



YOUNG INTERNATIONAL
FREIGHT FORWARDER
OF THE YEAR 2016

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INTRODUCTION

“Start by doing what’s necessary; then do what’s possible; and suddenly you are doing the impossible.”

- Francis of Assisi

The job of a freight forwarder is both a complex and a challenging one. The Oxford English Dictionary defines problem solving as ‘*the process of finding solutions to difficult or complex issues*’ which is the average working day for the logistics industry.

It is our responsibility to make sure that our clients comply with regulations of both the origin and the destination countries. Regulations that have been set out by government and worldwide authorities to ensure that economies are protected, no threat is posed to wildlife and environments, no fraudulent or criminal activity is occurring, and any tariffs or duties applicable have been accurately applied.

In this project, I will be organising 2 very different types of cargo. For Part 1 I, will be arranging the movement of “Robosaurus”, a huge piece of machinery from the United States to Sydney, Australia. For Part 2, I will be arranging containerised shipping of Hazardous pharmaceutical products from Melbourne, Australia to Tianjin, China with medical aid for victims of a recent explosion. The first is required by a strict deadline, the second required as soon as possible.

Both shipments seem like standard shipments on paper but both have many hurdles to overcome. Hurdles that demonstrate that in logistics, you learn to always expect the unexpected, and that no two days are ever the same.

IMPORT SHIPMENT DETAILS

1) DESCRIPTION

Robosaurus¹, a metal dinosaur robot that transforms from a semi-trailer into a mechanical Tyrannosaurus Rex (including hydraulically activated arms, claws, jaws and fire breathing nostrils), is the star attraction for the Sydney Royal Easter Show (“the Show”), an annual event held over two weeks around Easter and attended by upwards of 700,000 people each year. The Royal Agricultural Society of NSW wants Robosaurus delivered from Los Angeles, USA to Sydney on 3 March so that the star attraction is fully installed and functional at least two (2) weeks before the start of the Show.

2) UNIT DETAILS

Robosaurus, a robot controlled by a specially trained pilot, is permanently attached to a semi-trailer and towed by a prime mover. When performing, it stands at 40-feet tall and crushes cars with its jaws at pressure of 28,000psi and shoots 20-foot flames from its nostrils.

DIMENSIONS

- 14m long x 2.5m wide x 4.2m high
- Total cubic measurement: 147.00m³
- Weight: 14,000kg

¹ See appendix A for Robosaurus image

3) MODE OF TRANSPORT

Due to the dimensions of the cargo, I determined that Robosaurus is too long, too wide and too high to be containerised so I considered the option of loading onto the deck of a container ship (Lift on/Lift off or LOLO). Most carriers offered transshipment services which would require lifting on and off a vessel via crane at each transshipment port however this was problematic due to the increased risk of damage to the cargo. A direct service with a transit time of twenty three (23) days with Mediterranean Shipping Company was found however ruled out due to potential damage. Due to the aesthetic appearance and cargo value of Robosaurus it cannot be exposed to the elements on the deck of a container ship.

I decide the cargo will be best shipped as roll-on/roll-off (RORO) on a vessel specialising in cargo being driven on and off the vessel. The decks on these vessels are moveable, meaning they can increase the vertical clearance of the decks with no length, width or height issues and no weight issues either as the limit is 130 tonnes.

Robosaurus does not have any lashing points, so a lashing survey report and lashing lugs or cargo tie down points will be needed in order to determine a stowage, lashing, and securing plan to the anchor points on board to minimise movement during transit.

4) TIME CONSTRAINTS

This cargo is time critical and must arrive in Australia by 3 March for its first ever public appearance outside of America. Wallenius Wilhelmsen Logistics (WWL) offers a direct fortnightly RORO service from Long Beach, CA to Port Kembla, NSW with a

transit time of 38 to 40 days. The vessel chosen arrives in Port Kembla on 22 February, ten days before it is wanted on site for setting up and pre-performance checks.

5) UNIT IS HAZARDOUS

The unit has 2 x 75 litre gas tanks that Robosaurus uses to shoot 20-foot flames from its nose and fires confetti, missiles and fireworks. LPG (Liquefied Petroleum Gas) is Hazardous, Class 2.1, UN1075. The MO41 and MSDS sheets required for dangerous goods will be sent onto the shipping line for approval from the vessel operators.

