



TOMAX
NEWS

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PLUS:

MARKET SUMMARY

- The collapse of Scott's Transport is expected to result in a push to raise the prices paid by conglomerates for the transport of goods. Pressure being put on the majors to accept justifiable price increases from transport companies in order to receive a sustainable service. With transport drives remaining in very high demand, costs are expected to continue to rise in this industry over the coming year.
- The Chinese domestic outlook remains gloomy with local business sentiment very low, and a downturn in manufacturing production expected across all sectors. Exports to the USA and Europe are at very low levels, with short term orders projections very weak. The China-Australia trade-lane is also down with shipping lines scrambling for cargo support and rates falling to all time lows.

- The USA-Australia trade-lane remains strong however, with rates at reasonably high levels and services fairly congested.
- The new India-Australia-Free Trade Agreement is expected to see a shift in manufacturing sourcing to the sub-continent as the cost of imported products fall. If you would like more information on what the FTA impacts are please contact one of our friendly team.

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. You can stay up to date with the weekly gazette via the Tomax Newsletter.

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RECORD BREAKING YEAR FOR AUSTRALIAN AGRICULTURE

Australia is predicted to achieve another record-breaking year for winter crops, value of farm production and exports, following three consecutive years of exceptional growing conditions.

Released on Tuesday 7th March, the 2022/23 ABARES Outlook revealed the gross value of production for agriculture, fisheries and forestry for 2022-23 is expected to reach a total of \$96 billion this financial year. During the past two financial years, Australian broadacre and dairy farms received a record farm cash income. Over the next year, incomes for dairy farms are projected to rise by around 20% per farm.

Murray Watt, Minister for Agriculture, Fisheries and Forestry, welcomed the forecast, advising, “some states have produced their biggest winter crops on record and these results have provided a huge boost to our farmers and our agriculture industry as a whole. The rain this season has been a tale of two extremes, with the heavy rainfall causing some crops to thrive, while wiping others out. I know the rains have been incredibly difficult for many flood-impacted communities, including farmers who are still rebuilding, and the Albanese Government continues to stand with those communities.”

Mr Watt said that for those experiencing prime conditions, record levels of production, driven by ideal growing conditions and high commodity prices will put them in a prime position to gear up for the future. He added,

“despite the strong forecast, we can’t be complacent and need to ensure the sector is as prepared as possible to handle the inevitable dry times that lay ahead. This year we can expect to see drier seasonal conditions going forward and we’ll also likely see an easing in the record high commodity prices we’ve been enjoying for the last few years.”

According to the National Farmers’ Federation (NFF), the record \$90 billion output puts the industry’s \$100 billion target within reach. The result will sharpen the government’s focus on leveraging growth opportunities in agriculture.

David Jochinke, NFF vice-president said, “we’ve had an absolute belter. [But] it was a hard-won result this year. We had extensive crop losses due to flooding, damaged roads, and a wet harvest that stretched well into the New Year. In the end though, we’ve seen a record winter crop, and strong prices for crops and livestock that have underpinned that headline number.”

Ackerman, I. (2023). AUS Ag Production to be huge. Retrieved from <https://www.thedcn.com.au/news/law-regulation-trade/aus-ag-production-to-be-huge/> on 8th March, 2023.



ARREST FOLLOWING AIR FREIGHT DRUG DETECTION

A Melbourne man from St Kilda, aged 31, was in court last Thursday following the importation of 24 kilograms of cocaine in an airfreight consignment of water pumps.

Following the detection of illicit drugs by the Australian Border Force, Police estimated the 24 kilograms of cocaine to hold a street value of \$10 million. AFP investigators conducted a controlled delivery, which arrived from Greece, to an address in Melbourne and raided a St Kilda residence, where the man was shortly arrested.

The man was charged with three crimes pertaining to smuggling a commercial quantity of illicit drugs and dealing with identification information with the intent to commit an offence. The maximum penalty is life imprisonment for the drug offences and five years' imprisonment for identification information.

