



CUSTOMS BROKERS AND FREIGHT FORWARDERS FEDERATION OF NZ INC

Member Update – August 2020

The CBAFF Council and Executive team have had a busy few months working behind the scenes for our members. Below are the main issues, activities and meetings we have been involved in:

NZ Government

Options for the Border System Governance Group (CEs of NZ Customs, MPI and NZ Immigration and Ministry of Transport) are being developed. CBAFF participated in a workshop with 15 other sector representative groups.

NZ Customs

CBAFF has been liaising with NZ Customs regularly on matters of concern to members including:

- CCA Team
- Public Counters status
- Location of goods
- TSW outage / slowness
- New Finance System
- Broker Deferred accounts

CBAFF will host a webinar on 8 September to address issues arising from the NZ Customs new finance system as it relates particularly to Broker Deferred accounts. Details will be circulated shortly.

MPI

MPI held a virtual workshop on 27 August for members (due to COVID restrictions) to inform members of VMP/Seaco standards, the upcoming season of BMSB and to workshop a number of scenarios members experience during BMSB season. More than 100 attended and the webinar was recorded. The recording, along with .pdf copies of the presentations, was made available to members. MPI have also confirmed they are happy to run a second session of this webinar so CBAFF will schedule this in the coming weeks.

The Biosecurity Cost Recovery Industry Reference Group continues to meet. The impact of COVID-19 on MPIs approach to cost recovery was addressed at the latest meeting.

CBAFF has been liaising with MPI on issues of concern to members including:

- New IHS Specified Animal Products
- Acceptance of non-compliant quarantine declarations
- Chinese declaration requests re COVID-19

We recently held a Zoom consultation with members to inform them about our submission to MPI on the Import Health Standards.

CBAFF made a submission on the Import Health Standard – Containers and Vehicles, Machinery and Equipment.



MFAT

MFAT shared the following message with CBAFF:

We wanted to thank you for all your help on the Singapore-New Zealand Airfreight Project (SNAP) over recent months and to provide an update as we look to wind down the project on schedule as planned. As you know, SNAP was intended as a temporary measure. It was established in April in response to Covid-19, providing a secure 'air bridge' to carry medical and essential supplies to New Zealand and essential foods to Singapore. At the time, neither country could forecast the likely impacts of the virus, but disruption to trade was at its peak with air cargo capacity between us, as globally, having dropped dramatically.

The SNAP was for ten flights, five each by Air New Zealand and Singapore Airlines. The sixth flight completed its round trip yesterday. SNAP flights have carried medical and essential supplies to New Zealand and essential foods to Singapore.

The situation appears to have eased in both New Zealand and Singapore since the April peak of the Covid-19 crisis. We therefore intend to wind down the SNAP flights, as planned, after the 10th flight in the first week of August. Furthermore, there now appears to be sufficient commercial airfreight capacity with Singapore Airlines to drop the last of the five planned SNAP Air New Zealand charter flights (and shift any essential SNAP cargo to an existing Singapore Airlines commercial service that week, at the SNAP cargo rate). We will update the SNAP webpage to reflect this change.

A key focus has been on essential medical supplies into New Zealand, and SNAP flights have assisted with transport of these. At the same time, SNAP flights have transported a range of food deemed essential to Singapore (including fresh and frozen meat, eggs, horticulture products, seafood, fresh milk, and innovative processed foods).

Your insights, help, suggestions and time have been invaluable in this process.

We'd particularly like to thank you as SNAP is seen as a concrete example of New Zealand's Enhanced Partnership with Singapore and how trusted and reliable partners are able to meet acute needs in a practical way. The goodwill generated by the SNAP has contributed to other processes to deepen that partnership with Singapore.

Thanks so much from the whole team working on this and please reach out if we can provide anything further.

Ports

CBAFF continues to participate in weekly conference calls with Ports of Auckland, carriers, container yards and trucking company representatives. Port of Tauranga has also been joining these calls.

Airlines

Air New Zealand

Representatives of CBAFF met with Air New Zealand to discuss issues raised by members arising from a new contract issued by the airline covering terms of booking. Prior to the meeting, the airline prepared a statement explaining how they were operating under the IAFC agreement. This was distributed to members. Arising from the meeting, CBAFF prepared a report which was shared with members – as follows:

Today CBAFF met with Air New Zealand representatives Rick Nelson, General Manager, Cargo and Alex Larsen, Global Sales Manager, Cargo to discuss member's concerns about the new Standard Terms and Conditions of Booking (IAFC).

Prior to meeting, Rick Nelson provided background to the IAFC agreement.