6) INVOLVED PARTIES

- The shipper and Robosaurus operating crew – technicians and the driver
- GP Logistics – my USA agent
- Boomerang Carnets – for the ATA Carnet
- Van Ameyde Marine – the independent lashing surveyors at origin
- Progress Transport Services – the origin transport company
- Wyvern International Insurance Brokers – the marine insurance company
- Stevedoring Services of America – the Long Beach stevedores
- Wallenius Wilhelmsen Logistics – the shipping line
- Navia Logistics – my company, the Australian freight forwarder
- Australian Customs - Department of Immigration and Border Protection
- Australian Biosecurity - Department of Agriculture and Water Resources
- Royal Agricultural Society of NSW – the consignee

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- AAT Port Kembla – terminal washing facility
 - Rex J Andrews – destination transporter and hydraulics specialist

7) EXPORT CLEARING REQUIREMENTS

I appoint GP Logistics to provide the following export requirements and advise them that they are to provide details to me as the work progresses, so I can amend my instructions as required.

- Receive the Shippers Letter of Instruction (SLI) from the shipper, ensuring it is signed, correct weight declaration is made, and all relevant information is included
- Place a booking with WWL on the selected vessel and submit the forwarding instruction
- Receive the Dangerous Goods certificate (MO41) and Material Safety Data Sheets (MSDS) and forward to the transport company and WWL
- Receive Commercial invoice showing value of the cargo and period of lease time
- Terms of Sale (Ex-works) are noted on the Commercial Invoice
- Receive Packing list
- Receive Packing declaration (any wooden packaging and dunnage must be ISPM 15 compliant)
- File tariff (based on carrier rates)
- Book independent lashing survey with Van Ameyde Marine
- Receive lashing survey report and send to WWL

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- Receive the ATA Carnet (organised and issued to the shipper directly by Boomerang Carnets)
 - Receive the EIN (Employer Identification number or Tax ID) for sending to US Customs for the export clearance
 - Determine the HS Code (or Schedule B) - the US Customs assigned product number for every product that leaves the U.S.A.
 - Submit Export Clearance to US Customs with WWL Booking details, Vessel name, ATA Carnet ID Number, EIN and HS Code
 - Receive receipt and cut-off dates at the terminal for delivery
 - Book delivery slot to terminal with WWL
 - Book transport with Progress Transport Services
 - Send the 1-Dock Receipt to the transport company for delivery to the terminal

8) IMPORT CLEARING REQUIREMENTS

I have determined that the following will be required for import clearances and release from the terminal:

- WWL Bill of Lading
- WWL Import Delivery Order
- ATA Carnet (to be presented to Australian Customs Department of Immigration and Border Protection)
- Shippers passport or birth certificate (to be presented with the ATA Carnet)
- Commercial invoice (value of cargo to be produced by shipper)
- Packing list

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- Packing declaration
 - Australian Biosecurity clearance - an electronic clearance that gets sent through to the clearing broker after a 6-point inspection from a Biosecurity officer and cargo has passed inspection.

SHIPMENT PRE-PLANNING

9) BOOKING DETAILS

I instruct GP Logistics to place a booking with Wallenius Wilhelmsen Logistics using the cargo description, dimensions and weight, travelling from Long Beach, USA to Port Kembla, NSW.

10) EXPORT CUSTOMS CLEARANCE

As this unit will be travelling to Australia and back to the USA again, I determine the most cost effective mode is for it to travel on an ATA Carnet with a 40% bond deposit of the cargo's commercial value. The bond will be refundable if the cargo returns to the USA within one year of the ATA Carnet being issued, so the shipper will need to register and apply for an ATA Carnet with Boomerang Carnets.

Once the application has been submitted to Boomerang Carnets, the ATA Carnet will be delivered to the shipper within 24 hours of receipt of the application.

11) LASHING AND SECURING SURVEY

I hire Van Ameyde Marine, a company that specialises in how to secure the cargo safely in accordance with the IMO rules and regulations. They calculate where the lashing eyes will need to be welded, the lashing materials that need to be applied, and the appropriate weight-bearing points of the cargo. After inspection, a survey report is issued along with photographs and calculations on how to load this cargo.

