



TOMAX  
NEWS

Issue 123  
6<sup>th</sup> April 2023

PLUS:



# MARKET SUMMARY

- The General Rate Increase (GRI) announced by shipping lines to be implemented from 1st April 2023 on the China-Australia Southbound trade has been unsuccessful and rates are remaining at low levels. Space is readily available on all services despite some shipping lines creating “backlogs” by overbooking certain vessels at the expense of other services. Rates are anticipated to remain at these historic lows for several months to come.
- The road transport industry in Australia continues to struggle with equipment and driver shortages at the same time as facing strong competition in the marketplace. Higher driver costs, increasing equipment leasing finance costs, and increased regulation are all pushing many transport companies to the brink.
- The Easter long weekend brings with it many challenges for importers who have cargo arriving at this time. Full containers will continue to only have 3 days availability at terminals with transport companies having to work over the long weekend to collect containers to avoid storage charges. Shipping lines make things difficult too in many circumstances where only 7 or 8 free days are provided for empty container return. Please keep in mind these potential additional costs over this period and the Tomax team will work with customers to avoid issues where possible.

## 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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# WELCOMING BACK THE LATIN AMERICA TO MELB AIRLINE SERVICE

Latin America's largest airline, LATAM Airlines, is planning to relaunch a service to Melbourne in order to boost Australian exports to South America. As a result of the pandemic, its direct service from Santiago, Chile to Melbourne was paused in 2020. However, the airline intends to restart the service in September 2023, beginning with three weekly flights. Its Boeing 787-9 aircraft has the ability to carry up to 10 tonnes of air freight each way.

According to the Victorian government, two-way goods trade between Victoria and Latin America was valued at \$2.8 billion in 2021-22 and the additional flights are expected to strengthen the state's export access to the region.

Ben Carroll, minister for industry and innovation, welcomed LATAM's decision to return to Victoria, saying, "it will help power our economy by boosting exports, creating jobs and welcoming more tourists and students from Latin America."

Serving as a major key hub in Latin America, Santiago serves as a gateway to markets such as Peru, Mexico, Colombia, Brazil and Argentina. With the region housing almost

660 million residents, there are potential growing opportunities for Victorian businesses in industries such as energy, mining, minerals and agri-food.

Lorie Argus, Melbourne Airport C.E.O, said, "the return of LATAM means Melbourne will once again have a direct link to South America, which is crucial for business, tourism and trade."

Chris Ellis, LATAM Airlines country manager said the company is "extremely excited" to collaborate with the Victorian government and Melbourne Airport to resume the flights. Chris said, "it's a pleasure to be taking up residence again in Melbourne as we expand our footprint in Australia."

Backed by the Victorian government and Melbourne airport, LATAM's direct service to Melbourne is estimated to deliver a \$52.2 million boost to the state's economy annually as well as create 297 new jobs in tourism and aviation.

Williams, A. (2023). AIRLINE'S RETURN TO VICTORIA TO BOOST SOUTH AMERICA TRADE. Retrieved from <https://www.thedcn.com.au/news/logistics-and-supply-chain/airlines-return-to-victoria-to-boost-trade-with-south-america/> on 3rd April, 2023.



# AUSTRALIAN HYDROGEN INDUSTRY WORTH \$40 BILLION BY 2040

By 2040, Australia's hydrogen industry could generate an estimated \$40 billion, according to research conducted by National Energy Resources Australia. Upon analysis of Australia's hydrogen supply chain, technology, equipment and service opportunities, the demand for Australian hydrogen could amount to 9.5 million metric tons. This equates to just under 10 times the current global production, with 46% designated for export markets. As hydrogen production comes online, the selection of carriers for export would develop and mature and there would be an opportunity to construct fuel bunkering ports in Australia.

