



JJL

J. J. LAWSON
CUSTOMS & FREIGHT BROKERS



Bare Facts

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Bringing you the bear essentials

Matt's top tip



As of January 1, 2007, there will be a number of changes to the law.

Firstly, approximately twenty percent of the Customs Tariff (some 1200 Tariff Classifications) is being changed as a result of amendments made to the Harmonised Tariff Nomenclature by the World Customs Organisation.

Australian Customs Service (ACS) aims to make these changes revenue neutral but this

may not happen in all cases. Consequently, many importers will see new Tariff Classifications on their Customs Entries.

ACS advises that these changes will require the revoke and re-issue of many current Tariff Concession Orders. However, for legal reasons, some Tariff Concession Orders will not be able to be re-issued. If this is the case, importers will have to apply for new Tariff Concession Orders and we will be able to assist in this process.

Many Tariff Advice rulings will also be revoked, requiring importers to reapply and thus maintain the protection afforded by such rulings. At time of writing, the revised Customs Tariff is not yet available.

As of January 1, 2007, a new preference regime is scheduled to commence for goods made in New Zealand. It will operate along the lines of the AUSFTA, although full details of the changes are not yet available. For transitional purposes, the existing New Zealand Preference requirements will be maintained until December 31, 2011. New Zealand-made goods will qualify for Preference if they meet the requirements of either of the two Preference systems in operation from 1 January 2007.

More details on the changes can be found at the Australian Customs Service website www.customs.gov.au.

Another change scheduled for introduction in 2007 is the inclusion of Prohibited Imports in the Customs Administrative Penalty regime. ACS will then be able to issue fines for 'importing prohibited imports without recourse' and prosecute through the courts.

'Importing prohibited imports' will be a strict liability offence. The import of prohibited goods will constitute an offence under the Customs Act, whether intentional or innocent mistake (although this may be a mitigating

circumstance). As always, it is prudent for importers to check in advance whether the goods they are considering importing are prohibited. We will advise further when more information is available.

Matt McAuliffe

Consultant

Indirect Taxation



MERRY CHRISTMAS & HAPPY NEW YEAR

To all our clients and their families,
we extend wishes for a merry Christmas
and a happy and prosperous 2007 !

Jim Lawson

Managing Director



Some useful Shipping terms



Ad Valorem

A term from Latin meaning 'according to value'.

Arrival Notice

A notification by carrier of ship's arrival to the consignee.

BAF

Abbreviation for 'Bunker Adjustment Factor'. Used to compensate steamship lines for fluctuating fuel costs. Sometimes called 'Fuel Adjustment Factor' or FAF.

Bill of Lading (B/L)

A document that establishes the terms of a contract between a shipper and a transportation company. It serves as a document of title, a contract of carriage and a receipt for goods.

CAF

Abbreviation for 'Currency Adjustment Factor'. A charge, expressed as a percentage of a base rate, that is applied to compensate ocean carriers of currency fluctuations.

Carnet

A Customs document permitting the holder to temporarily carry or send merchandise into certain foreign countries (for display, demonstration or similar purposes) without paying duties or posting bonds. Also various Customs documents required for crossing some international borders.

Certificate of Origin

A certified document showing the origin of goods; used in international commerce.

Demurrage

A penalty charge against shippers or consignees for delaying the carrier's equipment beyond the allowed free time. The free time and demurrage charges are set forth in the charter party or freight tariff.

Dumping

Attempting to import merchandise into a country at a price less than the fair market value, usually through subsidy by exporting country.

EDI

Abbreviation for 'Electronic Data Interface'; generic term for transmission of transactional data between computer systems. EDI is typically via a batched transmission, usually conforming to consistent standards.

Entry

Customs documents required to clear an import shipment for entry into the general commerce of a country.

FAK

Abbreviation for 'Freight All Kinds'. Usually refers to full container loads of mixed shipments.

FAS

Abbreviation for 'Free Alongside Ship'.

GATT

Abbreviation for 'General Agreement on Tariffs and Trade' - a multilateral treaty to help reduce trade barriers between the signatory countries and to promote trade through tariff concessions. The World Trade Organization (WTO) superseded GATT in 1994.