12) TERMINAL DELIVERY

I investigate whether any transportation permits will be required by the state authorities. The State of California Department of Transport confirms that, as the combined length of the trailers is less than the overall maximum length, a permit is not required and the maximum width of 2.6m falls under the permit regulations. The California Vehicle Code (CVC)² states that “*no loads shall exceed a height of 14ft*” (4.2672m). As Robosaurus is 4.2m high, it clears permit regulation requirements. The weight maximum is 80,000lbs total, or 20,000lbs per axle. The nett weight of this unit is 14,000kg (approx. 30,865lbs), therefore the weight is evenly distributed and falls under permit requirements.

13) INSURANCE

Although the risk is minimised as RO/RO, due to the high value of the cargo I recommend to the client that international maritime insurance is taken out with Wyvern International Insurance Brokers, marine insurance specialists for cargo

² California Department of Transport. Viewed 21 April 2016
<http://www.dot.ca.gov/hq/traffops/trucks/trucksize/height.htm>

travelling under an ATA Carnet. The insurance rate is 1.5% of the USD Insured Value (value from the commercial invoice), minimum USD \$150.00.

14) USA EXPORT DOCS COMPILING INSTRUCTIONS

- GP Logistics contacts the shipper for a commercial invoice and packing list with a value of the goods, along with the EIN (Employer Identification Number) or Tax ID.
- GP Logistics determines the HS code and completes the export clearance.
- GP Logistics files the tariff based on the carrier's rates.
- The ATA Carnet is taken to the USCBP (United States Customs Border and Protection) for validation and approval.
- A packing list confirming no wooden packaging is present is completed.
- The forwarding instruction is sent to the carrier (WWL) for the Bill of Lading.
- The 1-Dock receipt for wharf delivery is sent to the driver.
- Once the vessel sails, the Bill of Lading from WWL is provided, which shows the shipper, consignee, and cargo details, including terms showing all charges to be collected in Australia Ex-works.

15) TERMINAL PICK UP

Australian roads have different regulations to the United States. I confirm the weight, length, width, and height all fall under the required parameters, and that no permits are required for transport.

Before the arrival into Australia, I contact Roads & Maritime (the NSW government road authority) to determine whether Robosaurus will need to be registered for travelling on Australian roads. According to NSW legislation, “*vehicles that are registered overseas and only in NSW temporarily do not require NSW registration as long as all plates and labels required by the overseas registration authority are displayed*”³, therefore no registration is required.

16) DELIVERY TO THE DESTINATION

Robosaurus needs to be attached to a prime mover in order to be transported. For transportation, the driver will attach the prime mover to the trailer with the trailer connection point (goose-neck or fifth wheel hitch) and connect the air hose connectors for the air brakes. Once attached, the driver can transport Robosaurus to the Sydney Showground at the Sydney Olympic Park, approximately 85 kilometres away via the A6 and M1 freeways. I check for any height restrictions, and as the unit’s height is less than 4.6m high there will be no risks in terms of overhead powerlines or low bridges according to the Restricted Access Vehicle (RAV)⁴ interactive map.

³ NSW Government Department of Roads viewed 9 April 2016
<http://www.rms.nsw.gov.au/roads/registration/get-nsw-registration/index.html>

⁴ Roads and Maritime NSW viewed 21 April 2016 <http://www.rms.nsw.gov.au/business-industry/heavy-vehicles/maps/restricted-access-vehicles-map/index.html>

THE SHIPMENT IN REALITY

17) NO COMMERCIAL DOCUMENTS

A commercial invoice stating the value of the goods has never been required before as Robosaurus has never left the United States. I speak with the shipper and advise that the value of the unit (based on the amount it was sold for at auction in 2008), and the hire rate agreement between the consignee and the shipper determines the commercial value. Additionally, materials it is made from, the country of manufacture, and the primary use of the unit are required, which the shipper adds to a company letterhead to act as the commercial invoice.

18) LATE RELEASE OF CARGO

Robosaurus has been held up at another show and is not loading on 13 January as required. This is booked immediately on the next sailing which is 2 weeks later (ETD 27 January, ETA 7 March).

