



TOMAX
NEWS

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PLUS:

TARIFF CONCESSIONS GAZETTE (TC)

Tariff Concession Orders (TCOs) are an Australian Government revenue concession that exists where there are no known Australian manufacturers of goods that are substitutable for imported goods.

The weekly Tomax Client Newsletter will contain a link to the latest Gazette document so that you can stay updated.

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LATEST NEWS



RAIL CORRIDOR SET TO OPEN NEXT WEEK FOLLOWING DERAILMENT

After a 1.7 kilometre-long freight train derailed west of Geelong, resulting in the Melbourne-Adelaide rail corridor closing since Monday 14th November, the rail corridor is now expected to re-open for business next week.

The incident left rail infrastructure damaged and shipping containers strewn across the tracks. According to the Australian Rail Track Corporation (ARTC), repair works are now underway with expectations it will re-open next Tuesday 22nd November. ARTC stated, “ARTC has more than fifty workers and multiple crews on-site, working around the clock to reconnect Australia’s east-west rail freight corridor. A key achievement has been the removal of wagons and containers off the track, and work has already started on rebuilding the northern end of the line.” ARTC advised over 1500 new concrete sleepers and 2500 tonnes of rock ballast have been delivered to the site. Currently, heavy machinery, including excavation vehicles are now working to repair one kilometre of track.

Despite the Australian Transport Safety Bureau still investigating the derailment, the cause of the incident is not yet confirmed. Notably, Victoria experienced heavy rainfall before the train derailed which could be a causative factor.

Rail freight operator, Pacific National, has called for better rail infrastructure to support the national supply chain after various incidents of extreme weather events. Rail lines which are often topped by flood waters create disruptions which impact on Australian businesses. They believe in building our rail lines to a more ‘resilient standard’ involving a freight network which enables Australian export industries to quickly seize market share in boom times and squeeze our profits in lean times. However, these opportunities are hampered by the state of our supply chain infrastructure due to the inclement weather and disruptions to rail freight networks.

“In the face of COVID-induced global supply chain disruptions, volatile markets, historic levels of government debt, and a changing climate, Australian governments can no longer remain complacent about enhancing the resilience of our freight infrastructure. If they do – Australia’s future standard of living will almost certainly be derailed”, says C.E.O Paul Scurrah.

Williams, A. (2022). Re-opening set for freight corridor as containers cleared from derailment site. Retrieved from <https://www.thedcn.com.au/news/containers-and-container-shipping/re-opening-set-for-freight-corridor-as-containers-cleared-from-derailment-site/> on 17th November, 2022.



GLOBAL OCEAN FREIGHT MARKET UPDATE

Below are some highlights of the latest developments of the global ocean freight market:

- **Demand outlook** – Various events such as war in Ukraine, the energy crisis and inflation are lowering consumer spend, and thus demand in goods.
- **Capacity** – With a huge number of large new containerships hitting the water in 2023 at a time of stagnating demand, the liner shipping market might be headed towards structural overcapacity which could impact profits.
- **China** – While port-related congestion issues in Europe and the U.S. have lessened, supply chain disruptions are continuing in China which show no signs of easing pandemic-driven restrictions, thus dampening both international trade and China's own economic growth. The situation in China should be closely monitored with hope for a loosening of the restrictions by next year. This would allow manufacturers to plan production and deliveries more efficiently and boost growth and confidence in the important Chinese domestic market.
- **Economic outlook** – The latest PMI surveys signalled that the downturn in global economic activity is showing no sign of relenting. "With demand weak, geopolitical and market volatility high, and inflationary pressures still elevated, the growth outlook remains downbeat for the remainder of the year," says Bennett Parrish, Global Economist.
- The eurozone economy looks set to contract in the fourth quarter given the steepening loss of output and deteriorating demand picture seen in October. The U.S. economy is also struggling with manufacturing activity growing at its slowest pace.
- **Shifting rates** – The combination of a lowered demand, along with growing capacity, has led to a drop across many trade lanes, cargo volumes are weakening, and spot freight rates are projected to move back to pre-pandemic levels.

PCM Admin. (2022). New challenges arising for ocean freight. Retrieved from <https://mhdsupplychain.com.au/2022/11/15/new-challenges-arising-for-ocean-freight/> on 18th November, 2022.



