports globally, Containerchain's cloud-based software solutions are dedicated to simplifying operations, improving customer service levels and driving down the cost of moving containers from port-to-door.

Containerchain is a part of the WiseTech Global group, a leading developer and provider of software solutions to the logistics execution industry globally.

Enquiries: www.containerchain.com



NOTIFICATIONS

Containerchain's **Notifications**product helps manage truck arrivals
and queuing whilst dynamically
optimising gate, dock and yard
capacity during operations, delivering
improved service levels at your facility.

- Pre-arrival trip validation and processing of trucks
- Efficient servicing and improved turnaround times
- Reduce queues, control traffic and optimize capacity planning
- Increase profitability from improved service levels
- Fully integrated with Containerchain's transport & yard system and Wisetech Global's Cargowise One



Emerging from lockdown

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

Like all Aviation and logistics organisations, Menzies Aviation has not been immune to the effects of COVID-19 and the impact of dramatically reduced airline schedules. The last few months have been a steep learning curve as our global organisation dealt with the ongoing impact that often necessitated an adjustment to our planning on a daily, and in some cases, an hourly basis.

Cargo carried on passenger aircraft seats, charter flights arriving with very little notice, planning appropriate labour with many employees on furlough has become our cargo business over the recent period.

As we start to look to the future and plan as best we can with the available forecasts from our customers, we have put into place a five step response plan which is helping us to steer and emerge from COVID19. This plan covers all our global business including cargo.

Underpinned by the MORSE code (Menzies Operating Responsibly, Safely & Securely), the response plan makes use of digital comms, videos and introductions from Senior Executives, dynamic risk assessments, coaching and active monitoring to help deliver the C19 plan.

The five key areas start with; **Communication** - Including a dedicated intranet page for all employees, extranet to reach employees on furlough, C19 Video general precautions, SLS alerts, posters and pocket guides as well as Return to Work protocols.

We then ensure that all businesses **Apply Social Distancing** that also includes; Checklists for managers, Supervisors/ leads Hi-Viz clothing with social distancing branding and SMART social distancing checks included in Inspections. SMART is our own auditing and inspection digital application that was developed in house and allows us to complete workplace inspections daily and track the results globally.

We have also reviewed our **Operational processes – A New Normal**; this covers guidance for managers available through the Intranet, Contingency plans and Risk Assessment, Employee Reboarding -

Welcome video from COO, Social distancing & updates, MORSE Code, DRIVE campaign, SMART competency assessments

We are ensuring a **PPE supply to keep teams safe**, that follows applicable national regulations, regular inventory checks ensuring adequate stocks and a strong Tested supply chain.

Finally, we are **Cleaning & Disinfecting working environments**, this includes Daily Cleaning and disinfection on high touch surfaces, Weekly Deep/enhanced cleaning program and Twice weekly Workplace Inspection and reporting.

This plan allows us to safely and securely manage our business and most importantly protect our employees as much as possible.

From a cargo business perspective, we have seen fluctuating cargo volumes, largely based around charter activity and PPE requirements. Our expectation is a slight upturn in volumes in the second half of this year as airlines start to increase their schedules once more and seasonal peaks occur. However, it will take some time for cargo volumes to return to pre COVID-19 levels, so we are making the necessary adjustments to our various operating models across our global network. We have not been idle during the pandemic and have been fully engaged with all our customers confirming revised opening hours and station capabilities as they change depending on the state and country lockdown regulations. We have also been successful in our commercial activity and look forward to welcoming some new customers in key cargo locations in the coming months.

System wise we are excited to announce the delivery of Hermes 5 across our Australia and New Zealand businesses. Hermes is our cargo management system and the new version will see added benefits for our freight agents and airline partners. We have also recently announced the deployment of Descartes and Unilode Bluetooth readers at our cargo facilities – these readers will allow for real-time tracking of unit load devices and aid in service delivery from our cargo terminals. Both of these digital enhancements support our cargo strategy with innovation and provision of market leading services.

We have been adapting and seeking new ways to work with the support of our global teams and are focused on looking to the future and supporting our customers, as we all look to emerge from the most challenging period our industry has ever faced.





New CEO appointed to lead Western Sydney Airport

Former Qantas International chief executive officer and Lendlease chief financial officer Simon Hickey has been appointed as the new CEO of Western Sydney Airport.

WSA chair Paul O'Sullivan said Mr Hickey will draw on his more than 30 years of commercial, infrastructure and aviation experience to lead the organisation through the airport's construction and into operation.

"Western Sydney Airport has a very positive profile in local and overseas aviation markets, which led to a very high level of interest in the CEO role from candidates across the world," Mr O'Sullivan said.

"It's a great outcome that we found the best person to lead one of the nation's most significant infrastructure projects here in Australia." Mr Hickey said taking the reins of Western Sydney Airport as the project enters a critical stage of delivery will be a challenging and rewarding experience.

"Western Sydney International will mean that for the first time in Sydney, airlines and passengers will have a choice about which airport they want to use," he said.

"Introducing choice to Sydney's aviation market is a compelling proposition and one that will lead to stronger outcomes for passengers, airlines and air cargo operators."

"My focus will be not only on building the infrastructure, but on building the commercial proposition around passenger aviation, air cargo and our on-airport business park."

"This project is about so much more than terminals and runways, it's the catalyst for jobs and investment in Western Sydney." Mr Hickey has held senior executive roles at Lendlease and was chief executive officer of Qantas International and Freight and Qantas Frequent Flyer. For more than a decade he has served on the board of the Sydney Children's Hospitals Foundation and is currently its deputy chair.

Headline priorities for Western Sydney Airport over the next 12 months include:

- building momentum on the earthworks project, which will see around 1 million cubic metres of earth moved every month;
- finalising the design of the airport's integrated international and domestic passenger terminal precinct;
- appointing a contractor to build the passenger terminal precinct following a competitive tender, with terminal construction due to begin by the end of 2021;
- starting procurement of the remaining major job creating contracts, including construction of the runway and onairport supporting infrastructure like internal roads, utilities and other buildings;
- progressing the on-airport business park and starting the process of attracting employers across a range of industries to locate on the terminal's doorstep.

Western Sydney International is on track to begin operations in late 2026.



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Enhancements to Australia's Domestic Air Cargo Security

By MATTHEW PEDLER, Assistant Secretary - Aviation Security Branch, Aviation and Maritime Security Division, Department of Home Affairs

The Australian Government has introduced measures to enhance Australia's domestic air cargo security settings. These enhanced security measures commenced on 1 July 2020 and closely align with measures previously introduced for export air cargo on 1 March 2019. The enhanced security settings strengthen Australia's air cargo security framework to ensure we remain ahead of emerging threats to the safety and security of the Australian community through the air cargo stream.

Security as an enabler

The air transport and transport support services (which includes the freight forwarding industry) sectors are significant contributors to the Australian economy, generating over \$9.5 and \$22.7 billion of Industry Value Added respectively in 2018-19¹. These industry sectors are also important to our way of life as prolific travellers, as well as facilitating the movement of essential goods to sustain our communities and provide jobs.

The recent COVID-19 pandemic has brought into sharp focus the need for a secure, safe and viable aviation and air cargo industry to support our economic and social prosperity. By strengthening Australia's domestic air cargo security settings we are committing to securing our prosperity by further safeguarding key industry sectors that are enablers of economic activity and growth.

Collaboration - a key to success

A critical component of the successful implementation of the enhanced domestic air cargo security measures was the high level of engagement from our industry stakeholders. The Department of Home Affairs (the Department) engaged extensively with the air cargo security industry to co-design and implement the new measures. This included hosting regional co-design workshops, forming specialised working groups under the Air Cargo Security Industry Advisory Forum and participating in bilateral discussions and meetings with industry participants.

This direct engagement assisted the Department to develop the working model for implementing the enhanced security measures to give effect to the Government's air cargo security policy. A significant benefit from this engagement was the working relationships that have been developed over time, which were called upon when the COVID-19 pandemic and economic shutdown threatened to delay implementation.

COVID-19 impacts

The COVID-19 pandemic continues to have wide-ranging impacts across the global economy. Factory shutdowns overseas and delays in the movement of cargo to Australia impacted, in some cases, the air cargo security industry's ability to procure vital equipment to implement the enhanced domestic air cargo security measures.

Despite these challenges, the Department and the air cargo security industry were able to band together and work through these issues to implement the enhanced security measures. The engagement from the air cargo security industry was critical to the Department understanding the extent of the issue, so as to work collaboratively with the industry to mitigate these impacts.

It is crucial to the success of any project, particularly in these uncertain times, to have strong lines of communication between key stakeholders. That the air cargo security industry, together with the Department, were able to achieve implementation of the enhanced domestic air cargo security measures is testament to our joint commitment to the security and prosperity of Australia. This joint effort serves as a model of how government and industry can collaborate to achieve common goals in the future

Next steps

Our air cargo focus is now to implement the enhanced domestic air cargo security measures at more locations across Australia, commencing on 1 July 2021. The Department will continue to engage with the air cargo security industry in the coming months to implement these measures.

I'd like to take this opportunity to thank all of our industry partners for your ideas, cooperation and commitment to improving Australia's air cargo security framework. I look forward to continuing our engagement on air cargo security policy in the near future.

Further information about aviation and air cargo security is available on the Department's website.

https://www.homeaffairs.gov.au/about-us/our-portfolios/transport-security/air-cargo-and-aviation

¹ Australian Bureau of Statistics, Australian Industry – 8155.0, released 29 May 2020.

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BUSINESS OPERATIONS



Workplace Mental Health

By LEANNE LEWIS, Managing Director - Insync Personnel

Mental Health within the workplace has never been as important as it is today! Did you know that one in 5 Australian workers is currently experiencing a mental health condition? That should be no surprise with all that is going on in the world.

As the owner of a recruitment agency and with the unemployment rate forecast to hit 11%, I find that extremely distressing both personally and professionally.

It felt like overnight that myself and my team transitioned from Recruitment Consultants to Counsellors. The amount of people that we have heard from that have been extremely affected by COVID-19 is distressing and quite hard to hear day after day.

So, I wanted to share some insight into what I think can assist both Employers and Employees to work through this tough period in all of our lives.

Employers

Healthy workplaces promote mental health and wellbeing. They are positive and productive and get the best out of everyone in the workplace. Businesses that care about good mental health and wellbeing attract and keep top talent because they're great places to work. The facts are clear: as well as benefiting employees, a mentally healthy workplace is also better for your bottom line.

A healthy workplace provides a positive ROI.

Research has shown that for every dollar you spend creating a mentally healthy workplace can, on average, result in a positive return on investment of 2.3.

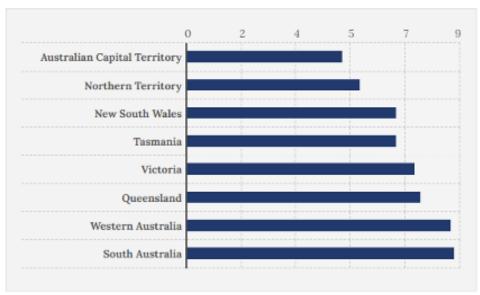
These benefits are derived from a reduction in reduced productivity at work, absenteeism, and compensation claims.

Staff will be more engaged.

Investing in creating a more mentally healthy workplace is beneficial to all staff. As a result, employees will be more engaged, more motivated, morale will be higher, and staff will be more willing to go above and beyond the requirements of their role.

All of this will add even more to your return on investment and makes for a happier and healthier workplace that will retain good staff.

Unemployment Rates (15+) by State and Territory, June 2020 (%)



Employees are the organisations most important asset.

Creating a mentally healthy workplace needs to be as important for organisations as creating a physically healthy workplace. Ultimately, workplace health is a leadership issue, and change must start at the top. Organisational leaders play a critical role in driving policies and practices that promote mental health. They are able to positively influence workplace culture, management practices and the experience of employees.

Employees

Work can make us feel good about ourselves and give us a sense of purpose; it's an important way to help us to protect and improve our mental health and wellbeing. However, sometimes work and life stress can negatively affect our mental health and our ability to do our jobs.

Many of us spend a large part of our days at work so your workplace and how we go about doing our work has a substantial impact on our mental health. While much of our working environment is determined by others, individually we can take steps that will help to protect and enhance our mental health and wellbeing.

Below are some strategies for managing your work role.

- · Set realistic deadlines and deliver on time
- Take your annual leave
- · Switch off your technology
- Flexible working arrangements
- Find ways to reduce stress

COVID-19 has forced all of us to rethink the way we not only work but also live in our "new" day to day lives. Be mindful of what you say to someone and how you say it because no one knows what the other is going through right now.

Stay Safe!





Who Is Insync Personnel

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

Our recruitment consultants have 'hands on' experience within the International Transport & Logistics industry, ensuring a successful match between client and candidate across both permanent and temporary positions.

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Exporters
Freight Forwarding

Importers
Logistics
Management
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Supply Chain
Warehousing (Permanent)

Why Should You Work With Us

Insync Personnel's differentiator is simple... Insync Personnel works with you rather than for you. We are proud of our strict recruitment policy which ensures all clients and candidates are managed with individual needs kept in mind.

We are selective as to whom we partner with as we believe that representing quality, like minded companies and candidates is paramount to our overall success.

Our Service Philosophy

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SALTA'S \$50 MILLION DANDENONG SOUTH INTERMODAL TERMINAL UNDERWAY

Salta Properties and the Victorian Government have signed an agreement to jointly fund the Dandenong South Intermodal Terminal.

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

Salta will concurrently invest more than \$50 million to construct the Dandenong South Intermodal Terminal to be located on Salta's 180-hectare Nexus Dandenong South Intermodal Estate.

Salta's additional investment is on top of having already spent in excess of \$200 million for land, road, and other infrastructure works, in anticipation of the Intermodal Terminal.

Nexus Dandenong South is home to major users of freight infrastructure including Woolworths' \$215 million Melbourne South Regional Distribution Centre, Bunnings' 40,000m2 Regional Distribution Centre, plus major logistics businesses, Visa Global Logistics and Silk Contract Logistics.

Significant capacity exists for additional tenants to co locate at the estate. They will benefit strategically from being adjacent to the Dandenong South Intermodal Terminal. Salta anticipates the value of new development on the estate to exceed \$1 billion over the next three to five years.

Work will start early in 2021 on what will become Melbourne's biggest Intermodal Terminal, enabling the efficient movement of thousands more containers through the Port of Melbourne (PoM).

The first phase of the project is expected to take just 24 months from works commencement and will include the laying of 800m of rail track and the development of a working apron providing the terminal a capacity to deliver an initial annual throughput of 100,000 TEU.

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

"We have been working extensively with the State Government to get to this point and it is satisfying to know that the facility will be connected directly with the Port of Melbourne," Mr Tarascio said.

"This has been a long-term project, where we set out to work with industry and government to provide the best possible inland port infrastructure to Melbourne's south east, providing an efficient route to market for both importers and exporters."

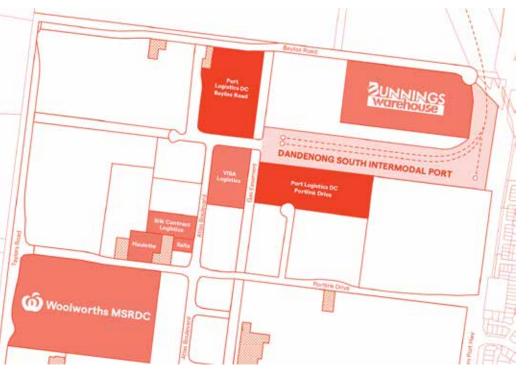
"Over the past 15 years, Salta has developed plans to increase freight capacity in the outer Melbourne area. Operations at PoM are limited by the availability and capacity of trucks to transport freight via road causing serious congestion in and around the PoM."

"Salta's new rail freight terminal will provide opportunities for operators to switch freight transport from road to rail. This will ease congestion, reduce costs, and provide greater opportunities for imports and exports in the South-east of Melbourne," he said.

City of Greater Dandenong Mayor, Cr. Jim Memeti, said his Council was elated to see this project come to fruition.

"We are incredibly excited to be working closely with Salta and the State Government to deliver this much needed infrastructure project within our city", Cr Memeti said.

"Not only will this benefit local business and industry, but will also provide new employment opportunities for residents





across the south east region. The many benefits of this project will be recognised for years to come and will provide a welcome boost to our business economy."

Also welcoming the announcement was Vonda Fenwick, CEO of South East Melbourne Manufacturers' Alliance who said the Inland Port offered a costeffective alternative to road transport.

"It will also benefit the South East by reducing traffic congestion and taking container transport vehicles off the Monash Freeway and arterial roads," Ms Fenwick said.

The construction of the rail tracks and container terminal will generate employment in the area with a positive economic flow-on to the broader Dandenong community.

The terminal will eventually have expansive storage facilities for both empty and full containers consisting of 110,000 square metres of hard stand, with the ability for two additional rail spurs within the terminal to service increased demand.

The Dandenong South Intermodal Terminal will deliver the following benefits:

1. For the South East Region:

a. Cementing the South East Region as a key region for significant import / export businesses to locate.

- b. Reduced supply-chain costs for importers and exporters in the region, with rail providing a cheaper and more reliable alternative to road freight.
- c. Earlier access to import containers, resulting in reduced costs to importers and a greater ability for importers to meet the demands of industry in the south-east.
- d. A more reliable export supply chain, which will reduce whole of transport costs, reduce the incidence of exports missing vessel cut-off times and improve supply chain efficiency.

2. For Tenants at the Estate:

- a. Priority access to the Intermodal Terminal.
- b. Elimination of one transport leg, delivering significant savings.
- c. Reduced reliance and demand on the Monash Freeway, which is at capacity and very vulnerable to long disruptions.