19) UNIT NOT ALLOWED INTO AUSTRALIA

Due to a miscommunication between the shipper and GP Logistics, the unit has not been fumigated at origin. The unit is contaminated with soil, animal and plant material and is a biosecurity risk so Robosaurus is refused entry into Australia. I contact the Biosecurity Quarantine & Inspection Services at Department of Agriculture and Water Resources and arrange for a meeting. Together we come to

an agreement on the standard of cleanliness required in order to allow entry into Australia and we're allowed movement of the unit to a cleaning facility.

A Biosecurity 'hold' is now on this cargo and it will need to be steam-cleaned to rid the unit of the oil, grease, mud and dust in the robot controls before it will be released.

The cargo is also about to go into storage at AUD \$17.50 per m³ per day (\$17.50×147m³ = \$2,572.50 + GST).

I obtain a Biosecurity 'direction'⁵ which allows removal from the terminal pad to a steam cleaning bay and I arrange for a prime mover to transport the unit. In order to operate Robosaurus, the Robot Operators and 2 technicians also need access to the wharf. I contact the site supervisor at the wharf and full names, titles, and copies of passports are sent to the terminal.

20) WRONG COUPLINGS

The prime mover arrives to transport Robosaurus, and the couplings on the semi-trailer don't match the standard Australian truck couplings. The trailer has a pin which attaches to a turntable on the prime mover known as the fifth-wheel hitch or goose-neck. These are designed for mounting the trailer connection point in the middle of the truck bed, along with the air hose connectors which are for connecting the service lines and emergency brake lines air brakes (connectors also known as "glad hands").

The driver sends me photos of the hook and pin configuration:

⁵ NSW Department of Primary Industries viewed 21 April 2016
<http://www.dpi.nsw.gov.au/content/biosecurity/biosecurity-act-2015/key-terms-and-definitions>

-
- air brakes connection is 3¼” pipe thread for brake lines
 - 5th wheel pin measurement is 3¼”
 - Measurement from the 5th wheel pin to the furthest point is 4’8”

The typical Australian connection for air brakes and 5th wheel pin is 3”, therefore adaptors are required. I contact Rex J Andrews, a hydraulic mechanic and hose specialist that has the American adaptors required, and they’re dispatched to the terminal to change the couplings so that the unit can be towed.

21) STEAM CLEANING

With the arrival of the adaptors, Robosaurus is moved to the AAT Kembla washing facility for cleaning. The cleaning teams consisted of 2 cleaners per shift, on 2x6 hour shifts per day, and are needed for three days under my supervision. Extensive cleaning is required so the sensitive electrical areas are sealed off to protect from wash spray, and the machine operating crew operate Robosaurus so that all areas are accessible for cleaning.

The inspecting officer assigned to this unit inspects Robosaurus every day and advises me on which areas need further cleaning. Biosecurity are extremely accommodating during this time, but it isn’t until the third day that the unit is released.

22) CARGO RELEASE AND DELIVERY

Robosaurus is finally released by all government authorities on 16 March. The driver transports Robosaurus to the Sydney Olympic Park where it arrives one day ahead

of the opening of the show. The technical staff work all day and night to install and test Robosaurus so it is ready and breathing fire as the gates to the Show open the next morning.

EXPORT SHIPMENT

EXPORT SHIPMENT DETAILS & PRE-PLANNING

23) INTRODUCTION

A port explosion has left hundreds of people injured and thousands homeless after incorrectly handled hazardous cargo has exploded at Binhai New Area of Tianjin, China. Ego Pharmaceuticals, a privately owned pharmaceutical company located in Melbourne, Australia is donating products to the hospital in Tianjin for specialised treatment of burns. Both products are classed as Hazardous Class 3, UN1170 and will require special handling in both Australia and China. The port authorities of Tianjin have declared no hazardous cargo can be delivered into Tianjin.

The shipment needs to be moved within the funding financial parameters set by the Australian Government.