SVITZER LOCKOUT WILL NOT PROCEED

Svitzer's lockout of its maritime employees will not go ahead today, as advised by the Fair Work Commission yesterday evening on the 17th November.

The lock out would have impacted 582 harbour towage employees, causing no vessels to be towed into or out of 17 Australian ports that Svitzer services. "This will impact shipping operations at major metropolitan and regional Australian ports nationwide in Queensland, New South Wales, Victoria, South Australia and Western Australia," Svitzer said in a statement and was planned in response to "damaging and ongoing industrial action being organised by the unions". Svitzer said the industrial action has been harming its ability to "reliable, safely and efficiently serve our shipping customers and port operations around the country and is causing serious disruption to the national supply chain, which is reliant on shipping". Therefore, the indefinite lockout was one of the few avenues available to employers faced with such action.

However, MUA assistant national secretary Jamie Newlyn said by locking out its maritime workers, Svitzer would "wreck Australia's productivity [and] prevent consumer goods and bulk commodities being loaded or discharged at major ports like Botany, Kembla, Melbourne, Newcastle and Brisbane. Every

Australian business and consumer will now suffer from this delinquent company's selfish and pigheaded conduct," Mr Newlyn said.

The hearing is currently underway and the commission is determining whether to terminate Svitzer's protected industrial action or suspend it. According to Svitzer, the Fair Work Commission will issue an order before midday today (18th November).

The three maritime unions also withdrew notices of protected industrial action that were due to take place today which included work stoppages of 24 hours, 12 hours and four hours at ports around the country. At the Fair Work Commission hearing, the unions argued for a suspension of industrial action, while Svitzer and others argued for a termination. Negotiations for a new enterprise bargaining agreement – replacing the current one, which expired in 2019 – have been ongoing for three years.

Ackerman, I. (2022). Svitzer lockout will not proceed. Retrieved from <https://www.thedcn.com.au/news/staffing-crewing-and-training/breaking-news-svitzer-lockout-will-not-proceed/> on 17th November, 2022.



CURRENT GLOBAL SUPPLY TRENDS

2020-21 was marked by an exponential increase in demand, with COVID-19 ensuring that supply chains had to pivot to serve customers staying at home. However, 2022 has seen some semblance of normality return to global supply lines. Port congestion in ports across the US has finally eased, and demand seems to be falling back to pre-pandemic levels. Although, all is not rosy as it seems. The Russia-Ukraine war, trade, and labor conflicts, as well as inflation, have all impacted logistics networks adversely. Hence, global trade seems to be slowing down and supply chains continue to be unbalanced.

On the back of a relatively strong first half of the year, global trade will likely see a growth rate of 3.8% for the whole of 2022, but amid headwinds, the pace is slowing quickly. For next year, we expect merchant trade growth to slow to just 1.2%, as discussed in more detail in our trade outlook for 2023. This drops below the expected GDP growth.

Given the volatile and uncertain environment, global merchandise trade held up well so far this year, with world goods trade standing at 4.4% year-to-date (January to August) according to CPB world trade data. In the first half of the year, consumers' appetite for goods was still running high compared to the previous year, but with a shift back to services and traveling, and with people worrying about the rising cost of living, things changed over the summer.

In terms of categories, the energy crisis tends to lead to more transport of energy carriers (like liquefied natural gas, or LNG). Demand for oil and oil products is continuing

to catch up after the COVID-19 pandemic setback and this is expected to continue in 2023, despite weak economic perspectives. Softening demand has also sent spot rates on major trade lanes from Asia down, ending an extraordinary two-year period in container shipping, although locked-in contract rates slow the impact for shippers.

There are simply not enough silver linings to keep global goods trade robustly flowing, with consumer demand faltering, the energy and subsequent inflation crisis persisting and ongoing labor and material shortages. Energy prices are very likely to remain high, burdening (industrial) companies' cost competitiveness and households' purchasing power, despite government compensation packages.

While Europe is predicted to see a flat year, the US is holding up better and intra-Asia trade is expected to push up the global average. Transport will be significantly cheaper next year too. On the container side (predominantly consumer goods), there will be very little growth and will stick well below its long-term average. For dry bulk flows, 2023 is set to be a better year as industrial demand from China is expected to catch up compared to 2022. Overall, predictions paint expectations for 2023 to be a combination of slowing down and growth, as the global supply chains struggle with volatile markets.

