



TOMAX  
NEWS

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PLUS:

# MARKET SUMMARY

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- International air and sea freight rates continue to hover close to record lows. Rates from South East Asia to Australia are dropping further, and airfreight service offerings are increasing which is providing importers and exporters access to additional options and reduced rates.

- The UK & Australia have signed a new Free Trade Agreement which sees access open up to a vast array of Australian products that were previously subject to tariffs and barriers to trade. It is expected that the volume of cargo being moved between the two countries will increase quickly as UK importers seek access to competitively priced and high quality products.

- Did you know that Tomax's network of domestic transport, warehousing and distribution services continues to grow! Contact our sales team today on 1300 186 629 for more information on how can help you streamline your end-point delivery arrangements.

## TARIFF CONCESSIONS GAZETTE (TC)

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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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# AUSTRALIA-UK FREE TRADE AGREEMENT NOW IN FORCE

**T**he Australia-UK Free Trade Agreement is now in force, which is believed by the Australian government to boost trade and economic growth, with the removal of tariffs on over 99% of Australia's \$10 billion two-way merchandise trade with the UK (2022).

Australia will have access to expanding tariff quota volumes, for some agricultural products such as beef, sheep meat, dairy and sugar and within 10 years these tariff quotas will be eliminated completely.

Murray Watt, minister for agriculture, fisheries and forestry, welcomed the announcement and said the FTA provides significant benefits to the agriculture sector. "From today, Australian farmers will enjoy duty-free market access for a range of goods including beef, sheep meat, wine, sugar, dairy, grains, horticulture, and seafood exports," Mr Watt said, "the agreement is one of the most comprehensive, innovative, and ambitious FTAs Australia has signed with any trading partner—and it will provide a foundation for greater profits for Australian producers. Tariffs on goods such as wine, short and medium grain rice, honey, olive oil and nuts

will be eliminated immediately and duty-free transitional quotas will be established for beef, sheep meat, wheat, barley, sugar, and dairy, providing instant benefits for Australian farming communities. The FTA creates faster customs clearance times while maintaining our world-leading biosecurity measures which ensure Australia is protected from harmful diseases, pests, and weeds. This is a huge achievement and a great win for Australian agriculture and our farmers."

Australia's agricultural trade with the UK in 2021-22 was worth \$868 million with key exports including wine (\$449 million), canola seeds (\$150 million), lamb and mutton (\$135 million), beef and veal (\$15 million), chickpeas (\$12 million), wool (\$12 million) and cocoa and chocolate (\$9 million).

Total agricultural exports to the UK reached an all-time high in 2021-2022. Australian agriculture, forestry and fisheries exports to the UK increased by \$225 million since 2019-20 (\$643 million to \$868 million).

Ackerman, I. (2023). A-UKFTA COMES INTO FORCE. Retrieved from <https://www.thedcn.com.au/news/law-regulation-trade/a-ukfta-comes-into-force/> on 1st June, 2023.



# NEW SERVICE OPENS TRANSHIPMENT OPPORTUNITIES FOR AUSTRALIA

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**N**eptune Pacific Direct Line (NPDL) is launching a new liner service to the South Pacific from the US west coast, which will open transshipment opportunities to Australia. The new service will commence in July, building on another service launched in April (ANZPAC) that services Australia, New Zealand and Pacific ports.

The new WCUSA service will operate on a 20-day frequency from Oakland and Long Beach to Papeete, Apia and Pago Pago with transshipment connections to Nuku'alofa.

With the ANZPAC service up and running, NPDL believes the expanded network would create additional transshipment connection opportunities from Apia to the US west coast, Australia, New Zealand and Fiji.

NPDL president Greg Wilson said, “we are thrilled to announce this pivotal initiative which provides Pacific Island customers access to the USA, Australia, New Zealand and Asian markets. This network expansion also provides cargo owners with an alternative service between the West Coast USA, Australia and New Zealand.”

Williams, A. (2023). NPDL US SERVICE TO EXPAND TRANS-TASMAN OPPORTUNITIES. Retrieved from <https://www.thedcn.com.au/news/containers-and-container-shipping/npdl-us-service-to-expand-trans-tasman-opportunities/> on 1st June, 2023.



# VICTORIA GOVERNMENT URGED TO UPGRADE BRIDGES

The Victorian Transport Association (VTA) is pushing the Andrews government to upgrade bridges on the state's freight network in \$2.8 billion of road maintenance and renewal, and flood recovery works. This was outlined in the 2023-24 Victorian Budget, delivered on Tuesday 23rd May by Treasurer Tim Pallas.

"As an industry, we are used to paying higher fees and charges, but that won't make this budget any easier or more palatable for some operators," says Peter Anderson, VTA CEO, "inflationary and interest rate pressures have not helped to contain increases in raw material, fuel, labour, and other costs. However, it's important operators resist any temptation to absorb these higher charges, and instead pass them on through the supply chain to freight customers and consumers in full."

