



**TOMAX
NEWS**

Issue 51
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PLUS:



MELBOURNE PORTS INDUSTRIAL ACTION WITHDRAWN BY MUA

The Maritime Union of Australia has decided to lift all its industrial action at Patrick's Port of Melbourne terminal. This followed after one third of the workforce was made to isolate for 14 days as a result of the COVID cases.

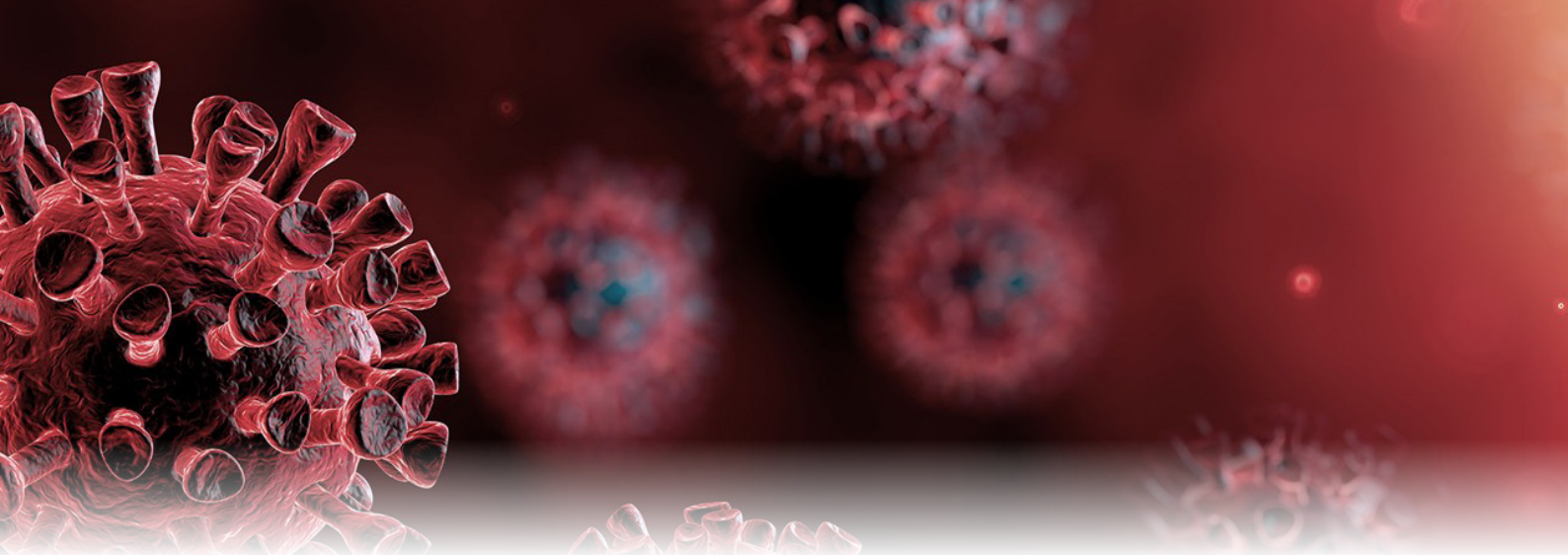
Jamie Newlyn, MUA assistant national secretary, said, "in an act of good faith, the MUA and its members have lifted industrial action at the Port of Melbourne until further notice because of the reduced numbers of workers available as a result of some workers being placed into quarantine".

Mr Newlyn said the MUA recognises the need to lift its action to continue operations of the port due to the impacts of COVID. He added, "but the union has twice called on Patrick to come back to the bargaining table to discuss enterprise agreement issues which remain unresolved. Patrick has refused to reopen negotiations. The MUA and its members want to resolve this dispute and get everyone back to work but that can't happen until Patrick changes its militant strategy and is prepared to join the union in meaningful discussions."

Patrick Terminals acknowledged the MUA withdrawal of the Melbourne industrial action and noted that it is the right thing to do.

