



**Minutes of the
ANNUAL GENERAL MEETING
of the
AUSTRALIAN FEDERATION OF INTERNATIONAL
FORWARDERS Ltd (AFIF)**

**Mercure Hotel, Sydney Airport
20 Levey Street
Wolli Creek NSW 2205**

4.45pm - 29th November, 2007

1. Apologies

The list of those persons who had given an apology of their inability to attend the AGM was read out and is also appended to these minutes as a separate list.

2. Minutes of Previous Meeting

Approved on the motion of Barry Vining, seconded Chris Jensen.
All in favour

3. Chairman's Report and Member's Briefing

a) Regulatory Authorities on Alleged Price Fixing

The Chairman stated that everybody would be aware of recent news in regard to various regulatory authorities around the world examining alleged 'price fixing'. Some years ago the ACCC in Australia had looked into these matters and were satisfied that there were no anti-competitive or trade practice issues within our industry. It was not clear whether the ACCC would be re-examining this issue.

b) Progress Towards a Single Industry Body for Our Industry

Fritz Heinzmann gave a summary and an overview in regard to the formation of a working sub-committee comprising of three representatives from AFIF and three

from the CBFCA. In the past few months, CBFCA had conducted a survey of their members to ensure that they still had the mandate to proceed with discussions towards forming a single industry body and the Chairman of the CBFCA had reported that they had received a clear mandate for this to continue.

AFIF would be reporting in the new year as to progress in this matter.

Action: carried forward

c) General

The Chairman thanked the members for their support of the Organisation and particularly for those individuals who had committed their time and efforts joining working groups and / or sub-committees to benefit our industry as a whole. In closing he thanked his fellow Directors, the Chief Executive, the administration staff and trainers for all their efforts during 2007.

4. Financial Report

The CEO advised that the Financial Report had been circulated to members with the notice of the Annual General Meeting and he called for any questions and or comments.

- Peter McNamara of Airlift asked whether there was any intention to increase the fees in the near future. The CEO responded that whilst AFIF had increased fees during the current financial period by approximately the rate of the CPI, the Board would as a matter of course be considering membership fees in the second quarter of 2008, ahead of the commencement of the new financial year. In general terms the Board had tried to keep member fees as low as possible by utilising margins from the IATA publications distribution and training business entities of the organisation.

There were no further questions and the report was approved on the motion of Peter McNamara, seconded Stuart McFarlane. All in favour.

5. CEO Report

Brian Lovell highlighted several items from his full report, which is reproduced below :-

Full Report :

The past year has been a continuing ongoing challenge for our industry and together with a variety of air and seafreight matters, plus the continued efforts to embrace the changes implemented in the Import phase of the new Customs Cargo Management re-engineering program, it has certainly been a hectic one again!

Our active representation on core Air and Seafreight matters continues strongly and this report highlights some specific matters of importance for you.

There are many detailed matters which our office and your representatives are handling on your behalf and some of the major current matters will be summarised in both mine and

the Chairman's member briefing session' being held during the AGM. However, the following selection of issues we believe to be of high importance and these have occupied particular attention and activity in recent times. I wish to highlight these in my report as the outcomes may affect your business in the near future:-

1. Advance (formerly 'Alternative') Cargo Reporting Model Project (ACR)

After extensive and exhaustive examination of a variety of potential 'pre-load' reporting models by the Customs and Industry ACR working group, the Forwarding and Broking side have now formed the view that the cost, pain and processes that would be involved in a 'pre-load' reporting model, would outweigh the benefits.

The Shipping Line interests disagree, arguing that they have the ability to gather the pre-load information. However, the critical point here being that, if they could not obtain the lower level House-Bill info, they would issue a 'carrier assigned number', which would then duplicate the numbering and cause great difficulties in matching for clearance in Australia.

The group suggested, that unless a more efficient process could be devised, then industry would be better served if Customs spent their time and resources fixing the ICS to perform to expectations.

The Committee leader would be reporting this interim outcome to the CEO of Customs, for his decision to either look for other avenues, or to shelve the project indefinitely.

Most people involved understood that global Customs authorities are all likely, sometime in the foreseeable future, to look towards implementing a version of the 'pre-load' model. So inevitably it will probably be a matter of 'when', not 'if', we eventually need to develop such a process for Australia. AFIF have been represented in this project by Chris Jensen; Ross Delaney and myself.

Action: The Advance Cargo Reporting team to notify the CEO of Customs for a final decision on this project.

