



How To Ship Like A Pro

The Do's and Don'ts of Importing and Exporting

So, you're looking to purchase something from overseas, and have it delivered to your home or office, here in Australia. But now you've made the decision to buy, do you know how to go about getting your item from point A to point B? Do you know roughly what that might cost you, and the rules you need to follow along the way? Do you know what to do if you run into any trouble?

While we believe businesses and the general public should be educated and learn more about how the supply chain operates overall, the **first rule of shipping is to always engage**the services of an expert.

If we take your personal health as an example, while we're encouraged to know how the body should function and Dr Google can provide a wealth of information on particular symptoms and treatments, the best practice is always to seek the professional advice and expertise of your GP or specialist.

The same is true for shipping.

To avoid your goods ending up the proverbial creek without a paddle, an experienced freight forwarder can walk you through all the key points.





The convenience of online shopping has led many people to believe that making purchases from overseas is an easy and straight forward process. With the right freight forwarder, it can be, but there are also key points to consider;



What are you buying?

Not all products can be shipped, for example hazardous goods, feathers and even some packaging materials are restricted.



Who is your supplier?

Take your time and do your research before entering a contract. Are you able to sample the product beforehand? Are you getting what you paid for? Where possible, we recommend visiting your supplier before agreeing to any contract, not only to build trusted relationships, but to add peace of mind about the manufacturing process and satisfaction with the final product.



What is your budget?

Ensure there is a contingency built into your budget to allow for fluctuations in freight prices, landside fees and charges, and potential detention fees.



Have you completed negotiations?

Have you researched and discussed Incoterms, are the payment terms in your favour and are you aware of all relevant fees and charges to be paid, including landside charges?



Have you taken out insurance?

Do you know exactly what your insurance covers? Are you taking out insurance per shipment, or are you better off taking out annual cover which is simpler, but more costly? Are you covered in the event of poor packing, damaged packaging, poor handling, an incident on board the vessel, road accident, loss?



When will your cargo arrive?

Shipping doesn't end when your goods arrive in Port. How will your cargo get from the dock to its final destination? What kind of delivery access is required, and do you have adequate storage space at your home/business or will you require warehousing?



Are all relevant documents completed?

If essential documentation is not filled out correctly and submitted to the relevant authorities within designated timeframes, you risk your cargo being sent straight back to its point of origin. Ignorance will not save you.



Seek professional advice and/or a second opinion where relevant.

Not sure if the item can be imported, despite assurances from the supplier? Feel like you're missing a vital piece of information? A second set of eyes and ears can prove very helpful, and potentially help avoid any mistakes being made.





The pandemic years highlighted the impacts of a congested, under pressure supply chain, with empty shelves, long wait times and lost cargo among the problems experienced by consumers and businesses alike.

However, the silver lining was that the problems also highlighted how you can make the supply chain work for you.



Education is Key

You don't have to be an expert to keep up to date with what's happening in the industry. Simply keeping across latest shipping news will keep you informed of whether you (and your cargo) will be impacted by weather events, industrial action, increased demand, or changes in regulations.



Use Free Trade Agreements to Your Advantage

Australia has several free trade agreements in place, including with countries such as the US, Singapore, Japan, and China. Where possible, take advantage of FTAs to minimise tariffs and fees.



Plan Ahead

Look at when you need your cargo to arrive, and whether that coincides with traditional peak periods, such as Christmas or Chinese New Year. Do you need to order earlier to guarantee arrival by a specific date?



Diversify

Rather than have all your suppliers based in the one country, it's worth diversifying to ensure you still have adequate access to product/s in the event of a country-specific incident. The pandemic highlighted how many people, globally, were dependent on products coming out of China for example, and the supply issues that were created during their lengthy lockdown periods.



Hold Stock

During periods of increased demand, it's worth considering holding stock to avoid being caught short. We call this the 'just in case' ordering model, as opposed to ordering 'just in time'.



Use Technology

Technology and automated systems can remove some of the hassle out of shipping by allowing for online lodgement of forms, updated information and realtime tracking of ships and cargo.



Build Relationships

The benefit of having trusted relationships cannot be overstated. Whether it's your freight forwarder, customs broker, logistics or buying agent, it's vital that you have strong, trusted relationships with industry stakeholders.



Other Things to Consider

Some other points to consider are maximum container weights, whether you can ship items from multiple suppliers in the same container, how GST is calculated and differences in time-zones.

It's also worth considering the locality of your freight forwarder. While remote working has increased access to industry experts, it's important your forwarder knows where you are in practical terms and has knowledge of your local area and the local transport network. There's a big difference between shipping an item to a capital city or shipping an item to a remote part of Australia for example, but will your forwarder be aware of the relevant information needed to get items to your door?







Despite best laid plans, sometimes things go wrong.

Some of the common things that occur when shipping are;

- Fluctuations in exchange rates resulting in higher prices
- Incorrect documentation and/or permits adding to delays
- Unforeseen shipping delays, including weather-related events
- Wrong port of discharge
- · Poor packaging resulting in damage
- Additional charges not accounted for
- Poor communication or miscommunication
- Government intervention

In any of the above situations, the first priority is rectifying the situation. Once that has occurred, you can start to look at who is to blame, what your insurance does/doesn't cover and where to go or who to speak to for further assistance.

It's important to remember than as the importer, ultimately you are responsible for the items you are bringing into Australia, and it's essential you abide by the various rules and regulations. Not being familiar with a particular rule is not an excuse and will not help you avoid potential penalty.

Resources

There are range of free resources available, providing invaluable information on what you can and can't import from overseas, and how to go about it.

The <u>Department of Agriculture</u>, <u>Fisheries and Forestry</u> offers information on importing and exporting, and has recently launched a new website highlighting pests to keep an eye out for when bringing goods into Australia.

The <u>Australian Trade and Investment Commission</u> (Austrade) provides information on exporting, including relevant grants and opportunities for businesses.

<u>Australian Border Force</u> offers information on importing, including buying goods online, and relevant rules and regulations around what can and can't be sent to Australia. It's a great resource for first time importers and also includes information on relevant fees and charges.

WA Chamber of Commerce and Industry and Fremantle Chamber of Commerce and Industry provide reliable information on trade, market research, discounts and networks that may assist businesses, as well as acting as an advocate for business and assisting in navigating various rules and regulations.

Industry groups including <u>Freight & Trade Alliance</u> (FTA), Australian Peak Shippers' Association (APSA) and the <u>International Forwarders and Customs Brokers Association of Australia</u> (IFCBAA) often provide industry updates on relevant issues, including identifying areas for improvement.





Cheat Sheet

- 1 Always engage the services of an expert. Always.
- Consider what you are buying, and where you are buying it from. Ask questions and ensure you use a trusted supplier.
- Know the relevant import rules and regulations. Ignorance is no excuse.
- Make the supply chain work in your favour by educating yourself, staying across relevant industry issues and building trusted industry relationships.
- Hope for the best, but prepare for the worst. Always have a contingency plan.

