EDITION TWO **2023**

ACROSS BORDERS

RÖHLIG LOGISTICS CELEBRATING 50 YEARS IN AUSTRALIA

WORKING TOGETHER TO SUCCEED AT THE BORDER – FTA TALK TO ABF COMMISSIONER

DECADE OF BIOSECURITY

CARE-FACTOR 2023 INDUSTRY CHARITY BALL – RECORD DONATION

"KEEPING AUSTRALIA'S INTERNATIONAL TRADE MOVING"

FTA FREIGHT & TRADE ALLIANCE

Australian Peak Shippers Association Inc. (APSA)

NEXUS DANDENONG SOUTH

SOUTH EAST PREMIER LOGISTICS ESTATE


Artist impression

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

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

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

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

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Connection to Port
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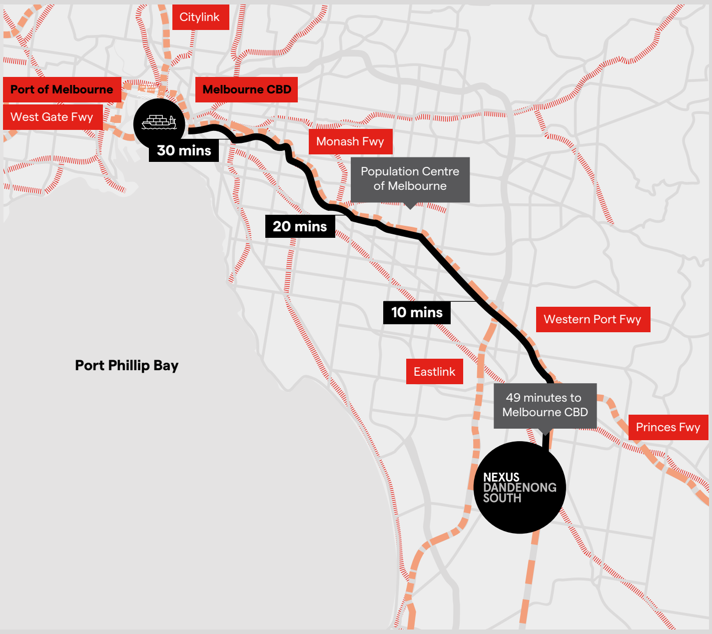
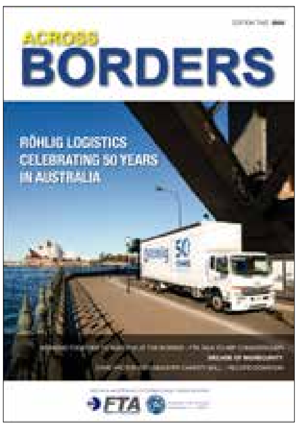


For leasing enquiries call

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

SALTA
CELEBRATING 50 YEARS

Contents



Front cover – *sponsored by Röhlig Logistics*

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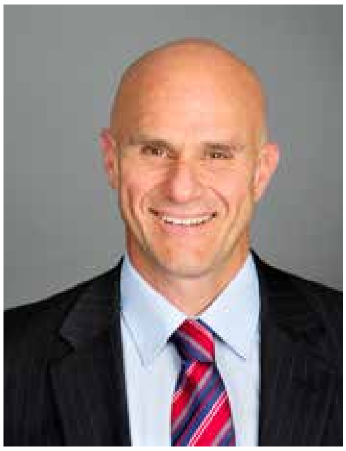
ACROSS **BORDERS**

EDITION TWO **2023**



HOLISTIC GOVERNMENT REFORM IS NEEDED TO RESURRECT AUSTRALIA'S TRADE WORLD RANKING

After presenting our case for membership to the prestigious Asian Shippers Alliance (ASA), news broke on 13 September 2023 that the Australian Peak Shippers Association (APSA) was accepted as Australia's representative to this influential advocacy group.

Building on our long-standing membership of the Global Shippers Forum (GSF), this expanded international status provides APSA and Freight & Trade Alliance (FTA) a further vital opportunity to influence transport and trade reform, both domestically and globally.

The importance of this development comes to the fore when examining the World Bank's '*Trading Across Borders'* report that recorded Australia's ranking in the decade to 2020 plunged from 25th in the world to 106th.

Whilst the Federal Government is to be applauded for its many trade facilitation measures aimed at resurrecting Australia's ranking, including a significant and ongoing investment in the Simplified Trade System (STS) as outlined in the Trade Minister's foreword, it has explicitly failed to respond to the Productivity Commission's review of '*Australia's Maritime Logistics System*' released in January this year.

FTA and APSA have provided extensive evidence to the Federal Government that specific supply chain practices referenced in this report are unfairly costing the trade sector more than $1billion per annum, directly impacting inflationary pressures across the Australian economy.

A holistic approach is clearly needed beyond addressing inefficiencies in legacy government systems, processes and regulation with a need for urgent reform to shipping competition and identified landside commercial practices.

Finally, we congratulate *Röhlig Logistics* for their 50 years of business in Australia and thank them for providing key insights to their success. We trust that members value this and all contributions from experts across government and commerce in this latest edition of *Across Borders*.

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

Achieving our full potential as a trading nation

By Senator The Hon. DON FARRELL, Minister for Trade and Tourism

Trade is vital to our economic prosperity, and a key driver of productivity. Australian two-way goods trade was worth over $1 trillion in 2022, equivalent to 40 per cent of our Gross Domestic Product.

But it's been a challenging few years for our trading businesses, as global economic headwinds and Russia's illegal invasion of Ukraine have continued to disrupt global supply chains. Australia's future economic prosperity and long-term resilience will in part depend on how we continue responding to these challenges.

The Government recognises the importance of our national capacity to move goods and access global value chains, and as such, we are putting in place strategic investments to diversify trade, and simplify trade processes for business. Working in partnership with the Government, Australian freight, logistics and international traders have an integral part to play in responding to these challenges and in building a resilient, adaptable, and prosperous economy.

We know Australia is economically stronger when global trade flows freely. That's why we are working hard to implement new free trade agreements, like the Australia-UK Free Trade Agreement. This deal ensures that over 99 per cent of Australian products now enter the UK duty free.

At home, we are working on making sure our domestic regulations and systems are fit for purpose. We know the current border trade environment is complex, fragmented, and more costly for business than it needs to be. That's why the Government, invested $23.8 million in this year's Budget to deliver integrated and whole-of-government improvements to lift Australia's productivity and make cross-border trade simpler for business, through the Simplified Trade System (STS).

The STS is making a series of practical improvements for Australian business, like the "Go Global Toolkit" which provides businesses with a single source of online information on how to export. It has delivered over 100,000 trade services, like finding new market opportunities to over 265,000 individual web-users, saving thousands of hours of time for Australian exporters.

The STS reforms are making cross-border trade simpler and more sustainable for Australian businesses, while supporting strong border, community, and biosecurity protections. I would like to thank the Freight & Trade Alliance and Australian Peak Shippers Association for the important role you play in advocating for industry and informing the Government's agenda. Co-design and engagement with business is critical to our collective success.

I am working with the Minister for Home Affairs, the Minister for Agriculture, Fisheries and Forestry and other relevant Ministers to progress essential regulatory, digital, data and process reforms to simplify cross-border trade for business. We are committed to engaging with industry and business to address key issues to build a more competitive and efficient system.

I thank the Freight & Trade Alliance, and all your members for your efforts to help Australia achieve its full potential as a trading nation.

I trust you will enjoy this issue of Across Borders.

Asia links strengthen regional approach to reforms for ocean freight sustainability

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

Forging export links with a regional coalition of peak trade organisations to secure a sustainable ocean freight supply chain, the Australian Peak Shippers Association (APSA) has been accepted as a member of the Asian Shipping Alliance (ASA).

In Malaysia for the announcement at the annual meeting of the Global Shippers' Alliance in September, APSA Secretariat and Freight & Trade Alliance (FTA) Director Paul Zalai, remarked on significant potential to expand commercial links between Asia and Australia, and mutually enhance our prosperity and security in line with our shared economic growth prospects.

As a reliable and high-quality supplier of commodities – from our agricultural to our advanced manufacturing industries – Australia is well-positioned to benefit from growth in our regional ocean freight networks through fair and predictable shipping and logistics services.

To achieve the reforms necessary to facilitate the better flow of goods within our region, APSA's membership of the ASA opens connections with key commerce and government stakeholders – including in Indonesia, Thailand, Korea, Macau, Bangladesh, Hong Kong, Sri Lanka, and Malaysia – to coordinate joint interventions across areas of international transport and trade regulations, markets, and practices.

Describing Australia as "a vitally important trading nation in our region", Chairman of the ASA and Malaysian

Asian Shippers' Alliance and Global Shippers' Alliance delegates - Petaling Jaya, Selangor Malaysia (4 September 2023)

National Shippers' Council, Dr Ir Andy Seo, identified collaborative opportunities including development and diversification of a network of trade agreements by governments, and policy reform to minimum service levels and shipping competition law, to safeguard local exporters and importers in services provided by foreign-owned carriers.

Amplifying our advocacy in partnership with ASA members, APSA's role as Australia's peak industry body is pivotal to strengthening our ocean freight supply chain to add real commercial value to Australian business and industries reaching into our local communities.

Representing our nation's small-to-large exporters and importers, logistics providers, shippers, and various businesses all reliant on a resilient, strong, and sustainable ocean freight system, APSA is united in targeting initiatives to unlock the full potential of Australia's ports.

Having led the charge for Australia's Productivity Commission inquiry on the performance of our maritime logistics system between water, wharf and warehouse, APSA calls on the Federal Government to respond to the January 2023 report to address inefficiencies at our major container ports – which directly cost $600 million a year to our economy, with indirect impacts on industry, business and consumers magnified by disruptions to imports and exports compounded by a lack of competition in some parts of the maritime logistics system.

In addition to measures outlined in the report on productivity improvements in our maritime logistics system, reforms are still required to protect Australian shippers from ongoing and spiralling costs of exorbitant pricing regimes imposed by foreign-owned shipping lines, contracted stevedores, and empty container parks.

Paul Zalai Secretariat, Australian Peak Shippers Association (APSA) and YBhg Dato' Dr Ir Andy Seo Chair, Malaysian National Shippers' Council (MNSC) and Asian Shippers Alliance (ASA)

Backed by the collective knowledge, connections, and resources of our APSA members, we urge the Australian Government to appropriately implement the findings of the Productivity Commission's report to secure a sustainable ports industry in balance with the needs of our growing communities and economy, to future-proof our quality of life through investment and job-creation in a competitive global market.

With this year's commencement of a free trade agreement to open up the United Kingdom to premium products from Down Under, it is incumbent on the Australian Government to progress legislative change targeting port efficiencies lowering costs for importers, exporters and consumers that drive the trade and investment sustaining our industries and jobs in our communities.

The UK's removal of tariffs from 99 per cent of Australian agricultural exports has opened a world of opportunity for Australian exporters large and small – already ranging from local apples and onions to our honey and coffee, distilled spirits, the world's first carbon-neutral wine and sustainably certified seafoods, to Manildra Group's world-renowned vital wheat gluten proteins from Australia's premium-quality, non-genetically modified and pesticide-free wheat.

Underpinning trade as the beating heart of our nation, the efficient and effective delivery of goods in and out of Australia is paramount.

The global ocean freight supply industry employs tens of thousands of people in fields from administration to transportation and logistics, operations, purchasing, customer service, and more who work round-the-clock to coordinate customer deliveries worldwide –
liaising between port terminals and government departments to stakeholders in logistics, quality assurance, sales, and shipping.

We remain grateful for your support, expertise, and dedication, whose passion and pride are integral to the sustainability of our shared successes.

Interview

Working together to succeed at the border

Michael Outram, Australian Border Force Commissioner recently spoke with Paul Zalai from the Freight & Trade Alliance (FTA) to share insights from pandemic border restrictions and crisis management as well as current challenges and opportunities facing the Australian Border Force. The full interview is accessible online https://register.gotowebinar.com/recording/recordingView?webinarKey=6906356219534637663&registrantEmail=pzalai%40FTAlliance.com.au

Earlier this year the Commissioner addressed members of the Freight & Trade Alliance, who were interested to learn about the government's simplified trade system agenda, regulatory changes and the future of the integrated cargo system.

The Australian Border Force (ABF) is responsible for protecting the Australian community from the movement of illicit goods; and is the second largest collector of revenue for Government and it has a pivotal role in economic success through trade.

The ABF responded to the global pandemic by closing and opening the border and diverting resources to coordinate the whole of Australian government response, including the establishment of quarantine facilities.

Paul Zalai – Commissioner, what lessons did the ABF learn from the pandemic?

Organisations can never fully prepare for a crisis but working on culture before crisis is critical. Undertaking training and scenario planning, having a clear line of command, and having mature apparatus saves time in a crisis. Although the ABF started with virtually a blank canvas for global pandemics, operationally we had strengthened our command, control and coordination doctrine. We also had expertise coordinating stakeholders, including state and federal government, senior representatives in industry and the media.

Paul Zalai - Labour shortage is a major issue for commerce – how do you attract, train and retain staff at the ABF?

The ABF runs a base recruitment round twice per year, for which it is generally oversubscribed. We also benefit from lateral transfers which is one way we actively encourage diversity in our leadership. We know our people are deeply committed to the mission of protecting Australia.

ABF officers involved with Operation Tin Can

We are also making sure our workplace is one at which our people enjoy working. Most significantly, this includes a long-term partnering with the Australian Human Rights Commission to make sure our workplace is respectful, diverse and inclusive.

Paul Zalai - Did the temporary redeployment of staff during the pandemic increase the ABF's success with examinations and interdictions?

Redeployment of 200-300 people from aviation travel and cruise ships into our mail and cargo operations increased heroin detections by 250 percent. By weight, detections of cocaine increased by 237 percent and precursor detections increased by 360 percent. We can now calculate the benefit to our country of every Border Force Officer that we put into supply chain operations.

Paul Zalai - How does the ABF measure its success?

Our primary measure is harm reduction. We calculate the value of harm from every tonne of meth and then we seek to take that harm out of the system. Harm includes health costs, law enforcement costs, detention costs and correction costs. We also collect revenue from passenger processing charges, or duty, totalling about $20 billion each year. There is always opportunity to reduce leakage and fraud in that area. It is not all enforcement. We are also working to improve our contribution to economic productivity through our facilitation role.

Paul Zalai - What can industry do to help the ABF ensure adequate border protection without unnecessarily impeding trade?

Australia has fallen behind other countries with more advanced border systems. A digital border is essential for future trade and border protection. Australia needs to integrate industry and government data and technology to better screen and pre-clear travellers and goods entering the country. We have to trust each other, invest together, and create secure areas to use data in mutually beneficial ways before people and goods arrive in the country.

Paul Zalai - Will licensing continue or expand in the future?

Licensing and the issue of permits will continue to be an important part of managing the border and the risks for the border of the future. The Simplified Trade System Taskforce is looking at digitisation, employing the 'tell us once' approach, and offering a seamless border controls interface for users.

Operation Jardena, which has been profiling the Australian border from a criminal infiltration point of view, has shown us that freight forwarders, licensed brokers, depot operators and customs brokers need to stay on the radar as we build a fit for purpose licensing regime. The ability to cancel licences and permits addresses risks without the need for lengthy investigation and prosecution processes.

Paul Zalai - What is the future of the Integrated Cargo System?

While the ICS is serving its purpose and is critical for our border, it is an ageing system. The current platform has rigid reporting structures legislated in the Customs Act and does not allow for simple and low risk changes. ICS systems architecture is also expensive to enhance or update.

Modernising and designing a next generation cargo system is necessary to enable interoperability within and across industry and other government services.

We have learned lessons from our colleagues in Singapore, US, and the Netherlands that incremental upgrades are preferable to a big bang approach. Modernisation will remedy industry pain-points around manual preparation of complicated commercial documentation and duplication of data.

Paul Zalai interviewing ABF Commissioner Michael Outram APM

Save the Date

2024 Care Factor Industry Charity Trade Ball
Friday 26 July 2024, Sydney venue to be announced.

For sponsorship details please contact Caroline Zalai on czalai@ftalliance.com.au

2023 Care Factor Industry Charity Trade Ball

By CAROLINE ZALAI, Co-Director, Freight & Trade Alliance (FTA)

In July, industry came together in Sydney to celebrate and help raise vital funds at the 2023 Care-Factor Industry Charity Trade Ball. The event was co-hosted by the founders OrangeLime Consulting and The Compliant Group, with Freight & Trade Alliance (FTA) and Next Leap Training Solutions joining the amazing team this year.

Everyone dressed up for the occasion with glitz and glamour aplenty. There was certainly a buzz in the air with everyone eager to see industry colleagues after a few years hiatus, have some fun and raise money for charity.

A big thank you to our sponsors, supporters who donated prizes and attendees with just over $81,000 raised for charity which is a fabulous result.

The chosen charities for 2023 were Waves of Wellness Foundation (WOW) and RUN DIPG. WOW is a mental health surf therapy charity, committed to changing lives by delivering innovative support programs at no cost for people experiencing mental health challenges. RUN DIPG is dedicated to improving outcomes for patients and their families impacted by the deadliest form of childhood cancer – brainstem cancer. Their mission is to raise awareness of this disease and to generate funding to support the advancement of DIPG/DMG research.

Wayne Pearce OAM and the Oz Icons band brought the X Factor to the night with the dance floor “pumping”. This will be an annual event going forward where we as an industry can look to make a difference to the lives of many and let our hair down so to speak.

Clint Latta and Chantelle Pisani – The Compliant Group

The Freight & Trade Alliance Team

The Think Global Logistics Team

OrangeLime Consulting Team

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The Oz Icons

Thanks to our Supporters!

MC:
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Photographer:
Ersen Sen Design
Band: Oz Icons
Christmas Tree:
The Christmas Shop
Venue: Doltone House

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NSW Ports

Wisetech Global Team

Lee Murphy, Wayne Pearce, Joyce Campbell, Tatum Murphy, Jason Dorahy & David Shepherd

DECADE OF BIOSECURITY 2021-2030

The important role of Freight & Trade Alliance in the Decade of Biosecurity

The Decade of Biosecurity aims to make the 2020s a pivotal era for biosecurity. Its mission is to empower industries, businesses, and community members to become the backbone of a robust biosecurity system.

By engaging all Australians, we can fortify our biosecurity system to shield our economy, safeguard our environment and preserve our unique way of life.

One of the Decade of Biosecurity project partners is Freight & Trade Alliance (FTA), and recently Emily Mellor, Coordinator of the Decade of Biosecurity talked with Sal Milici, General Manager, Trade Policy and Operations | FTA about why the Freight & Trade Alliance wanted to get involved in the Decade of Biosecurity Initiative.

Emily Mellor - Sal, why did you feel it was important for the Freight & Trade Alliance (FTA) to be involved in the Decade of Biosecurity?

Navigating the complex landscape of biosecurity regulations is a formidable hurdle for importers, freight forwarders, and customs brokers. In my capacity at FTA, where advocacy for our members' interests is at our core, I've developed a strong passion for all aspects of biosecurity, which has developed through continuous engagement with the intricate world of biosecurity regulations.

At the heart of this endeavour is the Decade of Biosecurity (DoB), spearheaded by remarkable experts from what I affectionately term the "traditional biosecurity sector." These professionals have dedicated their careers to safeguarding our nation's health, agriculture, and environment from the threats posed by pests and diseases.

It is the responsibility of FTA to actively contribute our knowledge and insights to the broader biosecurity community. Our collective expertise and experience are invaluable assets in enhancing biosecurity measures, fostering collaboration, and shaping the regulatory landscape.

Emily Mellor - Which projects/ initiatives are you most excited about seeing implemented and why?

There are a couple of standout initiatives that the DoB are working on that I am really excited about, namely the ***Biosecurity Week, Biosecurity Ambassadors' Network*** and the ***Biosecurity Business Pledge***. These programs will play a pivotal role in disseminating essential information and empowering individuals and businesses to take tangible steps to bolster Australia's biosecurity resilience.

Biosecurity Week will serve as a dedicated period to intensify the focus on biosecurity matters, creating a heightened sense of urgency and engagement across the community.

