



**TOMAX
NEWS**



Issue 01
18th Sep 2020



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TOMAX CORPORATE MISSION

Our mission is to supply high quality, end-to-end supply chain solutions to our clients in a friendly, secure and supportive manner.



MARKET SUMMARY

- CMA/ANL/MSC and other lines have announced a Sydney Port Congestion Surcharge to be applied to containers arriving as early as 15th September. The surcharge is set at approximately USD 300 per TEU. LCL consolidators are following suit and applying surcharges to LCL cargo as well at a level of approximately USD 13 per CBM/T.
- This congestion was caused by the SYD DP world industrial actions.
- Another GRI (General Rate Increase) will be implemented from 1st Oct and the ocean rates will be increased next month.
- Government bodies are now intervening in the ongoing industry disputes between the MUA and DP World. Action planned for Friday 18th September in Sydney has been cancelled as a result.

LATEST NEWS

IMPACTS OF THE SYDNEY PORT CONGESTION

Among the current challenge of a difficult economic and logistic environment, exist additional blows to freight forwarders and importers. Namely, these unprecedented measures include delays in discharging goods in Sydney, heavy congestion surcharges and vessels skipping Sydney and discharging cargo in Melbourne. Here, we investigate the impact these shipping actions have on different parties of the supply chain.

Shipping lines ensure that if everything runs according to plan, the goods will be delivered from A to B at an agreed price. However, if factors were to alter the smooth operation of the carriage, such as an increase in difficulty or cost, this enables the shipping line to change the carriage or elevate the cost. Due to the prevalence of port congestion, the bills of lading include clauses which permits carriers the right to delay delivery, discharge goods at a different port and charge additional costs.

Port congestions, a commonly listed surcharge, often appear on the tariff which is made payable by the parties involved. If goods are already on the water, shippers are recommended to ask their carrier for proof that the bill of lading has incorporated the tariff and that it has been listed correctly as a congestion surcharge. Regarding Australian conventions and consumer law, the consumer law provisions does not apply to international carriage by

sea. Ultimately, if shipping lines are able to confirm their impact by industrial action, they obtain the rights for delays, skipping ports and surcharges to occur.

The party responsible for the additional charge is dependent on who has the contract with the shipping line. If the freight forwarder was merely acting as an agent for the trader, the contract is between the trader and the shipping line. Thus, the trader will bear any additional costs. Determining whether the freight forwarder is acting as an agent or principle is based on facts and law. Generally, freight forwarders are recognised to be acting as a principle if they do not disclose a carrier's fee and conduct activities such as a door to door service and issue a house BOL. Although, the freight forwarder could be perceived to be acting as an agent if the trader is named on the ocean bill and the freight forwarder only charges a commission fee. If the trader is not acting as an agent, there are two contracts: (1) between the forwarder and shipping line and (2) between the forwarder and trader. The freight forwarder is able to pass on the additional costs based on the terms outlined in the second contract. If the freight forwarder is deemed to be the carrier, they are most likely protected under the terms of the Hague-Visby rules. Freight forwarders are recommended to review their trading terms and conditions

to ensure they are aware of their rights and obligations caused by uncontrollable circumstances and events.

For prepaid freight, the overseas shipper is unlikely to pay the surcharge and the Australian consignee, who did not choose the carrier, is also unlikely to bear the charges. Despite the Australian consignee not selecting the carrier, they will need to present a bill of lading to obtain the goods. As a result, they must adhere to the obligations under the bill of lading, with one of the responsibilities including the payment of the carrier's tariff. In the event that the Australian consignee refuses to pay the surcharge, the carrier may withhold the release of their cargo.

Overall, the shipping lines are unlikely to change the current practices and protocols so it is integral that costs are managed effectively. Considerable touchpoints and recommendations include:

- Freight forwarders must advise existing customers ASAP if their goods are on water which will incur an increased cost, delays or a discharge at Melbourne (if applicable).
- Customers who are seeking new bookings with a Sydney discharge port should be advised of present known charges and the risk of the port being skipped.
- Freight forwarders should review the terms of their house bill of lading and

terms and conditions of trade to avoid the likelihood of a dispute.

