



TOMAX  
NEWS

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PLUS:

# MARKET SUMMARY

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- Ocean freight rates for the coming weeks remain weaker on the back of lower demand and diminished supply lines from overseas markets. Shipping lines are yet to enter into an all out bidding war in order to fill their vessels but importers can certainly take a little bit of comfort in seeing rates drop to two-year lows currently.
- The 2022/23 BMSB season is almost upon us! Please take the time to read the article in this newsletter on the latest changes to Biosecurity's approach in dealing with this seasonal pest.
- Exports from Australia remain at very high levels with very little space available in short time frames. Bookings from 4-7 weeks in advance are required to obtain space for the shipment of full containers to most overseas destinations. Please contact the Tomax export team on 1300 186 629 to discuss any export enquiries that you may have.

## TARIFF CONCESSIONS GAZETTE (TC)

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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



## BIOSECURITY THREATS IMPACT SUPPLY CHAINS

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**B**iosecurity threats and processing delays are adding costs and inflationary pressures to supply chains, according to the Freight and Trade Alliance (FTA).

Paul Zalai, FTA Director, advises that Australia's agricultural industries, health, environment and the economy will be detrimentally impacted by biosecurity threats such as Foot and Mouth Disease, African Swine Fever and Japanese Encephalitis. Additionally, the Department of Agriculture, Fisheries and Forestry use processes which are labour intensive with biosecurity officers physically assessing import documentation and selecting consignments on a set criterion for inspection. Paul believes, "it is a broken and hopelessly outdated system, unable to keep pace with increases and changing patterns of international trade - despite the best efforts of officers, the department cannot keep up and industry is paying the price... Whilst document assessment processing times fluctuate, inspections and the issuing of import permits can take weeks to complete."

As such, this is causing considerable delays for importers to gain access to cargo, building onto the storage costs and producing significant container detention fees administered by and payable to foreign-owned shipping lines. Paul added, "shipping lines don't care why there is a delay in returning empty containers yet insist they are returned within prescribed timeframes to add to their stockpile congesting our port precincts."

There have been concerns raised that some of the new, emerging risks may take already

limited biosecurity resources away from their business-as-usual trade facilitation activities. The FTA state that biosecurity delays are costing importers a whopping \$500 million annually in container detention fees. This is on top of surcharges, record high freight rates and terminal access charges which are quickly rising supply chain costs and contributing to its inflationary pressures.

Furthermore, the department is co-designing solutions with industry which includes examination of commercial practices to minimise the risk of introducing and spreading contaminating pests and therefore reducing the associated regulatory consequences for Australian commerce.

Paul says, "these longer-term strategies have the potential to set a benchmark of global best practice in safeguarding against biosecurity risk whilst facilitating legitimate trade. Whilst applauding and supporting these initiatives, we urge the federal government to introduce immediate relief measures." He believes that if funds are the problem, then the government should raise this discussion to the industry. He added, "we well and truly understand the need to protect against biosecurity risks and would be prepared to pay additional transactional fees on the proviso that this directly translates to commensurate improved and immediate trade facilitation measures."



# DEVONPORT SALVAGE OPERATION FINALLY ENDS

**O**n Tuesday 16th August, the AAL Melbourne departed from Devonport with the finally salvaged York Cove and Campbell Cove wrecks on board. The two tugs sank in January this year following carrier Goliath, alliding with the two berthed vessels.

The past 7 months saw over 100 people working on the project, advises TasPorts C.E.O., Anthony Donald. Anthony said, “the salvage work proper was slow and deliberate, and ultimately successful, and reflects the detailed and collaborative planning that was required to complete the work. The company is very pleased to be able to look back on what was a highly successful but complicated salvage exercise.”

The salvage operation was deemed to be one of the most complex undertaken, according to insurers and highly experienced salvors. Anthony added, “the wrecks were located in the middle of a city port that remained open. In addition, in the Mersey River we not only had the challenge of what the tide was doing but we also have natural eddies in the area.”

