



**TOMAX
NEWS**

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PLUS:



MARKET SUMMARY

- The Maritime Union of Australia (MUA) has cancelled plans to take strike action against Svitzer services in what will bring some relief for vessel services that were set to be severely impacted
- Empty container park congestion continues to cause very large issues for transport companies and resulting costs to importers. Solutions being put in place often only cause additional pain and operational costs
- Queues at LCL depots for trucks waiting to collect cargo continue to be as high as 6 hours as congestion hits critical mass, especially in the ports of Sydney and Melbourne. LCL cargo availability delays are also extreme with up to 10 days after ETA becoming common in Sydney
- Did you know that Tomax Logistics directly offers a very extensive array of services utilising Tomax staff and equipment in the fields of domestic transport, warehousing, distribution, and courier services.



LATEST NEWS

PIRACY INCIDENTS RISE BY 17%

A whopping 97 incidents were flagged to ReCAAP Information Sharing Centre in Asia in 2020, marking a 17% year-on-year increase in total incidents and an increase of 32% in actual incidents. From the 97 reported incidents, 93 were armed robbery against ships while 4 were piracy. Locations such as Bangladesh, the Philippines, India, Vietnam, Singapore Strait and South China Sea all had an increase in incidents.

Regardless of the incident spike, the severity of incidents such as stolen items or violent behaviour to crew remained moderate. 74% of incidents were categorised as CAT4 (perpetrators not armed and crew not harmed) and one was reported as a CAT1, the most severe. The Singapore Strait saw 34 incidents in total, compared to 31 in 2019, with 30 of the incidents occurring in the eastbound lane of the Traffic Separation Scheme. One incident involving an abduction of crew from ships took place in 2020. Although, abduction of crew still remains a threat at sea. Since March 2016, a total of 86 crew were abducted in the area with 4 whom remain in captivity today.

China saw an improvement in anchorages (no incident in 2020 beating 3 reported in 2019) as well as Malaysia (3 incidents in 2020 compared to 8 in 2019). Arresting of the perpetrators took place in Bangladesh, Indonesia, India, the Philippines and the Singapore Strait.

Executive director of ReCAAP ISC, Masafumi Kuroki, said, “The COVID-19 pandemic has reinforced the importance of shipping for global trade. The 32% year-on-year increase in the actual incidents in 2020 is a stark reminder that more needs to be done to enhance the safety of maritime transport and safeguard the wellbeing of crew. Beyond vigilance, timely reporting by ships, enhanced patrol by enforcement agencies, as well as co-operation between littoral states, we believe that arrest and bringing perpetrators to justice is an essential deterrent to stop the increase of incidents. We urge the littoral states to take seriously petty theft and sea robbery because leaving criminals to continue their crime with impunity will only embolden them to escalate their acts.”

Reference: Wallace, P. (2021). Annual report shows 17% increase in piracy incidents. Retrieved from https://www.thedcn.com.au/annual-report-shows-17-increase-in-piracy-incident/?utm_source=DCN+Daily+Newswire&utm_campaign=9beeeeb3cc-EMAIL_CAMPAIGN_12_18_2020_COPY_01&utm_medium=email&utm_term=0_505d67c448-9beeeeb3cc-143548541 on 19th January, 2021.



CTAA ADDRESSES MELBOURNE EMPTY CONTAINER CONGESTION

Melbourne's build-up of empty container stock has hit critical levels, according to the Container Transport Alliance Australia. This resulted from the skyrocketing numbers of containerised import volumes through the Port of Melbourne and the average empty container evacuation action directed by shipping lines.

Due to the empty container parks in Melbourne experiencing near or at operational capacity, this results in a variety of issues such as delays in import container de-hires, difficulties in accessing export empties in some cases, truck queuing, expensive redirections and added landside logistics costs, states the CTAA.

According to the Alliance, the build-up of empty containers affects major shipping lines such as Maersk/Hamburg Süd, MSC, COSCO/China Shipping and Hyundai.

