



TOMAX
NEWS

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12th November 2021



PLUS:

MARKET SUMMARY

- Once seen as the better alternative to the backlogged ports of California (Los Angeles, Long Beach, and Oakland), Seattle port has now become more heavily congested than most. Vessel delays of 3 weeks are standard in Seattle at the moment and things aren't looking like improving anytime soon. Lines are starting to announce that they will skip Seattle in an effort to keep vessels to schedule as much as possible. The difficult times in the US supply chain are set to continue for sometime to come.



GAZETTE TARIFF CONCESSIONS (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.

Objectors to the making of a TCO are not identified unless the objection is successful.

At least 50 new TCOs are made each month. When a new TCO is made, it is published in the Gazette by the Australian Border Force.

The weekly Tomax Client Newsletter will contain a link to the latest Gazette document so that you can stay updated.

[CLICK TO VIEW LATEST GAZETTE](#)



MUA WITHDRAWS ALL PATRICK INDUSTRIAL ACTION

The Maritime Union of Australia (MUA) has withdrawn all its notices of industrial action for its workers at Patrick Terminals as of 10th November, effective through to the 10th December.

The decision took place prior to the hearing at the Fair Work Commission, in which Patrick Terminals applied for, seeking termination of MUA's industrial action due to its economic detriment.

Patrick released a notice indicating that as part of this process, the company and the MUA attended a long conciliation session at the Fair Work Commission to try and resolve matters before the hearing date.

Patrick's current focus is on ensuring its terminals resume to normality, with on-schedule operations as soon as possible stating, "we continue to engage with the MUA on a daily basis in an effort to finalise an enterprise agreement...we are focused on supporting Australia's economic recovery."

Jamie Newlyn, MUA assistant national secretary said, "the union is happy to see Patrick Terminals has finally returned to the negotiating table and looks forward to arriving at an agreement which both sides can be happy with".

The termination takes place at a time where ongoing delays and congestion is spreading, with significant prevalence in Melbourne. DP World's terminal at Melbourne had witnessed major delays and lengthy truck turnaround times as a result of weather issues and increased container volumes from servicing ships sub-contracted from Patrick, due to industrial action.



FIRST PORT IN AUSTRALIA TO BECOME CLIMATE ACTIVE CARBON NEUTRAL CERTIFIED

Geelongport has been recognised with a Climate Active carbon-neutral certification for its green credentials in business operations.

Achieving carbon neutrality was one of GeelongPort's long-term goals in its 20-year Environment Strategy released in 2019. Currently, GeelongPort is sourcing renewable energy and offsetting all residual carbon emissions.

Brett Winter, GeelongPort CEO, said the port acknowledges that climate change is one of the biggest challenges facing communities globally. He said, "we are committed to doing everything we can to reduce our impact. We know we have a long way to go but it is important we start investing in renewable energy and carbon offsets now while we continue investigating and developing longer term decarbonisation initiatives, including future clean energy opportunities."

Climate Active, a partnership between the Australian government and Australian businesses, is a carbon-neutral certification involving an independent audit and motivates businesses to drive voluntary climate action. The organisation's certification is a new iteration of the Australian government's carbon-neutral certification, made available to Australian businesses since 2010.

Katrina Maguire, Climate Active spokesperson said, "it is exciting to have GeelongPort as the first port in Australia to become Climate Active carbon neutral certified for its business operations and to know they are doing their bit to drive voluntary action." Climate Active said it awards its certification to businesses that have "credibly reached a state of achieving net zero emissions, otherwise known as carbon neutrality".

For businesses to reach carbon neutrality, their greenhouse gas emissions are calculated by businesses and organisations with an aim to reduce these as much as possible. The emissions they can't eliminate are cancelled out by buying carbon offsets. GeelongPort states they are committed to becoming Australia's most sustainable bulk port.

Ackerman, I. (2021). Geelongport achieves carbon-neutral certification. Retrieved from <https://www.thedcn.com.au/news/environment/geelongport-achieves-carbon-neutral-certification/> on 11th November, 2021.



CONTAINER SHIPPING: AN ACCIDENT WAITING TO HAPPEN

Onboard firefighting regulations have not kept up to speed with the rapid increase in the size of containerships. The steel box used to transport goods was deemed a fire risk during the maritime industry conference in London. The conference was hosted by the London Branch of the Nautical Institute, on board HQS Wellington, where industry stakeholders heard from speakers representing the insurance, surveying and salvage sectors on increased fire risks aboard today's containerships. During a post-conference networking session, one insurance delegate admitted she was "shocked" by the serious issues from the day's presentation stating, "it seems like container shipping is an accident waiting to happen."

