

July 3, 2020

Dear Valued Customer,

## AU & NZ: Rate Update

### Import Sea Freight – Peak Season Surcharge (PSS)

Carriers have advised of the following Peak Season Surcharge. These apply to imports for sea freight from:

Region	Carrier	PSS	Effective Date
North Europe	CMA CGM	USD 100 / 20' USD 200 / 40'	10.07.20
Mediterranean	CMA CGM	USD 100 / 20' USD 200 / 40'	20.07.20

## AU: Increase to Commonwealth Penalty Unit Value

From July 1, 2020, higher financial penalties will be in place for breaches of most Commonwealth laws.

Under most Commonwealth laws, financial penalties are expressed in terms of 'penalty units' instead of dollar figures. For example, a maximum penalty may be expressed as '10 penalty units' instead of \$210 Australian Dollars (AUD).

On July 1, 2020, the value of a penalty unit will increase from \$210 AUD to \$222 AUD.

The increase is the result of the automatic indexation of the penalty unit amount under section 4AA of the Crimes Act 1914. The increase is designed to ensure that the real value of a penalty unit is maintained. The increase means that the maximum financial penalties for committing various Commonwealth offences and breaching civil penalty provisions will rise.

## AU: Launch of Australia (AU) - United Kingdom (UK) Free Trade Agreement (FTA) Negotiations

Negotiations for a Free Trade Agreement (FTA) between Australia and the United Kingdom (UK) have been launched with the first round of talks scheduled for June 29, 2020. The announcement comes ahead of the United Kingdom-European (EU) exit transition period ending on December 31, 2020.

At the same time the UK has announced that it is pursuing accession to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

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Both announcements reflect the UK's desire to embrace free trade as part of its recovery from COVID-19 and its desire to have a strong global voice having exited the EU.

The UK is Australia's 8th largest 2-way trading partner. Key Australian exports are gold, wine, lead pearls and gems. The key UK exports to Australia are passenger motor vehicles, medicaments and alcohol.

For those engaged in Australia – UK trade, it is important that the Department of Foreign Affairs and Trade (DFAT) is made aware of both tariff and non-tariff barriers that you would want the FTA to overcome. There will no doubt be calls for public submission in respect of the proposed FTA.

The UK move to join the CPTPP comes at the same time as Thailand is reviewing whether it will seek to become a CPTPP member. The growth of the CPTPP would be a welcome boost to global trade and send a message to the existing CPTPP members that are yet to ratify the agreement, not to mention the United States (U.S.) that withdrew from the original TPP.

It is impossible to predict the timing for either a UK-AU FTA or the joining of new members to the CPTPP. However, even the most ambitious observers would be surprised if a UK-AU FTA commenced prior to 2022.

## **AU: Indonesia-Australia Free Trade Agreement (FTA)**

In other trade developments, the Indonesia-Australia Free Trade Agreement (FTA) is set to commence on July 5, 2020. The agreement will particularly benefit exporters who will gain greater market access to Indonesia.

Importers will not see a practical decrease in tariffs as most goods from Indonesia are duty free under the Association of Southeast Asian Nations (ASEAN) FTA. However, the Indonesian bilateral FTA does have the potential to allow easier access to FTA benefits through more relaxed documentation requirements.

While FTAs are exciting for traders, for customs brokers they can represent greater risk. When discussing the benefits of FTAs with traders, always be sure to remind the client of the compliance requirements. This includes not only documentation requirements, but also ensuring that the goods are correctly classified and meet the rules of origin under the relevant FTA.

## **AU: Brown Marmorated Stink Bug (BMSB) Season 2019-20 Summary**

The following summary has been received from the Department of Agriculture, Water and the Environment on the 2019-20 BMSB risk season:

*"This 2019 – 20 BMSB risk season comprised over 150,000 containers that were subject to BMSB measures including 10,784 LCL / FAK containers. 43% of these containers were treated offshore and experienced faster border clearance.*

*The introduction of the Seapest system this season for processing LCL / FAK consignments at the container level, instead of the FID level, saw 10,784 containers being declared by Master Consolidators. Of these 48% were automatically processed through the Seapest system without the need for intervention by assessing or inspecting officers.*

*In addition, 41% of LCL / FAK containers were declared as being treated offshore.*

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*The Department approved five entities for Safeguarding Arrangements. Safeguarding provides an alternative clearance option for goods subject to BMSB measures. This scheme will continue for the 2020-21 season and the Department encourages those companies who are able to meet criteria to safeguard their supply chains against hitchhiker pests to apply.*

*There were approximately 300 roll on roll off (RORO) vessels that were required to complete Seasonal Pest Questionnaires as part of on arrival reporting.*

### **Most common concerns**

*Most concerns identified during the season were around onshore treatments, particularly when containers were packed in such a way as to not allow for treatment to be conducted inside the container effectively. The Department recommends to avoid delays at the border that consignments are treated offshore.*

- *Backlogs of up to 4 weeks were experienced for BMSB fumigation treatments*
- *Delays were experienced of up to 12 weeks for containers that required secure unpacks at Class 4.7 Approved Arrangements to adjust containers not packed appropriately for effective in container treatment.*

