



# Bare Facts

Number 8

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Bringing you the bear essentials

## Matt's top tip

In a previous column, I dealt with how importers can legally reduce the Customs Duty they pay by taking advantage of deductions that can be made when determining the Customs Value of imported goods.

However, for balance, I would like to remind importers that, in determining the Customs Value of goods, certain additions to the cost-price also have to be made to arrive at the Customs Value of any imported goods.

As a general rule, the Customs Value of any imported goods is based on the price the importer pays to the vendor for those goods, adjusted to take into account various prescribed additions and deductions. These additions include:

**Production Assist Costs** – the additional production costs incurred by an importer – for example, the cost of applying artwork to tools or materials.

**Royalty and License Fees** – paid or payable pursuant to the contract of sale for imported goods. Generally, they form part of the Customs Value of imported goods even if included in the purchase price and paid to the vendor or a third party.

**Commissions other than Buying Commissions** – paid by the importer for services provided in regard to imported goods, except for transport of goods from the place of export. These may also form part of the Customs Value unless they fall within the statutory definition of a Buying Commission.

**Packing Costs** – the cost of packing goods for export – packing the shipping container and fumigation all form part of the Customs Value.

**Foreign Inland Freight and Foreign Inland Insurance** costs up to the place of export are part of the Customs Value of imported goods.

**Payments in addition to the invoiced price** need to be included in the Customs Value, where such payments relate to goods being imported. These additional payments may include:

- Deposits – must be shown on the invoice from the vendor.
- Payments to third parties on behalf of the vendor
- Royalties and License Fees
- Payments due to the vendor arising from use, resale or disposal of the imported goods.

**Transfer Pricing** – pricing may be adjusted to compensate for discounts between related parties when determining the Customs Value.

Please advise us if any of these issues affect your imports. Incomplete calculation of the Customs Value of your imported goods may mean you are underpaying Customs Duty and/or GST and result in penalties.

The Australian Customs Service uses data-matching of remittances made by importers to their vendors and compares them to the values declared on the Customs import entries. Any discrepancies may result in a Customs Audit.

Until next time,  
Matt McAulliffe  
Consultant  
Indirect Taxation



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**Read on...**

# The Who's Who of JJL

Not sure who you need to speak to?

Our key personnel at Mascot (Customs) are:

Reception / Switchboard	DONNA ZARRIS
Managing Director	JIM LAWSON
General Manager	JOHN PRESTON
Operations Manager	TERRY MORRIS
Office Manager	NATHANIEL ALFONSO
Airfreight Manager	MICHAEL CUNNINGHAM
Airfreight / Registrations	MATT CUSKELLY
Interstate Manager (IT)	CON BOUROLIAS
Sea-Freight Manager	DENIS COSO
Sea-Freight / Registrations	DANNIELLE PLATTEN
Import Clerk	TERRY MIRIA
Freight Manager	REBECCA HIGHAM
Freight / Sales Clerk	CLINT CATAN
Consultancy	MATT MCAULIFFE
Financial Controller	CINDY XU
Accounts Receivable	BIJAL SAGAR
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## And at Chipping Norton (Transport):

Manager	GREG LAWSON
Operations	JAMES TARLETON
Coordinator	ADAM MILTON
LCL / AIR	SIMONE MOLLOY
Warehouse Manager	BEN MCMURDO
Warehouse Supervisor	AL O'CONNELL

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## Need more space?

Due to the successful relocation of JJL our yard at Norton, 4 Duguid Street, Mascot, will soon be available for lease. Transport to Chipping Norton, will be available for lease. Situated next to our head office, No. 4 offers over 1000 m2 of combined office space, palletised storage facilities, parking and loading dock facilities.

If you are interested, please call Marty Lawson on 02 9669 3011 or e-mail [marty@jjlawson.com.au](mailto:marty@jjlawson.com.au)



## BEAR BITS

As a proud sponsor of **North Sydney Bears**, JJL congratulates them on taking out the Minor Premiership.

The Bears came out of the blocks this season with a 12 match undefeated run.

