INTERNATIONAL FREIGHT MANAGEMENT SERVICES

SCI AUSTRALIA

PTY LTD

In This Edition

JUNE 2016 NEWSLETTER

Contents

JUNE EDITION

Welcome Message

Welcome to the June Newsletter for the clients and friends of SCI Australia. This newsletter is designed to be an informative source about the company and the general industry and includes news, forthcoming events and the lighter side of the people who work for SCI.

We hope that you find this newsletter beneficial and the information provided of great value and interest. We appreciate your suggestions and input for future issues.

Notification of Changes to Food Labelling Standards

Changes will take effect from 01/07/2016 with a 2 year transition time.

WHO DOES THIS NOTICE AFFECT?

This notice applies to Australian businesses that sell food in retail stores in Australia and may include manufacturers, producers and importers.

WHAT HAS CHANGED?

The Australian Government is changing the rules around labelling of food sold in retail stores, to make it easier for consumers to see where our food comes from. If you sell food in retail stores in Australia, the new country of origin food labelling laws will apply to your products from 1 July 2016. These laws apply to both local and imported food.

Businesses will have a two-year transition period to implement the new requirements. This means stock in trade can see out its shelf life.

At the end of June 2016, an online tool will be available to help Australian businesses identify and download the new labels, free of charge. Support materials are available for businesses now, including a style guide and instructions on how to source and set labels from the label library as well as information on the upcoming online tool.

Businesses may start seeing television, radio, print, newspaper and online advertisements encouraging consumers to find out more about the changes to labelling laws ahead of the commencement date.

Food businesses, manufacturers, producers and importers are encouraged to find out more, but please note businesses have time to adjust over a two-year transition period.

MSC Rate Restoration

Good Day,

Mediterranean Shipping Company S.A. (MSC) wishes to announce to Southbound Asia clients a Rate Restoration (RR) programme that is to apply to all vessels sailing ex Korea, China, Hong Kong and Taiwan to Australia.

The announced increase is to be effective from 1st July, 2016 (pro-forma sailing date)

The increase is as follows:

USD $300.00 per TEU

Please be guided accordingly.

Kind regards,

Change is Gonna Come (Part 1)

WHAT happens when the pain relief you've long craved fails to ease your suffering? That's the situation confronting carriers in the North & East Asia-Australia trade, where a substantial cut in capacity thanks to the closure of one of eight services has not stopped the ongoing deterioration of freight rates. To be fair, the change in the relationship of space to demand – quantified in last year's review as 1,730,560 teu per annum of space southbound in 2014, versus actual volume of a little over 1.2 million teu – is unlikely to be fully felt until peak import season later this year.

But lines would have been hoping for better early signs following the end-February closure of the CKA service and the complete withdrawal of NYK. The combined effect has been a reduction in weekly slot capacity by around 11%, down to 28,180 teu, spread across seven consortiums. (The two New Zealand-focused, southbound-Brisbane-call-only groups, ANZEX and ANZL, are not included in these figures but are reckoned to account for around 1600 teu per week to that port).

Yet with space tightening rates are still sliding. In the week ending April 15 the Shanghai Containerised Freight Index of spot freight rates between Shanghai and Melbourne stood at just US$377/teu, down $53 from the previous week. At the same time last year it stood at US680/teu. The China Containerised Freight Index, which also includes contract rates, was rising slightly, sitting at US$602.17 at April 15, up from 583.29/teu a week prior – but this time last year it was US$757.11 per teu.

Lines are at a loss to explain the situation but are not blaming the ending of the trade-wide slack season capacity management program, which was abandoned for 2015-16 after becoming too complex, too unwieldy and too remote from market needs.

(There is a strongly-held view in some quarters that the CMP also amounted to the strong inadvertently protecting the weak, prolonging the trade's problems: "I seriously doubt CKA would have been cancelled if the CMP had continued," one insider says. "Once that happened there was nowhere to hide … some of the CKA/CAT members have taken a capacity share haircut of up to 50% … which surely must curtail urges to drop rates to fill slots.")

