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**TOMAX
NEWS**



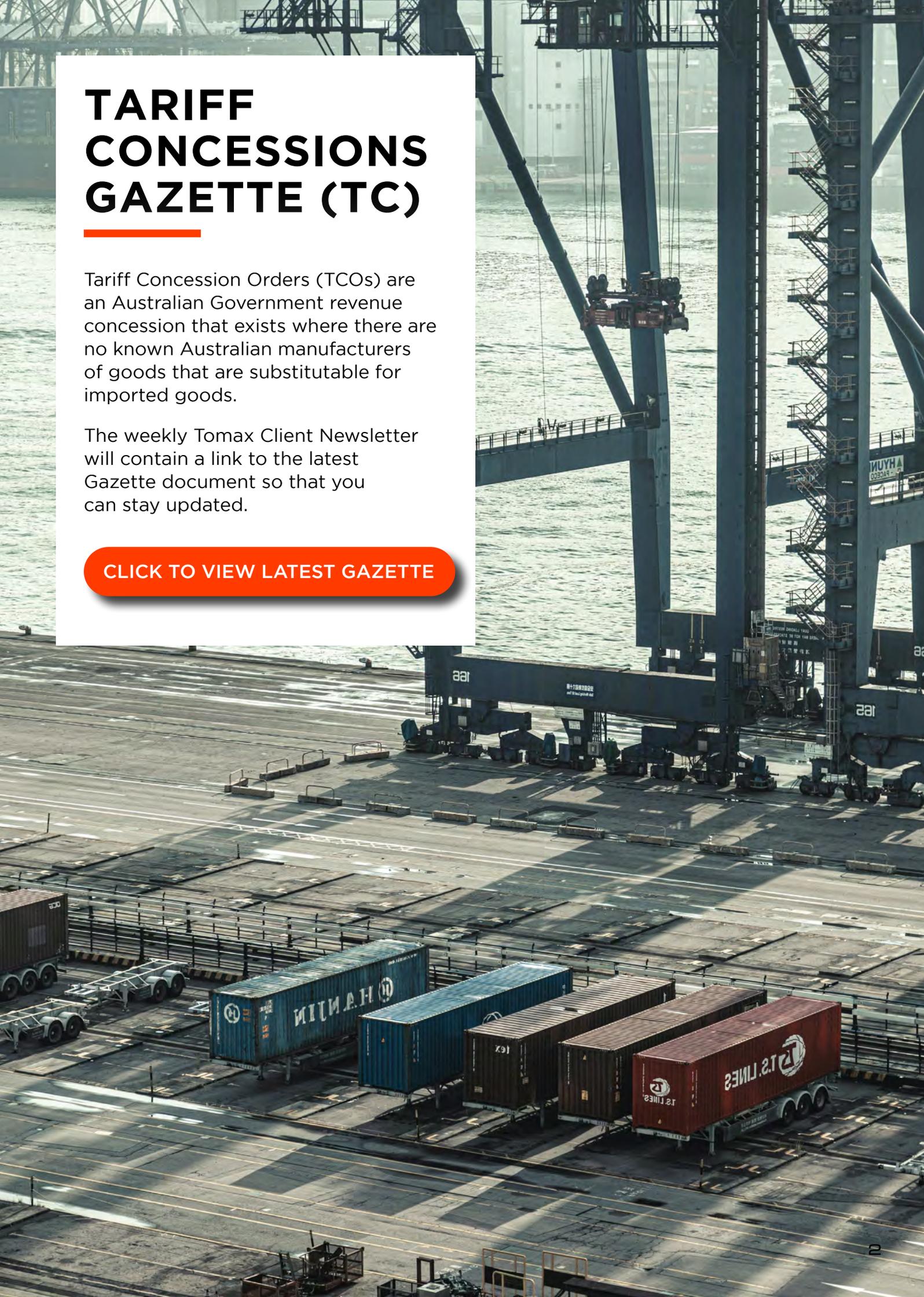
PLUS:

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.

[CLICK TO VIEW LATEST GAZETTE](#)



LATEST NEWS



TRADE DEALS WITH INDIA AND THE UNITED KINGDOM

Australian exporters, businesses, workers and consumers will soon be able to reap the opportunities and benefits of more open trade with India and the United Kingdom with today's passage of implementing legislation through the Parliament.