Logixboard. (2022). Global Trade Slows And Supply Chains Remain Unbalanced | Trend Report. Retrieved from https://www.linkedin.com/pulse/global-trade-slows-supply-chains-remain-unbalanced-trend-report-/?trk=eml-email_series_follow_newsletter_01-hero-1-titleink&midToken=AQECilWHEUCIcA&fromEmail=fromEmail&ut=3srlXxn4Kgoqw1on 18th November 2022.

BIOSECURITY ALERTS & CHANGES THIS WEEK

NEW PATHWAY ADDED FOR HIGHLY MANUFACTURED ANIMAL BONES, HORNS, ANTLERS, TUSKS AND TEETH

Effective from 17 November 2022

The Department of Agriculture, Fisheries and Forestry has updated conditions in the BICON case Animal trophies, articles and handicraft items, for animal bones, horns, antlers, tusks and teeth. A new BICON pathway has been established for highly manufactured goods that contain or are made of bone. This includes the following types of goods:

- Furniture with inlaid bone
- Musical instruments made of or containing bone
- Sculptures and bone carvings
- Knives with antler handles
- Complementary medicines e.g. dragon bone

A mandatory inspection will not be required for these goods. Importers will be required to provide a Manufacturers declaration or a Supplier declaration attesting to the highly manufactured nature of the goods and freedom from biosecurity risk material. The option for an inspection is available for goods that are not accompanied by adequate documentation.

Who does this notice affect:

Importers of highly manufactured goods containing, or made of, bone, horn, antlers, tusks, and teeth. Pathway Operations Cargo - Assessment and Inspection.

Further information:

Contact the Food Biosecurity Imports Section on 1800 900 090 or email imports@agriculture.gov.au.

This Change applies to the following Cases:

Animal trophies, articles and handicraft items

CHANGES TO IMPORT CONDITIONS FOR PROTEIN POWDERS AND SUPPLEMENTS

Effective from 16 November 2022

The department has made changes to the import conditions for protein powders and supplements for human consumption.

Change to the name of the commodity case:

The name of the commodity case has been changed from 'Protein powders and body building supplements for human consumption' to 'Protein powders and supplements for human consumption' to align with legislation.

Addition of conditions for goods derived from marine animals:

Import conditions have been added for the import, for personal use, of protein powders and supplements derived from marine animals (other than from salmonid species). An import permit is not required but there are import conditions that must be met.

Streamlining of the pathways:

- The pathway for goods manufactured in countries not approved by the department as free of FMD has been removed.
- The pathway for goods not for personal use has been renamed to 'Other - goods that do not meet the conditions for personal use'.
- Links have been added to direct importers to alternative BICON cases to determine if they can meet the import conditions in those cases or to apply for a permit in the commodity case relevant to the main ingredient in the product.

Who does this notice affect:

Importers of protein powders for personal use, Pathway Operations Cargo - Assessment and Inspections, Client Contact Group.

Further information:

Contact the Food Biosecurity Imports Section on 1800 900 090 or email imports@agriculture.gov.au.

This Change applies to the following Cases:

Protein powders and supplements for human consumption



CHANGES TO BIOSECURITY COST RECOVERY

WHO DOES THIS NOTICE AFFECT?

Customs brokers and importers of consignments over \$1000 imported as sea cargo.

Further to the notice regarding Sustainable funding & investment to strengthen biosecurity, the release of Import Industry Advice Notice 226-2022 clearly signals significant changes to Biosecurity charging arrangements in the year ahead.

As well seeking a further detailed explanation in differentiating the “Review of the biosecurity cost recovery arrangement” and “Sustainable Funding and Investment for Biosecurity” as outlined in the IIAN, Freight & Trade Alliance (FTA) and the Australian Peak Shippers Association (APSA) have expressed concern about the short time frame given for the 1 December implementation for the increased rate to apply to all Full Import Declarations (FIDs). FTA / APSA recommend a deferred period to allow industry to adjust their planning for landed costs, referencing an accepted industry standard to provide a minimum 60-day notice period to cater for this need.

In response, The Department of Agriculture, Fisheries and Forestry stated that the FID increase will proceed on 16 January 2023 and cannot be deferred noting this has already been delayed and communicated in the Cost Recovery Impact Statement published on 25 March 2022 and in the 2021-22 budget report.