While there's no formal Asia Australia Discussion Agreement CMP various groups are still co-ordinating the blanking of sailings, albeit it's not quite so straightforward (from lines' perspective) as before and is almost happening on a voyage-by-voyage basis. "Lines and groups can still see mutual benefit in idling ships and so will still offer each other assistance," a trade manager notes. The theoretically now-crowded CAT and NEAX, recipients of the CKA 'leftovers', are not blanking, so far. Other carriers appear happy to cut them some slack given their contribution to the remedying of the trade's problems … and reports from inside suggest that the absorption of CKA has "worked very smoothly" even if, alas, "there's been no material impact on rates".

What little consolation there is for N&EA carriers is that according to industry calculations, while southbound rates in the combined ANZ trades fell by a horrible 32% between March 2015 and March 2016, the global average collapse across all tradelanes was a more startling 54%. So it's possible to see where the infection is rooted …
Meanwhile, the AADA business plan again features GRIs on January 15, April 1, May 15, July 1, August 1, September 1 and October 15, with most scheduled at US$300/teu, or $500/teu in peak season. But, as has become the norm on virtually every box route worldwide, customers are now dismissive of GRIs, lines admit – and already the January and April increases have vanished almost without trace, though the latter did have some short-term impact. The crucial problem is that free-falling spot rates have tortured annual contracts – and why wouldn't they? Why sign up at levels which are now undercut all year-round, and when there's little real probability – with proper planning of freight flows – of any space shortage.

(cont.)

Change is Gonna Come (Part 2)

“Rates are at the lowest level I can ever recall,” a manager rues. “It’s a major concern. Maybe there’s insufficient understanding now amongst shippers of what’s at risk, so there’s little differentiation in their minds between day-to-day rates and contracts.”

“We are all grappling with a re-think of GRIs,” another executive explains. “Customers just don’t take them seriously. We have to be more strategic, more reliable; put them in only when they have the best chance of succeeding.” And so the collision of capacity cuts (courtesy of CKA’s demise; NYK’s departure is reckoned to have taken out about another 2%) with peak import season is the carriers’ one acknowledged bright spot. They are forecasting vessel utilisations of 98% in July, 102% in August, 106% in September, 108% in October and 115% in November.

Let’s hope for lines’ sake this isn’t just wishful thinking. An underlying influence on the situation is that N&EA volumes are almost stagnant, except for northbound reefer. While AADA projected southbound growth of 2-3% for 2015, the actual figure was 2.1%; northbound, dry cargo actually fell 2.7%, although reefer was up 6%. This year overall growth has been pegged at 2% – and some believe that is too optimistic. Southbound totals for 2015 (excluding Brisbane) reached 1,206,116 teu, compared to 1,180,764 teu in 2014. Volumes from Taiwan were up 2.2%, Korea 2.2% and Japan 0.5%
The shift in sourcing within China of Australian imports continues in evidence, too: away from South China (down 0.9% in 2015) to Central China (+ 2.6%) and North China (+10.2%). Hong Kong was significantly down, by 8.9%.

More worryingly for this trade’s position is the drift out of China, full stop. It’s predominantly to the Indian Sub-Continent and Southeast Asia; and as one observer says, “cargo finds its way to places where it’s cheapest to produce, like it or not”. Northbound, 2015 dry cargo exports all fell: Japan, down 3.4%; Korea, -6.8%, Hong Kong, -0.5%, Taiwan, -9.5% and China, -0.8%. Thus the 2015 dry total slipped from 2014’s 474,300 teu to 461,644 teu, a 2.7% slide. But reefer starred, falling only to Taiwan (-14.4%): China rose 4.7%, Japan 7.1%, Hong Kong 8.3% and Korea 13.4%. While the reefer growth was impressive, the 2015 total was nevertheless ‘only’ 91,181 teu, up from 85,946 in 2014. Rates for exports are still stuck in the doldrums and carriers expect them to stay that way, unless something like a mythical good cotton crop puts real pressure on space mid-year. Thanks to the tightening of capacity deadweight utilisations are currently “not too bad”, at around 75-80% - but this didn’t help the April GRI, the first northbound in a long time, and then only a tentative $100/teu. Asked how the GRI was received, one insider would only say “it was interesting … we had to get a message out to the market that rates just can’t keep reducing, and that shippers are likely to encounter high utilisations in April, May and June … but no, it had no real impact.”

