



TOMAX
NEWS

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PLUS:

MARKET SUMMARY



- Rates on the China to USA trade-lane are hitting new heights with rates of up to USD 30,000 per 40' container being recorded. The exponential increases on this trade-lane will continue to apply upward pressure on rates on the China to Australia trade as well.

- Airfreight services from USA to Australia are heavily congested with most airlines not able to accept cargo for 2-3 weeks due to the backlog of freight waiting to be cleared. Importers and suppliers are advised to reserve space at least 16 days prior to cargo ready date in order to achieve a timely uplift.

- Available warehousing space in Melbourne is hitting critically low levels with many cargo owners scrambling to find solutions for storing overflow pallets, often as a result of importers bringing in cargo earlier than usual in order to beat rising freight prices.

- Vessel schedule reliability is falling with many carriers electing to omit certain ports in an attempt to get vessels back on schedule. Average delays to vessels servicing the Asia to Australia trade-lanes is around 6 days.

- With almost all of Australia in lockdown, we'd like to take this opportunity to send our thoughts and best wishes to you, your families and your teams at work, as you battle through these difficult times. Have a safe and enjoyable weekend wherever you are!

TOUGHER RULES FOR COVID SAFE PLAN ONBOARD SHIPS

The Western Australian Government has imposed tougher requirements at the ports for crew testing and vaccinations, increasing the risk of vessels being turned away. If COVID-19 is detected onboard a vessel, Premier Mark McGowan says he reserves the right to deny their entry into the state. Six ships which are expected to arrive in WA from Indonesia, runs the risk of being turned back, due to the 500,000 active COVID-19 cases in Indonesia.

Many weeks ago, saw a number of ships carrying COVID positive sailors who have travelled to WA, with 13 of the state's 15 active cases of COVID-19 stemming from either the MV Darya Krishna or the BBC California, both of which have docked in Fremantle Port. The MV Emerald Indah was refused permission to berth in Perth last month, after dropping off a crew member in Geraldton who tested positive to COVID. The bulk carrier had plans to collect 50,000 tonnes of wheat to deliver to Indonesia. Additionally, no crew changes are allowed at locations deemed "high risk" and no onshore crew visits are to take place at higher risk locations which involve the disembarkation and re-embarkation of crew at the location.

Maritime workers who are required to board the vessel at higher risk locations must wear proper PPE and also return a negative COVID-19 test result. Moreover, daily rapid antigen COVID-19 testing will be carried out on the entire crew as soon as they arrive at the high-risk location until just before entry into WA water. A pre-condition of entering



WA waters could be for all crew members to return a negative test result. The crew members are also expected to be vaccinated if they are disembarking in WA from a high-risk location.

A list of what the higher risk locations or countries are has not been constructed and there is no clarification on whether a crew is able to join a vessel in a low-risk country despite arriving from a high-risk country. The government has faced backlash by some industry groups over its lack of consultation with key stakeholders.

Trevor Whittington, C.E.O of WA Farmers, told Perth radio station 6PR, “in the last 12 months there has been 26/179 arrivals into Australia, only 15 of those ships have had COVID.” Mr. Whittington explained that the rules could have adverse effects on WA’s trade relationship with Indonesia, put the future of wheat and cattle exports at risk. “This is a highly sensitive relationship, I suspect the Premier wouldn’t be doing anything like this if it was China”, stated Mr. Whittington.

Meanwhile other states such as the Queensland government, has been grappling with COVID-19 onboard foreign ships. The Queensland government has been assisting ships with the latest being MV Sanyu who is currently travelling from the Philippines to Cape Flattery in northern Queensland. After testing positive to the virus, ten crew members have been relocated to COVID wards in hospitals in southeast Queensland, with the others remaining onboard. A total of 19 of the crew have tested positive for COVID.



PATRICK TERMINALS TO INTRODUCE CONTAINER WEIGHT AMENDMENT FEE

Importers will now face the risk of further penalties for incorrect weight declarations made by suppliers where containers are found to have a weight of 1,000 kilograms or more different from what has been declared. Patrick Terminals have installed Pondus container weighing devices in the ports of Brisbane, Sydney, Melbourne and Fremantle and are reserving the right to weigh import containers to check for discrepancies.

At the Melbourne terminal, from the 4th October 2021, any container found to have a weight being more than 1,000 kilograms different to what has been declared will be subject to a penalty of AUD 230.00 plus GST levied by Patrick Terminals. It is proposed that the fee will be invoiced to the transport company, to then be passed on to the importer.