The Biosecurity Ambassadors' Network takes this a step further by enlisting passionate individuals who spread their knowledge and raise awareness among their peers and the wider public, reinforcing the message that everyone has a role to play in safeguarding our nation.

Like Pavlova, and Russell Crowe the Biosecurity Business Pledge is a New Zealand institution that we hope to 'borrow' from our Kiwi cousins. The Business Pledge bridges the gap between corporate responsibility and biosecurity stewardship. It encourages businesses of all sizes to pledge their commitment to biosecurity principles, thereby sharing responsibility from top executives to front-line workers. It fosters a culture of vigilance, where employees become biosecurity champions, not only within their workplaces but also in their broader communities.

These initiatives empower individuals and organisations to actively participate in the protection of our unique ecosystems, agriculture, and environment. Their combined efforts contribute significantly to the broader goal of ensuring a secure and bio-healthy future for our nation.

Emily Mellor - Why do you think it is important for other members and stakeholders in the freight and trade space to get behind this initiative?

Industry occupies the frontline in the battle to safeguard Australia's biosecurity. They are the ones opening the doors to the millions of shipping containers that arrive on our shores each year. As the gatekeepers of this critical entry point, their role is pivotal in ensuring the integrity of our nation's biosecurity defences. By having these key industry players working in collaboration with the DoB, State and Commonwealth regulators, we can create a formidable front that is better equipped to combat potential biosecurity threats.

The DoB is not just a campaign but a long-term commitment to strengthening our biosecurity fabric. It signifies the need for a "decade" long dedication to enhancing awareness, education, and preparedness and to equip our frontline with the tools they need to make a tangible difference.

To learn more about the Decade of Biosecurity visit www.biosecurity2030.org.au to stay informed and show your support!

The Decade of Biosecurity is currently seeking project leads, supports and investors to deliver projects successfully. Please reach out to the coordinator at emilym@biosecurity2030.org.au if you would like to discuss these opportunities further.

Decade of Biosecurity Project Partners at the National Biosecurity Forum

MEAT PROCESSING AND EXPORT CONFERENCE 2023

October 31 - November 1, Royal Pines Resort, Gold Coast

The Australian Meat Industry Council (AMIC) is bringing back its annual conference and is promising a grand showing at the Meat Processing and Export Conference (MPEC) later this month.

Why Attend MPEC 2023?

Engage with Industry Leaders: On November 1, hear from renowned speakers such as economist Saul Eslake, journalist Peter Hartcher, Ag Minister Murray Watt, Joel Fitzgibbon and academic Stan Grant. In addition to MPEC's keynote speakers we also have amazing panels lined up throughout the day. Engage in dialogues that challenge and inspire. Meet The MPEC Speakers at https://amic.org.au/mpec-speakers/.

Unparalleled Networking Opportunities: Connect with a diverse range of delegates, speakers, exhibitors, and sponsors. From social activities to exclusive tours, MPEC 2023 offers something for everyone.

Professional Development: Invest in yours and your team's growth with thought-provoking sessions, panel discussions, and workshops. Reward your team with this unique opportunity for bonding and development.

Exciting Add-On Events: On Tuesday October 31 (the day before conference) choose between the Agri-Labour Golf Tournament, a Tour of the Port of Brisbane or a Dealing with Detractors workshop – all of which will be finished in good time for the meet and greet at the welcome function that evening. Great protein assured of course!

Brilliant Americold Gala Dinner: We are wrapped to be partnering with Americold to host the gala dinner on the evening of November 1. They and us have a stella night in store. Expect to be surprised, entertained and absolutely amazed.

Special Accommodation Rates: Rooms at Royal Pines Resort are filling fast. Secure your accommodation at special MPEC corporate rates today.

Tickets and Registration: Tickets are now on sale, and we encourage your early response. Secure your spot at MPEC 2023 by visiting the MPEC webpage at https://amic.org.au/mpec/.

Final Thoughts: MPEC 2023 is more than a conference; it's an opportunity to connect, learn, and grow in the meat processing and export industry. Join us for an unforgettable experience that promises to be the industry event of the year.

For more information or enquiries, please contact us at **admin@amic.org.au** or call **Bradley Hayden** on **0412 461 392**

Interview

Röhlig Logistics - 50 years in Australia

Paul Zalai from Freight & Trade Alliance (FTA) recently had the opportunity to sit down with Mat Vermeulen, Managing Director of Röhlig Australia, the Australian subsidiary of Röhlig Logistics, an owner-operated logistics company that offers its customers services in the areas of sea freight, air freight and contract logistics, to talk about their 50 years in Australia.

> *"The beauty of technology is that it can help to automate everyday tasks and we can focus on perfecting our customer experience"*

50 YEARS
RÖHLIG AUSTRALIA

1. Paul Zalai - Mat, to start, can you give us a little background on yourself and your role at Röhlig?

I have been 25 plus years in the industry with large international companies both in Australia and New Zealand. My journey with Röhlig Australia commenced in October 2018 as Chief Sales Officer and I became Managing Director in July 2022.

2. Paul Zalai - Would you like to tell us a bit about the Röhlig operation in Australia and your services?

In the last 5 years, Röhlig Australia has grown existing facilities and opened new ones. We have a branch now in Newcastle, NSW and moved into a new office at Perth Airport last year. We opened a new warehouse in Adelaide in June 2023 and have taken strides into the transport sector, offering linehaul and coastal services across Australia.

Our Contract Logistics division has expanded, leading to the new warehouse openings. This expansion mirrors the ongoing evolution of our business in Australia, complementing our core offerings in Air and Sea Logistics.

We are very proud of our market leading Air Freight service from Germany to Australia and we continue to focus on our products being Air and FCL, especially given current market conditions. We believe we have one of the best products in the market and combine that with Price, Reliability and Speed.

Customer experience is everything at Röhlig.

3. Paul Zalai -You have great national coverage, and, as you just mentioned, you have an office in Newcastle. Can you tell us how that operation is going and its role in developing that region of NSW?

We have had a presence in Newcastle since 2002 and a dedicated representative there since 2005. In 2019, we decided to open a new office due to rapid expansion of Sydney and NSW. Newcastle was a destination and has attracted a lot of businesses. We saw this as an important strategic step for Röhlig Australia and are happy we can be close to our Central Coast and Newcastle customers.

Over the past two decades, Röhlig has played a pivotal role in supporting the local business community, a testament to our commitment to the region. Today, we dispatch a fleet of 2-3 Röhlig trucks to Newcastle daily, ensuring that our clients receive the prompt and reliable service they deserve.

Currently, we have 4 people in the office and continue investing in our team to grow this regional market. Look out for our trucks and Röhlig logo at King Street, Newcastle.

4. Paul Zalai -There is a growing interest in de carbonising / greening the supply chain and ESG (environmental, social and governance) is becoming a topic on everyone's lips – what is Röhlig doing in this space?

We clearly see our responsibility and strive to promote all aspects of the ESG principles in all business activities and decisions.

Röhlig globally has been awarded SILVER status in the Ecovadis assessment with improvements across all sectors, with the biggest improvement verticals being Environment and Sustainable Procurement.

We also completed an SBT Commitment registering our focus on reducing our own carbon footprint. We have a short-term target of a 42% reduction by 2030 within the ANZ region, with a global focus on Net Zero.

We are a signatory to the world's biggest corporate sustainability initiative, the UN Global Compact, and are regularly evaluated in the EcoVadis sustainability rating.

We are also supporting our customers in reducing or offsetting their carbon footprints by making the emissions for their selected freight routes visible via EcoTransIT, using our CO2 calculator. In addition, we have established a cooperation with Lufthansa (in Europe) to provide a sustainable transport offering on selected routes. To do this, we focus on investment and certified climate protection projects to effectively compensate for CO2 emissions. We have also launched a similar programme specifically for our customers in Australia, for LCL shipments in our own consolidated containers.

We recently moved the entire forklift fleet in ANZ to electric and when sourcing new facilities – our minimum requirement is 5* environmental rating.

5. Paul Zalai - Technology has made a huge impact on our industry and continues to do so; what role does this play in your day-to-day operations and client engagement?

Technology plays a massive part in our business, and we pursue two approaches: On the one hand, we develop digital software products with which our customers can handle their shipments themselves and gain access to important data.

On the other hand, we develop digital solutions together with our clients that are individually tailored to them in order to integrate processes and systems. *We attach great importance to working in a customer-oriented manner and responding very specifically to their requirements.*

We were one of the first companies to implement CW1 as a global platform. We have our own Software team developing bespoke solutions for our customers, that is why we have the flexibility to customise your digital evolution and we have a proven track record for this in ANZ.

(LtoR) Paul Zalai with Thomas Regin Hansen, CEO - Australia & New Zealand and Mat Vermeulen, Managing Director Australia for Röhlig Logistics

6. Paul Zalai - Is Technology the answer moving forward, or do you still see a critical role for people?

Both, technology and people combined, is the answer moving forward. We believe in offering the best of both worlds, relying on our excellently trained employees in customer service as well as our digital platforms. Our customers can decide whether they want to work with us exclusively digitally, prefer personal contact or opt for the hybrid model. We offer every service option, and this flexibility is what sets us apart. The beauty of technology is that it can help to automate everyday tasks and we can focus on perfecting our customer experience.

7. Paul Zalai - More businesses are offering a holistic approach to services they offer – can you tell us a little about your 3PL offerings?

We originally moved into 3PL space to accommodate our existing customers through end-to-end offerings. We have now perfected our 3PL offering with our new WMS and TMS platforms, subsequently resulting in the opening of larger and new facilities offering direct 3PL contracts to new customers. We have warehouse space in all states of Australia with a skilled workforce committed to streamlining our customers' warehouse and distribution requirements.

We also have a 4PL solution where we manage, on behalf of our customers, all aspects of their supply chain under the proven 4PL solution that Röhlig offers in the market. We have had a great success in 4PL space, and this continues to evolve.

8. Paul Zalai - I understand Röhlig are one of, if not, the largest airfreight carrier out of Germany. Did you wish to touch a little on your global network and services?

Yes, we are a market leader out of Germany, we currently have 11.2% (some 2,431 million kilos) market share from Germany to Australia, and we are proud as a German-owned organisation to be a market leader in Australia. We have a proven track record on this very important trade lane.

As to our Network and Services, Röhlig continues to grow globally. Our network consists of more than 2.500 employees and over 150 offices in more than 30 countries across all continents. In 2022, we added Dubai and Switzerland to our network, and Brazil in 2023. In the coming years, we will continue to expand our network, extend our range of services, and invest further in the digitisation of our products.

MERNAP: Australia’s Strategy for Maritime Emissions Reduction

Image provided by Department of Infrastructure, Transport, Regional Development, Communications and the Arts

By the DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT, COMMUNICATIONS AND THE ARTS

The Australian Government is progressing its commitments to cut greenhouse gas (GHG) emissions across the economy on the path to net zero by 2050. With transport set to become the largest source of GHG emissions, as soon as 2030, there is increasing focus on reducing emissions across all modes, including aviation, maritime, rail, heavy vehicles, and light vehicles.

The Government is investing $8.4 million to fund development of a Transport Emissions Roadmap and Action Plan. This strategy covers all forms of transport – alternative fuels and new technology - and the transport infrastructure to support the economy’s transition to net zero.

Transport is a critical social and economic enabler. Reducing emissions across this sector, including increased use of renewable energy sources, requires concerted action across government and industry. To do this, we need to provide investors with investment certainty and deliver a nationally consolidated approach to accelerate decarbonisation.

The Government is positioning Australia as a green energy super-power, to facilitate new export industries and realise net-zero.

The Maritime Emissions Reduction National Action Plan

Shipping is vital to Australia’s economy and society – transporting more than 99% of our international trade volume. In 2021-22, transport emissions comprised 18.6% of Australia’s total emissions. Domestic maritime navigation contributed 2.2% of transport emissions, or 0.4% of total emissions.

While maritime GHG emissions are harder to abate than in land transport sectors, there are significant opportunities for a cleaner, greener maritime sector: from facilitating green-energy exports, anticipating new zero and low emissions fuels, and addressing port emissions. There are challenges too – especially for the first movers in a highly competitive market.

Following industry consultation, the Government has committed to developing the Maritime Emissions Reduction National Action Plan in 2023-24. As part of the broader Transport and Infrastructure Net Zero Roadmap development, the plan will set Australia’s strategic decarbonisation direction for our domestic maritime sector, contributing to the reduction of global shipping emissions. It will support national emissions reduction targets, showcase the potential of sustainable shipping, and demonstrate Australia’s efforts towards zero-emission maritime activities.

This work is being undertaken by the Department of Infrastructure, Transport, Regional Development, Communications and the Arts with industry guidance including from the Freight & Trade Alliance.

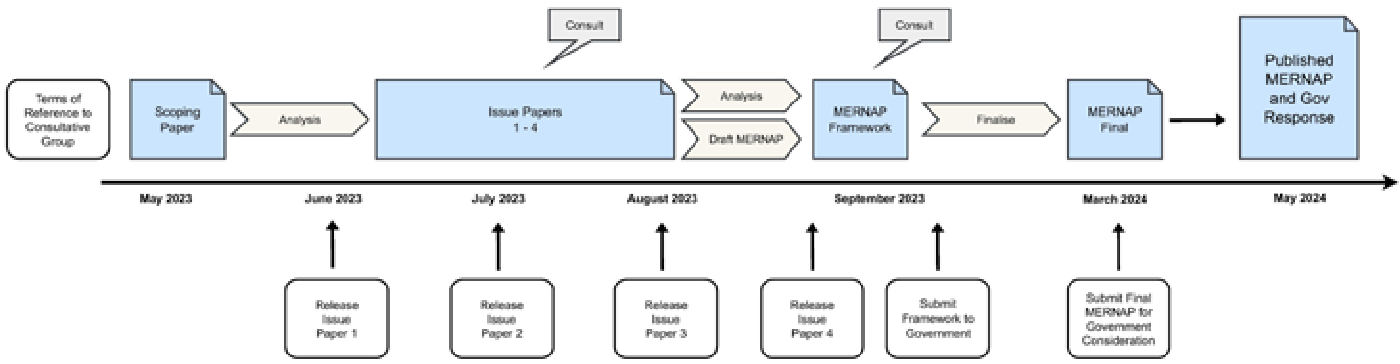
Key to success are partnerships – up and down the value chain. Clean energy providers, ports and ship owners, as well as shipping service customers, vessel charterers, freight industry and the sustainable financing sector.

Developed through a co-design and collaborative stakeholder approach, public consultation is taking place in 2023-24 on a range of maritime decarbonisation topics to identify barriers and opportunities. The first issues paper on potential regulatory opportunities, challenges and gaps was released on 28 August for feedback by 22 September 2023.

Over the next 6-8 months the Department will release more issues papers for public consultation, covering issues like fuels and technologies, international partnerships and skills. The public consultation seeks insights from across the maritime sector, to help inform recommendations to Government, that are fit-for-purpose and reflect industry needs.

The Maritime Emissions Reduction National Action Plan will be delivered to Government by mid 2024. Further information here:: https://www.infrastructure.gov.au/infrastructure-transport-vehicles/maritime/charting-australias-maritime-emissions-reductions

All interested stakeholders are encouraged to take part.



VICT – The Gateway to Victoria

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

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

Victoria International Container Terminal
An ICTSI Group Company

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Mailing Solutions


Protective Packaging


Packaging Materials


Timber Boxes


Pallet Collars

GLOBAL SHIPPER

News and activities from the Global Shippers Forum

Speaking up for cargo owners in international trade

CONTENTS

GLOBAL SHIPPERS FORUM

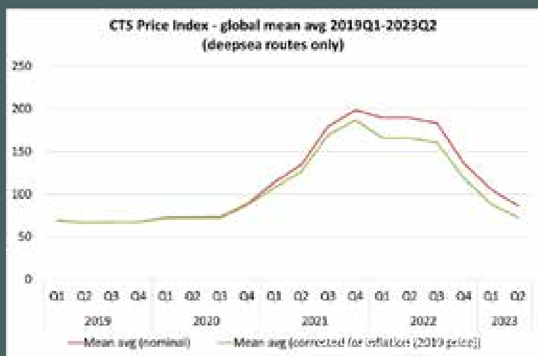
MARKET CONDITIONS

Shipping lines pull capacity management levers

New analysis by MDS Transmodal reveals how carriers are managing shipping capacity made available to shippers in the face of the current downturn in international trade and the delivery of substantial numbers of new vessels. MDST reports that 159 new ships having a total capacity of just over 1 million teu have been introduced over the past 12 months, about a 6 per cent increase in added fleet capacity.

However, the actual capacity available to shippers has been limited to about a 3 per cent increase over the same period. This has been achieved by operating ships at slower speeds, adding additional port calls to schedules and by removing older vessels from service and sending them for scrap.

MDST forecasts that despite an expected increase in the number of vessels scrapped, available capacity is still likely to exceed demand, over the next four years. Shipping lines can be expected to further reduce the speed of vessels and lengthen service schedules to 'soak-up' as much excess capacity as possible, in an effort to maintain prices.



MDST shared their report with members at the September meeting of GSF's Container Shipping Performance Working Group. MDST also presented analysis showing that average shipping rates have not returned to pre-pandemic levels despite the widespread assertion by carriers that the 'Covid price spike' is over. Using the shipping industry's own data MDST showed that rates in more than two-thirds of deep-sea trades remained above levels in in the same period in 2019.

According to MDS Transmodal, average global shipping rates have yet to return to pre-pandemic levels and remain about 8 per cent higher than in mid-2019, even after allowing for inflation.

GSF WORKING FOR MEMBERS

Working Groups power GSF policy developments

GSF has set-up three member working groups to tackle key policy issues affecting shippers and develop advice and recommendations on the actions GSF should be taking. Each Working Group is chaired by a GSF member and reports to the Policy Council, which decides GSF policy positions. The three Working Groups are:

1. **Container Shipping Performance WG**: reviews reports on changes in the global market prepared by MDS Transmodal and advises on climate change and competition policies.

2. **Surcharge Suppression WG:** identifies examples of unfair and unjustified surcharging by shipping lines and port terminal operators and campaigns for transparency and accountability in cost recovery

3. **Container Cleanliness WG:** addresses proposals for new global measures on container cleanliness and develops advice for shippers on the avoidance of pest contamination of containers and their cargoes.

The Working Groups are open to all GSF member associations and their shipper members. Please speak to your national association if you are interested in getting involved or let the GSF secretariat know on secretariat@globalshippersforum.com.

CLIMATE CHANGE

IMO adopts new climate change strategy and eyes Carbon Levy

The International Maritime Organisation has revised its strategy for reducing greenhouse gas emissions from shipping and brought it closer into line with the targets set in the Paris Agreement on climate change. The strategy aims to reduce emissions by between 20 and 30 per cent by 2030 and by between 70 to 80 per cent by 2040. The ultimate aim is to reach “net-zero GHG emissions by or around, i.e. close to, 2050”.

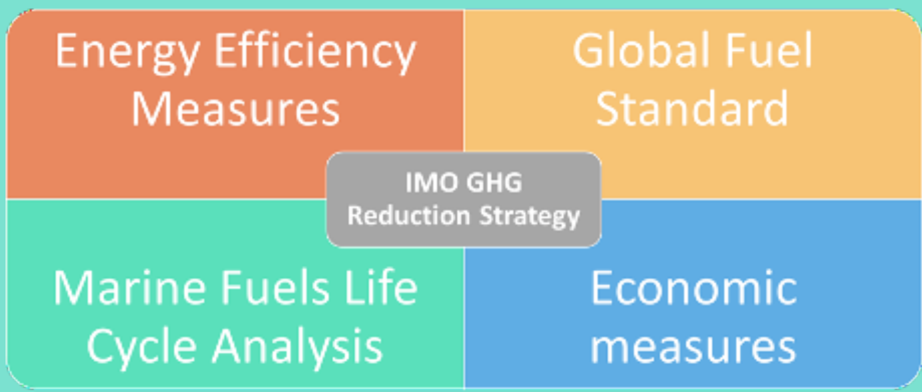
The strategy has been criticised for the lack of precision in its targets and timing but its adoption at the meeting of the Marine Environment Protection Committee in July will allow IMO to commence the detailed discussion of the ways that this target will be achieved. These include three measures seen as crucial to triggering the needed switch from conventional bunker fuels to new fuels like hydrogen, ammonia or methanol that have zero, or near-zero carbon emissions, provided they are produced responsibly.