Let’s turn to the bigger picture. In Lloyd’s List Australia’s February review of Southeast Asia trades we speculated about possible re-arrangement of existing consortia along new global structures. At that time the new world order wasn’t at all clear – what only was known was that Cosco and China Shipping were merging, and that CMA CGM was buying APL. But last week’s developments have begun to build the picture. First came the news that CMA CGM, COSCO Container Line (now incorporating China Shipping Container Line), OOCL and Evergreen had signed together to form the Ocean Alliance, to become operational from April 2017 (subject to regulatory approval).

This was quickly followed by Hapag-Lloyd’s announcement that it was pursuing a merger with United Arab Shipping Corporation which, if consummated, would see the Germans hold 72% and the Arabs 28% of the resultant joint venture. This week there’s been news that South Korea’s Hanjin Shipping has joined compatriot Hyundai Merchant Marine in formerly seeking Korea Development Bank assistance in a creditor-led debt restructuring program.

(cont.)

Change is Gonna Come (Part 3)

It's improbable that this is the end of the industry-transforming news – especially as analysts estimate only half the Top 16 recorded operational profits in 2015, and that situation was skewed by a first-half recovery that reversed in the second and has continued to slide since. That Top 16 currently stratifies into four alliances of which only one, the 2M marriage of Maersk and MSC, is likely to survive unchanged – and even then there are rumours "a major European carrier" is being courted.

The O3 Alliance's CMA CGM and CSCL will become part of Ocean Alliance, with Cosco and Evergreen coming from the CKYHE group and OOCL from the G6. APL, as soon to be part of CMA CGM, will also depart the G6, thus leaving just Hapag-Lloyd, the troubled HMM and Japan's NYK and MOL which both seem increasingly diffident about container trades. CKYHE will be stripped back to K Line – which has already announced it is looking for new like-minded partners – Taiwan's Yang Ming and the fragile Hanjin. The O3's UASC will be potentially orphaned unless the HLL deal goes through, and limited O3 affiliate Hamburg Sьd will also be 'outside'. Rounding out current the Top 20 are Zim, PIL, Wan Hai and X-Press Feeders of which only PIL trades with Australia.

Consortiums and alliances in local trades have never aligned with global groupings – even the Maersk/MSC co-operation in N&EA, which long-preceded the 2M arrangement, is decidedly one-sided – so is there reason to think the predominantly east-west upheavals will transform associations in our backyard? After all, CMA CGM (through ANL), Cosco, China Shipping and OOCL already co-operate through three of the leading consortia, ACE, AANA and SAS. CMA CGM has only a limited presence in its own right/name, and ANL sources have made known that it maintains the independence of strategy and decision-making that's underpinned its success. Similarly, a glance at the accompanying Services table shows there is already a mix-and-match approach in the N&EA trade and carriers have not been shy about shifting allegiances when circumstances and market conditions demand.

Nevertheless, change is already afoot: the still separately-branded Cosco and CSCL are sharing slots (and ships), NYK has vacated the scene, NEAX has transitioned from a Japanese collective to a multi-national entity. Evergreen has noticeably downsized in Australian trades in recent years going from, at various stages, its own standalone service in N&EA and two ships in SEA, to just a single ship in CAT. There has been constant recent chat in industry circles that as many as four carriers have deadlines to improve their Australian trades results or face downsizing or withdrawal. In some instances those deadlines are said to be imminent.

Which returns us to this article's opening predicament: even if it can be quarantined from the east-west malaise N&EA-Australia is struggling with the fundamentals. Still too much capacity for most of the year, volume growth that is modest at best, and seeming impotency when it comes to rate recovery and thus profit restoration. "We're seeing some interesting times ahead, globally," one executive summarises. "Whether Australian and New Zealand trades are in immediate focus, I have my doubts, but all of this has to lead to change. "The departure of CKA and generally good discipline actually gives us a pretty positive feeling about what is ahead in N&EA," he says. "But then, typically, a liner guy has to be positive!"