Also, in a memorable August victory, the Bears made a remarkable comeback from 34-0 down to win the match.

We wish them all the best for the finals & for 2009.

## Client delivery hours

If our regular delivery hours are inconvenient, please let us know. We can often organise deliveries, especially for side-loaders, and pick up empties outside of hours. We have many clients who have arranged after hours access for our drivers. This can help reduce the incidence of shipping line demurrage.

Please call Greg Lawson to discuss your needs on 02 9755 5855 or e-mail [bears@jjltransport.com.au](mailto:bears@jjltransport.com.au)





## Expanding Free Trade Agreements

Australia recently finalised a Free Trade Agreement with Chile, scheduled to commence on 1 January 2009. A Free Trade Agreement between Australia, New Zealand and the ASEAN countries is shortly to be announced – this is in addition to the standing Agreements with the USA, Thailand and Singapore.

Other Free Trade Agreements currently under negotiation include China, Japan, The Gulf Co-operation Council, Malaysia, South Korea, Indonesia and India.

For further information regarding the import requirements for any of these Free Trade Agreements, please call Matt McAulliffe on 02 9669 3011.



## Port Botany expansion in line with industry needs

Construction has begun on the \$1 billion, 60-hectare expansion of Port Botany in south Sydney, one of the biggest infrastructure projects in Australia.

Five new shipping berths and nearly 2000 metres of wharves will be built, almost doubling the capacity of the Port Botany container terminal.

Port Kembla Port Corporation, on the NSW south coast, has meanwhile proposed doubling the port's cargo handling facilities and creating seven new berths by reclaiming up to 52 hectares of land.

### About Port Botany

Trade is steadily increasing through Port Botany, driven by consumer and business demand. Port Botany is Australia's second largest container port behind Port Melbourne.

Port Botany handles 1.34 million TEUs (twenty-foot equivalent units) per year which is about a third of Australia's container trade and 95% NSW's container trade. This generates 10,000 jobs and an estimated

\$1.5 billion in business activity each year.

Each container ship visiting Port Botany creates more than \$1 million worth of economic activity and full-time employment for eight people.

Import containers make up 52% of Port Botany's container trade. Export containers account for 25% and empty containers for 23%. About 90% of all import containers are transported from Port Botany to the Sydney metropolitan area, within 40km of the port.

NSW's import and export container trade is booming, at a consistent rate of 7% a year since the 1970s. There was a sharp spike in growth of 9% in 2004-05. This growth is forecast to continue between 5% and 6% per annum over the next 20 years.

Sydney Ports Corporation forecasts Port Botany could reach capacity by 2009, at 1.6 million TEU per annum. The expansion will increase its trade to 3.2 million TEU and cater for growth in container trade until 2025.

# FRONTLINE

## Customs and Industry Working Together

JJ LAWSON has been chosen to participate in Australian Customs FRONTLINE program.

Frontline is a cooperative program between Customs and industry groups involved in international trade and transport.

The program draws on the knowledge and expertise of people in the industry to help prevent illegal activities.

Working alongside industry, Frontline aims to prevent drug trafficking, wildlife and flora smuggling, money laundering and illegal importation or exportation of prohibited items such as weapons and chemicals.

You can help in protecting Australia's borders. You know your workplace and industry and you know what looks or sounds suspicious. Companies can report any suspicious border activities to the Customs Hotline 24 hours a day on 1800 06 1800. Your information could lead to a successful Customs operation.

Frontline members sign a Memorandum of Understanding (MOU) with Customs to formalise this cooperation. The MOU represents a voluntary commitment by both parties to work against illegal activities.

Companies interested in becoming Frontline members can contact Customs Frontline Coordinators in their capital city.

For more information on any Customs matters, contact the Customs Information Centre on 1300 363 263 or email [information@customs.gov.au](mailto:information@customs.gov.au) or browse the website [www.customs.gov.au](http://www.customs.gov.au)



[www.jjlawson.com.au](http://www.jjlawson.com.au)



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