He agreed that potential marine pollution was an important and significant consideration, stating, “there are a range of natural and social values within the Port of Devonport and its surrounds that could have been impacted by marine pollution if not managed carefully.

TasPorts actively managed the ongoing risk of marine pollution in the Mersey River after the allision.”

TasPorts worked in conjunction with EPA Tasmania, who had representatives on site during the salvage operation to provide advice on issues concerning environmental management. Currently, the final damage bill was unknown at this stage and is being left “to our insurers to finalise these matters.”

Mr Donald said it is not TasPorts’ intention to progress the proceedings unless it becomes necessary to do so. He added, “but, as previously noted TasPorts commenced proceedings in the Federal Court of Australia against CSL Australia (CSL), the owners of the cement carrier Goliath which allied with the tugs, to guard against the possibility of proceedings being commenced in a less suitable jurisdiction. But we believe that the commencement of proceedings is a prudent step to take to protect our rights.”

Both tug wrecks have been welded to their specially constructed cradles aboard the deck of the AAL Melbourne for the voyage to Brisbane, where they will be scrapped.

Ackerman, I. (2022). DEVONPORT TUG SALVAGE OPERATION ENDS. Retrieved from <https://www.thedcn.com.au/news/specialist-shipping/devonport-tug-salvage-operation-ends/> on 19th August, 2022.

# NEW AUSTRALIAN TO INDIAN SUBCONTINENT SERVICE

**N**autical Shipping has recently announced a new direct seasonal service from the Australian east coast to the Indian Subcontinent. Additional sailings and other subcontinental ports may be added, subject to demand. A seasonal loader will be deployed in September – the 2497-TEU Cerus and will service Sydney, Melbourne and Brisbane in Australia and Nhava Sheva, Mundra and Karachi on the Subcontinent.

Nautical Shipping director Richard Hammond said Sea Lead seeks to find solutions for importers and exporters. He said, “we have the flexibility to discuss commercial outcomes that mutually benefit stakeholders using the blue water highway. We encourage the market to engage directly and confidentially regarding seasonal or longer terms opportunities that mutually benefit all stakeholders.”

Sea Lead Shipping is the 22nd-biggest ocean carrier by TEU capacity and operates an Australia to China weekly service via the SAE consortium. Sea lead Shipping is working to expand its service to Australian customers via hub ports connecting into the Sea Lead service network.





# 2022/2023 - SEASONAL MEASURES FOR BROWN MARMORATED STINK BUG (BMSB)

## WHAT'S NEW

- Emerging risk countries - China and UK only
- Chapters 39, 94 and 95 will be subject to random inspections for emerging risk countries
- 120 hours policy been amended for goods that have been rolled (with evidence)
- Inspect (unpack) Inspections instead of Secure Seals intact inspections at Approved Arrangements

## SEASONAL MEASURES FOR BROWN MARMORATED STINK BUG (BMSB)

BMSB seasonal measures will apply to targeted goods manufactured in or shipped from target risk countries, that have been shipped between 1 September and 30 April (inclusive), and to vessels that berth, load, or tranship from target risk countries within the same period.

Note: The shipped on board date, as indicated on the Ocean Bill of lading, is the date used to determine when goods have been shipped. "Gate in" dates and times will not be accepted to determine when goods are shipped.

## BMSB MEASURES FOR GOODS

- If your goods are classed as target high risk, they will require mandatory treatment.
- If your goods are classed as target risk, they will be subject to random inspection.
- If your goods are not found in either category, they are not subject to BMSB measures, however, will be subject to the measures if packed with target high risk or risk goods.

Goods shipped in iso-tanks and as bulk-in-holds of cargo vessels are not subject to the measures.