24) CARGO DETAILS

Ego Pharmaceuticals are donating 2 products:

- 10x pallets of Egopsoryl TA, a treatment used for treating exposure to chemicals
- 10x pallets of Aqium, a sanitiser used by hospitals to control the spread of infection for burn victims

Both products are packed into boxes containing 24x200mL bottles per carton, 12 cartons to a pallet, classified as Hazardous Class 3, UN1170, PGIII⁶

Cargo Dimensions

- Pallet size: 112x112x113cm
- Quantity: 20 pallets
- Weight: 250kg per pallet

Cargo Totals

- Total cubic measurement: $1.417\text{m}^3 \times 20 \text{ pallets} = 28.35\text{m}^3$
- Total weight: 5,000kg
- Total inner cartons: 240 boxes
- Total inner bottles: 5760x200mL bottles

25) TRANSHIPMENT INTO TIANJIN

The pharmaceutical products are required as soon as possible however the port authorities have implemented an embargo on hazardous cargo into the Port of Tianjin.

I can organise this either via an international transshipment hub or a Chinese port and then road transport to Tianjin.

I investigate the following international transshipment hubs:

⁶ MSDS for Hazardous DG Class 3, National Institute for Standards and Technology, viewed 21 April 2016
<https://www-s.nist.gov/srmors/msds/1847-MSDS.pdf?CFID=43570187&CFTOKEN=ad2db9cb797a0cd0-EB57A757-B9A2-5FB2-326B4D4471A8910B>

-
- South Korea: general commodity (or non-hazardous) cargo accepted, however Korean Customs will not allow transshipment of hazardous cargo
 - Taiwan: does not allow discharge of cargo destined for another country
 - Japan: customs does not allow transshipment of cargo to another country
 - Singapore: will allow transshipment of hazardous cargo into China.

I also investigate the option of sending cargo direct into China and road transport to Tianjin. Shanghai port in China has no restrictions for handling and transshipping hazardous cargo.

I conclude that transshipment via Singapore or Shanghai will be the most viable options.

26) MODE OF TRANSPORT

The next decision required is the mode of international transport to Tianjin via one of my selected transshipment ports. EGO Pharmaceuticals will pay freight costs to Tianjin as long as the freight costs are within the funding budget, therefore I investigate 3 options:

- Airfreight - fly direct to Shanghai, China
- LCL (Less than Container Load) - transhipped to Shanghai via Singapore
- FCL (Full Container Load) - shipped direct to Shanghai

Airfreight

I investigate airfreight rates with Qantas and I am quoted the following rates, based on chargeable weight of 5000kg:

- Freight: AUD \$3.25/kg = AUD \$16,250
- Air Waybill Fee: AUD \$95.00
- Terminal Sec: 0.08/kg + 0.04/kg
- Build up fee: AUD \$600.00
- DG Lodgement: AUD \$215.00
- DG Handling: AUD \$1651.40
- Delivery to door Tianjin: USD \$0.50/kg = USD \$2500.00 (\$3,242.12 AUD based on an ROE of 1 USD = 1.29685 AUD)
- Total: AUD \$22,053.52
- Transit time: 3 days from Melbourne Airport, Australia to Shanghai Airport, China.

LCL

If the cargo moves as LCL, cargo will be packed in an FAK Consolidation container to Singapore where it will be unpacked, and re-packed into a second container for delivery to the CFS in Tianjin. My Singapore agent advises the following:

- Freight Melbourne to Tianjin via Singapore: USD \$30.00 per w/m \times 28.35m³ = USD \$850.50
- Hazardous Transshipment surcharge: USD \$50.00 per MSDS (one per each of the two products) = USD \$100.00
- Delivery to door Tianjin: USD \$15.00 per w/m \times 28.35m³ = USD \$425.25
- Total: USD \$1375.75

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- Transit time: 28 days from Melbourne CFS to Shanghai CFS

FCL

Due to potential risk to the medical products if the cargo is double stacked, I calculate that I will be able to fit 20 pallets on the ground in a 40' GP container.

A comparison of costs from carriers China Shipping, Hyundai Merchant Marine, Evergreen Shipping, Maersk, MOL, and OOCL, shows Maersk offers the cheapest rates on a direct, 19 day service to Shanghai

- Freight (including BAF): USD \$650.00
- Documentation Fee: USD \$80.00
- Origin Terminal Handling charge: USD \$510.00
- Delivery to door Tianjin: USD \$750.00
- Total: USD \$1990.00

This cargo is required as soon as possible so whilst airfreight is the quickest of the three options, the cost puts this option outside the Australian Government funding parameters. The LCL option is the cheapest and takes the longest of the 3 options. I decide this will be sent as an FCL, which fits within cost parameters.