Meanwhile, we have representatives on the Industry Action Group (IAG) with Customs who work on specific Customs ICS process and system issues. The outcomes are evident through the regular Australian Customs Cargo Advice (ACCA) notices issued advising of solutions and system 'fixes'.

2. AIRFREIGHT

a) ACCC review: status update and possible impact for industry.

- The ACCC granted the time extension requested by IATA for the Cargo Agency program component of the review of IATA authorisations until the 30th of November 2007, which was widely supported by industry (including AFIF).

- As previously advised, IATA had advised the ACCC that it was their understanding that all anti-competitive elements had been removed from the current Cargo Agency Program and that it would not require immunity from Trade Practice Laws in Australia. IATA then needed to conduct a postal vote amongst IATA airline members to gain approval for the proposal submitted to the ACCC
- That Postal Vote has now just been concluded and IATA members voted unanimously in favour of the new Cargo Agency Program. As part of the proposal, CASS would remain albeit with the possibility of flexible credit arrangements. This last aspect needs to be monitored and we may at some point in the future hear of grievances in this regard.
- All that remains is for the extension of 'Authorisation' to lapse (November 30th) and then the new program will be in effect and operating without the above mentioned 'immunity'.

Action: *Await formal advice from IATA / ACCC and advise Members*

b. IATA Resolution 600B: Changes to the Airwaybill

IATA Resolution 600b (as amended) was approved and granted antitrust immunity by the USA Department of Transportation (DoT) on 20 September 2007. As this was the last hurdle facing the changes, it has now been agreed that the global effective date of the new IATA AWB will be effective on 17 March 2008. The final approved text of Resolution 600b will be sent as a separate file to this report. From this date all existing stocks of Carrier Mawb's and IATA Neutral AWB's will need to be replaced.

IATA is preparing for this change. We will be reminding members of this and also that, if they are using their own Hawb's that reflect or mirror the IATA AWB's in their terms, then they will also need to examine the changes and alter as appropriate.

Peter McQueen will be speaking about this at the AGM and will also prepare a brief to accompany a member's bulletin in the near future. We will also conduct a member's information session early next year.

Action: *Peter McQueen of Blake Dawson to give a more detailed overview to the members at the AGM.*

c) IATA E-Freight Project – overview and opportunity for Australia

IATA is aiming to introduce global electronic messaging and eliminate the standard paper transport documents (MAWB, HAWB, Manifest) whilst also gradually reducing paper documents such as: permits, commercial documents etc. Australia may participate in the second round of 'pilots' planned for the project during 2008. This initiative is being called 'E-Freight' and has a similar drive to the E-Ticketing global project. 'Pilot' projects have begun in 5 countries around the world: Canada, Hong Kong, Netherlands, Singapore, UK . Within each pilot country

there are separate coordinated committees, with an industry chairperson, working on legal, operational and technical issues.

The first imperative is the *'Message Improvement Program' (MIP)* because, without this improvement, E-Freight is a non-starter. A primary benefit will also be the enhancement of local and international Customs and border security requirements.

Action: *Further information will be communicated to members through Bulletins.*

d) Qantas Sydney Freight Terminal 2 (SFT2)

AFIF has been involved in meetings with Qantas management over the past year, prior to the start-up of their new off-airport Cargo Terminal no.2 in Sydney. The involvement helped to clear up potential areas of conflict and once the facility was up and running it was a matter of keeping in contact. Recently, Qantas have been working with their outsourced terminal management company – Secure Logistics – on the development of a Traffic Management Safety (TMS) plan and meetings were held with industry, including trucking companies, to work through some of the areas of concern. Plans are well advanced and new safety procedures are currently being trialed.

3. Seafreight:

a) 'IPART' - Reforming Port Botany's links with inland transport.

The report into outcomes of the Independent Pricing and Review Tribunal (IPART) inquiry into Port Botany's Links with Inland transport, together with the final State Government response should interest everyone in the sea transport chain, both import and export. Some of the recommendations are fairly radical and may have knock-on ramifications if adopted.

To assist with understanding some of the issues, the NSW Freight Council Sea Division has arranged to host two interactive 'hypothetical' style workshops (*Parramatta and Botany*) where some of the major recommendations will be outlined and explored. Details of the two workshops appear on the AFIF website. We highly recommend your attendance at these sessions, so that in addition to greater understanding you may be able to contribute to change. AFIF will be represented on the industry 'hypothetical' panel.