Michael Jovicic, Patrick Terminals CEO, said, "I have now called on the MUA to remove industrial action across the country given the overall circumstances and the ongoing damage that it is causing. We have reiterated to the MUA that our offer remains on the table and subject to the removal of industrial action across the country, we have invited the MUA to a high level meeting to close out the EA negotiations once and for all and put this behind us."

Over the last month, the MUA had issued 40 notices of industrial action for the Melbourne terminal which includes 12 hours of work stoppages occurring every Monday, Wednesday and Friday throughout October (excluding Friday 1st October).



SERVICE STANDARDS IN VIC AND NSW FOR BOOKINGS AND INSPECTIONS DURING COVID-19 PANDEMIC

The Department of Agriculture, Water and the Environment (the department) have issued Industry Advice 217-2021 advising of Service Standards for bookings and inspections during the COVID-19 pandemic

THE CHANGES:

Due to the prevalence of COVID-19 across NSW and Victoria, the department's ability to meet its service standards for inspection bookings in these states will be impacted over the next four to six weeks at a minimum. This is driven by the requirement to test and isolate officers based on exposure at third party premises (TPPs). Delays can be expected.

THE DRIVING FACTORS:

The number of TPPs reporting as a COVID exposure site daily (and in some cases on multiple occasions) in these states is increasing. As a result, inspection appointments are constantly having to be cancelled, re-shuffled and rescheduled, often at very short notice. Our inspection resources are also being impacted by isolation requirements.

DEPARTMENT'S RESPONSE:

These are all challenging times for all and while we expect these delays to continue for some time, the situation will be monitored and advice will be issued if there are any changes. In the interim, the department continues to implement new initiatives and technologies to streamline the processes. This includes changes to IT systems as outlined in Import Industry Advice 211-2021, the phased

deployment of the workload management tool to automate the booking process, and implementation of innovative automation into our document assessment processes expected to go live in November. These initiatives have, and will continue into the future, to deliver efficiencies in the biosecurity system including time and cost savings to industry.

The department's focus continues to be on the safety and wellbeing of its workforce, and the industry participants it is physically engaging with, while ensuring the effective delivery of its regulatory functions which cannot be compromised. This includes adhering to public health requirements of the states and territories, and ensuring our officers are vaccinated where this is mandated. The department is unable to selectively identify inspection officers to satisfy requirements of entry imposed by some TPPs, such as not residing in an area of concern or being fully vaccinated (where public health orders don't require).

Biosecurity Industry Participants are reminded of their obligations to notify the department if any of their staff (or visitors to their premises) test positive for COVID-19 as per Import Industry Advice Notice 159-2021.

If you have any questions related to the above information, please do not hesitate to get in contact with the Tomax team on 1300 186 629.



CALIFORNIAN OIL SPILL DISASTER!

While authorities clamber to rectify the damage caused by a broken underwater pipeline by Amplify Energy, which has dumped up to 545,000 litres oil into the ocean, onto beaches and endangered wildlife areas, they are also investigating the possibility that the leak was caused by a ship's anchor hitting the pipeline.

CEO of Amplify Energy, Martyn Willsher, believes it was a "distinct possibility" that the damage was caused by a ship's anchor.

The Department of Transportation notified Amplify that while "the root cause of the accident remains unconfirmed at this time," that "preliminary reports indicate that the failure may have been caused by an anchor that hooked the pipeline, causing a partial tear."

Authorities also confirmed that a "1.23 kilometre section of the 28 kilometre total pipeline was displaced with a maximum lateral movement of approximately 32 metres."

During the briefing, US Coast Guard Capt. Rebecca Ore said there is no confirmation of a vessel above the site of the spill, but the response team is working with other agencies to investigate if a ship was in the area. Although, officials believe that despite the congestion in the area, ships should have had the ability to avoid the pipeline. Ships were told to only drop an anchor in designated areas and the pipelines are clearly indicated on nautical maps said, Steve Strohmaier, Coast Guard Petty Officer.

