

ACROSS BORDERS

CREATING A PORT OF THE FUTURE IN NEWCASTLE



INTERVIEW – CRAIG CARMODY, CEO – PORT OF NEWCASTLE
MAKING TRADE CHEAPER, FASTER AND SIMPLER – SENATOR THE HON DON FARRELL
INTERVIEW – TONY SMITH, ASSISTANT COMMISSIONER CUSTOMS COMPLIANCE

“KEEPING AUSTRALIA’S INTERNATIONAL TRADE MOVING”



Australian Peak Shippers
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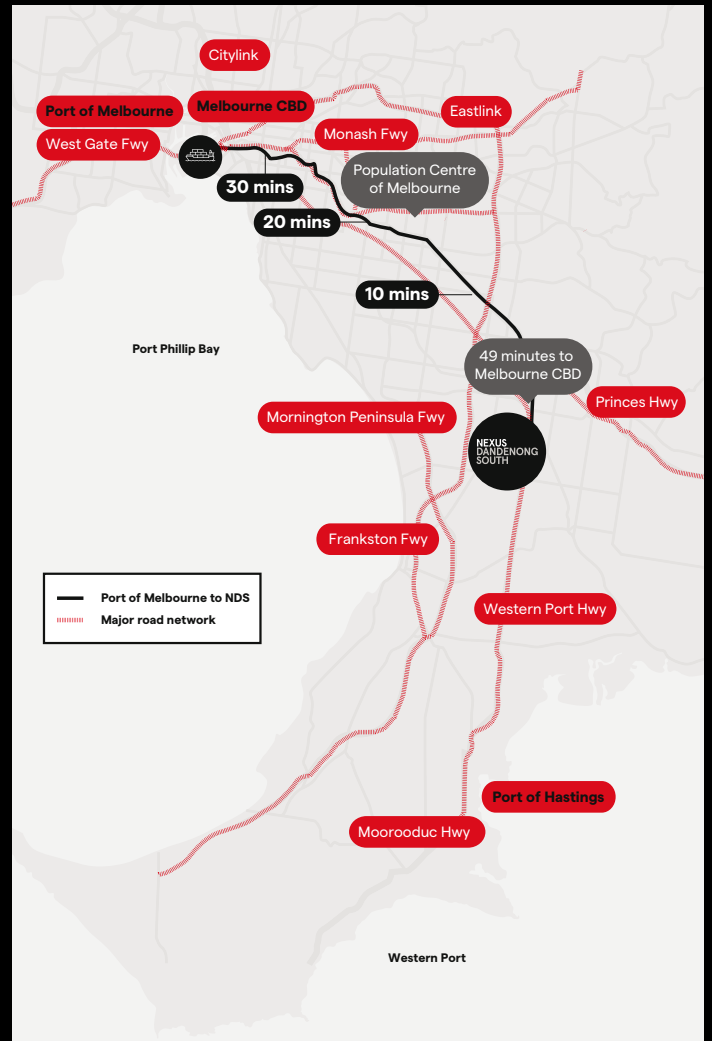
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Global trade disruptions and a need for legislative reform

Following the pandemic, the trade sector has faced cyber incidents, aviation security concerns, waterfront strikes (both domestically and internationally), ongoing hostilities negating access to the Red Sea, transshipment port congestion, extreme weather events and emerging geopolitical tensions.

Further high costs on the Australian trade sector are being experienced because of unfair commercial practices including spiralling charging regimes administered by stevedores and empty container parks.

It is also time to follow the lead of the European Commission to repeal legislative provisions that currently provide shipping lines exemptions from Australian competition law.

While we need to incentivise these foreign owned commercial entities to keep servicing Australian trade, we need them accountable for their practices and mechanisms in place to ensure minimum service levels prevail.

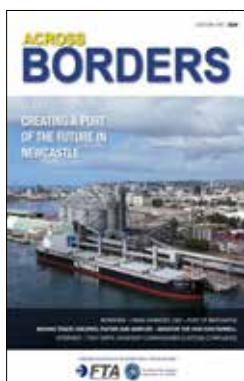
Now more than ever we require well-considered regulation to ensure market power by these entities are not exploited.

Freight & Trade Alliance (FTA) and the Australian Peak Shippers Association (APSA) ministerial engagement suggests that the *Container stevedoring monitoring report*, to be published by the Australian Competition and Consumer Commission (ACCC) in December, holds the key as to whether the Federal Government will act on the 2022 Productivity Commission's recommendations.

We would like to acknowledge Craig Carmody (CEO, Port of Newcastle) for his insightful interview and front cover sponsorship, and Senator the Hon Don Farrell (Trade Minister) for his ongoing engagement and foreword of this edition of *Across Borders*.

While noting the minister's reference to trade liberalisation measures, FTA and APSA will continue to engage with all sides of politics in the lead up to next year's federal election advocating for meaningful policies to reduce supply chain costs, stimulate an economic recovery and support significant growth opportunities for Australian exporters and importers.

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



Front cover –
sponsored by Port of Newcastle

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Making trade cheaper, faster and simpler

By Senator the Hon. Don Farrell, Minister for Trade and Tourism

The Albanese Government is preparing the nation for the opportunities of tomorrow.

A key opportunity – and challenge – is simplifying and streamlining our trade system to make it cheaper, faster and simpler for Australian importers and exporters to do business.

With around \$1 trillion of goods moving across our borders every year – this is vital. In the 2022-23 financial year, two-way trade in goods was worth around \$1 trillion, equivalent to 40% of Australia's GDP.

We are delivering on our commitment to open new markets for our exporters and keep vital trade flows moving.



Minister Farrell addressing the STS Summit



We are delivering targeted, whole-of-government improvements to drive productivity, increase global competitiveness, and ensure Australia remains the best place to do business.

We have made significant investments in Simplified Trade System reforms. Our \$29.9 million commitment in the May 2024 Budget included a new Digital Trade Accelerator Program, giving businesses secure digital access to important trade data, to ensure trade flows easier across our borders.

We are also removing red tape, including nuisance permits which can be a frustrating barrier to business.

Co-designed with business, these reforms will strengthen Australia's reputation as a global leader in trade, boost our supply chains resilience,

reduce delays, and cut the cost of imports and materials for our exporters and businesses.

Every dollar we can save our importers and exporters at the border, is another dollar in the pocket of Aussie workers, or saved by families at the checkout.

I commend the innovation and drive of Australian exporters and businesses for getting our high-quality products into the world, and rightly taking their place on the global stage.

Our government is committed to supporting businesses by making trade cheaper, faster, and simpler. We are already seeing incredible results with more on the way, and I look forward to continuing this important work together.



MEAT PROCESSING AND EXPORT CONFERENCE 2025

March 12 - 13, 2025
Royal Pines Resort,
Gold Coast



Following on from the wildly successful MPEC 2023, the Australian Meat Industry Council (AMIC) is excited to announce the launch of the **Meat Processing and Export Conference 2025!**

This premier meat industry event, scheduled for **12-13 March 2025 at the Royal Pines Resort in the Gold Coast**, is an unparalleled opportunity for the industry to come together, learn, network, and be part of shaping the industry's future.

MPEC 2025 provides an unique opportunity to engage with key businesses and stakeholders in the meat processing and export industry, either as an event sponsor or exhibitor, or as an event delegate.

Why Be Part of MPEC 2025?

- Top-tier Speaker Line-up: Gain insights from industry leaders on pressing issues and future trends.
- Extensive Networking: Connect with peers, suppliers and key stakeholders from across the supply chain.
- World Class Food and Entertainment: Enjoy amazing food and entertainment at conference functions.
- Exclusive Sponsorship Packages: Elevate your brand with tailored sponsorship opportunities designed to maximise exposure.

Sponsorship packages are now available and are moving quickly, however opportunities remain to be part of premier aspects of the MPEC 2025 program such as named sponsor of the MPEC Gala Dinner.

MPEC 2025 is not just a conference—it's a chance to connect, learn, and advance within the meat processing and export industry. Be part of this unmissable event, set to be the highlight of the year for industry professionals. Join MPEC 2025 for an unforgettable opportunity to connect, learn and grow in the meat processing and export industry.

Stay tuned for more updates including when tickets go on sale and our programme launch as we get closer to the conference. Please visit the MPEC 2025 webpage for more information.

Enquiries:

General Event Enquiries: Bradley Hayden, Event Manager
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Sponsorship Enquiries: Sam Munsie, General Manager, Trade and Technical Affairs
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NAVIGATING UNCHARTED WATERS

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

Unprecedented challenges are severely disrupting global trade, pushing the ocean freight industry to its limits, and forcing Australian importers and exporters to navigate increasingly turbulent waters.

Volatility across global markets – notably the crisis in the Red Sea and United States East Coast and Gulf Ports Strike – have exacerbated existing issues. Container shortages, escalating costs, and logistical delays are straining supply chains with Australian importers, exporters and businesses grappling with a rapidly unfolding crisis - disrupting ports and trade routes.

The hostilities in the Red Sea have created a precarious situation for global supply chains, with ripple effects touching Australian shores. From luxury goods to essential commodities, businesses and consumers alike are bracing for delayed deliveries and rising costs, as congestion in key trans-shipment hubs continue to cause freight bottlenecks.

Demand for 20ft and 40ft containers far exceeds supply - compounding delays. Vessels are rerouting via Cape of Good Hope due to terrorist attacks peppering the vital Red Sea supply line, adding significant transit time, and straining already limited shipping capacity. Freight costs for Australian exporters – especially those trading with North and South America – have reached unsustainable levels. Exacerbating this situation, is the drastic reduction in detention days at origin and destination ports, leaving shippers and receivers with little time to clear goods before incurring hefty fees.

The largest dockworker strike in the United States in nearly 50 years sent shockwaves throughout the global supply chain, intensifying shipping delays, reducing capacity, and driving up costs - at one point reaching as high as USD \$1,500 per container for 'terminal congestion charges'. Industry analysts estimate the strike cost the U.S. economy approximately \$5 billion per day.

A tentative wage agreement brought the three-day strike to an end, extending the current contract until 15 January 2025, offering much-needed relief to Australian exporters seeking access to the U.S. market.

Closer to home, urgent reforms and targeted intervention are needed to protect Australian shippers from exorbitant freight rates and surcharges imposed by foreign-owned shipping lines, contracted stevedores, and empty container parks.

The spiralling terminal access charges and container detention fees are now nearing \$200 per container, creating an unsustainable burden on Australian shippers.

Harnessing the power and contribution of industry, the Australian Peak Shipping Association (APSA) and Freight & Trade Alliance (FTA) calculate administrative costs alone from terminal access charges and container detention fees to be at least \$1 billion a year in direct impact on our trade sector, for the past three years of the pandemic.

Many industry commentators have likened these unregulated, sky-high fees to "ransom," as Australian importers and exporters are left with little choice but to absorb the costs. Amid rising economic uncertainty and mounting cost-of-living pressures, these charges are increasing the cost of getting goods in-and-out of Australia, further burdening businesses, and consumers.

Despite the overwhelming outcry from industry stakeholders, the Federal Government has been notably silent on this issue.

With the Australian Competition and Consumer Commission's Stevedore Monitoring Report due in November 2024, we strongly urge the government to consider targeted regulatory intervention. The government should take cues from its recent actions in the aviation sector.

In August 2024, the release of the Aviation White Paper outlined the Federal Government's vision for a safe, competitive, productive, and sustainable aviation sector towards 2050. It also introduced an independent Aviation Industry Ombuds Scheme and new standards around decarbonisation, transparency, and competition.

Recognising the critical role of sea freight - responsible for more than 98% of Australia's international trade by mass - the sustainable and efficient operation of our ports is crucial to the nation's economy. We call upon the Federal Government to commission an Ocean Freight Industry White Paper, outlining a long-term vision for the sector towards 2050; ensuring the industry remains competitive, productive, and sustainable. Furthermore, we advocate for the establishment of an independent commissioner for the ports industry, tasked with reviewing terminal access charges and implementing fairer practices to protect Australian shippers, businesses, and consumers.

With government leadership and the implementation of targeted legislative and regulation change, we can enhance port efficiency, reduce costs for importers and exporters, drive trade and investment, sustain industries, create jobs, and support local communities.

As we continue to navigate these turbulent waters, APSA remains committed to advocating for a strong, resilient, and sustainable ocean freight industry. Our mission is to protect Australia's social and economic wellbeing, to ensure the shared success and future prosperity of our ocean freight industry.

Enhance workforce training with new tools from WiseTech Academy

WiseTech Academy, Australia's premier online logistics training provider, is introducing two powerful tools to enhance workforce development: a company-wide subscription model and custom learning playlists. These additions give logistics companies more flexibility, control, and cost savings when it comes to staff training.

New company-wide subscription model: Unprecedented access to logistics training

WiseTech Academy's new subscription model provides organisations with unlimited access to all our logistics training, other than compliance training and our TLI50822: Diploma of Customs Broking.

For a single low monthly fee, your entire company can access a wealth of training options, covering key areas like freight forwarding, customs broking, and the highly acclaimed WiseTech Diploma of International Freight Forwarding.

With over 150 courses included, this subscription will save thousands in training costs by eliminating the need to purchase courses individually.

Whether you're upskilling current employees, preparing team members for management positions, or onboarding new hires, the subscription model allows logistics companies to deliver targeted training at scale, without worrying about escalating costs.

As always, CargoWise product learning remains free, giving your team full access to software training on top of the logistics courses offered under the subscription.

With no upfront costs or hidden fees, it's a straightforward and affordable way to invest in your team's future success.

Key benefits of the subscription model

- Unlimited access to the vast majority of WiseTech Academy's course library
- Over 150 industry-specific courses, covering all facets of logistics
- No upfront costs or fees, just ONE low monthly subscription that covers ALL staff
- Free CargoWise software learning, ensuring your team stays proficient
- Cost savings that can reach thousands of dollars compared to traditional course-by-course payments

Custom learning playlists: Tailored training for your team's needs

In addition to the subscription model, WiseTech Academy will soon be introducing learning playlists—an innovative feature that allows businesses to provide targeted learning pathways for their employees.

With the ability to curate content from both WiseTech Academy's course catalogue and your own internal resources, WiseTech Academy can design tailored training programs that align perfectly with your company's goals.

Learning playlists give you control over staff development, whether it's for onboarding new team members, providing targeted career advancement opportunities, or ensuring compliance with industry standards.

The playlists offer an intuitive, user-friendly experience, making it easy for managers to track progress and for employees to follow a clear, structured learning path.

By combining the power of curated content with the flexibility of our subscription model, WiseTech Academy ensures that businesses can provide their teams with top-tier training, without having to worry about the financial aspect.

Your staff can focus on learning, while you focus on running your business.

Key features of custom learning playlists

- Learning pathways, combining WiseTech Academy content with your own
- Targeted training, ideal for onboarding, compliance, and career development
- Intuitive interface, making it easy for users to navigate their learning journeys
- Progress tracking, so you can monitor and manage team performance effortlessly



Seamlessly integrate both tools for maximum impact

Together, the company-wide subscription model and learning playlists form a comprehensive, cost-effective solution for logistics companies of all sizes.

By subscribing, you unlock access to the training your workforce needs to thrive.

With playlists, you can organise that training in a way that suits your business and your team's unique learning needs.

Interested to learn more?

If you'd like to explore how WiseTech Academy's new subscription model and custom playlists can benefit your business, get in touch with our team today.

contact@wisetechacademy.com

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Save the Date

2025 Care Factor Industry
Charity Trade Ball
Friday 25 July 2025,
Fullerton Hotel, Sydney

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



2024 Care Factor Industry Charity Trade Ball

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

In July, industry came together at the beautiful Fullerton Hotel, Sydney to celebrate and help raise vital funds at the 2024 Care-Factor Industry Charity Trade Ball. The event was co-hosted by OrangeLime Consulting, The Compliant Group, Freight & Trade Alliance (FTA) and Next Leap Training Solutions.

We were thrilled to raise over \$100,000 for Dolly's Dream and the Childhood Dementia Initiative. The funds raised being split evenly between the two charities to support their important and challenging work.

Thank you to the generosity of attendees on the night for their enthusiastic participation in the bidding at the live & silent auctions, purchasing Christmas tree lucky dips and raffle tickets.

This incredible result was made possible by each and every one who attended and we are grateful for your support.

A big thank you to our generous sponsors and supporters who donated prizes. Without their contributions, we would not have been able to make the impact for Dolly's Dream and Childhood Dementia Initiative.

Childhood Dementia Initiative's mission is to "Transform research, care and quality of life for children with dementia so they may live long and fulfilling lives".

Dolly's Dream encourages people to take a stand against bullying and support those affected. The victims of bullying are encouraged to "speak even if their voice shakes" which I believe is very insightful on the insidious effects of bullying. We have recently just lost more young lives to suicide due to bullying. We all play a part in taking a stand against bullying. Be vigilant with family, friends and within your communities.

Wayne Pearce OAM and the Oz Icons band once again entertained us all with the dance floor "pumping". We are indeed a fortunate and caring community and we look forward to cohosting the annual Charity Trade Ball into the future with your continued support.



Care-Factor Collaboration



Henning Harders



Paul Zalai FTA

Thank you for everyone's generous support and contributions
Thank you to our generous sponsors

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 **Care-Factor 2024**



Henning Harders



Shivangi Chaturvedi (Childhood Dementia Initiative) & Sarah Davies (Dolly's Dream)



The Oz Icons



TT Club Table



Lawrence Christoffelsz (Import ExportTV) & Gary Yovich (Direct Couriers)



OrangeLime Consulting



The Compliant Group

Thank you to our supporters

MC: Wayne Pearce Advantage
Photographer: R G Photography
Band: Oz Icons
Venue: Fullerton Hotel

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Whether you're looking to grow your freight forwarding team or advance your own career in logistics, the WiseTech Diploma of International Freight Forwarding equips professionals with the skills for success. Now available online via WiseTech Academy's learning platform, this course offers flexibility and comprehensive training.

Streamlined logistics education

The WiseTech Diploma of International Freight Forwarding delivers an in-depth education to both new entrants and professionals advancing within the logistics industry, preparing them for a rewarding career as an international freight forwarder.

The fully online format allows students to balance their studies with their work schedules, offering the convenience to learn at their own pace without disrupting their career progression.

A world class training experience

The WiseTech Diploma of International Freight Forwarding is delivered through WiseTech Academy's cutting-edge learning platform, offering engaging video lessons, interactive quizzes, real-time assessments, and access to industry experts, with a supportive online community for students.

Prepare to become a global freight expert

Graduates of the Diploma will gain a robust understanding of the complexities of international freight forwarding, providing them with the expertise required to succeed in the global logistics landscape.

This comprehensive course covers freight forwarding fundamentals, transport modes, safety regulations, dangerous goods handling, customs, compliance, logistics contracts, insurance, and risk management.

What's included

- 16 self-paced courses
- 100% online
- Pay-as-you-go
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WiseTech Diploma of International Freight Forwarding | Online

WiseTech Diploma of International Freight Forwarding | 100% Online

USD 640*

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

The Diploma is made up of 16 standalone, pay-as-you-go courses, each priced at USD 40*

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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.



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Interview

Craig Carmody, CEO – Port of Newcastle

Paul Zalai, Director and Co-founder – Freight & Trade Alliance recently caught up with Craig Carmody, CEO – Port of Newcastle to see how the port is developing.

1. Paul Zalai - Craig, a lot has happened at Port of Newcastle over the past few years. It must be an exciting time.

It certainly is. Port of Newcastle is delivering on a significant diversification strategy to create the Port that our community, our region, and our state needs for the future.

Central to this strategy is the development of a Clean Energy Precinct, which is supported by a \$100 million Commonwealth Government funding commitment. This commitment effectively positions the Port, and our region, as a leading production, storage and export hub for future clean energy products and technologies including hydrogen and green ammonia.

Equally significant, thanks to our fulfillment of all requirements under the Port of Newcastle Extinguishment of Liability Act (2022) earlier this year, is Port of Newcastle being on track to play a more diversified and prominent role in the state's global container movements. This was a win not only for PON, but for our customers, stakeholders, and our community, who were instrumental in helping to achieve this great milestone for our region, a promise 25 years in the making.