27) HAZARDOUS CARGO REQUIREMENTS

The cargo is deemed to be hazardous based on the IMDG Code Edition 7.4 as follows;

- Section 14: Transport Information of the Material Data Safety Sheet (MSDS):
- UN Number: 1170
- Proper Shipping / Technical Name: Ethanol Solution
- Transport Hazard Class(es): Class 3 Flammable Liquid
- Packing Group: II⁷

Shipment Marking

I need to ensure the cargo is packaged and marked accordingly with IMDG requirements:

- Hazardous class
- Proper shipping name
- Corresponding UN number preceded by the letters "UN"

As per 5.2.1.2 of the IMDG Code, all package marking must be

- readily visible and legible
- must be able to withstand open weather exposure
- must be displayed on a background of contrasting colour
- must not be located with other package markings
- should be in letters and numbers of at least the size specified for the package

⁷ MSDS Hazardous DG Class 3: op cit

Container Marking

The container will need to be placarded as per IMDG Code 5.3.5.4 with class, division or mixed class labels, and emergency information panels on each side of the container in accordance with 5.3.1.4.

Suitable Packaging

The products are in 200mL bottles packed into an outer fibreboard carton fitting 12 bottles per carton. I will ensure the bottles and fibreboard cartons satisfy the requirements as set out in section 6.1.4.12.1 (fibreboard box) of the IMDG code.

These state each box must be of strong and good quality solid or double-faced corrugated fibreboard (single or multiwall) and the water resistance (as determined in a test carried out over a period of 30 minutes by the Cobb method of determining water absorption), is not greater than 155g/m².

The testing requirements in Section 6.1.5.1.2 also require each packaging design type must successfully pass the tests prescribed as follows:

Fibreboard boxes – five test drops (one for each drop)

- First drop: flat on the bottom
- Second drop: flat on the top
- Third drop: flat on the long side
- Fourth drop: flat on the short side
- Fifth drop: on a corner

28) INVOLVED PARTIES

- Ego Pharmaceuticals – the shipper
- Navia Logistics – my company, the Australian freight forwarder
- CITO Transport – LCL Transport company and FCL Packer
- Maersk – the shipping line
- Australian Customs – for the EDN
- KORHI Average Adjuster & Surveyors Ltd – General Average Adjusters
- Eastrong International - Destination Agent
- China Inspection and Quarantine services (AQSIQ)
- State Administration of Taxation – Government of China
- Shanghai Sijin International Transport Co., Ltd
- United Family Hospital and Clinics – the receiving party

29) EXPORT CLEARING REQUIREMENTS - AUSTRALIA

I determine that the following documentation and information will be required to export this shipment from Australia:

- Commercial invoice
- Packing list
- MO41
- MSDS
- Forwarding Instruction
- Packing declaration

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- Declaration of Origin
 - EDN – Export Declaration Number
 - ABN – Australian Business Number
 - HS Code – 3304.99.09
 - PRA – Pre receipt advice
 - Shipment terms – Freight Prepaid/CFR

30) IMPORT CLEARING REQUIREMENTS – CHINA

I determine that the following documentation and information will be required to import this shipment into China from Australia:

- Commercial invoice
- Packing list
- Packing declaration
- Declaration of origin
- MO41
- MSDS
- Bill of Lading
- Delivery Order
- Application for Inspection (AQSIQ – General Administration of Quality Supervision, Inspection and Quarantine)
- Quarantine Inspection report (AQSIQ – General Administration of Quality Supervision, Inspection and Quarantine)
- Quarantine Release Notice
- Quarantine Certificate

EXPORT SHIPMENT IN REALITY

31) BOOKING DETAILS

I place a booking with Maersk for 1×40' GP STC HAZ Class 3 UN1170 Pharmaceutical products from Melbourne to Shanghai, China on a Freight prepaid basis.

32) HAZARDOUS LODGEMENT

I send the MSDS and the MO41 to the following parties for DG approval:

- Maersk – the shipping line
- Eaststrong International – the destination agent

33) PACKING AS FCL

The shipper has advised they cannot load an FCL at their premises so I contact CITO Transport (CITO) to arrange the transport of the pallets to their depot, pack the FCL container and transport the full container to the port.