Without doubt, the waters off the Ports of Los Angeles and Long Beach are congested with an unprecedented number of container ships, which have dropped their anchors waiting to get into the port as a result of the imbalance in the nation's supply chains triggered by the prolonged pandemic. More ships are predicted to join the waiting list. Simultaneously occurring with the accident, were 64 container

ships waiting off the coast to enter berths at the Port of Los Angeles, the nation's largest port, and its neighbouring Port of Long Beach, which follows closely behind in cargo volume. The number rose to 76 ships by Monday and slipped back to 62 on Tuesday. On average, it takes 10 days for ships to enter the ports to unload and reload cargo containers. Prior to the pandemic, ships were able to arrive and proceed straight to the berth at one of the two ports.

Gene Seroka, executive director of the Port of Los Angeles said, "it's like taking 10 lanes of freeway traffic and moving them into five when the cargo gets here to the port. We're having difficulty absorbing all of that cargo into the American supply chain."

The problems arise due to insufficient truck drivers and warehousing staff and a lack of empty containers in certain areas of the world. Furthermore, consumer buying habits amid pandemic play a big role, with people directing their expenditures more on goods that require physical movement, rather than services.

Experts believe that regardless whether or not the pipeline breakage was a result of the ship's anchor, the ships and trucks at the ports are still exacerbating the air quality in Southern California. According to the California Air Resources Board, the backlog of ships waiting to dock causes "substantial implications for portside communities from increased particulate matter emissions, as well as contributions to smog-forming oxides." The report was published when there were roughly 40 ships a day waiting to get into port in June. However, now there are more than 60 ships waiting which draws higher level of concern with regards to the environmental detriment.



DP WORLD ANNOUNCE FURTHER INCREASES IN TERMINAL ACCESS CHARGES

This week's Australian Financial Review article "Patrick rejects 'price gouging' allegations" captured perfectly, the Freight & Trade Alliance (FTA) and the Australian Peak Shippers Association (APSA) stance on Terminal Access Charges.

The Freight and Trade Alliance, which represents importers and exporters, has asked the National Transport Commission to consider regulation to force stevedores to recover infrastructure costs from shipping lines, rather than from transport operators.

"It is an abuse of market power and unreasonable to impose a charge on a party that has no say; cannot negotiate the charge and cannot go elsewhere to receive and deliver containers," the FTA said in its submission to the commission, which is developing national guidelines on charges.

TERMINAL ACCESS CHARGES

Highlighted in its most recent container monitoring report, the Australian Competition and Consumer Commission (ACCC) indicated that stevedore 'landside and other' revenue is skyrocketing; however, this quantum is largely being offset by a correlating reduction in 'quayside' revenue.

This flags the question as to whether exporters and importers are paying duplicate landside stevedoring fees: once via sustained high Terminal Handling Charges (THCs) administered by many shipping lines and then twice via Terminal Access Charges and vehicle booking system fees administered by shipping line contracted parties.

Ultimately, vulnerable Australian supply chain participants are currently paying an additional \$500M+ per year directly to stevedores and empty container parks. These rapidly increasing costs are having devastating impacts on exporters and importers, with downstream debilitating financial impacts on manufacturers, regional communities and farmers.

NAVIGATING BETWEEN THE STATES AND FEDERAL GOVERNMENT

FTA/APSA note that the responsibility is on state governments to act as per the ACCC Container stevedoring monitoring report 2019-20 (released on 4 November 2020) and in the Deputy Prime Minister's response to our formal submission from 27 May 2020 titled Status report - Container Stevedore Imposition of Terminal Access Charges.

Following this advice, FTA / APSA again wrote to state ministers last year reiterating a position that stevedores and empty container parks should be forced to either absorb operating costs or pass these on to their commercial client (shipping lines). This in turn, would enable shipping lines the choice to absorb costs or transfer these onto shippers (exporters, importers and freight forwarders) via negotiated freight rates and associated charges.

As determined by the Ministers at the Infrastructure and Transport Ministers meeting held on 20 November 2020, the National Transport Commission (NTC) was tasked to lead reform and the development of 'voluntary national guidelines' to apply to stevedore infrastructure and access charges (both their introduction and increase) at Australia's container ports.

