



TOMAX
NEWS

Issue 88
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PLUS:

MARKET SUMMARY

- The Tomax USA corporate head office has successfully relocated to a new stand-alone building in the Seattle suburb of Capital Hill. Please note the new address of **231 Summit Ave E, Seattle WA 98102**. Drop in and see the team if you are in the area!
- Ocean freight pricing on the China to Australia trade-lane is starting to show signs of softening as shipping lines move to secure cargo to fill vessels. Bookings made with lines are reducing below expected levels causing concern amongst lines and a push to look at reducing rates from August in order to secure the required volumes for their voyages.

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.

[CLICK TO VIEW LATEST GAZETTE](#)





BIOSECURITY ALERTS & CHANGES FOR THIS WEEK



New updates alerts for this week are:

- Phase 4 of Khapra beetle measures - new import conditions have been applied to other-risk plant products to reduce the risk of khapra beetle and other trogoderma species of biosecurity concern entering Australia. Other-risk plant products include seeds, nuts, green coffee beans, dried fruit, vegetables, herbs and spices. The full list of other-risk plant products can be found [here](#). **Effective from 7 July 2022.**



- Phase 5 of Khapra beetle measures for seeds for sowing now apply - Seeds for sowing must now be accompanied by a phytosanitary certificate with the following declaration: “Representative samples were inspected and found free from evidence of any species of Trogoderma (whether live, dead or exuviae) in Australia’s list of Trogoderma species of biosecurity concern”. New conditions apply to seeds for sowing exported from all countries on or after 28 April 2022. **Effective from 7 July 2022.**



- Removal of the security declaration requirement for purity tested seed from all countries. **Effective from 7 July 2022.**

- Changes to conditions for bulgur wheat and freekeh for human consumption - Import conditions have been amended to remove the requirement for a phytosanitary certificate for commercially prepared and packaged bulgur wheat and freekeh arriving in FCLs from khapra beetle countries. **Effective from 7 July 2022.**



- Clarification of dating of government certificates for salmonid fish products. **Effective 6 July 2022.**

- The department has made changes to the import conditions for food samples including prawn samples. New standard permits developed. **Effective 2 July 2022.**

- Import conditions updated for fresh jackfruit segments grown in Malaysia. **Effective 1 July 2022.**

For more information on the above, click [here](#). 3

LATEST NEWS



KHAPRA BEETLE MEASURES UPDATE

COMMENCEMENT OF A PEST RISK ANALYSIS FOR KHAPRA BEETLE

The Department of Agriculture, Fisheries and Forestry (the department) has recently issued Import Industry Advice Notice 115-2022 in relation to the commencement of a pest risk analysis for khapra beetle.

WHO DOES THIS NOTICE AFFECT?

Importers of high-risk plant products, other-risk plant products, seeds for sowing and other stakeholders in the import and shipping industries – including vessel masters, freight forwarders, treatment providers, Biosecurity Industry Participants, importers, customs brokers, principal shipping agents, and any other operators in the sea container supply and logistics chain.

WHAT HAS CHANGED?

They have formally announced the commencement of a pest risk analysis for khapra beetle (*Trogoderma Granarium*). The announcement has been made via a Biosecurity Advice notice to all registered stakeholders and published on their website along with an Announcement Information Paper.

Khapra beetle is not present in Australia and poses a major threat to Australia's grains, rice

and nut industries as a serious storage pest. A number of countries, including Australia have seen a recent increase in detections of khapra beetle in imported plant products and as a hitchhiker pest of sea containers. In September 2020, emergency measures (also called 'urgent actions') were introduced to address the risks of khapra beetle. More information on the emergency measures can be found by clicking [here](#).

The initiation of the pest risk analysis to further assess the biosecurity risks of khapra beetle and to ensure that the emergency measures manage the biosecurity risks to achieve the appropriate level of protection for Australia has taken place.

The draft report is expected to be released of the pest risk analysis in early 2023 for a 60-day public consultation period.

The existing emergency measures for khapra beetle and other *Trogoderma* species of biosecurity concern associated with stored plant products will remain in place until the pest risk analysis is completed and any recommended ongoing phytosanitary measures are implemented.

