



TOMAX
NEWS

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PLUS:

MARKET SUMMARY

- As the global economic outlook remains uncertain many businesses are settling in for what is expected to be a challenging year in 2023. However, whilst financing and living costs are increasing, the cost of moving freight is falling as capacity far outstrips demand on most routes. Ocean freight rates on certain trade-lanes are expected to hit historic lows over the coming months. Your friendly Tomax representative will keep in touch over the coming months to keep you updated on market movements.

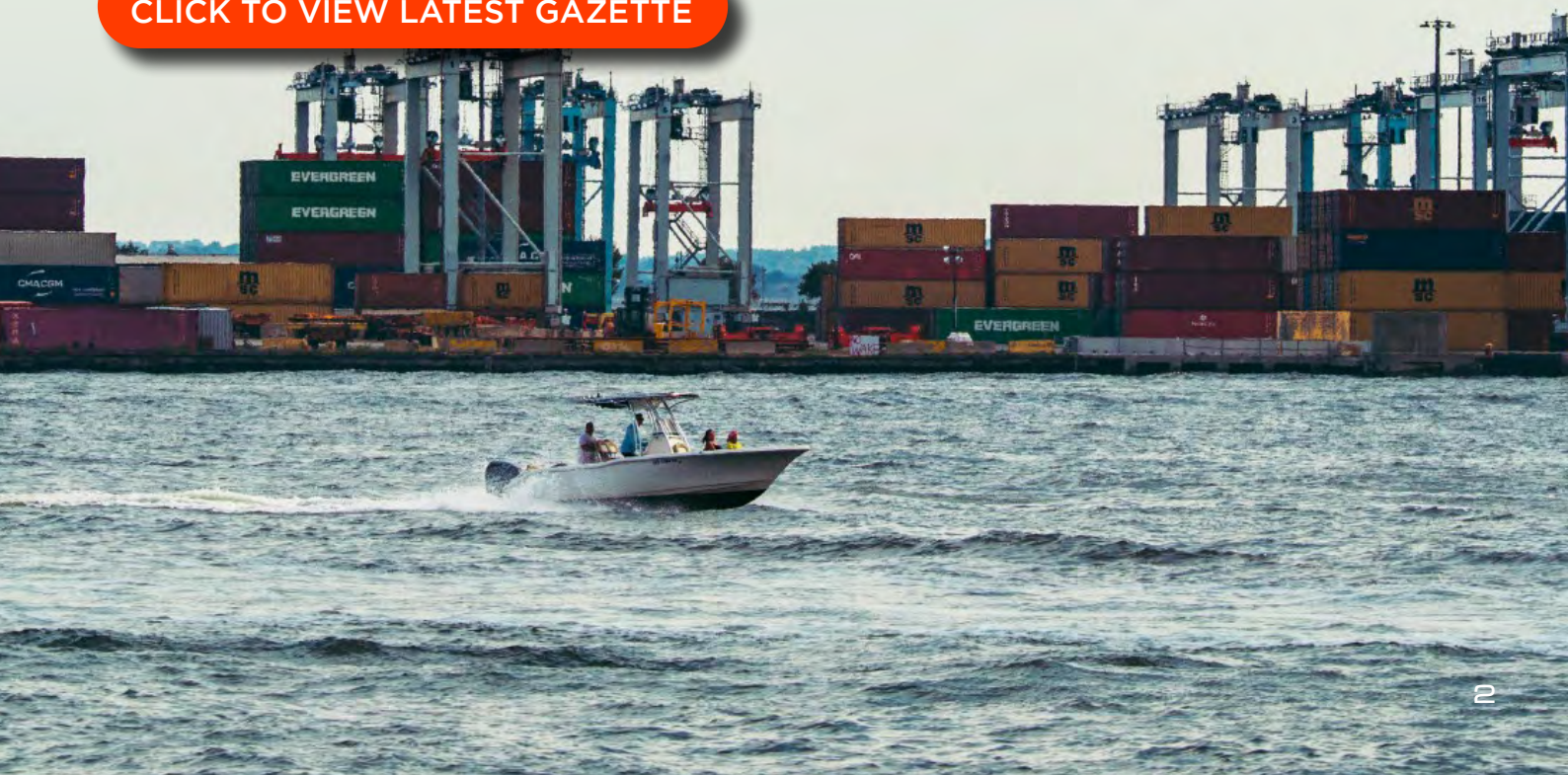
- The new Tomax Live system has now been in operation for a few months with an amazing response from clients that are now using the system to keep track of shipments and documentation. If you would like a demonstration of the new system and how it can help you and your teams please reach out to your Tomax representative to book a time for a demonstration.



