



TOMAX
NEWS

Issue 54
29th October 2021



PLUS:



MARKET SUMMARY

- Shipping lines continue to adjust vessel schedules mid-sailing in order to meet available berth slots at the heavily congested Australian container terminals. Delays in container unloading remains a massive issue and expected to worsen unless COVID and industrial action impacts ease.
- Patrick Terminals have appealed to government bodies for assistance in their stalled negotiations with the MUA which has led to ongoing industrial action taken by the MUA, causing serious delays at terminals around the country.
- Wild weather hitting the eastern states of Australia will only further impact delays causing more pain for both importers and exporters seeking to move their cargo quickly.



LATEST NEWS



PATRICK PLANS TERMINATION OF ENTERPRISE AGREEMENT WITH MUA

Patrick Terminals has lodged an application with the Fair Work Commission to terminate its enterprise agreement with the Maritime Union of Australia after Patrick Terminals CEO Michael Jovicic declared that, “enough is enough.” The company released a statement indicating that the agreement is no longer fit for purpose, as its operational restrictions have inhibited Patrick’s ability to meet customer requirements at a time of congestion in global supply chains.

Mr. Jovicic said, “we have presented the MUA with an attractive national offer on top of their already very generous agreement including a 10% pay increase across four years coupled with protections addressing concerns over the use of casuals and job security. Negotiations have been ongoing for close to two years and frankly there seems to be no agreement to be had, particularly in Sydney, where the union is still demanding we hire from a selected list of family and friends. We are at the end of the road and need to have an agreement with our employees that works for our customers, and that allows us to remain competitive in the future market.”

By terminating the agreement, this will enable the company to recruit and train employees without needing the agreement of the union and omit the “friends and family” union-imposed restrictions. He continued, “the world has changed, and we need to be able to recruit and promote the best people for the job rather than be hamstrung by antiquated union-led processes and policies that restrict our business. Our market share and business operations have suffered due to this relentless industrial campaign by the MUA and their insidious jobs-for-the-boys stance. We need to provide our customers with operational certainty and that includes a workable agreement with our employees. Our customers are demanding that we take action to resolve this situation.”

Patrick Terminals said it has guaranteed to not alter leave entitlements, salaries and other

rates of pay which fall under the enterprise agreement for employees for a period of 6 months from the date of termination order.

Paddy Crumlin, MUA national secretary, said Patrick’s course of action is “poor form” and “another example of the corporate arrogance and hubris by Patrick’s senior management that has prevented earlier resolution of the few issues in our contract negotiations with them. Their announcement demonstrates a contempt for their employees. These are all hard working, proud workers who deliver for the Patrick Terminal business without complaint every day in the face of the enormous and debilitating conditions of COVID-19. This attack in the Fair Work Commission amounts to bullying and intimidation. It is being done in such a way as to try to defame the workforce in a most disgraceful fashion by distorting public perceptions of a legally sanctioned bargaining process. To seek to undermine the negotiations in this way at this critical time degrades the legitimate rights and needs of workers and their families, along with those same rights and needs in the wider working community,”

Mr Crumlin believes the conflict between both parties are easily resolvable and have been achieved before with other stevedoring companies “without them resorting to this type of character assassination”. He added that, “workers and their representatives will be at the bargaining table tomorrow where this negotiation deserves to be, discharging our responsibilities in bargaining with respect and professionalism with the company regardless of this pointless and damaging provocation,” He said that MUA members are merely seeking fair pay and job security at a time when “the Patrick Terminals business is enjoying spectacular growth in cargo volumes”.

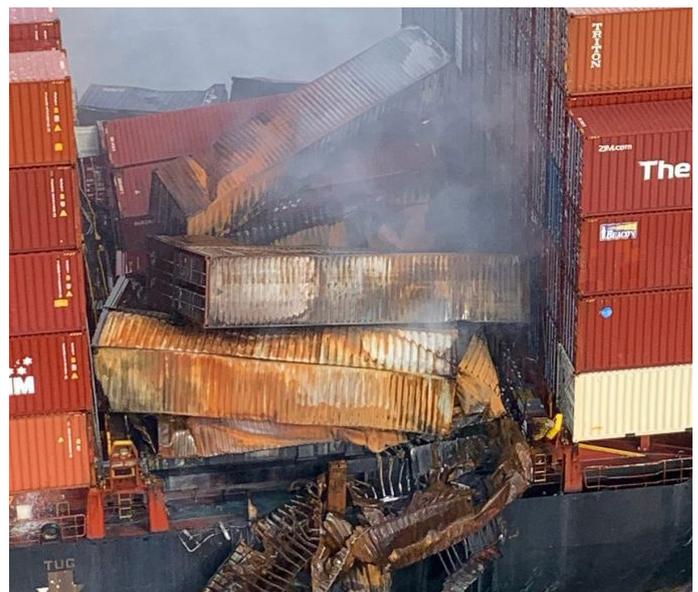


UPDATE ON BURNING SHIP, ZIM KINGSTON

Zim Kingston, which on Saturday caught fire off the coast of Vancouver, owner Danaos Shipping states that smoke from the fire is dispersing before any fumes reach population centres. “Daily plume modelling conducted by Environment Canada to track the smoke shows it is dispersing”, Danaos said. According to a firefighter expert, the fire on board is now said to be limited to a number of “hotspots”, with firefighters and a minimum of six crew on the vessel, controlling the flames.