EXPORT MARKET DEVELOPMENT GRANTS (EMDG)

ABOUT THE PROGRAM

Round 2 of the program opens on 6 July 2022. The program supports Australian exporters. Each year, it helps between 3,000 and 5,300 Australian small and medium enterprises (SMEs) start or expand their export business. EMDG is an eligibility-based, demand-driven program. This means all eligible applicants receive a grant from the available funds. Grants are not based on the maximum grant tier caps, with the amount dependent on:

- the number of eligible applications in the round (referred to as demand)
- available program budget to be shared among all eligible applicants.

SME exporters can apply for 3 different grants over 8 years. Grants are for eligible promotional activities and are available in 3 stages or 'tiers'. Each tier gives a different level of support for SMEs as they grow their export markets.

TIER 1: READY TO EXPORT

For eligible SME exporters who:

- are ready to export in the grant year.
- have not exported before.
- have appropriate skills in marketing eligible products in a foreign country.

TIER 2: EXPORTING AND EXPANDING

For eligible SME exporters who are:

- exporting eligible products.
- seeking to expand export promotion activity for eligible products.

TIER 3: EXPORTING, EXPANDING AND STRATEGIC SHIFT

For eligible SME exporters who are:

- exporting eligible products.
- seeking to expand export promotion activity.
- ready to make a strategic shift in the marketing of eligible products in a foreign country.

GRANT AMOUNT

For eligible businesses, you can claim up to 50% of promotional expenses up to a maximum of \$770,000.

Applications close on 17/08/22 for more information please click on the link below.

<https://www.austrade.gov.au/australian/export/export-market-development-grants/emdg-from-1-july-2021>



THE RISE IN CONTAINER ROAD TRANSPORT COSTS



A myriad of factors is bolstering the cost of container road transport in Australia including rising costs for fuel and fuel additives, labour and skills shortages, long equipment purchase lead times, supply-chain capacity constraints and fees imposed by third parties. All of these factors are “significantly” squeezing container transport operator margins and cash flows in Australia, according to CTAA director Neil Chambers.

Mr Chambers said, “to survive, transport operators have had little choice but to pass on rising costs to freight forwarders, importers and exporters, which ultimately add to higher consumer prices and rising inflation.” According to the Australian Institute of Petroleum’s Weekly Diesel Prices Report for the week ending 26 June, the average diesel wholesale price for the week was 225.9 cents. This was an increase of 4.6% on the previous week’s prices (215.9 cents), an increase of 10.4% on the week ending 12 June, and a 20.2% increase on the average diesel wholesale price for the week ending on 29 May (187.8 cents per litre).

“To rub salt in very open wounds, road transport operators lost their ability to claim fuel tax credits for on-road diesel use when the previous federal government halved the fuel excise rate for petrol and diesel for light vehicle users ahead of May’s federal election,” Mr Chambers added, “this is due

to the decision to not provide the same level of price relief to the heavy vehicle sector through a corresponding reduction in the road user charge (RUC) levied on heavy vehicle operators for every litre consumed for on-road use. In practical terms, this means heavy vehicle operators have been worse off by more than 17 cents per litre in the past few months, on top of the spike in diesel prices. CTAA understands that the new federal government has acknowledged the problem and is ‘considering a position’ on this impact. However, the government has been warned that some transport operators might go to the wall unless action is taken soon.”

Mr Chambers advised that labour and skills shortages are a continuing cause of higher costs and operational delays throughout the container logistics chain, stating, “driver availability has dried up, and the cost of employing drivers, warehouse staff and all other labour categories has risen – if you can find them. There are no easy answers for labour and skills shortages, and the container logistics sector is not the only element of the Australian economy experiencing these shortages.” He believes the three keys to the solution consist of a skilled migration drive, incentives for training and skills development and a fundamental overhaul of heavy vehicle licensing standards to provide a clear path to driver recruitment.