TARIFF CONCESSIONS GAZETTE (TC)

Tariff Concession Orders (TCOs) are an Australian Government revenue concession that exists where there are no known Australian manufacturers of goods that are substitutable for imported goods. When a new TCO is made, it is published in the Gazette by the Australian Border Force. You can stay up to date with the weekly gazette via the Tomax Newsletter.

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LATEST NEWS

BRINGING THE GLOBE'S BIGGEST SHIPS TO MELBOURNE

A stevedore from the Philippines is looking to expand its container handling operations at the Port of Melbourne through a \$500m unsolicited bid. Victoria International Container Terminal (VICT), which started offering stevedoring services at Melbourne's Webb Dock in 2017, hopes to encourage some of the world's largest ships to dock at the port by building a new terminal at the "lowest cost." VICT strives to put Melbourne ahead of other ports, such as NSW's Port Botany, and expects significant growth in Australia in the future.

Christian Gonzalez, the global corporate head of VICT's owner, Manila-based International Container Terminal Services Inc (ICTSI), said, "the objective is to be in the best position possible to support the Port of Melbourne in absorbing the significant growth that is forecast over coming decades with the least environmental impact. Future proofing the ports of Australia as early as possible will ensure Australia's trade needs are met, both import and export."

ICTSI's proposal, aims to "deliver the lowest cost, most efficient and environmentally sustainable solution" by boasting an additional capacity by 2027 at a lower cost per TEU than other potential designs as well as reducing environmental risks by avoiding excavation.

Similar to its existing terminal, VICT's expanded terminal would be automated; however, the company expects more wharf workers are required to operate machines. Although there is a current air of global economic uncertainty, which has weakened demand for container shipping, "significant growth" was still expected in Australia in the future.

Christian believes the nation's ability to compete with other ports globally depends on providing efficient services at competitive prices and Australia is falling behind other developed countries who have terminals that can handle bigger ships. Port of Melbourne's analysis revealed that older ships that can carry between 4000 and 7000 TEUs are likely to be scrapped and replaced by ships carrying at least 8000 TEUs.

VICT's proposal to expand Webb Dock, which extends into Port Phillip bay, would create four container berths with the ability to handle vessels up to 14,000 TEUs, eventually increasing its annual container handling capacity to 3.7 million TEUs, up from 900,000 TEUs. Furthermore, an expanded container port would benefit the Port of Melbourne, owned by a consortium of superannuation and pension funds including QIC, the Future Fund and Global Infrastructure Partners, by increasing wharfage and property revenues.

However, consumers would only benefit if more efficient stevedoring services result in lower fees and charges for the shipping and transport companies that use the ports.

In recent years, the profitability of Australia's stevedores has been rebounding despite greater competition from new entrants VICT and Hong Kong's Hutchison Port Holdings, according to the Australian Competition and Consumer Commission.

The Port of Melbourne has been working on a "capacity enhancement program" to develop a new container terminal at the northern end of Webb Dock, to meet the expectations of more space being needed by 2030.

Saul Cannon, the port's chief executive, said any future decisions on who would develop a fourth container terminal would involve "an open market process with full probity". The port plans to release a report within the next few months updating interested parties on the outcome of

discussions held late last year with stakeholders. It is obliged under its lease from the Victorian government to ensure tariffs are "fair and reasonable" and promote competition.

Rival stevedores are expected to evaluate potential investments in an additional terminal on Webb Dock, which will not be developed until mid 2030.

The Port of Melbourne also has to locate a new base for the Tasmanian shipping services which operate out of Webb Dock, in due time. Currently, VICT's only Australian container terminal is in Melbourne and the company has no plans to build more terminals at other ports.