It noted the selection of carriers for export would develop and mature as hydrogen production emerges online, and that there is an opportunity to develop fuel bunkering ports in Australia due to the country's low-cost and abundant supply of hydrogen. Additionally, the report estimates that by 2040, between 58,000 and 72,000 jobs could be created from the hydrogen industry.

According to NERA and Arup, Australia needs "massive" infrastructure development to meet this demand, which involves a five-fold increase in Australia's solar and wind capacity, thousands of electrolyzers and compressors and over 5000 hydrogen storage tanks. The estimated infrastructure investment required is between \$340 billion and \$420 billion, with an annual investment of \$25 billion to \$30 billion between 2025 and 2040.

Miranda Taylor, NERA CEO, said the hydrogen supply chain has the potential to position the country as a global leader in hydrogen, bolstering Australia's future economic growth. Ms Taylor said, "our opportunity extends far beyond producing and exporting molecules. Rather, homegrown HETS businesses can offer cutting-edge technology and expertise across supply chain segments, such as hydrogen

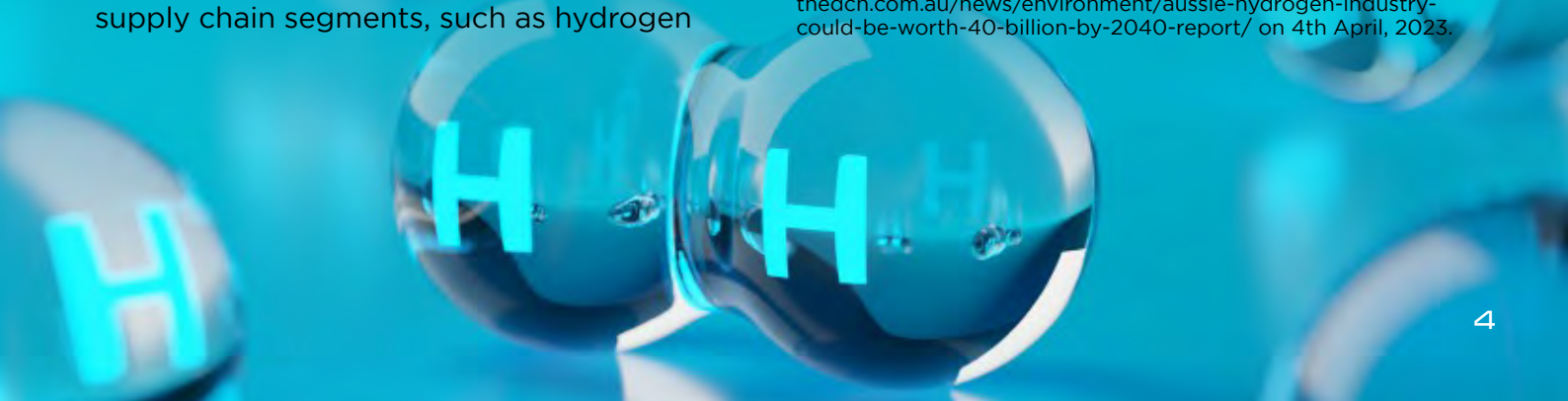
storage. But seizing this opportunity requires a robust local supply chain."

Powering Up provides recommendations on investing in regional capability, securing annual infrastructure investment and incentivising overseas manufacturers to onshore their capabilities.

She reinforced the importance of initiatives such as NERA's hydrogen technology cluster network, stating, "the national network of 17 hydrogen clusters are pivotal in connecting emerging regional hydrogen industries in Australia, and promoting early HETS sector development, coordinated supply chains, and accessible entry points into hydrogen for local businesses. And, with 90% of hydrogen industry jobs projected to be regional areas, it is essential to develop local capabilities and supply chains to support this growth."