Additionally, longer lead times and higher costs for essential transport equipment – including prime movers, trailers, reach-stackers and heavy forklifts – are causing a significant impact on container logistics chain productivity and efficiency. He highlighted that, “the container logistics sector has also struggled with high container throughput demand during the COVID pandemic due to infrastructure capacity constraints. This has been seen in full transport yards, overstocked warehouses, empty container depots at capacity, and congested container stevedore terminals leading to shipping and logistics delays and deteriorating wharf productivity performance.”

Adding to the overall cost, rising fees and charges levied by some supply-chain parties remain a “source of friction”. Mr Chambers advised, “key amongst these charges are container detention fees levied by shipping lines on importers for the late return of empty containers, and on exporters if export containers are held too long before shipment. For many freight forwarders, importers and exporters, the changed nature of international shipping spot and contracted rates for containerised imports and exports have brought with them stricter container detention contract terms.”

Coupled with the capacity constraints in the supply chain as well as other causes of landside supply chain delay, this has resulted in a marked increase in container detention fees levied by shipping lines in Australia. “CTAA, together with other representative groups, have called for regulatory intervention to ensure that shipping line container detention policies and practices in Australia are reasonable, and that a low-cost dispute resolution mechanism is established to adjudicate on unreasonable claims,” Mr Chambers said.

Ackerman, I. (2022). VARIOUS FACTORS CONTRIBUTING TO SKYROCKETING CONTAINER ROAD TRANSPORT COSTS. Retrieved from <https://www.thedcn.com.au/news/logistics-and-supply-chain/various-factors-contributing-to-skyrocketing-container-road-transport-costs/> on 7th July, 2022.



DISPOSAL TIMEFRAME FOR UNCLAIMED AND ABANDONED IMPORTS SHORTENED BY ABF

The Australian Border Force has shortened the holding period for the disposal of imported goods that have not been claimed by importers, effective from 1st July. This means operators holding goods which have not been entered for home consumption can dispose of the goods after 2 months, from the second working day after the import date and with ABF approval. The ABF may also grant permission to dispose of goods abandoned at a customs place including a wharf port, airport or depot, 2 months after the goods were discovered. Some circumstances will enable the disposal of the abandoned goods within the 2 month period.

The change was introduced in response to industry feedback for a more simpler and streamlined approach in dealing with unentered or abandoned goods at the border. Michael Outram, ABF Commissioner, said operators of customs depots and warehouses would benefit from the change as they regularly handle large quantities of unclaimed goods at the border, saying, “these goods are often abandoned due to commercial disputes, importer insolvency or because they can’t get customs clearance. Rather than pay return shipping costs for the goods, the

importer often walks away, leaving industry to handle their disposal.” These changes were implemented in consultation with the Department of Agriculture, Fisheries and Forestry.

Mr Outram described the change as a common-sense reform, which he expects to simplify border processes and cut costs for industry. He added, “two months is ample time for an importer to claim their goods, while also reducing border and biosecurity risks to the community from uncleared goods.”

For depot operators, the reduced timeframe will enable almost all unclaimed imported goods to be disposed of without having to remove the goods to a warehouse first. In line with existing arrangements, once the 2 month period has elapsed, industry operators may choose to donate suitable goods to charity, sell the goods to recover their costs, or destroy, recycle or re-export the goods.

Williams, A. (2022). ABF SHORTENS DISPOSAL TIMEFRAME FOR UNCLAIMED AND ABANDONED IMPORTS. Retrieved from <https://www.thedcn.com.au/news/law-regulation-trade/abf-shortens-disposal-timeframe-for-unclaimed-and-abandoned-imports/> on 7th July, 2022.



GLOBAL FOOD INSECURITY EXACERBATED BY EXPORT RESTRICTIONS

A recent report from the Australian Bureau of Agricultural and Resource Economics and Sciences has highlighted that export restrictions imposed by governments are exacerbating price rises and global food insecurity.

Food Security: the impact of export restrictions illustrates the skyrocketing of world grain prices following Russia's invasion of Ukraine due to the inability of grain-laden vessels to sail from Black Sea ports, leading to a reduction in the supply of grain on world markets. The report shines a light on poor growing conditions present in major exporting countries and the impacts of COVID-19 as factors affecting current grain prices and consequentially, a food security crisis.