Anthony Hall, AFP Detective Superintendent, said, "part of the AFP strategy to combat transnational serious and organised crime is to target their business model and confiscate any assets the criminal syndicates acquire through profiting from importing illicit drugs into Australia. Those assets represent the abhorrent harm and misery they inflict on the Australian community."

Tori Rosemond, ABF Superintendent, commended the work of ABF officers who discovered the attempted illegal import, saying, "our technical expertise and sophisticated technology means that we will find the drugs, regardless of the method of concealment these criminals use. This operation shows that when we work together with our law enforcement partners, criminals don't stand a chance and can expect to be brought to justice."



Ackerman, I. (2023). Arrest follows air freight drug detection. Retrieved from <https://www.thedcn.com.au/news/law-regulation-trade/arrest-follows-air-freight-drug-detection/> on 8th March, 2023.





CELEBRATING INTERNATIONAL WOMEN'S DAY IN THE MARITIME AND LOGISTICS INDUSTRY

On Thursday 8th March, International Women's Day was marked around the maritime and logistics industry. The Supply Chain and Logistics Association of Australia hosted its annual industry networking breakfast.

Sue Tomic, SCLAA chair, opened the gathering by stating the theme for this year's International Women's Day is "embrace equity". She highlighted that there are still serious issues in Australia, such as a persistent gender pay gap. Sue asked, "So how do we fix it? Well, we embrace equity. It's not just an International Women's Day tagline. It should be something that we think about all the time. It's how do we make things fair and just? How do we provide opportunities? It should not be limited to gender. It's all encompassing, cultural backgrounds, age, nationality."

Dream Collective's Ms Liu spoke about how diversity shouldn't be just about getting a

diverse workforce in the door, but should involve advancing diverse role models to higher roles within an organisation. She added that breaking down a "visual barrier" is important in fostering diversity in a workforce because if someone sees people like themselves in higher-level roles, they know they too can have a similar career progression. She said, "[it's about] getting internal capability to make sure that you are actually advancing and developing existing internal female talent that you're actually investing in so that you have an internal visual role models."

In acknowledgement of the day, Svitser stated that it celebrates the "social, economic, cultural and political achievements of women" and "marks a call to action for accelerating gender parity". The company said, "at Svitser, we see the recognition of International Women's Day as an important step toward creating and sustaining a diverse and inclusive

workplace. It's an opportunity to stop, to learn from, reflect upon and celebrate the diversity among us." Additionally, Svitzer is proud to offer opportunities to women with a diverse range of backgrounds however, they believe there is much more to do and to go. "We have many inspirational women working across Svitzer – demonstrating the variety of roles possible within the business and across the maritime industry," the company added, "an industry where women are vastly under-represented, but the opportunity for a new career – and career development – on the shore and on the water is possible."

Meanwhile, the International Transport Workers' Federation said it is committed "to not just go back to how things were pre-pandemic, but to build a fairer, more just world. We will build that better world for all workers, but it cannot be done without women workers at its heart".

The ITF said women are critical in the heavily male-dominated maritime industries of seafaring, fishing and dock work advising that "the ITF is committed to properly integrating women into these industries, along with the rights, respect and dignity to which they and all workers are deserving of, regardless of sex or gender. A lot of progress has been made, but there is still a long way to go. This is why the ITF has identified nine key demands of employers, governments and investors, to ensure a new, gender equal, normal. These demands are: women on all decision-making bodies; Income and social protection; access to sanitation and appropriate PPE; secure work; care before profit; end violence and harassment against women; new technology

to benefit women workers; gender impact assessments; and gender-responsive economic stimulus."

Diana Holland, ITF Women Transport Workers' Committee chair, said, "day in, day out, women transport workers risk their lives to get to and from work, face violence and harassment on the job, and bring home less money than their male counterparts at the end of the day. Women transport workers are too often undervalued and underrepresented even within our own movement. There can simply be no movement for workers' rights and justice that does not have the voices and interests of these women workers at its very heart. But that struggle for the rights and conditions of women transport workers cannot just be left to women themselves. This challenge requires every affiliate and every member – especially the men – to step up and champion it. The prize, for us all, isn't just safer and more equitable working lives, but a stronger movement as well."