A number of points were made during the meeting that included:

- *The current tranche of Government subsidy runs out at the end of October (the programme)*
- *The programme started with 36 flights/week and now comprises 52 flights – which represents 25% of the old network*
- *Expansion of the programme is driven by demand*
- *The programme also requires adequate backload of imports*
- *There is a quantity of imports moving to sea freight*
- *The government subsidy is also being applied to other airlines – Emirates; China Air; Freightways; Qantas and DHL*
- *Air NZ is not planning for long-haul passenger flights for the next 12 months*
- *It is expected that forwarders will mirror their agreement with Air New Zealand, with their customers*
- *The Government subsidy is tied to obligations in relation to the load factor*
- *The air cargo system is fragile*
- *Changing patterns of production, markets and consumption will have long-lasting effects on air-cargo*
- *The 72-hour deadline for decision on flight is tied to the level of impact on all bookings and the exposure to risk in the event of cancellation*
- *The airline is prepared to consider variations to the 72-hour cancellation provision, in return for other flexibility / increased freight rate*
- *Flexibility could include leniency around the volume of freight delivered against that booked; this may result in an increase in freight rate to compensate for the 'lost' booking; or the holding of dry cargo that can act as a filler*
- *Some flights carry re-patriation passengers whose airfares are paid to the Government*
- *If exporters are able to project capacity requirements, this can assist with planning for additional capacity*
- *Communications is vital in these 'new' times*

CBAFF will continue to meet with Air New Zealand to raise issues and progress initiatives and opportunities for members.

To facilitate increasing routes and frequency of flights, members are encouraged to talk with exporters, of perishable products particularly, to seek their projected capacity requirements. This information in turn needs to be shared with Air NZ (Alex Larsen – alex.larsen@airnz.co.nz) and will be used to build a case to Government for further flights to be subsidised.

Do you want to see the 72-hour cancellation clause to be reduced and other flexibility to be built into the booking – e.g. if you book 500kg and deliver only 400kg?

What additional surcharge would you and your customer be prepared to accept for flexibility on delivery of export cargo to the airline?

CBAFF would welcome your response to these questions, so that in turn, we can work with Air New Zealand to achieve an acceptable outcome.

Responses have been received from four members to these questions that do not give any consensus of opinion that would enable CBAFF to confidently represent members.

Air New Zealand has agreed to meet regularly to discuss current issues.

CBAFF has met with the new GM Cargo at Air New Zealand

Shipping

Representatives of CBAFF met with ICLC representatives and discussed current issues and projections for shipping.

CBAFF attended the webinar on coastal shipping hosted by Minister Phil Twyford where he released Government's latest report on Auckland Port relocation. This is a conversation space in which CBAFF intends to participate to ensure that all facets of the supply chain, as it affects members, are considered.

Member events

We have hosted the following webinars:

Webinar	Date	Registrations	Attendees	CBAFF Website Views
Employment Law and what you need to know	29-May-20	15	10	2
MPI Briefing	4-Jun-20	60	46	8
MPI – New VMP and Seaco Standards	27-Aug-20	136	102	N/A

Webinar planned:

- NZ Customs – New finance system / Broker Deferred accounts

Engagement with younger people

Activities for the Your Logistics Pathway programme were put on hold as a result of the COVID-19 lockdown but we are looking to restart this depending on alert levels.

CBAFF Conference 2021

It is proposed that the 2021 Conference be held in Queenstown and planning for this will commence shortly. We have high hopes that the event is again a memorable one.

Member queries

We receive a variety of queries from members – here is a sample of those received in the latest period:

- COVID concessions
- CCA/alcohol
- US Customs examination of containers
- Tobacco permits
- Variance between NZ / Aust fumigation requirements BMSB
- Are declarations required from shippers/consolidators re declarations for load/restraint in sea containers

Training

Communications are regularly sent to members promoting forthcoming scheduled courses and the CBAFF scholarship.



An entry-level Certificate in Warehousing, Freight and Distribution is to be offered by Ontracknz. This meets the objectives of Government's Mana and Mahi initiative, making it attractive for employers to take on young people. It is anticipated that young people will complete this course mid-2021.

International Relations

IFCBAA

As previously reported the Customs Brokers and Forwarders Council of Australia have changed their name to International Forwarders and Customs Brokers Association of Australia (IFCBAA). The Australian International Forwarders Federation has now amalgamated with IFBAA.

FIATA

FIATA have released a number of helpful documents relating to handling issues that have arisen because of the COVID-19 Pandemic. These have been distributed to members.

Rosemarie Dawson

Executive Director

August 2020