The report stated, "in response to rising grain prices, some governments have introduced export restrictions in an attempt to ease domestic food prices...The 2007-08 global food crisis demonstrated that widespread export restrictions are detrimental to global food security and provide questionable benefits to domestic food price stability."

Dr Jared Greenville, executive director of ABARES, said there are lessons to be learned from the food crisis in 2007 and 2008. "Often when there is an increase in world food prices, governments respond by placing export restrictions on their own commodities", Jared said.

The aim of the restrictions is to moderate domestic prices and ease the burden on the governments' own populations, which he said is "understandable in the circumstances". He added, "however, export restrictions reduce the supply of food in world markets and increase prices, creating greater incentives for other countries to restrict exports. For this reason, widespread export restrictions have a negative impact on global food security and hurt the poorest people who are already struggling to put food on the table."

Dr Greenville advised roughly 24 countries have implemented export restrictions so far, with its prevalence becoming more common. "Removing export restrictions, or agreements to avoid implementing them in the first place, can help to ensure food is more available globally and increase the stability of food supplies. Short-term humanitarian aid, market transparency and cutting trade barriers all help to alleviate the stresses of global food insecurity. And having free and open trade through multiple trading relationships gives households options that help limit the risk of food insecurity."

Williams, A. (2022). EXPORT RESTRICTIONS ARE CAUSING GLOBAL FOOD PRICE PRESSURE, REPORT FINDS. Retrieved from <https://www.thedcn.com.au/news/law-regulation-trade/export-restrictions-are-causing-global-food-price-pressure-report-finds/> on 7th July, 2022.

JOINING FORCES TO TACKLE ILLICIT DRUG TRADE

Recently, shipping companies and customs authorities globally met in Brussels to strategise ways to step up the fight against drug trafficking. In June, a conference organised by the World Shipping Council and the Container Control Program provided companies and authorities the space to share challenges and information around the exploitation of the ocean liner link in the supply chain. The Container Control Program is a joint initiative between the UN Office on Drugs and Crime (UNODC) and the World Customs Organisation (WCO).

The resilience of drug markets during the pandemic has demonstrated traffickers' ability to adapt to changed environments and circumstances, according to UNODC's World Drug Report 2021. This ability has been evidenced by a staggering increase large shipments of illicit drugs and a rise in the frequency of trafficking via overland and waterway routes.

As such, the goal of the conference was to counter these recent developments by strengthening relationships and communications between the ocean liner industry and customs officials. Australian customs authorities were present at the conference and were joined by officials from Ecuador, Panama, Belgium, the Netherlands, the United Kingdom, France, Germany, Italy, Spain, Portugal, Malta, Turkey, India, New Zealand, Canada and the United States.

WSC said carriers provided insights into the everyday operations of the maritime industry and the strategies and procedures they use to prevent crime. The carriers are understood to have discussed establishing lines of communication and building relationships with customs authorities. WSC highlighted the need for greater transparency of information on container shipment data, the need for

cross-training efforts between customs and liner carriers and the need to identify and remove insider threats.

John Butler, WSC president and CEO, described narcotics as a "scourge" for societies around the world, "destroying lives, families and communities". He said, "liner carriers will not tolerate having their services abused by criminals, and WSC is committed to supporting the customs community with insight into ocean liner industry operations, providing open communications and exchanging information to combat drug traffickers."

Norbert Steilen, WCO Container Control Program senior coordinator, said the UNODC and WCO look forward to working with the WSC and its members to develop training and awareness activities. "We need to sensitise each other to understand how we can work together for the benefit of us all, and increase the likelihood of detecting illegal shipments, while at the same time facilitating legal trade," Mr Steilen said.

Together with the WCO and UNODC, the WSC intends to build on the network of conference delegates to enhance the fight against the illicit drug trade. UNODC head of CCP Ketil Ottersen said, "the team in charge of managing the CCP and all the 123 units created at ports across the world are committed to further developing the dialogue with the shipping industry to tackle the misuse of legitimate commercial transport by criminal organisations."