Wiggins, J. (2023). Port operator's \$500m bid to bring globe's biggest ships to Melbourne. Retrieved from <https://www.afr.com/companies/infrastructure/port-operator-s-500m-bid-to-bring-globe-s-biggest-ships-to-melbourne-20230216-p5cl0k#:~:text=Port%20operator's%20%24500m%20bid%20to%20bring%20globe's%20biggest%20ships%20to%20Melbourne&text=A%20%24500%20million%20unsolicited%20bid,new%20terminal%20at%20%E2%80%9Clowest%20cost%E2%80%9D> on 16th February, 2023.





SEA CARGO REPORTING REQUIREMENTS AND INSPECTION ARRANGEMENTS

This notice replaces Australian Customs Notice No. 2022/38 and all other previous notices on the same subject matter, and is intended to clarify mandatory reporting timeframes and update the free storage arrangements for Full Container Loads (FCLs) of containerised cargo selected to be subject to ABF compliance activity. This notice does not amend any existing legislative requirements for sea cargo reporting and inspection arrangements.

Background

The Australian Border Force (ABF) plays an important role at airports and seaports, protecting Australia's border and enabling legitimate trade and travel. The ABF looks for items that could put Australia's security, economy, environment or health at risk.

Mandatory reporting timeframes

Prior to the arrival of cargo in Australia, it is a requirement for the intended importation of the cargo to Australia to be reported electronically to the ABF under section 64AB of the Customs Act 1901 (Cth) (Customs Act). A report under this section of the Customs Act of goods arriving by sea is known as a sea cargo report (SCR), and is lodged in the Integrated Cargo System (ICS). The ABF assesses all incoming sea cargo before the cargo can be released into the Australian community. For all sea journeys to Australia that take 48 hours or more, the SCR must be lodged with the ABF at least 48 hours before the estimated time of arrival at the first port of arrival in Australia.

For shorter voyages:

- For a journey that is likely to take at least 24 hours but less than 48 hours, the SCR

must be provided to the ABF at least 24 hours before the estimated time of arrival of the vessel at the first port in Australia.

- For a journey that is likely to take less than 24 hours, the SCR must be provided to the ABF at least 12 hours before the estimated time of arrival of the vessel at the first port in Australia.

It is recommended that all remaining documentation, including the Full Import Declaration (FID), is provided to the ABF at least 24 hours prior to the arrival of the vessel at the port of discharge. Failure to meet these reporting requirements may result in an infringement notice being issued to the importer and/or owner by the ABF under the Infringement Notice Scheme, or possible commencement of legal enforcement proceedings.

Selection of cargo for further inspection or examination

Compliance with the time frames referred to above will assist the ABF in completing its intelligence informed and risk based approach to advising whether or not cargo:

- a) is to be cleared on arrival in Australia; or
- b) will be held on arrival for further inspection or examination.

This may involve physical examination either at the terminal or at a Cargo Examination Facility (CEF).

There may be circumstances requiring the ABF to place a late hold on cargo (that may otherwise have been pre-cleared) even if the SCR and other documentation is provided in accordance with the time frames above. The ABF has existing arrangements in place with stevedores and logistics providers to facilitate the

efficient inspection and examination of FCL's of containerised cargo.

Costs and Charges

Importers and exporters must make provisions in their reporting and logistics arrangements for the possibility of their cargo being selected by the ABF for non-intrusive inspection (e.g. x-ray), or physical examination. The ABF is not responsible for any costs incurred by importers in relation to held FCLs of containerised cargo, including but not limited to storage, demurrage and detention fees.

Storage

Container Terminal Operators (CTOs) generally provide importers with three days of free storage for containerised cargo at a terminal upon initial arrival. At any time, the ABF may remove selected containers from a terminal to be inspected and/or examined at a CEF. If a container returns to the terminal from a CEF with less than 24 hours free storage remaining, the importer will generally be entitled to an additional 24 hours free storage on that container upon return to the terminal, to allow sufficient time for collection. This applies only to FCL containerised cargo and excludes break bulk cargo. In addition to mandatory reporting time frames for SCRs, the ABF recommends that all remaining documentation be provided to the ABF at least 24 hours prior to the arrival of the vessel at the port of discharge. This period of time is intended to allow the ABF to conduct its risk assessment processes and meet the terms for access to the additional free storage arrangements. Containers that are the subject of a late report and/or a late hold will not be eligible for any additional free storage. While the ABF endeavours to complete inspection and clearance of a FCL of containerised cargo

as soon as practical, it should be noted that any free days of storage provided by CTOs are not service level standards to which the ABF adheres. ABF clearance is likely to take longer than three days if the mandatory reporting time frames have not been met. For advice on any free storage arrangements that your stevedore applies, please contact your service provider.