VOLUNTARY ARRANGEMENTS

After a year later, a formal position from the NTC is being waited upon, with recent events fuelling the scepticism as to whether a 'voluntary' arrangement will adequately protect the interest of the international trade sector, adding resolve to the advocacy that regulation is required to wind back and eradicate Terminal Access Charges, leaving market forces to determine price and service between commercially contracted entities.

Currently, to the credit of the Victorian government, they have at least planted the seed by introducing their Voluntary Port

Performance Model (VPPM). When the VPPM concept was in its infancy last year, FTA / APSA received formal correspondence from the Hon Melissa Horne - (Victorian) Minister for Ports stating:

“In January 2020, when I released the summary of our Port Pricing and Access Review to stakeholders, I advised stakeholders that the Victorian Government was not intending to move towards heavy-handed regulation, but would instead work towards establishing a new Voluntary Port Performance Model for the Port of Melbourne in partnership with all port users. I also said that if voluntary standards didn't improve pricing transparency, it was open to the Victorian Government to consider mandatory standards. “

TESTING THE PROCESS

Throughout the year, stevedores have increased their Terminal Access Charges nationally (including increases at their Port of Melbourne operations). In each case, FTA / APSA sought prescriptive detail as to whether this is a measure to offset a further reduction in quayside rates to stevedore commercial client shipping lines and / or necessitated by other specific operational factors.

Without any commercial ability to influence the quantum of the Terminal Access Charge and in line with the intent of the VPPM, FTA / APSA also requested a further detailed explanation for the increases including disclosure, supporting information and data justifying the full cost structure of the total increased fees.

While constructive meetings were held with stevedore executives, follow up correspondence did not provide the specific data requested, instead providing a general commentary with a broad reference to activities and capital expenses. FTA / APSA has met with and provided formal correspondence to Victorian government representatives in term of the VPPM experience, noting the futile nature of a voluntary approach and urging the Minister (ideally in partnership with other state ministers), to move towards regulation to force stevedores (and empty container parks) to cost recover directly against their commercial client (shipping line).

FTA / APSA look forward to further upcoming engagement with Minister Horne and executive from Freight Victoria.

LATEST ANNOUNCEMENT OF AN INCREASE IN TERMINAL ACCESS CHARGES

Yesterday, FTA/APSA were briefed by DP World executive in terms of a further increase in Terminal Access Charges and associated fees, effective 1 January 2022. In line with emerging protocols, DPWA has provided notice in line with prescribed time frames in what we now expect to be an annual adjustment in their tariff.

FTA/APSA RESPONSE

Albert Einstein once defined insanity as doing the same thing over and over again and expecting a different result. FTA/APSA will not be participating in what would be insane action to once again battle this Terminal Access Charge increase via the VPPM. From experience, it is an utter waste of time and an example of an absolutely catastrophic government administration.

IT'S TIME FOR REGULATION

FTA/ APSA will continue its close relationship with the ACCC in the lead up to the release of their next Stevedore Monitoring Report (scheduled to be released in November 2021) and will maintain our stance showcasing the flaws of a voluntary pricing regime.

The VPPM or any similar voluntary monitoring process will mean that stevedores will remain pocketing revenue from the transport sector with the minor inconvenience in the form of another level of bureaucracy before implementing each increase. Continuation of such voluntary performance arrangements also poses the significant risk of giving tacit approval to this unwarranted cost recovery method on third parties.

There is no doubt that empty container parks will also continue ratcheting up their charges on transport operators too – and why not? Stevedores have highlighted that it is a very effective model of revenue collecting from vehicle booking systems in place of negotiating increases with commercial clients.

Zalai, P. (2021). DP World announce further increases in Terminal Access Charges. Retrieved on 7th October, 2021.