GVW

Abbreviation for 'Gross Vehicle Weight' - the combined total weight of a vehicle and its container, inclusive of prime mover.

Harmonized System of Codes (HS)

An international goods classification system for describing cargo in international trade under a single commodity-coding scheme. Developed under the auspices of the Customs Cooperations Council (CCC), an international Customs organisation in Brussels.

In Transit

In transit or in passage.

INCOTERMS

The recognized abbreviation for the International Chamber of Commerce Terms of Sale.

Intermodal

Used to denote movements of cargo containers interchangeably between transport modes, i.e., motor, water, and air carriers, and where the equipment is compatible within the multiple systems.

Jacket

A wood or fibre cover placed around such containers as cans and bottles.

Knot

One nautical mile (6,076 feet or 1852 meters) per hour. In the days of sail, speed was measured by tossing a log overboard which was secured by a line. Knots were tied into the line at intervals of approximately six feet. The number of knots measured was then compared against time required to travel the distance of 1000 knots in the line.

Landed Cost

The total cost of a good to a buyer, including the cost of transportation.

LCL

Abbreviation for 'Less than Container Load' - the quantity of freight which is less than that required for the application of a container load rate.

Letter of Credit (LC)

A document, issued by a bank under instruction from a buyer of goods, authorising the seller to draw a specified sum of money under specified terms, within a given time.

Manifest

Document that lists in detail all the bills of lading

issued by a carrier or its agent or master for a specific voyage – a detailed summary of the total cargo of a vessel used principally for Customs purposes.

Modified Atmosphere

A blend of gases tailored to replace the normal atmosphere within a container.

Nautical Mile

Distance of one minute of longitude at the equator - 6,076 feet or 1852 metres.

NESOI

Abbreviation for 'Not Elsewhere Specified or Included'; normally used in Tariff Classification.

Negotiable Instruments

A document of title (such as a draft, promissory note, check or bill of lading) transferable from one person to another in good faith for a consideration.

Non-negotiable bills of lading are known as 'straight consignment'. Negotiable bills are known as 'order B/Ls'.

Ocean Bill of Lading (Ocean B/L)

A contract for transportation between a shipper and a carrier. It also evidences receipt of the cargo by the carrier. A bill of lading shows ownership of the cargo and, if made negotiable, can be bought, sold or traded while the goods are in transit.

Open Top Container

A container fitted with a solid removable roof, or with a tarpaulin roof so the container can be loaded or unloaded from the top.

Perils of the Sea

Those causes of loss for which the carrier is not legally liable - the elemental risks of ocean transport.

Quarantine

A restraint placed on an operation to protect the public against a health hazard. A ship may be quarantined so that it cannot leave a protected point. During the quarantine period, the Q flag is hoisted.

Quoin

A wedge-shaped piece of timber used to secure barrels against movement.

Ro/Ro

A shortening of the term 'Roll On/Roll Off'. A method of ocean cargo service using a vessel with ramps which allows wheeled vehicles to be loaded and discharged without cranes.

Ship's Manifest

A statement listing the particulars of all shipments loaded for a specified voyage.

TEU

Abbreviation for 'Twenty foot Equivalent Unit'.

Transship

To transfer goods from one transportation line to another, or from one ship to another.

Unclaimed Freight

Freight that has not been called for or picked up by the consignee or owner.

Vanning

A term for stowing cargo in a container.

Ventilated Container

A container designed with openings in the side and/or end walls to permit the ingress of outside air when the doors are closed.

War Risk

Insurance coverage for loss of goods resulting from any act of war.

Higher Mass Limits



Higher Mass Limits is a policy allowing vehicles fitted with road friendly suspension to carry more freight on routes that are capable of accepting higher masses.

Higher Mass Limits are currently operating in most Australian States to varying degrees.

There is currently limited advantage to importers and exporters etc in built up areas such as Sydney, as most of the access roads used are not covered as yet. This may change in the future and JJL will inform any clients that will be affected.

Currently, 42.5 tonnes is the total combined vehicle/FC weight limit allowed on NSW roads that are not covered by Higher Mass Limits.

Recently, NSW Roads Minister Mr Eric Roozendaal foreshadowed the extension of Higher Mass Limits routes to certain industrial areas within Sydney, Newcastle and Wollongong as well as to ports, oil refineries and intermodal terminals, onto roads managed by Councils and State Forest roads.