3. For the Community Generally:

- a. An initial reduction of in excess of 150 truck trips on the Monash Freeway per day increasing to in excess of 300 once the terminal is fully operational.
- b. Less truck trips means less pollution, increased road safety, and reduced wear and tear on the State's critical road network.

c. Usage of the Dandenong South Intermodal Terminal will significantly reduce the number of trucks traversing Melbourne's freeways and arterial roads. The shift towards a more environmentally friendly mode of freight transport will lead to a reduction in carbon emissions. Rail linehaul of containers via the Dandenong South Intermodal Terminal will lead to a 63% reduction in fuel consumption and a 66% quantity reduction in carbon dioxide equivalent tonnes emitted for the containers concerned.

4. Jobs:

- a. 1,000 direct construction jobs and 1,800 indirect construction jobs.
- b. 1,600 on-going direct jobs and 4,500 on-going indirect jobs operating and supporting the terminal

For further information: Tori Cook 0412 647 773 tcook@wrights.com.au



2020 and the Post-Pandemic Economy

By PAUL BETTANY, Collinson FX

Introduction

Markets have been overwhelmed by the global pandemic and the associated economic costs. The pandemic origins in China, commencing at the end of 2019, have consumed the global economy. The 'first wave' ravaged Europe and then the USA, from February and has since spread across the globe. The dreaded 'second wave' is now upon us and solutions are being sought. The devastation caused to the global economy has been unprecedented and will be long lasting.

The Pandemic

The first wave of the virus ripped through global economies, leaving in its wake economic devastation, not seen since World War 2. The nature of the virus was not understood and its unique character demanded extreme and urgent actions from Governments. Most western countries reacted with lockdowns, to attempt to bend the curve, allowing resources to be accumulated to combat the novel virus.

FREIGHT & TRADE ALLIANCE

Australia's Internation

Trade Moving

This was successful in allowing medical logistics to become more prepared for the onslaught. The impact on economies and national balance sheets have been extremely destructive. The resources of countries have been directed at control and containment. The search for treatments, cures and a possible vaccine has been a global quest and has shown mixed success.

The 'second wave' is now upon us and the approach has been nuanced. The US has refused to go back into lock-down and is attacking the virus outbreaks on a more local level. This has allowed the uninfected parts of the country to re-open their economies while imposing restrictions on the hotspots. Europe has adopted a similar approach to combating the second wave.

The Australian and New Zealand experience has been completely different. The geographically isolated advantage paid dividends and the late arrival of the virus to the antipodes, has been a huge advantage, allowing planning and preparation based on actual events in Europe and the USA. The second wave has been a shock. as it hit harder than the first round in Victoria, enabled by the State Governments mismanagement of the quarantine. The response was equally as draconian as the in the first round, with a strict lock-down accompanied by a war-like curfew.

The Economic Impact

The economic impact had been mitigated by early and extreme actions taken by Governments, in terms of, fiscal bailouts/support and monetary stimulus. This cushioned the initial blow from economic lockdowns in the first wave. The economic consequences will be devastating and long lasting, considering the financial and social costs, already sustained. It will not be

until the bulk of the Government support is withdrawn, that the true cost to the economy, will be realised. The job losses and bankruptcies will be on a scale not seen in a lifetime. The fiscal and monetary response will result in a level of indebtedness not seen since the last World War. This is an inter-generational crises and needs a recovery of epic proportions.

The Post-Pandemic Economy

2020 has been dominated by the pandemic and the global economic fall out, but attention must now focus on recovery and rebuilding. Treatments, cures and vaccines will be in the mix, but the world economy must now move into recovery mode, with planning around key fiscal and monetary stimulus. Europe and the USA are fast moving towards 'herd immunity' which would effectively end the health crises. The timing of the global economic recovery will be determined by the extent and duration of the second wave, treatments, cures and vaccines. It appears as though the 'V-shaped' recovery may be too ambitious, but the certainty is that the recovery is coming, even it is in the form of a "U" or 'L'? The supply chain will be different. The dominance of the Chinese as the 'factory of the world' will change, as they suffer the consequences of their role in the spread of the pandemic.

The Japanese, Americans and Europeans are looking to move their manufacturing bases away from China and this will add diversity to global manufacturing and demand for resources. Supply chains (for 'essential products and services') which had previously been off-shored, will be relocated within key national borders as security for medical supplies, drugs etc., must be protected. The world economy will change.



The international exchange of goods and services have suffered serious disruptions, through the damage to airline industries and impairments to global shipping. These essential trading services will return to a 'new normal' and trade will come roaring back, under a different guise.

Markets

Global equities suffered a sudden dramatic collapse, due to the pandemic, but have steadily recovered all lost ground. Interest rates have been eliminated as a positive force, as Central Banks ensure unprecedented and massive monetary stimulus, making debt affordable and serviceable. The lack of growth and inflation have ensured interest rate pressures remain minimal.

Fiscal benevolence will result in a level of indebtedness not seen by many Western countries since World War 2. This will need to be addressed by Governments, but by long-term GDP growth, rather than balanced short-term budgets. Record low interest rates will ensure this is an affordable strategy, but global stimulus must take precedence over debt/deficit dilemma's, to ensure the post pandemic recovery.

The US Dollar as a safe haven currency, was bought up strongly during the peak of the crises, but as economic certainty and confidence return to global markets, demand for the Big-Dollar has subsided. Concerted fiscal and monetary stimulus will be a feature of the recovery and will transition into a booming global recovery.

The key Geo-Political event that will drive markets for the remainder of this year is the US Presidential election. This outcome and Sino/US relationship, following the election, will be key to the global supply chain and the world's economic recovery. The US/ China trade agreement is well and truly in the rear-view mirror and Chinese responsibility for the virus has come under the microscope. The US has imposed sanctions on Chinese officials, social media and manufacturers. This relationship is a major threat to the existing supply chain and therefore the US election becomes 'the' major event in the second half of 2020.





The Future of The Workplace – The Impact of COVID-19

By ERIN GAFFNEY - Senior Employment Relations Adviser, Employsure

COVID-19 has created numerous changes across society, most notably in the workplace. Eventually, a vaccine will be created, and people will not necessarily need to work from home anymore. Nevertheless, some will still want the option to work from home, and do so more often. Thanks to the health crisis and shutdowns, many workers have made the space and set up technology to pivot to remote working over the past several months.

In the cases where employees will return to the workplace, employees will be eager to engage with one another again, after months of isolation. For planning purposes, offices may focus more on providing employees with the opportunity to work together, rather than on each employee completing their job each day in isolation.

The past few months have allowed employers to take a closer look at what they really want their employees to accomplish each day and how it impacts them. Employers have carefully evaluated job roles and responsibilities as well as what it takes to fill those roles. They have learned exactly what jobs can be completed successfully from home, and what jobs benefit from in-person interactions in the workplace.

In a number of cases, employers have learned that staff can complete their work from locations other than their typical workplace. As we are now seeing, and will continue to see as restrictions lift across many organisations, employees will not make a full return to work in the office the way they once did.

Instead their employers can offer additional flexibility. They can permit employees to have more say over the hours, or days they work in their normal workplace each week, while offering employees the ability to work from home as needed. Some employers may shift the way they think about bringing employees into the office, including shrinking the number of employees who actually work in the office each day, while others may simply provide their staff with more choices.

Throughout the pandemic, employers have become more aware of their role in keeping employees both physically and mentally healthy. As a result, workplace wellness policies should be reviewed, and business owners need to make sure they are taking the right steps to protect the overall health of their employees. That means both an increased focus on hygiene in the office, as well as improved policies designed to help with mental health. Employers should allow for more space to manage mental health concerns, including offering the space to work from home when needed or providing employees with the space to air their troubles.

E-learning has been a big opportunity for SMEs this year, and many of them have embraced the convenience it has offered with open arms. The shutdowns and restrictions have allowed people the opportunity to further their learning online. They have taken virtual classes,

attended online seminars, and even gone through training over the internet, rather than having to attend in-person classes

Some employees have sought out opportunities to engage in that important training, and I think we will be seeing more of that in the future. In some other cases, employers have used downtime to provide additional training to all of their employees.

Not only have more businesses learned the benefits of offering virtual training options for their employees, but that training has been improved and refined. What is equally as important is that organisations have found ways to cut the costs associated with training. They have learned this is a more cost-effective way to train staff, and as a result, e-learning opportunities will increase as we move out of this crisis.

COVID-19 has created unprecedented change around the world. Some of that change will fade with time, as people become less cautious and life goes back to normal. Other changes are here to stay. By preparing your workplace for a new normal, you can streamline your response and make it easier to manage those changes.



About Employsure

Employsure is one of Australia's leading workplace advisory firm for SMEs, advising over 27,000 clients in Australia and New Zealand on workplace relations and workplace health & safety issues. It was founded in 2011 to help SMEs navigate changes to Australia's complex industrial relations system with the introduction of the Fair Work Act. It does this via its advice line where businesses can speak with its team of 200 workplace relations specialist, and through onsite visits to their business

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Cyber criminals are exploiting COVID-19 loopholes

By JAMES COTIS, Principal - Logical Insurance Brokers

At the time of writing, it appears that almost every day there are new state based lockdown provisions being enacted. Freight & Trade Alliance (FTA) and other industry associations are providing excellent advocacy to governments to ensure that the logistics industry can continue to operate, importing, exporting and transporting much needed goods from, to and throughout Australia.

As an industry, logistics operators have accepted that the world has changed because of COVID-19 and they are adapting to meet the new challenges.

However, given that COVID-19 has changed the landscape so dramatically, logistics operators are exposed to new risks and as a result, are encouraged to think about how they now operate.

Whilst physical assets such as offices, warehouses & trucking fleets remain a focus for many, recognition of their "intangible assets" and how much they represent a logistics company's value has come as a hard awakening for some.

Log knows log ins

Logistics operators must be proactive in finding new ways to enhance their business practices to protect these assets, and this will require new ways of thinking and acting for many.

Now more than ever, companies need to demonstrate good company structure, risk management frameworks and diligent management.

Although it is doubtful that owners and directors of logistics companies are expected to predict every possible event, it is submitted that they should have structures and plans in place that are resilient and allow sensible decision-making through a major disruption or crisis event.

As Warren Buffet, arguably one the world's most successful investors, has said:

- risk comes from not knowing what you're doing, and
- predicting rain doesn't count, building arks does.

With that in mind, one of the emerging risks we are observing relates to maintaining the integrity of Information Technology systems.

In attempting to keep their employees safe during COVID-19, many logistics operators have embraced remote working to avoid unnecessary public contact by their staff. This can expose information technology infrastructure to increasing cyber-attacks.

Therefore, it is not surprising to learn that cyber criminals are exploiting the global focus on COVID-19 and the massive increase in remote working. These criminals are infiltrating networks, encrypting data and extorting money. No longer are cyber criminals just encrypting data, they are stealing it and demanding big ransoms to prevent the data from being released publicly. This nasty practice is becoming more targeted and costly, with recovery times becoming much longer.

Clearly, COVI9-19 presents one of the best business opportunities for cyber attackers that they have ever had. For example, if you are concerned about COVID-19, you might want to read about therapies, vaccines and research. It would be easy to present websites that were trying to position that sort of information and do it with malicious intent.

A useful analogy as to the potential exposures would be that although face masks are like IT firewalls, neither are fully reliable in preventing bugs from spreading. Anti-virus software is like a vaccine but, just as old vaccines don't work against COVID-19, anti-virus software is ineffective against novel cyber viruses.

A recent example of an attack experienced by a logistics operator involved one of the latest versions of ransomware, called MAZE, which not only encrypts (locks) data files, it also extracts the data & sends it to the cyber criminals. A significant ransom was paid to unlock the files and retrieve the data.

Many would have read about the cyberattack on Maersk a few years ago and more recently, the two ransomware attacks on Toll Logistics. After the event, Toll Group managing director, Thomas Knudsen, was quoted as saying that cybercrime posed "an existential threat for organisations of all sizes, making it more important than ever for business, regulators and government to adopt a united effort in combatting the very real risk it presents to the wider community".

Logistics operators should not be lulled into a false sense of security because they might be smaller businesses than say Toll or Maersk and of little or no interest to cyber criminals. The unfortunate truth is they will target any business and seek vulnerabilities within their Information Technology infrastructure and exploit those weaknesses.

In fact, during the last 6 months our business received several bogus emails, purporting to have been sent by logistics operators, claiming we owed them money & attaching invoices. At first glance, these emails looked legitimate, however, upon closer inspection, it was clear they were fakes. Had we have clicked on the invoices, we would have been subject to a ransomware attack. That's how simple it is to get caught! We advised those businesses immediately and they took steps to fix their systems and contact those affected. Interestingly, the businesses only became aware of the attack on their systems when customers and suppliers contacted them querying the invoices.

How do logistics businesses go about ensuring that good cyber security measures are in place to address these cyber threats?

A good starting place would be for logistics operators to review and update controls, especially as business policies change, and consider implementing a cyber security incident response plan,

which includes intrusion detection testing and gathering potential threat intelligence.

Also, the Australian Signals Directorate's Australian Cyber Security Centre (ACSC) has produced some great advice to help businesses stay secure from cyber threats whilst managing a remote workforce, particularly their recently published threat update, COVID-19 Malicious Cyber Activity.

We also recommend that logistics businesses consider arranging Cyber insurance coverage. Quality Cyber insurance policies are designed to include staff working remotely. If a cyber event emanates from a computer, laptop or other device being used at home (or at work), these policies will respond to cover the cyber event, response costs, loss of profits and any potential litigation which may arise. These policies also include 24/7 specialist incident response teams, which is akin to Information Technology

"roadside assistance" and a valuable resource in a time of crisis when urgent support is required.



Who we are:

James and the team at Logical Insurance Brokers provide specialist risk management and insurance solutions to the logistics industry. Logical is delighted to be associated with the Freight and Trade Alliance (FTA) and is proud to be their appointed insurance adviser since its inception in 2012. James is also a regular presenter at FTA professional development events

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

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.

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Remote working habits in the new Covid-19 corporate environment create 'rich' opportunities for cyber criminals

By JONATHAN SHARROCK, Chief Executive Officer - Cyber Citadel

Covid-19 has rapidly changed the business landscape and forced many companies to adapt quickly or face administration. For many, this has meant a sudden shift to e-commerce and the need to manage remote workforces, both of which present increased cyber vulnerability. Executives are now looking towards a range of future developments to combat this.

Cybercriminals are not ignorant to the pressures of Covid-19, they are ready and waiting to capitalise on them. Hackers are specifically targeting companies with high proportions of remote workers and exploiting the increased vulnerability of networks which have had their security controls relaxed to facilitate remote access.

In particular, many companies use applications only ever designed to be run internally. But, driven by remote working, these applications now face public networks and the open internet. Such applications must be rigorously penetration tested to ensure they do not pose a risk to the company.

The threat is real: Toll Group have been hit twice by Ransomware since the pandemic outbreak. The second time was notable for its use of Ransomware distributed through exposed Remote Desktop Protocols (RDPs) which of course are more prevalent with so many working from home.

With companies already facing hardships, there is an even greater need to **avoid data loss, reputational loss, and customer loss**. Additionally, fines imposed by regulations such as GDPR in Europe or the Privacy Act in Australia can now be up to 4% of a company's annual income. In prosperous times this is an expensive mistake, in Covid-19 times this could be a fatal error

It is critical therefore that businesses **act quickly and efficiently** in response.

The Australian government recommend an **'Essential 8'** improvements to cybersecurity which can be implemented to different levels of 'maturity' depending on the risk status of the business and the sensitivity of their data. Of course, if possible, companies should always **aim for level three**.

Some of these recommendations are now very straightforward. One example being **Multi-Factor Authentication** (MFA), which implements the requirement of multiple forms of identity verification to access data. This is far more secure than just a password which could be misplaced, stolen, or hacked. Many cloud-based services such as Office 365 now offer this as an easily activatable setting, making its roll-out both **fast and simple**.

Another easy 'Essential 8' is backing up data. Simple, yet critical, properly backed up and encrypted data is the most powerful defence against Ransomware attacks: it leaves the criminal with little leverage to make demands if they cannot leak your data and further encryption doesn't matter because you have other copies. Backups should be made regularly and comprehensively, with effectively managed encryption keys, and should exist on at least two different media, such as external hard drives and cloudbased storage. One of these media should be stored disconnected to the network so that it is inaccessible to any adversary.

Off-network backup devices are becoming increasingly important because cybercriminals are spending time within a company network, seeking information to building a more crippling ransom case or malware attack. It is therefore important to stop any lateral movement during this dwell time by, for example, segmenting the network into compartments and disconnecting backup devices.

The real key to reducing dwell time is continual monitoring. This of course is easier said than done, least not because IT teams have to sleep at some point! The solution is to have a dedicated third-party security team monitor your systems and alert you of any anomalies. Continuous monitoring and assessment are far superior approaches to one-off vulnerability assessments which often yield complicated, dense reports and do not provide good value for money.

Furthermore, cyber specialists are experienced and think like adversaries, making them more sensitive to anomalies, and they are less likely to suffer from 'alert fatigue' or be distracted by other company responsibilities. Outsourcing monitoring will free up the time of your internal IT team for company-specific requirements, and, in addition, solves the common problem of staff attrition due to a lack of required expertise generating a high demand for this skill set.

Cyber Citadel offers a managed detection and response (MDR) service. This service provides 24 hours a day,

7 days a week monitoring. It is also financially flexible: a plan is designed with the client company, who then pay for as extensive a service as they believe to be necessary or that they can afford. Our service aims to be more like an internal department and caters to business needs in a more personal and tailored way. The service will even offer advice and assistance to company executives about cyber-related policy.