A Global Fuel Standard, which will set a maximum limit on the total amount of carbon permitted in marine fuel supplies around the world. This will be reduced every few years, limiting the amount of conventional bunker fuels that can be used. The difference will be made up by the production of new zero-emission fuels.

Guidelines for the Lifecycle Analysis of marine fuels. This is a standardised method for calculation of the total GHG emissions from different fuels and crucially includes emissions produced when a fuel is produced and distributed. Many grades of so-called ‘Zero Emission’ fuels are produced from or using fossil fuels, so will still contribute to global warming, despite emitting no carbon when used.

A Carbon Levy on marine fuels. This is the most controversial of all the proposals and could lead to a dramatic increase in the cost of bunker fuel to carriers, intended to encourage a switch to lower carbon and lower taxed alternatives. GSF fears, as do many national governments, that carriers will just pass on any new taxes or levies to shippers as a Bunker Adjustment Factor or a new surcharge, dramatically increasing the cost of shipping whilst neutraising the impact of the tax on shipping lines.

These measures are not expected to come into effect until about 2027 and it will be essential for shippers’ interests to be defended in discussions that will be dominated by carriers and suppliers. They will supplement energy efficiency improvement measures that were introduced for existing ships at the beginning of 2023.



CARGO SAFETY

CTU Code under review

GSF has promoted shippers’ interests in revisions made to the CTU Code – the Code of Practice for Packing of Cargo Transport Units. The Code sets out recommended practices for the safe and secure packing of cargoes in intermodal containers, truck trailers and railway wagons.

Changes include defining the roles and responsibilities of the different supply chain parties involved in a container movement and specifying the means by which cargo should be secured inside it. Extensive changes are also being made to the measures expected to prevent contamination of cargoes and CTUs by pests, based on the work being undertaken by the Commission on Phytosanitary Measures (CPM).

The revised CTU Code could become operational as early as next year and although its guidance is not a legal requirement it is increasingly being used as a benchmark in resolving claims for cargo loss and damage. A ‘Quick Guide’ to the CTU Code has been published by the Cargo Integrity Group, in which GSF is a partner, to help explain its recommendations. This includes a Checklist summarizing the key responsibilities of the container packer.

CONTAINER CLEANLINESS
New container cleanliness responsibilities presented to government experts

A new approach to managing the growing concern about the transfer of invasive pests on and inside freight containers was discussed by national government experts and industry representatives at a major international conference in Brisbane, Australia in July.

GSF and the World Shipping Council, representing the major container shipping lines, presented jointly agreed proposals to assign responsibility for keeping a container ‘pest-free’ to each party that handles it during a shipment. This includes the carrier and the shipper, but will also extend to the inland haulage operator and the terminal operator at the port where the container is loaded and unloaded.

The details of how ‘Custodial Responsibility’ could work in practice will now be worked out in meetings between GSF and WSC ahead of the next meeting of the Commission on Phytosanitary Measures in April 2024. CPM will decide whether this new approach is adequate to counter the risk or whether new mandatory cleaning measures are needed.

GSF also presented its own range of ideas to reduce the risk of pest contamination of containers at the Brisbane conference. This included a call for more information to be made available about where the countries a container has visited, when it was last washed and disinfected and whether it has a wooden floor, which are known to harbour invasive pests. The various ideas will be developed with GSF members in the Container Cleanliness Working Group over the next few months.

COMPETITION EXEMPTIONS
GSF sets out case for competition reform:

GSF joined a panel of shipping and supply chain industry leaders to discuss the need for reform of shipping competition exemptions hosted by UNCTAD in July. GSF Secretary General James Hookham, joined FIATA’s Head of International Trade and Law, Andrea Tang, and World Shipping Council CEO John Butler at a side meeting of the Inter-Governmental Experts on Competition Policy. A decision on the future of the European Union’s Consortia Block Exemption Regulation is still awaited and reviews of existing anti-trust immunity arrangements are underway or expected to start soon in the US, UK, Australia and Canada.

TRANSPORT RESILIENCE
GSF identifies supply chain disruptors

GSF has participated in a Roundtable of international experts on how to improve the resilience of transport systems and supply chains caused by global disruptions. The two-day event was hosted by the OECD’s International Transport Forum and brought together participants from industry, academia and governments to assess the best ways to help businesses and governments identify causes of disruptions and better prepare for them.

GSF identified four key areas where shippers had suffered disruption to goods movement in recent years. First is where businesses are unable to source raw materials or supply finished products to customers, due to physical or political disruptions to normal trade, such as sanctions, war and protectionist measures. A second cause is the loss of access to workplaces due to stay-at-home restrictions to minimize spread of infections. A further cause is loss of essential infrastructure – including telecommunication and power networks outages, as well as transport systems. Finally the loss of, or disruption to, business critical data and information due to hackers, ransomware and accidental release has also been a major source of disruption.

The findings of the Roundatble are expected to be published by ITF in early 2024.

CARGO SCREENING

Carriers target undeclared cargoes

Container shipping lines are stepping up their screening procedures for containerized cargo in a drive to reduce the number of shipments of improperly declared dangerous goods being presented for carriage by sea.

The World Shipping Council is seeking proposals from third-party suppliers for a software tool that can be used by carriers to screen cargo descriptions and flag-up shipments that could contain undeclared or mis-declared dangerous goods.

Flagged shipments would then be further investigated by a carrier, either by checking the description with the shipper or by conducting an inspection of the container, using an approved inspection company. Words and phrases used in flagged shipments will be stored in a common library and shared between users of the screening tool.

Carriers also intend to create a shared database of 'verified shippers' who have not presented cargoes that have posed a risk to the safety of vessels or crew in the previous two years. Shippers would be removed from the list if they are responsible for shipping a cargo that causes a safety or environmental incident. This will result in future shipments being subject to closer scrutiny by carriers.

WSC's initiative on behalf of container shipping lines follows a series of major incidents aboard ships in recent years. According to marine insurers Allianz that there have been over 64 reported fires on containerships over the past five years, with incidents caused by fire increasing by more than 17% during 2022.

In addition to targeting undeclared dangerous goods, the use of cargo screening tools is also likely to be extended to cover descriptions of goods that may conceal illegally shipped wildlife. Illicit wildlife trafficking is estimated to be between \$7.8 billion and \$10 billion per year, and illegal timber trade is estimated as much as \$7 billion per year.

The need for accurate and complete descriptions of cargo by shippers is also a key requirement of the European Union's Import Control System (ICS2), which will be extended to shipments entering the EU by sea, road and rail from April 2024.

DATA & ANALYSIS

Global maritime review launched

UNCTAD has launched the 2023 edition of its *Review of Maritime Transport*. Subtitled 'Towards a Green and Just Transition' the annual review of global shipping activity focusses on the progress and challenges of reducing the sector's greenhouse gas emissions. It also renews a call for faster progress to be made in the implementation of Single Maritime Windows for submission of a vessel's documents to border agencies upon arrival in port. https://unctad.org/isar/publication/review-maritime-transport-2023

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

Editor & publisher: James Hookham

Production: Sarah Abrahams

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

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

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

Follow GSF on LinkedIn, and visit the website

https://globalshippersforum.com

GLOBAL SHIPPERS FORUM

NEWS IN BRIEF

- **Wisetech Academy** has developed a protype app to guide packers of intermodal containers in the safe, secure and pest-free packing of cargoes. The prototype app can be downloaded and evaluated by scanning the QR code. Feedback on its functions and usefulness are welcome and can be sent to the GSF Secretariat: secretariat@globalshippersforum.com.
- **Aeler** has developed a new design of freight container that offers up to 17 percent increase in capacity over conventional designs. Using lighter composite, and recycled materials, the Aeler container can carry up to 17 per cent more payload than conventional designs. Tracking and cargo monitoring technology are integrated into the design allowing location and cargo condition to be measured remotely by cargo owners on a mobile phone app. https://www.aeler.com/
- **Pledge** has launched a web application that allows shippers to measure the expected emissions from the movement of goods through their supply chains. The system also allows carbon reduction targets to be set and monitored. Emissions calculations are made using the GLEC fuel conversion factors developed by Smart Freight Centre. https://www.pledge.io/

wisetech academy

Get your IATA DGR accreditation online with WiseTech Academy

Does your team require IATA or IMDG Dangerous Goods accreditation? WiseTech Academy's new air and sea Dangerous Goods accreditation courses ensure compliance with IATA's Dangerous Goods Regulations for air cargo and IMO's IMDG Code for sea cargo – all delivered online, anytime & anywhere.

Air & sea DG compliance online

WiseTech Academy has launched its new catalogue of dangerous goods accreditation courses and is very pleased to be the world's first fully-online Competency-based Training and Assessment Centre (CBTA) to gain IATA-accreditation for the courses on carrying dangerous goods by air.

WiseTech Academy's air and sea freight courses have been developed in partnership with DG Air Training Centre to meet the compliance needs of the Australian freight forwarding community. Upon completion, your staff will be dangerous goods certified per IATA and IMDG requirements.

Seamless dangerous goods accreditation

Our online courses deliver a seamless training experience, featuring videos, quick quizzes, formal assessments, and IATA/IMDG certificates of completion.

Meanwhile, our corporate learning portal grants you full visibility of your staff's learning progress, dangerous goods qualifications, and timely reaccreditation reminders.

What's included?

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Dangerous Goods Accreditation Courses

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AIR FREIGHT – Dangerous Goods Regulations – IATA DGR 'Initial' and 'Recurrent'

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Preparing DG Consignments (All Classes) for shippers, freight forwarders, cargo agents, manufacturers & exporters	$350
Accepting DG Consignments (All Classes) for shippers, freight forwarders, cargo agents, manufacturers & exporters	$350

SEA FREIGHT - Dangerous Goods Regulations – IMDG Code 'Initial' and 'Recurrent'

Preparing DG Consignments for shippers, consignors and freight forwarders	$182
Loading/Unloading Cargoes from Cargo Transport Units for packers and cargo handlers	$182
Accepting and Handling DG Consignments for ship operators and crews	$182

www.wisetechacademy.com

Why choose WiseTech Academy?

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

Menzies Aviation accelerates plans for Cargo

By KAYLA MOA, Vice President Cargo Operations, Australia

In August, Menzies Aviation celebrated one year since it joined forces with National Aviation Services (NAS) to become the world's largest aviation services company. It has been an incredible first year where we have accelerated growth in expanding to six new countries and 18 new airports across the globe, along with opening our 75th cargo location.

Cargo remains a key focus area for Menzies, and we have bold plans to accelerate growth even further by number of locations and tonnage. To lead our ambitious growth plans, we are pleased to announce Beau Paine has been appointed as Menzies Global Head of Cargo & Senior Vice President Cargo OSEA, Beau has led the Australian cargo team since 2018 and the wider OSEA team since 2021.

To further bolster our Cargo leadership team in Australia, I will take responsibility of Australian Cargo Operations reporting into Beau as Vice President Cargo Operations – Australia.

We have a market-leading business in Oceania that delivers continued safe and compliant cargo operations across the region and the new appointments will support our region's forecast to be one of the fastest growing aviation markets in the world during over the next 5 years.

Aircargo performance in the Asia Pacific region has seen the largest decline among the all regions with global cargo tonne-kilometers (CTKs) falling by 7.2% year on year in June. While the decline is driven by a weaker demand within the Asia market, Air Cargo was the aviation industries star performer in 2021, however has since reverted to pre 2019 cargo tonnage levels. While global capacity has still not returned to its pre-covid levels we are anticipating the welcomed additional capacity in our region with Menzies partnered airlines in quarter 4 of this year.

While we look forward, Menzies Aviation in all our locations are investing in state-of-the-art cargo technology.

In March this year, we released the announcement that Menzies has selected Wipro to transform our digital platform and help fortify our position as the leading cargo handler in the market. Our cargo operating system named "M.A.C.H – Menzies Aviation Cargo Handling" uses cloud-native technologies to, improve efficiencies, enhance employee and customer experiences and drive customer service satisfaction through increased automation. The platform roll out will commence In New Zealand followed by Australia from November of this year.

Sydney's trial of the three-dimensional cargo assessment tool has concluded, we are looking forward to rolling out this software to our key ports in Oceania which captures accurate dimensions and images of cargo in real time. The integration with our cargo operating system allows instant and uninterrupted workflow and digitalises the cargo acceptance at our warehouses. In the future we will optimise artificial intelligence and will be enhancing this platform in an aircraft safety initiative which provides an ability for image scanning and identifying hidden or

Beau Paine, Global Head of Cargo & Senior Vice President Cargo OSEA

undeclared dangerous goods. Watch this space in the months to come.

Across the east coast we have expanded our Interstate Road services across our partner airlines providing an ease to a challenged market with reduced cargo capacity in some ports. Our service offering combines air transport with interstate road and together connects to provide fast and efficient solutions in an end-to-end handling model to our airline partners.

People.
Passion.
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AVIATION REFORM

By TOM JENSEN, Head International Freight and Logistics – FTA / APSA

Freight & Trade Alliance (FTA) and the Australian Peak Shippers Association (APSA) are preparing a response to the *Aviation Green Paper* which was recently released by the Department of Infrastructure, Transport, Regional Development, Communications and the Arts (the department).

Through the Green Paper, the Government is seeking outcomes that deliver a more competitive aviation sector, while at the same time securing Australian jobs. The Green Paper also considers how to transition Australia's aviation industry to net zero including new reforms to the *Safeguard Mechanism* requiring annual emissions reductions for Australia's largest emitters – including our largest airlines.

The Green Paper also addresses:

- airlines, airports and passengers – competition, consumer protections and disability access settings;
- regional and remote aviation services;
- airport development planning process and consultation mechanisms;
- general aviation;
- fit-for-purpose agencies and regulations;
- emerging aviation technologies;
- future industry workforce; and
- international aviation.

In parallel, the Federal Government is considering the recommendations from the *Review of the Sydney Airport Demand Management Scheme*, an independent review prepared by Mr. Peter Harris AO, with a particular eye to modernising the slot allocation framework and strengthening compliance measures to ensure that slots are not being misused by airlines.

Submissions for the *Aviation Green Paper* are now open, and members are encouraged to supply feedback to me at tjensen@FTAlliance.com.au by 16 November 2023 for incorporation into the FTA/APSA submission.

FTA / APSA will continue close engagement with the department as we enter the next important stage with the expected release of the *Aviation White Paper* in mid-2024 that will set the policy direction for the aviation sector out to 2050.

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Nexus Altona is flagged as a key logistics intermodal terminal location with the proposed Altona Inland Port, a rail-based terminal which is connected directly to the Port of Melbourne via a dedicated turnout onto existing ARTC freight tracks. The new Altona Inland Port is expected to deliver significant cost savings and efficiencies transferring containers to and from the Pot of Melbourne when compared to road transport. Existing high-profile tenants in the estate include Maersk and ACFS Port Logistics, with other major logistics operations including DHL, Austrans, Toll & Silk close by.

For leasing enquiries call

Cameron Sherwin | Development Manager
Logistics and Strategic Projects
03 9673 1111 | Salta.com.au

“KEEPING AUSTRALIA’S INTERNATIONAL TRADE MOVING”

FTA FREIGHT & TRADE ALLIANCE

Australian Peak Shippers Association Inc. (APSA)

JOIN THE ALLIANCE

2024 Membership Benefits

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

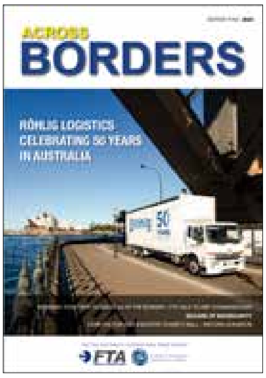
REAL TIME SUPPORT – FTA Corporate Members have real-time access to our support services as an extension of your operational team – through our extensive network and access to key personnel across government and commerce, we can assist businesses with operational matters.

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

TERMS & CONDITIONS – Exclusive to FTA Corporate Members, for the one off payment of $880 (incl GST) receive from CGT Law a clear, concise and legally robust set of trading terms and conditions designed specifically for customs brokers and forwarders; a letter explaining the Terms & Conditions; a template credit application; a letter of authority; a credit application and guarantee; letter for use to customers introducing the new terms and conditions; ACCC Court Action Trading Terms Case; and updates to the documents due to legal developments (all proforma documents are provided in Word format).

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

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



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

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

SHIPPING REPORT - regular updates and consolidated monthly reports

CONTINUING PROFESSIONAL DEVELOPMENT (CPD

The 2023-24 FTA CPD Border Compliance Programs have been completed which assisted customs brokers in meeting their annual licensing obligations. Each event provided participants with 21 CPD points.

Additional topics can be completed online complimentary to attendance, to meet the required 30 CPD points for the licensing period of 1 April 2023 to 31 March 2024.

2024-25 CPD - BORDER COMPLIANCE PROGRAM

Friday 3 May 2024 - Novotel Brighton Beach Hotel, Brighton Le-Sands
Saturday 4 May 2024 - Novotel Brighton Beach Hotel, Brighton Le-Sands
Saturday 11 May 2024 - Hyatt Regency, Perth
Friday 31 May 2024- Hyatt Place, Essendon Fields Saturday
1 June 2024- Hyatt Place, Essendon Fields
Wednesday 12 June 2024 - Brisbane Airport Conference Centre

EARLY BIRD REGISTRATION SPECIAL PACKAGE

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

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

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

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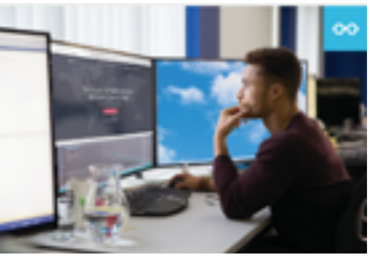

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Empty Container Management – Unlocking Productivity Enhancements

By NEIL CHAMBERS, Director – Container Transport Alliance Australia

The management of empty containers is such a vital part of container supply chain logistics. A container port is only as good as the way it manages its empty container task is a common adage.

We'd all like to forget the "COVID years". But perhaps we shouldn't, because the turmoil in international supply chains showed us how quickly and deeply container freight efficiency can be impacted by global and domestic disruptions, no more so than with the management of empty containers.

Let's start though by giving credit where credit is due.

Container logistics stakeholders in Australia, including shipping lines, stevedores, transport operators, empty container park providers, freight forwarders, cargo interests and port operators, came together for "crisis" discussions throughout all phases of COVID. These discussions were well facilitated by government transport departments in several jurisdictions looking to help industry help itself.

A major concern at the beginning of the pandemic was the build-up of empty containers that were not being repatriated by shipping lines at a sufficient rate. This resulted in chronic congestion at Empty Container Parks (ECPs) and in container terminals in 2020 and 2021.

A key indicator of the operational balance in empty container management is the Load/ Discharge (L/D) Ratio for containers. This measures the total number of TEU imported each month (full or empty) against the total number exported in the same month (full or empty).

A Ratio below 1 means less TEUs were exported than imported, leading to a surplus of empty containers languishing in transport yards, ECPs and other parts of the supply chain, potentially leading to congestion.

The figures, refer below graph, show that as the pandemic raged in the second half of 2020 and the disruption to international shipping was significant, landside stakeholders were extremely concerned with the build-up of empties in Sydney. The L/D Ratio dropped to its lowest level of 0.83 in July 2020, and in the six months that followed, over 53,000 TEU were left languishing in congested ECPs and in transport yards due to the lack of ECP capacity and the poor empty container evacuation rate by shipping lines.

At the time, the overall Port Botany ECP capacity was around 60,000 TEU, so no wonder ECPs were operating well above 100% capacity! In some instances, ECPs had to close their doors due to the congestion, leaving importers and their transport providers with nowhere to de-hire containers. To say it was a challenging time is an understatement!

Thankfully now though there has been significant investment in new and expanded empty container handling capacity in Port Botany. DP World Logistics and ACFS Port Logistics have both expanded their existing ECPs, and MEDLOG Australia is currently constructing a new 6,000 TEU facility. These investments will result in an increase in empty container storage capacity in Sydney of more than 16,500 TEU – a 26% increase.