2. Paul Zalai - On containers, with the legislation now passed, what is Port of Newcastle's intent in this space moving forward?

Removal of this penalty has given Port of Newcastle a path forward in being able to offer choice and competition in NSW container trade, which significantly impacts communities and economies in regional NSW.

“ *The Port of Newcastle Clean Energy Precinct is a truly ambitious project, one that we have been advocating for over many years* ”

Our development of the Newcastle Deepwater Container Terminal (NDCT) has the capacity to power the Hunter economy for generations to come through over 15,000 direct and indirect jobs, as well as injecting \$2.5 billion of economic activity to Australia.

With the NSW Freight Reform Program nearing completion, we look forward to assisting the freight task in NSW,

creating competition in the market, along with driving economic stimulus and job creation in NSW as our plans progress.

3. Paul Zalai - Does PON feel it can be competitive in a marketplace that has traditionally been operated by one port?

It's a fact that introducing competition will drive innovation and efficiency across the NSW port system. Port of Newcastle's natural advantages and strategic location allows us to offer a compelling alternative for importers and exporters.

The Port is currently operating at around 50% capacity, and our deep-water channel can accommodate the largest container vessels, providing efficient access to global shipping routes. We have over 90 hectares of available portside land allocated for the development of a container terminal, offering unique proximity and access to key regional areas and transport





networks. Not to mention rail capacity and efficient access to the Western Sydney market for shipping imports.

Beyond me making these statements, which have been backed by several market studies, our stakeholders also maintain that Port of Newcastle is an exceptionally attractive option in the container marketplace.

4. Paul Zalai - Clean energy is another pillar of Port of Newcastle's diversification strategy – how is that progressing?

The Port of Newcastle Clean Energy Precinct is a truly ambitious project, one that we have been advocating for many years. Following our receipt of \$100 million funding from the Commonwealth, we have reached our first project milestones, with tenders recently awarded for the general infrastructure, electrical and water FEED studies and EIS for the Precinct, which will inform the next critical phase of the project. This is a major milestone towards positioning Newcastle and the Hunter as a clean energy hub.

“ It's a fact that introducing competition will drive innovation and efficiency across the NSW port system. ”

At present we are on track to complete the studies and land preparation by 2027, where we will then hand over to our production partner KEPCO, who will then start construction on the production facilities, with the aim of hydrogen/ ammonia production commencing in 2030.

5. Paul Zalai - When will hydrogen be produced at Port of Newcastle?

While exact timelines depend on regulatory approvals and construction progress, we are aiming to host 1.6 GW of electrolytic hydrogen production by 2030.

The likelihood is, the first export product will be ammonia, that is until shipping lines can export hydrogen at scale without loss.

That process is still ongoing; however, we expect to be able to export over 600,000 KTPA of ammonia once production starts.

6. Paul Zalai - With diversification central to Port of Newcastle's strategy, is the port concerned that traditional trades, like coal, are in decline?

Coal is and will remain an important trade for Port of Newcastle for many years, however, we are focused on diversification to ensure long-term sustainability, with the Newcastle Deepwater Container Terminal and Clean Energy Precinct central to this strategy.

Increasing agricultural exports, like cotton and grain, is also a central focus. Our connection to the rail network gives us a unique connection with the State's producers of these commodities. Particularly in the Western, New England and North-West of NSW.

Port of Newcastle's balanced approach allows us to support traditional industries as we develop new opportunities that will provide a sustainable economic future for our community.



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Cathay Cargo and Menzies Aviation strengthen partnership in Australia and New Zealand

Menzies Aviation, the leading service partner to the world's airports and airlines, has announced the extension of a long-running contract with leading cargo carrier, Cathay Cargo.

Under the renewed five-year contract, Menzies will continue to provide cargo and freighter ramp services for the carrier in the south-west Pacific region, managing 85,000 tonnes each year. This builds on a two-decade long partnership with the world's leading combination cargo carrier, which began in Melbourne and expanded to Sydney, Brisbane, Perth and Auckland over 10 years ago.

The new contract will see teams support Cathay cargo operations at not only all the Australian locations served by the carrier, but New Zealand as well.

Beau Paine, Global Head of Cargo, Menzies Aviation said: "Cathay Cargo has been a valued partner to Menzies for more than two decades, and we are honoured to take the next step in this shared journey, building on opportunities for mutual success. Today's announcement not only strengthens our ties with Cathay Cargo but reaffirms our status as a leading provider of air cargo services in Australia and New Zealand. We look forward to delivering first class cargo and freighter

“ The new contract will see teams support Cathay cargo operations at not only all the Australian locations served by the carrier, but New Zealand as well ”

ramp services with the Cathay team across these airports for years to come.”

“We are pleased to enter into a new contract with Menzies Aviation in the South-West Pacific region for a further five years,” said **Cathay Director Cargo Tom Owen.** “In the past, we have worked successfully with Menzies Aviation for our cargo handling, and so we appreciate the close collaboration as we now move our relationship forward to the next stage. The extension to our partnership will see us working more closely together across the region in the strategic areas of digitalisation, operational safety management, sustainability and training. Our common goal is to enhance the service and satisfaction levels for Cathay Cargo customers.”





IATA-accredited and IMO approved dangerous goods compliance online

WiseTech Academy is proud to introduce more world-first online accreditation courses for air and sea Dangerous Goods, designed to ensure full compliance with IATA's Dangerous Goods Regulations for air freight, as well as the IMO's IMDG Code for maritime cargo. Visit WiseTech Academy to get started today.

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*All prices valid from 1 Dec 2024.



Don't trade in your employer obligations

By EMMA ROSENZWEIG, Deputy Commissioner for Superannuation and Employee Obligations – Australian Tax Office

The festive season is great for business. However, employers need to stay on top of tax and reporting obligations for any additional staff they take on. To help you focus on making the most of the busy season, check out our useful information and advice at ato.gov.au/newstaff

Ace your reporting

Set yourself up for success with accurate Single Touch Payroll (STP) reporting. You will be able to manage and keep track of payroll information such as salary and wages, pay as you go (PAYG) withholding and super guarantee (SG) contributions.

Having good record keeping means you can streamline your processing and quickly correct any mistakes.

It may seem a long way off now, but make a note to finalise your STP data and complete your STP finalisation declarations by 14 July 2025. You will need to do this for all employees you've paid and reported through STP during the financial year. This is required for your employees to complete their income tax return.

For more information, visit ato.gov.au/STP

Supercharge your super knowledge

Hiring new staff not only helps your business but gives them long-term financial security in retirement through SG contributions.

Remember, paying super for your eligible workers (including some independent contractors) is mandatory. Here are some tips for setting up your payroll for SG:

- **SG eligibility:** You pay SG regardless of how much your workers earn.

- o For workers 18 years or older, SG is payable regardless of how many hours they work

- o For workers under 18, SG is payable if they work more than 30 hours in a week.

- **SG rate:** The SG rate is 11.5% of your eligible workers' ordinary time earnings.

- **SG due dates:** You need to calculate and pay SG at least four times a year – payment due dates occur quarterly on 28 October, 28 January, 28 April and 28 July.

Avoid the super guarantee charge by making your SG payments on time, in full and to the correct fund.

Our handy simple checks for super success checklist outlines what employers need to do to meet their SG obligations, and what steps to take if mistakes are made.

You can find more information at Simple checks for super success | Australian Taxation Office (ato.gov.au)

Fringe benefits tax

If you're providing your staff with benefits on top of their salary or wages, don't end up with an unexpected fringe benefits tax (FBT) liability.

Cars are a common fringe benefit, and with end of year sales fast approaching, you may be thinking about providing employees with a vehicle as a staff benefit.

If you do, remember that FBT will apply unless, in respect of certain vehicles, private use is limited.



Limited private use by staff includes:

- travel between home and work
- travel that is incidental in the course of employment duties
- non-work-related travel that is minor, infrequent and irregular.

Eligible electric vehicles may also be exempt from FBT if all the eligibility conditions are met.

The FBT year runs from 1 April to 31 March. You will need to lodge an FBT return by 21 May and pay any FBT owed by the due date.

For more information, visit ato.gov.au/carfbt

Help and support

Remember, we've got a range of resources to ensure your employer obligations are going in the right direction. Visit ato.gov.au/employers for more information, or talk to your trusted tax professional.

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.



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- Established in February 2017.
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- Managed and located in Manila, PH.
- Currently employs more than 450 agents supporting clients across six continents.
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Safe Loads – Safe Roads: Focus on Shipping Container Safety

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



Best practice in packing cargo in shipping containers, restraining loads correctly, and safely transporting containers has been the focus of a series of eight seminars across Australia in October and November.

The Safe Container Loading & Transport Practices seminars were hosted by Container Transport Alliance Australia (CTAA), in collaboration with Freight & Trade Alliance (FTA), the Australian Peak Shippers Association (APSA) and leading safety management company, CoRsafe.

Heavy vehicle accident data compiled by National Transport Insurance (NTI) shows that container-laden heavy vehicles are 36% more likely to be involved in a truck rollover incident compared to vehicles carrying general freight.

A common factor in these incidents is vehicle instability caused by unbalanced or inadequately restrained loads inside shipping containers.

In most cases, heavy vehicle drivers have no prior knowledge of how the shipping container has been packed or how the cargo is secured, if at all.

Load-shift inside the container, an unbalanced load, or a high center of gravity, can easily contribute to a heavy vehicle accident. These factors equally present risks to other transport nodes, including rail, container terminal operations and onboard vessels.

Verified container weights are also an issue in the container transport logistics chain.

Unfortunately, cargo owners and container packers still mis-declare container weights, either innocently or deliberately. Overloaded containers present an unacceptable risk, and significant penalties now apply if these mis-declared containers are identified.

CTAA Director, Neil Chambers, explained that “the aim of these seminars was to promote best practice in container packing and cargo restraint from a commercial and a safety standpoint, and to raise awareness of available best practice resources.”

“During the Seminars we were able to showcase best practice guidance and resources, including the launch of a **Safe Container Loading & Transport Guide** recently published by CoRsafe in partnership with CTAA.”

The Guide provides a concise explanation of the legal and practical obligations of stakeholders in the container logistics chain, including overseas suppliers and container packers. It is free of legal jargon for use by frontline staff.

The guide covers important topics, such as: an overview of Chain of Responsibility (CoR) laws in Australia and New Zealand; load preparation and process; load restraints; dimensions and weight; receipt and unpacking; transport of shipping containers; pests and water damage.

“Our CoR laws provide that an Australian importer could be held accountable if they cause or encourage their overseas partners to incorrectly pack containers which contribute to breaching our safety laws – the maximum penalties can be as much as \$3.9 million for corporations, and \$390,000, or five years’ jail, or both for individuals.”

“We are encouraging Australian companies to distribute the Guide to their overseas partners to provide them with a greater understanding of the standards they must meet when loading containers bound for Australia.”

“Equally, we’d like Australian exporters to use the Guide and pass it onto their container packers and supply chain partners to promote best practice.”

The seminars brought together a fascinating blend of advice from authorities such as the National Heavy Vehicle Regulator (NHVR) and WorkSafe agencies across Australia, as well as from industry experts in load restraint, transport safety, container terminal representatives, marine insurance specialists, biosecurity and container cleanliness experts and telematics providers on onboard weighing systems for heavy vehicles.

Electronic delivery orders slash truck arrival queues

Faster truck arrival processing with Containerchain EDO notifications in CDMS

Containerchain uses digital processing to improve productivity by eliminating time-wasting information gaps and errors for truck drivers and container yards.

Road transport fleet controllers can slash the queuing time for their truck arrivals at container yards by simply attaching the shipping line's electronic delivery order (EDO) to their booking in the notification function within Containerchain's vehicle booking system (VBS), making the information readily available to the container yard's gate controller on the truck's arrival.

The EDO can be attached when the fleet controller creates the notification to book a slot at the container yard and allocates the job to a driver. Or it can be attached after the booking is made while the truck is enroute to the yard.

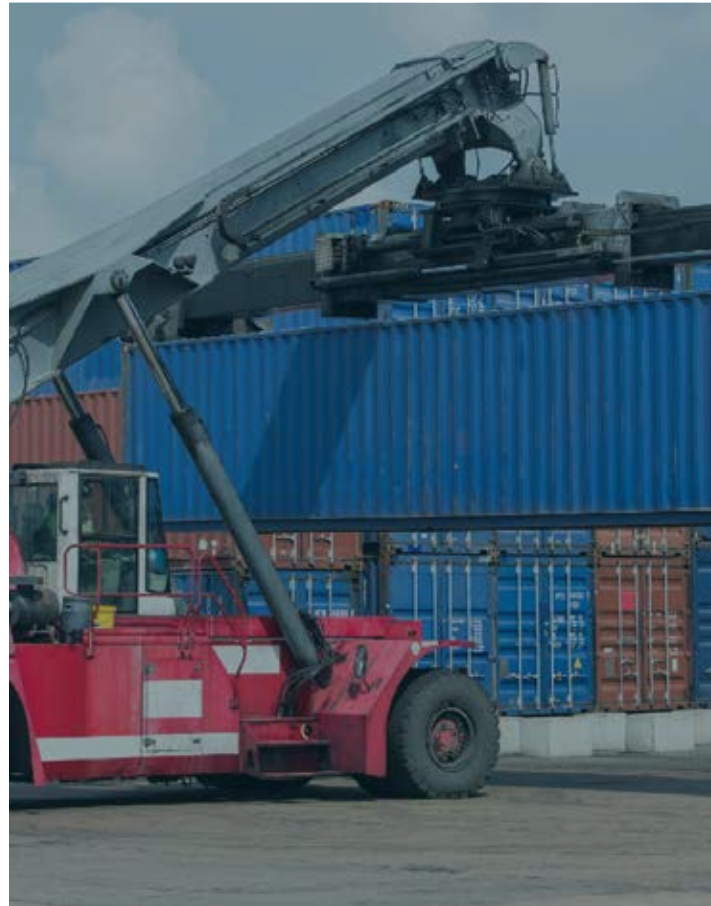
The container yard gate controller can then quickly and easily access the EDO associated with a truck's booking in Containerchain's VBS. This eliminates time wasted searching for emailed EDOs or rekeying information from a paper copy, reducing queues and bottlenecks into the container yard.

Container yard gate controllers can either access the EDO in advance to have all information ready before the truck arrives, or quickly pull up the information on arrival, to prevent unnecessary delays.

There is a huge opportunity for fleet controllers to cut queuing delays for trucks in container yards by adopting this digital process. Fleet controllers have a copy of the EDO for all goods they are to pick up. Even if a shipping line has not uploaded their EDO into Containerchain, the fleet controller can simply attach a copy of the EDO to their notification so that it is readily accessible by the container yard gate controller. Container facility managers can even opt to mandate that EDOs be attached for bookings at their facility.

The EDO can be attached in a wide range of file types: PDF, Microsoft Word, Office Open XML, all image formats, CSV or plain text.

The EDO attachment function is available now.



Containerchain users are able to access attached EDOs in the following ways:

- ✓ TRANSPORT USERS VIA MY NOTIFICATIONS
- ✓ FACILITIES USERS VIA VIEW NOTIFICATIONS
- ✓ CONTAINERCHAIN ADMINISTRATION USERS VIA MANAGE NOTIFICATIONS

For more information refer to the **Containerchain update note** on WiseTech Academy

HERE →

Forwarders' liabilities as "Merchant" under carriers' bills of lading for loss or damage caused by shippers

By JOHN THOMSON, Senior Claims Executive – TT Club, Sydney

Traditionally, a forwarder acts as agent for the shipper (or consignee) and arranges carriage of the shipper's goods, by entering into a contract of carriage with a carrier on behalf of the shipper. The contracted carrier has responsibility for the goods during the carriage and can be liable to the shipper if the goods are lost or damaged. Unless the forwarder issues a contract of carriage (e.g. a house bill of lading) in its own name as carrier, it is normally not responsible for the goods during the carriage.

The forwarder usually only becomes liable to the shipper if the loss or damage to the goods has been caused by an error made by the forwarder when arranging the carriage (often a paperwork error). In most cases, if the forwarder has correctly arranged the carriage, a shipper whose goods are lost or damaged during the carriage will need to make its claim against the contractual carrier (i.e. the person who issued the relevant bill of lading), and in some cases the carrier will be able to limit or exclude its liability to the shipper.

However, in the case of a claim from the carrier for some other type of loss or damage caused by the shipper or the goods, the carrier will of course be able to claim against the shipper, but may also be entitled to claim against other parties involved in the shipment, including the forwarder, even if the forwarder or the other parties did not cause the loss.

Additionally, while laws and bill of lading terms may apply to limit or exclude the carrier's liability for loss or damage to the goods, such laws and contractual terms generally do not limit liability for other loss or damage caused by the goods. Forwarders can therefore become fully liable to carriers, without limitation, for loss or damage caused by their shippers or their shippers' goods (even if the goods have been shipped under a direct master bill of lading issued by the carrier).

Carriers' bill of lading terms and conditions routinely contain clauses which broadly define parties involved in the shipment as the "merchant", often expressly including the shipper, consignee, holder of the bill of lading or receiver of the goods, or anyone acting on their behalf. A forwarder can fall within the definition of merchant if, for example, it places a booking with a shipping line on behalf of a shipper

or consignee, or if it arranges delivery or collection of goods on behalf of the consignee or receiver.

Merchant clauses hold all parties falling within the definition of merchant jointly and severally liable to the carrier, for all responsibilities, liabilities, and fulfilment obligations of the merchant under the bill of lading, including the payment of freight charges. Carriers may look to rely on such clauses to hold forwarders liable for loss or damage caused by their shippers or the goods. A carrier may decide to pursue a claim against the forwarder, either together with or instead of the shipper, if the carrier encounters difficulties pursuing the claim against the shipper or simply sees the forwarder as an easier recovery option.

Forwarders, as merchants, can become liable to carriers for the actions (or inactions) of their shippers. A common scenario is where cargo is abandoned by the shipper (or consignee) while in the care of the carrier. Abandoned cargo can cause significant losses, often incurred in the first instance by the carrier who then seeks recovery from the shipper or other party(s) caught by the merchant clause in the bill of lading. Forwarders can also be liable in various other situations, including where the cargo is prohibited, contains contraband, or has been mis declared, and/or is not suitable for or has not been properly packed and secured for the intended carriage.

It is probably unlikely carriers will agree to amend merchant clauses in their bills of lading. Carriers will more likely want to keep forwarders 'on the hook' for any liabilities incurred by shippers. Some carriers might also not be willing to accept certain types of bookings directly from shippers, but may be prepared to accept the same bookings if booked through a forwarder – particularly for shipments considered high risk. Carriers may do so knowing that in the event



of an accident or a claim, the carrier has the right to claim against the forwarder if, for whatever reason, the shipper cannot or does not pay the claim. Forwarders should therefore be cautious when booking shipments on behalf of shippers and be mindful that carriers may look to hold them liable if something goes wrong during the voyage.

Forwarders can take steps to manage this risk by exercising due diligence when receiving new instructions from shippers and before arranging shipments with carriers. Forwarders should consider three (3) particular risk areas: **the customer, cargo and consignee.**

- **Customer** (shipper) – Is the shipper a known and trusted (or first time) customer? Are they an experienced shipper with a good history of previous similar shipments? Is the shipper making unusual requests or giving unusual instructions? Is the shipper openly providing information regarding the shipment? Does the shipper have an established business with assets within Australia? Does the shipper have any financial debt or credit issues?

- **Cargo** – Are the goods high risk? Do the goods contain any dangerous or hazardous materials? Have the goods

been properly declared? Do the goods require any import or export permits or licences? Are the goods waste products (e.g. scrap or recycled waste)? Are the goods second-hand or used goods (e.g. personal effects, charity goods or otherwise low value goods)? Do the goods require any special handling or securing?