Any company concerned about the challenges they are facing in this fast-changing world, and who are looking to develop and improve cyber security to meet these challenges, should look no further than an MDR service. Continuous monitoring and alerting in real-time is the future of cybersecurity.





Moving towards carbon-neutral shipping with Maersk ECO Delivery

By NICK STREET, Commercial Planning Manager - Maersk Oceania

If maritime shipping were a country, it would be the world's sixth-biggest greenhouse gas emitter!

Climate change is one of the biggest sustainability challenges of our time. The transport industry is responsible for 23% of the global GHG emissions annually, with 2-3% coming from maritime shipping. As an example, driving 1 km in a car within London to buy an iPad downtown produces the same amount of CO2 as shipping the same iPad all the way from China to London.

As the global integrator of container logistics, Maersk is strongly committed to leading the progress towards carbon-neutral options across the entire end-to-end supply chain, which is crucial to tackling the social and economic challenge that is climate change.

For Maersk, decarbonising is not an option but a necessity and that's why in December 2018 we set an ambition to have carbon neutral marine operations by 2050, far beyond any regulatory frameworks in place today. This means that we ultimately want to achieve zero net-emissions from our vessel operation by 2050. As a mid-term target, we will reduce CO2 emissions by 60% reduction per container transported by 2030 (2008 baseline).

But we cannot do it alone! We must work closely with industry and sector leaders to find the right solutions, and jointly do everything in our power to leave the planet in a better place for future generations.

We see a continuous increase in customers sharing our ambition with their own agendas toward climate responsibility. Our customers are making bold company commitments to significantly reduce CO2 emissions from their businesses, in many cases to zero emission. To meet this growing demand, Maersk has recently introduced a new product, **Maersk ECO Delivery**, which complements our overarching sustainability strategy.

Maersk ECO Delivery is the world's first carbon-zero ocean product based on the use of sustainable biofuel replacing conventional bunker, so that effectively the CO2 savings are based on actual reductions and not just carbon offsetting credits.



The sustainable biofuel is derived from used cooking oil which has been tested and validated in a trial driven in collaboration with the Dutch Sustainability Growth Coalition (DSGC), and Shell during 2019. It is certified as a sustainable fuel by the International Sustainability & Carbon Certification (ISCC) body, whereas the CO2 saving accounting is certified by the Round Table for Sustainable Biofuels (RSB) standards and verified by PWC. Technically, once the biofuel is loaded in the vessel tanks, Maersk has committed to using it and thereby obtains the CO2 credits which are passed on to customers as part of the Maersk ECO Delivery product.

For customers looking to improve the sustainability of their supply chains purchasing Maersk ECO Delivery is relatively simple. A separate contract is agreed and the number of containers to be shipped carbon free are specified. At the conclusion of the contract the client is presented with a carbon neutral certificate from Maersk which includes independent verification and details on carbon savings. The customer can use this certificate for their own sustainability measuring and external reports.

To be able to apply Maersk ECO Delivery on a global scale, as well as improve the availability to customers, containers shipped with the purchase of this product may travel on a conventionally fuelled vessel. However, as Maersk's vessel network is a global system the biofuel used is replacing a corresponding actual amount of conventional fuel used elsewhere in that system, so there is a real carbon saving.

All the CO2 reductions from the biofuel are allocated to the customers who decide to buy the carbon neutral product. The Roundtable on Sustainable Biomaterials (RSB) has approved the procedure to ensure carbon savings are accredited to our customers appropriately.

With the addition of ECO Delivery to Maersk's global product suite we look forward to collaborating on our sustainability ambitions and joining forces with customers and partners around the world, including readers of "Across Borders".

For more details on Maersk Eco Delivery, we invite you to go to https://www.maersk.com/eco-delivery





Australian Government

Department of Agriculture, Water and the Environment

Emissions Standards – Are your imports compliant

Since 1 July 2018, the Australian Government has been regulating the importation of new non-road spark-ignition engines through the product emissions standards. These standards help to reduce air pollution in Australia by stopping high-emitting products from entering our borders.

These engines are used in outdoor power equipment such as lawn mowers, generators and whipper snippers. The standards also apply to marine vessels such as outboard engines, personal watercraft and stern-drive engines.

As part of the phased approached to implement the emissions standards, a new import requirement came into effect on 1 July 2020. It only applies to products certified to European emissions standards.

Products certified to European emissions standards must now meet Euro Stage V emissions standards, instead of Euro Stage II, before they can be imported into Australia. This is in line with the European Union phase out of Euro Stage II emissions standards.

Targeted post-border compliance activities are underway to ensure importers meet their obligations under the Product Emissions Standards Act and Rules. Discrepancies in import data are one key input.

As a customs broker, your clients may ask you to clarify what they can and cannot import under the new rules. You play a key role in helping your clients meet their obligations and ensuring their products can reach the market without delays.

Certification number	Quantity	
JHVXS.0000XX	3 leafblowers, petrol	
E12*97/68xx*2012*00*0000*00, HBXXX0000000, JHVXS.0000XX	7 products, diesel, petrol, battery	8

Products accepted under the emissions standards

The standards apply to new products only. Before they can be imported, products must be certified to standards implemented by one of the following international authorities: United States Environmental Protection Authority, European Union (Stage V), Environment and Climate Change Canada or Californian Air Resources Board.

Where a product is not certified to one of the above international standards, an importer can apply to the Department of Agriculture, Water and the Environment seeking Australian certification.

Under limited circumstances, importers can also apply for an exemption to allow uncertified products to be imported into Australia. For example, to enable the product to be tested, evaluated or displayed in Australia before it is certified.

If your client would like to seek Australian certification or an exemption, this must be done well in advance of importing the product. They will need an approved certification or exemption number to enter in response to the Community Protection Question.

The space available in the CPQ has a limit of 35 characters. Omit the asterisks and forward slashes to enter the complete number.

Certification number

e1201616282017RRRSHA1PXXXX00



Answering the Community Protection Question

Ask your client if the product they are importing is captured by the emissions standards and whether it is certified. You will need to have the certification or exemption number of the product available, as this will allow you to accurately answer the Community Protection Question (CPQ).

When answering the CPQ, there are things you can do to help speed up the process:

- Do not group emissions-controlled products with products not captured by the standards (e.g. diesel or electric products). Emissions-controlled products should be on separate lines.
- Where there are emissions-controlled products with different certification numbers, there should be **one line item to one certification number.** Specify the quantity of the products and provide a detailed goods description that tells us if the product is petrol-powered.
- For products certified to Euro Stage V emissions standards, the certification number may exceed the character limit of the CPQ. In this case, omit the asterisks and forward slashes to insert the complete number. Do not omit any numbers or letters.

A guide is available to help importers understand their obligations at environment. gov.au/protection/publications/pes-guide-to-customs-brokers

If you are unsure how the emissions standards apply to you or your client's business, contact the Department of Agriculture, Water and the Environment on 1800 803 772 or visit environment.gov.au/emissions-standards





COMPLIANT?

Since 1 July 2018, new non-road spark-ignition engines and equipment must meet Australia's emissions standards before they can be imported into Australia.

Since 1 July 2020, products certified to European emissions standards must meet Euro Stage V emissions standards.



Where the wind blows

As the largest operator of wind generators in the world, Danish energy solutions company Vestas has been designing, manufacturing and installing wind technology for over 40 years. Today, Vestas has an installed base of 117 gigawatts across 81 countries. In addition, they are servicing more than 104 gigawatts made up of over 47,000 turbines.

Within Australia, Vestas machines account for more than 50% of the country's wind generation. "We have a global footprint that continues to expand, especially in countries like Australia with abundant wind resources and willing investors", says Peter Cowling, Head of Vestas Australia and New Zealand. "A major part of our success is the efficiency of our world-leading supply chain and our transport solutions".

Over the last twelve months, Vestas has been constructing ten major wind farm projects across Australia. In Victoria, the wind farms include; Berrybank, Cherry Tree, Diapur, Dundonnell, Ferguson and Lal Lal. For Western Australia, the wind farms are; Warradarge and Yandin, and in Tasmania, there is Granville Harbour Wind Farm. Lastly, Vestas is constructing Collector Wind Farm in New South Wales.

To understand the volume of Vestas Australia's freight activity, more than 1000 tower sections have been shipped in the last year. This adds to approximately 65,000 tonnes of freight and if stacked on top of one another, would reach 35 kilometres high. When it comes to turbine blades, more than 1000 blades have been received – when joined end to end they would stretch approximately 65 kilometres long.

"One of our major transport challenges is related to the sheer size of our technology", says Dean Wallace, Transport Specialist of Vestas Asia Pacific. "We are utilizing only six suitable ports around Australia which can adequately handle our cargo". In the last year, Vestas coordinated

40 breakbulk vessels into these six Australian ports.

As wind turbine blades lengthen and tower diameters increase, the demand for adaptable transport solutions also increases. Vestas recognises the importance of monitoring trends of over-dimensional & over-weight cargo in similar industries which in turn, has the potential to be applied when transporting wind technology.

"We understand the needs of our technology which is why we play a key role in co-developing the transport solutions with our partners. With this, the Vestas team also manages the end-to-end transport plans with the ports, council authorities, onshore and offshore freight companies and government departments", says Dean Wallace.

Earlier this year, Vestas and industry-leader DSV Panalpina, formed a strategic partnership in transport and logistics. As part of the partnership, DSV Panalpina has been executing and managing Vestas' general freight and special project transportation, both inbound and outbound. The partnership aims to simplify Vestas' global freight setup, as well as generate economies of scale and efficiencies for both companies.

"The efficiency of our global supply chain is largely due to the reliability of our freight and shipping partners", says Soren Kvist Simonsen, Head of Transport for Vestas Asia Pacific. "Over the past twelve months in Australia alone, Vestas imported more than 50,000 tonnes of wind turbine generators. This truly is a shared achievement with our freight partners and subcontractors".

Another shipping challenge is the ongoing need to maintain biosecurity for all cargo. With the transport of materials between countries and jurisdictions, the risk of contaminated cargo is high.

"Earlier this year, during the Brown Marmorated Sting Bug (BMSB) season, we received shipments which needed to satisfy biosecurity concerns", says Dean Wallace. "The Freight & Trade



Alliance (FTA) facilitated discussions with senior officers from the Department of Agriculture, Water and the Environment which allowed us to construct a set of effective procedures and treatment plans to meet their concerns".

For the rapid uptake of renewable generation to continue, a suitable framework such as innovative transport solutions are vital.

"Having pioneered the wind industry, Vestas' mission is now to create a world fueled entirely by sustainable energy", says Peter Cowling. "To do this, we need adequate infrastructure, including agile transportation, that will meet the needs of the industry's future. Continuing to build our relationship with governments, innovators and world-leading companies will help the industry achieve this".

Amidst a promising pipeline of new projects, and the evolution of both Australia and the world's energy network, Vestas looks forward to the evolution of the industry's transport chain.

"In the spirit of innovation, which is what we have always demonstrated, we also anticipate the evolution and agility of the industry's freight and transport services", says Soren Kvist Simonsen.

Discover more about Vestas here. https://www.vestas.com/en/about/profile#!



We have a chance to re-build our supply-chains better than before – Actions shippers can take now to prepare for a low emission future.

By TRISTAN ANDERSON, Leader - Logistics and Infrastructure Policy - GHD Advisory

In April the World Economic Forum (WEF) published an article 'What can firms' COVID-19 strategies teach us about the climate battle ahead?' in this article the WEF states that prior to Covid-19 we had significant climate events such as unprecedented bushfires, unseasonal heatwaves and slow-moving tropical mega-storms, had Covid not occurred climate change would likely be our main collective focus. This coupled with recent technology advances and significant investment in new energy generation (i.e. hydrogen, bio-fuels, electric vehicles, etc) meant that the transition to a low emission future was certainly facing its 'perfect storm'.

This being said, Covid has made it necessary for us to re-think and re-build our supply-chains and this presents the opportunity to rebuild them better than before. Part of building a resilient supply-chain is building one that is sustainable and also less reliant on fuels that may be prone to global disruption events, trade embargoes, shortages, gluts, and the resulting price fluctuations.

For example, for decades we have been exposed to large fluctuations in fossil fuel prices leading to transport companies installing fuel adjustment factors into their pricing, however with no similar price mechanism in place with end customers it is largely cargo owners who are left bearing this energy price risk. How many meetings have you been to where fuel prices have been blamed or at least named as a contributing factor to a lack of profitability? This doesn't sound like resilience to me.

The need to de-carbonise our supplychains is not just about doing the right thing for the environment, it is also good business.

How decarbonisation can be good for business

Oil prices may be at historic lows but it's not actually the price that causes the greatest effect to supply-chain viability, it is the price volatility which is currently at an



all-time high. Many shippers would likely prefer slightly higher but consistent pricing over volatile pricing. This is especially true for proponents who can't take large (and costly) hedging positions.

Identifying a more sustainable supply of energy and entering into long term power purchase agreements can insulate your business and your clients from global energy price fluctuations. An example of this would be transitioning your truck and forklift fleet to electricity, a much more stable source of energy.

Beyond price stability, being low-carbon can also differentiate you from the rest. Maersk shipping line for example has committed, as a mid-term target, to reduce CO2 emissions by 60% reduction per container transported by 2030 (2008 baseline) and further to have carbon neutral vessels by 2050.

Steps Government can take

The World Economic Forum has also called on Governments to use stimulus spending to incentivise a transition to a more sustainable energy use profile. The Australian Government has committed to two significant emission reduction targets;

- 5% below 2000 levels by 2020 (under the Kyoto Protocol) and
- 26-28% below 2005 levels by 2030 (under the Paris Agreement).

Incentivising business to take on similar targets is the only way we will achieve this goal together. If governments want to ensure a move toward lower emissions, they should attach conditions to stimulus money that encourage companies to incorporate environmental risk management into their strategies for recovery. For instance, stimulus measures could be more generous for companies with low-carbon business models and

those that channel investment into green infrastructure.

Steps you can make now to move towards, and take advantage of, decarbonisation

Supply-chain proponents can use modelling and analysis to compare various means to reduce reliance on fossil fuels (decreasing emissions and price volatility) and also to reduce their use of energy all together.

Companies can further double-down on energy savings by accessing grants. In addition if you can create a negative carbon footprint then credits can be sold to the Government in the form of offsets. For example the Australian Governments Emission Reduction Fund (ERF) is a voluntary scheme designed to provide financial incentives for businesses, landholders, and communities to reduce emissions.

Below are steps you can take now to prepare for and potentially take advantage of a low emission economy:

- **Identify new technology** to reduce reliance on fossil fuels (electric vehicles, solar generation, waste to energy etc),
- Investigate alternative fuels, ie bio-fuels or hydrogen. Hydrogen is being increasingly touted as the next transportable energy format, can hydrogen be used on your supply-chain?
- **Identify if grants are available** for emission reduction projects, or if you have the ability to create and sell carbon credits.
- Model alternatives and compare options, consider continuity of supply, forward purchase agreements and price stability over time.



The Packaging Evolution – From Efficiency to Waste and back again?

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

Packaging for eCommerce deliveries has been a bugbear of mine for almost a decade now and, regardless of whether anyone else reads this or not, my wife will be pleased to know that my rants extend beyond our home.

I'm not a radical environmentalist, but definitely a logistician pragmatist and this is where the internal conflict arises; warehouse efficiency vs. shipping efficiency vs. environment – can we find the perfect balance?

Let's take a quick journey into the past to understand how we've landed at where we are today before we explore the future.

Believe it or not, it's been 150 years since America "invented" the big-box department store. Macy's (1858), Bloomingdales (1861), and Sears (1886) all emerged as the solution to small mom-and-pop retail. The place where you could do all your shopping in one place.

Fast-forward to 1956 – with a post war boom the modern shopping mall is born. Once again, America led the charge, anchoring their malls with one-or-two big-box stores surrounded with an array of smaller shops to appease the specific consumer. By the time 1960 rolled around, statistics state that there were more than 4,500 malls accounting for 14% of all retail sales – the revolution had begun!

Behind the scenes, as so-often is the case, logistics must adapt to the consumer demand. In this instance, deliveries had been transforming for almost a century, from locally manufactured and delivered goods to central manufacturing (sometimes internationally) and larger scale deliveries. In the 1950s, American Keith Tantlinger has been credited with building the first shipping containers, though there are many historical mentions of others who were on to the same idea.

These containers became a standard sized unit in which to pack product. Building on this concept, in 1956, American Malcolm McLean put 58 of these standard "containers", aboard a refitted tanker ship, the SS Ideal X, sailed them from Newark, New Jersey to Houston, Texas and born was modern shipping (Source – Google...).

All of a sudden, things became simple. Whatever you're making, wherever you're making it, package it in such a way that you can maximise the number

I'm not a radical environmentalist, but definitely a logistician pragmatist and this is where the internal conflict arises; warehouse efficiency vs. shipping efficiency vs. environment – can we find the perfect balance?

of widgets and sprockets you can get into a shipping container. For over 50 years, logisticians focussed on exactly that. Common product being packed into a container, maybe going into a warehouse (thank you pallets) and then onto a truck (pretty similar shape to a shipping container...) and your malls, shops and big-boxes will receive their 20, 50, 100 units to put on the shelf just waiting for the next consumer to walk through the doors.

And then a couple of computer fanatics start to tinker around with things in the mid 1980's...

I don't think that many imagined the power that the internet would have on the world, let alone personal shopping, when it first found its way into common use. Yet here we are, 2020 and with the boost from a global pandemic, online commerce has arrived and is quickly gobbling up the market share of its older cousin, bricks-and-mortar.