Investments have occurred in the other capital city container ports as well, not only in expanded capacity, but in embracing complementary technologies to improve the truck arrival interface.

Paperless Truck Entry Boosts Productivity:

In August, The Victorian Government released an Empty Container Park Trial Report mapping the productivity gains achieved by ECPs in Melbourne who have combined electronic pre-advice data from shipping lines with some form of technology to encourage paperless and contactless truck entry.

With full support and encouragement from the Victorian Minister for Freight & Ports, the Hon. Melissa Horne MP, the study was a great collaboration between the Victorian Department of Transport & Planning and Container Transport Alliance Australia.

Unsurprisingly, the findings demonstrate that the facilities which have adopted medium to high levels of truck gate-in automation have truck turnaround times which are 30% more efficient than facilities with low automation. They also handle more than double the number of trucks per hour.

Again, thankfully, it is great to see increased investment by ECP operators into automated truck processing technologies. These include the investments mentioned above in Port Botany, as well as by MEDLOG in the Port of Brisbane and soon at the MEDLOG park in Melbourne, and continued investment across Australia by ACFS Port Logistics to change the truck interface fundamentally at its empty container park facilities.

DP World Logistics too has automated gate-in truck processing at its Melbourne Logistics Park, and all of the ECPs in Fremantle have the ability to gate in trucks via priority "green" lanes provided the vehicle booking matches the Electronic Import Delivery Order (EiDO) instructions on de-hire location and the truck arrives within its booking window (or within the allowed time either side of its booked arrival window).

One major hurdle that we need to overcome is that several major shipping lines still don't provide the necessary electronic information that can be seamlessly integrated with ECP vehicle booking systems. We also need to encourage the ECPs with low automation to invest, if we are to truly capitalise on greater productivity outcomes in the empty container management chain in Australia.

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Port Botany L/D ratio graphic

IMDG classification of lithium-ion batteries is outdated and cause for concern

By MARCUS JOHN, Managing Director - TT Club, Sydney

So says international freight transport insurer TT Club. The inherent risk in handling lithium-ion batteries during transport by sea, land or indeed by air is well documented. Demand for their use is growing exponentially as nations grapple with pathways to net zero objectives. However, TT's Marcus John in Sydney argues that the nature of the risks in transporting them means their current IMDG Code Class 9 categorisation is totally unsuitable.

> *"The clear conclusion is that lithium-ion batteries are not classified as sufficiently hazardous, and the range of potential Special Provisions increases complexity and uncertainty."*

Lithium batteries are today used to power a variety of products, including handheld devices (such as phones or cameras), through to larger items such as power tools and electric vehicles of all types. The market has expanded rapidly over the last two decades due to developments in electronics and now broader energy transition globally. Understanding the risks in transporting them is crucial.

Lithium-ion batteries have become a preferred energy source given their high-power density and light weight, as well as their ability to recharge and, in the case of vehicles, their apparent environmental credentials over fossil fuels. Inevitably, these batteries are moved by all modes of transport. However, following serious incidents, regulatory restrictions regarding the carriage of lithium batteries by air have been implemented, resulting in greater use of surface modes. Coupled with a further number of recently recorded incidents, safety concerns around the transporting of lithium-ion batteries and their handling at ports rightly continue to grow amongst the maritime community.

The hazard that a given lithium-ion battery presents is primarily related to the amount of contained reactive substances, including lithium and other reactive material. The sharp rise in demand has been accompanied by supply of cheaper, poorer quality and untested batteries, including refurbished and even homemade power banks. E-commerce platforms have facilitated a global trade in these potentially lethal batteries, often circumventing global standards and regulations.

The logistics industry needs to have a clear understanding of the dangers inherent in transporting these batteries which can include fire, explosions and toxic gas emissions. The release of toxic fumes may be the first alert, but fire with temperatures higher than 1,000 degrees centigrade can be reached in a matter of seconds, and as the mix of chemicals and metals ignites, devastation can ensue. There needs to be increased efforts to minimise the risks, and if necessary, make sure there is an effective response to any catastrophic event.

IMDG Classification

As with many successful technologies, market demand has outpaced the development of safety regulations. Since the mid-1980's lithium batteries have been classified under dangerous goods regulations for transport based on the weight of lithium contained in the cells or battery. As the technology has advanced, the amount of energy derived from the active material has increased by up to 50%, while the weight of cells has reduced greatly.

Given their nature and use, newly manufactured lithium-ion batteries can be transported by themselves as individual items, packaged with products (i.e. replaceable) or within products (not intended to be removed). In addition, consideration should be given to reverse logistics, including used, damaged and faulty products being returned, batteries being shipped as waste and those being shipped to be recycled. In all instances, the state of charge of any battery is a relevant factor; less stored energy generally equates to less risk.

Currently lithium-ion batteries are classified as one of four UN numbers, depending on power output or the weight of lithium in them and whether they are contained within devices or shipped separately.

- UN 3090, Lithium metal batteries (shipped by themselves)
- UN 3480, Lithium-ion batteries (shipped by themselves)
- UN 3091, Lithium metal batteries contained in equipment or packed with equipment
- UN 3481, Lithium-ion batteries contained in equipment or packed with equipment

All four are Class 9 in the IMDG Code - Miscellaneous dangerous substances and articles, and dates from a change in IMDG Class from 4.3, (substances which, in contact with water, emit flammable gases), decades ago when the predominant available product was button cells, which were significantly less powerful than those of today. At that time experts and regulators were persuaded that those smaller batteries presented reduced hazards compared to their larger counterparts through the supply chain.

Clearly there is now a need for a radical review of this classification, as the size and energy capacity of these batteries has altered dramatically since then. As has the volume being carried in container ships.

The situation is further complicated by the existence of various Special Provisions applicable to lithium batteries. Attention is drawn to one such Special Provision (SP188) as an example of the complexity caused. Some smaller lithium batteries that present a reduced hazard may be shipped under SP188, which requires some special conditions for shipment but is not otherwise subject to the IMDG Code.

Notwithstanding qualification for transport under SP188, however, these batteries continue to be dangerous goods, presenting the same risks, rather on a smaller scale. Once lithium batteries, particularly those shipped under SP188 are placed into the intermodal supply chain, there is very little opportunity for the cargo to be checked, visually or otherwise to verify compliance.

The clear conclusion is that lithium-ion batteries are not classified as sufficiently hazardous, and the range of potential Special Provisions increases complexity and uncertainty. All this may have serious ramifications when a container is being accepted for shipment or a ship stowage plan is being compiled. In addressing the commercial opportunities in answering the agenda to move away from fossil fuels, there also needs to be urgent engagement from all involved to resolve the justifiable concerns of the logistics industry – ahead of regulatory strengthening.

Are Exit Interviews Useful?

By LEANNE LEWIS, Business Manager – Insync Recruitment Group

Exit interviews are an essential part of the employee offboarding process, where companies gather feedback from employees who are leaving their organisation.

While they provide valuable information regarding company culture, morale, and management practices, they also carry a certain degree of drawbacks or limitations. The pros and cons of exit interviews are -

Pros:

1. Helps Improve Company Culture and Retention Rates: Exit interviews provide valuable feedback to employers to identify the reasons behind employee turnover. Implementing the necessary changes based on the exit interview results can help improve the overall company culture to increase employee retention rates.

2. Provides a Safe Space for Employees to Voice Concerns: Exit interviews offer employees a safe space to provide constructive criticism, feedback, and speak honestly about their reasons for leaving, without fear of retaliation.

3. Helps to Identify Problems in Management: Exit interviews can highlight if there are any problems with management or leadership. Employees are more likely to express their concerns or frustrations with their immediate supervisor during an exit interview, providing useful insight into areas where there may be poor leadership or communication.

4. Helps HR Improve Recruitment and Onboarding Processes: Exit interviews help HR departments review the recruitment and onboarding process. If many employees resign soon after joining, or they point out a lack of training or support, HR can recognise the patterns and make the necessary changes.

5. Useful for Benchmarking and Tracking Employee Turnover: Exit interviews can provide useful information to benchmark the reasons behind the employee turnover and track progress in retention rates over time.

6. Helpful with the Job Handover: This can be a chance to ask employees any last-minute questions related to the job handover – which may allow for a smoother transition.

Cons:

1. May Not Get Truthful or Constructive Feedback: Despite the safe environment provided by an exit interview, an employee may not speak openly regarding their experience. This could be due to a fear of burning bridges or forgetting the past and moving on.

2. May Be Impersonal and Lack Detail: If conducted by someone other than the direct supervisor, or somebody who has not built up a relationship with the employee, the exit interview may end up being impersonal, point-to-point investigative and therefore, lacking detail.

3. May Be Too Late for Real Change: In many cases, exit interviews are seen as a reactive measure rather than proactive. Since the feedback is acquired after the employee leaves, there may be a delay before the company can make changes.

4. May Not Be a Priority: Often, exit interviews are not prioritised and are conducted inconsistently. Hence, useful feedback may be lost, and patterns in employee turnover may go unnoticed unless followed up with actionable measures.

5. Can Be Time Consuming: Exit interviewing can also be time-consuming and resource-intensive for both the departing employee and the organisation. The process requires scheduling the interview, conducting it, and analysing the feedback – all of which can be burdensome, especially if the company has a high turnover rate.

6. Get the Timing Right: Don't leave the exit interview to the employees last day. You don't want to waste the opportunity to use their feedback to the business's benefit.

Exit interviews can be an effective tool for companies looking to improve their retention rates and overall company culture. However, they also carry limitations that must be understood. Assessing the pros and cons described above, the role of an exit interview ultimately depends on the organisation's culture, management processes, and HR capabilities. If an exit interview is carefully planned, and both employer and employee understand its significance, it can prove vital in improving company culture and reducing employee turnover.

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Transport companies and unfair contract terms in standard terms and conditions – The new UCT regime and implications

By FRAZER HUNT, Partner - Mills Oakley, Sydney.

Transport companies, road carriers and logistics services providers should be aware of major changes to the Unfair Contracts laws introduced by the Treasury Laws Amendment (More Competition, Better Prices) Act 2022 (the Act) which establishes a civil penalty regime prohibiting the use of unfair contract terms (UCT) and will expand the classes of contracts affected by the regime, taking effect from 10 November 2023.

The changes to the Act will:

1. expand the scope of the existing UCT laws so they will apply to a broader range of small businesses, namely those:

o where the 'upfront price payable' under the agreement is no more than $5,000,000 (excluding interest); and where at least one party to the agreement:

o is a business that employs less than 100 persons; or

o has a turnover (at the time the contract is made) of less than $10,000,000.

To be clear, these changes to the UCT regime that has been in place since 2016 will apply to 99% of Australian businesses from 10 November 2023, so you can safely assume that the UCT regime will affect your business, if it does not already.

2. for the first time introduce significant civil penalties which may be imposed on carriers if they breach the UCT laws. i.e., if their standard terms and conditions (STCs) are found to contain terms that are unfair; and

3. mean that a Court will not be required to find that the customer has suffered any loss before the Court finds that the documents are unfair or before imposing penalties on a transport company. In other words, a Court may impose large civil penalties and find terms in finance documents to be unenforceable, merely because the transport company proposed terms in STCs and are subsequently found by a Court to be unfair.

Recommendations

Prior to the commencement of these changes in November 2023, transport companies should review their STCs and related processes to consider whether they may be unfair. The relevant tests for this are whether any terms in the STCs:

o would cause a significant imbalance in the parties' rights and obligations arising under the STCs;

o are not reasonably necessary to protect the legitimate interests of the carrier,

o would cause detriment (financial or otherwise) to the customer if they were to be applied or relied on.

Having regard to the above, transport companies should also ensure that customers are given ample opportunity to review and negotiate agreements. Customers should consider any requests for amendment having regard to the above tests.

The following clauses are at risk of falling foul of the UCT regime:

o clauses that exclude all liability for loss or damage to goods, even if due to the wilful misconduct or reckless of the carrier;

o entire agreement clauses;

o broad indemnification clauses;

o 'deeming' clauses e.g. where a transport company's-appointed surveyor's findings on the extent of the loss are final and not open to challenge

o certain types of events of default clauses such as those triggered by inaccurate representations;

o material adverse change clauses;

o unilateral variation clauses;

o assignment clauses.

The changes do not mean that these clauses are no longer enforceable, only that such clauses will now need to be more carefully drafted to ensure that the parties' rights and obligations are more fairly balanced.

For example, re-drafting exclusion of liability clauses so that they carve out the exclusion of liability for loss of or damage caused by the carrier's wilful misconduct or reckless and also introducing capped liability for claims i.e., a cascading liability regime, will reduce the liability of your STCs being challenged. Further, depending on the sort of goods carried and the profile of your customer base i.e., consumers purchasing goods on line, and added complementary "always-on" insurance cover for low value amounts that are sufficient to compensate your customers for their losses may reduce the likelihood of your STCs being challenged.

Beyond the liability clauses, there are invariably other clauses in a transport company's STCs that up to now, have stood the test of time, but will no longer cut the mustard. Accordingly, a full legal review of your STCs prior to November 2023 is recommended.

The future?

At this point, no Australian cases that have considered the enforceability of UCTs have involved transport/carriers/forwarders/ logistics service providers. Other industries such as waste collection (JJ Richards), leasing office equipment (Fujifilm) and serviced offices (Servcorp) have been considered, where other considerations may be relevant.

However, the UK cases which consider the exclusion clauses in transport contracts in the context of the UK Unfair Contract Terms Act 1977, which has a reasonableness test, may be instructive where the courts have found that industry practice and the availability of insurance have been persuasive in the context of enforceability of exclusion clauses. Time will tell whether a transport operator's STCs are challenged in Australia, but now is the time to review your STCs to ensure that you are not the 'crash test dummy' in a test case where your company's name ends up in the legal textbooks.

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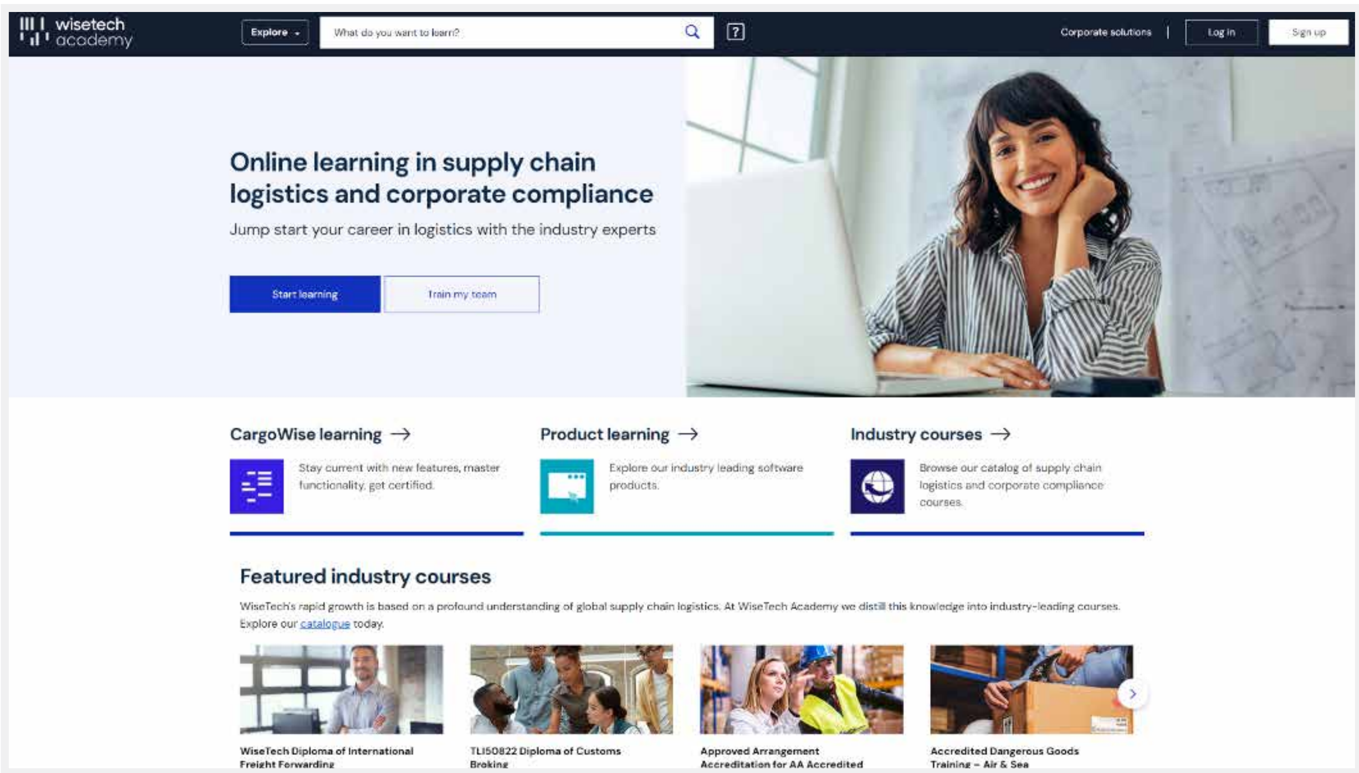

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Get it to Gowrie

Why Inland Rail needs to at least connect to the Queensland rail network to be of value.

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

On the 7th of October 2022 the Government announced an independent review of the Inland Rail project (a new inland route connecting Melbourne to Brisbane) and on the 6th of April 2023 the Government released their response to the independent review. One of the key recommendations, (recommendation 16) endorsed by Government, relates to the staged delivery of inland rail and the prioritisation of the project through to Gowrie which is the point at which Inland Rail connects to the main Queensland rail network and is the first point at which an inland rail route is technically achieved.

"ARTC should continue to examine options for staging the completion of Inland Rail and in particular the option of completing the Melbourne/ Beveridge to Parkes sections by 2027. It should also examine options for the subsequent delivery of the project through to Gowrie once it has obtained greater certainty on approvals and costs. From Gowrie to Kagaru the focus should be on the works required to gain approvals to help secure gazettal of rail corridors and completion of land acquisitions. ARTC should use this time to finalise the scope of these sections and gain greater certainty on schedule and cost." (Source: Australian Government Response to Independent Inland Rail)

Since the adoption of the independent report recommendations earlier this year, the Inland Rail leadership team have engaged with industry to the extent possible however they themselves still don't truly know what is going on with the project and what they can and cannot say. Left in limbo for too long not only will the project lose its current momentum, but they will lose some of the significant skills and capability they have built over the last 5 years.

To date Inland Rail (IR) has been pursuing a parallel delivery model where multiple sections are to be planned, developed, and commissioned. The new delivery model is one of sequential delivery and is milestone focussed. The only confirmed milestone being getting IR to Parkes. Getting IR to Parkes does not create a new rail pathway but it will enable double stacked trains to move from Melbourne's northern outskirts to WA, this is as double stacked trains can already move from Parkes to WA. This is an achievement for rail in Australia but arguably not one to celebrate too much as rail already has a healthy share of East-West freight, it is North-South where the gains can be made.

Inland Rail as a project only truly becomes an 'inland rail' once it connects to the main Queensland network and this is set to occur at Gowrie near Toowoomba. It is at this point that rail freight can be put on a narrow-gauge train or a truck for onwards travel to Brisbane. It is true that the ideal situation is that IR is delivered right through to Brisbane however under the Governments new milestone-based delivery approach that may be a subsequent milestone to target once the connection to Gowrie has been assured.

Here are a few supporting statistics demonstrating why the connection to the Queensland network is a material achievement and a milestone worth celebrating:

- Potential savings of $10 per tonne vs the coastal rail route and around $35 per tonne as compared to trucking. Based on an estimated two interstate trains per day this could **save the supply-chain around $30M per year vs the coastal rail route and $110M per year vs trucking.**
- **For every year the connection to the Queensland network is delayed the present value of economic benefits drops by between $275M and $450M** (depending on demand).
- The further north the Inland Rail extends the more private sector investment is catalysed, in fact based on publicly accessible data **around 90% of planned private sector investment related to Inland Rail occurs within Queensland.**
- Planned terminals such as Interlink SQ in Charlton or at Wellcamp near Toowoomba can act as key intermodal hubs prior to the eventual completion of the full Inland Rail connection to Brisbane. **Shorter trains can use the existing narrow-gauge lines to access the Port of Brisbane or other intermodal terminals like Acacia Ridge.**
- If current delivery momentum is maintained and a connection to the Queensland network prioritised, then **it is quite possible that Inland Rail could connect to the Queensland rail network by late 2028.**

Prioritising the connection of Inland Rail to the Queensland rail network is in line with current Government policy, the recommendations of the independent review and would deliver a critical milestone for supply-chain productivity, decarbonisation and resilience in Australia. Benefits related to a full delivery of inland rail will still manifest to a meaningful extent once there is a viable rail connection to the Queensland rail network as this will open-up new areas to the option of using rail and enabling improved access to the Port of Brisbane.