The weighing system has been in place at the Patrick Brisbane Autostrad terminal since January 2021 has trials have been successful. The AUD 230.00 plus GST fee is already in place for incorrectly declared containers in Brisbane. A start date for fees at the terminals in Sydney and Fremantle are yet to be confirmed.

The initiative is aimed at protecting staff, equipment, and external parties who may be subjected to the dangers involved in incorrectly declared container weights. The Safety of Life at Sea Convention (SOLAS) was ratified in 2016 and required shippers to accurately measure and declare the weight of cargo/containers being presented for loading on vessels. In the past, container weights may have been declared inaccurately in an attempt to avoid overweight fees and other charges.

Whilst this initiative by Patrick Terminals will help provide additional scrutiny and incentive for suppliers and importers to correctly declare the weight of cargo and containers, the decision to collect the charges from the transport company collecting the container will draw some scrutiny. Tomax expects that there will be further commentary and action from within the industry regarding the process surrounding these penalties.



MINIMUM DOCUMENTARY AND IMPORT DECLARATION REQUIREMENTS POLICY

Who can issue a packing declaration?

Packing declarations must be issued by the exporter, supplier or packer who packed the goods into the container. We have updated our definition of a 'packer' to an entity who packs the goods into a container or observes the packing, which can include the supplier or exporter of the goods.

When can I use vessel and voyage number on a packing declaration?

Vessel and voyage number can be used on a packing declaration if the date of issue is not present on the document. Vessel and voyage can also be used as a numerical link in conjunction with an acceptable consignment-specific link on other documents. If vessel and voyage is the only consignment link on a packing declaration, another document for the consignment must include the vessel and voyage number and an acceptable consignment-specific link (see section 1.9 for more information). While this wording has slightly changed as a result of this review, the intent of this section in the policy has not changed.

Do packing declarations need to list a 'company title' or 'employee title'?

The policy includes the requirement for the company title of the employee endorsing certain document types to appear on the document. This is not a requirement for packing declarations.

What document types can be used for a lot code list and what are the requirements for them?

There are two ways to present lot code lists in your documentation. A 'Lot Code List' is an international trade document which can be presented as a standalone document, requiring endorsement under section 1.7 of the policy. This endorsement must be by a company employee but does not need to specify the company title or position. Alternatively, a lot code list can be provided on another type of commodity related document, such as an invoice, under section 4.6 of the policy and must meet that document's requirements. If a lot code list is

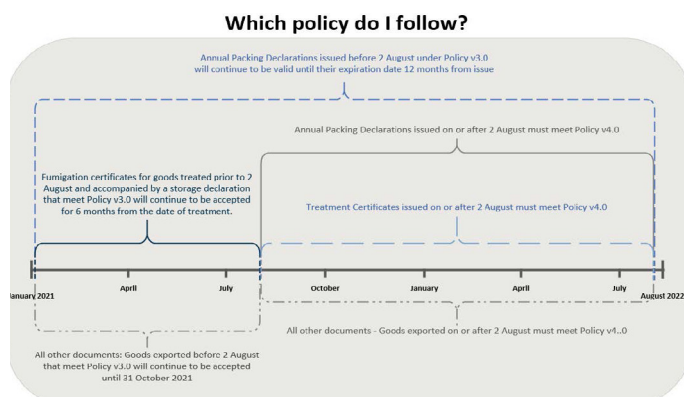
presented on a manufacturer's declaration, then the document must be endorsed by a company employee, including their name and company title.

What are the changes to fumigation certificates?

Treatment providers were previously only required to make a statement relating to plastic wrapping of the goods. The revised policy, v4.0, enables a single statement to be used on all methyl bromide and sulfuryl fluoride certificates, regardless of the treatment provider. Fumigation certificates must include any relevant statements as per the methodology as listed in the policy. For more information, see the Industry Advice Notice (152-2021) which outlines these changes.

Will fumigation certificates issued before 2 August 2021 still be accepted for goods that arrive in Australia after 2 August?

Where import conditions allow goods to be stored for up to 6 months following treatment, fumigation certificates issued before 2 August 2021 will continue to be accepted provided they meet the requirements under v3.0 of the policy. Goods, for example wooden furniture, which are treated and issued with a certificate before 2 August under v3.0 of the policy and have a storage declaration attesting to the prevention of reinfestation, will also continue to be accepted for 6 months from the date of treatment if they arrive in Australia after 2 August.