“The Australia-India Economic Cooperation and Trade Agreement (ECTA) is a great opportunity for Australian businesses as it will open up new markets to reach around 1.4 billion consumers in the world's fastest growing major economy. The Australia-United Kingdom Free Trade Agreement (A-UKFTA) is the first full trade agreement the UK negotiated from scratch following Brexit. The A-UKFTA will deepen our already strong economic relationship with the UK and offer greater opportunities for our businesses to diversify their trade markets. The ECTA and A-UKFTA will enter into force 30 days (or another mutually agreed time) after the respective parties have confirmed in writing that they have completed their domestic requirements.”

Prime Minister, Anthony Albanese said, “new trade agreements with India and the UK will strengthen our existing trade

and economic relationships. These new agreements will create new opportunities for trade diversification and great outcomes for Australian business and Australian families.. Today's passage of legislation demonstrates Australia's commitment to free trade and the rules-based trading system. It is an acknowledgement of the centrality of trade to our economic resilience and ongoing prosperity.”

Minister for Trade and Tourism, Senator the Hon Don Farrell said, “these agreements will support our businesses to grow, to offer more employment opportunities, and will give Australian consumers more choice at the checkout...We are ready to implement these deals and will continue working closely with the UK and Indian Governments to implement the trade agreements as soon as possible.”

Trade Minister. (2022). Trade deals with India and the UK have passed Parliament. Retrieved from <https://www.trademinister.gov.au/minister/don-farrell/media-release/trade-deals-india-and-uk-have-passed-parliament> on 24th November, 2022.

AUSTRALIAN GOVERNMENT INVESTS IN HEAVY VEHICLE SAFETY

According to the Department of Infrastructure, the federal government is investing in 27 new projects under the Bridges Renewal Program (BRP) and Heavy Vehicle Safety and Productivity Program (HVSPP).

The Australian government is investing over \$39 million for 18 projects under the BRP, in addition to an investment of more than \$18 million for nine new projects under the HVSPP. The BRP plans to upgrade old and worn timber bridges to safer and more durable double-lane, modern concrete structures.

The HVSPP aims to increase the productivity and safety of heavy vehicle operations, with projects including widening and improving roads used in freight routes and upgrading existing and building new truck stop rest areas.

The Australian government has committed at least \$85 million per year going forward for the BRP, and at least \$65 million per year to the HVSPP.

Misuraca, J. (2022). Australian government investing in heavy vehicle safety. Retrieved from <https://mhdsupplychain.com.au/2022/11/24/australian-government-investing-in-heavy-vehicle-safety/> on 23rd November, 2022.



TRENDS IN MARINE INSURANCE CLAIMS



Did you know, the most expensive insurance claims in the marine industry are fire and explosion incidents? According to the Allianz Global Corporate and Speciality (AGCS), during a time of elevated exposures and inflation, cargo damage is amongst the most frequent cause for loss.

After analysing more than 240,000 marine insurance industry claims globally, between Jan 2017 and Dec 2021 and worth AUD \$141 billion, the marine insurer has identified a number of claims and risk trends that are driving major loss activity in the sector. Another major concern for marine insurers and their policyholders is inflation, due to recent increase in the values of ships/cargos resulting in losses/repairs becoming more expensive when incidents take place.

Régis Broudin, AGCS global head of marine claims, advised that the number of fires on board large vessels has increased significantly during recent years, with a string of incidents involving cargo, easily leading to the total loss of a vessel or environmental damage. Mr Broudin said, “at the same time, the shipping sector is also having to deal with many other challenges including a growing number of disruptive scenarios, supply chain issues, inflation, time-pressured crew members and employees, increasing losses and damages from extreme weather events, implementing new low-carbon technology and fuels, as well as Russia’s invasion of Ukraine.”

FIRES

Fires accounted for 18% of the value of marine claims analysed (equivalent to around \$2.5 billion AUD) compared with 13% for a 5 year period ending July 2018. Often mis-declared/non-declaration of dangerous cargoes are a

contributing factor to this increase of fire risk on board vessels. Additionally, the recent increase in engine room fires may reveal some underlying risk around crew competencies. The potential dangers of transporting lithium-ion batteries on vessels only add to these concerns, having witnessed several incidents take place.

INFLATION

With many countries seeing rates at or around 10%, inflation is compounding existing trends driving higher claims severity. The rising prices of steel, spare parts and labour are all factors in the increasing cost of hull repair and machinery breakdown claims. Furthermore, the value of both vessels and cargo have been increasing at a time of growing exposures associated with bigger ships, the largest being able to carry 20,000 TEU at one time. The combined value of the global merchant fleet increased 26% to US\$1.2 trillion in 2021 while the average value of container shipments has also been rising with more high-value goods such as electronics and pharmaceuticals. It comes to no surprise seeing a container valued at US\$50 million or more for high-value pharmaceuticals.

