

Good resolutions are simply checks that men draw on a bank where they have no account."

— Oscar Wilde,
Irish Writer & Poet

CARGO NETWORK INTERNATIONAL PTY LTD

CNI Christmas Message — Rob Roberti (MD)

The past year has seen many challenges laid before us all. Eleven (11) shipping lines are now six (6) with the potential for further consolidation.

The expansion of internet shopping, such as AMAZON, is impacting across the supply chain.

There has been numerous Government elections and we are still trying to understand a new USA Federal Administration. The way we do business has become very different to the way we did business ten (10) years ago.

But at this time of year, it is important to take time and reflect on what really is "important".

At Cargo Network we truly value our relationships and appreciate working together with businesses like yours that ensure mutual growth and success.

This year we saw many gains as we adapted to an ever-changing economic environment, and this could not have been possible without the support and hard work of our teams and our clients.

Now, at the end of this year when all of us will be celebrating the spirit of Christmas, we are writing to you to wish you, all your team members and their families the very best and to let you all know how much we appreciate doing business with you.

Relationships are founded on mutual trust. Trust in services; Trust in reliability; Trust in honesty.

Thank you for your support and loyalty, but more importantly we thank you for placing your trust in us. We hope that the next year will be even more successful for all of us.

Merry Christmas and a Happy New year to you all.

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NICNAS is changing in 2018: know your obligations!

The **National Industrial Chemicals Notification and Assessment Scheme (NICNAS)** helps protect the Australian people and the environment by assessing the risks of industrial chemicals and providing information to promote their safe use. We are a statutory scheme within the Australian Department of Health.

Industrial chemicals include those used in inks, plastics, adhesives, paints, glues, solvents, cosmetics, soaps and many other products.

The Australian Government has decided to reform NICNAS to reduce the regulatory burden on industry, make regulatory effort more proportionate to risk, and promote safer innovation by encouraging the introduction of lower risk chemicals.

NICNAS continues to protect the Australian people (both workers and the public) and the environment from any harmful effects of industrial chemicals.

Subject to approval by Parliament, a new scheme will replace NICNAS and take effect from 1 July 2018.

Please speak to our Customs Consulting section if you have any questions.



Illegal Logging Laws...

WHAT YOU NEED TO DO



The new laws affect you in two different ways:

- It is now a criminal offence to intentionally, knowingly or recklessly import illegally logged wood, pulp or paper products into Australia. You should not import the products if you believe that the wood, pulp or paper may contain illegally harvested timber.
- If you are importing 'regulated timber products' into Australia, you need to minimise the risk that the wood, pulp or paper in these products has been illegally logged. This process is known as undertaking 'due diligence'.

Regulated timber products include most timber and wood-based products, such as sawn timber, pulp, paper, veneer, mouldings, wood panels, flooring, medium-density fibreboard, particle board, plywood and furniture.

YOUR 'DUE DILIGENCE' OBLIGATIONS

To undertake due diligence, you need to:

- have a documented system that outlines how you will meet your due diligence requirements
- gather information about the regulated timber products you are importing
- assess the risk that the timber in these products has been illegally logged
- where necessary, undertake additional reasonable steps to reduce any risk
- keep a written record of the steps you have undertaken.



BITCOIN

The digital currency bitcoin has exploded in popularity since it began in 2009. Where once a single bitcoin was worth a few cents it is now worth about \$9,200 per coin (November 2017), creating millionaires in the process. There have been many reported cases where people mined thousands of relatively worthless bitcoins as a hobby years ago, only to now realise they are rich.

One IT worker even threw out a hard drive containing 7,500 bitcoins. His haul would have been worth about \$69 million in 2017.

Bitcoin is a type of digital cryptocurrency. There are others out there as well, such as Ethereum, LiteCoin, Neo, Monero etc — these non-bitcoin cryptocurrencies are often referred to online as altcoins. The main feature of cryptocurrencies is that they operate on a decentralised peer-to-peer network, with no central authority or government backing. You can pay bitcoin to someone else and there's no bank to go through to make that transaction, just a peer-to-peer networked program on your computer. The thing about bitcoin that is exciting the financial world is the underlying technology that makes cryptocurrencies possible — **the blockchain**. The blockchain is essentially a public ledger of all the transactions ever made in the currency and keeps a record of which user owns what coins. When a transaction is made it is added to the end of the blockchain and confirmed using a series of complex computations by the computers of other users who are on that currency's network. It solves a problem that until now has stopped digital currencies from working — the issue of double spending. Since a digital coin is essentially just a file, a bit of code, it could be copied numerous times and reused and sent to multiple people.