WHAT HAS CHANGED?

Australia’s biosecurity system is becoming more complex and like industry and the rest of the world, the department is continuing

to respond to changing global and domestic travel, trade and climate patterns. The demand for our regulatory activities has also increased, together with industry expectation of faster clearances and efficiencies at the border. The department is progressing three related bodies of work to ensure it can fund existing and future regulatory activities, meet industry expectations, and continue to manage biosecurity risk effectively into the future.

This advice notice sets out details of this work which includes:

- Proposed implementation of cost recovery to manage the risk of hitchhiker pests and diseases
- A comprehensive review of the biosecurity cost recovery arrangement
- Development of a sustainable funding and investment model for biosecurity.

PROPOSED COMMENCEMENT OF COST RECOVERY TO MANAGE THE RISK OF HITCHHIKER PESTS AND DISEASES – SEA FID CHARGE INCREASE

In the 2021-22 Budget, the Australian Government committed \$96.9 million over 4 years to better manage the risk of hitchhiker pests and diseases that can cause considerable cost and disruption to agricultural production, the environment, and the way of life of all Australians. The program is to be funded through a combination of existing departmental sources and cost recovery from industry. This commitment reflects the growing risk posed by hitchhikers because of rising trade volumes, supply chain complexities, and the concurrent movement of pests and diseases around the world.

The program addresses the risk of major hitchhiker pests, for example khapra beetle and brown marmorated stink bug, that can be carried in and on containers and their contents (around 2.5 million containers arrive each year). Noting that it is not possible to check all containers and that increased screening effort potentially causes delays at ports, the funding aims to better manage the threat of hitchhiker pests through working with industry to design and introduce innovative ways to better profile risk and enable more rapid screening.

The department advised its intent to recover the cost for its increased efforts to manage hitchhiker risks through the 2021-22 Biosecurity Cost Recovery Statement (CRIS), published on 25 March 2022. It has also been raised at various industry forums such as the Department's Cargo Consultative Committee.

To achieve this, there will be an increase in the Full Import Declaration charge for sea cargo (Sea FID) for each declared consignment arriving by sea from \$49 to \$58, commencing 16 January 2023. Billing arrangements will remain the same with the proposed increase applied to Sea FIDs lodged on or after 16 January 2023. A draft Biosecurity (Hitchhiker) CRIS 2022-23 sets out the details of this proposed change to the Sea FID and is available on the department's website.

REVIEW OF THE BIOSECURITY COST RECOVERY ARRANGEMENT

The arrangement was last reviewed in 2015 and since then, only minor increases to specific regulatory fees and charges have been imposed.

The department is reviewing all current regulatory charging for biosecurity activities. Through this review, a new cost base will be determined to align fees and charges with the costs to deliver existing biosecurity regulatory activities to industry. From late November the department intends to commence industry consultation on the outcomes of the review

including proposed changes to existing fees and charges. This engagement will be supported by a consultation paper with opportunity for industry to provide feedback. Further details on the consultation process will be released soon.



SUSTAINABLE FUNDING AND INVESTMENT FOR BIOSECURITY - PUBLIC CONSULTATION

Consistent with Commonwealth Biosecurity 2030 and stakeholder comments received in developing the National Biosecurity Strategy, the department commenced a program of work in August 2022 to support the development of the sustainable funding and investment model for biosecurity.

The department is seeking comments and practical ideas on options for long-term, sustainable funding to strengthen Australia's biosecurity system. This work invites interested parties to provide views on future reform. An initial public consultation process commenced on 1 November 2022 with the release of a discussion paper on the department's 'Have Your Say' platform. The views of all system participants and interested parties, including on options raised previously are being sought after. Submissions can be made on the 'Have Your Say' platform by 4 pm (AEDT) on 21 November 2022.

Below is a table to show the impacts of the quarantine processing fee for SEA freight shipments in 2023.

Consignment Value	Cargo Type	Customs Import Processing Fee	Quarantine Charge 2022	Quarantine Charge 2023	Total Cost
<\$1000 (SAC)	AIR/SEA	\$0.00	\$0.00	\$0.00	\$0.00
> \$1000 - <\$10,000	AIR	\$50.00	\$49.00	\$49.00	\$99.00
> \$1000 - <\$10,000	SEA	\$50.00	\$49.00	\$58.00	\$108.00
>\$10,000	AIR	\$152.00	\$49.00	\$49.00	\$201.00
>\$10,000	SEA	\$152.00	\$49.00	\$58.00	\$210.00

QUICK RIDDLES

See if you can solve the following riddles!