- **Consignee** – Is the consignee the genuine receiver of the goods? What is the nature of the consignee's business? Does the consignee provide goods or services related to the goods intended to be shipped? Is there a verified facility at the delivery destination to receive the goods? Is the consignee the same as the shipper (i.e. does the shipper intend to ship the goods to itself)? Does the overseas forwarder in the country of destination have any knowledge of the consignee?

Forwarders may also consider seeking appropriate security from shippers for high-risk shipments, for example by requesting shippers provide letters of indemnity, directors or bank guarantees, or cash deposits.

While forwarders may not be able to entirely avoid the risk of becoming liable under carriers' bills of lading for loss or damage caused by their shippers (or their shippers' goods), this risk can be reduced by exercising due diligence when assessing new bookings and, when a shipment is considered high risk, putting measures in place to ensure appropriate security. Ultimately, forwarders should be mindful of and take steps to avoid a scenario where a shipper (or its goods) causes an accident or incident, resulting in losses for the carrier, for which the forwarder is held liable and may not be able to recover from the shipper.

John Thomson is a senior claims executive at TT Club based in Sydney. With nearly two decades' experience in the transport and logistics industry, and qualifications in maritime law and workplace health and safety, John specialises in risk and liability matters and assists TT Club Members across the Oceania region.




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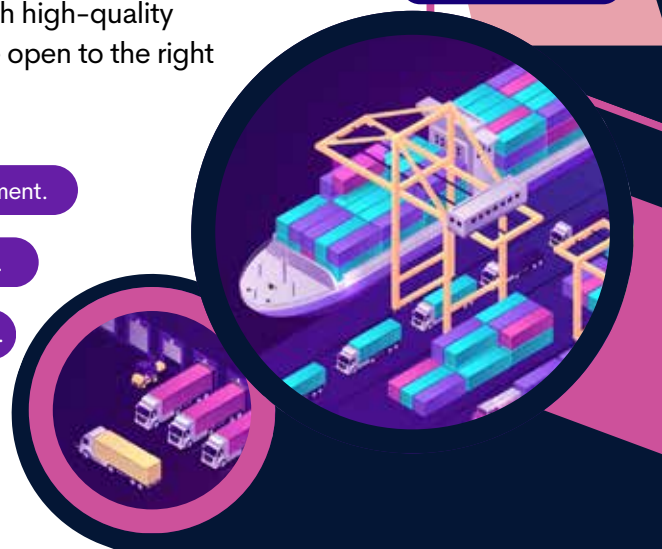
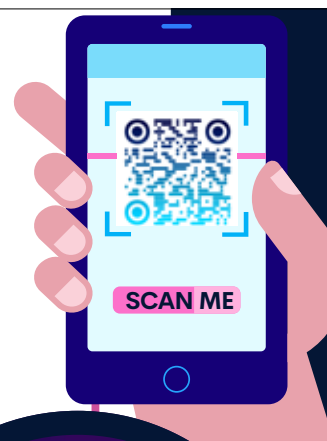
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In partnership with the FTA, OneStop empowers you to build a connected supply chain that thrives on 'Connectedness' – real time visibility, seamless collaboration, and data driven insights. Imagine being able to:

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How long can global economies withstand the range of geo-political issues

By PAUL BETTANY, Collinson FX

Central Banks have turned the corner on monetary policy, with the notable exception of the Reserve Bank of Australia (RBA), as inflation returns to targeted levels, allowing the reduction of interest rates and easing pressure. Western Central Banks are now on the cycle of interest rate reduction, as inflationary pressures dissipate, due to tough recessionary conditions. The dark cloud of record fiscal deficits and debt continues unabated and adds pressure to Governmental budgets. The crippling energy prices remain in most Western Countries. However Geo-Political events may overtake all of these issues.

Economic Conditions

The European recession has been suffered far and wide, including outside of Europe. The US has so far avoided recession, if the data is to be believed, but we are entering a critical period of time. The most important Geo-Political event, in the final quarter of 2024, may well be the US Presidential election. The outcome may determine the direction of the US economy and with it, much of the world.

Central Banks are cutting interest rates and easing monetary conditions, which is supposed to break the recession engulfing



much of the Western World. This may begin to ease pressure on the consumer, but the underlying costs are driven by energy costs and taxation. These two important cost drivers are largely determined by Government policy and regulation.

The other major threat to the global economy is Geo-Political threats, in the form of wars, which appear to be escalating across Europe, the Middle East and perhaps Asia. The Middle East is quickly degenerating into a regional war, as Iran, Lebanon and Yemen have all joined Gaza in the war on Israel. This has the potential to escalate and spread globally. This is a major threat to the world economy.

Australian Economy

The Australian economy has been suffering a severe economic downturn, highlighted by elevated interest rates, and an ever-increasing housing crisis. GDP growth has remained positive. Inflation has remained stubbornly high in Australia, forcing the RBA to maintain elevated interest rates, which has extended the difficulties for the consumer. The only reason Australia has avoided a 'technical recession' is because of record immigration, boosting GDP, however a per capita measure of GDP growth would reveal a deep recession.

The Australian Dollar

The RBA has committed to keeping rates 'higher for longer' in order to stamp out the inflation problem. This is likely to change in the New Year. The positive to be taken

from high interest rates, is that it supports the AUD currency, as interest rates drive the cross-rates.

The AUD has steadily climbed over the last six months, rising from below 0.6400 in April 2024, all the way back to October highs of 0.6900. The 'higher for longer' mantra, from the RBA, has rewarded holders of the Australian currency and this is likely set to continue. Interest rate differentials ensure that the currency will remain bid, until inflation gets back towards target levels of below 2%. Geo-Political 'Black Swan' events could change all of this, so be prepared to protect against unforeseen events.

Conclusion

The global economy has reached a new era of monetary stimulus, as Western Central Banks begin the reduction of interest rate cycle. This may ease pressures, but the fundamental causes of the inflation crises remain. The energy crisis was triggered by the war in the Ukraine and the sanctions imposed by Western Countries. This situation continues and is even worse considering the exploding war in the Middle East. The record deficit and debt, run by Western Governments, also continues unabated. The US election could be the eye of the storm and the outcome will drive the world economies. Strategic use of hedging, will ensure that FX exposures can be mitigated, while managing volatile currency moves.



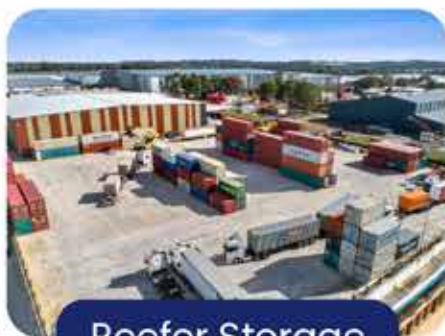


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Interview

Cutting Costs and Boosting Efficiency: How OBP is Transforming Freight Forwarding

Maryann Farrugia, the Managing Director of Offshore Business Processing (OBP), recently joined Paul Zalai, Director at Freight & Trade Alliance (FTA), for an insightful conversation about the growing importance of offshoring in the freight forwarding industry. During the interview, they delved into OBP's extensive expertise with CargoWise and how it plays a pivotal role in streamlining operations and driving efficiency for freight forwarders.

1: Paul Zalai - It is evident that OBP does more than just provide offshore solutions for freight forwarders. Can you please explain the company's broader goals and how it aims to transform the industry?

- Labor costs are typically a freight forwarders' biggest pain point. At OBP, we can save companies in countries like Australia between 60% and 80% on labor costs. Additionally, we often see a productivity gain of up to 30% because of the more disciplined work culture in the Philippines.

Freight forwarding is traditionally quite seasonal, with peak seasons starting around August. Reducing labor costs makes it less burdensome for companies to maintain employees during quieter periods. We work with over 100 freight forwarders, from top 10 global forwarders to smaller operations, allowing us to guide them on best practices for using systems like CargoWise more efficiently.

Many of our clients are surprised by our output relative to the cost. They often only consider the labor component initially but soon realise the additional efficiency gains they can achieve through offshoring with OBP.

2: Paul Zalai - OBP positions itself as a leader in CargoWise expertise. Can you explain how this expertise was developed and how it translates into tangible benefits for your clients?

- OBP is the largest WiseTech partner globally, with about eight times more consultants than the next partner. Our operational understanding, coupled

with our deep knowledge of CargoWise, gives us a significant edge.

All our trainers are CargoWise Certified Professionals. As part of our training program, our agents who work directly for our clients become certified operators within three months of going live. We have experts in various aspects of the software, including accounting, warehousing, customs, and forwarding. Our expertise is so well-regarded that multinational forwarders have used us as their global help desk, which speaks volumes about our capabilities.

3: Paul Zalai - Your consulting team is crucial in optimising CargoWise efficiency for clients. What sets your approach apart from other consultancies in the industry?

- Our consulting team doesn't just implement software; we understand how people use it operationally. We guide clients on process optimisation, SOP development, and workflow improvements. We often advise our clients in ways that might seem counterintuitive to our business model— however, we aim to help clients improve their P&L, make more money, and reduce staffing needs, whether onshore or offshore. It's about doing more jobs with fewer people, which is how you make money in freight forwarding. Our head of consulting is a Lean Six Sigma and CargoWise Certified Professional, ensuring our proficiency in providing comprehensive advice on business efficiency and expertise in the industry's leading software.

4: Paul Zalai - OBP claims to achieve significant cost savings and productivity gains for its clients. Could you elaborate on how these savings are realised and quantify the typical improvements your clients see?

- Beyond the 60-80% reduction in direct labor costs, we also eliminate many associated costs:
 - On-costs of employment (annual leave, superannuation, taxes)
 - Office space and equipment
 - IT and HR department overhead
 - Recruitment and training costs for employee turnover

We offer a fully managed service where clients provide SOPs and KPIs, and we handle everything else. This includes hiring, training, management, and meeting KPIs. If someone leaves, we are responsible for replacing and retraining at no additional cost to our clients.

5: Paul Zalai - Accuracy and speed are crucial in freight forwarding operations. How does OBP ensure its offshore teams maintain high standards in these areas, mainly when using complex systems like CargoWise?

- We implement several strategies to maintain high accuracy and speed:
 - **Focused work environment:** Our team members are not distracted by customer calls or personal phones on the operations floor.
 - **Standardised Operating Procedures (SOPs):** Unlike many onshore operations where each person might work differently, we ensure everyone follows structured processes.
 - **Quality specialists:** We have dedicated quality specialists for each team who randomly audit work to ensure adherence to SOPs.



- **Root cause analysis:** If we find an error, we conduct a thorough analysis to determine if it's an employee mistake, an SOP issue, or a problem with CargoWise usage. This helps prevent recurring errors.

6: Paul Zalai - OBP offers customised solutions for freight forwarders. Can you describe the range of services you provide and how you tailor them to meet the specific needs of different clients?

- At OBP, we cater to freight forwarders at various stages of their operational and technological journey:
 - **Those not using CargoWise who want offshoring:** We work with their existing systems while offering guidance on potential CargoWise benefits.
 - **Experienced CargoWise users seeking offshoring:** We integrate seamlessly with their workflows and often suggest optimisations based on our extensive experience.
 - **CargoWise users looking to optimise their system usage:** We provide system audits and consultancy to maximise efficiency and ROI from their CargoWise investment.
 - **New freight forwarders implementing CargoWise for the first time:** We offer end-to-end support, from initial setup to employee training and ongoing operational assistance.

Our services range from pure BPO to full implementation, training, and ongoing support. We customise our solutions based on each business's specific needs, size, and growth plans. This might include a mix of offshoring, consulting, training, and support services.

We begin each client relationship with a thorough needs assessment, developing tailored SOPs and offering flexible engagement models. Whether it's a small forwarder needing comprehensive support or a large operation requiring specialised services, our goal is to provide custom-made solutions for each client's unique situation.

7: Paul Zalai - Offshoring often comes with misconceptions. What are some common myths about offshoring in freight forwarding, and how does OBP address these concerns?

- One common misconception is that "you get what you pay for." Many expect lower quality due to lower costs, but our team often outperforms local teams.



Our employees have college degrees and work in a focused environment without distractions like mobile phones.

Our state-of-the-art facilities in Manila and our cultivated positive culture often surprise clients. They're also impressed by our stringent security protocols and data management practices, which usually exceed their local standards.

8: Paul Zalai - How does OBP educate potential clients on the benefits of offshoring?

- Most potential clients already understand the general benefits of offshoring, but many want to visit our office to feel our culture, see the working environment, and meet the team that runs OBP. After seeing our operations firsthand, they often realise that our services exceed their expectations.

Clients may not initially realise some long-term advantages, like the ease of replacing employees without the costs of rehiring or retraining. These benefits become apparent once they start using OBP's services. We encourage clients to start small, perhaps with one or two roles, to experience offshoring firsthand. If satisfied, they can gradually expand their offshoring efforts.

9: Paul Zalai - How has OBP adapted its services to meet evolving industry challenges?

- When OBP began, there was no consulting team. A few years in, we created one to help clients struggling with writing SOPs and using CargoWise. Additionally, we established a training department to ensure our team became CargoWise Certified Operators, allowing clients to qualify for discounts from WiseTech. We're continuously developing strategies to support our team and clients, ensuring we stay responsive to industry needs.

10: Paul Zalai - The freight forwarding industry is constantly evolving. How does OBP stay ahead of industry trends and continue to offer innovative solutions?

- We stay connected with industry associations like FTA and collaborate on issues like new customs laws. We attend conferences like the WiseTech Service Partner Conference in Belgium to learn about future developments in CargoWise, such as NEO and Shipamax. This allows us to share valuable information with our clients and prepare for upcoming industry changes.

11: Paul Zalai - Looking to the future, what new services or developments is OBP planning for the freight forwarding industry?

- We are currently focusing on two major areas:
 - **AI integration:** We are working with WiseTech on their Shipamax product, which we will offer to our clients once it's ready for market. As the exclusive BPO for Shipamax, we believe this AI solution will best fit CargoWise users.
 - **Tracking systems:** We're helping clients implement CargoWise's new tracking system, Neo, which is generating significant interest in the industry.

12: Paul Zalai - As OBP grows and takes on larger clients, how do you maintain the quality of your services and ensure consistent performance across different scales of operation?

- Our deep understanding of CargoWise, BPO operations, Philippine culture, and the freight forwarding industry allows us to structure teams effectively for clients of all sizes. We provide dedicated resources for larger clients such as operations managers, team managers, team leaders, quality specialists, and trainers. Our approach remains consistent regardless of client size, ensuring high-quality service. This comprehensive understanding is why we can make complex operations look easy, even as we scale for larger clients.





While rail freight plays an essential role in the supply chain and moving goods from paddock to port, it is yet to reach its full potential in Australia.

By GEORGIA NICHOLLS, General Manager Rail Freight & Heavy Haul – Australian Railway Association

Australia stands to greatly benefit from increasing rail's share of our significant and growing freight task.

Transport is the country's second highest emitting sector by volume and, without intervention, is projected to be the largest source of emissions by 2030¹.

Meanwhile, rail freight produces 16 times less carbon pollution than road per tkm and road accident costs are 20 times higher than rail for every tkm according to the ARA's Value of Rail 2020 report². Rail freight also generates 92 per cent less PM10 than road freight for each tkm.

Rail contributes up to 56 per cent of the national freight task and is forecast to meet almost three quarters of the growth in demand over the next decade. However, this is predominately made up of bulk commodities.

Australia urgently requires a more reliable, efficient and sustainable rail freight network to harness the significant environmental and safety benefits.

Last year, the ARA together with the Freight on Rail Group (FORG) and Federal Department of Infrastructure (DITRDCA), delivered a landmark research project that identifies the barriers hampering rail freight productivity and provides solutions to increasing mode share.

A lack of interoperability is identified as the single most significant drain on productivity for the rail freight sector, directly contributing to the cost of operating rail freight services, reducing operational efficiency and flexibility, dampening the uptake of new technology and pace of innovation, and ultimately hampering its competitiveness.

Rail freight is considerably constrained by the differences which exist between networks, both across and within states, of which there are nine that facilitate intermodal freight movements.

For example, to operate locomotives and wagons on a given network, a complex approval process is imposed which differs between networks and often requires rollingstock to be physically tested.

This is important because very few freight journeys from origin to destination occur on a single network.

This makes it difficult for global or local manufacturers to bring new technology to the Australian market, constrains where given rollingstock as part of a national fleet can operate across the country, increases service costs and dampens competition.

The Federal Government is focused on addressing these major barriers and last year made the historic decision that improving rail interoperability be a National Cabinet priority, representing a major turning point for industry.

Rail freight resilience

The Future of Freight report notes that reliability is one of the most important criteria for freight customers.

If governments are committed to encouraging an increase of freight being moved by rail, to realise the environment, community and health benefits, network resilience must also be a key focus.

Over the past few years, we have seen the devastating impacts of severe weather events on the rail freight network resulting in significant disruptions to national supply chains and ultimately to the long-term reputation of the rail freight sector.

For example, in the past 18 months, there was a complete loss of rail access to and from Port Kembla for almost a month, cutting off supply chains to and from BlueScope steel and Manildra's Bomaderry mill, and blocked access to export markets for grain producers in the NSW Riverina and Central West.

There were also delays to critical international grain exports shipped from NSW ports due to the flooding that damaged the connecting rail infrastructure. This damage included a washaway on the Unanderra to Moss Vale line, which closed the line for seven months and two separate washaways on the Blue Mountains closed the Main West line for over six weeks.

More broadly, the main rail freight line connecting the east coast and west coast of Australia was flooded in 2022 and closed for 24 days, with a direct economic impact of \$320 million (or \$13 million per day).

It is encouraging to see over \$1 billion of critical investment from the Australian Government and the Australian Rail Track Corporation (ARTC) in the 2024-2025 Federal Budget to upgrade critical vulnerabilities on the ARTC interstate network with a focus on resilience and reliability.

The Future of Rail Freight

Despite these constraints, rail is undergoing an unprecedented boom in infrastructure investment. Rail construction and maintenance activity in Australia rose to a record \$12.9 billion in 2021-22, with activity forecast to average \$14.4 billion over the next five years.

It is timely that Victoria, Qld, NSW and the Federal Government are all reviewing their freight policies.

The ARA has advanced a series of evidence-based recommendations to these reviews, based on the findings from the Future of Freight report, including the importance of transparent performance targets and reporting regarding track quality, freight facilitation, capacity, utilisation and access to shared infrastructure.

These reviews provide an opportunity for long-lasting reform to create a more resilient, robust and thriving rail freight industry and we look forward to the outcomes of this important work.

¹ <https://www.dceew.gov.au/climate-change/publications/australias-emissions-projections-2022#daff-page-main>
² <https://ara.net.au/wp-content/uploads/REPORT-ValueofRail2020-1.pdf>

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Understanding STCs, T&Cs and Managing Liability: A Forwarder's Perspective

By JAMES COTIS, Principal – Logical Insurance Brokers

Following our Across Borders Magazine article in Edition 1 of 2023 regarding Standard Trading Terms and Conditions (STCs), we continue to receive many inquiries from Freight Forwarders (Forwarders) about the operation of their STCs, House Bills of Lading (HBLs), House Airway Bills (HAWBs) and the interaction of these important documents with local third-party service providers' Terms and Conditions (T&Cs).

It remains our contention that whilst Forwarders are not expected to have an intimate knowledge of these documents, it is important to understand the basics as it will hold them in good stead when dealing with incidents which arise during the movement of cargoes.

Case studies are often a great way to illustrate these concepts.

So, let's take the case of a Western Australian based Forwarder who contacted us earlier this year.

They had been grappling with an incident which arose last year (June 2023). The Forwarder is an SME, and their customer is an Australian based Large Multinational Corporation (LMC).

After initial discussions with the Forwarder, we were able to ascertain the following basic facts. For the sake of brevity, we have excluded much of the detail, noting the salient points only.



LMC contracted the Forwarder to arrange for a large piece of fragile electrical equipment (the cargo) to be freighted by air from China to Perth and arrange local collection & delivery of the cargo to final destination. The cargo was valued at c. USD\$1 million.