Examination at a CEF

The Customs Act provides the ABF with the power to examine any goods subject to customs control and the expense of this examination, including the cost of removal to a place of examination, will be borne by the goods owner (section 186). The ABF generally recovers the cost of presenting cargo for examination through the Import Processing Charge. Details of the Import Processing Charge for sea cargo is available on the ABF website at: www.abf.gov.au/importing-exporting-and-manufacturing/importing/cost-of-importing-goods/charges.

Damage to Goods

Insurance of cargo is a matter for importers and/or owners. Under section 34 of the Customs Act, the ABF is not liable for any loss or damage to any goods which are subject to customs control except by the neglect or willful act of some officer.

Contacting the ABF

Any queries about the status of your cargo should be directed to Cargo Systems Support using the online enquiry form located at <https://www.abf.gov.au/help-and-support/ics/cargo-support-enquiry>. For urgent clearance matters concerning Special Clearance Goods as defined in section 70 of the Customs Act, please call the Cargo System Support team on 02 6275 6100.





TASMANIAN PORT'S FLOATING PONTON PROJECT COMPLETE

A new \$1.5-million floating pontoon has opened at Port of Stanley in Tasmania's north west - a facility designed to accommodate four vessels up to 15 metres and 15 tonnes displacement.

Michael Ferguson, Tasmanian minister for infrastructure and transport, commended TasPorts for funding and building the facility. He said, "this is a much-needed berthing facility that will improve the safety and amenity of the historic Port of Stanley. It will also improve access for emergency services in the event of a maritime safety event."

Anthony Donald, TasPorts CEO, said the pontoon project was port operator's largest investment at Port of Stanley since TasPorts' amalgamation in 2006. He said, "we also manage a number of other important facilities in the port and we continue to work closely with all our stakeholders - business, industry and local government - on the future of those

assets." TasPorts is proud of its role in facilitating freight for Tasmania and is "just as proud" of the role it plays at a community level. He added, "[the] official opening of the recreational pontoon at Stanley is a perfect example of this."

The construction of the pontoon involved the remediation of about 50 metres of sheet pile wall in Fishermans Dock. The facility features an access gangway leading to pontoons supported by steel piles, two light towers and a new security camera.

Williams, A. (2023). TASMANIAN PORT PROJECT COMPLETE. Retrieved from <https://www.thedcn.com.au/news/ports/tasmanian-port-project-complete/> on 14th February, 2023.



DEBUNKING WIND-POWERED CARGO SHIP MYTHS

Sailing cargo ships are making a genuine comeback. Japanese bulk carrier MOL is operating a wind-assisted ship. American food giant Cargill is working with Olympic sailor Ben Ainslie to deploy WindWings on its routes. Swedish shipping company Wallenius is aiming for Oceanbird to cut emissions by up to 90%. The French start-up Zephyr & Borée has built the Canopée, which will transport parts of European Space Agency's Ariane 6 rocket this year.

SAILING TOWARDS ZERO EMISSIONS

Like every other sector, the shipping industry needs to decarbonise in line with the Paris Agreement, but its emissions continue to grow. In 2018 the International Maritime Organization (IMO) set a first-ever target of halving shipping emissions between 2008 and 2050.

It was an important, but inadequate, first step. Climate Action Tracker calculates that halving emissions is not nearly enough to keep global warming below 1.5%. And yet the scientific consensus is that 1.5% is the real upper limit we can risk. Beyond that, dangerous tipping points could spell even more frequent disasters.

Luckily, the IMO will revise its strategy this July. Many expect far more ambition – because zero shipping emissions by 2050 is a necessity to keep the 1.5% limit credible. That gives us less than three decades to clean up an industry whose

ships have an average life of 25 years. The 2050 timeline conceals that our carbon budget will likely run out far more quickly – requiring urgent action for all sectors, including shipping.

Research has confirmed the potential of wind propulsion. The maths is simple. Shipping accounts for one billion tonnes of carbon dioxide a year, almost 3% of global greenhouse gas emissions. If wind propulsion saves fossil fuels today, the dwindling carbon budget stretches a little further. This, in turn, buys more time to develop alternative fuels, which most ships will need to some extent. Once these fuels are widely available, we'll need less of them because the wind can provide anything from 10% to 90% of the power a ship needs.