Action: *The members will be updated on developments.*

4. Security:

a. AFIF & CBFCFA 'RACA' aviation security joint training project

Further to our advice to members a short time ago, AFIF and CBFCFA have finalised, lodged and received feedback on the application for certification under the DOTARS Quality Training Assurance Program (QAS) to provide, initially, on-line training to the industry on the requirements of the RACA Aviation Security Program.

Underpinning the joint AFIF and CBFCA training program is a memorandum of understanding (MOU) between the two Associations to give legal effect to the joint operation.

The new Training regime is due to commence on January 1st, 2008, having been extended from the original date of September 30th, 2007.

Action: *The members will be updated in due course on the effective dates and details of the training.*

b. Customs Supply Chain Security program

The Australian Government through the ACS are developing and propose to introduce in 2008, a Supply Chain Security project, which will include approval of the equivalent of what in Europe are being called: 'Authorised Economic Operators' (AEO's).

The framework for this project and the principles have been developed by the World Customs Organisation (WCO) and are being introduced progressively on a global basis. This concept is all about 'end-to-end' security and 'trade facilitation'. It is designed to allow continuous movement of cargo by low-risk operators in the event of trade embargoes implemented due to terrorist activity in certain places. It will be similar to the current US government C-TPAT program.

Whilst this model is not planned to be implemented into Australia until 2008, much of the work has been prepared during 2007. We will wait to see whether the recent change of Government will have any effect on the program and its implementation time-frame or operation.

Action: *Further information will be communicated to members through Bulletins.*

5. Approach to ATO & Treasury re the GST ruling GSTR 2005/6

Members would recall that we are currently tackling the problem of how the GST law has recently been interpreted in regard to DDU/DDP import shipments and also the treatment of exports. A major submission on behalf of all industry

participants was lodged with Treasury and the ATO late last year and a number of meetings and discussions held since that time. Treasury and the ATO are currently considering the recommendations made.

Action: *Further information will be communicated to members through Bulletins.*

6. General

There are many other issues being handled at any one time and AFIF executives and representatives are necessarily active on many committees and Boards. The following is a summary of the major National and International external Committees:-

- **Customs National Consultative Committee (CNCC):-**
The peak body for discussion between Customs and Industry on facilitation issues.
- **Cargo Processing Executive Steering Committee (CPESC):-**
Committee formed by Michael Carmody - Customs Ceo, to drive specific electronic commerce initiatives arising out of the Booz Allen Hamilton Report ('future thinking committee')
- **Tradegate Board:-**
AFIF interests are represented by four Directors who cover the Forwarder & Customs Broker interests and also those of depot operators. AFIF is represented by Fritz Heinzmann.
- **Tradegate Development Trust Fund Committee (TDFMC):-**
Decision making body who evaluate proposals seeking funding for relevant IT /E-Commerce initiatives for the industry. Funds had previously been collected via the Customs Automated systems.
- **AQIS & Industry Cargo Consultative Committee (AICCC):-**
The peak body for consultation between AQIS and our Industry. AFIF representatives also participate in the many sub-groups formed under the banner of Industry Working Group on Quarantine (IWGQ).
- **IATA Cargo Executive Council:-**
AFIF has three representatives on the 5 person industry committee who meet with IATA and their Airline members to discuss IATA Resolutions and Agency Accreditation matters. This group is also overseeing the ACCC review of IATA.
- **DoTaRS 'RACA' INTL Cargo Security Working Group:-**
This group meets to review requirements in regard to the Australian Government Aviation Security Program.
- **Australian Dangerous Goods Air Transport Council**
Industry body representing movers of Dangerous Goods. This body meets with the Civil Aviation Safety Authority (CASA) on a quarterly basis.
- **Australian Maritime Transport Arbitration Committee**
Recently constituted body formed to provide cost effective mediation to assist parties in disputes relating to maritime issues, which would normally involve expensive litigation. AFIF has been accepted as a foundation member. Peter McQueen of Blake Dawson has been elected as the inaugural Chairman and will be advising members, at the AGM and through AFIF Bulletins, as to how they may utilise the services of the Commission.
- **State based Freight Councils**
AFIF representatives have a seat on the various State Committees of these Councils, who provide a valuable interface between exporters / importers and service providers to work on removing impediments to the smooth flow of cargoes.