The Forwarder's services were provided subject to the Forwarder's STCs, which were properly incorporated with the LMC. Based on the information provided by the Forwarder, it appeared they were acting as agents of the LMC.

The actual carrier of the cargo was an international airline, who issued the Master Air Waybill (MAWB), which named the LMC as the consignee.

The cargo arrived safely at Perth airport.

The Forwarder contracted a local co-loader services provider to act for them to store and then transport the cargo to final destination, subject to their T&Cs. The co-loader then engaged a subcontractor to collect the cargo from the international airline and move it to the subcontractor's Bond Store, subject to their T&Cs.

The cargo arrived by truck to the subcontractor's Bond Store for unloading and storage. An attempt was made to unload the cargo using a forklift operated by an employee of the subcontractor. During the unloading process, the forklift overbalanced, causing it to topple forward, and the cargo fall and drop to the ground, hitting the side of the truck on the way down.

After a full inspection of the damaged cargo by specialists, it was found to be repairable, at a cost of c. USD250,000. The forwarder understood that the LMC didn't hold cargo insurance, or if they did, they carried a large risk retention, e.g. a high deductible, higher than USD250,000.

Following an investigation into the incident, it was found that although the forklift operator was experienced, the documentation wasn't properly checked leading to the use of an incorrect weight capacity forklift being utilised, i.e. the cargo was too heavy for the forklift being used. The service provider noted that the crate carrying the cargo did not have its weight noted on the exterior, (only on the documentation) which they believed

contributed to the accident. Such a simple oversight, which lead to significant property damage. Luckily, no persons were in close proximity during the unloading, so no harm done, however, the injuries could have been catastrophic if the cargo fell on someone.

Following the accident, there were a flurry of emails & telephone calls containing allegations, claims & counter claims between the parties attempting to determine who was at fault. The correspondence eventually diminished, and it was thought that the LMC had resolved the matter with the subcontractor and/or the co-loader.

The Forwarder closed their file.

Many months later, the Forwarder received payment demands for the repair costs (which were finalised at USD256,000) from the LMC via their lawyers (who were based in North America).

The Forwarder responded to the LMC's lawyers, noting that the cargo was damaged whilst in the care of the co-loader's subcontractors and they have passed on the demands to the co-loader and their sub-contractors.

The LMC's lawyers responded insisting that the damage was sustained whilst under the Forwarder's care and threatened legal action if the payment demands were not settled within 30 days.

Subsequently, the Forwarder received responses from both the co-loader and their subcontractor denying liability based on their respective T&Cs which contained full exclusions of liability¹.

That's when the Forwarder contacted us. They were seeking guidance as how to best handle the situation.

We recommended that the Forwarder lodge a notification with their liability insurers for their consideration as they would be able to assist them.

In the meantime, we noted that the Forwarder appeared to be only acting as agents of the LMC and should not have any liability. We suggested that the Forwarder communicate that to the LMC's lawyers and share a copy of the incorporated STCs in support of their position. We further suggested that the Forwarder direct the LMC's lawyers to the co-loader's subcontractors.

Based on the documentation to hand, it appeared that the Forwarder was not liable, and the co-loader & subcontractor's T&Cs excluded all liability.

When this was communicated to the LMC's lawyers, the Forwarder received a phone call from the LMC expressing their displeasure at the outcome. The LMC threatened legal action to test those positions.

Understandably, the Forwarder was concerned about entering into a lengthy legal battle with the LMC as they were long-standing large customers. There was also the distinct possibility that LMC would leave the Forwarder, irrespective of whether legal proceedings were commenced.

Although we suggested that the Forwarder should avoid becoming caught up in the claim, we understood their position as sometimes Forwarders face the often-unpalatable prospect of having to make commercial settlement offers to their customers. These offers are made on a "goodwill" basis and are not part of liability insurance coverage.

We further suggested that if the Forwarder wished to pursue this course of action, they should contact the co-loader & their subcontractor to determine if they would participate.

We also recommended that the Forwarder seek appropriate legal advice prior to embarking on a course of action.

At the time of writing, the Forwarder was in discussions / negotiations with the co-loader and their subcontractor to craft an acceptable "goodwill" offer to the LMC.

Key takeaways:

- Forwarders need to clearly define their role, whether acting as an agent or principal (sometimes both), to establish the boundaries of their liability;

- Risk Management is essential.

Maintaining comprehensive registers and documentation, including Forwarder's own STCs and the T&Cs of subcontractors is good practice. This will help protect against claims & legal disputes;

- **Cargo insurance is necessary.** Ask customers about the cargo insurance arrangements they have in place. Customers who do not hold cargo insurance or carry large deductibles if they do, may be a risk flag for further discussion/investigation;

- **Balance of Legal and Commercial Interests.** Even when not legally liable, Forwarders may face pressure to preserve business relationships, leading to difficult decisions like offering goodwill settlements;

- **Attention to detail.** Simple oversight, such as incorrect weight markings (or no markings) on cargo can lead to costly accidents, underscoring the importance of accuracy and diligence in cargo handling.

Understanding these fundamentals can help Forwarders mitigate risks and navigate the legal complexities of cargo transportation more effectively.

1. Had this incident occurred post introduction of the Unfair Contract Terms (UCT) regime in November 2023, the LMC might consider whether the UCT provisions would have applied to the co-loader and their subcontractor's full exclusion of liability.

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.

Disclaimer:

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

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With Growth Comes Cyber Risk

By JONATHAN SHARROCK, Chief Executive Officer – Cyber Citadel

The logistics sector has recovered well from the pandemic years by implementing new, technology-driven, strategies to improve supply chain efficiency. Automation in shipping and intelligent transport systems, implementation of IoT devices and supply chain monitoring are key examples. However, **the path to growth is not without risk**; these new strategies present a double-edged sword in terms of cybersecurity.

Our message: **the risk is real – proceed with caution and preparation.**

IBM reported this year that the average cost of a data breach has hit a record 4.88 million USD, a 10% jump on the previous year¹. Supply chain breaches, OT/IoT security compromise, migration to cloud environments and remote workforces were all listed in their top eight factors increasing the cost of breaches. All extremely relevant to the logistics sector. Verizon reported that this year 15% of their recorded data breaches involved supply chain interconnections, a 6% rise on the previous year². This highlights not only the **rising frequency of cyber attacks** but, the **rising cost of breaches** as well.

This must be addressed to safeguard continued growth.

In response, the **EU passed region-wide legislation aiming for common cybersecurity standards**. The latest update – the Network and Information Security (NIS) Directive 2 (NIS2) – came into force in January last year and mandated member states to reflect this in national laws by **October 2024**³. This effectively means organisations must comply with the Directive by this time.

Companies must start by **obtaining a better understanding of their attack surface and their assets**. Digital transformation increases the number of vulnerable entry points as well as the amount of valuable data available to threat actors but, **you can't protect what you don't know you have**.

It is also important to **understand your supply chain dependencies** and their associated risks. Mitigating these risks should **focus on building in resilience**. Continuous monitoring enables the rapid detection of unusual activity and following up, by isolating any malicious action, can ensure minimal fallout. Segmenting vulnerable OT/IoT away from the wider network and ensuring data backups are not actively connected to the network (and having an additional offline copy) can help with these goals.

Resilience is also built in at an organisational level. Businesses overly reliant on one supplier for critical processes or essential services risk

catastrophic operations failure should that supplier be compromised. Similarly, if many of your business partners or third-party providers rely on a common 'fourth' party (such as a software service), a compromise in that party could widely affect your operations. Building in **backup services or having some level of operational redundancy can help to alleviate these risks** and contain operational failure.

Perhaps the biggest trend, across industries, is the rising use of generative AI (genAI). Automation and AI implementation can be extremely powerful tools, both in increasing business productivity and in the defence against a cyber-attack. In fact, unlike other technological adoptions, IBM listed the introduction of AI-driven insights as the second biggest factor in reducing the cost of a data breach⁴. But **AI must not be used blindly**: it is not the solution, but rather an effective means to the solution. **Having underlying knowledge of the problem is essential** – whether it is about cybersecurity or anything else. If training your own machine learning models, **ensure training data sets are encrypted, kept secure and separated** from other operational databases. **Training datasets are treasure troves for cyber threat actors** looking to illegally trade data on the dark web.

¹ IBM Corporation Cost of a Data Breach Report, 2024 (<https://www.ibm.com/reports/data-breach>)

² Verizon Data Breaches Investigation Report, 2024 (www.verizon.com/business/resources/dbir)

³ The NIS2 Directive ([https://www.europarl.europa.eu/thinktank/en/document/EPRS_BRI\(2021\)689333](https://www.europarl.europa.eu/thinktank/en/document/EPRS_BRI(2021)689333))

⁴ IBM Corporation Cost of a Data Breach Report, 2024 (<https://www.ibm.com/reports/data-breach>)

Whilst AI-driven insights are the second biggest mitigator of breach costs, **the biggest mitigator was employee training**. As of June, phishing scams alone constitute over half of all cyber attacks worldwide⁵ and this is just one social engineering approach. Although genAI has not broadly contributed to the sophistication of cyber attacks, social engineering is one approach for which it has made a difference.

This technology has allowed threat actors to analyse and replicate the tone and language used in company communications to launch convincing business email compromise (BEC) attacks. Spoofing, the impersonation of a trusted entity, has become extremely difficult to detect now that audio-visual deep fakes are easily producible. This has enabled effective personalised phishing and whaling campaigns.

Whilst 'flagging' and quarantine tools like those in Microsoft Outlook help reduce the rate of human error (such as mis-clicking),

effective staff training is the only realistic way to reduce the success of social engineering attacks. Staff need to **understand the risk, recognise malicious communications and be signposted** to the relevant cybersecurity staff if they are unsure or wish to report a malicious interaction. The stigma around owning up to this must be removed.

The logistics sector has recovered from the pandemic with speed and efficiency by making use of new technology. This is fantastic for the industry and for economies worldwide, but **organisations must acknowledge the associated cyber risk and act now** to mitigate it. Threats will be targeting supply chains and third-party weak links, as well as exploiting human error. By understanding your assets, and attack surface, and building organisational resilience through supply chain reinforcement and employee training, we are confident that the logistics industry can defend itself from emerging cyber threats.

We are excited to announce that Cyber Citadel has partnered with WiseTech Academy to offer specialised employee training in cybersecurity.

1. Cybersecurity Awareness – This course covers essential cybersecurity practices, helping employees identify risks and follow best practices to safeguard sensitive information and systems.

2. Cyber Attack Prevention – Phishing – Focused on one of the most common and dangerous attack vectors, phishing, this course teaches employees how to spot and respond to phishing attempts. By understanding the tactics used in phishing schemes, employees will be better prepared to protect themselves and the company from potential breaches. Both courses are now available through WiseTech Academy - <https://wisetechacademy.com/>.

These programs are a key part of our efforts to build a more secure and informed workforce, empowering employees with the tools and knowledge they need to defend against modern cybersecurity threats.

⁵ <https://www.statista.com/outlook/tmo/cybersecurity/worldwide#cybercrime>

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Mitigating losses: what you need to know

By KASIA CZARNOTA, Associate - Mills Oakley

Every day, thousands of goods enter and exit Australia. Usually, they arrive at their intended destination in good condition. However, sometimes they arrive damaged, or they do not arrive at all. Where the damage or loss of goods is caused by the carrier's wrongdoing, the owner of the goods cannot sit around waiting for the carrier to sort out the problem and must "mitigate" or avoid their losses if they want to bring a claim against the carrier.

What is "mitigation"?

You may already be familiar with a similar concept known as "salvage", which refers to saving valuable parts of damaged goods. Mitigation refers to the steps taken to reduce or minimise losses more broadly. These steps are not limited to repairing or disposing of damaged goods but extend to steps taken to avoid or minimise the consequential losses, for example, quickly repairing damaged equipment, finding replacement goods or selling the goods in a new market.

Mitigation and damages

The courts will only award damages for losses which the innocent party could not reasonably avoid. This is known as the "avoidable loss rule." The rule does not expect owners of damaged goods to take every possible step to mitigate their losses, but only those which are reasonable. The owner of damaged goods may also recover the cost of steps taken to mitigate their losses (whether or not they are successful) from the carrier that damaged the goods. However, if the mitigation is successful the losses are reduced, that saving reduces the overall claim against the carrier.

There is only one standard for mitigation: reasonableness. Mitigation does not require steps that are costly, complex or extravagant. But what is or is not reasonable will always depend on the circumstances. I discuss some of the different, interrelated circumstances that determine what you reasonably need to do to mitigate your losses.

Nature of goods

Once damaged, some goods can be sold at discount or to a different market than originally intended. The owner might renegotiate the sales contract, find another market for the goods, process the goods into a new product, or strip large components for valuable parts and sell them.

Where goods are commonly available in the market, the owner of damaged goods is usually expected to purchase replacements to mitigate their losses. In these cases, the loss will be calculated as the difference between what would have been spent (or profited) if there was no damage, and the amount actually spent (or profited) as a result of the damage.

The nature of goods might also complicate or prevent mitigation. For example, goods subject to strict regulations like food or pharmaceuticals, fragile technology or rare or luxury products might not have a second market or may not be capable of replacement or repair. The "reasonableness" test means a party is not expected to sell faulty goods against the law or sell to a black market to mitigate their losses.

Nature of damage

Different types of damage may also be easier or harder to mitigate. For example, temperature fluctuations in a faulty reefer container might cause a whole consignment to be unusable. However, it might be possible and reasonable to remove a contaminant from a consignment of chemicals or to repair hail damage to cars before they are used or on-sold.



It may be necessary to conduct tests on the consignment first before determining if mitigation even is possible. The cost of testing or assessing potential mitigation options is also recoverable.

Resources available

What is a reasonable action will also depend on the resources available, including available funds, specialist equipment or expertise. A well-resourced customer, or a container yard with advanced facilities might be able to take steps that are not possible or practical for someone who is poorly resourced or is situated in a remote location. However, the owner of the goods with limited resources may still be acting unreasonably if they become aware of the damage and make the loss worse.

Commercial reputation

A party is not expected to mitigate their losses if doing so would put their commercial reputation at risk.

“ The courts will only award damages for losses which the innocent party could not reasonably avoid. This is known as the “avoidable loss rule” ”

Conclusion

Once you realise that your goods are damaged or missing, you need to consider how that loss might be mitigated based on the nature of the goods, the type of damage, the resources available and your commercial reputation if you take such steps. Doing this not only

protects you from consequential losses but will also shore up any potential claim against the party responsible for the loss to prevent the carrier for rejecting part of your claim under the “avoidable loss” rule.

When you discover damage to goods, you should notify your insurer and the carrier at the earliest opportunity and give them the chance to inspect the damaged goods before you mitigate your loss (unless mitigation cannot be delayed). While the carrier is not obliged to inspect the goods, they may make (sometimes helpful) suggestions on how to mitigate the loss and you will minimise any disputes further down the track.



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Views from the Southern Land

By **BRETT CHARLTON**, Principal – The Ship Consulting | Regional Representative, Tasmania – FTA & APSA

First things first, and don't get me wrong, I can certainly see how it appears, but contrary to the narrative I hear when I focus back on ships and such, I have not retired. I have however swapped my ironed shirt for a flannelette and my desk has a better view – the Tasman Sea off the East Coast of Tasmania. To be fair, my focus has been predominantly on chickens and chainsaws (not related) for the last six months as I have taken advantage of that mythical long service leave that I watched accumulate over the years. But whilst the utopia of coastal life as it has been for the last six months is appealing, apparently toys don't come for free, so I am back in the saddle, admittedly in a somewhat different direction.

So here's the plug....."The Ship – Consulting" is operational now and open for projects. In my mind thirty odd years of shipping and logistics with the various roles I have had during that time has a network and mind hive of knowledge that can be re-tasked away from KPI's, budgets, staff and the like to focus on outcomes that make a difference. Couple that with now being the representative for the Freight & Trade Alliance (FTA) and the Australian Peak Shippers Association (APSA) in Tasmania there is a lifestyle of contributing to the greater good to be had – with the bonus of fresh eggs and a Sea to look at. I will only do one project at a time so drop me a line if you don't have the time to address something yourself and want results. Plug over.

Whilst I have been somewhat distracted over the last months, I guess that you truly can't escape the world as it is out there and I find myself reading reports,

FTA commentary and being somewhat addicted to Sal Mercogliano's YouTube channel "What's going on in shipping". I am also on a board that needs me to be aware. It is a different perspective however when you are not "amongst" it and have the privilege to be a witness of the goings on without the panic of some corporate "adjusting" through the constant jungle of chaos that continually plagues our industry to manoeuvre your way (be it the one you work for or the folk you represent).

Tasmania is not without its share of challenges of course. Being an island at the end of the chain and an expensive and somewhat hectic bit of water between us and that other island to the north, there are additional layers to navigate. I guess that is a good segway into the current suite of contemplations to the current situation down here.....

Tasmania has a new set of ferries coming our way. The Spirit of Tasmania IV and V are being built in Finland as I write (one nearly finished). Impressive vessels and when I was Chair of the Tasmanian Logistics Committee, I was briefed on these at Devonport with models and plans with TT Line management. From a freight point of view, it was exciting as there were decks allocated to trucks and a dedicated lane for swift discharge in the plans. Significant new capacity for freight added to the competitive piece as well as volume security particularly for overnight perishables (with expanding agriculture and aquaculture down here, time to market improvements are always welcomed). Unfortunately (and I will probably upset some folk here), it appears that the glare of the white and red shiny new ships obstructed the somewhat important aspect of having berths to tie them up too and as a result the ships will be either parked somewhere until it is built or run under capacity until they can get a move on and get it built.

There is more too it I am sure, but so far, the Chairman and CEO of TT Line have resigned as well as the Minister for Infrastructure for the Tasmanian Government due to perceptions of inadequate focus. Plus, the quite relevant fact that quite some additional millions from the original budget need to be added to the bottom line. Whilst there will be those that will have defensive commentary on this, to the layman it looks quite messy and disappointing.

At time of writing, The Tasmanian Freight Equalisation Scheme (TFES) is under senate review with a select committee set up to consider submissions from industry and recommend the direction of the scheme. This scheme is important to Tasmanian trade and the review is welcomed by all stakeholders. "The Ship – Consulting" on behalf of FTA, APSA and the Tasmanian Agricultural Productivity Group has submitted a publicly available paper that can be downloaded off the official select committee government website. In short, we have outlined the contributing factors that have led to cost increase in freight for Tasmanian traders as well as some commentary around sustainability and suggestions for additional considerations to the scheme. For anyone that has any related interests in Tasmania, the findings will be presented before or on the 26 November 2024 – if transport to and from Tasmania is important to you, you should be tuned into these findings as they will shape the future of the TFES.

If you are ever down Binalong Bay way in Tasmania, look me up and come out for a coffee on the deck. Otherwise, I will be here either collecting eggs, using the chainsaw or working on solutions to make this chaos a little more bearable for those that need it.