Completing Inland Rail to Kagaru and having long double stacked trains entering the south-west outskirts of Brisbane will deliver further benefits, however connecting Inland Rail to the Queensland rail network at Gowrie is a significant milestone worthy of prioritisation.

Tristan Anderson is an Executive Advisor at GHD Advisory and frequently engages in national debates ranging from decarbonisation, supply-chain resilience, and adoption of new technology. The opinions expressed are his own and should not be interpreted as GHD opinions.

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Recessionary conditions in Western economies until inflation cools?

By PAUL BETTANY, Collinson FX

The year so far has been dominated by rising interest rates around the Western world, in an effort to combat the runaway inflation suffered in 2022 and early 2023. It appears, we are getting close to 'peak interest rates', as Central Banks have aggressively raised rates throughout 2023. This has had an impact on economies around the world pushing them into recessionary conditions. China has re-opened from the 'pandemic' lockdowns, earlier this year, but the expected strong economic resurgence, never eventuated. This has directly impacted commodity demand and thus prices.

Economic Conditions

The last few months have been dominated by Central Banks raising interest rates, in order to stamp out the surging inflation, in most Western economies. The rampant inflation was triggered by the massive spike in energy costs, especially in Europe, due to the war in the Ukraine and sanctions on cheap energy provider Russia. The Federal Reserve led the way on monetary policy, raising interest rates and tightening liquidity. This appears to have been working, as inflation has been falling in Europe and the United States, although at some economic cost.

The rising interest rates and stubbornly high energy costs, have put much of Europe into recession, with Germany appearing to be in danger of 'de-industrialisation'. The ECB was forced into raising interest rates, albeit way behind the Federal Reserve, Bank of England and the RBA. Global demand has also been under pressure thus impacting manufacturing and industrial production, already severely challenged by the rising cost of energy.

The pandemic and resulting lockdowns, in much of the West, has resulted in extremely high debt levels, which have combined with rising interest rates to challenge many budgets. China had very severe and extended lockdowns, which only ended this year, and the Chinese economy was expected to rebound sharply, boosting the global economy. This expected economic global bonanza, failed to materialise and the Chinese Government are still trying to stimulate the economy with fiscal and monetary policy. The result was a tepid global economic recovery and flagging demand for commodities, thus impacting the Australian economy and recovery.

Australian Economy

The Australian economy has suffered under rising interest rates and falling commodity prices. Coal prices have collapsed from highs of over USD$400/t in January 2023, to around USD$150/t in September. The RBA has continued to raise interest rates, in an effort to fight surging inflation, until the political pressure became too hot-to-handle, when the Government finally removed the RBA Governor. The recent 'peak inflation' narrative has spread across Western economies, and it looks as though major Central Banks, are looking to hit the pause button, on interest rate rises.

The effect on the AUD has not been good, as commodity prices tumble and widening interest rate differentials cause selling in the currency. The RBA cash rate is 4.1%, while the Fed rate is 5.5%, a substantial premium! The AUD has fallen hard from 0.7100 in January 2023, all the way down to 0.6400 in September 2023.

Conclusion

The 2023 year has been dominated by inflation, Central Banks actions to control the economic cancer and the fall in global demand. The side-effects of the rising interest rates and tightening monetary policy has been recessionary conditions in Europe, the US, and Australia. It is essential that inflation is brought back into the preferred target range of Central Banks, usually below 2%. The economic narrative has been 'peak inflation' has been reached and interest rate rises will cease. This should open the door to stronger economic conditions for the final quarter of 2023, and 2024. The caveat is that energy prices are contained and inflation continues to fall. OPEC have limited oil production and the Ukraine war continues, which directly impacts energy prices. The scenario of stubbornly high inflation, high energy prices and high interest rates is not good one. Geo-Politics remains key. The AUD is heading towards multi-year lows around 0.6200, so careful consideration must be given to exchange rate risk and mitigation.

EXCITING TIMES AHEAD AS ACFS INVESTS FURTHER IN NEW ZEALAND

Stage 2 Racking Recently Completed

ACFS Port Logistics (ACFS) is on a pathway of growth through infrastructure and technology. A privately owned business, the Tzaneros family are always looking forward and thinking of the future and how they can be ahead of the curve. For ACFS, ahead of the curve meant launching a New Zealand offering to complement their Australian services.

ACFS entered the New Zealand market with a newly built warehouse located in Otahuhu, Auckland, New Zealand. In maintaining its commitment to excellence and customer satisfaction, ACFS has mirrored its other facilities with design, specifications and delivery. The Otahuhu facility sits within close proximity to both SH1 and SH20 with excellent transport links to the North into Mt Wellington and Penrose. It is located 18km from the Port of Auckland to the CBD and 10kms to Auckland Airport.

The ACFS NZ warehouse boasts a 25,600sqm internal footprint, with capacity to manage 30,000 pallet spaces. This extensive capacity ensures that they can cater to the diverse needs of the New Zealand market, whether it is for storage (palletised or bulk), cross dock distribution, customised 3PL, e-Commerce, Freight all Kinds (FAK) or any other logistics requirements. Additionally, the new warehouse is equipped with advanced security systems (Bonded Facility) and supported by a state-of-the-art warehouse management system that provides real-time tracking and management of inventory.

Being veterans of the industry, ACFS understand that in the world of logistics, one size does not fit all. They have customised the warehouse to accommodate for a mixture of 1.6m, 1.4m and 1.2m pallet heights.

ACFS is strongly alluding to further expansion in the not too distant future in services across all parts of the supply chain.

As quoted by Arthur Tzaneros, CEO & Managing Director "ACFS is continually striving to provide tailored and innovative solutions to achieve and exceed customer objectives." And now with the New Zealand service in full operation, ACFS has truly exceeded customer objectives by extending their offering.

Arthur Tzaneros – CEO, ACFS (picture credit MHD Supply Chain)

ACFS PORT LOGISTICS

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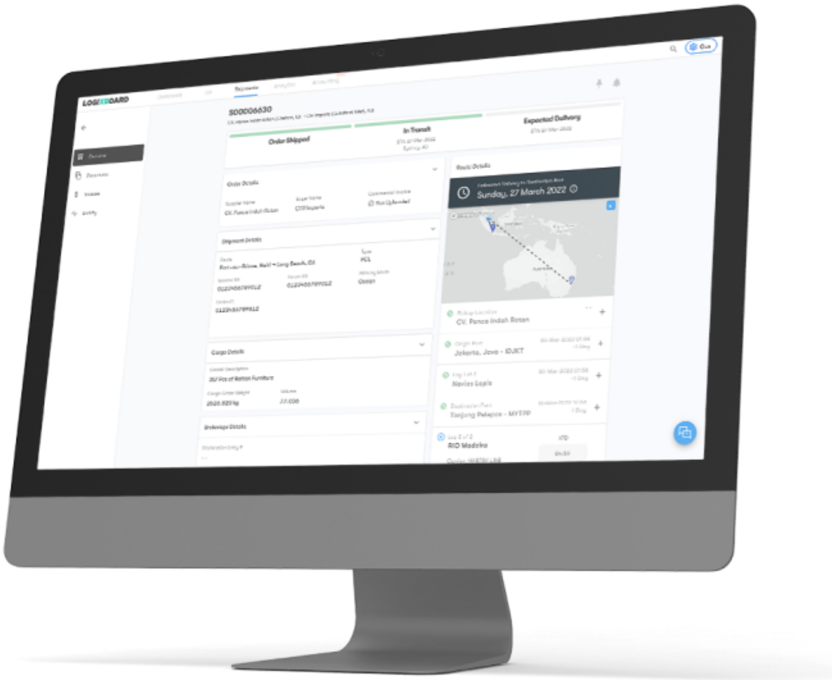

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The Risks and Logistics of Customer Insolvency

By JAMES COTIS, Principal – Logical Insurance Brokers

Given the current economic headwinds the world is facing (some commentators are calling it a hurricane!), we are noticing a significant increase in cargo owners becoming insolvent, leaving unpaid fees owed to Freight Forwarders and others in the supply chain, including Shipping Lines and storage facilities.

Earlier this year, we were contacted by a Queensland member of the Freight & Trade Alliance (a Freight Forwarder), who had been experiencing difficulties with shipments of cargo from Southeast Asia to Australia. The matter had been playing out for over five months prior to them contacting us.

The Forwarder had discussed the situation with their insurance providers and commented that they didn't understand the issues, so they contacted us for guidance.

The fundamental facts were:

- 2 containers of cargo were sold on Ex Works terms by the manufacturer (the Shipper) sea freight from Southeast Asia to Brisbane, Australia;
- The Freight Forwarder (the Forwarder) arranged the sea freight bookings via one of their overseas partner forwarders. The overseas partner forwarder issued the HBLs. The Australian Forwarder was acting as the delivery agents for these shipments on behalf of their Australia customer (the Consignee);
- The value of the 2 containers of cargo was c. USD75k;
- The 2 containers landed in Brisbane and became stuck in a Customs Bond Storage, incurring daily charges;
- 1 container was owned by the Shipping Line and the other container was owned by the Shipper. The Shipping Line owned container was incurring daily container detention charges, whereas the Shipper owned container wasn't;
- The Shipper was owed c. USD75k for the cargo, however, the Shipper claimed they had further unpaid invoices for the same Consignee, totalling an additional USD50k;

- The Forwarder advised that they received notification that Administrators had been appointed to the Consignee company. Shortly thereafter, the Forwarder received further notification that Liquidators had been appointed to the Consignee company;
- The Liquidator had reviewed the Consignee company's financial position & decided to offer AUD15k for the 2 containers of goods. At that stage, it wasn't disclosed as to whether the Liquidator had arranged title to the goods;
- As expected, the Southeast Asian Shipper had no understanding of how the Australian company liquidation process worked and baulked at the low amount offered by the Liquidator;
- The Shipper had advised the Forwarder that they would not release either container under the HBL as express/telex release to them unless the full c. USD75k was paid, plus the additional c. USD50k;
- The Forwarder advised the Consignee owed them c. AUD120k on account, including pre-paid duties & GST. The Forwarder commented that they had been experiencing payment difficulties with the Consignee over the previous nine months.

The Forwarder was contemplating:

- did they have an exposure to the ongoing container detention & storage costs for the 2 containers where their customer (the Consignee) had fallen into liquidation? Had the containers been effectively abandoned; and
- should they attempt to arrange release of the cargo to a potential purchaser without presentation of the original BoL or perhaps a telex release, in an attempt stem the ongoing costs and recoup some of their losses;
- did the Liquidator have title to the goods and how would the Liquidator proceed following the rejection by the Shipper of their initial offer of AUD15k ;
- how to collect their unpaid accounts.

We called for the relevant shipping documentation and noted that the containers were shipped to Brisbane under HBLs issued by the overseas partner forwarder, with a Consignee noted (who was the Forwarder's customer).

The following observations are made from the Forwarder's viewpoint.

Exposure to Container Detention & Storage Costs

In these circumstances, we commented to the Forwarder that they may be liable for the costs associated with the abandoned containers and storage costs because they had booked the shipment and likely be considered to be a "Booking Party" falling within the definition of "Merchant" under the MBL.

The basic concept is that all parties falling within the definition of "Merchant" under the MBL are likely to be jointly and severally liable to the Shipping Line for the costs in dealing with abandoned cargo.

For the same reasons, the Shipper and Consignee named on the HBL would also be jointly and severally liable to the shipping line for the costs in dealing with abandoned cargo.

Please see our article in Across Borders Magazine Edition 1 2022 which discusses abandoned cargoes in more detail.

Therefore, if it is assumed that the Forwarder falls within the definition of "Merchant" under the MBLs and even though the Forwarder, Shipper and Consignee would likely be jointly and severally liable to the Shipping Line, the Shipping Line should have a right of recovery against the Shipper on the HBL in the first instance, and it would probably be easier for the issuer of the HBL to chase them because they are resident within the same jurisdiction. This would mean that the Shipper could ultimately be liable for all the costs.

The Forwarder noted that the goods were sold on Ex Works terms and in their mind that could cause a potential problem with the Shipper/Consignee.

As we suggested above, the issuer of the HBL should have a right of recovery against the Shipper. We commented that our understanding was Ex Works Incoterms are relevant in the contract of sale as between the Shipper and the Consignee, whereas the contract of carriage is separate as between Shipping Line and the HBL issuer/Shipper/ Consignee.

Therefore, we suggested that the Shipper and Consignee could not say they had no responsibility or liability to the Shipping Line under the HBL.

In this instance, the Shipper was seemingly attempting to avoid any responsibility and we suggested that it probably wouldn't make sense for the Shipper to refuse to co-operate with the partner forwarder (who issued the HBL) to release the cargoes because their customer (the Consignee) hasn't and wasn't likely going to pay them. The Shipper could be caught with having to pay all the costs. Further, even if the title of the goods had passed from the Shipper to the Consignee under the contract of sale, it didn't necessarily mean that the Shipper can absolve themselves of responsibilities or liabilities under the contact of carriage.

The other aspect the Forwarder needed to consider was that the cargoes were in customs bond storage in Brisbane. Did that mean the bond store had possession of the cargoes? If so, that probably meant that the containers were no longer under the control of the Shipping Line and the customs bond storage facility would be incurring its own storage (and perhaps) other costs. That could mean that the customs bond storage facility had an overarching lien on the containers. If that was correct, it would be expected that the customs bond facility would not agree to release the containers until someone pays their storage (and other) costs.

Releasing of Cargo

With respect to releasing the cargo to someone (other than the named Consignee) without a telex release, we commented this would be a risk. However, in these particular circumstances (i.e. the Consignee was in liquidation), the risk may be low. If the Consignee was no longer operating, it could be seen that the shipment had been effectively abandoned by the Consignee.

We suggested that the Forwarder may need to make some sort of contribution to help resolve the situation.

Nevertheless, we suggested that the Forwarder contact the Liquidators to determine what action they would wish to take with respect to the goods.

Unpaid Accounts

We commented that payment of the Forwarder's unpaid accounts would depend upon what assets the liquidator is able to gather and distribute to the creditors. This needed to be discussed with the Liquidator.

At the time of writing, the Forwarder remarked that they had spent considerable time and energy attempting to resolve the situation and realised that significant more effort would be required and the prospects of recovering their outstanding invoices weren't good.

With the benefit of hindsight, the Forwarder appreciates that they should have acted when they were experiencing payment difficulties with the Consignee (their customer) some nine months earlier. It would probably would have prevented the headaches they were now experiencing.

We understand that these situations are complex and require appropriate legal advice and careful consideration to determine the best way forward.

What are the takeaways?

- Review all shipping documentation to identify potential exposures;
- Exercise Due Diligence when onboarding new shippers/customers/consignees and accepting shipments to determine if any "at risk" flags are raised, particularly credit assessments;
- Never make assumptions about your customers' continuing credit worthiness. Periodic credit checks are essential. Deal with customer overdue payments early. Consider arranging Trade Credit Insurance. See our dedicated webpage here: https://www.logicalinsurance.com.au/trade-credit-insurance-for-logistics-industry/
- Well documented processes and good record keeping is critical;
- Take immediate action to mitigate exposure to costs;
- Approach stakeholders' early regarding payment of costs & collection of cargoes;
- Seek appropriate legal & accounting advice as appropriate to the circumstances presented to you.

Who we are:

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

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

Managing currency risk with OFX

Every business engaged in global trading, whether importing or exporting goods and services, faces foreign exchange (FX) transactions. To maximise benefits and minimise risks associated with these transactions, having a currency strategy is crucial. One way to reduce risk is through "hedging," which helps limit exposure over time.

Creating a currency strategy can be daunting due to misconceptions around risk management. Some view hedging as gambling, while others believe gains and losses will even out or that rate fluctuations are negligible. However, adverse rate fluctuations can significantly impact profits. It is simpler than you think to put some protection in place, so let's get started.

Know your objectives

To start managing currency risk effectively, understanding clear objectives is paramount. Setting long-term goals ensures a focused approach, similar to using a road map when driving to a destination. Clear objectives help avoid emotional decisions when dealing with market movements.

Understand what FX risk looks like for your business

Knowing the FX risks specific to the business is vital. Assessing the proportion of business activities involving FX payments, the countries the business operates in (with consideration for political instability), and the frequency of transactions affecting exchange rate variations all play a role in understanding exposure.

Consider ways of removing FX risk from the start

Simple changes, like aligning billing cycles with supplier payments or billing in the local currency to shift currency risk to customers or suppliers, can be effective. Utilising local currency accounts for business costs in foreign markets can also help avoid conversion fees. OFX has a Global Currency Account which could help you accept payments from customers in up to seven (7) currencies.

Do you know your break-even exchange rate?

Knowing the break-even exchange rate is crucial. Understanding the minimum level required for currency transactions provides insight into the amount of risk that can be taken and the need to fix some exposure to currency movements. Preparing a table showing how exchange rate fluctuations affect selling prices or potential profits could help in analysing currency sensitivity.

Currency plans are not 'set and forget'

Currency plans should not be static but constantly monitored and reviewed. As circumstances change throughout the financial year, businesses should rebalance their currency positions. Evaluating hedging performance should go beyond assessing the opportunity cost, and short-term currency rate movements should not distract from the long-term currency strategy.

Speak to a currency specialist

Starting to build your currency strategy might seem intimidating, complex, and all-consuming, but what if it didn't have to be? OFX has helped businesses build and implement their currency strategies for over 20 years. Their currency specialists (they call them OFXperts) could save you time and money by helping you make informed decisions when it comes to moving money globally.

Plus, **Freight & Trade Alliance members get preferential FX rates and $0 OFX fees* for all FX transfers** with OFX.

To learn about how OFX could help save your business time and money, scan the QR code below, or contact your dedicated local OFXpert Rachael Tallott at rachael.tallott@ofx.com to set up a meeting.

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Sustainability – we are going to need some funds and innovation

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

I come from an era when there were no computers in the classroom. The concept of calling someone live on a video screen was the thing of comic books. There were three channels on the television and cigarettes were advertised with alcohol during the morning cartoons. Customs entries were collected from a box at Customs House after a game of snooker at lunch with the officers. Despite all the changes both physically, digitally, and philosophically I have witnessed over the years (over half of a century), I firmly believe that the changes to our energy grids and the refocus to care for our planet will outshine any of the advancements that I have seen over that time.

"Sustainability" has become another of those cliche corporate buzz words, and I detest cliches just as much as I abhor acronyms (I am that annoying person at a meeting that disrupts the flow by putting my hand up and asking "what do those letters you just spat out mean in words"), but like all cliches the meaning behind the word or phrase is what is important. To me, "sustainability" is simply making this dot that is hurtling through the universe and we all are stuck too due to gravity an excellent place to be for us and our children (forget about the children, they cost too much – let's make it good for us first).

For the last two months I have been way down the rabbit hole on renewables, decarbonisation, energy grids and everything in between, above, and below. There is a lot to take in.

When I was a member of the National Freight and Supply Chain Strategy advisory panel we met with the Federal Department of Infrastructure in Canberra. At the time, as a panel, we were there to push the need for an earlier review of the strategy (it was agreed by the way – they are calling for submissions now). When asking the appropriate person (new government from when appointed), "what does this government and department recommend being the main focus for the transport and logistics industry" the answer came without an intake of breath or a blink of an eye – "decarbonisation of the transport industry is the focus".

Since then, in June this year, the infrastructure and transport Ministers (State) met in Perth to develop their focus collectively – the communique of the meeting (ITAM is the acronym of the meeting if you really want it) released by the Federal Department of Infrastructure has the first item heading being "decarbonisation of the transport and infrastructure sectors". The first line under the heading reads "Ministers acknowledged that emissions from the transport and infrastructure sectors would rise as a proportion of overall emissions unless further steps were taken to address climate change."