So to round out my history lesson, since the 1950's, when innovation was delivering maximum units to a single location at a minimum price, we've now arrived at a point where we need to deliver a minimum number of units to multiple locations at a minimum price. At least something has remained the same.

Okay, for those of us in supply-chain, we are presented with a new dilemma, summarised by four simple points:

• Warehouse pick-pack has gone from full-pallet, to full-case to piece-picking. The focus on per-piece efficiency has become an ethereal quest.

- Per-piece picking challenges have been complicated and multiplied by the sheer magnitude of SKU's on offer. (For my family and the non-logistics people reading this, an SKU is essentially a product. That size L, blue shirt you have that's an SKU a stock keeping unit). How do you carry tens-of-thousands of active SKU's and keep picking efficiency reasonable? ("active" means still on-sale. For eCommerce, if it's online, it's active and no-one takes things off-line!)
- Packing optimisation is mind boggling. If you're carrying 10,000 active SKU's in your warehouse and an average order has a 1.8 SKU attachment rate, how do you ensure that those 1.8 pieces are packed into the perfect package to maximise both the speed of packing AND the elimination of wasted space within the package itself?
- Packaging cost is a science of cents. If you're sending 5,000 packages-a-day and you can save 5c per order, that's about \$65k per year from one package type to another...that's material.
- Freight space. To the lay person this means nothing. To someone who knows that wasted space is wasted money, let me take a few sentences to try and explain how this works:

A truck, a train carriage, a plane – all have a finite amount of space in which you can pack anything. Though weight definitely has a bearing on fuel consumption, moving your truck, your train, your plane, costs money. Even if you're moving a truck full of feathers, there's still the driver, the truck, the fuel, the tolls, the whatever it takes to move that truck of feathers from point A to point B.

As such, transport companies apply various measures to ensure that regardless of whether you're shipping bricks or feathers, their costs are covered. To do this, transport industries have introduced the concept of cubic factors, which is basically a multiple applied to the actual weight of a product(s) to ensure that the cost of transport is covered.

For example, a trucking company may say that 1 cubic metre of freight (35 Cubic Feet) will be charged on the greater of 250 kg's (551 lb) or the actual weight of the goods. So, if you're shipping 1 cubic metre of bricks that weighs 500 kg, you'll be charged at a freight rate (say \$1.00/kg) x 500kg OR if you're shipping feathers that weigh 50 kg's, you'll be charged at the



cubic weight (250 kg) x the freight rate (\$1.00/kg). If this is confusing, slow down, write it down on paper and I promise it will eventually make sense. I'm not very smart so it took me a few years of slowing down, writing it overand-over, but I eventually got there.

So, what does this all mean?

If I'm running the warehouse, I've got about 3 box sizes and my packers will simply pack as much as possible as fast as possible and I'll measure their performance accordingly. We've all seen the result of this. Here is an actual delivery I received for 5 ball-pump needles...

If I'm running shipping, I'm packing things as efficiently as possible to ensure I'm not paying for sending air in my parcels (remember, light-weight packages aren't only charged based on their weight).

If I'm responsible for procurement of packaging material, I'm going to save 5c per order regardless of what it's made out of.

If I'm responsible for everything, as is the case with most ecommerce operations, I'm making my decisions based on my bonus metrics. Warehouse KPI's, packaging spend, shipping cost reductions – what's the easiest of the lot?

I'm regularly amazed at how few logistics managers understand the correlation between warehouse operations and freight cost. Because of this, the instinct to speed up warehouse packing speeds often outweighs the ability to reduce shipping costs.

I'm also regularly disappointed by retailers who talk the importance of the environment, but take the low-cost packaging option.

We've all received packages that scream shipping inefficiency. We laugh, we shake our heads and we throw the packaging away. Herein becomes the final problem.

To summarise this entire article thus far: Our desire to maximise labour efficiency in the warehouse has led to an over-use of packaging, which increasingly is not recycled due to cost benefits and the ignorance of the general public around soft-plastic recycling.

So where to from here?

- 1. Sure it's easier said than done, but your warehouse manager, your freight manager and your procurement manager need to talk. If these three people are all the same person, their KPI's need to balance the various aspects.
- 2. Technology has changed to ensure a better mix of orders to packs. It's not perfect, but investment in software and process change can bring you closer to the apex of eCommerce logistics and will likely save you money.
- 3. Sustainable packaging is here! And it's very competitively priced! Stop being lazy and buying the plastic that you've been buying for the last 10 years. Your consumers aren't educated or proactive enough to recycle their soft plastics properly so take the risk out of their hands and give them packs that biodegrade when they end up in landfill.

Care.

Care about your warehouse KPI's, but don't make that the be-all and end-all.

Care about your shipping costs and understand how they are impacted by your warehouse operations.

Care about the environment and recognise that the actions and habits you create today will set the path for the next 50+ years.





Ethanol fuels passion and power



As Australia's biggest distiller of premium ethanol in grades for food, spirits, pharmaceuticals, personal care products, industrial applications and transport fuels, family-owned Manildra Group's seven-column, grain-neutral ethanol distillery – the largest in Southeast Asia – has ensured our secure domestic supply of sanitisers, with 70 per cent alcohol as the active ingredient, to fight the spread of infection in the COVID-19 pandemic.

"Working with government, frontline agencies, hand sanitiser and cleaning product manufacturers to meet the demand for locally produced ethanol as the key raw ingredient in sanitiser has highlighted the importance of local manufacturing to Australia in this global crisis," said Manildra Group Managing Director John Honan.

"Manildra Group has been producing ethanol since 1992 and our nation's continued support for Australian manufacturing, local jobs and buying Australian-made has enabled ongoing investment in our state-of-the-art distillery as part of a fully integrated facility at our world-class Shoalhaven Starches site at Nowra, in regional New South Wales."

With more than 40 years of exporting experience, Manildra Group's 100 per

cent Australian-made food ingredients and industrial products are transported to every continent through well-established international distribution channels.

"To maintain our competitive edge internationally, a strategy of constant reinvestment and innovation has positioned Manildra Group as one of the leading exporters of value-added products through Australia's largest container port in Botany, NSW," said Manildra Group Head of Exports Olga Harriton, who also serves as Chair of the Australian Peak Shippers Association (APSA).

Ms Harriton said the industry body set the global benchmark in efficiencies for Australian shippers and exporters including Manildra Group, as a proud member of APSA. "Because our diverse range of 100 per cent Australian-grown, owned and made Manildra Group products are distributed to every continent, it's important we have access to shipping services and freight rates that are internationally competitive," said Ms Harriton.

APSA is the designated peak shipper body – granted status by the Federal Minister for Infrastructure and Transport under national competition laws – representing the interests of Australian shippers generally in relation to liner cargo shipping services.

APSA partners with the Freight & Trade Alliance (FTA) to form an influential advocacy alliance to ensure members are at the forefront of all emerging supply chain issues through responsive operational support, professional development training, industry updates, commercial services and corporate events.

Ms Harriton said every day, Manildra Group coordinates deliveries of our Australiangrown and made premium sugar, oils, flours, premixes, starches, syrups, glutens, ethanol and stockfeed for global markets.

As 'the voice of the motor industry' in NSW, the Motor Traders' Association of NSW wants motorists to have the facts on biofuels – and not be fooled into filling their tanks with more expensive petrol.

As a reliable, less costly and cleaner fuel choice of many motorists, E10 is one fuel that MTA NSW is interested to learn more about on behalf of their members.

"If your car is E10-compatible there is no downside to using it," said MTA NSW Chief Executive Officer, Stavros Yallouridis. "We want to help change people's view of E10. We want motorists to be fully informed about the facts of using biofuels so that when it comes to filling up the car, they don't have to buy the most expensive fuel on the market," said

MTA NSW is an employer's association and registered training organisation representing businesses in the NSW automotive industry ranging from mechanical repairers to vehicle dealerships and service stations.

Mr Yallouridis said many motor vehicle engines were built to run on E10, with both ethanol and engines having evolved significantly.

"Over the past decade, the fleet has changed significantly with vehicle innovation and technology – and with arguably some of the lowest-quality fuel in the world, Australia needs to embrace higher petrol standards," said Mr Yallouridis.

High-octane ethanol is revolutionising motor sports worldwide, with Australia's V8 Supercar Championships embracing high-performance E85 (85 per cent ethanol-blended) as their fuel source. Meanwhile, as

vehicle manufacturers continue to update their technology and fuel systems, ethanol provides further opportunity for improving vehicle performance, fuel economy and emissions.

"We know more than 64 countries have mandated ethanol in their petrol not only to increase their fuel quality, but also to boost jobs, secure their fuel supply and decarbonise transport sectors," said Mr Yallouridis.

With extensive experience working globally in the motor vehicle industry, the MTA CEO is aware of the benefits of local fuel ethanol industry – so a recent visit to Shoalhaven Starches left a big impression.

"We were blown away by the scale of manufacturing and continual innovation at the facility, as well as the positive contribution ethanol could make to the wider motoring industry," he said after the behind-the-scenes tour of the world-class site at Nowra in regional NSW.

Manildra Group's fully integrated, state-ofthe-art manufacturing facility uses wheat starches from flour milling to produce a range of ethanol grades – used not just for transport fuels but also food and beverages, pharmaceuticals, personal care and industrial applications worldwide. Manildra Group Head of Ethanol, Debra Forster, said ethanol with a natural octane of 108 was distributed to oil companies to blend with petrol to produce E10 (95 RON) and E85 (108 RON) fuel.

Turbocharging an old station wagon really drove home the value of ethanol-enhanced fuels for the duo behind Mighty Car Mods, the world's most-watched DIY online auto show. Recently ranked among the most influential digital stars on the globe, Australian car enthusiasts Blair 'Moog' Joscelyne and Marty Mulholland count some 2.8 million YouTube subscribers and up to 4.2 million monthly views for their handy and humorous demonstrations of at-home automotive improvements.

The pair first became fans of highperformance, ethanol-based fuels after nearly doubling the power of a 15-year-old Subaru by using E85 – a blend of 85 per cent ethanol and 15 per cent petrol.

Mr Mulholland said they picked up the station wagon dubbed "Supergramps" for a couple of thousand dollars and "swapped the engine out for an EZ36, the biggest engine that Subaru makes".

"Problem was, it was already superhigh compression and we were going to turbocharge it," he said. "By using E85, we could raise the tuning headroom; adding more ignition timing and boost pressure – resulting in almost double the factory power of the original car with its original engine."

Mr Mulholland said they were struck by the versatility of 100 per cent Australian ethanol for value-adding uses ranging from fuel to food, beverages and pharmaceuticals.

They were also surprised at how many Australian-made products used raw and refined materials made in the same plant that produces both household-grade and fuelgrade ethanol.

"There is always a lot of talk about future technologies, where they will take us and how clean they are," Mr Mulholland said. "We're excited about all of them, and one thing about renewables such as ethanol is that they are here, right now – we can create it from scratch in Australia, put it in a vehicle and go.

"I'm a big fan of Australian-made and it's great to add an Australian-made product to imported petrol to increase octane and improve performance."



Green Ammonia as Marine Bunker Fuel

Freight & Trade Alliance (FTA) has partnered with Renewable Hydrogen as a technical advisor on renewable policy to support our engagement with government and to be at the forefront of emerging initiatives through collaborative relationships with key sectors of commerce.

Sal Milici (Head of Border and Biosecurity, FTA / APSA) had the opportunity to speak with Brett Cooper, Chief Executive Officer, and founder of Renewable Hydrogen.

1. SAL MILICI – Brett, please tell us about Renewable Hydrogen and your reach locally and internationally.

I established Renewable Hydrogen Pty Ltd in 2008 to develop supply chain pathways by which Australia's vast renewable energy resources could be exported in the form of Green Hydrogen and its carriers such as Green Ammonia. In this regard over the last 12 years or so we have worked on these types of projects with a leading Japanese Trading house, several State Govts, CSIRO and the world's largest ammonia fertiliser producer Yara.

2. SAL MILICI – After more than a decade in planning, on 1 January 2020 the International Maritime Organisation (IMO) mandated that ships use low sulphur fuel. Will it take another decade or longer before we see the next leap in environmental measures?

In recent years there has been a dramatic increase in global interest in the use of Green Ammonia as a carbon free bunker fuel for shipping.

This interest has arisen as a result of policy settings announced in April 2018 by the IMO

that set policy objectives aimed at a 50% reduction in Greenhouse Gas emissions from shipping by 2050.

In response to these policy settings, leading ship operators such as Maersk, have announced targets to be 100% free of CO2 emissions by 2050.

The maritime industry has recognised that in order to meet these objectives, new zero carbon propulsion fuels will need to be developed for shipping.

Because ships being built now will be operational for the next 20 years or more, ship designers have already commenced designing ships to be powered by carbon free fuels.

3. SAL MILICI – Why Green Ammonia as a bunker fuel?

There have been several fuel contenders for carbon free ship propulsion, including batteries, hydrogen, synthetic LNG and synthetic methanol.

Batteries are challenging for long range ocean going shipping because of volume and range limitation, whereas hydrogen has difficulties when it comes to storage and the need for high pressurisation or very low cryogenic temperatures.

Carbon neutral synthetic LNG and methanol (both of which require recycled carbon for manufacture) are seen as being limited in scale.

For the above reasons there has been growing global maritime interest in Green Ammonia which is manufactured via the combination of hydrogen from renewably powered electrolysis with nitrogen extracted from the air.

A remarkable degree of uniformity has emerged amongst maritime industry leaders and organisations such as Lloyd's Register, Korean Register, Royal Society and NYK Line (Japan) issuing reports favourable to the use of Green Ammonia as bunker fuel.

4. SAL MILICI – Is there an example of a ship engine capable of running on Ammonia?

In response to growing maritime industry interest in ammonia as bunker fuel, leading manufacturers have announced programs for modifying existing ship engine designs to run on ammonia.

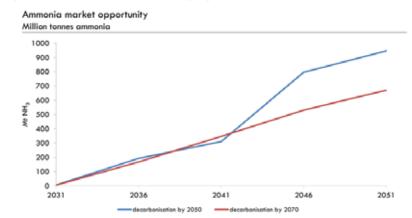
The world's largest ship engine builder, MAN Energy Solutions (a division of VW) has announced plans to develop modified versions of its widely used, large scale two-stroke ship engines to run on ammonia.



Brett Cooper, Chief Executive Officer, and founder of Renewable Hydrogen

niius

Annual ammonia demand could increase by 670 to 946 million tonnes and represent a potential 5 USD trillion market up by 2050



Growth in ammonia for shipping could represent +400% capacity increase relative to 2018 global ammonia production capacity

Source: UMAS GloTroM (2019)
Note: assumes NH3 constant price of USD603/tonne from 2030; reported 2018 global ammonia capacity was 188Mm

Meanwhile MAN's close competitor Wärtsilä has announced successful testing of fourstroke ship engines being powered by ammonia.

5. SAL MILICI – What is the potential large scale demand for Green Ammonia Bunker Fuel?

Currently the world produces approximately 190 million tonnes pa of ammonia, used mostly for fertiliser and produced mostly from fossil fuels.

A number of industry reports have projected very significant demand in growth for Green Ammonia over the next 30 years as a result of its uptake as marine bunker fuel.

One of the most influential maritime industry research groups, whose reports are often considered by IMO Committees, is University College London's UMAS group. In early 2020 UMAS issued a report to the Copenhagen based Getting to Zero Coalition which projected a fourfold increase in global ammonia demand as a result in its uptake as marine bunker fuel:



Sal Milici, Head of Border and Biosecurity, FTA / APSA

6. SAL MILICI – Can Australia play a role in this reform and what benefits could it deliver?

Australia certainly can play a role because of its natural comparative advantage with regard to renewable resources and the vast land areas from which they can be harvested. Over time the renewable energy super-powers of the future will be those counties with stable political systems, access to renewables and a commercial business environment in which investors will be happy to invest 100s of billions of dollars. Australia is blessed with all these attributes.

7 SAL MILICI – What are some of the challenges preventing development of a Green Hydrogen / Ammonia manufacturing industry given our comparative advantage in renewable energy?

The main challenge, at the moment, is the high capital cost of the equipment required to convert renewable electricity into Green Hydrogen and Ammonia. The main cost element is that of electrolysis. Until recent times the world has not spent a lot of money on improving the efficiency and cost of electrolysis because there has not been big demand. But this has now radically changed with the European commission for example announcing, on July 8, 2020, that it wants to start to deploy 40,000 MW of new electrolysis over the next 10 years. This is likely to dramatically reduce the cost of this equipment which will be of much benefit to Australia's plans for Green Hydrogen and Ammonia.





MEMBER PROFILE



In July, Freight and Trade Alliance (FTA) was approached by the charitable organisation GIVIT to assist them in the distribution of generators to bush fire ravaged communities in New South Wales.

GIVIT is partnering with the New South Wales Government to manage donated funds and offers of goods and services following the 2019/2020 bushfire devastation in NSW. GIVIT supports local governments, recovery agencies, local charities and community groups to ensure people in need obtain the essential items they require to help them recover. GIVIT





AirCL Transport & Excel Logistics - helping fellow Australian's in need.

assistance is intended for people most in need, including those persons who will find it difficult to recover without assistance.

FTA reached out to our members who were quick to donate their trucks, drivers and time to facilitate the delivery of 136 generators into the hands of people directly affected by last summer's fires. Many of these people are still living in temporary accommodation on their burnt out properties so the additions of a generator

to their few possessions has made a massive difference to their quality of life and living conditions, not to mention a much needed boost to morale.