STAFF SPOTLIGHT

MEET YAZ ISMIC

WAREHOUSE HAND

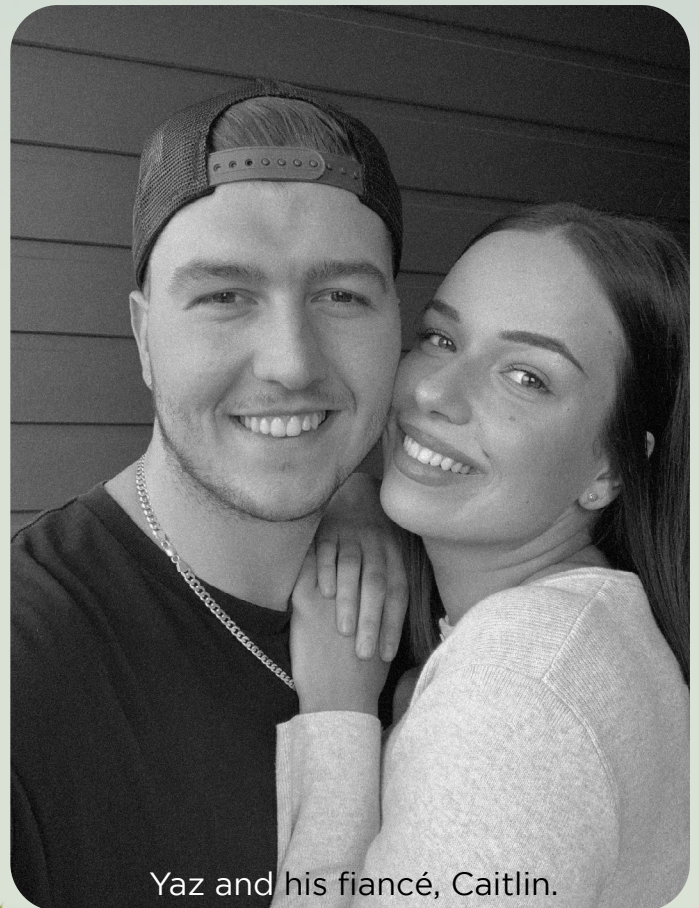
TOMAX TRANSPORT MELBOURNE

What is your role at Tomax?

I'm a forklift operator at the Hoppers Crossing Warehouse (Victoria).

What are your hobbies?

My hobbies range from gaming and playing sports to watching movies with my partner!



Yaz and his fiancé, Caitlin.

What is the most delicious thing you've ever eaten?

Coconut ice cream from Thailand!

Where is the first destination you will travel to once borders reopen?

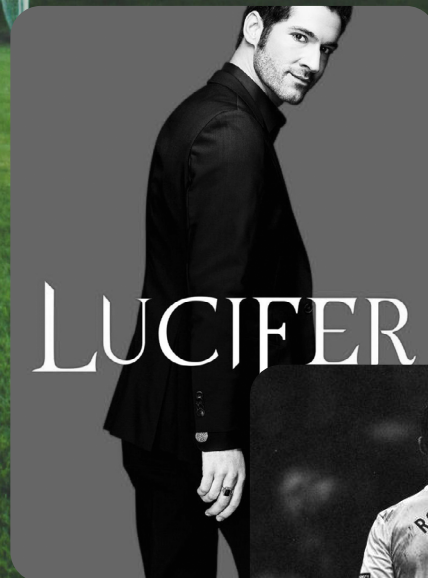
Probably camping around regional Victoria. It's not far and it would be good to give back to the locals who suffered losses from the COVID lockdown.

A TV show or book you recommend?

There are so many to choose from but one TV series I'd recommend that is different, is Lucifer.

If you could meet any celebrity, who would it be?

Cristiano Ronaldo because as a huge soccer fan, I would love to pick his brain!



LUCIFER



WORD SCRAMBLE

See if you can unscramble the following freight related words!

PRTSOMI

I M _ _ _ _ S

XEPOSTR

_ X _ O _ _ S

ILLB FO LDAIGN

B _ _ _ O _

L _ _ _ _

CSUTSOM IRCLAEOTDAN

C U _ T _ _ _
_ E _ _ _ A T _ _ N

RGETFIH

_ R _ _ G H _

SRANTPRTO

_ _ A N _ P O _ _

ETU

T _ _

PPSHIIGN

S _ _ P P _ _ _

LEEVSS

V E _ _ _ L

SPROT

P _ R _ _

Answers: Imports, Exports, Bill of Lading, Customs Declaration, Freight, Transport, TEU, Shipping, Vessel & Ports