At that same meeting in Canberra I mentioned before, we were briefed by a number of departments and one of which with the title "net zero….something (sorry, I have forgotten)' had the spokesman state something that resonated and stuck – "Europe is a decade ahead of us in this space".

Working in the international logistics arena for a fairly long time has created a good network of people in most areas on the globe, so it was not difficult to tap into some of the current thinking around implementation of carbon reducing methods were being pursed in that region.

Whilst going down this path, I came across some technology that has been tested in Europe and found to reduce the carbon emissions some 85% and then add 20% efficiency to the fuel for trucks, agricultural machinery, boats, mining machinery and other such diesel use vehicles. I got quite excited by this and felt I had come across the solution of a "stop gap" until the battery / hydrogen technology gets to the point where it is not too heavy or expensive (I am sure it will come eventually). A quick fix for the industry which could be rolled out for relatively little cost and over a period reduce the emissions problem and increase milage against rising fuel prices. I even spoke to the manufacturer who is more than willing to support a trial here at the bottom of the planet. Alas, when I met with some people locally on this topic, I was met with a wall of bureaucracy that seemed designed to block every opportunity to advance. I get it, it is new, and it reeks of snake oil, but with "perceived" urgency to address decarbonisation I would have expected a "how can we help" rather than what appears to me to be a list of extremely long processes of box ticking exercises (all justified I am sure, but man oh man).

That said, I cannot help but get my ego on and think think that my grey beard and history deserves some credence and that would be enough to have someone jump on this and be a right-hand man / woman / other to drive through the blocks.

I recently read an interesting article in one of the nationals where they were talking about the US one trillion-dollar infrastructure spend. The article spoke to how the US and Europe are driving (excuse the pun) the renewables and decarbonisation agenda at a quick pace with standards and incentives aplenty to encourage the change. I found myself nodding my head during the reading of this article and then shaking my head whilst wondering if we don't get past the debating and the "we should set up a committee for this" soon, we may be (as the article stated) on a quite long waiting list for the things we will need to catch up after the month or two of meetings and reports determining what the acronym should be to represent the Utopian type department report done by power point.

Parking my inner cynic to close off this article, I proclaim for the reader that despite the last part you just read, I will continue the fight and with great excitement and hope continue to explore solutions that do actual good. **Drop me a line if you are keen to join the ride.**

DSV

Global Transport and Logistics

Commercially Unsustainable Sustainability?

What the introduction of ESG could mean to small businesses

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

The 2023 Trans-Pacific Maritime Conference returned in full force to Long Beach earlier this year, reaffirming itself as the premier conference for Trans-Pacific shipping. Conversations were a little more animated than usual, with recent port congestion, record high shipping costs, impacts of the US – China Geopolitical environment, recession worries and post-COVID near-shoring trends all on the lips of speakers and attendees. Naturally, as with any conference about anything these days, there were a few obligatory sessions discussing Environment, Social and Governance (ESG) topics. A comment made by one of the speakers has stuck with me over the months since March and I often find myself wondering what the trend of sustainability will mean for the future of the freight industry. She stated that over the next five-to-ten years we will see a *"great reckoning within the freight forwarding industry of clients requiring various forms of ESG compliance and the dropping away of smaller forwarders who do not have the ability to fund dedicated resources."*

Through the years, freight forwarding has been made up of a healthy mix of large multi-nationals and small-to-medium companies, who are often aligned through agency networks or through strong partnerships and relationships. For the most part, multis are now on the sustainability train (a solar powered train, of course) with dedicated resources, goals, emission calculators and annual reports all being part of the norm. Agency networks are beginning to look at how to provide sustainability solutions to their members, but consolidating and funding this approach poses challenges as different regions, countries and even branches have varying degrees of priority when it comes to ESG. Independent forwarders must look within their own P&Ls to fund ESG/sustainability programs or opt to delay or disregard altogether.

Looking at the client-side, there are similarly varying degrees of sophistication and priorities when it comes to ESG. Large, multi-national companies, much like their forwarding counterparts, are also quite advanced, have significant targets, reporting structures and dedicated resources working through their various programs. Small-to-medium enterprises are underway or are exploring what sustainability/ESG means to them and how serious they must take it. Additionally, there are regional considerations that factor into the maturity of programs, with European companies having to contend with legislative reporting requirements in contrast to entities throughout developing countries who have little, if any, third-party enforcement related to ESG.

For those companies who have, or are moving down a path of sustainability awareness and action, one of their first initiatives is to survey their supplier base, looking to work with companies who are aligned with or can assist in achieving their goals and reporting requirements. Fast-forward several years and it is very likely that government reporting requirements will be more prevalent, continued natural disasters and weather events will have the topic of environmental sustainability at the forefront of most company initiatives. What is currently a "nice-to-have" could soon become a "must-have".

This would mean that freight forwarders who are without an established sustainability program could find themselves missing out on opportunities or losing long-time clients because they have not been able to fund or establish their own programs.

This quandary extends beyond freight forwarding to all small businesses – trucking, 3PL's, courier, parcel delivery companies and even the clients themselves will need to find solutions to servicing the growing requirements and demands of ESG. With large companies having greater resources with which to carry these programs, it leaves smaller businesses deciding whether this is a priority for them and, if so, how to find the funds to establish their own programs. Will clients tolerate an increase in pricing or surcharges to work with suppliers who have ESG programs or is having an internal sustainability team simply going to be table-stakes for entering the game?

Herein lies the problem – funding an ESG program. Many traditional business leaders would see sustainability resources as a cost-centre, sitting alongside compliance or accounting, ticking the boxes of necessity to operate. This additional headcount could push some businesses to a point of financial unsustainability. Alternatively, avoiding the investment in an ESG program could render slow-adopters unable to sign new business, also challenging their ongoing viability. Both options could soon bring truth to the prophecy about a great reckoning within the freight industry.

The Harvard Business Review published an article in September 2022, *"How Sustainability Efforts Fall Apart"* (by Elisa Farri, Paolo Cervini, and Gabriele Rosani), which highlights four reasons for the failure of sustainability programs, the third being due to culture and leadership.

From problems rise solutions and in the case of ESG, potentially the solution is a change of mindset within the business and its leadership. Rather than adopting a cost-centre mindset, should ESG staff be positioned within the sales team? There isn't a business in the world that doesn't understand that sales are at the heart of growth and ongoing commercial sustainability. Could the first step in breaking the cost-centre barrier be simply to change the mentality of the leadership to better align with the traditional profit-first mindset?

While a true Environmental, Social and Governance program will involve a tremendous amount of work to build, manage and progress the initiatives, could the staff responsible for this also be given commercial targets to grow revenue or improve profitability?

If companies are able to change their approach to the function of an ESG program and remove the mental barriers of it being a cost burden without commercial benefit, then maybe the overall chance for success of the program and its related initiatives will increase. The challenge for small business will be to avoid the "great reckoning" by making commercially sustainable investment that will help grow their business in the face of a demand for change.

Cybercrime Evolves Again - AI and Aggressive Extortion

By JONATHAN SHARROCK, Chief Executive Officer – Cyber Citadel

The artificial intelligence sector has flourished over the past year, facilitating advanced impersonation and social engineering for network infiltration and critical information access. Cybercrime extortion tactics have become increasingly aggressive, with threats of selling personal information, credentials, and intellectual property online now standard in cyberattacks such as those seen on Medibank and Pareto Phone. To stay one step ahead, businesses need to regularly assess their vulnerabilities, improve staff cybersecurity awareness and training, and implement network monitoring.

Ransomware has become synonymous with cyberattack, with notorious purveyors like REvil and ALPHV (also known as Blackcat) making global headlines. **No company is safe**. Maersk, Toshiba, Medibank: companies are losing millions in operational disruption, share prices dropping, ransom pay-outs, and competition sharking resulting from reputation damage.

Attacks traditionally involved screen-locking, pretending to steal files via scareware, or holding encrypted files to ransom for moderate sums. All aimed to extort money, but ultimately returned access following payment to allow their criminal business to continue. No one would pay if they thought they wouldn't see their files again either way.

However, **more aggressive extortion tactics are emerging.**

Cybercriminals demand vast sums, without backing down, and refusals are met with data leaks, attacks on critical servers, and exposing companies to authorities. More recently, company clients have been targeted directly, and files are kept even after payment for further blackmail. In the recent attack on health insurer Medibank, perpetrators used Ransomware as a Service (RaaS) to exfiltrate data and threaten to publish it on the dark web. They followed through and also recommended people sell their stocks in the company. Ultimately, Medibank chose to comply with state regulations and refused to pay out; the breach has cost over 45 million AUD so far, with the banking regulator suggesting a reserve of 250 million.

The ransomware 'game' is fast becoming a lose-lose situation. This is especially true in the logistics sector where issues at **one link in a complex supply chain can have costly knock-on effects.** For instance, shipping disruptions lead to port fees, missed rail or road connections, storage delays, and added expenses for distribution. Service providers, like ports and storage facilities, offer little leniency, and **costs accumulate swiftly.** Moreover, clients or other providers are increasingly becoming victims of targeted and coordinated attacks. Learn more about coping with data ransom here. *(Your Money or Your Data. The Issue of Ransomware - White Paper (cybercitadel.com)*

The recent data breach incident concerning Pareto Phone, a third-party fundraiser for 70 charities, resulted in the identifying details of charity supporters being published on the dark web. This included their home addresses, dates of birth and, in some cases, credit card details. Some stolen data was up to 15 years old, raising concerns about data handling and potential breaches of Australian privacy laws.

Advancements in artificial intelligence (AI) have provided cybercriminals with large language models and Deep Fake media to create **convincing fraudulent messages, phone calls, and videos.** The accessibility is astounding: Apple's iOS 17 produces voice replication following just 15 minutes training. **Advanced persistent threat (APT) groups infiltrate networks for extended dwell times**, studying company language and processes before impersonating clients, staff, or higher management. Dwell times can last months, making breach detection difficult.

Companies must acknowledge that **emails are no longer a secure way to conduct business.**

Cyber Citadel recently supported a business targeted in a two-way impersonation *(Guarding Against Rising Business Email Compromise Attacks: A Real Story - YouTube - https://www.youtube.com/watch?v=ieQOWpiEP8Q)* in which email exchanges with both the company and its client resulted in the transfer of funds to criminal accounts. **Such attacks are humiliating and often go unreported** but have serious financial consequences and damage the trust and reputation of both affected parties. Any transaction or **changes to payment details should require authentication**, even something as simple as a trusted number exchanged by phone call.

Improving cybersecurity against these threats begins with self-assessment.

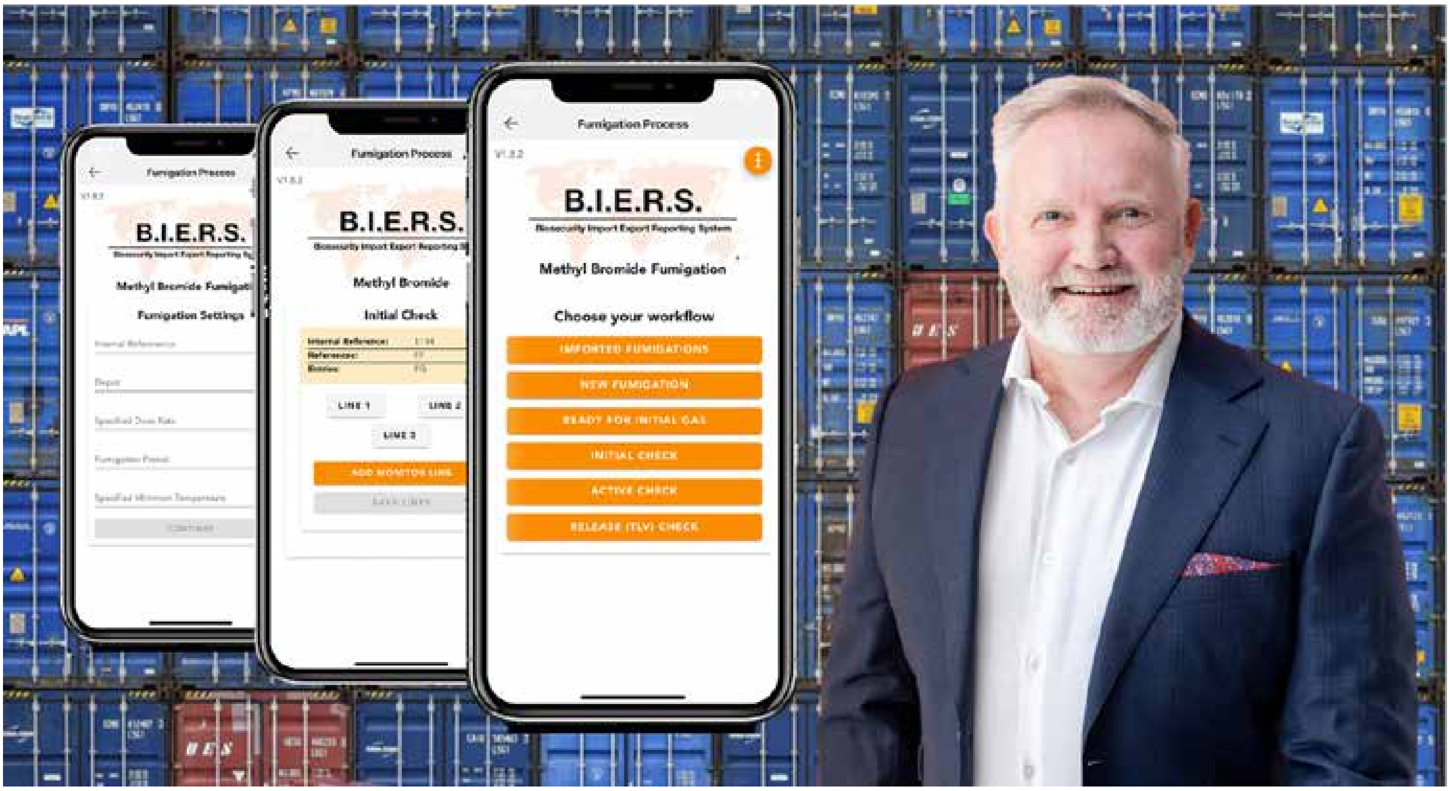
The first step is discovery - **you can't protect what you don't know you have.** Company assets need to be mapped out, from data that could be stolen to machines that could be compromised, and a **vulnerability assessment is essential.** These steps are less costly than penetration tests and so require less financial commitment, though companies should weigh the cost of cybersecurity against the far higher costs of a data breach.

Businesses must **prioritise and promote cybersecurity discussions**, beginning at the executive level, to demonstrate a commitment to seriously addressing the issue. This will satisfy regulatory authorities and shareholders that positive steps are being taken to improve security. It will also reassure clients, who are demanding more from businesses, that the cybersecurity risk won't be transferred to them.

Regular, up-to-date staff training is essential for recognising and managing new threats, and supports any mitigation processes and incident response protocols recommended following vulnerability assessments or penetration tests. Further details on the role of the board of directors can be found in Cyber Citadel's white paper which will be updated towards the end of the year.

Network monitoring is crucial, especially when relying on outsourced cloud services like Amazon AWS or Microsoft Azure. But meeting industry standards, regulatory legislation, and client expectations is difficult. Schemes like the ASD Essential 8 help by providing a framework, but lack specific implementation guidance. **A managed security service provider (MSSP) can help with this.** Cyber Citadel recently partnered with Orca, an automated cloud-based network security monitoring solution that provides practical real-time solutions to network vulnerabilities and improvements to security posture. These can be **measured against industry standards**, laws, and frameworks like the ASD Essential 8 to ensure compliance. Information from Orca can integrate with in-house security or an MSSP run by professionals such as Cyber Citadel to form a comprehensive security system.

Cybercrime is evolving both technically, with the advancement of AI, and psychologically, with increasingly aggressive tactics and detail-oriented social engineering. **Businesses must be able self-assess** and then evolve themselves too if they want to survive.



Helping export businesses manage employer tax obligations

By EMMA ROSENZWEIG, Deputy Commissioner, Superannuation & Employer Obligations – Australian Tax Office

Australia's overseas trade is a vital engine of job creation here at home. The Australian Tax Office (ATO) knows how important that is, so we support entrepreneurial, internationally focused businesses with information and resources to manage your tax requirements linked to payroll and staff. With that commitment to you front-of-mind, let me outline some of the core obligations you need to be on top of in Single Touch Payroll (STP), super, fringe benefits tax (FBT) and record keeping.

It will help you get things right from the start and keep that engine of job creation moving.

STP

STP isn't new anymore, so you should already be set up to report your employees' payroll information through STP-enabled software.

From July of this year, we will be using the pay as you go (PAYG) withholding information you already give us to pre-fill labels W1 and W2 in your activity statements in ATO online services – so you will only have to 'tell us once'.

You can have confidence in knowing you will still be able to change your pre-filled amounts if they don't match your records. It is important to remember that software and payroll records are your main source of data.

If you need a hand with your STP reporting, we won't leave you left on the dock.

There's a range of resources available on ato.gov.au to help you.

You will still need to check and edit amounts if they don't match your records and complete any remaining labels on your activity statement before you lodge and pay, like you do now.

Super

When you take on staff, you are not just giving them an income now. Through super you are setting up their long-term financial security.

From 1 July this year, the super guarantee (SG) rate increased to 11%. You need to work out super contributions at the new rate for the salary and wages paid to eligible workers on or after 1 July 2023. Make sure that you keep paying SG in full, on time and to the right super fund. It is the fair thing to do for the people who keep your business running day-to-day.

You can run a quick check of your super obligations on our website, or watch our new series of videos developed specifically for employers like you. They'll give you an understanding of your SG obligations, the SG charge statement, and what additional steps you need to do if you pay super late.

FBT

In today's jobs market, I know that employers in all kinds of industries are offering their staff perks and extras on top of wages and salary. I know it can help you attract and keep workers. If you are doing this, or even if you are just thinking about it, you don't want to lose sight of the possible FBT implications.

You might have to pay FBT on benefits like:

- car parking
- gym memberships
- using a work car for private use, including dual cab utes
- tickets to shows and concerts
- discounted loans

Get on top of how FBT works before you provide those perks and extras. I do not want you to end up with an FBT liability you weren't expecting!

Record keeping

If I could just leave you with one hot tip it would be this: Good, ship-shape record keeping is still the key to getting your obligations right from the start. Make sure that you are keeping the right records and that you've got policies in place to capture and retain the right information. It is essential for plain sailing – for you and the people who work for you.

Do not forget, we have a range of resources to help your business navigate the currents of your employer obligations. Visit ato.gov.au/employers for more information, or talk to your trusted tax adviser.

Emma Rosenzweig is the Deputy Commissioner for Superannuation and Employer Obligations at the ATO. She is responsible for ensuring the complex ecosystem of employers, workers and retirees, and super funds operates efficiently, supports willing participation and safeguards entitlements.

WISTA AGM Marks a Historic Milestone: Embracing Diversity and Inclusivity

By MONIKA LEMAJIC, Australia President & Chair – WISTA

The Women's International Shipping and Trading Association (WISTA) Australia held its Annual General Meeting (AGM) in September, which marked a significant moment in the organisation's history. WISTA, a global network of female professionals in the maritime and shipping industry, unveiled key changes in its constitution that underscore its commitment to diversity, equity and inclusivity (DEI).

1. Breaking Barriers: WISTA Welcomes All Genders

Perhaps the most noteworthy announcement at the AGM was the decision to amend WISTA's constitution. Starting in 2024 (to coincide with membership renewals), WISTA will introduce associate memberships, thereby opening its doors to professionals of all genders. This historic move not only reflects the changing dynamics of the maritime industry but also aligns with WISTA's core values of DEI. The decision to offer associate membership signifies a profound shift towards a more inclusive and forward-thinking organisation. It recognises that diversity is not just a buzzword but an imperative for the industry to thrive and adapt to a rapidly evolving world.