The freight industry will benefit from the retention of investments in productivity-boosting road, rail, and training programs, namely:

- \$694 million to upgrading key roads and intersections;
- \$62 million to deliver local road upgrades;
- \$32 million to West Gate Bridge maintenance;
- \$20 million to assist the conversion to low emission heavy vehicles;

- \$15 million to modernise heavy vehicles operating in the inner west; and

- \$5 million to seal gravel and dirt roads in Inner West communities.

The budget has maintained investments in vital projects such as the North East Link, which was long advocated for by the VTA. However, the Victorian government has suspended some infrastructure projects including the Melbourne Airport rail link and Geelong Fast Rail.

"The transport industry has been resilient and has maintained exceptional service levels to customers and consumers during some of the most confronting circumstances for several generations," Peter adds, "I thank operators for maintaining and improving such high standards set in the face of such adversity."

The budget also includes several economic reforms which will notably offset the impact of the temporary levy medium such as raising the payroll tax-free threshold to \$900,000, transitioning upfront stamp duty on commercial and industrial properties to annual property tax and ceasing business insurance duties.

Misuraca, J. (2023). VTA urges government to upgrade bridges. Retrieved from <https://mhdsupplychain.com.au/2023/05/29/vta-urges-government-to-upgrade-bridges/> on 30th May, 2023.

# AIR CAPACITY FINALLY EXCEEDS PRE-COVID LEVELS

New data from the International Air Transport Association (IATA) reveals that global air cargo capacity has exceeded pre-COVID levels for the first time in three years. The latest monthly report covering April of this year suggests that the decline in global air cargo demand has slowed down. Compared to April 2022, global demand, measured in cargo tonne-kilometres, decreased by 6.6%. Although the decline is ongoing, the rate of decline in April was slower, showing an improvement over the previous month's performance of -7.6%. On the other hand, capacity, measured in available cargo tonne-kilometres, increased by 13.4% compared to April 2022. Additionally, it rose by 3.2% compared to the capacity recorded in April 2019.

IATA attributes this "strong uptick" in capacity to the recovery of demand in the passenger business, which has resulted in an expansion of belly capacity. However, when accounting for this factor, freighter capacity actually declined by 2.3%. The temporary use of passenger aircraft as cargo planes, known as freighter operations (passenger aircraft operating temporarily as cargo aircraft), came to a halt in March after 2.5 years of continuous activity. Willie Walsh, Director General of IATA, emphasised that the air cargo industry is adapting to the implications of the recovery in passenger demand, which leads to an expansion of belly capacity. He highlighted the importance of resilience, which played a critical role in helping the air cargo industry navigate the challenges posed by the COVID-19 crisis.

Examining regional performance, Asia-Pacific airlines experienced a slight 0.4% decrease in air cargo volumes in April 2023 compared to the same month in 2022. This indicates a significant improvement in performance compared to March, which saw a decline of 6.8%. The region's available capacity increased by 41.2% compared to April 2022 as more belly capacity from the passenger side of the business became available.

Among all regions, North American carriers had the weakest performance, with cargo volumes decreasing by 13.1% in April 2023 compared to the same month in 2022. This represented a further drop in performance

compared to March, which showed a decline of 10.2%. IATA noted a significant decrease in international demand for airlines in the region in April, primarily due to substantial volume declines on two major trade lanes: North America-Europe (-13.5%) and North America-Asia (-9.3%). Capacity in North America decreased by 1.5% compared to April 2022.

European carriers experienced an 8.2% decrease in cargo volumes in April 2023 compared to the same month in 2022. This indicated a slight decline in performance compared to March, which showed a decrease of 7.4%. Airlines in the region witnessed a significant decrease in international demand, particularly evident in double-digit contractions on the North America-Europe (-13.5%) trade lane and within Europe (-16.1%). However, strong demand on the Europe-Asia route (3.4%) helped mitigate the overall decline in the region. Capacity increased by 7.8% in April 2023 compared to April 2022.

In the Middle East, carriers experienced a 6.8% year-on-year decrease in cargo volumes in April 2023, with a slight decline in performance compared to the previous month (-5.5%). Capacity increased by 10.0% compared to April 2022.

Latin American carriers reported a 1.6% decrease in cargo volumes in April 2023 compared to April 2022, representing an improvement in performance compared to March (-4.4%). Capacity in April increased by 8.1% compared to the same month in 2022.

African airlines were the only region to show positive performance in April, with a 0.9% increase in demand compared to April 2022. This demonstrated an improvement compared to the previous month (-4.3%). IATA highlighted a significant increase in cargo demand on the Africa to Asia trade route in April, up 20.0% year-on-year. Capacity was 5.3% higher than April 2022 levels.