"Some bushfire-affected communities are still in the clean-up stage. That's why donations of generators, grocery vouchers and simple hardware tools are still so important. Where someone has lost their work shed which contributes to their livelihood, they need a generator to run the power" said GIVIT NSW Manager Scott

We would like to thank Paul King of Excel Logistics and Bo Wetterling of AirCL Transport who provided their trucks and resources to see these deliveries happen. With their help, generators were delivered to; Nowra, Moruya, Mogo, Jeremadra, Cobargo and Quaama. The benefits of their contribution however went further than that. The assistance was donated free of charge which freed up money for GIVIT to use to purchase other items such as food and fuel vouchers, school uniforms and household items.





Generators collected by the worthy recipients



"WISTA Australia has been hosting monthly webinars on topics which range from inspirational, to educating members on specific issues as well as professional skills which are applicable across all industries.

Our June webinar was presented by Dimity Brown (Lawyer & Executive Coach) on the topic of "Building a HERO mindset". The July webinar was presented by Angela Gillham (Deputy CEO, Maritime Industry Australia Ltd) on "Greenhouse Gas Emissions in the Shipping Industry". The August webinar was presented by Kerryn Woonings (Marine Surveyor, Crawford & Company) on "Turning Up The Heat: Understanding Container Cargo Sweat". The September webinar was presented by Vanessa Spark (Boating Education Officer, Maritime Safety Victoria) on "Maritime Safety Victoria - Our Role as a Regulator".

We are looking forward to continuing our webinar program for the rest of the year which also enables us to remain connected.

Two members share their stories on Generational succession

By JAMES MARSHALL, Executive Director - Meridian Freight

2021 will mark 35 years of Meridian. Two generations of the Marshall family operating as a wholly owned Australian Customs Brokerage & Freight Forwarder within the International Logistics Sector.

I was born in 1988, so when I think of what it was like when the company was founded in 1986, I have only the inherited LPs & quirky stories that have been passed onto me like relics of their time.

My Boss, who also happens to be my Dad, my mate & mentor - Peter Marshall, introduced me to the likes of The Cure, The Clash & Echo & the Bunnymen. He loves to dive into a reminiscent 80s story of kids playing cricket in the backyard (what is a backyard?) or episodes of the Young Ones (Who is Vyvyan?).

A time when Customs would rubber stamp your documents and when a cheque would often accompany the lodgement of an Original Bill.

I guess other relics of the 80s have not aged so well. A male dominated workforce with a lack of diversity. The telex machine, trickle-down economics & rollerblades.

Notwithstanding the above, Dad tells me the 80's were great. He also introduced me to the industry by means of a job, a Customs Clerk, at the age of 19. Yes, a Customs Clerk...something which time has also forgotten.



The 1980's was significant for our industry & it is often referred to as the decade that transformed Australia. An inspiring time both socially & politically where an embracement of internationalism and free market economics shrugged off a once protectionist style economic policy, which restricted imports through tariffs & complex duty schedules.

In 1980, key changes occurred to the Customs Act:

- The Act was amended to provide for the granting of licences to companies and partnerships and it required a corporate agency to nominate an individual agent (a nominee) for each of its places of business.
- It made it a condition of granting a licence that the applicant was a 'person of integrity'.
- It established the NCALAC to investigate and report on all matters concerning licensing.

Three pillars which remain ever so important to the protection of the Licenced Customs Broker today.

In 1985 the Asprey Draft White Paper recommended a broadening of the tax base through the adoption of a broadbased consumption tax; however, the overhaul of the sales tax system was still some 14 years away.

In recent years, Treasury figures note excise and customs duties have remained relatively steady as a revenue source but have declined in importance as a proportion of tax revenue over the last century. There have been some key developments through the genesis of Meridian, most of which I've not experienced firsthand given my 12 years infancy within the industry but all of which have shaped the landscape of international trade as I know and understand it today.

In 2020 as a 32-year-old Company Director who regularly canvases the current business climate to ensure our company maintains competitiveness, compliance & relevance, I believe we are poised to accept the next series of economic and digital disruptions which are sure to play a key role in the next 35 years of business.

I have learnt one of the most advantageous qualities that a 21st Century Customs Brokerage or Freight Forwarder can possess is a willingness to adapt and embrace to a forever changing digital industry.

We have gone to great lengths to ensure our standard operational procedures are digitally mapped and bolstered by a framework of intelligent constraint and risk management components. Our team reap the daily benefits of a paperless office by interfacing with KANBAN style Visual Boards which populate Tasks, Milestones, Triggers, and Exceptions, no longer requiring manual reminders for processes or folio style workflows. An all too familiar concept for companies which have had to embrace these software developments during the COVID-19 pandemic.

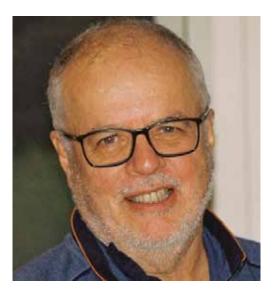
It is curious how something so ruthless can also serve as a catalyst for change. For three and a half decades our family-owned business has been the source of quality service, professionalism, and respect.

No matter what changes are on the horizon, may they be a further reduction in barriers to trade which poise the ever developing question over Broker Licensing, an increase in compliance at the risk of a severe Infringement Notice Scheme or the implementation of a Block-Chain based Trade System, the necessity to overcome and adapt will always be an important mantra moving forward.

Perhaps The Clash said it best "You grow up and you calm down and you're working for the clampdown"



By ANDREW SANDERS, Managing Director - AWS Customs & Forwarding Pty Ltd



After 26 Years in business the time is drawing near to consider a generational change; some challenges and hurdles are discussed below.

Generational Succession – handing the business across to your kids or family – sounds simple enough, but many families end up in dispute. It's important that generational succession is managed as closely and diligently, like as if you are selling the business to a stranger, to avoid any misunderstandings or disputes – Everyone needs to understand their roles and responsibilities. Here are a few key issues for consideration

With the number of Baby Boomers retiring, the next generation of business owners are bringing with them new ideas, new technologies and a social conscience, greater than we have seen before in business

This includes such issues as the environment, sustainability, social media platforms and choosing to work with companies that are like minded or have policies in place that are in keeping with their beliefs - In other words, changing business behaviour through social conscience

Boomers should be prepared to learn from generations X and Y while also being prepared to share the wisdom they have gained through experience. Generations X and Y are more entrepreneurial with a greater willingness to challenge the status quo and say, 'that can be done'

Technology plays a part in this new attitude, example: a new app can be developed over a weekend for a few

hundred dollars — whereas it previously would have required a detailed business plan, multiple level approvals and thousands of dollars.

Boomers have 'the curse of knowledge' and programmed ways of doing things whereas generations X and Y have grown up with what is possible changing on a yearly, monthly, or even weekly basis. We know and accept what was true yesterday may not be true tomorrow.

While SME's have their challenges in competing with the bigger players in the marketplace, the underlying advantages they possess and continue to have, is their ability to create new and valued relationships, to hold existing and value add for their clients. Another advantage they have is the ability to retain and work closely on these business relationships over time, while achieving desired outcomes for the client

Education and ongoing training is key to professionalism in any industry and especially important in ours

Family owned businesses due to their very nature present many difficult challenges. Succession planning becomes somewhat complicated when consideration has to be given to various family relationships. Often this creates some obstacles between management and ownership sometimes leading to possible conflicts and subsequently threatening the company's long-term survival

A person's capability and willingness to successfully take on the business is a key consideration

While sometimes the boundaries between ownership, position and management become blurred, these can be somewhat shaped by adopting sound governance company policies and practices and provide a template for these family firms, to address professionalism and sustain the business through tough times.

Generational succession can be a long and extended process and as such needs to be well planned and thought out.

As a guide, to allow a minimum of three years, with the responsibilities and roles of the new successor and the predecessor mentoring and nurturing their knowledge of all aspects of the business and increasingly, to delegate decision making and responsibilities

Once this process is finalised, the predecessor can retire feeling comfortable that the hand over process has been completed, however, because the

incumbent (often also the Founder) has or may have, an emotional tie to the business, there is often a reluctance to 'let go' of their responsibilities and this can lead to succession failure. The Incumbent may also be fearful of a loss of power, have a lack of hobbies or interests outside work, loss of status, retirement apprehension which all maybe a key factor in influencing the ultimate handover and may lead to a perceived loss of trust in the competencies of their successor

A Shared Vision underpins the values and ideas of helping family members to remain united.



Boomers have 'the curse of knowledge' and programmed ways of doing things whereas generations X and Y have grown up with what is possible changing on a yearly, monthly, or even weekly basis. We know and accept what was true yesterday may not be true tomorrow.

The importance of open trade for Australia's post COVID economic recovery

By DEPARTMENT OF FOREIGN AFFAIRS AND TRADE

There is no doubt that COVID-19 has given rise to enormous economic challenges for policy makers, industry bodies and Australian businesses – both immediate and longer term. The Australian Government's commitment to open trade and investment and the innovation and resilience of Australian businesses in navigating highly competitive overseas markets has placed us in a strong position for economic recovery, however difficult that may be.

Open trade will be a vital element of any economic recovery, and that of our trading partners. It has expanded our global economy, enhanced our standards of living and lifted people out of poverty in our region. It has placed Australia in a position where, in the middle of an unprecedented global pandemic, we recorded in June our 30th consecutive monthly trade surplus - despite the disruptive impact of COVID-19 on economic activity, including on key service export sectors, tourism and education.

It is important even when times are tough that we do not lose sight of our economic values nor embrace protectionism. While temporary, targeted, proportionate and transparent measures to enhance our national response to the emergency health crisis are necessary – for instance to secure and/or manufacture vital PPE or safely fast track a vaccine – the fastest path back to normality is an open, rulesbased global trading system that fosters business confidence in global supply chains.

As Senator the Hon Simon Birmingham said at his address to the National Press Club on 17 June 2020:

"An inward-looking Australia would be a smaller, poorer Australia. A country beset by inefficiencies and lower incomes. An economy unable to capitalise on our comparative advantages. At best we'd be average at everything, but potentially great at nothing".

While many economic challenges remain, there is no doubt that decades of commitment to open trade and investment underpin strong economic fundamentals that will give us a better chance at economic recovery. As a nation that relies on free flows of trade, capital and technology, we cannot go it alone.

The Australian Government is working tirelessly with our trading partners, including through active engagement in regional and multilateral forums – eg. G20, WTO, APEC to minimise disruptions to global supply chains and keep markets open for business. This will help Australia's trade-exposed businesses recover and come out stronger. The uncertain trajectory of COVID-19 and its wider implication mean that this will be a long-haul effort.

We are maintaining momentum in free trade agreement (FTA) negotiations with the European Union and commencing FTA negotiations with the UK to expand the range of opportunities available to Australian exporters. In addition, the Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA) entered into force on 5 July 2020. IA-CEPA provides improved or preferential access for Australian agricultural producers, manufacturers, services providers and investors. Over 99 per cent of Australian goods exports by value to Indonesia, including feed grains, live cattle, frozen beef, sheep meat and certain citrus will enter duty free or under these improved preferential arrangements. The commitment to discuss non-tariff measures comes at a critical time for both countries' COVID-19 recovery efforts.

With more than 80 per cent of air freight leaving Australia via passenger aircraft, the pandemic has hit many exporters particularly hard. The Government has ensured freight routes remain open for Australian exporters with a \$240 million funding injection to the International Freight Assistance Mechanism. This Mechanism has helped keep supply chains open, allowing exporters to continue to send their produce to overseas markets with return flights bringing back vital medical equipment and pharmaceuticals.

The Australian Government has established an AUD \$1 billion COVID-19 Relief and Recovery Fund to support regions, communities and industry sectors that have been adversely affected by the pandemic, including initiatives in aviation, agriculture, fisheries, tourism and the arts. AUD \$500 million has also been allocated to a COVID-19 Export Capital Facility to be administered by Export Finance Australia. This will give Australian exporters access to business-saving loans of between \$250,000 and \$50 million.

The Australian Government has, and will continue to work closely with, Australian businesses and industry bodies to identify and help them recover from COVID-19 disruptions – both at home and abroad through our network of state and territory offices and our overseas missions. We welcome feedback and insights from Australian businesses to help us understand, and tailor policy responses to, the rapidly changing COVID-19 situation. We continue to be inspired by stories of Australian business that are innovating and seizing new opportunities and supporting their local communities.

For more information on Australia's network of free trade agreements, please visit fta. gov.au and our FTA portal at ftaportal. dfat.gov.au. Australian businesses can also access the Government's new global market intelligence updates by emailing enquiries to business@dfat.gov.au.



Australian Government

Department of Foreign Affairs and Trade





Turbulent times: Weighing up air versus sea freight

By ANDREW MACNISH, Queensland Department of Agriculture and Fisheries and GLENN HALE, Victorian Department of Jobs, Precincts and Regions

Australia's fresh fruit and vegetable exports were valued at \$1.6 billion in 2018/19. Asia and the Middle East account for most trade. Our image as a 'clean and green' producer of premium quality fresh produce has helped Australian exporters to develop a comparative advantage over competitors.



While some fresh produce lines like citrus and table grapes are routinely transported by sea, other more perishable commodities such as mangoes and vegetables rely heavily on airfreight. Our close proximity to Asia and relatively low airfreight rates has helped to land orders with maximum freshness and shelf life. This can be particularly advantageous at the start of the season when demand and prices are higher. The Covid-19 associated disruption of airfreight supply chains is an ongoing

concern for Australian exporters. Freight costs have increased by up to three times and capacity has decreased to about 10-25% of normal, despite support from the Federal Government's IFAM program. These factors are prompting some horticulture exporters to explore options to ship more commodities by sea.

Mango grower, Ben Martin from Marto's Mangoes in north Queensland, is one exporter weighing up sea vs airfreight. "This season we will probably ship mangoes to

New Zealand and Hong Kong by sea as the cost of airfreight is currently so high that it would otherwise price us out of the market", says Ben.

While sea freight may appear as a logical alternative for some commodities, it is not always smooth sailing. Reefers can ensure the cold-chain is efficiently maintained but the duration of sea freight is the greatest risk for perishables. According to summerfruit exporter, Rowan Little from Montague, any delays in sea freight supply chains will 'eat away' at remaining shelf life for customers. "Our monitoring has shown that a consignment can be stationary for up to half the total shipment time - waiting to be loaded onto the vessel, port calls, and any transhipping along the way" says Rowan. For stone fruit varieties with inherently short shelf life, this means they may not be suitable for sea freight under current conditions where shipments to Asia can extend beyond 4 weeks.

The Queensland Department of Agriculture and Fisheries and the Victorian Department of Jobs, Precincts and Regions have been working together to monitor and model the quality of Australian fresh produce exports into Asian markets. Over the last 4 years, the project team has monitored handling conditions of more than 200 air and sea export shipments as well as assessing product quality on arrival at the importers. The team has also simulated typical air and sea freight conditions to identify shelf life limits for vegetables, mangoes and summerfruit.

This monitoring and simulation shipment work is helping to inform decision making around the feasibility of air and sea freight options for perishable commodities. It is also identifying opportunities for exporters to work collaboratively with chain partners to optimise supply chain logistics and handling.

AGRICULTURE VICTORIA

The Serviced Supply Chains project is funded by the Hort Frontiers Asian Markets Fund (project AM15002), part of the Hort Frontiers strategic partnership initiative developed by Hort Innovation, with co-investment from the Department of Agriculture and Fisheries (Queensland), Department of Jobs, Precincts and Regions (Victoria), Manbulloo (mangoes), Montague Fresh (summerfruit), Glen Grove (citrus), the Australian Government plus inkind support from The University of Queensland and the Chinese Academy of Sciences.

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https://www.daf.qld.gov.au/business-priorities/ agriculture/plants/fruit-vegetable/supply-chain-

Global Data Standards and GTIN reporting speeds customs clearance of goods into mainland China

By MARCEL SIEIRA - Chief Customer Officer, GS1 Australia

Australian importers and exporters have a clear opportunity to improve their trade competitiveness, with Australia currently languishing at 106th out of 190 economies for ease and cost of cross border trade.

The World Bank 'Doing Business Report 2020', provides a comparative analysis of business regulation for 190 economies, revealing that Australia has the highest export compliance cost of all APEC economies and is more than double the APEC average cost.

APEC leaders recognise that more extensive use of Global Data Standards (GDS) can improve supply chain performance, modernise trading systems and improve trading competitiveness.

GS1, the global not-for-profit standards body best known for barcode usage by industry and supply chains, is working closely with APEC and governments in the region to implement GDS in order to improve data quality and modernise global trade systems.

Trade between Australia and China is being streamlined thanks to a resolution last August by Chinese customs to use a Global Trade Item Number (GTIN), and standardised product master data, in the reporting function for its single window declaration system.

This marks an important step towards adopting GS1 standards in customs clearance and comes at a time of rapid growth in cross-border trade, both in type and volume.

In December 2019, GS1 Australia began sharing GTIN master data with GS1 China to support Chinese customs import clearance systems. This means Australian exporters providing GTIN data, and with trade history, may enjoy streamlined customs clearance processes.

China customs adopts GTIN

Customs agencies in China have implemented GTIN declaration for the single window system, and as noted on the General Administration of Customs website 'enterprises can enjoy an intelligent auto-fill feature by using GTIN'. This simplifies and speeds up the declaration process and improves accuracy.

'Declaration by GTIN' provides a convenient and fast method for enterprises to complete the declaration form within a fraction of the time through intelligent autofill, instead of the conventional manual entry previously required by China customs.

This is a significant benefit when importing and exporting through China.