NERA's tenure as Australia's energy resources industry growth centre will end in July. The organisation is currently transitioning the national leadership role for regional networks to the Australian Hydrogen Council. Fiona Simon, Australian Hydrogen Council CEO, believes hydrogen clusters will aid Australia in seizing its hydrogen opportunity. Fiona said, "the Powering Up report demonstrates hydrogen's immense economic, social and ecological potential for Australia. The opportunity is clear, but we must plan for the industry's development on the ground, supporting local capabilities and developing skills, particularly in regional communities. We look forward to continuing NERA's great work, bringing together the technology, skills and industries required for hydrogen to reach its potential."

Williams, A. (2023). Aussie hydrogen industry could be worth \$40 billion by 2040: Report. Retrieved from <https://www.thedcn.com.au/news/environment/aussie-hydrogen-industry-could-be-worth-40-billion-by-2040-report/> on 4th April, 2023.



# 38 TONNES OF DIFFERENT MEATS SEIZED AT AUSTRALIA'S BORDER

Considered as one of Australia's largest single biosecurity detections, biosecurity officers have intercepted seven shipping containers filled with meat and risk material. Among the 116 variations of products discovered in Sydney were beef, pork, turtle meat, raw prawns and frog meat, weighing 38 tonnes (38,000 kilograms) altogether. Investigations are still ongoing with joint efforts between the Department of Agriculture, Fisheries and Forestry, the Australian Border Force, the Australian Federal Police and other relevant government agencies as part of Operation Avoca.

Minister for agriculture, fisheries and forestry Murray Watt described it as "a huge detection". Mr Watt said, "we are talking about 38 tonnes of goods which could be carrying diseases that could have had catastrophic consequences to our agricultural sector. We often see smaller quantities of risk products brought in through parcels in the mail or carried by incoming passengers, and officers work extremely hard to stamp out these threats. However, a discovery of this size and nature is a stark reminder of what's at stake if we don't continue to fiercely protect our precious biosecurity."

Fiona Simson, National Farmers' Federation president, welcomed the "biosecurity bust" which she said involved raids in Western Sydney facilities. Ms Simson said, "that illegal stockpile of exotic meats was a potential biosecurity hazard in the heart of our largest city. Australia is fortunate to be free of so many serious pests and diseases that could decimate our natural environment and our ability to produce food and fibre. This is achieved in no small part thanks to our

rigorous biosecurity systems and import protocols. Engaging in any contravention of these systems is simply unacceptable, and could devastate our economy, our environment, and our food systems. We're lucky that in this instance, Australia's biosecurity officials were one step ahead. Next time, we might not be so fortunate."

She added that a combination of increasing trade flows, climatic changes and disease pressures are putting pressure on Australia's biosecurity system. "With diseases like foot and mouth disease and lumpy skin disease threatening our livestock industries and myriad other risks to our horticulture and plant industries, we need to pull out all stops", she said.

Ms Simson also hopes to see "adequate and sustainable" funding injected into the system in the May federal budget. She continued, "we're eager to see material progress on a long-awaited sustainable funding mechanism to ensure our system is appropriately resourced and our dedicated biosecurity professionals can continue to do their important work into the future."

The last budget saw the government allocating \$134 million in funding to bolster Australia's biosecurity system. Mr Watt said, "there are several penalties for breaching the Biosecurity Act. You could face 10 years imprisonment and fines of up to \$1,375,000 for an individual, or \$6,875,000 for a company."

Williams, A. (2023). Biosecurity haul intercepted in Sydney. Retrieved from <https://www.thedcn.com.au/news/law-regulation-trade/historic-biosecurity-haul-intercepted-in-sydney/> on 4th April, 2023.

AUSTRALIAN  
BORDER FORCE





# VICT TO INCREASE LANDSIDE CHARGES

**V**ictoria International Container Terminal (VICT) is increasing its landside charges and infrastructure surcharge, as per its 60-day notice to the industry.

**From 1st July 2023 onwards:**

- VICT's infrastructure surcharge will increase from \$161.35 to \$177.48 per full container.