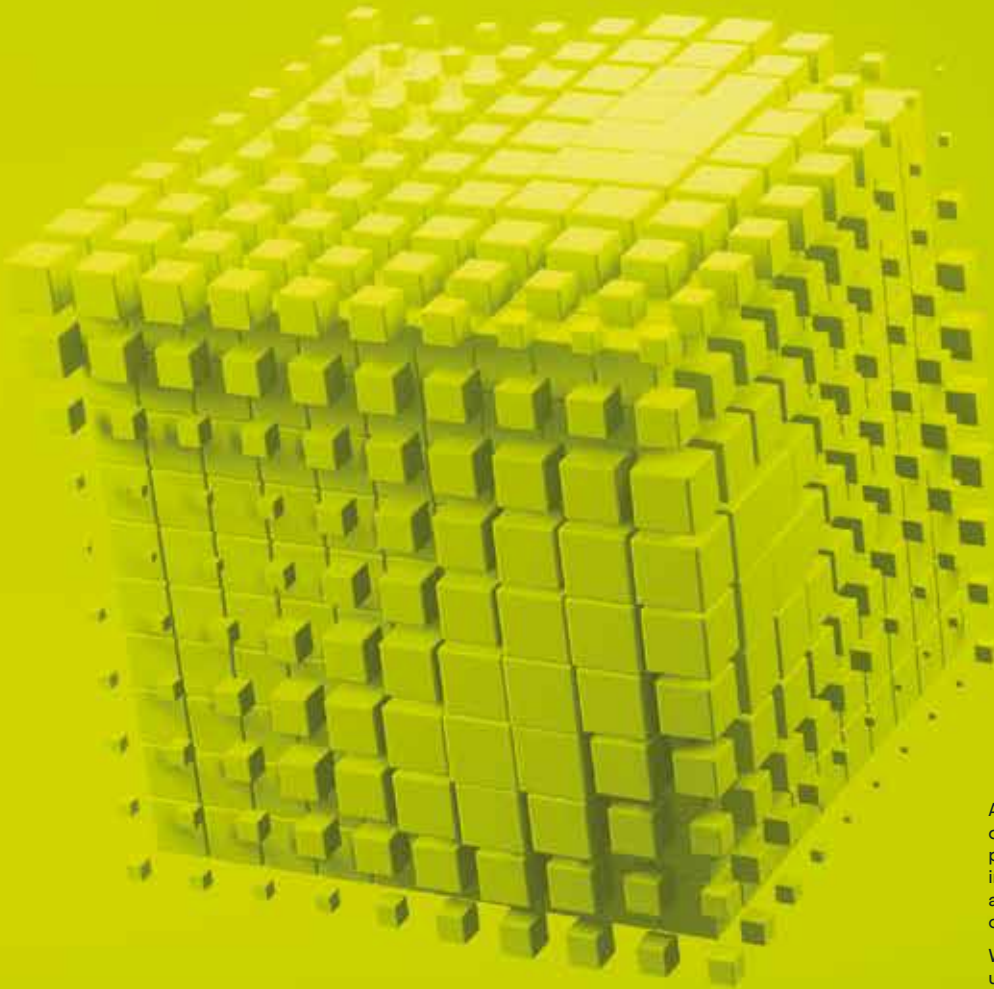


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Interview

How Wymap makes it happen as the sectors only specialist recruiter

John Park, Head of Business Operations – Freight & Trade Alliance recently sat down with Wymap’s Group Head of Strategy and Growth - Tiffany Craig, about what’s happening with the expansion of Wymap’s aviation recruitment service.

1. John Park - Wymap Group has been running its recruitment services for several years now, can you give us some background.

Wymap has actually been in the people solutions business since 2001, initially operating as Bailey Personnel.

In 2020, we rebranded to Wymap People. With nearly 25 years of experience, we’re the only recruiter that specialises entirely in the aviation services sector.

As the aviation industry evolves, we’ve seen the opportunities in the sector grow.

Airlines, freight forwarders and cargo handlers need skilled staff - sometimes they need an entire team on a casual or contract basis. We make that happen for them. Our expertise allows us to find the right people quickly, vet them and get them onboarded.

Over the past couple of years, we’ve also been changing our delivery model. We’ve expanded our recruitment operations from Sydney to Melbourne, Brisbane, Perth and soon, New Zealand. It’s made us more responsive to our clients in different locations and, as a result, the business has grown.

2. John Park - What makes your recruitment process different to others?

We know aviation inside and out. We know every role in the aviation supply chain, the skillset, experience, compliance, and accreditations needed to ensure the job is done right.

As Wymap Group operates across every major airport in Australia and New Zealand, we have the connections and the on-the-ground knowledge to understand the market in every major city and state.

It means that from the start, we understand what we need from applicants. It cuts time and our clients know that our standards are high.

Given we’ve been doing this since 2001, we’re also well-practised in how to onboard people and teams so they hit the ground running for the major airline operators. It’s experience that counts.

As we’ve grown, most recently adding Christchurch to Wymap’s operational scope, we’ve been expanding our Wymap People team to ensure we are well-resourced to not only find suitable staff and teams, but can onboard them efficiently as well.

3. John Park - How has the industry changed over the years in terms of the skills needed and what challenges does that present to the industry, and Wymap People?

We’ve seen an increase in demand for white collar roles. The industry has become more sophisticated and dynamic, particularly post-Covid. So, along with operational roles, Wymap People now also supports clients in white collar placements such as Professional and Technical, Automation, Executive and Finance and IT.

This means as well as our casual or contract recruitment, we’re doing more permanent placements, finding our clients the right long-term fit for talent.

We’re also seeing more women enter the industry, especially in white collar roles. This is a good shift, and the more we can demonstrate the diversity of opportunities that an aviation career can offer, the better.

We see it as part of our role to fly the flag for the sector. As more people understand how dynamic and interesting work in aviation can be, the higher the quality of candidates and talent we attract - it’s something we actively talk about and promote.

4. John Park - Wymap has long used its ‘Make it happen’ tagline and has a strong reputation in the industry for doing just that. How do you ensure that carries over to the people you are recruiting?

We understand the highly regulated nature of the aviation logistics industry, so compliance and safety are key from the outset in our recruitment process. Every candidate is thoroughly vetted to meet all necessary regulations and safety standards.



Beyond that, we look for individuals who share Wymap's 'we make it happen' ethos. We look for people who not only have the technical expertise but also the mindset of taking initiative, solving problems, and going the extra mile to deliver results.

Our onboarding and training programs reinforce this mindset by instilling a culture of accountability and continuous improvement. We want every team member to be empowered to meet our clients' needs while adhering to the high safety and efficient standards that Wymap is known for.

5 John Park - How does Wymap support clients during major projects, especially regarding recruitment needs?

This is where our experience comes in. Wymap's many years of experience in aviation services means we truly understand the operational requirements for major aviation and freight service providers, particularly when they need to scale up and require bulk recruitment,

yet maintain the highest safety and compliance standards.

Flexibility is crucial, and Wymap Group as a whole excels at delivering that, along with our strong customer service mentality. Things can change and move very quickly so you need to be able to provide tailored solutions.

And that ability needs to take into account really different types of recruitment services, from permanent through to temporary or casual roles, and bulk recruitment.

For example, we've recruited for very specific roles like wheelchair support assistance staff and onboarded check-in staff, right through to running a bulk recruitment process for one of the world's largest air service providers, who needed 250 staff quickly.

With that particular job, we managed it end-to-end, from the advertising to screening and onboarding, and did it all out of our premises, which meant the client could get on with their day to day, while we took care of the recruitment.

We were able to scale up and fast-track screening and onboarding to get the people needed, without compromising on standards needed for the client or the industry.

Adapting to what the client needs, and where they need us in the process, and having that ability to scale, is what makes us different. We provide high quality people solutions that work, and we do it well.



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Is Australia's weak stance on climate change impacting our international standing and our leadership in the Pacific?

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

Australia expends significant effort in maintaining an influential role in the Pacific Islands, an influence which is critical for both national and regional security. A security which in turn is essential to maintaining our trade routes and our own supply-chain resilience. However, despite our Prime Minister's 'exemplar' efforts at the recent Pacific Islands Leaders forum in Tonga, where Australia committed to some climate resilience initiatives, it appears our actions speak louder than our words. The subsequent approval of three major coal mine expansions has more than irked our Pacific partners. There have since been multiple articles circulating after some senior Pacific island diplomats voiced their views including Tuvalu's Climate Minister Dr Maina Talia who stated that the three approvals represent an additional 1.3bn tonnes of carbon emissions which would not have got into the atmosphere otherwise. Dr Talia told the Guardian Australia¹ that this action calls into question our claim to be a 'member of the Pacific family' and undermines our chances to co-host COP31.

When faced with annihilation of their low-lying lands, we may be chasing them into another's arms.

Regardless of your views on the extent to which we should be taking urgent and meaningful action on climate change, most would agree that regional security in terms of maritime security and supply-chain resilience do require urgent and meaningful action. Our current stance seems to be that we will be the ambulance at the bottom of the cliff, once they are drowning, perhaps we will give them passports, or we help them find some higher islands. This is clearly not what they (or indeed anyone) would want. What the Pacific islands unfortunately see when we continue to increase our emissions is a 'member of the Pacific family' who is bailing the boat the wrong way.

We can't blame our politicians for approving a coal mine expansion because it is the voters who have made it untenable for them not to do so. The jobs and economic benefit are too tempting, and we cannot be weaned off easily.

China is decarbonising fast, certainly many times faster than us.

It's said of socialism that it makes people equally poor, and capitalism makes people unequally rich, however there is no doubt that China's political system can handle and promote transition a lot better than ours. This action may not have gone unnoticed by our Pacific partners, tempted perhaps to follow the Solomon Islands in formalising closer ties to China.

Protecting our trade with China from China.

There is a particularly brilliant Utopia episode (S3E7) whereby the seeming nonsense of protecting trade from a potential threat from our biggest trading partner makes for great satire however in reality it's quite normal for your biggest threat to be from your largest trading partner, the mutual vulnerability you both expose yourselves to from the act of trading much-needed goods for much-needed money.

We need the Pacific in our corner and our actions need to speak louder than our words.

We can't keep up a crocodile smile whilst increasing the coal vessels which are steaming past the very low-lying islands that climate change imminently threatens. A moratorium on thermal coal mining

approvals at the least would send a clear message. Even better, Australia spearheading the establishment of an 'Organisation of Coal Exporting Nations' akin to OPEC but with the remit of coal de-proliferation would be a far more logical move than our current clean shop-front dirty back-office strategy. In fact, reducing the global supply of coal will drive up prices and produce significant returns which can be used to super-charge large scale decarb projects in both our and developing economies. Perhaps the last thing fossil fuels will do for us will be to sling-shot non-fossil fuel alternatives into the mainstream, but we can't do it alone, we need strong international standing, and diplomatic respect to get it done.

Note: Views expressed in this article are the authors own and not of GHD.

Tristan Anderson is an Executive Advisor at GHD Advisory and frequently engages in national debates ranging from decarbonisation, systemic risk issues, future energy and supply-chain development. Tristan has increasingly been working at the intersection between supply-chain resilience, energy transition, and policy.

¹ <https://www.theguardian.com/environment/2024/oct/01/australia-coalmine-decision-akin-to-drowning-its-pacific-neighbours-tuvalu-climate-minister-says>

ACFS Port Logistics “Better Way Program” – Sustainability Initiative

ACFS Port Logistics is excited to collaborate with Daimler Trucks Brisbane and Gold Coast and be the first company in Australia to pilot the heavy vehicle range Electric Truck.

As part of the “ACFS Better Way” program, this partnership and significant milestone marks our commitment to sustainability and innovation in the logistics industry.

Why the Mercedes eActros?

The eActros is not just a truck; it's a symbol of our dedication to quality and reducing our carbon footprint, while embracing greener technologies. Here are some key benefits that this electric truck brings to the market:

- **Environmental Sustainability:** The Mercedes eActros operates on electric power, producing zero tailpipe emissions. This is a major step towards reducing air pollution in our communities and contributing to a healthier planet. By transitioning to electric vehicles, we are taking proactive measures to combat climate change.
- **Quiet Operations:** One of the standout features of the Mercedes eActros are its quiet operation. This not only enhances the working environment for our team but also minimises noise pollution, making our logistics operations less intrusive to surrounding communities.
- **Enhanced Performance:** The Mercedes eActros is designed for heavy-duty operations, offering impressive torque and acceleration. This means that our logistics

capabilities remain robust, ensuring timely deliveries while maintaining high standards of service.

- **Future-Proofing Our Fleet:** By integrating electric trucks into our fleet, ACFS is positioning itself at the forefront of industry. As regulations around emissions become stricter, we are proactively adapting to ensure compliance and sustainability in our operations.
- **Customer Commitment:** At ACFS, we are dedicated to providing exceptional service to our customers. The introduction of the Mercedes eActros aligns with our goal of offering sustainable logistics solutions that reflect the ACFS values and those of our clients.

ACFS Port Logistics Managing Director and CEO, Arthur Tzaneros, says, “we are proud to introduce the Mercedes eActros to our fleet and be at the forefront of clean Transport solutions. This continuing focus to lead and innovate by piloting Daimler’s heavy vehicle electric technology not only reflects our commitment to sustainability, but also enhances the service we provide to our customers. As we embrace innovative solutions, we are also taking significant steps toward reducing our carbon footprint and supporting the communities we serve. We believe that this initiative will pave the way for further advancements and investment in our operations and contribute to a greener future for all.”

Daimler Truck Australia Pacific President and CEO, Daniel Whitehead, says “the ACFS pilot program is demonstrating the benefits of running an electric truck in Sydney.



“ACFS has a proven track record of striving to reduce its emissions in any way it can, including purchasing Daimler Truck vehicles that meet Euro 6 or equivalent emissions levels such as the Mercedes-Benz Actros and Fuso Shogun”.

Daimler Trucks Brisbane and Gold Coast General Manager, Aaron Camilleri, says “ACFS has been a valued client since 2019 and has always been very clear that decarbonation is key priority. “It’s great to see ACFS’ continued commitment to their emissions reduction strategy”.

Looking ahead, the Mercedes eActros is just the beginning. We are committed to expanding our sustainability program with the continued support of our customer base, as we continue to explore innovative solutions that enhance our services and contribute to a sustainable future.



How Emissions Reporting Can Drive Revenue for Forwarding Businesses

In today's freight industry, businesses are navigating rising fuel costs, tighter security concerns and increased competition. As these challenges grow, freight forwarders must look for strategic ways to generate new revenue streams that differentiate them from competitors and provide added value for shippers. One vital avenue is emissions reporting. Often viewed as a cost centre, emissions reporting can, in fact, be transformed into a core revenue driver. Here's how forwarders can capitalise on emissions reporting to grow their business.

The Rising Demand for Emissions Reporting in Supply Chains

Shippers are increasingly being pushed to manage and report their supply chain emissions due to two key factors: consumer demand for transparency in sustainability claims and new government regulations mandating emissions disclosures. Regions like the EU have been progressively moving toward mandatory reporting, and in Australia, the Australian Accounting Standards Board mandatory climate disclosure regulations (AASB S2), which come into effect on 1 January 2025, have now made this a reality. These regulations require businesses to disclose their scope 3 emissions — including those from supply chains. Forwarders who offer robust emissions reporting services to reduce complexity and confusion for shippers will attract new clients, enhance loyalty and generate additional revenue streams.

Deliver Quick Wins for Shippers

When it comes to selecting a forwarding service, shippers are always looking

for immediate value. By emphasising the quick wins that emissions reporting offers, you can enhance your business's appeal during the tendering process.

How you can add immediate value with automated emissions reporting:

1. Meet Emissions Disclosure

Requirements: Simplifying emissions measurement and reporting for your clients will position your business as the solution to their regulatory compliance needs. Offering this service not only alleviates their burden but also eliminates their risk of non-compliance with AASB S2, which can result in hefty fines.

2. Earn Green Credentials: By providing GLEC-accredited and ISO-aligned emissions reports, you can empower your clients to demonstrate their sustainability efforts. This adds value and strengthens your competitive advantage when vying for new contracts.

3. Enhance Decision-Making: Use automated emissions data to support logistics decisions, enabling clients to quickly identify opportunities for immediate emissions reductions.

Show the Long-Term Value

Positioning your business as a long-term sustainability partner gives you a significant edge in retaining clients and increasing revenue. By aligning your services with your clients' long-term sustainability goals, you will reinforce your role as an essential partner in their success.

Supporting Long-Term Sustainability Strategies

1. Identify Emissions Hotspots: Offering clients valuable insights that help them consistently identify high-emission areas within their supply chains will allow them to make targeted interventions that lead to meaningful emission reductions over time.



2. Set Emissions Reduction Targets: Help clients set ambitious yet achievable emissions reduction goals by providing reliable, accredited data that drives meaningful change in their supply chains.

3. Track Progress: Provide automated emissions reporting to allow clients to track their progress, remain agile and report key successes in their sustainability initiatives.

Ignoring Emissions Reporting Is a Risky Game

Failing to integrate emissions reporting into your forwarding services could expose your business to significant risks, as more shippers are emphasising this requirement.

Errors Could Be Costly

1. Clients Won't Risk Non-Compliance: With AASB S2 coming into effect on 1 January 2025, non-compliance could lead to significant fines. Although there is a grace period in place (1 year for scopes 1 and 2 emissions and 3 years for scope 3 emissions). Shippers will use this time to find long-term suppliers

who can measure and report their supply chain emissions to meet these stringent requirements. Failing to offer these services could lead to lost business, revenue and damage to your brand's reputation.

2. Future Regulations May Directly Impact Your Business: As emissions regulations continue to evolve, forwarders may also be subject to direct reporting requirements in the future. Taking action now to stay ahead of these changes will future proof your business, offering you a competitive edge.

3. Your Competitors May Get a Head Start: In a fiercely competitive industry, failing to act on emissions reporting could mean a long and expensive game of catch-up in the future to match competitors already addressing shippers' needs in this area.

Seize the Opportunity

Emissions reporting should not be seen as just an expensive compliance requirement for freight forwarders. Rather, it presents a valuable opportunity to unlock new

revenue streams. This is still an emerging area within the industry, meaning there are opportunities for forwarders to capitalise on. By proactively adopting automated emissions reporting and supporting shippers with both short-term wins and long-term sustainability strategies, you can drive revenue growth, expand your customer base and strengthen your brand image. Conversely, ignoring these opportunities could leave your business lagging behind as your target clients embrace more sustainable practices with or without you.



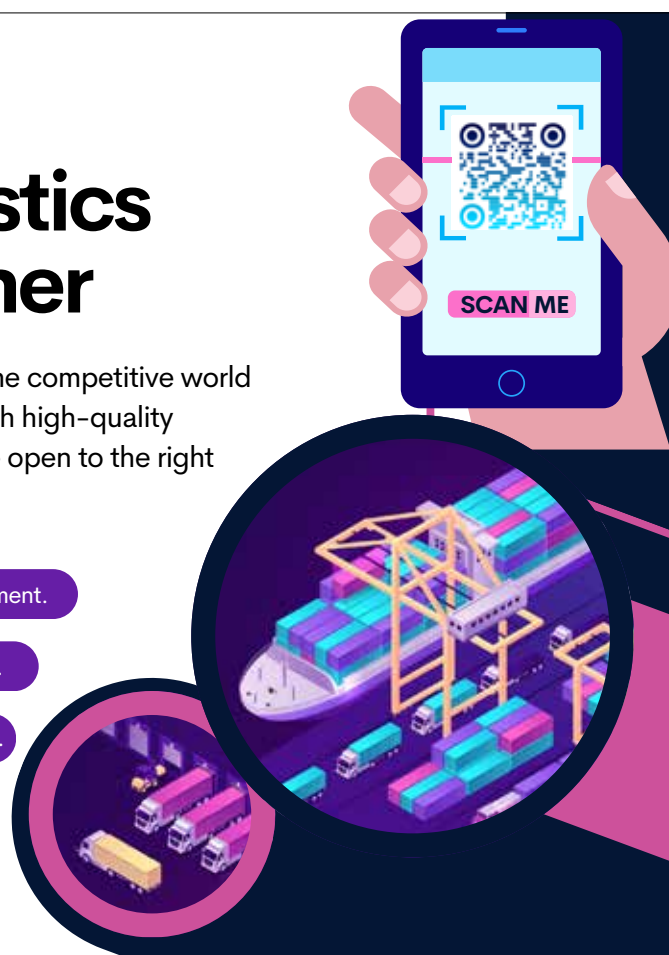
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Finding top talent can be challenging, especially in the competitive world of freight forwarding & logistics. We connect you with high-quality candidates who aren't actively on the market, but are open to the right opportunity.

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WISTA Australia 2024 FY Review

Throughout the year of 2024, WISTA (Women in Shipping and Trade Association) Australia has made an outstanding contribution to advancing diversity, equity, and inclusion (DEI) across the maritime industry through a series of impactful initiatives, events, and collaborations. These initiatives have fostered a more inclusive community, addressed the underrepresentation of women, and provided a platform for networking, learning, and leadership development. WISTA's efforts have gone above and beyond to ensure that women in the maritime and logistics industries can access opportunities and support in their personal and professional journeys.