Source: **Lloyds List Australia**
http://bit.ly/1SIi8dY

Rolls Royce Future of Shipping Control

In a six minute video, Rolls-Royce presents a vision of the future that we believe will remotely monitor and control the unmanned ships of the future. The crew uses interactive smart screens, voice recognition systems, holograms and surveillance drones to monitor what is happening both on board and around the ship. Iiro Lindborg, General Manager, Remote & Autonomous Operations, Ship Intelligence, Rolls-Royce, said: “We’re living in an ever-changing world where unmanned and remote-controlled transportation systems will become a common feature of human life. They offer unprecedented flexibility and operational efficiency. Our research aims to understand the human factors involved in monitoring and operating ships remotely. It identifies ways crews ashore can use tools to get a realistic feel for what is happening at sea.”

The film marks the final stage of research that will inform the design and construction of a project demonstrator before the end of this decade. An effective remote operations centre is essential to the company’s plans to develop autonomous and remote controlled vessels. “The future shore control centre concept has been designed by emphasising the user experience of the human operators”Eija Kaasinen, Principal Scientist at VTT Technical Research Centre of Finland. Eija Kaasinen, Principal Scientist at VTT Technical Research Centre of Finland Ltd said: “The autonomous ship does not mean removing human beings entirely from the picture, as is sometimes stated.”

“Unmanned ships need to be monitored and controlled and this will require entirely new kinds of work roles, tasks, tools and environments. The future shore control centre concept has been designed by emphasising the user experience of the human operators. By focusing on the operators’ point of view, it is possible to introduce meaningful, pleasurable and engaging new roles for the ships’ shore control centre professionals.” The research was undertaken by VTT and University of Tampere research centre TAUCHI (Tampere Unit for Computer Human Interaction) in collaboration with Rolls-Royce. It explored the lessons learned from other industries where remote operation is commonplace, such as aviation, energy, defence, and space exploration.

It uses the innovative InnoLeap approach, a VTT and Rolls-Royce-developed initiative for concept design and presenting academic studies in a graphic format. The InnoLeap approach is based on trend and user studies, co-innovation, scenario stories and visualizations. The video is the latest in a series of films developed to present Rolls-Royce’s vision of future shipping known as the ‘oX’ operator experience concept and introduced in 2014. Previous studies have looked at the user experience of future command bridges on Platform Supply Vessels, container ships and tugs.

New digital opportunities will shape the world of work in various industries and VTT’s research helps create the conditions needed for digitalisation to promote sustainable development, employment and well-being in society. Mikael Wahlström, Senior Scientist at VTT said: “We need to understand current work by field studies. This allows the creation of innovations that reflect the positive aspects of existing job practices, which are not always obvious. If, for example, a mechanic can assess the engine status by hearing the engine noise, it should be beneficial to be able to do the same at a remote control centre.” On 5 April in Helsinki Rolls-Royce revealed separate research findings, which it believes will set the direction for the development of remote and autonomous shipping. Remote and autonomous ships are one of three elements of the company’s Ship Intelligence strategy, a portfolio of innovative products and services - comprising health management solutions, optimization and decision support, and remote and autonomous operations - which will enable customers to transform their operations by harnessing the power of big data.

Source: **Supply Chain 247**
http://bit.ly/27P9L6W

Budget Reforms and the Downstream Implications

Currently, every import consignment over the value of $1,000 AUD requires a Full Import Declaration (FID) with duty payment (where applicable) plus payment of an Import Processing Charge (IPC) before cargo can be released into home consumption. Each clearance must be completed by the importer or via a licenced customs brokerage with the FID ultimately lodged by an individual licenced customs broker.

So what does the reform mean in real terms as we move to the new environment of periodic declarations? We understand “Trusted Traders” will be able to submit a cargo claim to take delivery of import consignments without upfront lodgement of FID detail. The cargo claim is likely to be a simple electronic transaction with cargo identifier data and will reconcile to the periodic declaration.

Importers and customs brokerages with sophisticated electronic data exchanges may be able to go a long way to automating the compilation of a periodic declaration. Others will most likely complete processes as normal with systems that will store the data and transmit a single periodic declaration rather than on a transactional basis. This alone will provide a benefit of evening out peaks and troughs currently experienced in FID compilation allowing the valuation and classification of the consignment to be completed post-delivery.