ARE OLYMPIC MEDALS SUBJECT TO IMPORT DUTY?

Have you ever wondered if customs duty or GST are payable on Olympic medals when brought back into Australia?

Fortunately, this dilemma has been addressed in part of the Fourth Schedule to the Australian Customs Tariff Act 1995, which effectively exempts medals and similar items from customs duty. As listed as Item 25 of the Fourth Schedule to the Tariff Act, “goods that are trophies, decorations, medallions, certificates or prizes” (are) to be duty-free according to By-Law number 1301053 effective from 1st March 2013. However, the By-Law is specific and takes into consideration the circumstances in which the exemption applies to. For instance, this does not apply to items which are used for the sole purpose of advertisement. Despite the law in place, sporting medals and trophies have not always had an easy passage across the border.

When India won the 2011 World Cup Cricket Trophy, reports indicated that the original was seized by the Mumbai Customs on its arrival from Colombo after the Sri Lanka-New Zealand semi-final. Thus, the trophy that was raised by the Indian team was a replica. Apparently, this meant the import duty had to be paid for the trophy.

In 1982, Michael MacKellar, a Fraser government minister, imported a colour TV into the country but declared it on the customs declaration form as black and white, to avoid duty. He was dismissed, alongside John Moore, the minister for customs, who was perceived to have badly handled the issue.

Additionally, 1984 saw the “Paddington Bear affair”, where customs officials searched a suitcase which belonged to the wife of Mick Young, government cabinet minister, and found a Paddington Bear. The Customs official then realised that the Minister had not declared it, in order to potentially dodge some customs duty. Young was instructed to resign until he was judicially cleared.

Today, our interest in illicit goods being discovered at the border continues with reality television shows such as “Border Security”, showing people who fail to declare items truthfully on their import documentation, whether they are goods subject to biosecurity control or valuable consumer goods.

Reference: Hudson, A. (2021). Don't worry - those Olympic medals aren't subject to import duty. Retrieved from https://www.thedcn.com.au/news/customs-news-freight-forwarding-and-customs-broking/dont-worry-those-olympic-medals-arent-subject-to-import-duty/?utm_source=DCN+Daily+Newswire&utm_campaign=8f69eb4006-EMAIL_CAMPAIGN_04_27_2021_COPY_01&utm_medium=email&utm_term=0_505d67c448-8f69eb4006-143548541 on 6th August, 2021.

STAFF SPOTLIGHT



MEET PAUL WATSON

Industry Assistance Manager
**TOMAX LOGISTICS
AUSTRALIA**

WHAT DO YOU DO AT TOMAX?

I am an Industry Assistance Manager. In conjunction with Ryan Merrigan (Customs Manager) we oversee the customs department together.

YOUR INTERESTS/HOBBIES?

Ice hockey, keeping fit (I'm a bit of a gym junkie) and most importantly, travel!

YOUR FAVOURITE TRAVEL DESTINATION?

Can't split Bhutan for its cultural uniqueness and Africa for its wildlife, diversity and rawness. Both destinations are a photographer's dream and food for the soul.

THE GREATEST INVENTION OF ALL TIME?

Music - no matter how the world divides us, it will never be as strong as the power of music to unite us.

DO YOU FOLLOW ANY SPORTS AND BARRACK FOR ANY TEAMS?

AFL - St.Kilda

Ice Hockey NHL - Boston Bruins

WHAT WOULD YOU DO IF YOU WON A MILLION DOLLARS?

Help the kids out first and then travel with the rest.



FRIDAY FUNNIES

We hope these Olympic themed jokes brighten up your Friday as we approach another weekend!



What kind of exercises are best for a swimmer?
Pool-Ups

In which Olympic event do coffee beans win gold?
The decafaalon.

If laziness was an Olympic sport, I'd come in fourth so I wouldn't have to walk up to the podium.

Why does Cinderella never win the Olympics?
She has a pumpkin for a coach and runs away from the ball.

Which is the most tragic Olympics story?
A gymnast walks into a bar.

What's the hardest Olympic sport?
Hurdling because there are a lot of obstacles along the way.

What is a banana's favourite gymnastics move?
The splits!

Why was the Olympian not able to listen to music?
Because he broke the record!