# AUSTRALIA'S PORT RANKINGS IN 2022 REVEALED

According to the global Container Port Performance Index (CPPI), performance at Australian container ports has improved last year. The CPPI is a data-based comparable index that ranks 348 global container ports – including ports of Melbourne, Adelaide, Brisbane, Botany and Fremantle – based on their efficiency. The index measures efficiency by the elapsed time between a ship reaching a port to its departure from the berth, after completing its cargo exchange.

World Bank and S&P Global Market Intelligence developed the ranking with its intentions to identify gaps and opportunities for improvement.

The most recent index ranked Port of Melbourne 273, up from 308 in the 2021 report.

Port of Adelaide was the only Australian port ranking to have fallen in the latest index, coming in at 277, down from 264 in the previous report.

Port of Brisbane climbed one rank, from 288 in 2021 to 287 last year.

Port Botany's rank also increased, to 299 in 2022 from 324 in the previous year.

Meanwhile, Port of Fremantle was ranked 310 in the latest report, up from 335 in 2021.

Worldwide, the top three rankings for performance in 2022 were the ports of Yangshan (Shanghai), Salalah and Khalifa, respectively.

Williams, A. (2023). CONTAINER PORT PERFORMANCE INDEX SHOWS SOME IMPROVEMENT AT AUSSIE PORTS. Retrieved from <https://www.thedcn.com.au/news/law-regulation-trade/container-port-performance-index-shows-some-improvement-at-aussie-ports/> on 1st June, 2023.

# SOUTHERN PORTS CELEBRATE RECORD GRAIN EXPORTS

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**T**his year, the ports of Albany, Bunbury and Esperance handled record volumes of grain, together exporting more than 8 million tonnes, as reported by the Southern Ports Authority.

Keith Wilks, Southern Ports CEO, said the volumes recorded this bumper growing season follow record-breaking deliveries into grain receival sites across southern Western Australia.

Mr Wilks said, “across our three ports, we have facilitated more than 8.5 million tonnes of grain exports already this year, trumping last year’s record of 6.8 million tonnes. We’re proud when we can achieve record results like this. It’s a celebration of the hard work and collaboration by all involved including the Southern Ports’ team, CBH Group, Bunge, transport providers, and of course WA growers. It also reflects positively on the operating capacity and efficiency of our three ports and the important role they play in connecting Western Australian grain with world markets. We still have a few weeks remaining before the year’s trade totals are calculated, so we’re looking forward to seeing the final result.”





# STAFF SPOTLIGHT

## TIMOTHY GILFILLAN TRUCK DRIVER TOMAX LOGISTICS AUSTRALIA



### What is your role at Tomax?

I am a Truck Driver at Tomax.

### Your hobbies and interests?

AFL, fast cars/motorcycles and occasionally metal detecting with my youngest son.

### Favourite place to travel to?

So far, my favourite place to travel to would be up north in the Northern Territory in Australia.

### If you could only bring one thing to a deserted island, what would it be?

My phone!

### The last movie you watched?

Lock, Stock and Two Smoking Barrels.

### Are there any goals you would like to achieve?

My goals include watching the Western Bulldogs win the premiership this year!

### Are you a collector of anything?

I have a huge rock collection that my son and I have accumulated over the years.

### Who is your biggest role model?

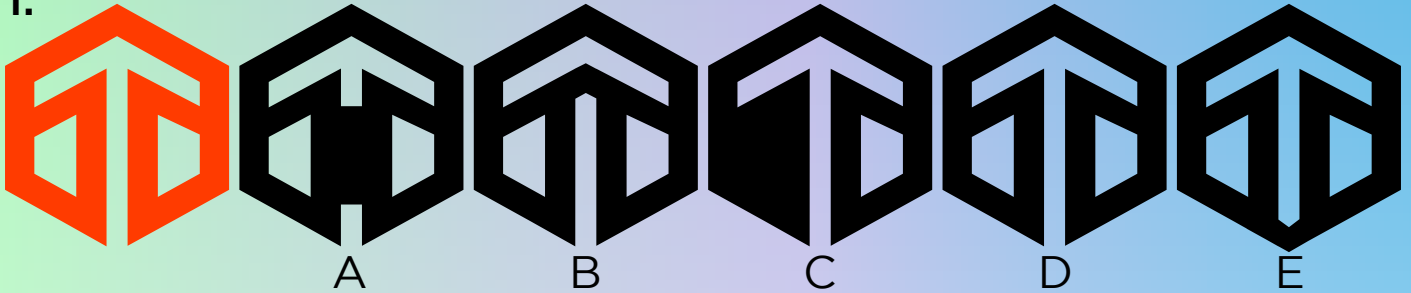
My role model would have to be Marcus Bontempelli, a professional AFL player from the Western Bulldogs. I just think he's a great leader.