- **FIATA:**
FIATA is the World body of Freight Forwarder Associations of which AFIF, now through the 'FIFCBA', is a full member. The various forums discuss ways in which to standardise worldwide Forwarding practices. AFIF representative and member, Barry Vining, was recently re-elected at the World Congress in Dubai as Vice President, Asia-Pacific Region
- **FAPAA (Federation of Asia - Pacific Aircargo Associations):**
AFIF holds the position of part-time Secretariat for FAPAA and currently hold the position of Chairman of the group. FAPAA is very active in developing solutions to issues of concern to air forwarders of this region.
- **AFIF State Committees:**

Active committees under the leadership of State Presidents represent AFIF in five states (New South Wales; Victoria; Queensland; South Australia; Western Australia). The Presidents are invited to attend all AFIF Board meetings to ensure the two-way communication of activities is maintained on a face-to-face basis. These people contribute in many ways to assist members with issues of local concern.

6. Other activities:

The annual publication sales agency contract with IATA Montreal continues to operate and we can report that the projected figures will benefit the Association.

The margin for sales of Dangerous Goods Technical Manuals and a variety of other IATA printed materials are channelled into benefits on behalf of the membership and to keep member fees as low as possible.

There has been much activity in our training program, both in terms of student numbers and in planning for the future needs of our industry members. In regard to specific training projects, the revised Air and Sea basic procedures training programs have proven to be very popular and the separation of the import and export programs has been beneficial to the participants.

The Industry Traineeship partnership with *Myfreightcareer*” is progressing well with student numbers growing all the time. The program provides a unique opportunity for new industry entrants offering a well constructed industry apprenticeship scheme. The long-term goal of the program is to increase the number of properly trained and qualified professional staff within the freight forwarding industry and it is on track to succeed. The benefit for young people is that it offers a genuine career path for those leaving school or tertiary education which should increase numbers entering the industry.

In general terms, we are happy to report that AFIF is financially sound and details of our results can be found in the audited accounts and accompanying Financial Reports, as previously circulated.

We are continually mindful of the costs of running the various business units and whilst our resources are frequently stretched, we are progressively growing the business for the benefit of our membership and the industry in general.

8. AFIF Events

- **AFIF Annual Charity Golf day 2007, outcome**

On Monday October 8th, 96 players attended this year's AFIF Annual Charity Golf Day held at the Macquarie Links Golf Course in Sydney. The after game festivities included a charity raffle and an auction followed by dinner and a comedy entertainer.

The fund raising activities included: sponsorships; raffle prizes and auction items, together with a margin from the players fees. After all costs have been taken into account, the resulting net margin, to be split equally amongst the three beneficiary charities, will be in excess of \$18,000.00, which is fine outcome.

The beneficiary charities will be: *The Special Kids Christmas Party; Bear Care Orphanage in Uganda and The Sutherland Titans Football Club for mentally and physically handicapped children.*

Note: This year's winning golf team was Maltacourt 1.

- **AFIF 2008 Conference Gold Coast**

Planning for the Conference program is well advanced and we are currently awaiting responses from a number of invited speakers.

The committee have invited former Australian Cricketer and now Radio and TV Cricket commentator and writer, Kerry O'Keefe, to open the conference.

Amongst our staple content, the program will also include an interactive session aimed at promoting discussion in regard to the perceived differences in the work ethos of the so-called 'Y' generation.

We have invited a highly recommended professional speaker to introduce this topic and a panel of key industry personnel will join the discussion, including a person from the 'Y' generation selected by an industry-wide competition, who will attend and participate at our cost.

The AFIF 2008 Conference committee comprises of: Paul Golland (*Halford's Chair*); Thomas Hansen (*Rohlig*); Trevor Herkess (*Editor, Australian Logistics Magazine*); Chris Jensen (*Geodis Wilson*); John Law (*CBFCA*); Andrew Waterworth (*Lynair*); Lyndell Wills (*Will Organise*) and Brian Lovell (*AFIF*)

Action : Members to be advised of Conference program in early 2008.

The Chairman will, in his report, be speaking about some of the initiatives involved in working more closely with the CBFCA with the intention of working towards a

single representative body for our industry.

Thank you to all the members for your continuing support, particularly those individuals who give up their time and effort to contribute personally by joining various AFIF committees and working groups around the country.

A big thank you goes to my industrious admin team at the AFIF Secretariat Office and to our instructors who deliver the vital industry training programs.

Finally, I would like to thank our hard working Chairman and all the AFIF Directors, State Presidents and various working groups, for giving up their valuable time to represent members in tackling a variety of issues in order to maintain the welfare of our Industry.

Best wishes for a successful and hopefully less stressful year ahead ! Don't forget to register to attend the *AFIF 2008* Conference, to be held at the Royal Pines Hotel on the Gold Coast, between June 4th and 6th. Notices will be circulated in due course.