## TREATMENT OF TARGET HIGH RISK GOODS

- Target high risk goods treated in target risk countries must be treated by a registered offshore BMSB treatment provider approved under the Offshore BMSB Treatment Providers Scheme.
- Treatments conducted by an unapproved treatment provider in a target risk country will be deemed as invalid.
  - o Containerised goods will be directed for onshore treatment.
  - o Break bulk will be directed for export.
- 120-hour rule applies for all treated goods.
  - o FCL/X - goods must be packed and sealed in the container within 120 hours of treatment.
  - o Break Bulk - goods must be shipped within 120 hours of treatment.

## EXEMPTIONS FROM MANDATORY TREATMENT

- FCL's that have proof via a sealing declaration that the container was packed and sealed before the 1st of September will be exempt from treatment
- Goods that are manufactured after the 1st of December and fall in to chapters 82, 84, 85, 86, 87, 88 and 89 and are accompanied by a New Unused & Not Field Tested (NUFT) Declaration will be exempt from treatment.

## BREAK BULK GOODS

- Break bulk includes those goods shipped on flat racks and in open top containers.
- All target high risk goods shipped as break bulk must be treated offshore prior to arrival into Australia.
- Untreated break bulk will be directed for export.

- Onshore treatment is not permitted.

### **CONTAINERISED GOODS (FCL, FCX)**

- Containerised cargo arriving in sealed six hard sided containers with target high risk goods can be treated offshore, or onshore at the container level.
- Refrigerated containers (operating and non-operating) and hard top sealed containers (ISO22U6/ISO22UP, ISO42U6/ISO42UP and ISO45U6/ISO45UP) are deemed to be the same as six hard sided sealed containers.
- Onshore treatment of goods is to occur at the container level. Deconsolidation or removal of goods from the container will not be permitted prior to treatment.
- Ensure containers are packed in a manner that will enable effective onshore treatment at the container level to avoid possible export of the container
- To demonstrate goods were sealed inside a container prior to 1 September or after treatment, a BMSB sealing declaration must be provided with the lodgement. This document is required where:
  - Goods were containerised prior to 1 September, but shipped after this date, or
  - The bill of lading does not state the shipped-on board date, or
  - Goods were sealed inside the container within 120 hours of treatment occurring offshore (for treatments conducted prior to 1 December)
  - Sealing declarations must be completed and signed by either the exporter, freight forwarder, or shipping company at the port of origin.

Containerised goods shipped as Less than Container Load (LCL) consignments and Freight of all Kinds (FAK) containers

LCL and FAK containers with target high risk goods will be managed at the container level for BMSB risk prior to deconsolidation. Once BMSB risk has been managed, the consignments within these containers will be processed at the Full Import Declaration (FID) level for all other biosecurity intervention (if applicable).

### **TARGET RISK COUNTRIES**

The following countries below have been categorised as target risk: Albania, Andorra, Armenia, Austria, Azerbaijan, Belgium, Bosnia and Herzegovina, Bulgaria, Canada, Croatia, Czechia, France, Japan (heightened

vessel surveillance only), Georgia, Germany, Greece, Hungary, Italy, Kazakhstan, Kosovo, Liechtenstein, Luxembourg, Montenegro, Moldova, Netherlands, Poland, Portugal, Republic of North Macedonia, Romania, Russia, Serbia, Slovakia, Slovenia, Spain, Switzerland, Turkey, Ukraine and United States of America

The following countries have been identified as emerging risk countries for the -BMSB risk season and may be selected for a random onshore inspection: United Kingdom and China

- China - random inspections will apply to goods shipped between 1 September to 31 December (inclusive)
- United Kingdom - random inspections will apply to goods shipped between 1 December to 30 April (inclusive)
- In addition to the target high risk goods, chapters 39, 94 and 95 will be subject to random inspections for emerging risk countries only

### **TARGET GOODS SUBJECT TO THE MEASURES**

#### **TARGET HIGH RISK GOODS**

Goods that fall within the following tariff classifications have been categorised as target high risk goods and will require mandatory treatment for BMSB risk.