Here are some interesting questions:
Will periodic declarations be available for an importer that uses multiple customs brokerages?
Who can submit the cargo claim for a customs brokerage? Will this functionality be restricted to individual licensed customs brokers or will it be available to anyone in the corporate entity?

If industry follows the model to build up the periodic declaration during the course of the month with various customs brokers contributing via transactional processing, who ultimately signs off the periodic declaration? Will it be one of the individual customs brokers or will the responsibility lie with the corporate entity?

If the latter, this will lend itself to the position being pushed by some sectors of industry, as a part of the current Department of Immigration and Border Protection licensing review, for the move away from individual customs broker licensing and reliance on licensing at a corporate level.

Another sleeper in all of this is the Department of Agriculture and Water Resources who are currently heavily dependent on profiling transactional FID data in completing risk assessment and release of cargo. To address this issue, any entity that intends to use a periodic declaration will most likely need to instigate “Approved Arrangements” to mitigate the agriculture risk.

Importers and customs brokers embracing these reforms are justifiably of the view that by having “Trusted” and “Approved” arrangements that they should also be the beneficiary of a reduced cost recovery obligation. Whilst we will continue to advocate for this outcome, industry should be wary of service providers promoting this as a known benefit as it is yet to be formally ratified by government.

Source: **Lloyds List**
http://bit.ly/1U83YC3

Air Cargo Security Regulatory Form (Part 1)

CHANGES in the rules around air cargo security are in the offing, and cargo professionals got the full run-down on what to expect at the Customs Brokers and Forwarders Council of Australia Victoria Convention recently.

Kerri Bradford, director, air cargo security policy, on the Department of Infrastructure and Regional Development's Air Cargo Security Taskforce said Australia is late in approaching air cargo security, but it has a robust intelligence-gathering capability.

"We do know that the risk of a bomb in a box of cargo is assessed to be low," she said.

"But recent events in Australia and around the world will tell you that we can't be complacent, because the situation is changing rapidly."

Recently, Australian air cargo security was audited by the US Transportation Security Administration, and it was found that Australia did not meet security requirements for inbound cargo to the US.

"Examination has to happen at the piece level – the smallest size of cargo that can be effectively examined by x-ray, explosive trace detection, or physically," she said.

"That means consolidated cargo has to be de-consolidated to be examined."

The TSA has given Australian exporters until July 2017 to have all US-bound air cargo examined on this level, she said.

There are two approaches being pursued to deal with the US decisions, which are the development of enhanced examination, and the commencement of a non-consigned scheme for exporters.

(cont.)

Air Cargo Security Regulatory Form (Part 2)

With the enhanced cargo examination, all the cargo will have to be examined on a piece-level. “Express cargo lends itself to this because it’s small and often it’s conveyable.”

Then there is a new scheme: the known consigner framework, which allows exporters to secure and clear cargo at its origin. “How this works is that businesses that export to the US will apply to become known consigners – meaning they are recognised as using international best practice security controls,” she said.

Known-consignor applicants will have to fill out a detailed questionnaire and the ATS will conduct a security evaluation onsite. “While we joke about 50-foot fences, moats and plastic crocodiles and all sorts of things in terms of what people might say is a security measure,” she said.

“But if the 50-foot fence has a hole in it, it’s not a security measure; that’s why it’s important there is an onsite validation.”

However, she said exporters don’t have to build a fortress. “You can actually meet security requirements in a number of ways, it doesn’t require fences and dogs and guns and cameras,” she said.

“At the end of the day what we want to do is avoid somebody from having the opportunity to put a bomb in a box.” All of US-bound air cargo needs to be examined at piece-level before it is loaded onto the aircraft. Air cargo is a major part of Australia’s exports by value, and exports to the US are a large part of that, according to Ms Bradford.

In 2014, Australia exported almost $40bn worth of goods by air, increasing to almost $44bn in 2015. “The weight of US air cargo is only about 5% of the total air cargo exports, but it’s around 12% of the value,” she said.

“From our point of view, it’s not only important that we develop a really good security outcome, but also to protect our trade; we have to protect our trade and the security of the aircraft.”