**From 1st June 2023, VICT will also introduce:**

- A VGM weight discrepancy fee of \$200 per container. The charge will apply to containers determined to have a weight variance of 1 tonne within the documented VGM.
- A reefer temperature discrepancy fee of \$75 per full container. This charge will apply to reefer containers with a temperature variance that is greater than 3 degrees Celsius from the temperature provided to the terminal.

In its notice the company said, "geopolitical events and a pandemic over the past 18 to 24 months have impacted the global economy on both the supply and demand side which has impacted inflation levels. Despite all efforts to contain and absorb some of the cost increases, VICT has been unable to avoid the increases in our operational input and lease cost which, without adjustment to some of our infrastructure related costs, would negatively impact the continued service levels that our customers expect from us."

VICT stated the "hyper inflationary increase in the cost of power" was a significant factor to its higher operating costs. The terminal also noted its investment of almost \$700 million in infrastructure and equipment and is in the middle of a \$235-million expansion project. The company added, "this increase in infrastructure will boost our vehicle booking system time slot offerings to the market by up to 30% per hour and will be operative during the 1st quarter 2024."

Ackerman, I. (2023). VICT TO INCREASE LANDSIDE CHARGES. Retrieved from <https://www.thedcn.com.au/news/ports/vict-to-increase-landside-charges/> on 5th April, 2023.



# HAPPY EASTER!!

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Please note that all Tomax Australian Offices and Warehouses will be closed on the following Public Holidays:

**Friday 7th April 2023 - GOOD FRIDAY**

**Saturday 8th April 2023 - HOLY SATURDAY**

**Sunday 9th April 2023 - EASTER SUNDAY**

**Monday 10th April 2023 - EASTER MONDAY**

Offices and Warehouses will be reopen as usual on the following Tuesday 11th April 2023.

If you have any questions or would like to get in touch with our friendly Tomax team, please give us a call on 1300 186 629.

We are wishing everyone a safe, relaxing and enjoyable break and hope the Easter bunny comes and surprises you!

Best Wishes,

*Team Tomax*





# STAFF SPOTLIGHT



**WALTER CRICHTON**  
**SWEEPER/COURIER DRIVER**  
**TOMAX TRANSPORT**

**What is your role at Tomax?**

I'm in a sweeper role that covers overflow deliveries and provide assistance when colleagues are away.

**What are your hobbies/interests?**

My hobbies and interests include listening to music, playing musical instruments and I recently just started fishing. I also enjoy being at home and watching my 2 young boys grow and learn new things everyday.

**Any plans this long Easter weekend?**

I will be spending the long weekend at church and enjoying some quality time with my family over some amazing Samoan food.

**Any goals you would like to achieve?**

My goals are to have different streams of income so that I can build a legacy for my boys so they won't have to worry about the things I do.