2. Welcoming All Aspiring Professionals

Another significant development unveiled during the AGM was WISTA Australia's decision to remove the words "leaders" from the constitution and extend its welcoming hand to professionals at all career stages, including students. Traditionally, WISTA's focus has been for established professionals in the maritime sector, this change marks a commitment to nurturing the next generation of talent. The initiative aims to provide students with invaluable networking opportunities and mentorship, empowering them to navigate the complex world of maritime and shipping with confidence. It is a testament to WISTA Australia's belief in fostering talent and ensuring a sustainable future for the industry.

3. A New Chapter: The Tasmania Chapter

WISTA's AGM saw the inauguration of a new chapter - the Tasmania Chapter. This marks a significant step in expanding WISTA's footprint. The addition of a Tasmania chapter reflects WISTA's commitment to reaching every corner of the nation, ensuring that no woman in the maritime industry feels isolated or unsupported. The Tasmania Chapter will serve as a hub for maritime professionals and students in the region, providing them with access to WISTA's global network, resources, and opportunities for growth and development.

4. A Surge in Participation

Over the past 12 months, WISTA has witnessed a remarkable surge in participation from individuals and organisations across the maritime and shipping industry. This influx of support and engagement demonstrates the industry's growing recognition of the vital role that WISTA plays in fostering collaboration, knowledge-sharing, and progress. The increased involvement of organisations indicates a collective commitment to advancing diversity and inclusivity within the maritime sector, and WISTA Australia is poised to be at the forefront of this transformative journey.

WISTA Australia's AGM in 2023 will be remembered as a pivotal moment in the organisation's history. The decision to embrace DEI by introducing the associate membership level for all genders, welcome professionals at all career levels, inaugurate the Tasmania Chapter, and witness a surge in organisational participation reflects WISTA's unwavering commitment to the maritime industry's future. By opening its doors wider and embracing DEI, WISTA is not only evolving to meet the changing needs of the industry but is also leading by example, showing that a diverse, inclusive, and forward-thinking maritime sector is not just a vision but an achievable reality. As WISTA continues to grow and adapt, it remains a beacon of inspiration and progress for the maritime community worldwide.

Interested in joining WISTA Australia - contact wista.australia@gmail.com

Australian Government
Australian Trade and Investment Commission

Australia's Nation Brand showcased globally during the FIFA Women's World Cup 2023TM

The highly successful FIFA Women's World Cup Australia & New Zealand 2023TM – which shattered match attendance and television viewership records coupled with the Matildas' history making performance – also delivered a win for Australia's Nation Brand.

The FIFA Women's World Cup 2023TM set a new benchmark for all-time attendance records for the tournament attracting a total audience of over 1.9 million fans and tens of millions of television viewers globally.

Raising awareness of Australia's Nation Brand to the world began with an event during the FIFA Women's World CupTM Trophy Tour stop in Adelaide and then during the FIFA Women's World Cup 2023™. "

Jessica Hamilton, Austrade General Manager Communication and Marketing, said Australia's Nation Brand is used to promote and tell the stories of Australia's people, places and their products across trade, investment, international education and the visitor economy.

"During the FIFA Women's World Cup 2023™, the largest women's sporting event in the world, the Nation Brand was seen by over 1.2 million fans across the 32 matches held at Australian venues, as well as millions of viewers around the world," said Ms Hamilton.

"Australia's Nation Brand appeared on electronic rotating boards positioned on the halfway line at both Sydney venues – Stadium Australia and Sydney Football Stadium – and matches held in Brisbane, Melbourne, Adelaide and Perth".

"Austrade acts as the custodian of Australia's Nation Brand, and we are privileged to manage the unifying brand that provides more than 440 free marketing assets – including the logo that was used on the sidelines – to help Australian businesses and government organisations promote Australia."

"More than 36,000 assets have been downloaded from the asset library, which includes the Australia logo, graphic devices, fonts, and colours; templates to support digital marketing, events and exhibitions, reports, brochures; a storytelling guide; and a suite of photography reflecting Australia by people, place and product," said Ms Hamilton.

Nation Brand was co-created with Indigenous designers, Balarinji, and is an 'umbrella' brand to create a more unified presence for Australia on the world stage. The Australia logo includes a kangaroo bounding forward which reflects Australia's optimism and is formed by a contemporary expression of three boomerangs.

The largest attendances were at Stadium Australia in Sydney, attracting five capacity-crowd matches of 75,784 – which included Australia's opening

Australia's Nation Brand on show during FIFA Women's World Cup TM Trophy Tour. L-R: Tom Rischbieth, Football Australia; Jessica Hamilton Austrade and Ben Robertson, Office for Sport. *Photo - Austrade* match over Republic of Ireland, and the final between Spain and England – where Australia's Nation Brand was also on display.

The crowd of 75,784 was a record home audience for a women's football match in Australia and the third largest in Women's World Cup history.

Record breaking domestic and international broadcast audiences

Across Australia, driven by the Matildas' history making performance, almost 18.6 million Australians watched the tournament across the screens of Seven, including 14.76 million reached on broadcast and 3.82 million on 7plus.

Australia's Matildas' Semi-Final against England's Lionesses held at Sydney's Stadium Australia became the most-watched TV program in more than two decades, with a reach of 11.15 million and an average audience of 7.2 million and most watched of their seven matches. While the Final reached 5.54 million Australians and drew an average national total audience of 3.08 million on Seven and 7Plus.

Record-breaking international television audiences also saw Australia's Nation Brand on display too, as matches hosted across Australia were televised globally.

This included Brazil, Canada, China, Colombia, England, France, Germany, Nigeria, Republic of Ireland, South Korea, and Spain – all important trade,

Matildas' star Alanna Kennedy in action against France with Australia's Nation Brand in the background
Photo by Elsa - FIFA/FIFA via Getty Images

General view of Australia's Nation Brand at the match between Australia and Nigeria in Brisbane. *Photo by Matt Roberts - FIFA/FIFA via Getty Images*

investment, and tourism markets for Australia.

According to data from FIFA, the China PR v England match had the highest reach for a single match anywhere in the world with 53.9 million Chinese viewers watching some part of their team take on England. While China's opening match was watched by 14.58 million viewers on CCTV5.

The Final which featured Spain and England, attracted record breaking numbers and provided an additional platform to increase awareness of Australia's Nation Brand.

In Spain, 5.6 million watched the final, and it peaked at 7.4 million viewers, with data published by Barlovento Comunicacion highlighting 56.2 per cent of the Spanish television audience was male. It was also the highest ever TV audience for a women's football game.

Across England – now part of the recently completed Australia-UK Free Trade Agreement – the BBC announced the match attracted a peak audience of 12 million viewers on BBC One. This was higher than the men's single Wimbledon final in July which peaked at 11.3 million.

While ITV, which also covered the World Cup final in England, hit a reported peak of 14.4 million, according to figures from ratings compiler Barb. This made it a record TV audience in the UK for a Women's World Cup Final.

Importance of Nation Brand

Ms Hamilton said Australia's Nation Brand publicly released on 18 February 2022, was the result of research and collaboration between Australia's Nation Brand Advisory Council, cultural organisations, Austrade and federal, state and territory governments, after Australian businesses called for a strong, consistent nation brand.

"The Nation Brand helps to show international audiences that we are as famous for our smarts as we are for being friendly and down to earth. We are a country that drives breakthroughs in science, technology, medical technology, and energy, and we offer world-class products in education, culture."

The Economic Return of Nation Brands study notes the value of a nation's brand correlates to factors that contribute to economic prosperity.

Australia's Nation Brand was ranked 10th overall and in the top 10 across all key areas according to the 2022 Anholt-Ipsos Nation Brands Index (NBI) index. Rankings were informed by feedback collected from 60,000 interviewees in 20 panel countries.

The Nation Brand has also been showcased at other significant international events. In 2022, it was featured at COP27 in Egypt, Asia Fruit Logistica in Bangkok, GamesCom in Germany, and during the Prime Minister's visit to Indonesia.

Ms Hamilton said it has been a unique and tremendous honour to have the opportunity to showcase Australia's Nation Brand to the world commencing with our participation in the FIFA Women's World CupTM Trophy Tour stop in Adelaide and during the FIFA Women's World Cup 2023. and during the FIFA Women's World Cup 2023.

To learn more about Australia's Nation Brand visit, www.brandaustralia.com

WCO Private Sector Consultative Group

REGIONAL PRIVATE SECTOR GROUP – ASIA PACIFIC

In 2005 the World Customs Organization (WCO) established the Private Sector Consultative Group (PSCG). The purpose of this group is to inform and advise the Secretary General, the Policy Commission and WCO Members on Customs and international trade matters from the perspective of the private sector.

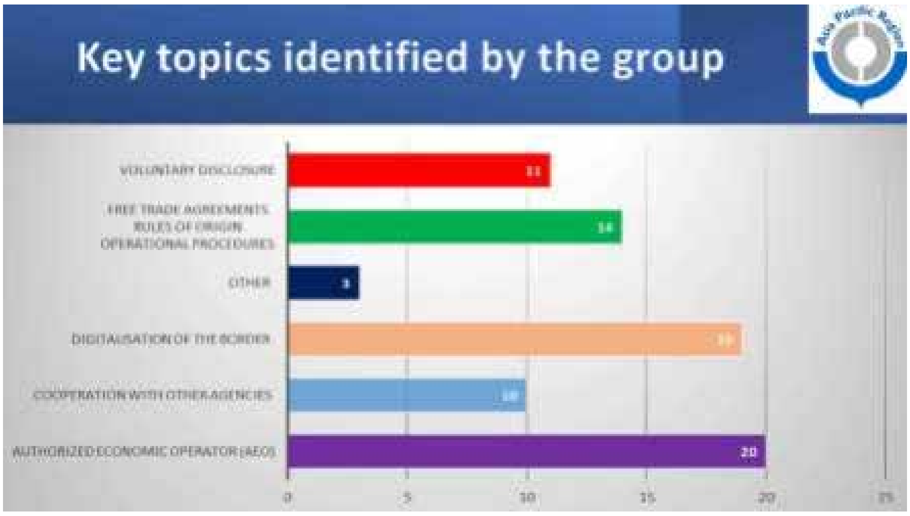
PSCG members are selected by their home customs administration based on their ability and knowledge to contribute to discussions related to the global supply chain including how trends in business methodologies, technologies and processes interact with customs border management.

Due to the cost of travel, many Asia-Pacific companies are represented at the Brussels meetings by local regional offices. The WCO recognised this is not ideal in terms of regional diversity and granularity, and to address this, regional private sector groups have been established; currently in the Americas & Caribbean, Eastern & Southern Africa, and the Asia-Pacific.

The Regional Private Sector Group – Asia Pacific (RPSG-AP) is capped at 30 members who represent relevant participants across the global supply chain including manufacturers, exporters, importers, forwarders & brokers, associations, express carriers, and ports.

The Group provides direct input to the PSCG & WCO work program, for example on the reviews of the SAFE and E-Commerce Framework of Standards and the Revised Kyoto Convention.

The RPSG-AP is currently chaired by Kit Hickey (Fonterra) and Wendy Stanton (IKEA).



The members breadth and depth of knowledge and experience enable the Group to contribute at the policy level, but also to advice on the operational impacts of policy.

The Group reports regularly to the WCO Regional Vice Chair (currently Commissioner Michael Outram from the Australian Border Force) and the Regional Heads of Customs from the WCO Asia Pacific region.

The establishment of the RPSG-AP in 2020 couldn't have happened at a more appropriate time. COVID and other events stressed the global supply chain and disrupted manufacturing capability. There is little doubt that the Asia-Pacific is central to economic recovery and direct regional input to the global intergovernmental discussions is important.

The private sector groups working closely with the PSCG and WCO provide a mechanism for customs & trade to engage and to support the recovery.

The main objectives of the RPSG-AP are.

• Improving understanding between Government and the private sector. Government, in this case customs, creates and administers the cross-border environment in which the trading sector operates. Misunderstandings that create inefficiencies are harmful to both and direct engagement to understand each other's drivers, capabilities & limitations will reduce this.

• Improving regional representation & granularity at the WCO. The Group provides an avenue for regional views to be expressed and experiences shared. While the core customs disciplines are the same globally, there are variations within regions and between regions in how these are interpreted and practiced. This needs to be understood, if for instance, global instruments are to be consistently applied within and across regions.

• Simplifying and harmonizing the cross border trading environment and facilitating emerging business models such as e-commerce.

• Promoting business friendly measures such as voluntary disclosure, transfer pricing adjustments, modern risk management principles and paperless processes directly with customs as well as building networks and sharing knowledge with other regional businesses.

To advance these objectives the RPSG-AP conducted an internal survey and identified 5 priorities to base a program of work on.

Whilst cooperation with other agencies is critical to efficient border processes, it was deemed to too difficult to get material traction on and has been replaced as a priority by E-Commerce.

Nothing stands still, and emerging priorities include multimodal transport, data use & privacy and supply chain resilience & recovery.

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Lavinia's story: A real-life inspiration

"I did it!" Lavinia Tomescu is proud to be the first graduate of the WiseTech Diploma of International Freight Forwarding. The flexibility of online courses allowed her to continue her studies even as she moved into senior roles.

Today, Lavinia is the director for global compliance at a global transportation and logistics provider.

"Ongoing education is important in any industry, but it is critical in logistics due to the constantly changing regulations," said Lavinia.

"I am a curious person, constantly looking for ways to improve my knowledge and skill set. WiseTech's Diploma caught my attention because it was tailored to freight forwarding. The fully online format allowed me the flexibility to choose when to study and the order of modules," said Lavinia.

Get started today

The Diploma is authored by experienced international freight forwarding and logistics experts and has been designed to meet and exceed widely accepted freight forwarding and global trade education standards. Available 100% online, students can get started anytime.

Delivering a simpler, more effective, and sustainable cross-border trade environment for Australia.

By RANDALL BRUGEAUD, Head of Simplified Trade System Implementation Taskforce

The Simplified Trade System (STS) reforms are a significant opportunity to simplify Australia's cross-border trade environment.

There is no doubt today's global trading landscape is complex and increasingly competitive. Despite significant growth in trade volumes over recent years, Australia has been sluggish in adapting to this changing environment. This is having a real impact on business, with Australia's compliance processes taking twice as long as the OECD average and costing more than four times as much.

With global trade volumes expected to increase by 70% by 2030, it is crucial we act now to allow our importers and exporters to fully capitalise on the opportunities that growth offers. Australia is a world-leader in so many areas, and cross-border trade should be no different.

While positive steps have been taken to reform cross-border trade at an agency-level, these changes have often just shifted bottlenecks up or down the end-to-end supply chain rather than removing them. That's why the STS was created – to address cross-border trade challenges at a whole-of-government level. This is a paradigm shift which will, in an integrated way, remove roadblocks to Australia's economic productivity and help to increase its global competitiveness.

With 1.5 million jobs connected to exporting and 670,000 jobs connected to importing, ongoing consideration of the operational realities faced by businesses is critical. That is why the STS is placing business at the centre of the reforms and keeping them there. To date, we have engaged with more than 950 business and government stakeholders, including the logistics and supply chain industry and Associations such as the Freight & Trade Alliance.

This engagement has allowed us to build a comprehensive view of the cumulative burden of regulations, misaligned processes, and outdated systems. We have heard loud and clear that there needs to be more streamlined and integrated regulations and processes as well as more modern, connected systems. We concur with the Freight & Trade Alliance view that a genuine and holistic approach to supply chain reform is required to stimulate an economic recovery and support growth opportunities for Australian exporters and importers.

Achieving this vision will require a collaborative effort. Business has indicated strong support for the STS reforms as well as a genuine desire to work together to deliver meaningful change. This support was clear at the recent STS Summit which brought together 300 local and international leaders from across industry, government, and academia to help shape our reforms. The STS consultation paper also received strong support from a diverse range of stakeholders, including the Freight & Trade Alliance. Responses indicated broad support for higher levels of data sharing, alignment of regulations, and a streamlined Cargo Intervention Model. It will come as no surprise that digital and data initiatives were seen to be key enablers.

Another point that has been made very clear is the need to manage implementation risk. Unlike some notable 'big bang' transformations in years gone by, STS reforms will be delivered incrementally. This will reduce implementation risk, while at the same time delivering incremental benefits to business. We are also working closely with business, across government and with international partners to draw on the best the world has to offer in terms of cross-border trade reform.

We are also committed to improving existing services in the short term, with the Go Global Toolkit, Biosecurity Booking Portal, real-time status notifications for the Integrated Cargo Systems, and nationally consistent guidance on the storage of illicit goods examples of initiatives already delivered. Other initiatives such as an agricultural traceability and credentials 'ecosystem', aligning government accreditation and authorisation schemes, and increased data sharing between government agencies are underway and will soon deliver useful improvements to both business and government. You can read more about these in the STS Progress and Opportunities report.

We will continue to work with FTA members to deliver a more effective, inclusive, and sustainable cross-border trade environment – to ensure Australia remains a leading global trading nation.

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Draslovka Agricultural Solutions: Innovating for a Sustainable Future

In a time where innovation meets environmental responsibility, Draslovka Agricultural Solutions is a symbol of progress. Established in 2015 as a part of the consolidated Draslovka Group, Draslovka Agricultural Solutions (AgSol) represents a vital link between manufacturers and end-users, offering comprehensive support and innovative products for the agriculture industry.

A Bridge to Success

AgSol stands out as a group of vertically integrated service delivery companies, specialising in global trial support, application, product development consulting, and facilitating registration and business development for suppliers, distributors, and customers. We establish a seamless connection between industry players, delivering custom application and commercial support, effectively aligning supply chain dynamics with biosecurity needs.

Environmentally Conscious Solutions

At Draslovka Agricultural Solutions, we're committed to more than just pest control. We aim to bolster biosecurity, enhance crop quality, increase yields, and contribute to a carbon-neutral future. Our approach integrates environmental consciousness into every aspect of our work, ensuring a safer, more sustainable future.

Meet Our Portfolio of Solutions

Direct drop-in replacements to ozone depleting fumigants currently on the market.

1. EDN™ (active ingredient: Ethanedinitrile) is a rapid acting broad-spectrum fumigant, used before planting certain crops and in the import and export timber industry to control various insect pests and pathogens, nematodes, and weeds. EDN™ is an environmentally friendly fumigant that naturally breaks down in the air, has superior penetration characteristics and minimises disruptions through a short treatment time. EDN™ is non-ozone depleting and is recognised as a non-ozone depleting alternative to current greenhouse gas fumigant options.

2. eFUME™ is a safe, non-residue treatment to protect your post-harvest produce, packaged and stored foods, and processing equipment. The active ingredient is Ethyl Formate – a naturally occurring, non-residual substance with zero ozone-depleting potential. Ethyl formate is generally regarded as safe (GRAS) by the American Food and Drug Administration (FDA). eFUME™ provides reliable control and minimises disruption with its no withholding period.

3. BLUEFUME™ (active ingredient: hydrogen cyanide (HCN)) is a rapid-acting, colourless fumigant used to treat empty structures to control stored-product insects. The fumigant has great disinfestation and deratisation effects due to its excellent distribution and penetration properties. BLUEFUME™ is a highly effective treatment with low dose rates and minimal environmental impact.

Moving Towards Change

In a world driven by Environmental, Social, and Governance (ESG) principles, striking a balance between biosecurity control and environmental sustainability is paramount. Draslovka Agricultural Solutions recognises the significance of this balance and actively contributes by providing alternatives that support this journey towards carbon neutrality.

Take A Look At The Numbers

Contact our team of technical specialists to learn more about how your company can look towards viable solutions that not only improve corporate ESG scores but global emissions plans.

Contact Details:

Sales Line: 1800 940 683 | International Sales Line: +61 3 9998 7675

Email: agriculture@draslovka.com

Postal Address: PO BOX 973 North Melbourne, VIC 3051 Australia

Draslovka

BorderWise: Taking the complexity out of compliance

Trade professionals are operating in what is an increasingly complex legal and commercial environment, all while having to remain highly productive, commercially competitive, and customer service focused.

More worryingly, accidental, or intentional breaches of these controls now regularly result in multi-million-dollar fines, penalties, and bans, and have included actual or suspended jail time for knowing or deliberate offenders.

Directors, officers, managers, and anyone who 'facilitates' illegal trade are increasingly being held accountable by governments. This aims to improve diligence, eliminate loopholes, and stop the illegal trade of goods which might meet commercial needs but can also be used to develop or produce military systems or weapons of mass production.