Source: **Lloyds List**
http://bit.ly/27PaPb6

Largest Shipping Container Ever in LA

SAN PEDRO, Calif. — Dec. 14, 2015 — The largest container ship ever to call at a North American port is scheduled to arrive at the Port of Los Angeles on Dec.26th. French shipping line CMA-CGM launched the CMA CGM Benjamin Franklin on Dec. 10. The vessel is scheduled to make her maiden call at APM Terminals-Pier 400 at the Port of Los Angeles. The ship has a capacity of nearly 18,000 Twenty Foot Equivalent Units (TEUs), which is about a third larger than the biggest container ships that currently call at the San Pedro Bay port complex.

"It's fitting that the largest container ship to ever traverse North American waters would make its first call right here at the Port of Los Angeles," said Mayor Eric Garcetti, who recently met with Founder and Chairman Jacques Saadé and other top CMA CGM executives. "The arrival of the CMA CGM Benjamin Franklin sends a powerful message that our port stands among the world's greatest, and that we are prepared to continue growing and adapting to the demands of our global economy."

"As we were reminded nearly a year ago when activity at the ports along the West Coast came to a near standstill, our ports are a critical economic engine at the local, regional and national levels," said Secretary of Labor Thomas E. Perez. "Their effective, efficient operation is necessary for 21st century global commerce, and today's news demonstrates that the Port of LA is prepared for the next phase of modern trade. Working together, the shipping companies and port workers have enabled the port to bounce back from last year's slowdown and show the world its capabilities."

"Together with the Board of Harbor Commissioners, we appreciate the confidence CMA-CGM has instilled in the Port of Los Angeles and the opportunities this vessel call will provide to APM Terminals, longshore labor and supply chain partners," said Port of Los Angeles Executive Director Gene Seroka. "Earlier this year APM Terminals, longshore, and land-side logistics partners efficiently processed three 13,000 TEUs ships concurrently producing more than 38,000 container moves over an 8-day period. The arrival of the CMA-CGM Benjamin Franklin signals a new chapter in Pacific Rim trade flow and supply chain optimization."

With its world class infrastructure, skilled longshore labor, and superior conveyance network all set to efficiently handle the largest-class ships on a routine basis, the Port of Los Angeles is uniquely capable to accommodate ULCV-class ships. It is anticipated that the CMA CGM Benjamin Franklin will return to San Pedro Bay in the first quarter of 2016 for a call at the Port of Long Beach.

CMA CGM, founded and led by Jacques R. Saadé is the world's third largest and France's top container shipping company. Its 470 vessels call more than 400 ports in the world, on all 5 continents. In 2014, over 12.2 million TEUs (twenty-foot equivalent units) were carried. CMA CGM has grown continuously, and has been constantly innovating to offer its clients new sea, land and logistics solutions. Present in 160 countries, with a network of 655 agencies, the Group employs 20,000 people worldwide, including 2,400 in its headquarters in Marseilles.

As North America's leading seaport by container volume and cargo value, the Port of Los Angeles facilitated $290 billion in trade during 2014. Port operations and commerce facilitate more than 148,000 jobs (about one in 12) in the City of Los Angeles and 531,000 jobs (or one in 16) in the five-county Southern California region. The San Pedro Bay Ports support more than 1 million California jobs and 3.1 million nationwide.

Source: **Global Logistics Media**
http://bit.ly/1YPPsQS

New Biosecurity Rules

ON JUNE 16 the new Biosecurity Act 2015 will come into force, and the Department of Agriculture and Water Resources wants you to know what that entails.

The department's head of biosecurity, Lyn O'Connell, urged importers and those involved in supply chain logistics to make sure they are across the legislation and are aware of any changes that might affect them.

"Time is now running out, and I strongly encourage all interested parties to look into the changes that are being made and to make sure that they are ready," she said.

"There are serious consequences for non-compliance with our biosecurity laws and importers will be expected to have familiarised themselves with the changes."

The new Biosecurity Act 2015 replaces the outdated Quarantine Act 1908.

"This [new] legislation replaces ageing laws originally designed to respond to diseases like the bubonic plague, measles and cholera at a time when people and goods only arrived by sea," Ms O'Connell said.

"Much has changed since then, with vastly improved means of transportation and ever-increasing volumes of trade and passengers, presenting new biosecurity challenges." Ms O'Connell said the new legislation would update the 108-year-old Quarantine Act.