In order for CITO to comply with the Australian Code for the Transport of Dangerous Goods by Road & Rail (Edition 7.3) the cargo must be marked with the same markings as 1.5.1, and the cargo must be accompanied by the MO41 and MSDS Sheets.

I advise the shipper that CITO will pick up the pallets and deliver to their depot. I instruct that the 40' GP container is picked up from the empty container park as

advised by Maersk, citing the release number. I advise CITO of the applicable Hazardous markings, who then placard the outside of the container as per regulations cited in section 1.5.2 above.

34) DELIVERY TO TERMINAL

I lodge the Pre-Receive Advice (PRA) through 1-Stop, an automated online booking system, which allows my cartage company to book a slot and arrange delivery of the container to the receiving terminal.

Once the container has been packed, the "Final" MO41 is lodged with the terminal showing the:

- Shipper
- Consignee
- Shipping line
- Shipping line booking number
- Vessel
- Voyage number
- Origin port
- Destination port
- Container number
- Seal number
- Hazardous cargo details
- Nett & gross weight of DG cargo

I lodge this with the terminal and shipping line, then send a copy to CITO Transport for the road transport.

35) INSURANCE

I speak with the shipper regarding Marine Insurance, however due to the low value of the cargo and the fact that the shipment is not a commercial transaction, EGO Pharmaceuticals decline marine insurance.

36) AUSTRALIA EXPORT DOCS COMPILING

I assemble the following documents, as received by the shipper.

- Commercial invoice - showing the goods description, full value of the goods and currency, seller, receiving party
- Packing list - showing number of packages, goods description and weight per package
- Final MO41
- MSDS – Material Data Safety Sheet
- Packing declaration – showing no wooden packaging used
- Shippers letter of instruction – showing shipper, consignee, and terms of shipment (DDP or Delivered Duty Paid – all charges including applicable Duty and GST at destination to be paid by the shipper)
- Declaration of Origin

I then create/execute the following documents:

- EDN – Export Declaration Number

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- PRA – Pre Receival Advice
 - Shipping Line Bill of Lading

37) EXPORT DECLARATION NUMBER

The exporter – EGO Pharmaceuticals must be registered with Australian Customs as an exporter and have an Australian Business Number (ABN). I submit the commercial value of the cargo, the commercial invoice number, volume, and the HS code to Australian Customs electronically for the Export Declaration Number (EDN). A 9-digit number is received as the EDN showing as “CLEAR” which means this can be exported with no further Customs requirements.

38) CHINA IMPORT DOCS COMPILING

I compile the documents required for Chinese requirements.

Australia and China entered into a mutual Free-trade agreement effective 20th December 2015 (known as ChAFTA), reducing the duty import tariffs on cargo.

ARTICLE 2.4: ELIMINATION OF CUSTOMS DUTIES

1. Each Party shall eliminate its customs duties on originating goods of the other Party in accordance with its Schedule to Annex I (Schedules in Relation to Article 2.4 (Elimination of Customs Duties)).

2. Neither Party shall increase any existing customs duty or introduce a new customs duty on imports of an originating good of the other Party other than in accordance with this Agreement

The preferential duty rate for these goods under HS Code 3304.99.00 is 3.9% (effective 1st January 2016) according to the ChAFTA tariff schedule.

As EGO Pharmaceuticals produces their cargo entirely in Australia, their goods will qualify for preferential tariff treatment. I advise the shipper to complete the Declaration of Origin template so that duty concessions will apply.

I email the documents through to Eastrong International, my Chinese agent who will assist with the customs clearance and delivery to the destination.

39) GENERAL AVERAGE

While the cargo is en route to China the vessel runs aground outside of Shanghai port and the vessel operators advise me that the owners are currently attempting to re-float the vessel.

The vessel is refloated and cargo is salvaged, however not without great expense to the vessel operators. Due to the severity of this incident and costs incurred, the Owners declare General Average.

General Average definition is *“A principle of maritime law where in the event of emergency, if cargo is jettisoned or expenses incurred, the loss is shared proportionately by all parties with a financial interest in the voyage.”*

As there was no marine cargo insurance taken out, our shipper will be liable for the costs for salvage which will be a percentage value based on size and commercial value of the cargo on board this vessel.