- Traders need to manage issues at both ends of their supply chains: if the supplier was responsible for shipment, they must be aware if they are liable for additional costs. They must also factor in their relationship with customers and their rights for potential order cancellations.
- Traders need to manage the return of containers. Disputes may rise which delay the unpacking and return of containers as well as the challenge of returning containers to Melbourne which were initially for Sydney. Should a dispute occur, it is integral that all parties work co-operatively to have the container returned within the free period. This can alleviate the dispute from snowballing into a greater problem.

NB: This article is from a legal point of view. For more assistance on any of the issues arising from the Sydney Port congestion and its impact on the shipping lines, please contact Russell Wiese at Hunt & Hunt Lawyers on (03) 8602 9231 or via emailing rwiese@huntvic.com.au.

Source: W, Riese. (2020). Surcharges, Delays and Discharge in Melbourne. Retrieved from <https://www.ftalliance.com.au/news/19118> on 15th September, 2020.

SYDNEY PORT CONGESTION SURCHARGES

Below is further information from Carriers on how they will implement the Sydney Port Congestion Surcharge and from those carriers that are looking to discharge Sydney containers in other ports to avoid the congestion in Sydney.

MSC

- Import Cargo from Europe with a proforma (ETD) date on or after 14th September 2020
- Import Cargo from Asia with a proforma (ETD) date on or after 15th September 2020
- Import Cargo from USA with a Gate-In (Cargo possession) date on or after 8th October 2020
- Export Cargo to Non USA Trades Bill of Lading date on or after 14th September 2020
- Export Cargo to USA Trades with a Gate in (Cargo Possession) date on or after 14th September 2020

Based on the above a Congestion Surcharge/ PSS of US\$300 per TEU a rate of US\$13.50W/M or Minimum will be applied for LCL Cargo. This will be charged to the Named Consignee or Shippers for consignments arriving/departing to/from Sydney on MSC MBL's that fall into the above timeframes.

CMA CGM/ANL

- Export Cargo for all vessels (Non USA Trades) departing Sydney on or after 17th September 2020 - Excluding cargo moving on the TTZ (Direct Service from AU to NZ) service.
- Export Cargo for all vessels (USA Trades) Departing Sydney on or after 10th October 2020
- Import Cargo for all vessels (Non USA Trade) Departing origin on or after 17th September 2020
- Import Cargo for all vessels (USA Trade) Gate In (Cargo Possession) date on or after 10th October 2020

Based on the above a Congestion Surcharge/ PSS of US\$285 per TEU a rate of US\$13.00W/M or Minimum will be applied to LCL Cargo. This will be charged to the Named Consignee or Shipper for consignments arriving/departing to/from Sydney on CMA CGM/ANL MBL's that fall into the above timeframes.



TS LINES

- Import Cargo First arriving Vessels Harrier Hunter V2006s ETA Sydney 30th September 2020 & Ever Ulysses V132s ETA Sydney 28th September 2020

Based on the above a Congestion Surcharge/ PSS of US\$280 per TEU a rate of US\$13.00W/M or Minimum will be applied to LCL Cargo. This will be charged to the Named Consignee for consignments arriving to Sydney on TS Lines MBL's that fall into the above timeframes.

HAPAG LLOYD

- Export Cargo for all vessels (Non USA Trades) departing Sydney on or after 16th September 2020
- Export Cargo for all vessels (USA Trades) Departing Sydney on or after 16th October 2020
- Import Cargo for all vessels (Non USA Trade) Departing origin on or after 16th September 2020
- Import Cargo for all vessels (USA Trade) Gate In (Cargo Possession) date on or after 16th October 2020

Based on the above a Congestion Surcharge/ PSS of US\$300 per TEU a rate of US\$13.50W/M or Minimum will be applied for LCL Cargo. This will be charged to the Named Consignee or Shippers for consignments arriving/departing to/from Sydney on Hapag Lloyd MBL's that fall into the above timeframes.

PIL - PAE

- Export Cargo for all vessels departing Sydney on or after 21st September 2020
- Import Cargo for all vessels arriving Sydney on or after 1st October 2020

Based on the above a Congestion Surcharge/ PSS of US\$300 per TEU a rate of US\$13.50W/M or Minimum will be applied for LCL Cargo. This will be charged to the Named Consignee or Shippers for consignments arriving/departing to/from Sydney on PIL - PAE MBL's that fall into the above timeframes.