WISTA's **International Women's Day (IWD)** events set the tone for a year of proactive advocacy and celebration of women's contributions to maritime. Notable among these was the **Chartering a Course for Maritime Equality** event in Western Australia, sponsored by MMA Offshore, which featured a powerful panel of industry-leading women. Similarly, the **International Day for Women in Maritime**, co-hosted with the Australian Maritime Safety Authority (AMSA), drew more than 230 attendees both in-person and online, sharing valuable insights into women's experiences in the maritime sector. These events demonstrated WISTA's commitment to elevating women's voices in a traditionally male-dominated industry.

Members also engaged in innovative and hands-on experiences, such as an evening at **HR Wallingford's Ship Simulator** in Fremantle, where participants experienced the challenges of operating maritime vessels, gaining a deeper appreciation for the skills of seafarers. These experiences underscored WISTA's ability to bring real-world maritime challenges to life for its members in a fun and educational way.

WISTA's national presence has fostered significant collaboration across Australian states, with events tailored to the unique needs of women in various regions. For instance, in Queensland, WISTA members toured **Patrick Terminals at the Port of Brisbane**, gaining insight into its **WILpower**

Cadetship Program, designed to equip women with the skills needed for operational management roles. This type of hands-on learning opportunity demonstrates how WISTA actively connects women to career development resources.

WISTA QLD and the Mission to Seafarers (MTS) co-hosted an afternoon tea where those from the industry could get together and network and promote the work that MTS do. With over 40 attendees and lots of delicious goodies, it was an afternoon to remember.

WISTA's NSW chapter had notable events as well, including a **panel discussion with Shipping Australia Limited** in May, as well as monthly breakfast gatherings that nurtured ongoing member engagement. The Tasmanian chapter also launched six events, with highlights such as the **Nautical Pottery Party** and a tour aboard the **MV Investigator**, engaging new members and building a strong local presence.

WISTA Australia exists because of the support that we have from our allies and advocates both in the industry and in our personal lives. WISTA QLD hosted a networking event in Brisbane encouraging members to bring an ally/advocate from your working or personal life to show our thanks to them for their support.

Our WISTA QLD members brought colleagues from their work, allies from within the industry, family members and neighbours to enjoy drinks and nibbles whilst watching the sunset overlooking the Storey Bridge.

WISTA Australia has expanded its partnerships with key industry players, including **Swire Shipping, Braemar, and P&O**, who continue to support its mission. Notably, WISTA's **Christmas in July** event and partnerships with **Young Shipping Australia** reflect a concerted effort to foster cross-generational collaboration, ensuring that diversity remains at the forefront of maritime's future.

WISTA's work has also been recognised at a national level, with its **AGM events across all states** providing a valuable opportunity for members to network and collaborate, further strengthening WISTA's role as a leading advocate for diversity and inclusion in the maritime and logistics industries. The organisation continues to expand its offerings, with upcoming events like the **Svitzer tug tour** and the **Shipping Sustainability Series** poised to drive meaningful conversations around diversity and environmental responsibility in 2025.



Panel event for International Women's Day, supported by MMA Offshore, from left to right: Liz Buckey, MMA Offshore, Rachel Green, Women in Maritime WA, Jacqueline Graham – Australian Gender Equality Council



WISTA Members at the HR Wallingford Ship Simulator in Fremantle. L to R - Zaina Almin and Nadine Knight



WISTA Tasmania Members at the Nautical Pottery Party. Left to right; Anna MacNeil, Paul Jackson, Ya Wen Chang, Katie Fuller, Kate Daley, Izzie McRobbie, Jillian Carson-Jackson, Trudi Hogg



WISTA NSW Members at breakfast



WISTA Member lunch following the 2024 AGM: Clockwise starting from the woman in red: Amanda Bradfield, Ainslie De Vos, Ella Cahtarevic, Kendall Messer, Kerryn Woonings



WISTA QLD Members and Associates at the Patrick's Terminal Tour



WISTA QLD Members and Associates at the AGM 2024



WISTA Tasmania Members and Associates at the tour of the MV Investigator





USAUCN

The meat in the U.S.-China Trade War Sandwich

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

The ongoing trade tensions between the United States and China, coupled with new policy proposals by the White House concerning changes to de minimis rules on Chinese manufactured goods, represent a significant shift in global trade dynamics. These developments may not only affect American and Chinese economies but will likely have wide-ranging implications for countries such as Australia, whose businesses are intricately linked to both major economies. For Australian companies, navigating these uncertainties will require strategic adaptation to mitigate risks and seize potential opportunities.

With “China” being one of the very few issues that both sides of the U.S. government can agree on, there is no doubt that regardless of the outcome of the presidential election in November, there will continue to be restrictive changes imposed by the U.S. on China in the coming years.

The U.S.-China Trade War: A Global Ripple Effect

The U.S.-China trade war has evolved beyond a mere tariff dispute, turning into a broader geopolitical contest with profound economic consequences. As the U.S. seeks to decouple from China in certain sectors—especially technology and manufacturing—there are potential spillover effects for countries like Australia, whose economy is closely tied to China, its largest trading partner and the United States, its greatest ally.

For Australian companies exporting raw materials, particularly iron ore, coal, and agricultural products, the continued trade tension could create both risks and opportunities. On one hand, any reduction in Chinese manufacturing due to U.S. sanctions or tariffs could reduce Chinese demand for Australian raw materials. On the other hand, as China looks for alternative trading partners to replace U.S. suppliers, Australia might see increased opportunities to fill the gap in certain sectors, such as agriculture and minerals. How closely the Australian government aligns with U.S. policies will be crucial in Australia’s financial opportunities in the short-term.

However, as global supply chains become more fragmented due to protectionist policies, Australian businesses that rely on parts or materials sourced from China or the U.S. might experience delays and increased costs. The challenge for Australian firms is to anticipate and adapt to these shifts by diversifying their supply chains and entering new markets that offer stability in the face of trade volatility, neither of which are quick fixes.

The Impact of U.S. De Minimis Changes on Australian Importers

The de minimis threshold refers to the value of goods below which no customs duties or taxes are applied. At present, this is USD 800, meaning that the majority of Ecommerce cross-border imports to the U.S. are exempt from duties or taxes. The White House has recently proposed changes to this threshold for Chinese manufactured goods, which, if implemented, would make it more expensive to import small-value goods from China. Though details are lacking, and most experts suggest that simply targeting Chinese manufactured products would be extremely difficult to manage, the rationale is to curb the influx of cheap products that flood the U.S. market, a significant portion of which originates from Chinese Ecommerce platforms. For American consumers, this would mean additional costs being imposed on their Ecommerce orders.

But how do these proposed changes affect Australia?

“ *If U.S. importers face higher costs for Chinese goods and begin to change their source-points, Australian companies could face similar upward price pressure as global supply chains adjust* ”

Many Australian businesses rely on China as a source of affordable manufactured goods, particularly in retail, electronics, and machinery. If U.S. de minimis thresholds are adjusted, it could cause ripple effects for Australian companies as well. It may surprise some readers to know that Australian businesses compete in the global market, with hundreds of millions of dollars of Chinese manufactured goods being imported into Australia and then sold by Australian Ecommerce companies to the U.S.

A change in de minimis could see these companies losing an important revenue base or having to change their current supply-chain model, importing in bulk to the U.S., paying import duties on the wholesale value and fulfilling from local warehouses in America. This would mean a potential loss of Australian jobs that currently service the Ecommerce export market – namely import freight forwarding from China, warehousing and export parcels.

If U.S. importers face higher costs for Chinese goods and begin to change their source-points, Australian companies could face similar upward price pressure as global supply chains adjust. The potential effect could lead to increased prices for Chinese goods in Australia if Chinese manufacturers raise prices to compensate for lost margins in the U.S. market. This situation could hurt Australian businesses that rely on low-cost imports to remain competitive. For consumers, it could lead to higher prices for everyday products, further straining household budgets and potentially dampening consumer demand.

Australia's Strategic Choices

Given the dual pressures of the U.S.-China trade war and potential de minimis policy changes, Australian companies must make strategic decisions about how to mitigate risks and capitalise on new opportunities. There are several avenues Australian businesses might explore to navigate this environment, however there are downsides with each of them:

1. Diversifying Supply Chains: Relying heavily on China for imports or as a manufacturing base could become riskier over time. Australian companies may need to diversify their supply chains, seeking new sources of goods in countries like Vietnam, India, or Indonesia. This diversification would help reduce exposure to the U.S.-China conflict while potentially providing access to emerging markets. However, these countries don't have the manufacturing breadth or width of China so it is likely that there will be sacrifices in cost, quality or variety in the short-term.

2. Expanding Trade Relations:

Australia has strong trade relationships with several countries, including Japan, South Korea, and India, thanks to trade agreements like the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the Regional Comprehensive Economic Partnership (RCEP). Strengthening ties with these countries could provide Australian firms with new export opportunities, especially if China begins to reduce reliance on the U.S.. However, it will be nearly impossible to replace the size of the Chinese market as both an export destination and as a source for finished goods, even if other countries begin to emerge as a more preferential partner than they may currently be.

3. Capitalising on U.S. Protectionism:

U.S. protectionist policies may provide unexpected opportunities for Australian firms. If U.S. consumers face higher prices for Chinese goods, there may be room for Australian businesses to step in with competitive alternatives, especially in agriculture, energy, and minerals. Australia's reputation for high-quality products could help it capture a greater share of the U.S. market. In reality, this is not a short-term benefit, as the majority of the impacted products are low-value consumer goods that Australia is not geared to manufacturing at scale.

4. Tech and Innovation: As the U.S. aims to reduce its dependence on Chinese technology, there may be opportunities for Australian tech firms to increase their footprint in the U.S. market. Australia's highly skilled workforce and expertise in sectors like biotech, clean energy, and artificial intelligence could position Australian companies to fill the gaps left by China in these strategic industries. Again, while this doesn't provide immediate short-term benefits, this is one area that the Australian government could and should be focussing their efforts on providing incentives to companies that operate in this space, both with the U.S. as a sales destination and for our own internal stability.

The Global Shifting Sands of Trade

The continued U.S.-China trade war and the proposed de minimis policy changes will undoubtedly introduce complexity into the global economic landscape. For Australian businesses, these developments represent both risks and opportunities, though arguable more risk in the short-term. While the U.S.-China decoupling threatens to disrupt established trade routes and supply

chains, it also offers an opportunity for Australian companies to innovate, diversify, and expand into new markets.

In this period of global economic realignment, Australian firms that can remain agile, diversify their trade relationships, and embrace emerging markets and technologies will be best positioned to thrive. The trade wars may unsettle established practices, but with foresight and strategic planning, Australian companies who take a long-term view can turn the challenges into a catalyst for growth and transformation.

“ *The de minimis threshold refers to the value of goods below which no customs duties or taxes are applied. At present, this is USD 800, meaning that the majority of Ecommerce cross[1] border imports to the U.S. are exempt from duties or taxes* ”





Australian Government

STRATEGIC FLEET

By, The Hon CATHERINE KING MP, Minister for Infrastructure, Transport, Regional Development and Local Government

Recent supply chain disruptions and geopolitical events have underlined the importance of a strong domestic maritime sector, which plays a vital role in our day-to-day lives.

The establishment of a Strategic Fleet will bolster resilience in Australia's maritime capabilities, provide assistance in times of crisis or natural disaster, and support industries reliant on shipping, such as heavy manufacturing.

Tenders to participate in the Strategic Fleet Pilot opened in early September and will close on 29 November of this year. The tender documents along with a recording of the industry briefing on the tender process held on 19 September are available on the AusTender¹ site now.

Three pilot vessels that will be privately owned and commercially operated will be selected for the pilot through this competitive, open and transparent process that will ensure that taxpayers receive value for money.

This is a major step towards fulfilling our commitment to establish a Strategic Fleet of up to twelve Australian flagged and crewed vessels to strengthen our sovereign maritime capabilities while supporting our maritime workforce.

The tender process is being managed by my department, which is seeking innovative tenders that will deliver the objectives of the Pilot Program, including to provide the Commonwealth with certainty of access to the strategic fleet to move cargo in times of need, crisis or national emergency.

As part of this Strategic Fleet Pilot program, the Albanese Government is seeking to have vessels on the water as soon as possible.

Northern Australia and the Pacific region are particularly susceptible to natural hazards, so it is easy to imagine scenarios where the Strategic Fleet could assist with the servicing of key ports and communities during periods of disruption.

A recent example of where a strategic fleet vessel could have been used to respond to domestic supply chain disruptions is during



the closure of the East-West rail corridor due to flooding in 2022. In this example, the strategic fleet vessel may have been used to carry cargo from the East to the West by sea for a period of up to two months while waiting to replace the rail connection.

Another example where the strategic fleet vessel could have been used was to deliver emergency supplies internationally, would be in response to the volcanic eruption in Tonga in 2022.

The strategic fleet would also support the import and export of critical goods into and out of Australia during local or global supply chain disruptions. An example of where a strategic fleet vessel could have been deployed for importing a critical good is the AdBlue shortage in 2022, where supply was available in the near region, but the Commonwealth and industry did not have certainty of access to suitable vessels to ship the required cargo to Australia. Strategic Fleet vessels could also be used to provide support to the Australian Defence Force in the movement of materiel and fuel. A Strategic Fleet vessel could provide logistical support for planned operational activities scheduled in advance or provide re-supply/replenishment support during times of crisis.

The Strategic Fleet can also support our maritime workforce, which has decreased by 6.5 percent over the ten-year period to the 2021 Census. This will boost our maritime workforce by increasing the amount of Australian qualified seafarers at a time of a growing global shortage

While it is not a silver bullet to solve all of the issues of our current and emerging seafarer shortage, it is an initial contribution to addressing the problem – by providing a platform for training new Australian seafarers.

While I am pleased our government is getting on with the Strategic Fleet Pilot program, this is not the only maritime initiative that we are currently pursuing.

I recently appointed Ms Lynelle Briggs AO GAICD and Emeritus Professor Nicholas Gaskell to conduct independent reviews of the Shipping Registration Act 1981 and the Coastal Trading (Revitalising Australian Shipping) Act 2012. These reviews will contribute to the modernisation of Australia's shipping regulatory framework, ensuring the Acts are fit for purpose and support the long-term sustainability of an Australian Maritime Strategic Fleet, and the maritime industry more broadly. Public consultation has commenced, and all stakeholders are encouraged to contribute.

¹ <https://www.tenders.gov.au/Atrn/Show?id=1c44d781-ee54-4bb4-b37e-6c673001c780>



Simplifying Australia's trade system

By DANIEL CURTIS, Head, Simplified Trade System Unit - Austrade

Working alongside businesses, the Australian Government is delivering targeted, whole-of-government Simplified Trade System (STS) reforms to drive productivity and increase global competitiveness by making importing and exporting cheaper, faster and simpler.

We have been working through over 200 regulations and 145 ICT systems across 32 government agencies, to modernise trade processes, while strengthening border and biosecurity protections.

Modernising Australia's trade environment will strengthen Australia's reputation as a global leader in trade, increase our resilience to supply chain disruption, reduce costs for Australian businesses and boost local manufacturing and jobs.

From cutting red tape to digitalising trade services, STS reforms are already providing tangible benefits including boosted productivity and reduced compliance costs.

Current STS priorities

We continue to work with partner agencies to coordinate and deliver regulatory and digital projects.

We are simplifying rules for imports and exports, with work underway with regards to border controls like import and export permits, streamlining Fit and Proper Person assessments, align trade identity policy and enable cross-border data sharing.

As a critical reform opportunity, the Attorney General's Department is developing options to adopt legislation aligned with the United Nations Commission on International Trade Law Model Law on Electronic Transferable Records (MLETR), enabling paperless trade and allowing businesses to digitalise trade records such as bills of lading.

Offshore, Australia is contributing to paperless trade through DFAT's Asia-Pacific Economic Cooperation (APEC) project to analyse the legal gaps and economic benefits of APEC economies aligning with the MLETR.

We are also incrementally improving services to businesses. For instance, the Digital Trade Accelerator Program (DTAP) announced in the May 2024 Budget will enhance risk profiling for cargo and better share government-to-business data (led by the Australian Border Force).

The Simplified Trade and Enhanced Processing System (STEPS), led by the Department of Agriculture, Fisheries and Forestry, will make cargo clearance faster and simpler whilst supporting biosecurity management.

Go Global Toolkit

Alongside the above improvements, Austrade is delivering the Go Global Toolkit, providing businesses with a single source of online information on how to export priority sector goods. Enhanced digital trade services enable Austrade to reach more potential exporters in metropolitan, regional and remote Australia.

The Government has grown the services available in the Toolkit since a pilot in March 2020, receiving further funding in Budget 2024-25 to expand the functionality to provide access to key information and free trade agreement opportunities easier and faster, improving the export readiness of Australian businesses.

Since launching in 2021, the Toolkit has been viewed over **1.1 million** times, delivered over **240,000** customised services to business, and supported more than **430,000** users to find new trade opportunities.

To better understand how the Go Global Toolkit could support you, follow the link: <https://export.business.gov.au/>.

Austrade's priorities

Austrade's core purpose is to grow Australia's prosperity and promote Australia globally. Simplifying cross-border trade processes enables this by making Australia a more competitive trade and investment destination.

The STS Unit sits within Austrade in recognition of this purpose and its close relationship with businesses.

Evolving from the STS Implementation Taskforce on 1 July 2024, the STS Unit is responsible for trade reform coordination across 32 Commonwealth agencies.

A key priority for Austrade is strengthening trade relationships in the Indo-Pacific region. Austrade is supporting Australian businesses to achieve trade outcomes in Southeast Asia via the Australian Southeast Asia Businesses Exchange, and Australia's relationships in South Asia by expanding the successful Australia India Business Exchange.

Another central priority for Austrade is supporting more First Nations businesses via targeted export support and pathways to international success. According to the World Economic Forum, Small to Medium Enterprises (SMEs) shoulder disproportionate border-related issues such as delays and additional costs. With many First Nations businesses being SMEs, the STS reforms are essential in lowering barriers to trade.

To learn more about how the Government is making trade cheaper, faster and simpler, visit the Austrade website at <https://www.austrade.gov.au/>



Changes to Class 1.1 and 1.3 Approved Arrangements

By ANDREW CHRISTIE, Founder & Director – Andrew Christie Consulting

The Department of Agriculture, Fisheries and Forestry are implementing changes to the class 1.1 and 1.3 Approved Arrangements (AA). These changes will have a significant impact on the way current class 1.1 and 1.3 Approved Arrangements manage their biosecurity. It is proposed that the changes to existing conditions will be implemented in early 2025.

Moving forward, the department are increasing the number of conditions on 1.1 and 1.3 AA's from 73 to 114. The majority of the proposed 44 additional conditions will focus on:

- site hygiene
- monitoring and notification
- dunnage and waste and
- verification/receipt and unpack.

These changes have been put in place to ensure that 1.1 and 1.3 AA's are able to identify and manage current and emerging exotic pests including red imported fire ants, brown marmorated stink bugs, khapra beetle and Asian honeybee.

The department have identified increased detections of the above pests in Australia in recent times. This is likely due to climate change, increased trade volumes from countries with these pests, supply chain complexities and poor global shipping container hygiene.

The department has also recognised that the depot environment is a potential vector for these pests and has proposed these additional requirements on 1.1 and 1.3 AA's for greater assurance of biosecurity management.

Some examples of the new changes include:

- Outdoor Biosecurity Areas used for container storage and treatment or unpack must be surrounded by a minimum of a 3-metre-wide buffer that is free of vegetation.
- AA site, buildings and Biosecurity Areas must be kept free of ponding water and accumulation of materials encouraging pests.
- Goods Subject to Biosecurity Control (GSTBC) within the Biosecurity Area must be monitored daily for the presence of animals, invertebrates or evidence of these.
- Biosecurity Area - must monitor for vegetation once a week when GSTBC are in and for three weeks after the consignment has been released from biosecurity control. Where detected - collect and dispose of as biosecurity waste.
- All biosecurity records must be kept for 2 years (previously 18 months).
- No pot plants within buildings that house Biosecurity Areas.