1) What kind of coat is always wet when you put it on?

2) How many bananas can you eat if your stomach is empty?

3) What belongs to you but other people use it more than you?

4) Paul's height is six feet, he's an assistant at a butcher's shop, and wears size 9 shoes. What does he weigh?

5) What runs, but never walks. Murmurs, but never talks. Has a bed, but never sleeps. And has a mouth, but never eats?

6) I'm light as a feather, but not even the strongest person can hold me for more than 5 minutes. What am I?

7) You measure my life in hours and I serve you by expiring. I'm quick when I'm thin and slow when I'm fat. The wind is my enemy.

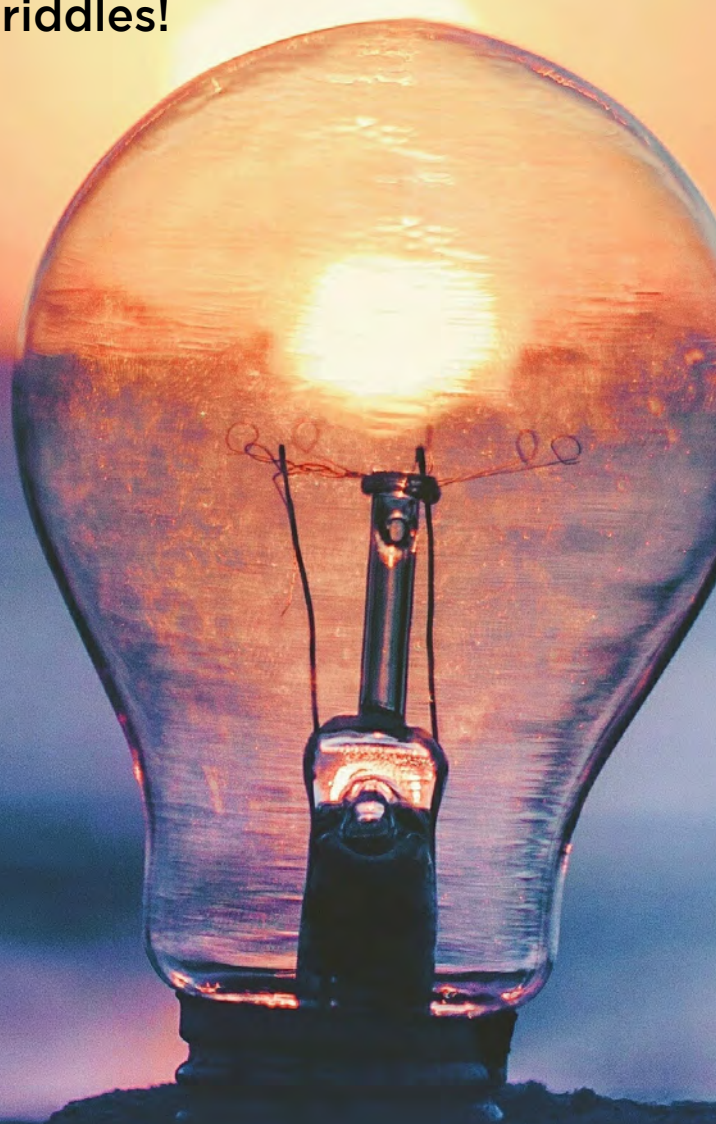
8) I have cities, but no houses. I have mountains, but no trees. I have water, but no fish. What am I?

9) You see a boat filled with people. It has not sunk, but when you look again you don't see a single person on the boat. Why?

10) What makes you, young?

11) Spelled forwards I'm what you do everyday, spelled backwards I'm something you hate. What am I?

12) I Start with M, end with X and have never ending amount of letters. What am I?



Answers: 1) Paint, 2) One, because after one your stomach is no longer empty, 3) Your name, 4) Meat, 5) A river, 6) Breath, 7) Candle, 8) Map, 9) Everyone on the boat is married, 10) Adding the letters "ng", 11) Live, 12) Mailbox



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