VESSELS OMITTING SYDNEY

As you are no doubt aware carriers have begun omitting Sydney in an effort to avoid the terminal delays further impacting their schedules. These port omissions are seeing containers being discharged in other Australian ports, our Import Teams will ensure that effected customers are updated as this information comes to hand. For further information on this issue please contact the Tomax Freight Team on 1300 186 629 or via email to imports@tomax.com.au



NEW TOMAX BRISBANE FACILITY

? ABOUT THE NEW WAREHOUSE

Tomax is very pleased to announce our first physical presence in an interstate location. In addition to the three Tomax sites in Melbourne (Clayton, Dandenong & Hoppers Crossing), on Monday 21st September we will be opening our new multi-purpose facility in Yatala on the south side of Brisbane. This new facility will begin operations as a transport hub as part of our courier services division, with the Tomax Brisbane based delivery vans now having a permanent place to stage their operations. We're sure that Geoff Davidson along with fellow transport team members Geoffrey Lee, Terri Pidcock, and Ian Scott are going to love their new home!

In early October the facility will begin warehousing operations including container packing & unpacking, pallet and loose cargo storage, and distribution throughout the S.E. Queensland area. The warehouse will combine both multi-level pallet racking, as well as open area floor space to cover freight in all shapes and sizes. Tomax has been operating warehousing activities for over 10 years now, with our national flagship warehouse being the 10,000sqm customs bonded and quarantine approved facility in Dandenong South. This new facility in Brisbane will help meet the growing demand for 3PL storage and warehousing services from Tomax clients.

Finally, in late October Tomax will be introducing freight and customs staff to the new Brisbane office, focusing on customer service and assisting to handle the rapid growth in Tomax cargo movements. Tomax CEO, Chris Chalmers, explained that, "...having key customer

service and account management staff located in Brisbane will help us to more effectively and frequently engage with our growing customer base in the S.E. Queensland area. We're very excited to take this next step in our strategic domestic expansion and express our thanks to our clients and friends for their incredible support which has helped us achieve this milestone."

WHERE IT'S LOCATED



21 Lions Park Dr,
Yatala QLD 4207

WHAT IT LOOKS LIKE (SO FAR)!



3224 m² in size right in the heart of the Yatala Enterprise Area!

TOMAX STAFF IN ACTION!



Our busy Dandenong Warehouse in Vic, Australia.



Our Tomax truck and dedicated driver, George Paizis, ready to deliver!



Some of our hardworking Tomax Team located in Hong Kong!

STAY TUNED FOR MORE EXCITING UPDATES!

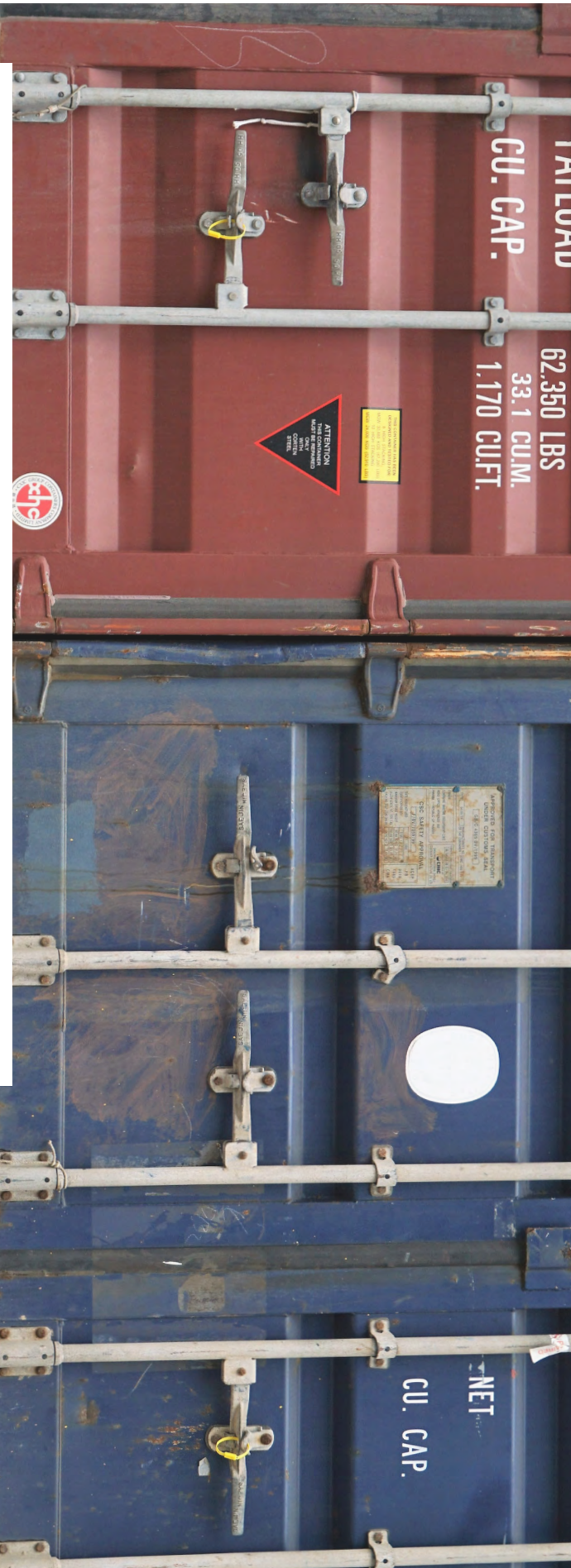
EMPTY PARK CONGESTION & DE HIRE CHALLENGES