THEFT

Damaged goods, including cargo, is the top cause of marine insurance claims by frequency, and the third largest by value. The most common claims are physical damage, usually from poor handling, storage and packing. However, previous years have also seen several claims for high-value theft and temperature variation – with the latter particularly impacting pharmaceuticals. Theft is the third most frequent cause of claims due to criminals targeting consumer electronics and high-value commodities such as copper

and is typically stolen from ports, warehouses or during transits. The recent boom in container shipping has also affected cargo claims with a global shortage having resulted in substandard and damaged containers being brought back into use resulting in losses.

Captain Rahul Khanna, AGCS global head of marine risk consulting, said the risk of theft and damage to high-value cargos needs to be addressed with additional risk mitigation measures, such as GPS trackers and sensors that provide real-time monitoring on position, temperature, moisture shock, and light and door openings, for example. He said, “at the same time cargo interests need to keep a close eye on insured values...Clients may need to adjust their insurance and policy limits, or risk being underinsured – we have already seen claims for high value container cargos where the cargo interest was underinsured by as much as US\$20 million.”

RISK TRENDS

Here are a number of risk trends which are likely to impact loss activity in the marine sector – both today and in the future:

- Sources of disruption continue to increase. Recent years have seen several maritime incidents, natural catastrophes, cyber-attacks and the Covid-19 pandemic cause major delays to shipping and ports. Further disruption has also been caused by congestion, labour shortages and constrained container capacity. There are also greater concentrations of cargo risk on board large container vessels and in major ports, so any incident has the potential to simultaneously affect large volumes of cargo and companies.
- Commercial pressures are already a contributing factor in many losses that have resulted from poor decision-making. With the pressure on vessels and crew currently high, the reality is that some may be tempted to ignore issues or take shortcuts, which could result in losses.
- Climate change is increasingly affecting marine claims: Natural catastrophes are

already the fifth biggest cause of marine insurance claims, by frequency and severity according to AGCS analysis. Extreme weather was a contributing factor in at least 25% of the 54 total vessel losses reported in 2021 alone, while drought in Europe during 2022 again caused major disruption to shipping on the Rhine. In the US, it dropped inland waterways around the Mississippi River to levels not seen for decades, impacting global transportation of crops such as grain.

- A more sustainable, greener approach in the shipping sector is required, but comes with risks: Efforts to decarbonise the shipping industry, which is a major contributor to global greenhouse gas emissions (GHGs) will also impact claims going forward. Reducing GHGs requires the shipping industry to develop more sustainable forms of propulsion and vessel design and use alternative fuels. As much as the introduction of new technology and working practices is needed to move to a low-carbon world, it can result in unexpected consequences – insurers have already seen a number of machinery breakdown and contaminated fuel claims related to the introduction of low sulphur fuel oil in recent years as part of the move to cut sulphur oxide emissions. Machinery breakdown is already the fourth largest cause of claims by frequency and value.
- Impact of Russia's invasion of Ukraine: The shipping industry has been affected with the loss of life and vessels in the Black Sea, trapped vessels in blocked Ukrainian harbours and the growing burden of sanctions. Although the signing of the 'Black Sea Grain' Initiative in July 2022 enabled some vessels trapped in ports to move out of the conflict zone others remain. The full value of these trapped vessels is unclear, but industry reports have estimated it could be as much as US\$1 billion. Under some marine hull and cargo insurance policies an insured party may be able to claim for a total loss after a specific time has passed since the vessel/cargo became blocked or trapped.

BIOSECURITY ALERTS & CHANGES THIS WEEK

GREEN COFFEE BEANS (FOR PROCESSING) NOW IN SCOPE FOR AEPCOMM AND HCI SCHEMES

Effective from 21 November 2022

Effective 21 November 2022, green coffee beans imported under tariff 0901.1 will be in scope for the class 19.2 AEPCOMM approved arrangement as well as the Highly Compliant Importer scheme. This will provide importers with reduced end-to-end departmental intervention via document assessment and risk-based inspections.

The Highly Compliant Importer (HCI) functionality for green coffee beans will be managed in the Agriculture Import Management System (AIMS) Q-ruler.

As a result of these changes, green coffee beans will be removed from the Compliance-Based Intervention Scheme (CBIS).

The BICON case has been updated as follows:

- HCI direction outcomes as well as the AEPCOMM in scope pathways have now been included in the onshore outcomes section to assist staff and accredited persons when performing document assessment.
- References to the Compliance Base Intervention scheme (CBIS) have now been removed.