Regarding the case of Maersk/Hamburg Süd, CTAA stated that their major empty container park providers: Altona North, Port Melbourne Containers and Westlink, have reached capacity. This also includes an emergency spill-over yard in Francis Street, Yarraville. Consequently, this led Maersk to redirect 40-foot empty containers to Lawson Empty Container Park in Somerton in Melbourne's outer north.

Container transport operators based in Melbourne's West agree that the longer travel time to/from Somerton is of significant concern. A combination of current major road works in Melbourne and further travel distance

add up to extra operational costs for many. This also sacrifices valuable truck and trailing equipment that could have been utilised for customer deliveries.

Neil Chambers, CTAA Director, alleged that the alternative of having no de-hire option for Maersk/Hamburg Süd empties is less palatable, resulting in containers stockpiling even faster in transport operators' yards.

"This is causing significant additional transport, rehandling and administration costs of approx. \$90 to \$200 per container depending on the level of delays. It is a matter for individual transport operators to discuss with their customers, but it's a real concern due to the significant empty container capacity constraints being experienced right now," Mr Chambers said, "CTAA calls on Maersk/Hamburg Süd to try to double their efforts to repatriate more empties away from Melbourne, and also to provide alternative de-hire options to alleviate undue empty container handling costs and delays. We understand however that current Maersk vessel schedules and anticipated empty exports won't come close to reducing the current empty container build up. So, empty management congestion will be with us for some time yet regrettably, bringing with it added costs and delays".

He said ACFS Webb Dock announced it will now accommodate Maersk 40-foot high cube units marked for PMC from Monday, 18 January and that the delays experienced in managing COSCO/China Shipping empties are also of serious concern.

Mr. Chambers continues, “COSCO’s wholly owned empty container park, Oceania Container Services in Jones Road, Brooklyn is constantly congested, and truck arrival capacity is limited. Before Christmas, COSCO redirected some empty equipment types to Allied Container Services in Tottenham. However, Allied was soon overwhelmed and the alternative has now ceased. The lack of timely arrival slots at ECPs means that transport operators fight a losing battle to meet de-hire timeframes which avoid importers being slugged container detention fees. Alas, this is not always possible in the current congested operating environment. In many instances, transport operators aren’t responsible for those delays, yet become embroiled in fractious arguments with freight forwarders and importers about who is responsible for paying the shipping line’s container detention bill. It is perverse that container detention fee demands from shipping lines have skyrocketed as empty container congestion has risen. This means that the shipping lines are profiting from inefficiencies over which they have ultimate control to fix by increasing the level of empty container evacuations from the port.”

Mr Chambers indicated that whenever there is a redirection ordered on containers for de-hire from one facility to another, there is a time delay of a minimum 24 hours or longer for transport operators to manage. In that time, containers can breach the detention free time imposed by the shipping line. He made note that transport operators aren’t a direct party to the shipping line ocean carriage contract,

which underpins the container detention policy attaching to the contract.

“Importers and freight forwarders are urged to pay greater attention to the deal they can achieve with shipping lines on the detention free period for any shipment. Certainly, when delays are anticipated, or arise, importers and freight forwarders should be speaking early to the shipping line to negotiate an increase in the detention free time. This is certainly the case when there may be a quarantine intervention on the shipment, or other delays in unpacking the cargo and readying the empty for de-hire. Unfortunately, many forwarders and importers believe that it’s the transport operators’ job to avoid containers going into detention while they are completing the landside logistics task. Increasingly, that is an unrealistic assumption that should be avoided. Many transport operators are tightening their policies on container detention liability. “Importers and forwarders need to take charge of their own contractual destiny and negotiate a more appropriate timeframe directly with the shipping lines”, Mr Chambers states.

Reference: Ackerman, I. (2021). CTAAspeaks out on Melbourne empty congestion. Retrieved from https://www.thedcn.com.au/ctaa-speaks-out-on-melbourne-empty-congestion/?utm_source=DCN+Daily+Newswire&utm_campaign=9beeeeb3cc-EMAIL_CAMPAIGN_12_18_2020_COPY_01&utm_medium=email&utm_term=0_505d67c448-9beeeeb3cc-143548541 on 20th January, 2021.