BEAR BITS

Black Bears can be black, bluish-black, brown, or even creamy white.

Most **bears** live for 25 to 40 years.

The Modern English word '**bear**' derives from Old English 'bera', which itself derives from Proto-Germanic 'beron' meaning 'the brown one'. (Compare Old Norse 'björn', Dutch 'beer' and German 'Bär', all meaning 'bear').



Fuel Surcharge Reduction

JJ Lawson has been constantly monitoring diesel prices along with any rebates.

Recently, we were pleased to be able to lower the fuel surcharge.

We will continue to monitor the diesel fuel pricing and review our surcharge where necessary.

Please contact us should you wish to discuss any aspect of this matter.

AUSTRALIAN CUSTOMS SERVICE 2005 - 2006

- Customs processed over 21.7 million people through international airports and seaports compared with 20.9 million the previous year.
- Clearance of air and sea cargo consignments also increased (6.1 million air cargo consignments compared with 5.5 million and 2.0 million compared with 1.8 million in 2004-05) with over \$5 billion raised in revenue.
- Customs trial of world-leading biometric technology for border processing, SmartGate, won the Prime Minister's Award for Excellence in Public Management in 2005.
- Customs introduced new technology including explosives detection x-ray systems, radiation detectors and chemical detectors to achieve efficiencies and improve screening of high-risk passengers and goods.
- Progressive arming of Customs officers undertaking waterfront patrol and response work, ship boarding and search and certain investigations. Operations began with operational safety training introduced to the first deployment of armed officers who were approved in time for the 2006 Commonwealth Games in Melbourne.



- The number of drug detections at the border was up while weights were down. Significant drug detections included 350kg (1.2m tablets) of MDMA and 40 litres of Gamma-Butyrolactone (GBL or 'fantasy') in 2006. Customs continues to work closely with other law enforcement agencies to enhance its response to the threat posed by illicit drugs, with the fifth largest ever seizure of cocaine secured in August this year. Just four months into the current financial year, cocaine seizures (165kg) were almost double that of the full year result for 2005-06. Heroin seizures at 46kg all but match the 2005-06 full year outcome.
- Customs also engaged in a number of capacity building exercises in our region in 2005-06 to support the development of border activities in countries from which people and goods depart for Australia and elsewhere.

Revenue raising

Throughout Australia's history, Customs has played an important role in collecting revenue. Before Federation, colonial Customs administrations were essential revenue raisers. As early as 1800, fees and regulations were introduced in the colony of New South Wales to control the rum trade.

At Federation, the Customs administrations of the colonies transferred to the Commonwealth. The new Commonwealth Government had exclusive control over the tariff - customs and excise duties on imported goods. While this brought an end to collecting inter-colonial revenue, it began a united approach to controlling smuggling in Australia.

Revenue milestones over the years include:

- in the early years of Federation, Customs raised the majority of Commonwealth revenue
- an excise of twopence a gallon was introduced on petrol

in 1927, together with higher duties on imported tyres, to fund the construction of roads

- during World War II, the tariff provided significant funding for the planes, ships, munitions and troops involved in the war effort
- after the war, trade grew rapidly, as did the number of items being assessed for tariffs – in 1950, an international convention proposed a common system of tariff classification so that goods could be easily identified
- during the 1960s, levels of tariff protection increased greatly – since then, successive governments have gradually lowered tariff rates
- responsibility for excise was transferred to the Australian Taxation Office in 1998

Today, Customs raises more than \$6 billion in Commonwealth revenue each year.

Top 10 container shipping companies in order of TEU capacity.

Company	TEU capacity[4]	Market Share	Number of ships
A.P. Moller-Maersk Group	1,665,272	18.2%	549
Mediterranean Shipping Company S.A.	784,248	8.6%	299
CMA CGM	507,954	5.6%	256
Evergreen Marine Corporation	477,911	5.2%	153
Hapag-Lloyd	412,344	4.5%	140
China Shipping Container Lines	346,493	3.8%	111
American President Lines	331,437	3.6%	99
Hanjin-Senator	328,794	3.6%	145
COSCO	322,326	3.5%	118
NYK Line	302,213	3.3%	105

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