Stephen Cotton, ITF general secretary, believes International Women's Day is a reminder that the fight for women's rights in the workplace and society is a year-round struggle – not a one-day event. He said, "the ITF is absolutely committed to eradicating the scourge of sexism and gender-based violence; from employers and governments of course, but also from within our own movement. We have a lot, rightly, to be proud of, but we also know we have further to go – and today is a day for recommitting to going all the way."

Ackerman, I. (2023). Industry marks International Women's Day. Retrieved from <https://www.thedcn.com.au/news/staffing-crewing-and-training/industry-marks-international-womens-day/> on 8th March, 2023.



VICTORIAN COMMERCIAL HYDROGEN EXPORTS PROGRESS

An Australian joint venture between Japanese organisations Sumitomo Corporation (JPSC JV) and J-Power has been chosen as the preferred hydrogen provider for Japan Suiso Energy (JSE). The hydrogen gas will be produced in Gippsland and JSE will liquify the hydrogen for export to Japan.

According to a statement from Hydrogen Energy Supply Chain, J-Power produced 99.999% pure hydrogen gas, extracted from Latrobe Valley coal, as part of the Hydrogen Energy Supply Chain (HESC) Pilot Project, which achieved a world-first liquid hydrogen supply chain with the delivery of the hydrogen at the Port of Kobe in Japan in February 2022.

The Japanese government's Green Innovation Fund is committing \$2.35 billion to fund the HESC project, which is now entering the commercial demonstration phase. A future production of 225,000 tonnes per annum would reduce about 1.8 million tonnes per annum of carbon dioxide from being released into the atmosphere.

Depending on commercial agreements and meeting environmental permits and approvals, the project is expected to begin hydrogen production in the next few years.

Jeremy Stone, J-Power Latrobe Valley non-executive director, said, "building on the success of HESC and J-Power's 166MW Osaki CoolGen project, we are excited to be one step closer to making commercial scale hydrogen production in Victoria a reality. This is a major milestone and a recognition of Gippsland's unique ability to help reduce

global carbon dioxide emissions through the reliable production of large quantities of cost competitive and clean hydrogen."

Dr. Eiichi Harada, Japan Suiso Energy CEO, said, "we are delighted to have selected the JPSC JV as the preferred supplier of clean hydrogen for the Japanese energy market as we continue our transition to a more sustainable clean energy future. We have received a commitment of ¥220 billion (\$2.35 billion) from the Japanese Government's Green Innovation Fund to further progress this opportunity. We look forward to working with the JV and the Victorian, Australian and Japanese governments to achieve the significant economic and emission reduction benefits that a commercial scale clean hydrogen project will deliver."

The JPSC JV will initially produce between 30,000 to 40,000 tonnes per year of gaseous clean hydrogen. Mr Stone advised there is significant domestic interest in a reliable source of locally produced, cost competitive clean hydrogen. He added, "now we have countries establishing the definition of clean hydrogen, based on carbon intensity, we are seeing an opening of trade, based on credible and transparent carbon dioxide reduction numbers, at various price points. We are expecting further offtake agreements for hydrogen, that can be used by a wide range of businesses and industrial processes, including the production of ammonia, fertiliser and methanol.

Ackerman, I. (2023). COMMERCIAL HYDROGEN EXPORTS FROM VIC A STEP CLOSER TO REALITY. Retrieved from <https://www.thedcn.com.au/news/specialist-shipping/commercial-hydrogen-exports-from-vic-a-step-closer-to-reality/> on 7th March, 2023.



LOGISTICS INTERCONNECTIVITY HEIGHTENS CYBERATTACK RISKS

Although digital interconnectivity may increase efficiency, forwarders, carriers and hubs are more susceptible to cyber criminals. The need for greater connectivity between technologies such as IT, OT and IoT, as well as different vendors, have propelled the industry to new heights of fleet efficiency, route optimisation and profit margins.