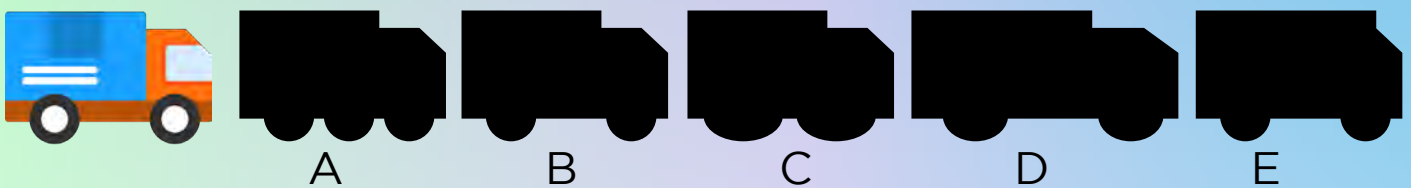
# MATCH THE SHADOW

See if you can match the shadow to the following objects?

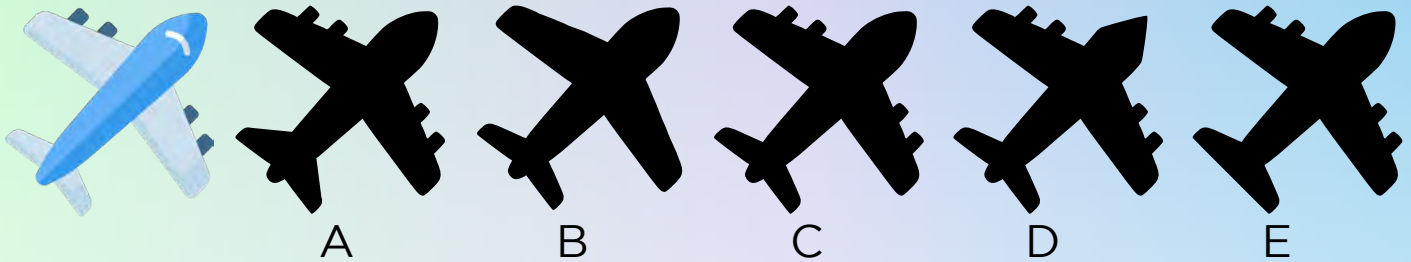
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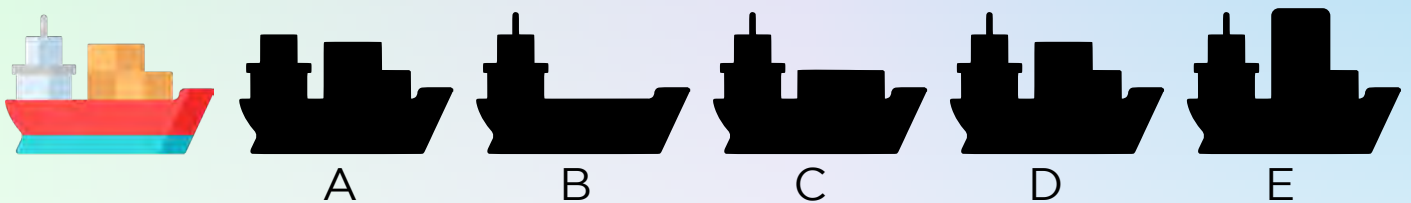
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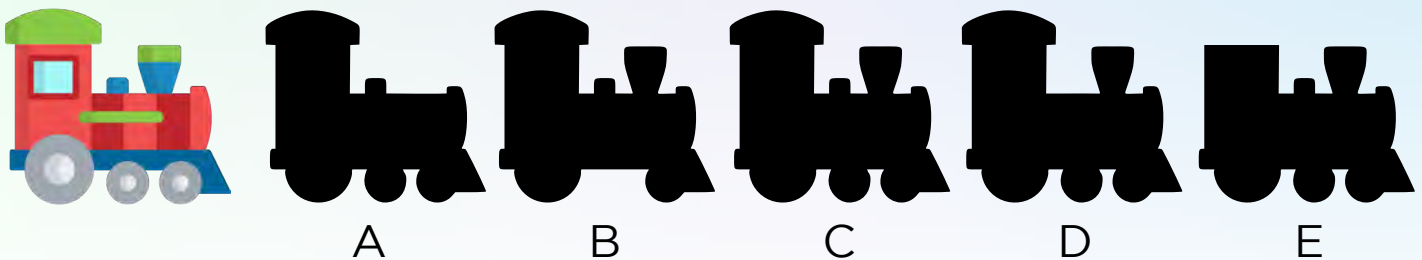
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5.



Answers: 1D, 2B, 3C, 4D, 5C