Improving the efficiency of supervision and customs clearance has become a considerable challenge for customs agencies around the world and GTIN can play a vital role in achieving this.

Following the resolution by Chinese customs, other customs agencies in the region now have the opportunity to replicate the same process to improve trade clearance through regulatory automation and other data-driven innovation.

Vietnam Customs is working to improve supervision of exported goods, and as part of this programme the verification of barcodes is done in order to strengthen the integrity of the product identification, and help in verifying the origin and information of exported goods. The rule applies to products produced, processed, packaged and/or divided in Vietnam.

GS1 is actively engaged through its 115-country global member network to address industry-driven requirements for unambiguous identification of trade items

This is being achieved via universal barcoding and on-pack data-carriers, open data sharing, product authentication, traceability, and the provision of information from a neutral source.

Global Trade Item Numbers are the numbers used to create barcodes within the GS1 system that is used on consumer products globally.

Based on the recently established GTIN information exchange, an imported or exported product can have its admission history be verified, and its declaration elements such as classification, country of origin and specification can



automatically appear in the single window system. The GTIN database includes multi-dimensional commodity information, including brand, specification, country of origin, uses and other critical business information.

This is great news for all GS1 Australia members managing master data via GS1 Australia repositories and trading with China, who can now gain faster clearance and shorter cycles.

GTIN improves efficiency for milk powder exporter

According to a customs specialist at Taicang TuoHai Customs Clearance Co Ltd, an experienced customs broker of infant formula milk powder, it has been very difficult for traders to complete the required trade clearance documents. This is due to the complexity and terminology of ingredients which amount to six or seven on average, and sometimes more than ten in a single product.

Now, once a GTIN has been entered and confirmed, all its ingredient information will enter the system immediately. In addition, the system has a batch import function



for product series, which greatly improves efficiency.

GS1 standards should not be considered an alternative to, or replacement for, existing HS Codes, which are used globally by customs to classify goods for reporting and tariff/tax collection.

GTIN is a globally unique product identifier that is applied to the majority of FMCG goods. Access to the GTIN unlocks the ability to verify, identify and attain associated product data for better granularity and more effective admission decisions and opportunities to automate regulatory processes. It also helps to

address illicit trade and counterfeiting and organised crime.

GS1 data standards are increasingly being adopted to ensure that relevant information is provided in a common format that is easily understood and shareable by all parties.





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amazon Australia **Announces Its First Robotics Fulfilment Centre**

New fulfilment centre to create 1,500 jobs with the opportunity to work alongside advanced robotics

An additional 700 jobs will be created during construction and fit out



Amazon Australia recently announced plans to open its first Amazon Robotics fulfilment centre (FC) at Goodman's Oakdale West Industrial Estate in Western Sydney. Targeted for building completion in late 2021, the new FC will create more than 1,500 jobs with industry leading pay and the opportunity to work alongside advanced robotics. The construction and fit out of the stateof-the-art facility will create an additional 700 jobs.

The fulfilment centre will be equipped with the most advanced Amazon Robotics technology to better assist employees and serve customers, and contribute to the company's efforts to deliver a smarter, faster and more consistent experience for its customers around Australia. Robots help speed order processing time by moving shelves to employees, thereby reducing the time and efforts taken to stow items for sale or pick them for new customer orders and creating a more pleasant work

environment. They also save space. allowing for 50% more items to be stowed per square metre. The fulfilment centre will have a total floor area of around 200,000 square metres across four levels - around the same land size as Taronga Zoo or 22 rugby fields - and house up to 11 million items.

Amazon Robotics will offer a diverse range of job opportunities in a high-tech, industry-leading workplace ranging from IT, HR and robotics professionals, to associates who will work collaboratively with robots, to pick, pack and ship smaller items such as books, beauty products, electronics and toys to customers. The majority of jobs will be permanent full time roles, with leading pay and comprehensive benefits such as subsidised healthcare and up to 20 weeks maternity pay. This upcoming building will be Amazon's second FC in Western Sydney, increasing its capacity to fulfil customer orders as the business continues to expand in Australia.

"The Amazon Robotics fulfilment centre will more than double our operational footprint in Australia, enhance efficiency and safety for our associates while ultimately providing customers with wider selection and faster delivery. We look forward to creating more than 1,500 jobs, the majority of which are permanent full-time jobs, with the opportunity to work alongside advanced robotics to deliver the ultimate in service for customers. This investment will also benefit the 10,000 plus small & medium sized businesses who utilise Fulfilment By Amazon to seamlessly service customers across the country," said Craig Fuller, Director of Operations,

Amazon Australia.

"We remain committed to enriching and giving back to the local communities and look forward to working with the Council and local schools and groups to contribute and support the community around our new facility in a meaningful way," he said.

The Premier of New South Wales, Gladys Berejiklian said, "This new centre, once up and running, will create more than 1,500 jobs in addition to 700 construction jobs at a time when we need them most. Amazon's decision to locate its first robotic centre in the Southern Hemisphere right here in Western Sydney is another great example about what the future holds."

Minister for Jobs, Investment, **Tourism and Western Sydney Stuart** Avres said Amazon's decision was a vote of confidence in the NSW economy.

"The project will contribute to local workforce development and provide skilled employment in areas like robotics, logistics and supply chain. It will also help build our local e-commerce sector, giving small and medium sized businesses access to Amazon's packing, shipping, customer service and returns capabilities, along with easier access to millions of customers across Australia and the world," Mr Ayres said.



Construction has already begun on the Amazon Robotics FC which is well located for Western Sydney workers and for the transportation and delivery of customer orders at the intersection of Penrith, Blacktown and Parramatta. Amazon has worked with Goodman Group and its JV partner Brickworks to secure the site and Goodman is managing the construction of the facility which will require 13,500

tonnes of Australian steel, 3,000 tonnes more than the steel used in ANZ Stadium. The lease of the centre was facilitated by CBRE's Industrial & Logistics business.

Goodman Group General Manager Jason Little said: "Goodman's strategy is to provide our customers with highquality properties in strategic locations and this new Amazon robotics fulfilment centre is a perfect example of this. The site is close to a large consumer population, transport links and the future Western Sydney International airport, making it accessible for faster deliveries both now and in the future."

Amazon.com.au launched in Australia in December 2017 and now offers customers 125 million products across 31 different categories including Amazon devices. Amazon Robotics will complement Amazon's existing network of three Australian fulfilment centres launched in Dandenong South, Melbourne in December 2017, followed by Moorebank, Sydney in August 2018 and Perth's Airport Precinct in November 2019. Earlier this month it announced its fourth fulfilment centre which will begin operating in Lytton, Brisbane before Christmas 2020.

Media contact: Jessica Makin, Operations PR Manager, Amazon Australia

E: jmakin@amazon.com M: +61 416 292 912.

About Amazon Amazon is guided by four principles: customer obsession rather than competitor focus, passion for invention, commitment to operational excellence, and long-term thinking. Customer reviews, 1-Click shopping, personalised recommendations, Prime, Fulfilment by Amazon, AWS, Kindle Direct Publishing, Kindle, Fire tablets, Fire TV, Amazon Echo, and Alexa are some of the products and services pioneered by Amazon. For more information, visit www.amazon.com/about and follow @AmazonNews

Fast facts about the building:

- The total floor area of the building is around 200,000 sqm around the same land size as Taronga Zoo or 22 rugby fields.
- The overall site is 150,000 sqm including 1,111 general carparks, 64 motorbike parks and 37 disabled carparks.
- 13,500 tonnes of Australian steel, 3,000 tonnes more steel than was used for ANZ Stadium.
- More than 200,000 nuts / bolts will be used for the erection of the structural steel frame.

General Data Points for Amazon Robotics

- Globally, we have more than 175 fulfillment centres and more than 40 sort centres
- We have opened more than 50 Amazon Robotic FCs around the world
- Amazon currently uses the help of more than 200,000 robotic drive units around the world
- More than 1,000 Robotic Tech Vests have been activated in FCs around the world to help keep our people safe
- Since introducing robots in 2012, approximately 300,000 full-time jobs have been added by Amazon globally, disproving the misconception that machines are replacing humans in the workforce.

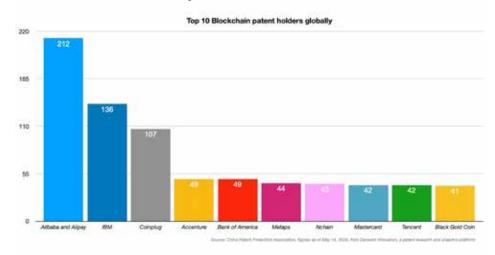
Ant Group Signs Strategic Blockchain Agreement with COSCO SHIPPING to Transform the Global Shipping Industry

On July 6, 2020, China COSCO SHIPPING Corporation Limited (COSCO SHIPPING), the world's largest shipping company, signed a strategic cooperation agreement with Ant Group and Alibaba Group to jointly explore the application of Ant Blockchain, Ant Group's proprietary blockchain technology, to transform the global shipping industry.

Global shipping typically requires large numbers of participants to manage complicated logistics processes — often requiring more than 30 intermediate steps. Traditionally, it has been costly and time consuming for all participants involved to track the process and verify shipping details in a global shipping assignment.

This aspect of the global shipping industry makes it an ideal use case for blockchain technologies, which can play a key role in building trust and reducing transactional costs for all parties.

Alibaba and Alipay (operated by Ant Group) jointly hold the most blockchain patents worldwide, according to the China Patent Protection Association



Ant Blockchain can help ensure key shipping information such as container records and logistics certificates are tamper-proof, and are easily verified and shared among all participants, including shipping companies, harbor managers, logistics service providers, and supply chain financing entities. It significantly improves transparency while reducing costs.

"Through Ant Group's blockchain technology, we look forward to supporting the digital transformation of the global shipping industry, and working with COSCO SHIPPING to make it easier and more efficient to trade globally," said Eric Jing, Executive Chairman of Ant Group.

Ant Blockchain is the largest productivity blockchain platform in China, with the ability to process and support one billion user accounts and one billion transactions every day. According to a report compiled by the China Patent Protection Association, as of May 14, 2020, Alibaba and Alipay (operated by Ant Group), jointly hold the most blockchain patents worldwide with 212 patents.

For the past three consecutive years, Ant Group has topped the global ranking for blockchain patent applications and authorizations, according to IPR Daily and patent database IncoPat.



Representatives of Ant Group, Alibaba Group and COSCO SHIPPING at the signing of the strategic cooperation

INNOVATION





Keeping your temperature monitoring real

By GLENN HALE, Research Scientist - Agriculture Victoria and ANDREW MACNISH, Team Leader, Supply Chain Innovation – Department of Agriculture and Fisheries, Queensland

Horticultural exporters need an efficient and reliable supply chain for their fresh produce to arrive in international markets in premium condition. Temperature plays a big role in maintaining freshness and quality of the produce.

In the past, many growers and exporters deployed USB data loggers to monitor sea freight temperatures as they are cheap, small, lightweight, reliable and easy to use. However, if importers are too busy to retrieve them and download the data then there is no feedback to the exporter. So

generally, exporters only hear about poor temperature management when there is an insurance claim and by then it is too late.

Several companies such as Emerson, Escavox, Fresh Key, Frigga, Sensitech and Tive have developed new generation wireless SIM-based data loggers that are capable of monitoring different parameters such as temperature, light, relative humidity, shock and location in real-time. These innovative loggers have global coverage and work similar to a mobile phone in that they connect to the nearest phone tower via 2/3/4/5G. They autonomously upload data to cloud-based systems that can then be viewed on a handheld device or PC.

TOTORIA

BERLETINE

AUSTRALIA

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Figure 1. A real-time temperature logger (inset) used to monitor a sea freight consignment of 'Crimson Seedless' table grapes from Australia to Indonesia. Map is a screen shot of the vessels route which was taken from a dashboard developed by DAF, Queensland. Photo courtesy of Glenn Hale.

Real-time alerts via SMS or email can also be set up to notify users when product arrives at, or departs from pre-determined locations, and if consignment temperatures fluctuate outside set limits. These features come at a cost (e.g. a higher unit price and extra time to set them up compared to USB loggers) however, as export manager for Montague, Mark Bailey said "the main drawcard of these loggers is that the entire supply chain is more visible, and in realtime, so that potentially if there are any issues, then we can act on them in a more timely manner. For example, if we receive an alert and see the temperature increasing then we can contact the transport or shipping company and ask them to go and check it out".

When deploying real-time loggers, it is recommended to start them 1 to 2 hours prior to positioning them in or on the top carton of the pallet closest to the door end of the shipping container. This ensures minimal communication interference from the reefer motor and water mass of the fresh produce. Temperature data and location may be updated en-route depending on the location of the container on the vessel. If the shipping container is stacked in the middle of the vessel or when the vessel is out at sea, then the signal may be compromised. Information will be stored on the device until it comes into range with the next available mobile tower where data will be uploaded to internet cloud servers and accessible to approved users.

As part of the Serviced Supply Chains project, scientists at Agriculture Victoria recently deployed a Frigga B9B 3G real-time device that successfully logged temperature and location data of a 'Crimson Seedless' table grape shipment and provided updates in Australia, Malaysia, Singapore and Indonesia (Figure 1). Transit time from packing in Robinvale (northern Victoria) to Surabaya (Indonesia) was approximately 28 days. Sea freight temperatures were maintained at approximately 1 °C with only minor fluctuations at the port in Singapore, but well within export limits. Another advantage of these loggers is that sensor reports can be downloaded at any time in either PDF, CSV or Excel format so users will always have access to the data.

The Serviced Supply Chains project is funded by the Hort Frontiers Asian Markets Fund, part of the Hort Frontiers strategic partnership initiative developed by Hort Innovation with co-investment from the Department of Agriculture and Fisheries (DAF), Queensland; Department of Jobs, Precincts and Regions (DJPR), Victoria; Manbulloo (mangoes); Montague (Summerfruit); Glen Grove (citrus); and the Australian Government plus in-kind support from The University of Queensland and the Chinese Academy of Sciences.

For more information contact:

Glenn Hale at Agriculture Victoria on 0419 500 302 or glenn.hale@agriculture.vic.gov.au or http://www.hin.com.au/current-initiatives/serviced-supply-chain



Innovation supporting stronger cargo biosecurity

By THE DEPARTMENT OF AGRICILTURE, WATER AND THE ENVIRONMENT

Managing increasing biosecurity risks is a priority for Australia. To address these risks, it is important to identify and implement new and innovative approaches to biosecurity operations.

The Department of Agriculture, Water and the Environment is working closely with industry partners to deliver innovative projects to enhance the capacity and sustainability of Australia's biosecurity system.

The department's Biosecurity Innovation Branch is finding new ways to conduct biosecurity inspections and audits in response to increasing trade volumes and COVID-19 restrictions.

Head of Biosecurity Innovation at the Department of Agriculture, Water and the Environment, Cathryn Geiger, said the team is collaborating with clients and industry to run pilot trials for initiatives that will improve Australia's biosecurity system and help address a range of challenges.



"Earlier this year the Biosecurity Innovation Branch began trialling RealWear smart glasses technology in rural tailgate inspection and remote auditing," Ms Geiger said.

"This trial is testing the concept of using hands-free technology with live stream capability to conduct rural tailgate inspections and remote walkthrough audits."

"The smart glasses technology will test whether inspections and audits can be conducted remotely."

"One person will wear the glasses and conduct a walkthrough of the cargo, while a biosecurity officer views footage from the glasses remotely and provides advice and guidance on potential biosecurity risks."

The department procured the smart glasses technology from Bondi Labs. Bondi Labs will also provide expertise and technical support during the pilot.

Edwina Durnford, Director of the department's Inspection Group, said the pilot project was a collaborative effort which could have many benefits for the department and industry.

"With the increased volumes of cargo arriving in Australia and the predicted trade volumes out to 2025, we do not have enough resources to have our biosecurity officers in approved arrangements located all around Australia," Edwina said.

"Sometimes our officers need to travel significant distances to perform their regulatory functions. This technology allows inspections to be conducted remotely, which would be more time efficient and allow more officers to be available to provide other inspections for clients."

The use of smart glasses may provide better visibility at inspection sites, improve efficiency, and address increasing trade volumes and the spread of pest and diseases.

Industry will benefit through a potential reduction in inspection-related costs, a stronger understanding of biosecurity risks managed through inspections, and the ability to shift resources to other inspection activities.

Rural tailgate inspection was selected for the pilot, as it has a high volume of inspections, with the department inspecting up to 20 containers per week in some locations. A rural tailgate inspection involves directing containers to an approved arrangement site to check for biosecurity risks, including signs of pests, plant material and noncompliant packaging.

The Biosecurity Innovation Branch ran a successful mock trial in May 2020 to test the technology's capability to

The smart glasses technology will test whether inspections and audits can be conducted remotely

clearly show biosecurity risk material via live stream, particularly in areas such as twist locks, tynes and dark crevices of the container.

A biosecurity officer wore the device during an inspection exercise, while another officer viewed the live stream remotely. The trial was conducted on a sea container using mock risk material, such as grain and soil.

Phase 2 began in late July, to test the connectivity and usability of the remote technology and whether it can be fit for purpose. As part of this phase, industry representatives at Price & Speed and ANJ Container Services joined Inspections Group staff to trial the smart glasses in the depot environment.

Industry representatives will wear the device, while a biosecurity officer views the live feed from a remote location, such as at home or at a regional office. During the test, the officer can direct the industry participant to areas around the site by using the audio function of the device. The industry representative can also be directed to manage any urgent biosecurity risk matters discovered during the activity.

While the focus of these pilots is to test the concept of remote inspection and remote audit applicability, the team will investigate its use into other areas.