The cause was due to two boxes catching fire, but there was no specification in its updates of where the containers were situated on the ship. It appears that the main fire was located in the forward area and another fire began following a second stack collapse. Danaos commissioned a team of experts, including marine firefighters, to board the ship and ensure conditions enabled the vessel’s crew to return safely.

Once safe, the vessel is expected to berth in Vancouver to discharge undamaged cargo and deal with the damaged containers from the stack collapse that precipitated the fire.



Savvides, N. (2021). Pollution from burning chemicals on Zim Kingston is dispersing, says ship owner. Retrieved from <https://theloadstar.com/pollution-from-burning-chemicals-on-zim-kingston-is-dispersing-says-shipowner/> on 27th October, 2021.



MORE STRIKES AT PATRICK TERMINALS

On Monday, the Maritime Union of Australia (MUA) announced rolling work stoppages scheduled to take place at Patrick's Melbourne terminal. The stoppages will commence on Monday 1st November and continue on the following Wednesday and Friday, with the same schedule the week after. Each day will consist of 12 hours of work stoppages – starting at 3am for 4 hours and then 11am for 8 hours. Working weekday overtime will be banned for Melbourne workers as of 1st November until the morning of 13th November. For several days, there will also be a ban on employees going to work on days they are rostered as “off/avail”.

Earlier this month, the union suspended strikes at Melbourne due to COVID cases forcing about a third of the workforce to enter isolation. The Melbourne terminal is currently operating with a 4 day delay as a result of the COVID cases and their close contacts. Additionally, at Patrick AutoStrad Terminal at Sydney, the union announced a 24-hour work commencing at 6am on Tuesday 2nd November. Previously, the union announced a 24 hour work stoppage at the Brisbane terminal on 31st October.

Patrick released a statement, calling out the strikes as “aggressive” and stating the company has been negotiating with the union as early as February this year. Both sides have held over 70 meetings in search of a new enterprise agreement and the union has launched north of 220 industrial action notifications over the negotiation period. Michael Jovicic, Patrick Terminals CEO, said the company requested on several occasions that the union bargain without proceeding with their “economically damaging” industrial action. “Now issuing 19 new industrial notifications of rolling 12-hour strike actions every Monday, Wednesday and Friday in the coming fortnight at our already struggling Melbourne terminal is frankly bewildering. Our terminal is still working to recover from reduced labour availability due to recent COVID-19 cases and this industrial action will result in significant delays,” Mr Jovicic said, “every Australian will feel the impact on the retail shelves across the next two months due to this selfish behaviour of the MUA. We call on the MUA once again to accept the generous offer on the table and move forward with just getting back to work.”

Jamie Newlyn, MUA national secretary, said, “it appears that Patrick prefers to negotiate through the media rather than with its employees. Not once have they reached out to negotiate with the union other than to say their offer is on a ‘take it or leave it’ basis,” he said. Mr Newlyn trusts that the union is continuing with its protected industrial action campaign believing that it will “encourage Patrick back to the negotiating table”. He added, “there are important elements that Patrick employees want resolved that revolve around job security in an increasingly automated world. Patrick are more interested in vilifying their own workers than negotiating, leading to a poor work-place culture. This can be over-come with better engagement and a return to the negotiating table.”

Assessing all of Patrick's four terminals in Australia, wharfies/stevedores work an average of 179 days and are paid an average of \$160, 879 per annum. Meanwhile, according to the Australian Bureau of Statistics, between 2017-18, the median income for an employee is \$50,861 per year. Factoring in the assumption that the average employee does not work weekends, takes seven public holidays per year and has 20 days of annual leave, they work a total of 233 days per year. Therefore, an average Australian employee works 26% more days than a wharfie but is paid roughly 104% less than the average Patrick wharfie.

Melwyn Noronha, Shipping Australia CEO said, the union is intervening to “wreck the holidays for Australians in pursuit of its own selfish agenda. This is not about workers’ rights; wharfies are very highly paid, and they get far more leave than most workers. Australia is plagued with ongoing industrial action. It seems that as soon as one stops, another starts. Ultimately, this hurts the Australian economy, which means it hurts everyday Australians.” Mr Noronha said there need to be some controls so waterfront disputes are sensibly resolved in a speedy timeframe, adding, “it’s about time that there is a sustainable solution to these frequent, repeated and ongoing disputes on the waterfront.”