However, this comes with greater risks. According to Singapore's Ensign InfoSecurity, "the maritime industry has been under immense pressure from the COVID-19 pandemic and the Russia-Ukraine conflict. The other element straining the system is the ever-escalating wave of cyber threats globally." Unfortunately, the maritime sector is one of the top targeted sectors in Singapore when it comes to ransomware cyber-attacks on critical infrastructure and the shipbuilding and logistics sub-sectors, due to its role as a maritime hub port.

The consequences of a cyber-attack are wide-ranging – and continue to impact companies long after it is over. One risk for freight forwarders involves cyber-criminals impersonating a legitimate freight forwarding company by copying its website, with their aim to steal freight forwarding fees or any cargo that falls into their possession. This method is referred to as "brandjacking" and is often used to directly tarnish a brand's reputation.

Ship collisions could occur due to the hacking of e-navigation and other systems, resulting in loss or damage to ships, injury to personnel, cargo loss, pollution and business interruption. Port operations could also fall under attack, leading to disruption and delays.

Furthermore, there is a high possibility for significant expenditures in response to cyber incidents. For instance, if the personal data of employees or customers are compromised, huge legal fees may be required to respond to the breach, pay the penalties, notify the data protection regulator and data subjects, as well as to defend potential legal proceedings.

While it is impossible to defend against all cyber-attacks, organisations can strengthen their defences by leveraging the cybersecurity community for threat information and foster greater intelligence-sharing to build early warning systems. Companies are urged to review and revise incident and crisis management plans and playbooks and run exercises to validate the organisation's confidence in business recovery. "Cyber preparedness is an ongoing issue. It is always changing", explained Dr Vivek Jain of ALCO Insurance Brokers.

Prakash, J. (2023). More logistics interconnectivity increases the risk of cyber-attacks. Retrieved from <https://theloadstar.com/more-logistics-interconnectivity-increases-the-risk-of-cyber-attacks/> on 9th March, 2023.



ILLEGALLY HARVESTED TIMBER SEES IMPORTERS FINED

Last week, the Department of Agriculture, Fisheries and Forestry fined 14 furniture importers over \$186,000 due to failing to minimise the risk of importing illegally harvested timber.

Peter Timson, head of compliance and enforcement at DAFF, said Australia has strict requirements for importing timber and it is therefore essential to hold the importers accountable.

He said, “we are enforcing our powers to combat illegal logging which has been linked to organised crime, civil unrest, corruption, species extinction and environmental destruction around the world. Importers must conduct adequate due diligence assessments. They must understand where they are sourcing their timber from and to limit the risk of it being illegally harvested. These importers didn’t follow the rules and fourteen fines were issued of \$13,320 each.”

Mr Timson said the illegal trade can compromise up to 10% of timber products which enter Australia, thereby undercutting

local Australian production, regional businesses and communities.

He added, “it’s important that Australians have confidence that their furniture, housing materials and other timber products come from sustainably and responsibly sourced timber. Australia’s strict timber importing requirements set a high bar internationally. We also work with APEC member economies and relevant international organisations to combat the trade in illegally logged timber products globally.”

Ackerman, I. (2023). Importers fined for illegally harvested timber. Retrieved from <https://www.thedcn.com.au/region/australia/importers-fined-for-illegally-harvested-timber/> on 8th March, 2023.



STAFF SPOTLIGHT

NERELIE

CARTAGE COORDINATOR
TOMAX LOGISTICS
AUSTRALIA

What is your role at Tomax?

I am a Cartage Coordinator.

The best place you have traveled to?

Anywhere in the world - every place is the best when you are on holidays!

Something you are looking forward to?

Seeing my son in London - it's been 7 years thanks to 3 years of COVID!

Which emoji do you use most often?

Exclamation mark - to get people to take notice.

Your biggest role model?

John Lennon.

If you could only listen to one song on repeat for the rest of your life, what would it be?

"Imagine" by John Lennon.



SPOT THE 5 DIFFERENCES

See if you can identify 5 differences between each of the photos!
Answers will be revealed in next week's newsletter.



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