For many trade professionals, our powerful border compliance software, BorderWise, is their daily go-to for the information they need to do their job with accuracy and speed.

In a single window, BorderWise consolidates a wide range of cross-border data, such as tariff classifications, rulings databases, legal cases, import/export controls, Free Trade Agreements, government requirements, Acts, and regulations. It provides a daily updates dashboard with real-time information from government agencies and authorities.

BorderWise's user-friendly alert tabs offer specific import/export conditions and controls based on the World Customs Organization's (WCO) Harmonized Commodity Coding System for the goods in question. Users can access critical information, including Defence controls, prohibited items, goods subject to dumping measures, WCO HS Explanatory Notes, Dumping Commodities and more, with a simple click.

It includes extensive reference libraries and a robust collection on data for various countries including Australia, Canada, New Zealand, Singapore, South Africa, the United Kingdom and the United States. BorderWise also has smart search capabilities using natural language processing to help quickly and accurately classify your goods and easily bookmark, print, or email relevant information.

Seamless tariff switching for United Kingdom and Northern Ireland customs

We're pleased to introduce new enhancements designed to elevate your tariff management experience. With our improved UK Customs Tariff and Northern Ireland Tariff integration, transitioning between the two is now as simple as a click.

Experience quick and efficient tariff switching with the addition of a blue Tab button. Choose your starting point easily through the Jump To menu – whether it's the UK Customs Tariff or the Northern Ireland Tariff. Plus, navigate chapters effortlessly with the new switching button located conveniently at the Chapter heading.

Thanks to corresponding buttons, moving bi-directionally between tariffs is seamless. Both tariffs provide comprehensive coverage, including measures, footnotes, Duties, Import VAT, and Excise at the 10-digit commodity code level for the selected country.

To personalize your experience, utilize the Jump To menu in the BorderWise main navigation bar to set your default tariff schedule – whether it's the UK or Northern Ireland.

New BorderWise Singapore library now available

Singapore has long been recognized as a key trade gateway for Asia, due to its strategic location at the crossroads of major shipping lanes and its world-class infrastructure and logistics capabilities.

Keeping up with ever-changing cross-border requirements and regulations from the Singapore Ministry of Trade and Industry and other partner government agencies can be complex and requires knowledge of the numerous measures and laws that apply.

In exciting news for trade professionals, BorderWise's Singapore library is now live. In a single window it brings together a range of cross-border data – including the "ASEAN Singapore Trade Classification, Customs and Excise Duties" (STCCED), harmonized Tariff nomenclature, import and export controls, strategic goods control alerts, and Free Trade Agreements – along with a daily updates dashboard with real-time updates from government agencies and authorities.

Choose a BorderWise edition

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

Fully integrated into CargoWise, it can be used by existing customers to significantly enhance their productivity in declaration reporting. It is also available to industry professionals as a standalone application via a monthly license.

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Developing a sanctions compliance programme

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

It is an offence to contravene Australian sanctions laws. The maximum penalty for breaches of Australian sanctions by corporations is a fine the greater of 10,000 penalty units (AUD 2.75 million as of 1 July 2023) or three times the value of the transaction.

For corporations this is a strict liability offence, but as prevention can be difficult, the legislation provides that it is a defence if it can prove it took such precautions and undertook such due diligence to avoid contravention as would be expected of companies in that position. This evidence could include details of the sanctions policy and methodology used in risk assessment and screening as well as any software used, plus details of staff training provided and available sanctions expertise.

Step 1: Assess the organisations current risks and compliance.

The systems and controls in the corporation's sanctions program should be commensurate with its assessed sanctions risk. This assessment should consider matters such as

- customers, supply chain, sub-contractors and agents.
- the services it offers.
- the geographic locations of the organisation and services, as well as its customers, supply chain, and agents.
- The risk from a trusted insider breaching the requirements.

Such reviews should be regularly undertaken and used to develop and/or update compliance policies, procedures, internal controls, and training in order to mitigate any risks.

Organisations should review, as well, the extent of their insurance coverage, especially directors' and officers' insurance, because of the substantial costs of investigating or defending allegations of sanctions breaches. Note however that the conviction of an offence may negate claims for such coverage and legal advice should be sought.

Step 2: Documented Compliance Programme with company wide application.

The Policy should include active support and oversight by senior management and use suitably qualified and experienced personnel, although those persons may also have other roles. Whistleblower policies should be in place so that staff reporting possible violations can do so without fear of reprisal.

The compliance program and its application should be regularly reviewed and updated where material changes occur. External audits may be appropriate to ensure that the system is working as intended.

Step 3: Are contractual obligations required?

- Consider incorporating sanctions obligations in contracts so that the customer agrees they have undertaken due diligence in sanctions obligations and that end users and/or goods are not sanctioned goods.
- Consider the inclusion of a force majeure clause to encompass the effects of sanctions. Force majeure is a clause that is included in contracts to remove liability for unforeseeable and unavoidable catastrophes that prevent parties from fulfilling obligations. Some clauses limit force majeure to an Act of God (such as floods, earthquakes, hurricanes.) but exclude matters such as acts of war or terrorism, labour disputes, or interruption or failure of electricity or communications systems, so it is important such clauses are drafted noting that complying with a sanctions law is not a breach;
- Ensure contracts contain a contractual right to disclose information, including confidential information, to Government if required in sanctions matters.
- Consider jurisdiction – some EU countries have no claims provisions that prevent claims arising from other parties' attempts to comply with sanctions laws.

Step 4: Screening and transaction monitoring for sanctions risk.

Service professionals such as customs brokers, freight forwarders, airlines and shipping companies should undertake due diligence on proposed freight movements, the routing, and the parties. As requirements change, the due diligence needs to be ongoing. Consider:

- Subscribing to DFAT's Consolidated List, remembering that this List only covers travel bans and asset freezes. Also consider the sanctions put in place by foreign jurisdictions such as USA, UK, and European Union should there also be involvement in those regions (e.g., a director of US nationality);
- Screen new clients that are newly established companies in areas subject or adjacent to sanctioned countries.
- If in doubt, obtain an indicative assessment via PAX, the DFAT sanctions portal.

If breaches do occur, additional procedures / training is undertaken and documented to prevent a recurrence.

Step 5: Alert generation, review and documented action.

Any alerts identified should be documented and the policy provide methods to review, record and escalate for further review if required, noting especially that sanctions screening can provide false positives requiring review.

Step 6: Regular and documented staff training in compliance.

If there are circumstances in which there is a high possibility of a sanctions breach occurring that activity should immediately be ceased or the engagement declined.

What to consider if faced with a dumping duty audit

By RUSSELL WIESE, Director – CGT Law

Compliance with dumping duty continues to be a focus area of the Australian Border Force (ABF). It makes perfect sense, dumping duties can exceed 100% and represent a much bigger return on compliance funding than an audit of goods subject to 5% duty. If you act for an importer of steel tubes or pipes or aluminium extrusions from China, it is likely that you will be subject to an ABF dumping duty audit. The approach of the customs broker or forwarder can have a big impact on the outcome of that audit.

> *"Anytime the imported good is further processed, there will be work for the customs broker to do in arguing that the further processing alters the identification of the goods"*

Different approaches for different products

Like so many customs issues, the best approach and the likely outcome, is very product specific. Just as the rules of origin for fresh fruit are different than for a motor vehicle, so do the rules regarding the application of dumping duty differ by product.

At the heart is the common central requirement, for dumping duty to apply the goods must fit within the terms of the dumping duty notice. This is the legislative instrument that creates the dumping duty liability. The content and interpretation of the dumping duty notice is influenced by the report prepared by the Anti-Dumping Commission (ADC). This is a report that is often over 100 pages long and prepared after a six month long (at least) investigation. Due to this background, the application of dumping duties can differ significantly between products.

Comparison – Aluminium extrusions vs hollow structural sections

The product specific differences in the application of dumping duties can be seen by reviewing the caselaw concerning importations of aluminium extrusions verses hollow structural sections (HSS).

<u>Is classification relevant?</u>

In a case concerning the importation of solar panel mounting kits made from aluminium extrusions, an issue was whether the application of the dumping duties was limited to goods falling within the tariff classifications listed in the dumping notice. The importer argued that if you can take the goods outside of the listed tariff classifications, the dumping duties would not apply.

Customs contested this view and argued that the listed tariff classifications did not form a binding part of the dumping notice for aluminium extrusions. The reason for this was that in the ADC report there was one paragraph that suggested the listed tariff classifications were not limiting.

Last year, CGT Law ran a case contesting whether pipes processed to be used in street traffic signs were subject to dumping duty. The pipes were HSS. Had the Administrative Appeals Tribunal (AAT) adopted the same position for HSS as it did for aluminium extrusions, Customs would have been successful. However, in preparing our arguments we went back to the original ADC documents to test whether the ADC and the Minister had intended that the duties on HSS to apply to all tariff classification of the HSS or only those listed in the dumping notice.

The wording in the ADC report regarding HSS was subtly, but significantly, different on the issue of tariff classification than the ADC report regarding aluminium extrusions. We were able to find evidence in the ADC report and subsequent modifications of the dumping notice by the minister, that were highly suggestive of the HSS dumping duty only applying to limited tariff classifications listed in the dumping notice.

The AAT agreed and victory in the case came down to whether the imported goods were identified (and classified) as a generic pipe or more specifically as a pipe prepared for use in a structure. In this respect, the key argument was whether a traffic sign met the definition of a structure. The AAT found that it did, and the dumping duties did not apply.

Similarly, in a recent case concerning fire pipe, the importer attempted to avoid dumping duty by having the goods classified as a kind use for gas or oil (line pipe). The argument was unsuccessful as the goods lacked the essential qualities of line pipe.

Arguments purely as to classification would not have made a difference for a product made from aluminium extrusions.

Processed or further fabricated

While tariff classification may not be relevant, dumping duties for aluminium extrusions are subject to an exception that is not expressly stated for HSS (or other commodities). That exception reads:

"the goods do not extend to intermediate or finished products that are processed or fabricated to such an extent that they no longer possess the nature and physical characteristics of an aluminium extrusion, but have become a different product."

In the above-mentioned solar panel case, this exception was interpreted to cover not only goods that were physically modified, but also goods presented in sets. For this reason, with aluminium extrusions much of the argument against dumping duties focuses on what has happened to the goods post extrusion or how they are presented, both at the time of sale by the exporter and the configuration of the export.

Commonality – Identification of the goods

There are points of commonality between all goods subject to dumping duty, and fortunately, this is an area in which customs brokers specialise. To be subject to dumping duty, the goods must be identified as goods fitting within the goods described in the dumping notice.

In this respect the argument between the ABF and the importer is often along the lines of the ABF saying that the product is a basic generic pipe/tube/extrusion and the importer saying that it has been further processed in some way that takes it beyond the description of the goods in the dumping notice.

For instance, a point has to come when a steel tube ceases to be mere HSS and is better identified as a domestic fence post. A tube could be subject to a whole spectrum of changes, and somewhere along that spectrum the dumping duties will cease to apply. This could be when the tube is cut to length and powder coated, the tube may need the additional of a post cap. Alternatively, it may need the addition of brackets and the drilling of specific holes. Even with all these changes the ABF may still say it is just a post and subject to duty.

The same issue arises with extrusions – has another item been joined to the extrusions or alternatively, have two extrusions been combined. Caselaw suggests that an extrusion that has had no further processing will still be subject to dumping duties, regardless of that extrusion only having one identifiable purpose and being very sophisticated.

It is also important to remember that dumping duties cover the specific goods named in the dumping notice and also "like goods". These are often goods that are very similar to the named goods with only minor modifications, such as the drilling of a hole.

Anytime the imported good is further processed, there will be work for the customs broker to do in arguing that the further processing alters the identification of the goods.

Other common issues to consider during an audit

Other areas that a customs broker will need to consider with any dumping duty audit are:

1. Is the value of the goods correct;
2. Have the goods been properly described in the commercial documents;
3. If you are claiming packaging as a kit, can you prove the goods were imported in this manner;
4. Are there any exporter specific rates that apply;
5. Are there any exemptions that apply;
6. Check the technical properties of the goods. Dumping duties often have very precise technical requirements, such as width or material type;
7. Were the dumping duties actually in place at the time of export (usually the export date is the key date and not import).

Our experience is that the ABF will be reasonable in allowing you time to work through these issues and where there is a genuine argument that duties do not apply, the ABF will adjust their demand. However, our experience is also that the ABF will not accept a broad self-serving statement that excludes liability, without actual supporting evidence. For instance, if you claim a consignment of 1,256 parts is actually 345 different unassembled sets, you will need to demonstrate how all of those parts combine to form the exact number of sets.

Demonstrate your experience – but be quick to seek assistance where necessary

Dumping duty audits are an opportunity for customs brokers to demonstrate their importance to their client. It requires product specific skill and a knowledge set that few other professionals will hold. While there are similarities between products there are also key differences.

It is also the case that often the most important skill is identification of the products. This is an area where most will be very experienced.

The duty implication of things going wrong in a dumping audit are significant. The impacts will include duty, penalties and difficulty importing in the future. If you are unsure of the best approach, do not hesitate to contact an experience customs lawyer for advice.

> *"It is also important to remember that dumping duties cover the specific goods named in the dumping notice and also "like goods"*

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Developing Supply Chain Security – Part Two

Security Governance

By MARTIN MOSELEY, Superintendent – Trusted Trader and Trade Compliance | Australian Border Force

In this year's first edition of Across Borders, I discussed some of the core concepts of international supply chain security. In that article I agreed to provide some more detailed follow up if there was interest. Given the number of requests to speak and follow up enquiries received, I have agreed with the team from FTA to provide a follow-up article focusing on security governance.

> *"There are two important mantras in effective security :the first is that "security is everybody's responsibility"; the second is "security is, business as usual"*

To start with, I think it is appropriate to refresh your memories regarding the Australian Trusted Trader (ATT) training program that has been developed to support business to better understand the core components of supply chain security and how to limit supply chain exploitation. This program is free to anyone looking to enhance their understanding around supply chain security fundamentals and includes enough information to develop a functioning international supply chain security program that you can trust.

In the first article we discussed why you should adopt a security risk management (SRM) approach as part of your business supply chain security. This approach would be included within the businesses security governance structure and underpinned by an effective security risk assessment. The SRM process when implemented effectively saves you time and money, it allows you to refocus effort and resources towards risks specific to your business and in turn minimise negative outcomes.

The ATT online training program includes information about undertaking a basic international supply chain security risk assessment, and I would encourage you to look at the available material in combination with the previous article in Across Borders.

So what is security governance?

Security governance is the system you use to control and direct your business's approach to mitigating business risks. It provides you with assurances that your business is effectively managing these risks and provides the necessary layers of security to your business structure, policies and procedures to ensure effective oversight and accountability.

The Governance Institute of Australia states:

Governance encompasses the system by which a business is controlled and operates, and the mechanisms by which it, and its people, are held to account. Ethics, risk management, compliance and administration are all elements of governance.

Security governance therefore is the means by which you control and direct your business's approach to security. It encompasses all of the elements of the Governance Institute definition from the security perspective.

Security governance structures vary widely. At one extreme you may choose a formalised security framework with clearly defined roles and business processes (this is a requirement for Commonwealth government agencies who must meet the requirements of the Protective Security Policy Framework), and an in-depth framework for managing security. At the other end of the scale you may choose a more informal (but still documented) approach to directing, controlling and making security decisions. As with any other structure, it will be dependent on the size, complexity, and specific context of the business (for example regulatory or sector specific requirements). The level of formality and underpinning structures will vary; as you may have guessed there is no 'one size fits all' approach to security governance.

A simple security governance model can be built around Deming's 'Plan, Do, Check, Act' with some additional assurance activity incorporated. The advantage of this model is that it will be familiar to many management personnel through other business improvement activities and can provide a strong framework for oversight and continuous improvement, particularly if linked with a competent narrative-based security risk assessment.

However, when developing a security governance model, no matter the structure, you need to consider the business goals, risk tolerance, and who is responsible for security. Ultimately the CEO or the board, or both, are responsible for security, but in practical terms the responsibility is delegated to either specialised security management or line management within the business and these responsibilities need to be clearly articulated within the governance structure.

Accountability for security governance does not mean that the management team or individual is responsible for all security outcomes. There are two important mantras in effective security: the first is that "security is everybody's responsibility"; the second is "security is, business as usual". These may seem simplistic, but it is important that every employee understands their security obligations and their part in keeping the business and the border safe and secure. The security governance structure is the overlay that ensures this is implemented effectively, and:

- Provides the structure, accountability, policies and procedures to ensure effective oversight, and
- Provides a management structure to embed and review controls to effectively manage security risk.

So what should be included in the security governance structure?

In some larger businesses, security governance may be a standalone structure that provides security advice and support to the wider business, however in most small to medium size businesses this will be a structure integrated into the wider governance model. An additional concern is that standalone structures can become expensive and create additional bureaucracy.

Therefore, when developing a security governance structure for your business, there are core supporting security functions which need to be implemented. Unlike security mitigations developed in response to specific risks identified in your security risk assessment, these core functions do not contribute to the realisation of a single risk event. They are essential, however, in the implementation of effective security and understanding if security is working as intended. Core functions will often include processes and policies, such as:

- **The Business security plan** - is the principal security planning document for a business, as it establishes a business's context and approach to security. It articulates the business's security strategies, clearly linking them to the strategic business objectives. It also identifies and describe the various security responsibilities and decision-making delegations within the business.
- **The security risk management framework** - provides the mechanism for ensuring the consistent identification, assessment, management, and communications of business security risks. It identifies and prioritises security risk, assists with allocating funding and resources, and monitors and reports on the business's security risk profile and posture.
- **Security incident management plan** – provides the direction and guidance on security incident response and reporting for a business's employees. It should enable employees to readily recognise and easily identify, respond and report security incidents. This should minimise the likelihood of a knee jerk reaction to a security event, and minimise the potential negative consequences. The plan should also ensure resource allocation to any potential emerging issues. An effective security incident management plan can be useful in collating data and lessons learned from a security incident. The security incident management plan should also consider in which circumstance a security investigation maybe required and how the findings or recommendations resulting from an investigation are used.
- **Security intelligence** – There is a range of sources of value-added information you can use to inform your security decision making. Limited information must not prevent active security management. Your security risk assessment will help you incorporate the available information, and you should work with other external sources to understand your threat environment where possible.

External sources can complement or enhance your internal security information such as reporting, investigations and audit and assurance. For example, Border Watch or the ATT Account Manager (for accredited Trusted Traders) can assist with cautionary advice regarding compromised supply chains.

- **Through life employee management** – Employees are a critical resource; however they are also a potential threat source, particularly those who are provided with privileged access. To mitigate the risk posed by our own employees and contractors we need to develop and implement a system of controls and support to ensure we are supporting them and minimising the risk they pose to the business.
- **Security audit and assurance plan** – this should identify the purpose, intent and frequency of security audit and assurance activities for the business. It can also be helpful if this documents the frequency and types of activities.

Conclusion

Good security governance clearly links security activities to your business's goals and priorities. It identifies the individuals, at all levels, who are responsible for making security decisions and empowers them to do so, ensuring accountability for the decisions made. Security management needs to be incorporated into daily activities alongside other business priorities, such as health and safety or financial governance. Good security governance can take many forms, it could be multiple documents, or a single framework. To be effective all security governance models need to be embedded into the normal rhythm and structure of your business.

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6.00pm to 8.30pm
8 Knots Tavern - 110 Riverside Road, Fremantle East

MELBOURNE
Thursday, 30 November 2023
6.00pm to 8.30pm
Mr McCracken Bar - 1A Larkin Boulevarde, Essendon Fields

BRISBANE
Wednesday, 6 December 2023
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Brew Dog - DogTap Brewery Brisbane (Riverside Patio) 77 Metroplex Avenue, Murarrie

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Saturday, 4 May 2024
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PERTH
Saturday, 11 May 2024
Hyatt Regency, Perth

MELBOURNE
Friday, 31 May 2024 & repeated
Saturday, 1 June 2024
Hyatt Place, Essendon Fields

BRISBANE
Wednesday, 12 June 2024
Brisbane Airport Conference Centre, Brisbane Airport

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