Ackerman, I. (2021). MUA announces another round of strikes at Patrick's Melbourne Terminal. Retrieved from <https://www.thedcn.com.au/news/containers-and-container-shipping/mua-announces-another-round-of-strikes-at-patricks-brisbane-terminal/> on 27th October, 2021.



PORT OF SEATTLE BECOMES VICTIM OF CONTAINER CONGESTION

Maersk and MSC, with VSA partner Zim, will remove Seattle from the schedule of their TP9/Eagle/ZP9 service from this week, as a result of port congestion. The omission will begin with the Zim-deployed 5,610 TEU Akinada Bridge call this week.

MSC said the decision was “due to the increased waiting time for vessel berthing”, which it said was “impacting schedule reliability and causing delays to shipments”. Although, the carriers said the omission was “temporary”.

According to eeSea data, the 2M and Zim deploy seven 4,253 - 8,850 TEU vessels on the weekly loop, with the only other west coast call being at Vancouver.

Hapag-Lloyd reported that, as of 15 October, there were 11 ships at anchor in Puget Sound awaiting a berth at Seattle terminals saying, “berthing delays in Seattle are up to two weeks at this time, due to heavy volumes”. They added that the terminals were operating at 90% utilisation. Hapag-Lloyd’s update reinforces the height of the increasing port congestion affecting both the west and east coast ports of North America, tying up a considerable percentage of carrier capacity.

After the announcement of a move to 24-hour working at the ports of Los Angeles and Long Beach, John Wolfe, CEO of the Northwest Seaport Alliance (NWA), said it was looking at expanding gate hours at terminals – “but that alone is not going to fix this problem”. Eric Wright, Washington Trucking Association VP, attributed much of the landside congestion to the lack of availability of chassis to pick up import boxes stating, “when trucks drop off

containers on chassis at warehouses, there are often delays in unloading the containers and freeing-up those chassis to return to the port for another round of pick-ups.”

Meanwhile, ocean carriers have been silent after Monday’s announcement by the ports of Los Angeles and Long Beach after announcing they will surcharge the shipping lines \$100 a day for import containers that remain on their terminals for over nine days if moving out by truck, and three days for rail movements.

However, many carrier contracts have a facility that allows for additional charges from marine terminals to be transferred straight to the shipper and will be able to include said fee in their D&D invoices, payable before the release of containers.



Wackett, M. (2021). Port of Seattle becomes the latest casualty of container congestion. Retrieved from <https://theloadstar.com/port-of-seattle-becomes-the-latest-casualty-of-container-congestion/> on 28th October, 2021.

STAFF SPOTLIGHT

MEET KERRY PALMER

INVOICING

TOMAX LOGISTICS AUSTRALIA

What is your role at Tomax?

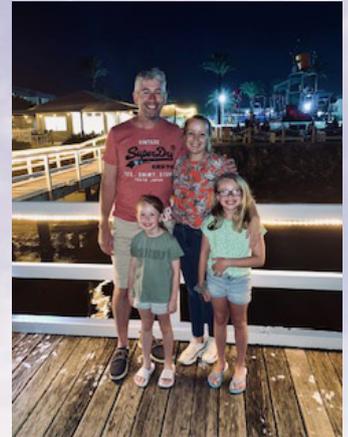
I look after the Invoicing at Tomax.

What are your hobbies/interests?

I like going to the gym, swimming, travelling (to somewhere warm) and going to see live music.

What is something you are looking forward to?

I am looking forward to getting out of this lockdown! I can't wait to see my kids getting back into their sports and to be able to go out for dinner and see friends.



Your proudest moment?

I am proud of how great my children are. They are my world and I love seeing them grow into kind, caring and happy young girls.

Which animal best represents you?

Maybe a cat because I love to be at home with my family most of the time.

If you could travel back in time, how far back would you go and why?

I would love to go back to the 60s because I love the music back then from The Doors and Beatles.



HAPPY HALLOWEEN!

*When witches go riding
and black cats are seen.
The moon laughs and whispers,
Tis' near Halloween!*
– Author Unknown

Team Tomax is wishing you a spooky Halloween filled with more treats than tricks!



MELBOURNE CUP DAY



Please be advised that next Tuesday 2nd November is a public holiday for the state of Victoria due to the Melbourne Cup Day celebration. Business will resume on the following day.

FRIDAY FUNNIES

Hoping these jokes will lift your mood as we approach the weekend!

What did Blackbeard say when he turned 80?
Aye, matey!

What did the janitor say when he jumped out of the closet?
Supplies!

Two windmills are standing on a farm.
One asks, "what's your favourite type of music?"
The other says, "I'm a big metal fan."

What do you call a can opener that doesn't work?
A can't opener!

There are three types of people in the world: those who can count and those who can't.

Did you hear about the guy who invented the knock-knock joke?
He won the "no-bell" prize.

I like elephants.
Everything else is irrelephant.



Australian HQ
19/202 Ferntree Gully Rd
Clayton VIC 3168

tomax.com.au
1300 186 629
03 9544 4227