Our industry has been heavily impacted by the constant de-hire issues that we have been challenged with recently. However, the port congestion in Sydney is currently affecting many transport companies as well as importers due to the increased costs of container re-directions or “via-yard” fees to hold empty containers, as the empty parks are full and unable to accept any further empty de-hires.

The surcharge for “via-yard” or “re-direction” fees is approximately \$250 + GST per container, plus any yard storage per day as per the agreed rate which is set by the various transport companies.

Shipping lines are responding to the empty park congestion by offering to extend the free time period before container detention begins. It may be financially beneficial to check for an updated empty de-hire deadline and keep the empty container at your (the importer’s) premises rather than paying the high cost of re-directions and holding containers at transport yards. Contact the Tomax Transport Team on 1300 186 629 or via email to transport@tomax.com.au for more information.

By Soucheng Chan
Transport Manager
(Tomax Australia)



NEW STAFF WELCOME

MARIJKE HILDRETH

A warm welcome to Marijke who is joining the Tomax Team in Denver as a Key Account Manager to manage a very large client on behalf of Tomax Logistics USA. Marijke comes to us with a wealth of experience both in the industry and specifically managing the needs of our new client so we look forward to having her join us and we are excited to see what opportunities can come off this new office in Denver. Please help us in welcoming Marijke to our Team. Whilst our Denver office is starting off as a small venture, we look forward to having her feel part of a much bigger Tomax team. Welcome aboard!



JESSICA KONG

A big welcome to Jessica Kong who will join the Tomax Transport team in the Clayton office from Monday as the Administration Assistant. Jessica will work mainly on Tomax Transport administrative operations but will also be heavily involved in marketing, promotional activities, and design work for the entire Tomax Group. (Including these weekly Tomax newsletters)! Jessica has excellent experience in design in both print and web applications, as well as administrative experience across a range of industries. Welcome to Team Tomax Jessica!



GEOFF DAVIDSON

We’re pleased to welcome the first staff member in our new Brisbane transport depot, warehousing and logistics facility next week! Geoff Davidson is joining Team Tomax and we’re very excited to have him on board! Geoff has extensive experience in warehousing and transport and will be responsible for a lot of the operations in the Brisbane depot including container unpacking, unloading trucks, sorting and loading packages with Tomax courier drivers, driving our new 14 pallet tautliner and making deliveries. Feel free to drop in and visit Geoff and the transport team at our new Brisbane site which is located at 21 Lions Park Drive, Yatala. We wish Geoff all the best in his new career at Tomax!



FRIDAY FUNNIES



We can't guarantee these jokes will be funny but we hope this will ease you into another weekend of isolation life!

A slice of apple pie is \$2.50 in Jamaica and \$3.00 in the Bahamas. These are the pie rates of the Carribbean.

Did you hear about the claustrophobic astronaut? He just needed a little space.

My wife is really mad at the fact that I have no sense of direction. So I packed up my stuff and right.

Spring is here!
I got so excited I wet my plants!

What sits at the bottom of the sea and twitches?
A nervous wreck.

If you see a robbery at an Apple store does that make you an iWitness?

SERVER: Sorry about your wait.
DAD: Are you saying I'm fat!?



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