CIGARETTE SMUGGLERS FACE IMPRISONMENT

Nine and a half million illicit cigarettes were discovered inside a 40 foot container in Fremantle by ABF officers. The two men, who are cousins aged 38 and 31, were sentenced to almost 5 years in jail as a consequence. This importation marks the biggest illicit cigarette detection in Western Australia, which took place on 31st October, 2018.

Upon physical inspection, the container saw an initial layer of plastic panels, however, underneath this layer was stacks of boxes of South East Asian manufactured cigarettes. The final count revealed 47,500 cartons of cigarettes with a value higher than \$7.66 million in evaded duty and \$862,000 of GST.

The two men involved pleaded guilty in the Perth Magistrates Court to one count of Importing Tobacco Products with the Intention of Defrauding the Revenue on 16th November, 2020. Another man, aged 47, also pleaded guilty to the lesser charge of importing tobacco goods and being reckless as to whether there would be defrauding the revenue. The man was sentenced to 2 years and 4 months behind bars in Perth District Court, but was released forthwith on a \$3000 recognisance to be on good behaviour for a 2 year duration. As of now, the 2 cousins were each jailed for 4 years and 10 months with a minimum period of 2 years before they are eligible to apply for parole.

Felicity Horrocks, ABF Acting Commander of Operations, acknowledged the combined efforts of the officers at the container examination facility who made the detection as well as the investigators who assisted the brief of evidence. "This was a big case by every measure, with investigators executing 12 warrants in the 10 months following the detection," Acting Commander Horrocks stated, "as we've said many times before, tobacco and cigarette smuggling is not a victimless crime - with profits from illegal sales in Australia often being used to fund

other criminal activity both here and overseas. Detecting, investigating and disrupting the illegal tobacco trade is an operational priority for the ABF."

The maximum penalty for tobacco smuggling is 10 years imprisonment and/or a fine of up to five times the amount of duty evaded. During the previous financial year (2019/20) the ABF seized more than 177 tonnes of loose-leaf tobacco and 422 million cigarettes, with the amount of duty evaded totalling around \$611 million.

The ABF pledges to continue implementing illicit tobacco measures as part of its frontline border law enforcement and customs activities to protect the integrity of Australia's borders and through its leadership of the Illicit Tobacco Taskforce (ITTF). The ITTF syndicates the ABF, the Department of Home Affairs, the Australian Criminal Intelligence Commission, the Australian Taxation Office, the Australian Transaction Reports and Analysis Centre. The ITTF enhances the whole-of-government response by proactively targeting, disrupting and dismantling criminal syndicates dealing in illicit tobacco.



Reference: Ackerman, I. (2021). Jail for Cigarette Smugglers. Retrieved from https://www.thedcn.com.au/jail-for-cigarette-smugglers/?utm_source=DCN+Daily+Newswire&utm_campaign=0cbd323fcc-EMAIL_CAMPAIGN_12_18_2020_COPY_01&utm_medium=email&utm_term=0_505d67c448-0cbd323fcc-143548541 on 21st January, 2021



STAFF SPOTLIGHT

MEET LUCY LU

OPERATIONS
TOMAX LOGISTICS SHANGHAI

WHAT IS YOUR ROLE AT TOMAX?

I work in Operations at the Tomax office in Shanghai, China.



WHAT ARE YOUR HOBBIES AND INTERESTS?

My hobbies include travelling and eating all the delicious food!



WHAT IS YOUR FAVOURITE FOOD?

Definitely hot pot!



WHAT IS YOUR PROUDEST MOMENT?

Becoming a mother.



WHAT IS YOUR FAVOURITE TV SHOW/MOVIE?

I enjoy watching cartoons as it takes me back to my childhood.



WHO IS YOUR GREATEST ROLE MODEL?

Jay Chou, a Taiwanese singer, actor, film director and businessman.



BEST MEME COMPETITION

Create a funny caption from any of the following photos and email this to quiz@tomax.com.au for your chance to **win a wine pack!**



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