### **Offshore BMSB Treatment Providers Scheme**

*For the 2019-20 BMSB risk season, the offshore BMSB treatment providers' scheme approved a total of 218 offshore treatment providers across 27 countries. Throughout the season, 298 desktop assessments of offshore treatment providers were completed, as well as 63 on-site offshore treatment provider audits. These audits were conducted by both the Department and the New Zealand Ministry for Primary Industries. Six offshore treatment providers were suspended during the course of the season, with 2 being reinstated after demonstrating they had addressed the non-compliances that led to their suspension.*

### **Detections**

*Factoring in the expansion of target risk countries from 9 to 32 for the 2019-20 BMSB season, there were fewer post biosecurity intervention detections of BMSB, both alive and dead, this season compared to the 2018-2019 BMSB risk season. This shows that the biosecurity policy was successful in managing the risk posed by BMSB.*

- *Up until 4 June 2020, there were 25 live and 183 detections of dead BMSB at Biosecurity intervention points. Post Biosecurity comprised 4 live and 14 dead BMSB detections.*
- *Live BMSB were found on 11 RORO vessels either by crew during vessel self-inspections or by Biosecurity officers on arrival. Two vessels presented an unacceptable biosecurity risk and were directed to leave Australian waters.*
- *Interestingly, 4 live BMSB were found in returning travellers luggage at our airports. The Department does not intend to include travellers as part of its seasonal measures however this demonstrates the true hitchhiker nature of the pest."*

## **AU: The Department of Agriculture, Water and the Environment (the Department) have Finalised the Seasonal Measures for the 2020-21 Brown Marmorated Stink Bug (BMSB) risk season**

The measures remain consistent with the 2019-20 BMSB risk season with three countries added to the target risk countries list. The list of target risk countries will now include Portugal, Ukraine and Moldova for the 2020-21 BMSB risk season.

The following countries have been identified as emerging risk countries for the 2020–21 BMSB risk season and may be selected for a random onshore inspection: Belarus, Denmark, Ireland, Poland, Sweden, United Kingdom, Kazakhstan and Chile.

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The Department are also monitoring other countries through a lower rate of random inspections. These include all remaining European countries, Japan, China, Korea, Taiwan, Argentina, South Africa and Uruguay.

For the 2020-21 BMSB risk season, measures will apply to:

- certain goods manufactured in, or shipped from target risk countries, and/or
- vessels that berth at, load or tranship from target risk countries

The BMSB risk season is for goods and vessels that arrive in the Australian territory between September 1, 2020, and May 31, 2021 (inclusive). Goods must be treated for BMSB if exported between September 1, 2020, and April 30, 2021 (inclusive).

The Department will continue to include arrangements for safeguarding (supply chain assurance) for certain containerised and break-bulk target risk goods as an alternative option to mandatory measures to manage BMSB risk. The Department will open safeguarding applications for the 2020-21 BMSB risk season in July.

The Department encourages stakeholders in the import and shipping industries to make prospective offshore BMSB treatment providers aware of the requirement to register for the 2020-21 BMSB risk season.

An updated list of approved offshore BMSB treatment providers will be established for the 2020-21 BMSB season and will be available on the Offshore BMSB Treatment Providers Scheme webpage.

C H Robinson would like to remind Importers of the loading and packaging requirements for containers requiring fumigation. There are two critical elements of fumigation:

- Fumigators must have enough space in the enclosure around and above the goods to be able to place temperature sensors in the specific locations. This enables fumigant to circulate enabling a thorough treatment. Create enough space for airflow and securing (wrapping) product to ensure the fumigant accesses all surfaces.
- Shipment packed too tightly or with packaging limiting fumigant penetration can be rejected by The Department.

## **AU: Australia's Interim Import Conditions for Uncooked Prawns from July 2020**

From July 1, 2020, all uncooked prawns imported for human consumption must be deveined (removal of the digestive tract that remains along the dorsal ridge of each prawn to at least the last shell segment).

This change is to mitigate the biosecurity risk associated with *Enterocytozoon Hepatopenaei* (EHP). Further information is available in Biosecurity Advice Notice 2020-A03.

At the time of writing, Competent Authorities in Brunei Darussalam, Malaysia, Peru, Thailand, the United States and Vietnam have provided written confirmation to the Department of Agriculture, Water and Resources (DAWR) that these countries can meet Australia's interim import conditions for uncooked prawns.

DAWR has written to the Competent Authorities in Argentina, Bangladesh, China and Indonesia and continues to work with these and other trading partners to ensure safe trade can continue in uncooked prawns that meet Australia's interim import conditions.

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Note: All imports of uncooked prawns (including marinated) arriving on or after July 1, 2020, must be deveined and accompanied by appropriate health certification to manage the biosecurity risks associated with EHP. All non-compliant consignments must be treated, exported or destroyed.

## **NZ: Update to Courier Parcel Delivery**

The New Zealand Government has eased the restrictions put in place during COVID-19 and we are seeing C.H. Robinson employees return to the office. During restrictions all courier parcels were directed to our Airfreight Depot located at Shuttle Express at 70 Ascot Road, Airport Oaks. With the return to work, please direct any courier documents directly to our New Zealand office located at 63b Richard Pearse Drive.

If you have any questions or concerns regarding the notices held within, please contact your Key Account Manager or a C.H. Robinson representative.

Sincerely,  
C.H. Robinson.

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