Williams, A. (2022). GLOBAL SHIPPING INDUSTRY AND CUSTOMS AUTHORITIES JOIN FORCES TO TACKLE ILLICIT DRUG TRADE. Retrieved from <https://www.thedcn.com.au/news/bulk-trades-shipping/global-shipping-industry-and-customs-authorities-join-forces-to-tackle-illicit-drug-trade/> on 6th July, 2022.

STAFF SPOTLIGHT

MEET EMILIO FUENTES COURIER DRIVER TOMAX TRANSPORT

What do you do at Tomax?

I am a driver for Tomax.

How do you spend your free time?

I spend my free time with my family.

The best movie and TV show you've watched?

Best movie would have to be Se7en and the best TV show I've watched is Breaking Bad.

If you could have any super power, what would it be?

The ability to fly!

Your favourite childhood memory or family tradition?

Going to the beach for the Christmas holidays.

Describe yourself in one word?

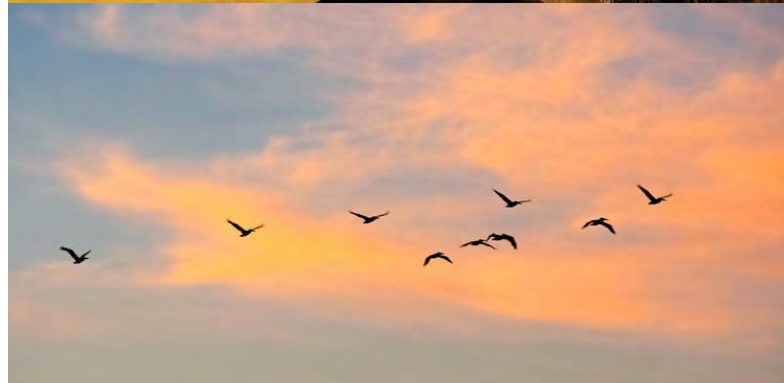
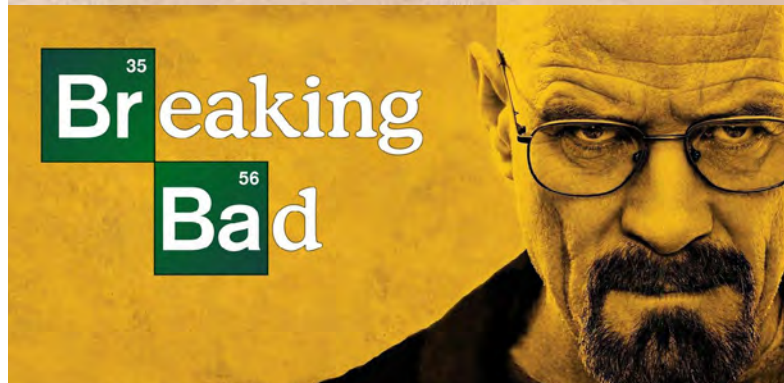
Loyal.

Do you live by any life motto?

"Be true to yourself" and...
"Always bring out the good snacks after the kids have gone to bed!"

Settle the debate, does pineapple belong on pizza?!

YES 100% it belongs on pizza and FYI it belongs on hamburgers as well.



FRIDAY FUNNIES

We hope these jokes brighten up your day!

I was horrified when my wife told me that my six-year-old son wasn't actually mine.

Apparently I need to pay more attention during school pick-up.

What is the opposite of a croissant?

A happy uncle.

Did you know you can actually listen to the blood in your veins?

You just have to listen varicosely.

I stayed up all night and tried to figure out where the sun was.

Then it dawned on me.

What's the opposite of irony?

Wrinkly.

Got a PS5 for my little brother.

Best trade I've ever done!

A friend of mine went bald years ago, but still carries around an old comb.

He just can't part with it.

Did you hear how the zombie bodybuilder hurt his back?

He was dead-lifting.

What do you call a bee that can't make up its mind?

A maybe.

What do you call someone who doesn't like carbs?

Lack-Toast Intolerant.

Why did the ghost go to rehab?

He was addicted to boos.

Why did the developer go broke?

Because he used up all his cache.



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