Who does this notice affect:

Importers of green coffee beans for processing, Pathway Operations Cargo - Assessment and Inspections, accredited persons operating under the department's class 19.2 automatic entry processing for commodities (AEPCOMM) approved arrangement.

Further information:

<https://www.agriculture.gov.au/biosecurity-trade/import/arrival/clearance-inspection/hci-scheme>

Enquiries in relation to the HCI scheme should be directed to AEP Support.

This Change applies to the following Cases:

Coffee for processing or human consumption





SYDNEY DRUG BUST SEES LOGISTICS EMPLOYEE ARRESTED

Authorities have seized nearly 60 kilograms of cocaine from a Sydney freight depot and have arrested a logistics worker for allegedly monitoring drug imports. The man was among eight others arrested during a joint-agency police investigation which uncovered over 300 kilograms of imported cocaine and methylamphetamine.

Detectives from the NSW Police Force's State Crime Command, the Australian Federal Police, and Australian Criminal Intelligence Commission formed a joint investigation in 2021 to disrupt organised crime in the state. Investigators identified several transnational organised criminal networks working together to import drugs into New South Wales. Detectives working on the operation, assisted by the Australian Border Force Officers and international law enforcement partners, found 60 kilograms of cocaine concealed inside pieces of machinery at the Sydney freight depot. The AFP believe the cocaine was sourced from Germany. Furthermore, the agencies intercepted around 220 kilograms of methylamphetamine in Los Angeles, bound for Australia, and \$960,000 in cash.

On Wednesday this week (23rd November), strike-force investigators executed 16 search warrants at Belfield, Cabarita, Earlwood, Fairfield, Guildford, Greenacre, Hoxton Park, Liverpool, Penhurst, Picton, Rockdale, Smithfield and Wetherill Park and seized more than \$1.2 million cash, a rifle, ammunition, gold bullion, cigarettes, cocaine, MDMA, cannabis, steroids, electronic devices, cryptocurrency wallets and documents.

Five men, including the freight worker, were arrested during the warrant operation and another two men were arrested during a vehicle stop on the Hume Highway during a controlled delivery. Authorities seized a further \$1.4 million as part of the controlled

delivery operation. They seized 98 kilograms of methylamphetamine, 55 kilograms of crystal MDMA, 18 kilograms of cocaine and around US\$15,000.

International Forwarders and Customs Brokers Association of Australia CEO Paul Damkjaer believes criminal syndicates are becoming smarter and are utilising more creative ways to import drugs into Australia. He advised that companies along the supply chain must be aware of how an employee can use their position and access to systems to monitor and facilitate illegal imports. "It could happen to anyone," Mr Damkjaer said, "all international freight forwarders and customs brokers need to have due diligence as they employ workers." He reinforced the importance of meeting fit-and-proper-person requirements while recruiting employees and the value of working with border enforcement to safeguard supply chains.

"Organised criminal networks are usually notoriously competitive for control in the illicit drug trade; however, what we have seen through this operation and other intelligence, is that some members of OCNs are working collaboratively to bring drugs into our country," Detective Superintendent Peter Faux said, "while the different methods of concealment aren't new, it's the level of involvement from various criminal syndicates to bring in shipments which is of note. Police will allege in court, the 33-year-old Earlwood man used his employment at a logistics company to monitor consignments arriving into Sydney. We will continue to work collaboratively with our federal and international counterparts to identify these supply chains and disrupt their business model."

Williams, A. (2022). DRUG BUST AT SYDNEY FREIGHT DEPOT, LOGISTICS EMPLOYEE ARRESTED. Retrieved from <https://www.thedcn.com.au/news/customs-news-freight-forwarding-and-customs-broking/drug-bust-at-sydney-freight-depot-logistics-employee-arrested/> on 24th November, 2022.

STAFF SPOTLIGHT

MEET TIM LUMELY COURIER DRIVER TOMAX TRANSPORT

What is your role at Tomax?

I am a delivery driver for Tomax Transport covering the QLD and NSW run.

What do you enjoy doing in your spare time?

Playing cricket! I have played all my life but I am taking this year off.

Your proudest moment?

Becoming a Dad in March 2008.

Do you follow any sports?

Yes, I love watching live sport! AFL is my favourite and I barrack for the Brisbane Lions.

If you were an animal, what would you be and why?

A lion, so I can be the mascot for the Brisbane Lions!

Describe yourself in three words?

Happy go lucky.

What do you believe is the greatest invention of all time?

Heart surgery.



SPOT THE 5 DIFFERENCES



Australian HQ
19/202 Ferntree Gully Rd
Clayton VIC 3168

tomax.com.au
1300 186 629
03 9544 4227