End of full report

Peter McNamara wished to comment that members should take a particular interest in the outcome of the I-Part review into Port Botany landside infrastructure and take active interest as there were some radical proposals recommended by the NSW Government.

7. Member Briefing – an address by Peter McQueen, Partner with Blake Dawson Lawyers on contractual matters.

a) New Air Waybill Terms and Conditions (17 March, 2008)

Peter McQueen outlined some of the changes to the Conditions of Carriage which will appear on all IATA air waybills from March 17, 2008. In future there would be the minimum requirement for an unbreakable limit of 17 SDRs per kilo for carriage to or from the USA and other limitations could be included for carriage outside of US jurisdiction. However, due to the complexity this may cause with global trading, it was recommended that 17 SDRs be applied throughout the whole air transport chain, including house air waybills. Peter McQueen would be issuing some more detailed notes for distribution to AFIF members in the new year.

b) AMTAC (Australian Maritime Transport Arbitration Commission)

Peter McQueen advised that a local arbitration commission specific to the maritime and transport industry had recently been formed in Australia but could service not only Australian arbitration but also Asia Pacific and beyond. AFIF was one of the foundation members and had recently been awarded its commemorative certificate at a function to mark the event. Peter McQueen advised that he was the inaugural Chairman for the Commission and would be looking to assist AFIF members and their clients in matters that required arbitration in the future. He urged members to read the information being circulated by AFIF in regard to the commission and there would be

further detail circulated to members as to how they and their customers might utilise the commission in the future.

8. Appointment of Auditor for 2007 / 2008 Financial Year

On the motion of Paul Golland, seconded Elton McKay, Mr. Tom Moon of Moon Cunningham Chartered Accountants was reappointed as AFIF auditor for the current financial year. All in favour.

8. Election of Directions

The Chairman handed over to the CEO who gave an explanation of the process required for Directors to serve on the Board of AFIF in 2008 (*in line with the requirements of the AFIF constitution*).

Following completion of the election process for those required to re-stand and for new nominees, the following Directors were proposed to stand for the AFIF Board for 2008 :-

Paul Angel	Lynair International (Australia)
Robert Kasch	DHL Global Forwarding
Paul Golland	Halford International
Fritz Heinzmann	Schenker Australia
Jacqui McCombie	Globelink International
Jim Merrigan	Maltacourt
Stuart McFarlane	Yusen Air & Sea Service
Elton McKay	Accord Logistics (Aust)
Chris Jensen	Geodis Wilson Australia
Mark Willis	ACM Ambassador

The above named persons were duly ratified by the membership present at the meeting on the motion of Peter McNamara, seconded Barry Vining. All in favour.

Immediately following the AGM, a meeting of the new Board was convened to elect the officers of the Federation for the next 12 months, as follows :-

Chairman	Fritz Heinzmann
Vice-Chairman	Paul Golland
Treasurer	Barry Vining
Public Officer / Secretary	Stuart McFarlane

9. Other Business

There being no other business, the Chairman closed the meeting at 5.45pm.

Signed as a true record of proceedings

Fritz Heinzmann, Chairman

APOLOGIES

COMPANY	NAME
Dacotrans Australia	Hagen W. Pusch
Greenfreight International	Paul King
A. Hartrodt Australia	Dirk Haarhaus
Hi-Tech Freight Solutions (Aust) Pty Ltd	Doug Meuross
Lumley Marine & Logistics	Robert Hammersley
Lynair International	Paul Angel
Mainfreight International	Michael Lofaro
Thomas Miller (Australasia)	Iain Sharples

ATTENDEES LIST

COMPANY NAME	ATTENDEE
Accord Logistics	Elton McKay
ACM Ambassador	Mark Willis
Airlift International Freight	Peter McNamara
Airmark Ocean & Air Logistics	Barry Vining
AaE International	Lindsay Sharp
Blake Dawson	Peter McQueen
Cargo Community Network	Scott McCorquodale
DHL Global Forwarding	Robert Kasch
DHL Global Forwarding	Daniel Andersen
DHL Global Forwarding	Phil Lumsden
Geodis Wilson Australia	Chris Jensen

Globelink International	Jacqui McCombie
Halford International	Paul Golland
A. Hartrodt Australia	Adrian Ford
IATA	Stephane Parrenin
Hilzinger Gibbons	Jason Gibbons
Maltacourt	Jim Merrigan
NAX (Australia)	Adrian Perks
Schenker Australia	Fritz Heinzmann
Towers International Freight Forwarding	Carmen Touyz
Towers International Freight Forwarding	Gary Silis
Yusen Air & Sea Service	Stuart McFarlane