Here are four myths about wind-propelled shipping that can be easily debunked.

X MYTH 1. WIND SHIPS ARE A THING OF THE PAST, FOR GOOD REASON

Wind ships may remind us of the 19th-century but returning to wind propulsion doesn't mean going back in time. New wind-powered ships use a blend of new and old technology to harness the wind where it is most common: at sea. This reduces the need for fossil fuels and for new alternative fuels that will require investment and space for new landside infrastructure, both to generate electricity and to transform this power into fuel.

Even if research into sailing cargo ships all but stopped in the late 19th century, engineering, materials science, yacht racing and aerospace design have yielded major innovations that are being used for cargo ships.

X MYTH 2. THE WIND IS UNRELIABLE, SO SHIPS WON'T ARRIVE ON TIME

The wind may seem fickle when standing on the beach. But at sea the trade winds that powered globalisation have remained stable. Indeed, the most common trade routes are still well-served by the prevailing winds. Weather forecasting has also improved massively since the last days of sail. And weather routing software helps find the best course to take better than anyone could in the 19th century. While the wind may not be as predictable as a steady flow of heavy fuel oil, technological advances have taken a lot of uncertainty out of sailing. The wind is also free and unaffected by fluctuating oil prices.

X MYTH 3. SAILS CANNOT WORK ON ALL TYPES OF SHIPS

It's true not all types of ships would work with sails, rotors or kites mounted on their decks. This can be due to the type of ship, as the largest container ships can't easily accommodate sails, for example. It can also be because of where or how vessels operate – the windless waters of the doldrums and tight ferry schedules do pose challenges. However, the argument that wind propulsion isn't viable because some ships can't use it is like claiming that commuting by bike is not a realistic option because not everyone can do so. Meanwhile, the race between Veer Voyage

and Windcoop to build the first wind-powered container ship is on. So, perhaps such ships can use sails, after all.

X MYTH 4. IF IT MAKES SO MUCH SENSE, WE'D ALREADY BE DOING IT

The 1970s oil crisis drove an upswing of interest in wind propulsion. Conferences in Delft (1980) and Manila (1985) heralded a new dawn for wind ships. But as oil prices dropped, interest waned. Wind has had a hard time competing with cheap heavy fuel oil – the toxic sludge that refineries have no other use for. Wind propulsion has remained a niche part of the sector because shipping companies don't have to pay the real environmental and societal costs of burning fossil fuels. But a global carbon price is likely to be applied soon to international shipping (the European Union's Emissions Trading Scheme already includes shipping). This creates a financial incentive for non-polluting means of propulsion.

WHAT ARE WE WAITING FOR?

The added complexity of using wind propulsion and weather routing software is a small trade-off to decarbonise shipping. The International Windship Association reports that more than 20 commercial cargo ships already use "wind-assist" technologies that are retrofitted on existing vessels. The first purpose-built modern sailing cargo ship, Canopée, will start operations this year.

De Beukelaer, C. (2023). WIND-POWERED CARGO SHIPS ARE THE FUTURE: DEBUNKING FOUR MYTHS THAT STAND IN THE WAY OF CUTTING EMISSIONS. Retrieved from <https://www.thedcn.com.au/news/environment/wind-powered-cargo-ships-are-the-future-debunking-four-myths-that-stand-in-the-way-of-cutting-emissions/> on 16th February, 2023.



FRIDAY FUNNIES

We hope these jokes make you smile as we welcome another sunny weekend!

What do you call an angry carrot?
A steamed veggie.

How do you make an egg-roll?
You push it!

Why did the kid stock up on yeast?
He wanted to make some dough.

What do lawyers wear to court?
Lawsuits.

What do you call a sleeping dinosaur?
A dino-snore.

What has more lives than a cat?
A frog, because it croaks every day.

What do sea monsters eat?
Fish and ships.

I lost an electron.
You really have to keep an ion them!

How do rabbits travel?
Via hareplanes.

What does a spy do when they're cold?
They go undercover.

When do computers overheat?
When they need to vent.

What do you call a magician who has lost its magic?
Ian.

Answers to last week's Sudoku:



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