**Most interesting place you've been to?**

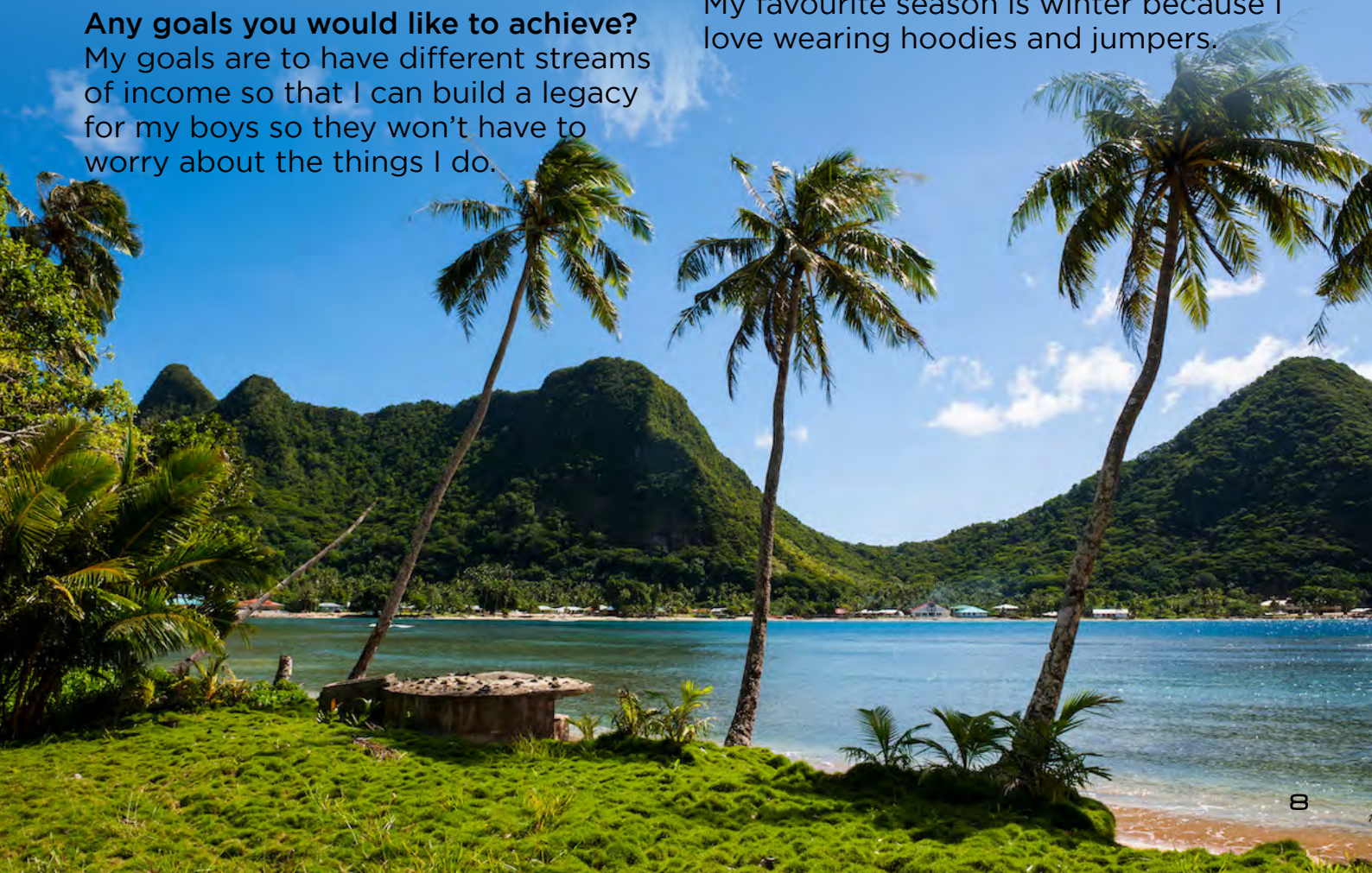
The most interesting place I've been to is in the beautiful island of Samoa. It's a place where our one and only ruler (Queen of Samoa) used to live. It was a massive cave in my village where she had her throne made out of rock and a place where she would meet with all her generals during the wars. It is now a sacred and special place which changed our history in becoming an independent country.

**If you could turn into an animal, what would you be?**

I would be a wolf.

**Your favourite season and why?**

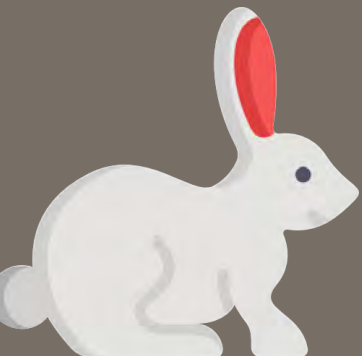
My favourite season is winter because I love wearing hoodies and jumpers.





# EASTER EGG HUNT

See if you can find the 10 golden Easter eggs?!



Hint: Be sure to zoom into the image so you can find all the golden eggs! Answers will be revealed in next week's Tomax Newsletter so stay tuned.



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