Edwina said while the pilot was still in its early stages, it was already delivering on the team's expectations.

"We are very excited to see where we could apply this technology, not only in other areas of Inspections, but the department more broadly," she said.

"To see the reactions of our front-line managers and staff when using this technology for the first time, along with the industry participants, has been very rewarding."

Barry Robertson, from ANJ Containers said the company was thrilled to be one of two depots in Australia included in the depot trial.

"This is a testament to the strength of our working relationship with the Department of Agriculture, Water and the Environment,"

"ANJ are excited to see the department, and in particular, the Biosecurity Innovation Branch, looking outside the box for new innovative ways they can engage to regulate and facilitate quarantine inspections and audits in Australia."

"The opportunities are endless with the smart glasses application, and we hope this technology can be utilised in a number of approved arrangement inspections and treatment activities to reduce onsite quarantine staff hours."

"We believe there is potential to increase quarantine inspection hours by utilising other states' or countries' time zones, which is something the industry has been craving for years."

"We look forward to seeing where the future takes the smart glasses application, and we are thankful to be playing a pivotal role working with the department in trailing the technology."

Price & Speed Managing Director Kevin Malouf said innovation was the cornerstone of their industry and was key in eliminating wasteful processes and inefficiencies, which are issues that have impacted all types of industry.

"Collaboration between the department and approved arrangements is integral to both our border and biosecurity," Mr Malouf said.

"The department's smart glasses trial to facilitate tailgate inspections at Price & Speed has been an exciting alliance."

The opportunities are endless with the smart glasses application

"To be involved first-hand and to discern how quickly and thoroughly tailgate inspection can be completed with smart glasses will prove to be a game changer."

"We believe this innovation is a positive step forward, with the added potential to branch out to facilitate other inspections in the foreseeable future. Price & Speed was excited by the technology's potential."

"This will prove to be a benchmark future development in delivering a service to the industry that ensures our biosecurity is not compromised without hindering the flow of imported goods."



Co-design is the way forward in innovation and the Biosecurity Innovation Branch continues to invite new biosecurity solution ideas from stakeholders.

Earlier this year the department partnered with Canberra Innovation Network to host a fully virtual Biosecurity Industry Innovation Challenge. Over 120 participants attended from universities, research institutions and start-ups.

The program challenged innovators to propose solutions to four biosecurity problems. Innovators with successful solutions were provided with up to \$50,000 in Biosecurity Innovation Program funding to develop their ideas into a feasibility study.

The department chose 3 proposals from 23 applications, including a proposal to expand and re-purpose the Zirkata realtime communication platform to determine whether the platform can be varied to assist the department with remote auditing.

The feasibility studies will be pitched to the department in late September. More information can be found at cbrin.com.au/ biosecurity-challenge.

There are many benefits when industry and government collaborate and engage in innovative ways to manage biosecurity risk, whilst still ensuring that Australia's pest and disease status remains our highest priority.

Using technology to create business efficiencies within the biosecurity environment will help manage the evolving and increasing biosecurity risks facing Australia. These types of trials and innovation projects will help to redefine Australia's biosecurity operations.

The department will continue to work with industry partners to identify and implement innovative approaches to strengthen the biosecurity system into the future.



New Head of Biosecurity to continue department's important work

By ANDREW TONGUE - Head of Biosecurity, Department of Agriculture, Water and the Environment



Australia has faced significant challenges this year, from bushfires and increasing biosecurity risks, to COVID-19. The new Department of Agriculture, Water and the Environment continues to adapt and respond to Australia's changing priorities and I look forward to working with industry to tackle evolving biosecurity threats, as the new Head of Biosecurity.

I would like to acknowledge Lyn O'Connell, previous Head of Biosecurity, for her significant contributions and accomplishments during her five years in this role

Lyn has led the Biosecurity Group since joining the department in 2015. Over the years, Lyn has helped deliver significant reforms and overseen the implementation of key legislative changes. This includes the successful introduction of the *Biosecurity Act 2015*, and its subsequent implementation.

Lyn has also championed biosecurity innovation, fostered our science capability and been a strong advocate for the department's engagement with key industry stakeholders.

I wish Lyn well in her new role leading the department's Water, Climate Adaptation, Natural Disasters & Antarctic Group.

Protecting Australia's valuable agriculture sector and unique environment from biosecurity risks is paramount in safeguarding our country's economy, food production and natural assets into the future. I am committed to ensuring we work together to continue strengthening

our biosecurity system, for the benefit of all Australians.

New COVID-19 pre-arrival health assessments for commercial vessels

We are working with the Department of Health and state and territory Chief Human Biosecurity Officers to roll out a new COVID-19 human health assessment process for commercial vessels arriving in Australia.

The new process will enhance pre-arrival human health assessments to strengthen Australia's COVID-19 measures.

The first phase was rolled out in July and introduced pre-arrival questions specifically related to COVID-19 symptoms. This will see a questionnaire sent to vessels that identify illness in their pre-arrival report.

Phase 2 will involve incorporating the questionnaire into the existing Maritime Arrivals Reporting System (MARS) prearrival report to improve efficiency.

Vessels that report symptoms consistent with COVID-19 will be assessed by a medically trained Human Biosecurity Officer (HBO) prior to being granted approval to

disembark people, or discharge cargo in Australia.

The department will contact port authorities, the Australian Border Force and the Australian Maritime Safety Authority when an HBO advises a vessel may represent a COVID-19 risk and requires additional assessments or measures.

We will continue to engage with industry as these changes are rolled out. It is important that we work collaboratively to support the effective and smooth implementation of this new process.

Together, we will better manage the safe arrival of vessels to minimise COVID-19 risks

BMSB seasonal measures and changes for 2020-21

The department has again introduced heightened biosecurity measures for the 2020-21 Brown marmorated stink bug (BMSB) season, in response to the rapid expansion of the pest throughout North America and Europe.

The measures will strengthen the controls we currently have in place to manage the risk of BMSB, while still supporting the safe and efficient movement of cargo.

Despite a successful 2019-20 BMSB season, the risk from this highly invasive pest is increasing. The number of countries known to have BMSB rose from 9 to 33 from 2018 to 2020. This has increased to 37 for the 2020-21 BMSB season, with Ukraine, Portugal, Moldova and Kazakhstan added to the list of target risk countries.

A further 7 countries are identified as an emerging risk. These are Belarus, Denmark, Ireland, Poland, Sweden, United Kingdom and Chile. The department will continue to monitor emerging risks and conduct random onshore inspections of goods shipped from these countries.

Measures will apply to certain goods manufactured in, or shipped from, target risk countries. They will also apply to vessels that berth at, load or tranship from target risk countries.

The measures apply to goods shipped from 1 September 2020 that arrive in Australia by 31 May 2021 (inclusive).

The department recommends offshore treatment to reduce delays at the border. The Offshore BMSB Treatment Provider Scheme is open, and the department is already taking applications for treatment providers to be on the scheme for the 2020-21 BMSB season. The department's website will be updated throughout the season with registered offshore BMSB treatment providers.

We also continue to work closely with the New Zealand Ministry for Primary Industries on the 2020-21 measures to ensure consistency between the two countries, where possible.

Industry engagement and cooperation is a key part of the success of our seasonal BMSB measures and we appreciate your ongoing support.

I know our industry stakeholders are aware of the importance of these measures and why we must safeguard Australia from the risk of BMSB.

For further information on the seasonal BMSB measures, visit agriculture.gov.au/ bmsb.

Automatic Entry Processing for Commodities (AEPCOMM) reform project

The department is committed to working smarter and more efficiently. This includes improving our systems to simplify import declaration processes for our clients.

In 2018 we made improvements to Automatic Entry Processing functionality, through the Automatic Entry Processing for Commodities (AEPCOMM) reform project. This is benefitting our import industry, with faster clearance times and a reduction in document assessment fees and intervention.

The system improvements were quickly substantiated in September 2018, with the inclusion of AEPCOMM pathways for goods subject to Brown marmorated stink bug (BMSB) measures. Over the past two BMSB seasons, approximately 28,500 import declarations with goods subject to BMSB measures were managed through the AEPCOMM system rules.

It has also improved the department's capability to add commodities to AEPCOMM.

As of 31 July, 7 new commodities were added to the AEPCOMM approved arrangement, and 3 existing commodity groups have also been expanded to include additional AEPCOMM clearance pathways.

This is the second major expansion of commodities progressed by the department since the 2018 reform.

The department hosted a webinar on 4 August 2020, which provided industry with information on AEPCOMM expansion, and was the mandatory Continued Biosecurity Competency (CBC) activity for the 2020-21 period.

For further information on the AEPCOMM expansion, or to access the webinar recording, visit agriculture.gov.au/aep.

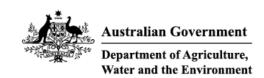
Australian Biosecurity Award nominations now open

Nominations for round 2 of the 2020 Australian Biosecurity Awards (ABAs) are now open. The ABAs recognise significant contributions from a wide range of biosecurity stakeholders and demonstrate the importance of biosecurity awareness and compliance in a broader context.

Previous award winners included key representatives from the cargo and freight industry, including DHL Global Forwarding in 2019. DHL worked with the then Department of Agriculture and Water Resources to support reforms to Automatic Entry Processing for commodities (AEPCOMM).

If you know a group or individual that deserves to be recognised, nominate them today. For more information on the awards, visit awe.gov.au/ABA.

We all recognise how important biosecurity is to industry and the Australian economy. We all have a role to play and I believe it is important that those making a meaningful contribution to strengthening our systems are acknowledged.







Is Your Approved Arrangement Audit Ready?

By ANDREW CHRISTIE, Director - Andrew Christie Consulting

Approved Arrangements represent a corner stone of our import and export business, and compliance with the Department of Agriculture, Water and the Environment's requirements is essential to maintaining your allocated status.

Regular auditing is part of the Departments mechanism for measuring compliance and assuring ongoing mitigation of biosecurity risk. Despite our knowledge of this, it is not uncommon for an audit to take us by surprise. There are however, steps you can take to make sure that you have ongoing preparedness for a biosecurity audit.

1. Know your Approved Arrangement requirements.

Different Approved Arrangements have different requirements. It is essential to know what your specific requirements are (especially if you have multiple arrangements) and how they are applied at your premise.

Many of us have held an Approved Arrangement for some time and it is in these instances that it is critical to refresh your knowledge of your arrangement requirements, ensure you are across any changes or updates to requirements and ask yourself "Are our current processes and practices supporting our requirements and mitigating biosecurity risk?"



2. Have your documents easily accessible

There is nothing like a last-minute scramble to locate the necessary documents for a department audit. Having your documents easily accessible won't just assist with easy access at audit time but will also mean that they are readily available to update and amend as needed. Easily accessible and up to date documents will certainly assist at audit time.

Documents such as your Standard Operating Procedures and your treatment, waste and pest control receipts should be readily accessible from the Approved Arrangement premise in the event of a department audit.

3. Create cheat sheets with specific requirements

If you find yourself in a position where the requirements for your Approved Arrangement are detailed, or you hold many arrangements at the one premise, set yourself up by creating cheat cheats by which you can regularly monitor adherence to your requirements.

Specificity is key when creating tools like cheat sheets. Don't just know that you need certain signage at your premise. Be clear on **how many** signs you need and **where** they should be located at your premise.

This ensures you are not just clear on your requirements but how these are implemented, applied and managed at your location.

4. Make sure your staff have the right training and levels of awareness

It is one thing for you and your management team to be aware of the requirements of your arrangement and to regularly review, but key to success is how well your frontline staff know these requirements and adhere to them in their day to day operations.

Be aware of any mandatory training requirements and don't be afraid to think outside of the square when it comes to boosting staff awareness of biosecurity risk. Is there any other training or any other resources that you can provide your staff? Strong staff awareness and compliance means that small errors are picked up before they become big problems or the subject of a department audit.

5. Undertake regular in-house audits

The best way to ensure compliance and capture gaps in your processes is to capture them early and capture them yourself.

Use your specific and well organised cheat sheets to undertake regular internal audits. Where appropriate, get your frontline staff involved ensuring their awareness of the requirements as well as a sense of accountability and ownership of operational processes and procedures.

Prevention is always better than cure and this is a sure-fire way to prevent significant issues during department audits.

Departmental audits are nothing to fear and are often a validation of the hard work and care that you and your staff demonstrate in the work that you do. That said, complacency is the death of compliance and all too often, we can take our eye off the prize and find ourselves with errors, issues and non-conformities that could easily have been either prevented or rectified earlier.

Take the time to be on top of your Approved Arrangement requirements and the processes you have (or should have) in place to manage biosecurity risk. Should you start the process of reviewing your requirements and needs and feel you are not prepared or could use some guidance establishing stronger Approved Arrangement protocols, reach out to a biosecurity facilitation consultant.



BORDER PROTECTION

Australian Border Force – Meeting COVID-19 challenges at the Border

By Dr BRADLEY ARMSTRONG PSM - Deputy Comptroller-General of Customs, Australian Border Force

During the COVID-19 pandemic, the Australian Border Force's (ABF) role at the border is more important than ever.

While passenger air travel has dropped sharply, the ABF processed 57.8 million air cargo consignments in 2019-20 – up from 53 million in 2018-19. Wharf activity remains strong, with redirected e-Commerce resulting in the number of consignments arriving by sea increasing by 32 per cent in the past financial year.

Overall, the ABF and trading community have adjusted well to COVID-19 disruptions, but other risks persist. Criminals are adept at identifying and exploiting perceived weaknesses at our borders; and rather than being deterred by events like a worldwide pandemic, see them as an opportunity.

For example, travel restrictions required to slow the spread of the coronavirus may have significantly reduced opportunities for smugglers of drugs and other illicit goods to conceal them on travellers. However, with trade volumes still strong, it's inevitable they will look for ways to use supply chains to bring contraband to Australia.

The ABF is alert to this and has surged staff and resources to meet the threat. It's not a threat that we face alone. We work closely with other law-enforcement agencies, particularly the Australian Federal Police and state and territory police services, as well as partner agencies at airports, seaports and in international mail centres.

You, as traders and logistics professionals, are also a key partner. You understand what is happening out there in the freight sheds and cargo terminals. While the pandemic has been disruptive, there is still much that you and your staff can identify that doesn't look right. We have had some excellent results recently from referrals through our Border Watch program. We encourage

you to continue to engage with us as the situation at our borders continues to evolve.

If you do see something suspicious, you can make a confidential online report or telephone Border Watch on 1800 061 800. For more information on what constitutes suspicious behaviour and what you can do about it, please visit www.abf.gov.au/borderwatch.

Another core part of our engagement with you is through our Australian Trusted Trader program, which reduces red tape for businesses demonstrating compliant trade practices and secure supply chains, expediting the flow of their cargo in and out of Australia. We are still progressing applications and where we can, subject to COVID-19 restrictions, validating businesses to join the program.

You can find out more about the Australian Trusted Trader program by visiting https://www.abf.gov.au/att.

We can also work with you if you are encountering unforeseen challenges with border clearance processes and systems as a direct result of COVID-19. The ABF has a dedicated area to deal with COVID-19 border-related questions and ideas. You can contact us at industry.engagement@abf.gov.

We will continue to work with you during this challenging time to facilitate legitimate trade while preventing and disrupting the movement of illicit and prohibited goods.



BorderWise: access comprehensive customs information from a single window

From supply and demand volatility to port closures and flight cancellations, COVID-19 has had far-reaching effects and has demonstrated just how deeply interconnected and interdependent the world's supply chains are.

As some parts of the world begin to move forward into the next phase of recovery, many logistics companies are looking to technology to help them optimise their processes and survive and thrive in this new normal.

BorderWise brings together a range of border compliance data – including law and regulation, tariffs and duty rates – and advanced search functionality for customs brokers, legal experts and other trade professionals.

It delivers detailed information from many sources with speed, quality and accuracy, giving you peace of mind so you can focus on your core business and customers.

Navigate the complex world of border compliance

In an environment where commercial imperatives put pressure on the need for speed, quality and accuracy may be compromised. This can result in increased exposure to non-compliance and ultimately penalties. For trade professionals, compliance is not an option – it's the law.

BorderWise's Daily Updates dashboard provides the most current key changes and updates from authorities and industry on import and export restrictions and prohibitions.

Global roll-out continues

BorderWise's customs and border reference library provides access to the World Customs Organisation's Harmonised System publications, with over 150 books per country library for Australia, New Zealand, South Africa and the United States.

Check-out our growing Canada and Singapore libraries, featuring the local harmonized commodity coding schedules, free trade agreements, rulings and much more.

Everything you need in one window

In a single window, experience the convenience of searchable libraries that help you quickly classify goods, identify duty rates, Free Trade agreements and their Rules of Origin, assisting you to determine and apply the correct duty.

Read and bookmark thousands of global customs publications, legislation, prohibitions and restrictions, such as weapons of mass destruction, dual-use goods and CITES endangered wildlife fauna and flora.

Find the relevant information to do your due diligence checks before you import or export, reduce risk and manage complex areas such as dumping duty early.

BorderWise editions

There are three BorderWise editions to choose from – Single Window, Single Window Plus Pro Pack and Global Entries – featuring thousands of trade related legal books, documents and resources.

You can access BorderWise as a standalone solution via a web or desktop application, or through the CargoWise customs module, increasing productivity in import and export declaration preparation.

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.

Don't risk fines, costly delays or your reputation. Let BorderWise navigate the complex world of border compliance for you.

BorderWise's
Daily Updates
dashboard provides
the most current key
changes and updates
from authorities and
industry on import
and export restrictions
and prohibitions





Avoid costly penalties with BorderWise real-time compliance

As trade professionals, you face immense pressure to make decisions quickly, keep costs low, and take on more work.

