



## **Newsletter Spring 2010**

Events within our office have been a little unusual over the last couple of months and as a consequence this newsletter is a little late but we are able to confirm that Spring has indeed sprung and we are in the thick of the many changes since our last epistle.

### Staff News

On 27<sup>th</sup> June, Scott Farrington and his wife Vanessa become the proud parents of their first child, a son they have named Tyler.

Then on 24<sup>th</sup> September, Gareth Sangster and his wife Lauri welcomed the arrival of playmates for their son Luc with the safe arrival of twin boys Beau and Cole.

### GST increase

The increase of GST on 1<sup>st</sup> October has impacted on all of us in varying ways but for Customs Brokers there is an impact has perhaps been overlooked. Clients who are not part of the Customs Deferred payment scheme have their duty and GST paid by their brokers –an additional 2.5% on previous GST amount of 12.5%. This has resulted in additional payments being made on behalf of clients with the additional 2.5% in some instances exceeding \$5,000 per entry. This of course impacts on our cash flow and as it is impossible to forecast we encourage all importers to take advantage of the Customs scheme which gives up to 7 weeks credit on Duty and GST payments. To know more about the scheme please call us or Application forms are on our website [www.fob.co.nz](http://www.fob.co.nz) Resources/Forms/NZ Customs Deferred Application.

A positive change is that Customs have changed De minimus on imported goods from \$50 to \$60. De minimis applies when the total revenue collect is \$60-it was \$50 when GST was 12.5%.

### Customs Administrative Penalties

Following changes to the Customs and Excise Act 1996 , the administrative penalties provisions of the Act have been extended to cover error or omissions on any entry required under the Act.

Where previously the penalty regime only applied to import entries, the changes mean that the penalty provisions will now also apply to excise and export entries (including drawback entries) where there is an error or omission that causes the duty paid not to be correct or the entry is otherwise materially incorrect.

For exporters this means that relevant documentation and information must be provided to ensure that correct information can be entered. Such information as Inco terms and currency must be shown on invoice and an adequate description to allow correct classification under the Customs Act to be done.

Administrative penalties range from \$50 for information that is “materially incorrect” up to \$10,000 in cases where import Duty/GST is undeclared so accuracy is paramount and this information if from the source documents supplied by the exporter.

### Care of your cargo

In Wellington recently a vessel on a regular call cycle was visited by Maritime New Zealand as the Master was found to be intoxicated. The Wellington Port Company notified Maritime New Zealand as it had concerns about the Master’s condition. He was not considered fit for duty –he was given a

breath test-and MNZ asked that the vessel not sail until a replacement master arrived. The Wellington Harbourmaster said the master “was extremely drunk- he was conscious but not well” He was fit to sail the vessel next day but a replacement had been installed before that time. The vessel carried on to Tauranga.

A Maritime New Zealand spokesman said *"People are very careful about who drives their vessels - you can imagine if you own a vessel worth many tens of millions of dollars, you wouldn't want someone driving it around drunk. You can see the reaction by the company - they have immediately suspended him, and brought in a new person from Japan"*

While we take solace in the fact that our authority’s vigilance intervened in what could have been disastrous consequences, the photos below (totally unconnected) show what can happen without the benefit of alcohol. The vessel seems to be in relatively shallow water and the consequences of “parking” in this manner have a huge impact on the cargo owners-especially those who do not have insurance.

Marine Insurance is not costly and we can help eradicate the headaches incidents such as this cause. Don’t hesitate to contact us about your insurance needs and let us help you have peace of mind.



### Shipping Company Fees

Charges continue to fluctuate with Peak Season Surcharges now in force.

The prize for most imaginative charge must go to CMA-CGM who introduced a “Container Inspection Fee” of \$35 per 20’GP, \$54 per 40’GP/HC and \$70 per 20’RF/40’RH. Their Customer Notice stated that it was to enable them to speed up the container turnaround. We objected and refused to pay on behalf of clients and we can only suppose that the fee was met with such derision that it was put on hold and returned to the “sham” file.

We keep a constant watch on charges and will contest, on your behalf, any that we do not feel correct or justified.

In this instance the line hid behind personnel in Australia and France as making the decision----- Crikey / Sacré bleu! –not much help to us here.

### carboNZero

Those who read the “idealog” magazine would be excused for thinking that FOB was the new hot celebrity company on the block.

We are the first New Zealand owned Freight Forwarder and Customs Broker to be certified as a carboNZero small enterprise. Having this certification has created an interest in the company philosophy which has seen articles being written in recent months in “idealog” (September/October & November/December) and FTD Magazine (August/September). These articles are available on our website in the news section [www.fob.co.nz](http://www.fob.co.nz) Resources/News.

### 90° North latitude and all lines of longitude

With the influx of new arrivals to staff it is no wonder that our minds are cast to the above coordinates. With the future of our children and grandchildren in mind we take to the magical North Pole and the mystique that Santa brings.

Look forward to the coming weeks and see the impact this period has on you and your business.

### Seasonal Quote

“He who rejects change is the architect of decay. The only human institution which rejects progress is the cemetery”.

Harold Wilson, Lord Wilson of Rievaulx (1916-1995)

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