"This legislation is modern and flexible and has been designed to provide long-term support to the biosecurity system, regardless of advances in transport or technology," she said.

"Key stakeholders were given one year to transition to the new arrangements to make sure everyone understands their rights and responsibilities."

"Australia has strong biosecurity laws to protect us from exotic pests and diseases that could threaten our agriculture export industries as well as our unique environment, native flora and fauna, our tourism industries and lifestyle."

Source: **Lloyds List Australia**
http://bit.ly/1Tp9iE9

Truck Safety Blitzes Hit Their Straps

Police and road authorities involved in parallel truck compliance operations in two states have reported a string of defects common to such initiatives. In New South Wales, Operation StateTrans, which is occurring at the same time but is not linked to the national Operation Austrans, has seen 13,806 trucks and trailers inspected in its first week.

NSW authorities report 1609 defects have been applied to trucks and trailers for issues such as braking, fuel and oil leaks, steering, and other mechanical issues. Officers have also issued 888 infringements and 317 breaches for a range of licence, registration, fatigue, loading, and other offences.

Inspectors have downloaded 321 engine control modules so far during the operation, with 66 found to be non-compliant or tampered with, allowing speeds of over 100km/h on NSW roads.
Of 756 random drug tests, 12 drivers tested positive and were given 24-hour prohibition notices from driving, and are pending further court action. "While the police and the RMS have jointly inspected over 13,000 trucks in a single week, the industry, and the road users of NSW should take some comfort that the 'bottom 10 per cent' have been identified and taken off our roads," assistant commissioner John Hartley says.

"We know that it is only a small number of drivers, operators, and companies that continually do the wrong thing in an attempt to gain some sort of commercial advantage, which is why our joint work is important in both ensuring, and enforcing, heavy vehicle compliance on our roads."
Roads and Maritime Services (RMS) general manager compliance operations Paul Endycott says more than 300 heavy vehicle inspectors and investigators are working alongside NSW police for the month long operation across the state.

"Working in partnership with NSW Police in compliance operations like StateTrans, Roads and Maritime is able to target truck operators and companies who are sending drivers out on the road without the relevant checks and balances," Endycott adds. Meanwhile, in South Australia, the first week to Sunday of Operation Austrans saw police and Department of Planning, Transport and Infrastructure (DPTI) inspectors issued 422 cautions, expiations and defects, while a 27-year-old man from Para Hills was arrested for driving unlicensed in a semi.

In another case, a 46-year-old man driving a B-double tested positive for drug driving, while a suspected commercial quantity of methyl amphetamine was found in his vehicle. Inspector Ben Spencer, investigations manager, traffic support branch, says police are also concerned by the number of dangerous defects identified on heavy vehicles this week.

"Of the 155 defect notices issued during the week, 41 were due to tyres, followed by 33 for brakes," Spencer says."These figures are concerning given the increase in wet weather we are starting to see in South Australia." ATN was unable to obtain any figures for speed-limiter tampering in SA.

Source: **Fully Loaded**
http://bit.ly/1SIi8dY

Trivia

JUNE EDITION

How Good is Your Trivia Knowledge

1. In American politics Abraham Lincoln, Theodore Roosevelt and Herbert Hoover all belonged to which political party?
a) American Liberal Party
b) American Patriots
c) Republican Party
d) The American Reform Party

2. The lowest natural temperature ever directly recorded at ground level was measured on what Continent?
a) Asia
b) Australia
c) Antarctica
d) Europe

3. What was the first music video played on MTV?
a) Video Killed the Radio Star - The Buggles
b) Bohemian Rhapsody - Queen
c) Money for Nothing - Dire Straits
d) Pinball Wizard - The Who

4. What is the white part of the inside of an egg called?
a) Yoke
b) Albumen
c) Argorota
d) Almina

1) c 2) c 3) b 4) b

Feedback

Should you wish to discuss any of the issues contained in this newsletter please contact your CSO or any of the people listed below:

Mile' Jurcic' (Melbourne)

Mark Hingston (Brisbane)

Thank you for continued support.
SCI Australia Pty Ltd

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