The blockchain stops that from happening because when you send the coin to someone else the other computers on the network reach a consensus that that coin has changed to a new owner. All this is done without a central authority or bank. You can buy bitcoins with fiat currencies like Australian dollars from online exchanges or you can create brand new bitcoins in a process known as mining. Remember how transactions on the blockchain need to be confirmed by the computers of other users? Well those users get rewarded with new bitcoins for letting their computers do the work.

The most recent transactions made on the network are bundled up into a transaction 'block', which is finalised roughly every 10 minutes. Once a computer solves the block's complex equations and finds a valid hash key it is added to the blockchain, verifying bitcoin transactions between users, while at the same time rewarding the miner with new bitcoins.

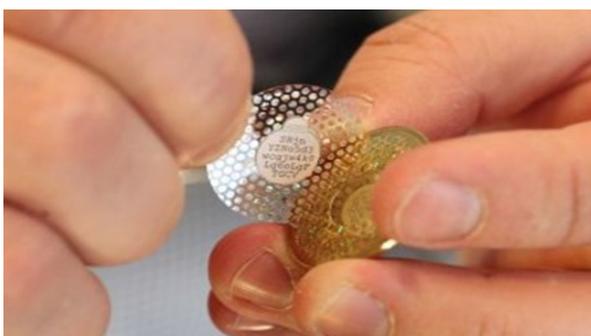
It can take a while for miners to reap rewards as only the first user to solve the block by finding one of a number of valid hash keys is rewarded with bitcoins. During the early days of bitcoin in 2010-11 a common household computer would have been powerful enough to mine for dozens of new coins using its CPU or GPU. But that is not the case today. The currency automatically regulates the difficulty of the mathematical problem (adding complexity to the hash value computers need to find) as well as the number of bitcoins received as a reward.

If a lot of people are connected to the network to mine for bitcoins the difficulty of solving a block increases — this is known as the hash rate. Similarly, it decreases when less people are seeking new bitcoins. The number of bitcoins rewarded also adjusts with an end result that means every four years only half the amount of coins created in the previous four years can be made.

Recently, the invention of specialised computers used solely for mining has dramatically increased the difficulty of obtaining a bitcoin. These expensive machines mine for coins 24/7 and can perform the needed computations hundreds of times faster than a standard home computer.

Bitcoins can be mined solo or as part of a pool, but even then the bitcoin or fraction of the coin you receive will likely not be enough to cover the electricity cost. Bitcoin mining was extremely easy when the network first began, but it is now out of the realm of common home computers. Due to the way Bitcoin was coded, there is a limit of just under 21 million bitcoins that can be created. Once the limit is reached, no more bitcoins can be made.

However, a single bitcoin can be subdivided as far down as the eighth decimal place (0.00000001BTC) to buy smaller goods using just a fraction of the coin.



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GENERAL NEWS

*From around the world
And across the globe ...*



- CMA CGM HAS REACHED AN AGREEMENT TO ACQUIRE South Pacific container line SOFRANA UNILINES. CMA's Australasian subsidiary ANL will conclude the acquisition on behalf the French carrier. ANL and Sofrana will merge into "Sofrana ANL". The New Zealand based Sofrana has been active in the South Pacific for 50 years and operates 10 vessels on eight trade lanes, serving 21 ports in Australia, New Zealand, Papua New Guinea and the Pacific.
- SEVERAL CONTAINER FREIGHT STATIONS have followed Qube's lead and started charging "International Terminal Fees" for LCL cargo. Others have also introduced "Infrastructure Levies" of up to AUD 9.50 per cubic metre for LCL-cargo.
- IATA'S CARGO STATISTICS REVEAL THAT INTERNATIONAL AIRFREIGHT continued to grow at double digit pace in August. Year to date for the first eight months of 2017 international airfreight increased by 11.6% and the Asia Pacific region achieved +11.3%. This is all prior to peak season congestions.
- THAILAND: A new Thailand Customs regulation comes into force in November. Shipping marks and numbers will be mandatory on all Bills of Lading. Failure to comply will result in fines of up to THB 50,000.00.