At the same time you want to avoid hefty penalties and under - or overpaying duties and taxes.

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Dumping Investigations and the role of an importer

By RUSSELL WIESE, Principal - Hunt & Hunt Lawyers

2020 has seen a surge in dumping investigations by the Australian Government. The focus has been on steel and aluminium goods from China. The imposition of dumping duties can effectively end supply chains as the result can be dumping duties exceeding 100%. Often the importer can feel helpless, as much of the investigation focuses on the foreign exporter. This raises the question, what can the importer do when an investigation is commenced.

Make sure the exporter is aware of the investigation

The most important initial task of an importer is to make sure your supplier is aware of the investigation and the importance of being involved. You cannot trust the Anti-Dumping Commission (ADC) to identify and inform your suppliers. Too often we only see suppliers becoming involved once the ADC has set a high dumping duty rate. By this stage it is too late for the supplier to get their own rate.

Does the supplier understand Australian investigations

Of course, it is not enough to merely be aware of the investigation, they need to understand what is required under the Australian system. The important point is that it is not simply a question of whether or not the exporter is selling goods at a loss. Often the key issue is whether the ADC will take into account the supplier's



actual domestic sale prices or whether it will use a constructed value. Even if it uses actual domestic sale prices, the ADC may not refer to all domestic sales.

To have the best chance of avoiding duties or obtaining a low rate, the exporter needs to complete an exporter questionnaire and will most likely need assistance from specialist advisors. If an exporter attempts to navigate the Australian system on their own, the likely outcome is a very high dumping duty rate. A supplier may not be aware of this unless you inform them.

Causation submissions

Before dumping duties can be imposed, it must be shown that there was (1) dumping, (2) material injury to the Australian industry, and (3) the material injury was caused by the dumping. The last point relates to causation and is an area where importers are better placed to comment than exporters. You will know the industry and why the Australian manufacturer is suffering the claimed injury. It may be due to product difference, decreasing demand, bad business decisions, currency movement, increases in production costs, availability of alternative products or cheap imports from countries not the subject of the investigation.

The ADC will not seek out these alternative causes of loss and the local manufacturer is unlikely to volunteer them. In the past few years, we have been involved in Investigations where dumping was found, but the ADC still proposed to terminate the investigation as it was convinced that the dumping did not cause the alleged injury.

Importer questionnaires

In some cases, the importer can greatly assist their supplier by completing an importer questionnaire. The importer questionnaire can be especially important for related party importers. The ADC will use this information to verify that the Australian sales are profitable, and pricing is arm's length. If the ADC cannot be satisfied of this, it may not base the export price on the actual sales price, but will derive it from the Australian sale price. This could reduce the export price and increase the dumping margin.

Keeping the ADC accountable

There are many elements of a dumping investigation that involve choices being made by the ADC. If the only Australian submission received by the ADC is from the local industry, it will likely adopt that approach. The relevant topics will be guided by the particular investigation but could include:

- what goods are and are not included in the goods under consideration
- · who should be treated as the exporter
- what method for imposing duties should be selected
- should the ADC use the exporter's actual domestic sale price or a constructed value
- if there is a surrogate/benchmark steel price used, which steel price should it be
- whether security measures should be imposed
- whether the local industry has actually suffered injury

What is less relevant, and will generally be dismissed by the ADC, are arguments regarding the public interest in having free and open trade and preventing local manufacturers developing (or maintaining!) a monopoly position.

While there can be debates about the merits of Australia's dumping system, it is important that all interests are heard. Local manufacturers should not be the sole Australian voice. International supply chains are important and can bring benefits to the whole Australian economy. Importers and their customers pay the costs of dumping duty, so it is crucial that their voices are heard.





Economic response to COVID-19

By CLINT LATTA, Head of Trade and Policy, FTA / APSA

Freight & Trade Alliance (FTA) and the Australian Peak Shippers Association (APSA) continue to actively lead advocacy with the Federal Government to ensure that appropriate financial relief measures are available to members throughout the COVID-19 pandemic.

As highlighted in the Winter 2020 edition of Across Borders, the Australian Taxation Office (ATO) provided formal advice that statutory import charges that are passed on as an "agent" are not deemed as a supply. In effect, this definition of "turnover" ensured customs brokerages and freight forwarders were not adversely impacted and remained eligible to apply for the important Cash Boost and JobKeeper schemes.

Over the past quarter our engagement has centred on the Deferred GST (DGST), import duty, Biosecurity fees and a need for ongoing financial support for the air cargo sector.

Deferred GST – a promising support measure

In consultation with both the ATO and Treasury in March of this year, FTA / APSA provided detailed feedback in relation to the use of the DGST Scheme as a response measure that would support the flow of credit in the Australian economy, as business, small and medium enterprises (SMEs) in particular, adapted and emerged through a period of economic rebound.

FTA / APSA welcomed the immediate assistance provided by the ATO with an adjustment of eligibility criteria for the DGST Scheme and an expedited application process, which led to the largest number of applications being lodged with the ATO since the introduction of the DGST Scheme in 2000.

Notwithstanding the significant increase in applications recently received by the ATO, more recent engagement with FTA / APSA confirms that, despite the significant

cash flow benefits available, only a minor percentage of entities importing goods into Australia are utilising the DGST Scheme.

Where importing entities do not avail themselves of DGST benefits, reimbursement of GST payable at the border by service providers is then subject to the commercial terms of business in place between the importer and service provider. The associated risks this presents for service providers in the international trade supply chain serves to support contractionary spending in an industry that plays a vital role in the process of economic recovery and jeopardises business continuity. In our view, this appears to be both unnecessary and avoidable in a time of such economic uncertainty.

FTA / APSA understands through detailed member feedback that significant uptake of DGST would be achieved if eligibility would be extended to entities reporting their BAS on a quarterly basis.

In a formal letter to the Federal Treasurer, FTA / APSA has recommended that urgent consideration is given to an expansion to the existing DGST Scheme to include entities that report on a quarterly basis.

Import Duty

While the Government has not announced a specific relief measure in relation to Import Duty, the Department of Home Affairs has advised FTA / APSA that they may consider modification of payment terms and conditions (payment plans and deferrals) where an entity is experiencing financial hardship.

"This entity would need to propose a payment plan or deferral and provide financial statements for at least the current financial year to date and the previous financial year.

Other documentation and additional information may also be required to support any application which must be provided in order to make an assessment.

Whilst any payment plan is being assessed, that entity will be expected to comply with the proposed payment plan and ensure that all other ongoing payments are kept up to date. Each entity will be assessed based upon their individual circumstances, but must be able to demonstrate financial hardship.

The Department may consider any proposed payment plan but does not guarantee acceptance."

Biosecurity Fees

FTA / APSA provides member representation on the Department of Agriculture Cargo Consultative Committee (DCCC). In addition to a briefing on the department's cost recovery performance and outstanding debts, the department noted the difficult financial position facing many sectors of industry and offered to assess requests for appropriate payment plans on a 'case by case' basis.

Members looking to request a variation to normal payment arrangements should contact the department at ARhelpdesk@ awe.gov.au or call 1800 647 531.

Air Cargo

FTA / APSA sees significant merit in the announcement of an injection of another \$241.9M to continue the Interantional Freight Assistance Mechanism (IFAM) until February 2021. Importantly, this will complement JobKeeper until March 2021.

In separate correspondence to the Federal Treasurer, FTA / APSA expressed concerns that this alone will not be sufficient to adequately to support the sector.

FTA / APSA recommended allocation of additional funds to maintain existing schemes or similar financial relief measures to support the entire air cargo international supply chain until the end of 2021 (at a minimum), with actual allocation of funds subject to periodic reviews pending the return of international passenger flight services.



HAPPY ANNIVERSARY – 15 years since the ICS implementation

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

COVID-19 is clearly having devastating economic impacts. This being the most severe of many major business disruptions faced by the international trade sector over the last few decades.

Australian importers, exporters and trade logistics providers have built up resilience in dealing with trade wars, recessions, major industrial disputes and the like.

One of the most significant events was the flawed implementation of the Australian Customs Service (Customs) Integrated Cargo System (ICS).

Customs adopted a "big bang" approach, replacing import cargo reporting, declaration and clearance systems overnight – out with the old and in with the new on Wednesday 12 October 2005.

Over the ensuing months, Australian import trade was significantly affected by problems in statutory processing and generation of electronic cargo releases.

Importers experienced delays in receipt of Christmas stock and the freight logistics industry had an almighty battle to keep their businesses operating.

Customs systems evolution

Customs was a world leader in systems development creating COMPILE (Customs Online Method of Preparing Invoice Lodgeable Entries) in the mid-1970s with enhancements over time including EDI transmissions and EFT payment of fees and taxes. During the 1990s manual cargo reporting of paper manifests and air waybills was replaced by the implementation of EDI applications in the form of Air and Sea Cargo Automation systems (ACA / SCA).

Industry will recall only too well that the implementation of ACA and SCA came with its difficulties as it introduced complex matching of consignment data with COMPILE to generate electronic releases at cargo terminals and licensed depots. The benefit that we had at the time was that the implementation of these systems was gradual as each shipping line, airline and freight forwarder came on board as they were ready. The result being that we had a hybrid of manual and electronic reporting in place giving us the benefit of a phased implementation.

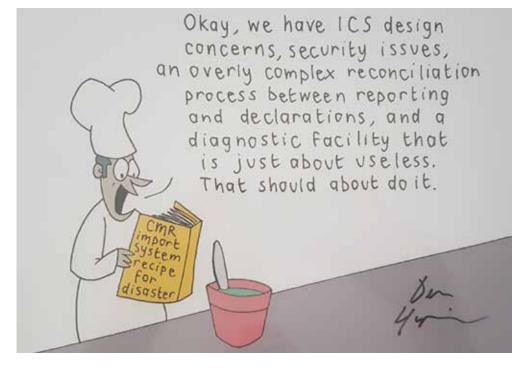
This provided Customs with the luxury of "trial and error" to rectify systems and processes until they were fit for purpose. As a result, there were a lot of lessons learnt about how to provide effective diagnostics for online data matching purposes and streamlining of data reconciliation requirements.

Emergence of the ICS

The late 1990s saw Customs introduce the "Cargo Management Strategy (CMS)" as precursor to the "Cargo Management Re-engineering (CMR)" project with the aim being to re-engineer processes and technology platforms. The associated Trade Modernisation Legislation introduced new strict liability offences and the Infringement Notice Scheme. From a technology perspective, dedicated COMPILE lines into customs brokerage offices were replaced with modern Internet solutions and the use of digital certificates to meet security requirements.

Industry had serious concerns when the complexity of the final design of the reconciliation and failure to supply diagnostics were revealed. It was evident that corporate and operational knowledge within Customs was missing, at the same design flaws that had been corrected over time in the legacy systems were being reintroduced within the ICS.

Lloyds List DCN (now Daily Cargo News) interviewed me on 14 April 2005 in terms of how I saw the ICS implementation shaping up. My reference to it being a "recipe for disaster" was brilliantly captured in a cartoon that said it all.



The flawed implementation

Unfortunately, our worst fears were realised.

The initial impact was felt in the airfreight environment when the ICS went live on 12 October 2015 however issues quickly spread to our wharves as industry struggled to reconcile import declaration and cargo report data compounded by the diabolically poor response times in the interactive functionality.

By this time, the mainstream media were also all over the issues with the problems headlining our daily news. I had appearances on Channel 9 (interviewed by the late Peter Harvey), ABC News, a string of articles in the Australian Financial Review, the Australian and featured on talk back radio including an in-depth interview with Alan Jones.

Media reports suggested that Australia's largest single importer at the time, Coles Myer, had around 4,000 containers delayed on the wharves and the talk of compensation for industry was being muted.

Whilst this got the message out to the wider public, the industry remained desperately working around the clock searching for solutions.

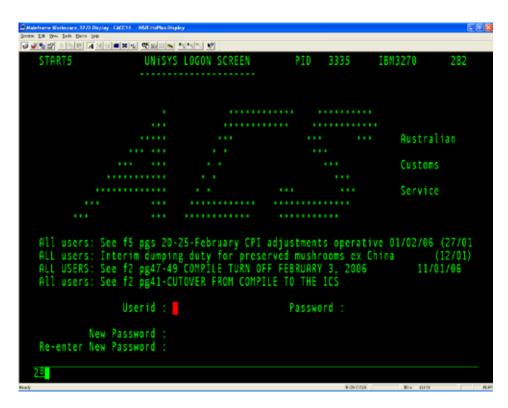
Industry users of the system were not the only ones suffering. Customs officers also worked night and day deploying "workarounds" to keep a trickle of cargo flowing.

On the evening of 17 October 2005, I received a call at home from the office of Prime Minister and Cabinet asking what was needed to get this mess out of the media spotlight.

I accepted an offer and flew to Canberra the next day to meet with a prominent Prime Minister and Cabinet representative with our talks ultimately resulting in the then Customs Minister Chris Ellison calling a meeting with key stakeholders. At the ensuing meeting, the minister announced the formation of the Industry Action Group (IAG) and that I would be the co-chair of the group, alongside Phil Burns of Customs, with the responsibility to see in the post implementation remedial action.

Ongoing access to COMPILE during this period was vital as a part of the workaround arrangements allowing some users business continuity whilst waiting for completed ICS functionality.

Customs was well and truly feeling the heat and a need to get things in



order before the Tradegate contract for managing the COMPLIE network expired on 3 February 2006.

The recovery

The IAG proved to be an effective stakeholder group leading a steady level of recovery, but by this stage much damage was done.

Minister Ellison reported to parliament that Customs had received compensation claims for \$525,000 over ICS related delays from 171 parties including 117 importers – of this \$406,636 were for container storage and detention fees.

In reality, this would have been just the tip of a very large iceberg of the true costs.

So what has happened since 2006?

Customs were significantly scarred by the ICS implementation and became completely risk averse in terms of implementing revised processes. Michael Carmody replaced Lionel Woodward as Chief Executive Officer in December 2005 taking an understandably focussed approach on consolidation, with very few enhancements to the ICS and limited review of cargo management processes.

It was not until Michael Pezzullo took the reigns as CEO in 2012 and Roman Quaedvlieg as Commissioner of the newly formed Australian Border Force (ABF) that we saw real innovation ultimately leading to the initiation of the Australian Trusted Trader programme and a trade modernisation focus.

The current ABF Commissioner, Michael Outram, is now at the helm of what is now an aging, but stable and reliable platform.

So where to from here?

There has been much hype around the need for a "Single Window", in essence, a mechanism for the trade sector to deal with all of government through a streamlined reporting mechanism. Thankfully, there does not appear to be an appetite for another "big bang" approach. Instead we are likely to see an evolution of integration between the ICS and government agencies combined with alternate reporting mechanisms for Trusted Traders.

The key for Customs is to have close engagement with industry, look to innovative reforms and not forget the corporate history and lessons learnt from legacy systems' implementation.

At the beginning of the year, I was invited by Commissioner Outram to be an inaugural member of the newly formed Customs Advisory Board.

Freight & Trade Alliance (FTA) looks forward to working with industry peers, members and government in managing ongoing reform in business models, significant growth in parcel e-commerce transactions and introduction of new technologies.

The Australian Peak Shippers Association (APSA) and Freight & Trade Alliance (FTA) would like to acknowledge the following sponsors for their ongoing support of the Alliance.

































































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What's on... Calendar of events 2020/21



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Further details and to book your place please go to www.FTAlliance.com.au/Upcoming-Events

CONTINUED BIOSECURITY COMPETENCY (CBC)

FTA has received advice from the Department of Agriculture, Water and the Environment that ONLY one activity will need to be completed to maintain accreditation for the 19.2. Automated Entry Processing for Commodities (AEPCOMM) Approved Arrangement for the current period (1 April 2020 to 31 March 2021).

Note: No mandatory training for NCCC accredited persons and no Information Session for either NCCC or AEPCOMM is required.

The Department hosted a live webinar on **4 August 2020.** The webinar recording and resources required to complete the activityare now available online via ComplianceNetFTA.

Note the AEPCOMM activity and assessment must be completed by 21 September 2020

MAINTAIN YOUR AEPCOMM ACCREDITATION - Complete the CBC Activity 20-21/01 (DOA030) via www.ComplianceNetFTA.com.au Cost: \$49.50 (incl. gst)

This CBC Activity and assessment is also included in the member CPD & CBC Training Package – Cost \$165 (incl. gst)

WOMEN IN LOGISTICS

2021 Women in Logistics Forum – celebrating Women's International Day

Monday, 8 March 2021 12.00pm to 4.00pm Novotel Sydney Brighton Beach Hotel, Cnr Grand Parade and Princess Street, Brighton Le Sands

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CONTINUING PROFESSIONAL DEVELOPMENT (CPD)

CPD BORDER COMPLIANCE PROGRAM (24 CPD POINTS)

SYDNEY

Friday, 5 February & repeated Saturday, 6 February 2021 8.30am to 4.30pm Novotel Sydney Brighton Beach Hotel, Cnr Grand Parade and Princess Street, Brighton Le Sands

MELBOURNE

Friday, 12 February 2021 & repeated Saturday, 13 February 2021 8.30am to 4.30pm Hyatt Place Melbourne, 1 English Street, Essendon Fields

BRISBANE

Wednesday, 17 February 2021 8.30am to 4.30pm Novotel Brisbane Airport, 6 – 8 The Circuit, Brisbane Airport

PERTH

Saturday, 20 February 2021 8.30am to 4.30pm Hyatt Regency Perth, 99 Adelaide Terrace, Perth

ONLINE TRAINING

FTA and APSA 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

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