- 44 - Wood and articles of wood; wood charcoal
- 45 - Cork and articles of cork
- 57 - Carpets and other textile floor coverings
- 68 - Articles of stone, plaster, cement, asbestos, mica or similar materials
- 69 - Ceramic products - including sub chapters I and II
- 70 - Glass and glass ware
- 72 - Iron and steel - including sub chapters I, II, III, IV
- 73 - Articles of iron or steel
- 74 - Copper and articles thereof
- 75 - Nickel and articles thereof
- 76 - Aluminium and articles thereof
- 78 - Lead and articles thereof
- 79 - Zinc and articles thereof
- 80 - Tin and articles thereof
- 81 - Other base metals; cermets; articles thereof

- 82 - Tools, implements, cutlery, spoons and forks, of base metal; parts thereof of base metal
- 83 - Miscellaneous articles of base metals
- 84 - Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof
- 85 - Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles
- 86 - Railway or tramway locomotives, rolling-stock and parts thereof; railway or tramway track fixtures and fittings and parts thereof; mechanical (including electro-mechanical) traffic signalling equipment of all kinds
- 87 - Vehicles other than railway or tramway rolling-stock, and parts and accessories thereof
- 88 - Aircraft, spacecraft, and parts thereof
- 89 - Ships, boats and floating structures

### TARGET RISK GOODS

Goods that fall within the following tariff classifications have been categorised as target risk goods and are only subject to increased onshore intervention through random inspection. Mandatory treatment is not required.

- 27 - Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes
- 28 - Inorganic chemicals; organic or inorganic compounds of precious metals, of rare-earth metals, of radioactive elements or of isotopes - including sub chapters I, II, III, IV and V
- 29 - Organic chemicals - including sub chapters I, II, III, IV, V, VI, VII, VIII, IX, X, XII and XIII
- 38 - Miscellaneous chemical products
- 39 - Plastics and articles thereof - including sub chapters I and II
- 40 - Rubber and articles thereof
- 48 - Paper and paperboard; articles of paper pulp, of paper or of paperboard
- 49 - Printed books, newspapers, pictures and other products of the printing industry; manuscripts, typescripts and plans

- 56 - Wadding, felt and nonwovens; special yarns; twine, cordage, ropes and cables and articles thereof

For all other goods that are not categorised as target high risk and target risk goods, BMSB seasonal measures do not apply. However, if they are part of a container or consignment that contains target high risk or target risk goods, they will be subject to the measures.

### TREATMENT TYPES FOR BMSB

There are three approved treatment options for BMSB treatment:

- Heat Treatment
- Methyl Bromide Fumigation (not available in Europe)
- Sulfuryl Fluoride Fumigation (used in Europe)

### OFFSHORE TREATMENT

The Offshore Brown Marmorated Stink Bug (BMSB) Treatment Providers Scheme (the scheme) sets out the department's registration and compliance requirements for BMSB treatment providers, including compliance with applicable treatment methodologies. Further information can be found on the Offshore BMSB treatment providers scheme webpage.

### TREATMENT PROVIDERS IN TARGET RISK COUNTRIES

All BMSB treatment providers in target risk countries must first register and be approved under the scheme by the department prior to treatment. Treatments conducted by an unapproved treatment provider in a target risk country will be deemed as invalid and the goods will be subject to onshore treatment (if permitted) or directed for export.

### QUARANTINE TEMPLATES

Here are some templates you can download that can be used for the BMSB season:

- [BMSB Sealing Declaration](#)
- [BMSB Nuft Declaration](#)
- [120 Hour Tranship/Transit Declaration via sea](#)
- [120 Hour Tranship/Transit Declaration via road](#)

If you have any questions related to any of the above, please contact our friendly Tomax Team on 1300 196 629.



# SPOT THE ODD ONE OUT

See if you can find the odd one out in each sequence?!

1.



A



B



C



D



E

2.



A



B



C



D

3.



A



B



C



D



E

4.



A



B



C



D

5.



A



B



C



D



E

Answers: 1)C, 2)D, 3)B, 4)A, 5)D