KORHI Average Adjuster & Surveyors Ltd are appointed as General Average Adjusters to arrange collection of the documentation and General Average securities from all interested parties.

The shipper has to complete and sign an Average Bond, which I send to Maersk with the commercial invoice. I am advised the amount of the cash deposit for salvage & general average is 27% of CNF Invoice Value which will need to be paid by cash deposit into the designated bank account.

Fortunately the vessel has been refloated, and cargo will be available at Shanghai terminal with only seven (7) days delay to the cargo. The container and contents were not harmed so the cargo is released at Shanghai terminal.

40) IMPORT CLEARANCE

Eastrong compile the import documents, and complete the Application for Inspection and submit to the quarantine authorities (AQSIQ). According to China's Commodity Inspection Law, the appraisal procedures for import commodities include sampling, inspection and examination.

The following inspections are required for cargo release:

Commodity Inspection Examination

In China, the import of hazardous chemicals listed in the Catalogue of Hazardous Chemicals and their packaging are subject to inspection for compliance with safety, environmental protection and fraud prevention requirements, in addition to related quality, quantity and weight specifications. As per the Cosmetic Labelling Regulations (Administrative Provisions on Cosmetics Labelling), cargo must be labelled with:

- Producer name and address
- Cosmetic name
- Cosmetics logo (name and address of producer)
- Nett weight
- Contents
- Expiry date / shelf life
- Production lot number
- Warning instructions written in Chinese

Packaging of hazardous chemicals to be imported are subject to inspection in respect of their forms, markings, categorisation, specifications, unit weight and conditions of use.

Quarantine And Inspection

Eastrong book in the quarantine inspection and on-site quarantine is carried out. Once all inspections have been completed and it's passed the required inspections,

the cargo is issued with the Quarantine Release Notice and Quarantine Certificate and is then released.

Duties And Taxes

Settlement of customs Duty and VAT is required. Eastrong pay this to the Chinese Customs Authorities and invoice Navia Logistics under DDP terms, along with the quarantine inspection charges.

41) DELIVERY

The container is be picked up by a cartage company and transported by road to Tianjin in order to avoid the embargo on hazardous cargo via sea into Tianjin.

Eastrong International receive the arrival notice and release from Maersk and the container is released from the terminal.

Via email exchange, I introduce Eastrong to United Family Hospital and Clinics and a delivery time window is agreed. As the drive from Shanghai Terminal to Hexi, Tianjin is approx. 11 hours and 1080km via road, a delivery time is booked for 48 hours later.

All paperwork including MO41 and MSDS is sent through to the transport company and the container is picked up from the terminal. I continue to follow the transport progress by way of status updates from Eastrong. Delivery is confirmed to United Family Hospital and Clinics during the agreed time window.

CONCLUSION

The logistics industry is a fascinating and complex industry – no two days are ever the same, and no single shipment (no matter how straight forward it appears) will be the same as the last.

I experienced challenges with both shipments – they both appeared to be standard shipments on paper prior to shipping, however both were amazingly complex once they commenced. Robosaurus was complex due to the cargo value, deadline requirements, and the shipper's lack of knowledge on international shipping rules and regulations, which caused complications at the destination. The Ego Pharmaceuticals was challenging in that, whilst the rules and regulations were known prior to shipment – especially regarding hazardous cargo requirements and the relevant embargo – we still encountered complexities regarding the general average.

The need for importers and exporters to be aware of requirements and intricacies of international freight is heightened by both examples. However these hurdles were both overcome by utilising my own experience and knowledge, and from the wealth of knowledge around me.

“Satisfaction lies in the effort, not in the attainment. Full effort is full victory.”

- Mahatma Gandhi

The most important lesson I have learned is to always expect the unexpected. Logistics is about continuously making the maximum effort to make sure your client is happy. Achieving victory is priceless.

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Last but definitely not least, I would like to thank my family and friends for their unwavering support and inspiration.

Abraham Lincoln phrased it best when he said: "When I do good, I feel good. When I do bad, I feel bad. That's my religion." This is how I choose to live my life – by doing the best possible job that I can. Thank you for taking the time to read this, I hope you enjoyed the journey as much as I did.

APPENDICES

Appendix A - Robsosaurus



Image 1: Robosaurus in action



Image 2: Robosaurus on its transporter preparing for departure