The department is also implementing new verification and monitoring activities, some of these include:

- Prior to opening doors, the accredited person must:
 - o physically verify the actual container number matches the container number listed on the biosecurity direction, and
 - o where the biosecurity direction specifies a container seal number, the accredited person must also verify that the:
 - container seal is intact, and
 - actual seal number matches the seal number detailed on the biosecurity direction.
- Prior to unpacking the FCL/X container, the accredited person must physically verify (any goods subject to biosecurity) the description on the product labelling matches the line description listed on the

biosecurity direction (this must be done from the container doors, i.e. do not remove goods from the container).

The AA is also required to keep records up to date including but not limited to:

- Biosecurity Risk Material record
- Records of detections resulting from monitoring of GSTBC and the Biosecurity Area
- Biosecurity consignment records (direction, import permit, date of receipt, country of origin, treatments etc.)
- Accredited Person training records – name, date, type of training (in-house or online) and certificate.
- All biosecurity records must be kept for 2 years (previously 18 months).

The above information describes some of the additional 44 conditions proposed.

The environment that we are working in today is dynamic and now presents additional risk to Australia's biosecurity.

The department has identified these risks and put measures in place to prevent or quickly identify possible incursions. As Approved Arrangements it remains our responsibility to work with the department and their guidelines to manage biosecurity risk.

It is noted that these additional conditions (those detailed above and the remainder) will require AA's to have additional processes, both physical and administrative, in place to be compliant.

The BIERS app and portal is currently developing additional functions that will assist AA's with compliance. It will provide a platform for collecting and storing the required data from imported cargo and remove the manual paper-based process currently adopted by AA's Australia wide.

If you would like to discuss how we can assist you with your ongoing biosecurity compliance, please reach out to chat.

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An update on Australia's biosecurity system

By MONICA COLLINS, First Assistant Secretary, Biosecurity Operations Division - Department of Agriculture, Fisheries and Forestry (DAFF)

Since Tina Hutchison's last biosecurity update in April, the Agriculture, Fisheries and Forestry portfolio has undergone some significant change.

In late July, the Honourable Julie Collins MP was sworn in as Minister for Agriculture, Fisheries and Forestry alongside Assistant Minister, Senator Anthony Chisholm. Minister Collins and Assistant Minister Chisholm replaced Senator the Honourable Murray Watt, who had served as our minister since June 2022.

In August 2024, with the promotion of Tina Hutchison to Deputy Secretary, Agricultural Trade and Regulation Group, I was asked to move from my role of First Assistant Secretary, Biosecurity Plant and Science Services Division to lead the Biosecurity Operations Division (BOD).

As the head of BOD, I am fully invested in progressing efforts to meet our regulatory obligations effectively and responsively to the changing environment.

From an operational perspective, the Australian Government's sustainable biosecurity funding has positioned the department to deliver. Our operational context is dynamic. The numerous factors impacting global trade and biosecurity risk – regional conflicts, geopolitical tensions, high energy prices, inflation, climatic events – will all weigh on how and where we respond. Despite this, the World Trade Organisation

forecasts predicted global GDP growth returning to 2.7% in 2025 and the Australian economy has demonstrated ongoing resilience that is supporting trade volumes.

As Australia heads into the peak 2024 trading period from October to December, biosecurity operations are committed to delivering efficient biosecurity regulatory activity that move compliant cargo and conveyances smoothly across our border. The peak trade season also coincides with a peak in biosecurity pests that thrive in our Spring/ Summer seasonal environment (see below) and so it's important that importers are aware of their responsibilities when it comes to biosecurity risk management.

Biosecurity is everyone's responsibility. We all have a role to play in safeguarding our nation's interests. Our partnerships with industry and importers are key to this. This year, industry's willingness to engage and partner with DAFF has delivered real progress on both strategic biosecurity initiatives and our day-to-day business.

Self-Assessed Clearance (SAC) cost recovery charge commences

Month-on-month, year-on-year, we have witnessed escalating pressure on the biosecurity system associated with soaring volumes of low value Self-Assessed Clearance (SAC) cargo driven by consumer demand for online shopping and e-commerce. Our ability to ensure this is a safe and efficient pathway has been strengthened through

the introduction of the new SAC cost recovery arrangement. An important part of this process was our collaboration with the Freight & Trade Alliance (FTA) and other industry stakeholders to design and implement the charge. A 36-cent per declaration fee now applies to businesses lodging short form, long form, or cargo report SAC declarations into the Integrated Cargo System (ICS). The department will continue to work with the estimated 70 liable reporting parties over the next couple of months, noting the first invoices will be issued with payments due in January 2025. More information about this charge can be found on the DAFF website.

Simplified Targeting and Enhanced Processing System (STEPS)

FTA members and industry stakeholders have played a key role in shaping our fit-for-purpose digital initiatives under the STEPS program, with three digital products released in 2024 in support of importers, brokers and other Approved Arrangement holders:

1. The Approved Arrangement Management Product (AAMP) now allows around 4,417 staff across all 3,600 approved arrangements to view and update their Approved Arrangement details online. AAMP is a time and money saver for both industry and government.
2. External Verification eCertificates (EVE) or digital sanitary and phytosanitary certificates went live via the Biosecurity Portal for 1,150 accredited brokers assessing

commodities under an approved arrangement. Digital certificates from new countries will be available through EVE as soon as they come online.

3. A limited release of the Biosecurity Cargo Status Tracker is giving brokers and importers reliable visibility of cargo being managed by DAFF. Full roll out to accredited brokers will be completed later in 2024. Updates to the report continue with industry at the forefront of design.

These products – along with others proposed for delivery this financial year, aim to make biosecurity import processes simpler and easier to comply with. We aim to modernise and digitise our services – and increase data sharing in a way that makes sense to both industry and government while maintaining effective biosecurity risk management. There will be ongoing engagement with industry.

2024-25 brown marmorated stink bug (BMSB) season – 1 September 2024 to 30 April 2025

We have had high rates of industry participation and compliance. Most FTA members and industry stakeholders are now familiar with BMSB seasonal measures, which only apply to targeted goods manufactured in or shipped from

target risk countries and to vessels that berth, load, or tranship from target risk countries during the season.

In the spirit of keeping biosecurity risk offshore, on 1 July 2024, AusTreat successfully replaced the Offshore BMSB Treatment Providers Scheme. AusTreat increases the department's coverage and flexibility in responding to biosecurity risk, and our assurance of offshore treatments, by setting the conditions to regulate pre-border biosecurity treatment providers. Increased assurance offshore means we can reduce intervention at the border, streamlining the border clearance process and facilitating trade. It also simplifies requirements for industry, with one set of conditions and one place to find information.

To date, we have received 218 applications from treatment providers seeking registration under AusTreat.

Strengthening partnerships with industry

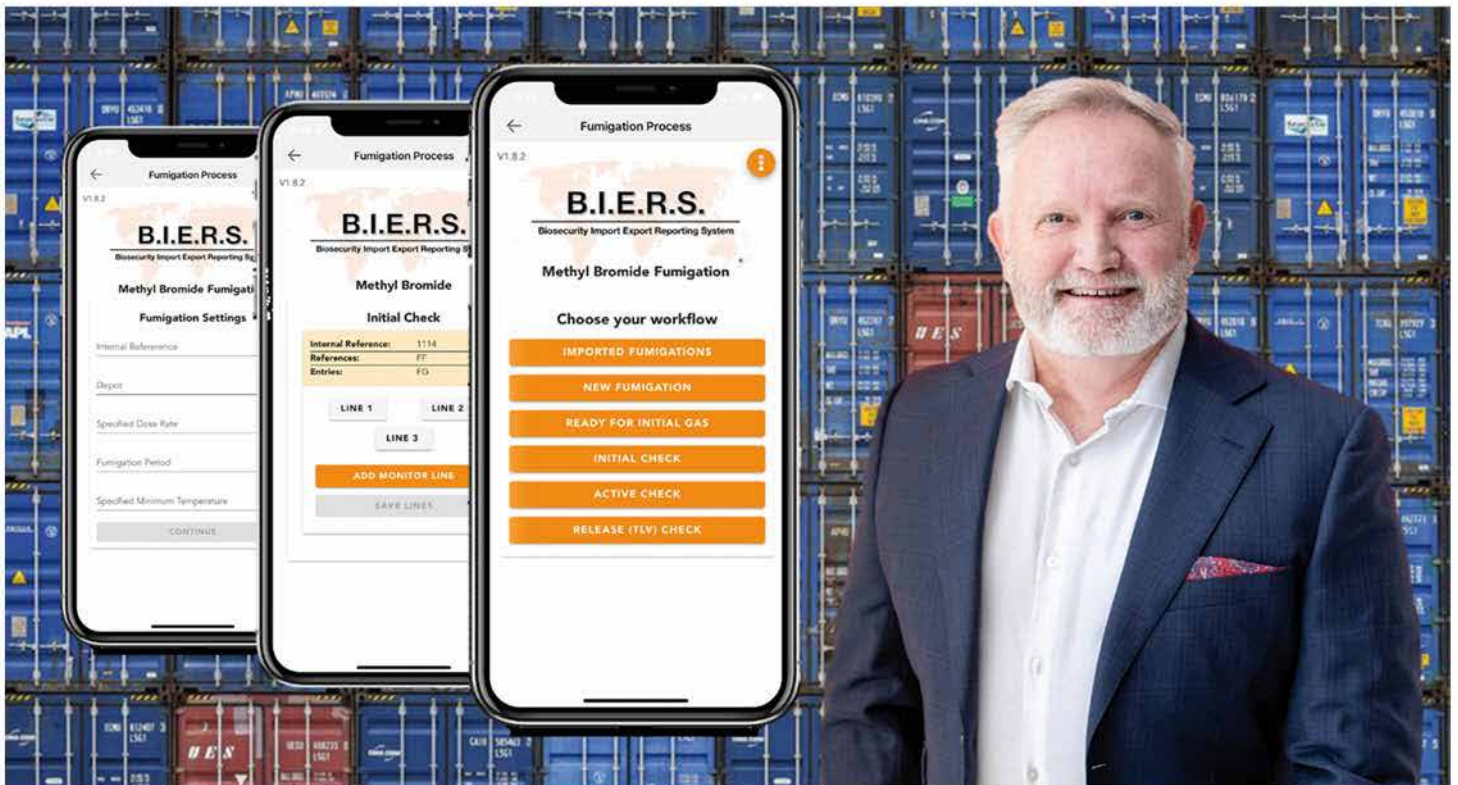
As brokers and industry are aware, submitting compliant documentation and accurate requests for biosecurity services decreases intervention and moves goods across the border faster. We strongly encourage industry and brokers to use

the online help and guidance material already available. However, we have heard from industry about potential pain points or areas for further collaboration on new ways of doing business. We will be advancing a number of these over current months.

Our relationships with industry are more important than ever as we navigate the rapidly changing biosecurity and trade landscape. We are all responsible for a strong biosecurity system. Industry's willingness to engage on issues and the biosecurity system reforms and initiatives has been impressive, and we look forward to continuing these partnerships to safeguard the Australian economy, environment and way of life.



Australian Government
Department of Agriculture,
Fisheries and Forestry





Wholesale vs retail customs brokerage – similar but different

By RUSSELL WIESE, Director – CGT Law

It is an increasingly common event for a customs broker to provide services to a freight forwarder, rather than directly to the importer of the goods. There are benefits to this wholesale model and it can produce opportunities some customs brokers could not access without the forwarder. However, there are risks and it is important for customs brokers to consider the differences between the “wholesale” and “retail” customs brokerage model.

“ *Related to due diligence, the ABF gets worried when the customs broker is not able to communicate directly with the importer. This is not uncommon as a freight forwarder may discourage, if not prohibit, such contact* ”

Letter of Authority

The letter of authority can present some unique issues where the customer is a freight forwarder. An authority to act / letter of authority is a standard document used by customs brokers. It both confirms the authority of the customs broker to lodge entries on behalf of the importer and usually contains an acceptance by the importer of the customs broker’s terms and conditions. However, it is common for freight forwarders to refuse to obtain a LOA from the importer that specifically names the customs broker.

This approach may be to achieve administrative efficiency, or it may reflect a desire to hide the involvement of a third-party customs broker. The result is that often the freight forwarder will only obtain a LOA that authorises the freight forwarder to lodge entries on behalf of the importer.

An import declaration can only be lodged on behalf of an importer by a licensed customs broker who has been “authorised” by the importer to be their agent.

There are at least 3 ways in which this can occur:

1. The importer directly authorising the customs broker. This would be via a LOA from the importer to the customs broker.
2. The importer provides a LOA to the freight forwarder authorising the “freight forwarder or their agent” to act as their customs broker. This LOA does not need to specifically name the customs broker.

3. The importer accepts the freight forwarder’s terms and conditions, and those terms and conditions give the freight forwarder the right to use subcontractors or appoints agents on behalf of importer in performing the services.

Unfortunately, it may only be after something goes wrong that the importer learns that a third-party customs broker is lodging their import declarations. At this point in time the importer may ask: under what authority were the import declarations lodged?

No matter what arrangement exists between the customs broker and the freight forwarder, it is important to clearly understand how the customs broker is authorised to act on behalf of the importer.

Liability

When a customs broker agrees to provide services to a freight forwarder, it will on most occasions be the freight forwarder that is the customer. If there is a written contract, it will be between the customs broker and the freight forwarder.

Importantly, the importer will very rarely enter into a contract with the customs broker and agree to be bound by the customs broker’s terms and conditions. This presents a problem as the customs broker’s terms and conditions usually act to limit the liability of the customs broker.

While it is rare that liability can be fully excluded, often liability caps will be agreed and there may be exclusions of certain types of damages, such as consequential losses.

If there is no contract between the customs broker and the importer, there will be no contractual limit on the importer's ability to sue the customs broker for losses resulting from the negligence of the customs broker.

There may be contractual limits between the customs broker and freight forwarder, but the importer is not a party to that contract. This presents a greater level of exposure than in the traditional retail model.

Due diligence

Acting for a freight forwarder can often mean that the customs broker is relying on the freight forwarder to undertake due diligence as to the factual information included in the import declaration. For instance, it will often be the freight forwarder that verifies the identity of the importer.

Due diligence usually requires the customs broker having evidence of the relevant fact – not merely relying on a claim by the freight forwarder. For instance, if you are seeking to verify whether a consignment of aluminium is a fencing panel kit or individual components, it will not be sufficient to rely solely on a statement by the freight forwarder that the consignment is a kit. Just the same as if you were communicating directly with the importer, the customs broker should see independent evidence of the relevant fact. This might be photographs of the goods, purchase orders, brochures etc.

One of the greatest concerns of the Australian Border Force (ABF) with the wholesale customs clearance model is that brokers may not undertake the same due diligence as if they were dealing directly with the importer or may too readily accept a mere statement from the freight forwarder.

Communication

Related to due diligence, the ABF gets worried when the customs broker is not able to communicate directly with the importer. This is not uncommon as a freight forwarder may discourage, if not prohibit, such contact.

Problems arise when the freight forwarder does not accurately pass on the customs broker's question or the importer's

answer. This is likely an innocent mistake, but due to a lack of specialist training, the freight forwarder may omit a crucial piece of information or may misinterpret the information.

We recommend that customs brokers always be given the right to communicate with the importer where it is necessary to ensure compliance with the law or where there is any doubt regarding the accuracy or completeness of the information provided to the customs broker.

Wholesale customs terms and conditions

Unique issues arise when the customer is a freight forwarder and not the importer of the goods. Terms and conditions designed for services provided directly to the importer are unlikely to properly address the various risk that can arise in a wholesale model. On top of the standard terms in a retail customs broker services agreement, a specifically designed wholesale services agreement could address the following:

- Who is your customer – the forwarder and not the importer of the goods
- When can the customs broker refuse to provide the services (such as there being no LOA, or the customs broker doubts information provided by the importer)
- Whether the LOA with the importer needs to specifically name the customs broker
- Whether the customs broker can directly contact the importer
- What assistance the freight forwarder must provide with the customs broker's due diligence activities
- What importer identity verification steps the freight forwarder must take
- Who is responsible for customs duty etc if the importer does not pay these costs
- Warranties from the freight forwarder that they are authorised to appoint the customs broker to lodge entries on behalf of the importer
- An indemnity from the freight forwarder in respect of any claim against the customs broker by the importer

Wholesale customs clearance is a different service to retail customs brokerage. Both involve lodging import declarations, but there are significant differences in the underlying legal relationship.

Most importantly, the customs broker places more reliance on the freight forwarder to undertake due diligence activities that the customs broker would normally perform.

These risks can be managed.

This involves actually recognising the risk and then putting in place processes and legal arrangements that reflect the unique nature of wholesale customs brokerage.

“ *Unfortunately, it may only be after something goes wrong that the importer learns that a third-party customs broker is lodging their import declarations. At this point in time the importer may ask: under what authority were the import declarations lodged?* ”





Licensed depots and warehouses are a key focus of the ABF –

Are you ready?

CGT Law has noticed a sharp increase in ABF audits and infringement notices regarding breach of depot conditions, cargo reporting and movement of goods under customs control. The ABF has also publicised its cancellation of a major Sydney depot. The message is clear, if you want to operate a licensed depot or warehouse you must achieve a high level of compliance.

Don't wait for a suspension or cancellation notice from the ABF – the best strategy is to respond clearly and fully to any identified claim of non-compliance

If you have experienced a negative ABF audit or are concerned about your depot or warehouse compliance, don't hesitate to contact us. As with all areas of customs law, FTA members received 45 minutes complementary advice.

Customs and Global Trade law has helped clients:

- understand their obligations as a license holder
- implement internal quality assurance programs
- review depot and warehouse standard operating procedures
- respond to notices of an intention to suspend or revoke a license
- seek withdrawals of infringement notices
- resolve disputes regarding cargo reporting
- draft warehouse and 3PL terms and conditions



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GST Exemptions and GST-Free Foods

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

Goods and Services Tax (GST) is generally payable on imported goods unless they are covered by specific exemptions or are GST-free.

GST exemptions for most imported goods are governed by A New Tax System (Goods and Services Tax) Act 1999

However, determining whether an item is exempt requires careful consideration, as Australian Border Force (ABF) monitoring audits often detect errors in this area, especially in imported foods.

Categories of Non-Taxable Importations

Non-taxable importations fall into three primary categories:

1. GST-Free or Input-Taxed Goods:

- o Importations of goods that are GST-free under Division 38 of the GST Act or input-taxed under Division 40 of the GST Act [s13-10 GST Act].

2. Goods Eligible for Customs Duty Concessions:

- o Goods that qualify for certain customs duty concessions [s42-5 GST Act].

3. Goods Returned to Australia:

- o Goods that are returned to Australia in an unaltered condition and with unchanged ownership [s42-10 GST Act].

Food and Beverages

Food is defined in Part 38-4 of the GST Act as follows:

1. Food includes:

- o Food for human consumption (processed or unprocessed).
- o Ingredients for food for human consumption.
- o Beverages for human consumption and their ingredients.
- o Goods to be mixed with or added to food for human consumption (e.g., condiments, spices, seasonings, flavourings and sweetening agents).
- o Fats and oils marketed for culinary purposes.

2. Food does not include:

- o Live animals (except crustaceans and molluscs).

- o Unprocessed cow's milk.
- o Unprocessed grains, cereals, or sugar cane.
- o Plants under cultivation that can be consumed without further processing as food for human consumption.

A tool is available on the ATO website to determine the GST status of food. The **Detailed Food List** and **GST Food and Beverage Search Tool** allow users to verify whether food and beverage products are taxable or GST-free. Access these tools via the following links:

- GST Food and Beverage Search Tool: <https://www.ato.gov.au/Calculators-and-tools/GST-food-and-beverage-search-tool>
- Detailed Food List Download: <https://www.ato.gov.au/businesses-and-organisations/gst-excise-and-indirect-taxes/gst/in-detail/your-industry/gst-and-food/detailed-food-list>

Examples of GST food and beverages include:

- o bread and bread rolls without a filling or a sweet coating (such as icing). A glaze is not considered a sweet coating.
- o cooking ingredients, such as flour, sugar, pre-mixes and cake mixes
- o fats and oils for cooking
- o unflavoured milk, cream, cheese and eggs
- o spices, sauces and condiments
- o bottled natural water with no additives
- o fruit or vegetable juice (of at least 90% by volume of juice of fruit or vegetables)
- o tea and coffee (unless sold ready-to-drink)
- o infant formula (for children under 12 months of age)
- o all meats for human consumption (except prepared meals or savoury snacks)
- o fruit, vegetables, fish and soup (fresh, frozen, dried, canned or packaged)
- o spreads for bread (such as vegemite, honey, jam and peanut butter)

It is important to note however that even if a food item appears in the GST-free list above, it may still be subject to GST if it is supplied as a dine-in or hot takeaway food

or beverage item. For example, bread rolls are GST-free unless they are sold to diners in a restaurant.

GST Taxable Food

Even if a food item is listed as GST-free, it may still be subject to GST under certain conditions, such as:

- o Food consumed on the premises where it is supplied.
- o Hot takeaway food (with some exceptions like freshly baked bread food and food sold while it is still warm because is freshly cooked).
- o Food listed under specific categories listed in the table in clause 1 of Schedule 1 of the GST Act. (<https://www.ato.gov.au/law/view/document?DocID=PAC/19990055/Sch1-1&PIT=99991231235958>).
- o beverages and ingredients for beverages not listed in the table in clause 1 of Schedule 2 of the GST Act.
- o Food as listed elsewhere in GST law.

Examples of foods subject to GST include:

- o Prepared foods (e.g., quiches, sandwiches, pizzas)
- o Confectionery (e.g., muesli bars, crystallised fruit)
- o Savory snacks (e.g., potato chips, processed nuts, caviar)
- o Bakery products (e.g., cakes, pies, doughnuts, sweet buns)
- o Ice-cream and similar frozen foods such as frozen yoghurt and ice blocks
- o Biscuit goods (e.g., cookies, crackers, pretzels, wafers, cones)

Certain animals and plants are not considered food under GST law until processed or treated. These include live animals (other than crustaceans or molluscs), unprocessed cow's milk, and unprocessed grains, cereals, or sugar cane. Any food labelled or specified for animals is also not considered food under GST law as it is not for human consumption.



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This Diploma is recognised by the National Customs Brokers Licensing Advisory Committee (NCBLAC) and is the pre-requisite course for professionals seeking to get their Australian customs broker licence.

www.wisetechacademy.com

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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.



The future of customs compliance: How BorderWise empowers trade professionals

In today's complex global trade landscape, customs compliance is both a critical responsibility and a significant challenge for logistics professionals. With ever-evolving regulations, complex trade agreements, and strict enforcement measures, customs brokers and trade professionals require powerful tools to stay compliant and avoid costly errors.



Within this scope, BorderWise emerges as an indispensable solution for staying ahead of regulatory requirements and ensuring seamless cross-border operations.

Why customs compliance is more important than ever

Today's global trade landscape demands absolute precision. The financial and reputational risks of non-compliance are greater than ever before. Minor errors in tariff classifications, documentation, or disregard to trade restrictions can lead to heavy fines, shipment delays, or even criminal liabilities.

For customs brokers and those navigating complex supply chains, this pressure to make informed, quick decisions is constant. But with the right technology, managing these risks becomes significantly easier. This is where BorderWise plays a pivotal role.

BorderWise: A vital tool for trade professionals

BorderWise is not just another compliance tool – it's a comprehensive

solution designed to simplify the intricacies of border regulations and provide seamless access to critical information. By aggregating data from customs publications across the world, it offers users a single, reliable source for tariff classifications, legislation, trade restrictions, and compliance requirements.

For customs brokers, importers, and exporters, the ability to quickly retrieve relevant data is essential for making informed decisions. BorderWise's advanced search capabilities ensure that trade professionals can locate the precise information they need, in real-time, enabling them to operate with confidence and efficiency.

Unmatched depth and breadth of information

BorderWise consolidates global customs content, including information on prohibitions, restricted items, dual-use goods, free trade agreements, and much more. Whether it is navigating complex rules of origin or understanding tariff schedules, BorderWise provides users

with all necessary insights to make informed decisions and avoid costly compliance errors.

Its libraries now include a recent addition – the BorderWise UK library and EU library – making it an even more valuable resource for businesses engaging in trade with the EU, UK and Northern Ireland. This expansion strengthens BorderWise's global reach, offering customs brokers an even broader set of tools to ensure regulatory compliance across key markets.

Tailored for a diverse range of users

With three editions – Single Window, Single Window Plus Pro Pack, and Global Entries – BorderWise caters to businesses of all sizes and needs. Whether integrated with CargoWise or used as a standalone solution, BorderWise enhances productivity and simplifies the compliance processes for customs professionals, enabling them to meet stringent deadlines with precision and accuracy.

Future-proof your business with BorderWise

The dynamic nature of global trade requires a proactive approach to customs compliance. With the depth and flexibility that BorderWise offers, customs brokers and logistics professionals can mitigate risks, improve operational efficiency, and safeguard their company's success.

In an era of heightened compliance demands, the ability to streamline processes and confidently navigate complex trade regulations has never been more important. BorderWise is the solution that ensures you stay ahead of these challenges, empowering you to operate with agility and precision in today's global marketplace.

Exclusive offer for FTA Members

As a member of the Freight & Trade Alliance (FTA) you are entitled to a special offer on BorderWise. Join countless others who have benefited from our commitment to innovation and excellence in global logistics. Visit FTAlliance.com.au for more details.



Fit and Proper Person Checks for Customs Depot and Warehouse Licences

Minimise your cyber security obligations through a hosted solution with Veritas. Online forms (B301 or B1555) and background checks. WADSIC printed as required

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Are You a Warehouse or Depot Worker?

The Australian Border Force (ABF) has now implemented its program that requires people involved in the operations of a warehouse or depot to require a Warehouse and Depot Security Identification Card (WADSIC). The ABF has released new obligations for Customs Broker Licence Holders to strengthen existing controls within the supply chain and expand the scope of those who require 'Fit and Proper Checks'. A copy of the Australian Customs Depot Notice No. 2022/46 can be found on the ABF website.



Who Needs a WADSIC

Persons who participate (directly or indirectly) in the operations of a licensed depot/warehouse must obtain a WADSIC.



What is a WADSIC

A WADSIC provides evidence that a person is "fit and proper" and includes a national Police Check and Right to Work Check.



Register for WADSIC

Veritas is an ACIC authorised issuer of National Police Checks and can streamline the WADSIC application and issuance processes for license holders.

Why Veritas?

Veritas is a national leader in the provision of background checking services in Australia and is accredited by the Australian Criminal Intelligence Commission (ACIC) to deliver National Police Checks. Since 2005, Veritas has developed identity verification services and systems for organisations and individuals across a range of industries including aviation, maritime, offshore, transport and logistics, rail, infrastructure, and more.

In addition to delivering Regulatory compliant solutions, Veritas maintains ISO 9001:2015 and ISO27001:2013 accreditations to ensure our operations meet the highest standards for efficiency and information security.

Have a question? We can help you. Check out our FAQ or contact our customer care team on **1300 VERITAS (1300 837 482)**.



Interview

Tony Smith, Assistant Commissioner Customs Compliance, Enforcement and Targeting – Australian Border Force

The Australian Border Force (ABF) is committed to working in collaboration with industry and other whole-of-government partners to realise the intent of the health-led reforms associated with vaping products.

As recently announced by the Minister for Health and Aged Care, over 5.2 million illicit vapes and vaping products have now been seized since the import prohibitions commenced in January 2024. The ABF and the Therapeutic Goods Administration (TGA) have led the majority of these seizures, with assistance from state and territory law enforcement and health agencies. We expect these numbers to grow as targeted activities mature and collaboration with partners, including industry, increases.

The ABF has seen many international vaping suppliers change the way they

send products to Australia in response to the phased import prohibition. Whilst some suppliers have ceased exporting to Australia, others continue with a focus on circumventing Australia's border-related laws.

Transport operators and licensed Customs brokers play a pivotal role in the supply chain and can assist by ensuring they are aware of the strict controls around who can import vaping goods. There are certain circumstances where vaping goods can be supplied. These include:

- A wholesaler, pharmacist, medical practitioner, or nurse practitioner who is authorised under a state or territory law to supply a Schedule 4 or Schedule 3 substance
- An importer (who holds a licence and permission to import vaping goods)
- A manufacturer (who holds a licence from the TGA to manufacture vaping goods, or conformity assessment documents that apply to vaping goods)

Sal Milici, General Manager Trade Policy & Operations – Freight & Trade Alliance (FTA) recently sat down with the Assistant Commissioner to give us an exclusive insight into how the ABF is working in collaboration with partners to support this important Government initiative.

1. Sal Milici - How is the ABF enforcing new legislation restricting the import of vapes?

On 1 January 2024, all single-use disposable vapes became prohibited imports.

From 1 March 2024, this expanded to all other types of vaping goods. In this period, the ABF and TGA have seized more than 5 million vapes and vaping accessories preventing them from entering the Australian community.

Prior to the legislative reforms introduced this year, only vapes containing nicotine were prohibited. However, many vapes containing nicotine were not correctly labelled and every product suspected to contain nicotine required specialised testing by the TGA. This was onerous and placed significant strain on both the Government and compliant industry members who were required to store goods awaiting testing or destruction. The new laws have now made it easier to detect, seize and destroy all vaping goods imported without the necessary licences and permits.

We are disrupting large volumes of these prohibited imports crossing Australia's border every week. Our efforts are having an effect but reducing the amount of vapes in the community requires partnerships with industry and a multi-faceted approach across all levels and jurisdictions of government, including health authorities, law enforcement and community education about the harms of vaping.

2. Sal Milici - How many vape seizures have taken place since the vaping reforms were introduced?

Since 1 January 2024, over 5.2 million vaping products, with an estimated street value of \$155.8 million, have been seized by ABF and the TGA.

3. Sal Milici - What methods are you seeing illegal importers use to get vapes into Australia?

Organised crime groups are highly adaptive and will seek to take advantage



of legitimate supply chains and entities. They are always looking for ways to avoid detection, circumvent controls and operate outside of the boundaries of lawful business practices. We know some groups profiting from the import and sale of illicit tobacco are now diversifying into the distribution of unlawfully imported vaping products.

We are seeing high levels of mis-declaration and mis-description of goods, in an attempt to remain undetected by the ABF and circumvent border controls.

The ABF is well attuned to these methodologies and has the tools in place to detect and disrupt these attempts. We remain agile as opportunistic importers and criminal groups change their approach to avoid detection.

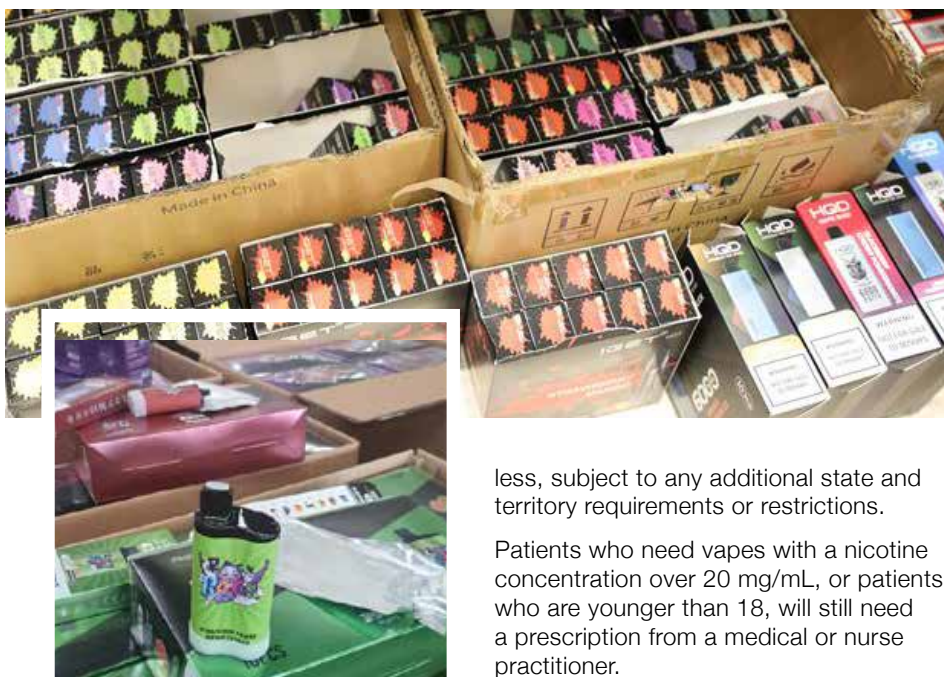
We seek support and assistance from industry to speak up if there are anomalies or unusual behaviour identified by importers. For example, lithium battery indicators for consignments described as something that wouldn't need batteries could be an indication of mis-described products. If there are signs that the goods being imported are likely unlawful shipments of vapes, please refer your concerns to Border Watch.

4. Sal Milici - What are the penalties if someone is caught?

Tough new penalties for the unlawful importation, manufacture, advertising, supply and commercial possession of vaping goods now apply.

The ABF has a range of enforcement options available to deter those who seek to circumvent border controls. The ABF will seize and destroy any illegal vaping products, however further penalties may also apply.

To avoid penalties and sanctions, licensed Customs brokers should take additional precautions where relevant and conduct the required due diligence on import documentation, description of goods and addresses provided by the importer. This may extend to ensuring the credentials of the importer are true and accurate. In addition, if licensed Customs depot operators, through the course of their duties, suspect consignments are unlawful imported vapes, it is encouraged that they seek assurances to verify the goods or flag it with Border Watch for ABF intervention.



5. Sal Milici - How do you work with international partners, given vaping isn't banned in other countries?

Our strong international network allows us to work with partners at the source to disrupt the supply of vapes, before they hit our shores. We have been working closely and proactively with a number of countries, including China and New Zealand to prevent the export of vapes to Australia, to the extent it is permissible under each country's domestic laws. There is a strong commitment from our international partners to work with us pre-border.

6. Sal Milici - How does the ABF work with the TGA and other partners on enforcement?

The ABF and TGA have a very close working relationship. We partner in both multi-agency forums and directly across our two agencies, actively sharing information and meeting regularly.

This work is underpinned by a National Vaping Enforcement Framework, which has been agreed between health and law enforcement agencies, including state and territory police and the Australian Federal Police, and sets out a united approach to enforcing the laws for vaping products.

State and territory health departments are supported by their policing agencies, particularly in relation to organised crime.

7. Sal Milici - What changes occurred on 1 October?

From 1 October 2024, pharmacists can supply vapes without a prescription to a patient who is 18 years or older, if the nicotine concentration is 20 mg/mL or

less, subject to any additional state and territory requirements or restrictions.

Patients who need vapes with a nicotine concentration over 20 mg/mL, or patients who are younger than 18, will still need a prescription from a medical or nurse practitioner.

State and territory requirements also apply.

With this change, FTA members should expect legitimate importations of vapes to be consigned to or delivered to licensed importers or pharmacies with the appropriate permits. In particular and if warranted, licensed customs brokers and depot operators should seek further assurances or flag consignments that are addressed or consigned to unusual places or people. An example would be a large shipment of vapes consigned to tobacco stores, residential addresses or grocery/convenience stores.

8. Sal Milici - Do you have a message for our readers?

Freight & Trade Alliance members play a key role in protecting our border and community from unlawful activities. You are considered partners in securing Australia's borders and hold a valuable position as a liaison between importers/exporters and Government authorities. Customs brokers in particular hold a privileged role of trust and play a significant role in the protection of Australia's borders. Customs brokers should, to comply with their licence obligations, exercise due diligence by seeking information from importers relating to the importation. If something doesn't look right, Customs brokers should seek additional information or verification.

If you see something that doesn't feel right, flag it with Border Watch. By reporting suspicious activities, you help protect Australia's border and our community. One small observation could help stop a large border crime. Reports can be made anonymously at <http://www.abf.gov.au/borderwatch>



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The Australian Peak Shippers Association (APSA) and Freight & Trade Alliance (FTA) would like to acknowledge the following sponsors for their ongoing support of the Alliance.



To find out more about advertising in Across Borders or how to become an APSA / FTA sponsor, please refer to www.FTAlliance.com.au or contact us at info@FTAlliance.com.au

What's on... Calendar of events 2024/25



Freight & Trade Alliance (FTA) is accredited by the Department of Agriculture, Fisheries and Forestry (DAFF) to deliver Continued Biosecurity Competency (CBC) training and by the Australian Border Force (ABF) to deliver licensed customs broker Continuing Professional Development (CPD) training. FTA delivers high quality, practical, cost effective and flexible training solutions.

Further details and to book your place at FTA & APSA events go to www.FTAlliance.com.au/Upcoming-Events

FTA / APSA CHRISTMAS NETWORKING FUNCTIONS

Join us for an end of year celebration – enjoy pizza and drinks with industry colleagues (from 6pm)

MELBOURNE

Wednesday 20 November 2024 - Mr McCracken,
1A Larkin Boulevard, Essendon Fields, VIC

PERTH

Wednesday 27 November 2024 -
8 Knots Tavern
110 Riverside Road, Fremantle East, WA

SYDNEY

Thursday 28 November 2024
St George Motor Boat Club, Waterfront Function
Centre, 2 Wellington Street, Sans Souci, NSW

BRISBANE

Thursday 5 December 2024
Brew Dog - DogTap Brewery
77 Metroplex Ave Murarrie, QLD

SECTION 77G DEPOT AND APPROVED ARRANGEMENTS FORUMS

*All States - 8.20am to 12.30pm
(Registration from 8.00am)*

SYDNEY

Wednesday 9 April 2025
St George Motor Boat Club,
Waterfront Function Centre. 2 Wellington Street,
Sans Souci, NSW

MELBOURNE

Wednesday 8 May 2025,
Mantra Hotel Tullamarine
2 Trade Park Drive, Tullamarine, VIC

PERTH

Friday 23 May 2025
Tompkins Park Functions, Canning Room.
Corner Dunkley Avenue & Canning Hwy,
Alfred Cove, WA

BRISBANE

Tuesday 3 June 2025
The Colmslie
Cnr Wynnum & Junction Roads, Mornington, QLD

2025 - 2026 CPD BORDER COMPLIANCE PROGRAM – EARLY BIRD NOW OPEN

SYDNEY

Friday, 4 April 2025 & repeated
Saturday, 5 April 2025
Novotel Brighton Beach Hotel, Brighton Le-Sands, NSW

MELBOURNE

Friday, 9 May 2025 & repeated
Saturday, 10 May 2025
Hyatt Place, Essendon Fields, VIC

PERTH

Saturday, 24 May 2025
Double Tree by Hilton Perth Waterfront,
1 Barrack Square, Perth, WA

BRISBANE

Wednesday, 4 June 2025
Brisbane Airport Conference Centre,
Brisbane Airport, QLD

2025 CARE-FACTOR INDUSTRY CHARITY TRADE BALL

SYDNEY

Friday 25 July 2025 - Christmas in July
Fullerton House, Martin Place, Sydney

"KEEPING AUSTRALIA'S INTERNATIONAL TRADE MOVING"



Australian Peak Shippers
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REGISTER NOW at

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ONLINE TRAINING - MYFTACPD

FTA offers a cost-effective member online training package for \$150 (excl. gst) per person.

The member package provides a library of Continuing Professional Development (CPD) topics and the Continued Biosecurity Competency (CBC) assessment per customs broker licensing period (1 April to 31 March) each year.

Further discounts are offered to businesses with multiple purchases with the option for an all-inclusive invoice for FTA Premium Membership and CPD / CBC training - price on application to czalai@FTAlliance.com.au



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