Peregrine Storrs-Fox, risk management director at the TT Club, said approximately 10% of all containers loaded onboard ships contained declared dangerous cargo (DG) and predicted that roughly 5% of containers shipped consisted of undeclared dangerous goods – either due to administration or lack-of-training errors by shippers, or by being deliberately mis declared by rogue shippers. Alarming, he added that that there is a possibility of 1,000 TEU or more of undeclared DG containers loading onboard any 24,000 TEU ultra-large container vessel on each headhaul voyage.

In light of the most recent fire on the 4,253 TEU Zim Kingston, off Vancouver, which saw the collapse of a deck stack and over 100 containers lost overboard, there have been 16 serious containership fires over the past five years, resulting in tragic loss of life and millions of dollars in general average claims. Additionally, there are many more less serious fires and explosions onboard containerships that don't make the headlines, an estimated one fire involving containerised cargo every two weeks.

The marine insurance industry shudders at the potential risk presented by an ULCV casualty;

the average value of the contents of each container is put at \$100,000, notwithstanding the potential for huge environmental clean-up costs. Various speakers at the conference argued that the current SOLAS onboard firefighting regulations were "not fit for purpose", taking into account the huge increase in the size of container vessels and the limited ability of crew to react to a fire.

William Boyd, Naval architect and director at TMC Marine, said the statistics of containership fires strongly suggested "that there is an urgent need for change". He noted that some shipping lines, such as MSC, recognised the increased risk of fire on large containerships and had invested in firefighting equipment in excess of the current SOLAS requirements in their newbuilds.

Bas Michiels, VP at Dutch salvor T&T Salvage, believed that in the event of an uncontained ship fire, due to the significant decrease in the number of firefighting tugs on standby around the world, response times were longer.

Additionally, several questioned why the 70-year-old container design, which in the majority of cases includes the provision of a highly combustible timber or bamboo flooring, had not changed to include a fire-resistant coating or mesh.

One container manufacturer has reported that an intumescent mesh, similar to that used in the construction industry, could be retrofitted to a 40ft container for around \$1,500. "But there is not exactly a queue of clients wanting safety upgrades to their boxes," said the contact.

"It's all about cost," a delegate chimed, "until the insurance industry takes a tougher line, things will carry on as they are."

Wackett, M. (2021). The need for change: container shipping is an 'accident waiting to happen'. Retrieved from <https://theloadstar.com/the-need-for-change-container-shipping-is-an-accident-waiting-to-happen/> on 10th November, 2021

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BIOSECURITY DOCUMENTATION PROCESSING: A NEED FOR REFORM AND URGENT INTERIM SOLUTIONS

It is evident that a myriad of factors are causing significant costs and inefficiencies for both the department and industry. These relate to both document assessment and inspections.

While FTA is committed to a continuation of collaboration with the department to implement remedial actions, there is clearly a need for a broader over-haul of outdated practices with labour-intensive processing of documents to be replaced with more efficient data transfers, facilitation via industry self-assessment (including increased utilisation and expansion of Automatic Entry Processing) and modernised electronic profiling.

The time is right for such reform via:

- utilisation of flexibility offered within the new Biosecurity Act (including Approved Arrangement capabilities);
- an enormous injection of funding received by the department in the last Federal Budget; and
- a Federal Government mandate for efficiencies (reduction of red-tape) as a part of the emerging Simplified Trade System (STS) reform and Regulatory Sandpit initiative.

FTA will lead advocacy for such reform through direct engagement with the department and panel involvement in forums such as the ministerial-led Biosecurity Futures

In the interim, the following summary outlines the current status and opportunity for incremental improvements in departmental service delivery.

DOCUMENT ASSESSMENT DELAYS

- Over recent months, members have increasingly reported that import document

processing times have been growing, now exceeding a week in extreme circumstances.

- At the time of last weeks meeting, the department stated that biosecurity processing is four (4) days outside service levels and one (1) day for imported food.

The above brought into question the consistency in practice and appropriateness of the department's service standards - FTA emphasised the need to review standards (established in excess of 10 years ago) to meet contemporary commercial expectations in parallel to ensuring effective biosecurity risk management is maintained.

COVID FATIGUE

- The department explained the impacts on their human resources affected by COVID-19 and the extreme workload faced by officers in managing record high numbers of Lodgement Reference Numbers (LRNs).
- While a heavy use of overtime has helped manage workloads to date, it is becoming increasingly evident that this is not a sustainable long term solution.
- As Melbourne and Sydney emerge from lengthy lockdowns, officers are now understandably seeking to take a proportion of their leave entitlements - the department is looking to best manage this entitlement and ensure availability to deliver critical functions.

The department is confident that much of this impact on human resources will be addressed by the recruitment underway, officer training program and phased introduction of automation to assist in documentation assessments - it is also envisaged that a new solution used to automate processing of Self Assessment Clearances (SACs) will allow

for further redeployment of officers' time to address document processing.

INCORRECT LODGEMENT

- The department has identified significant increases in the number of LRNs being lodged 12 hours or less of arrival, as well as incomplete and inaccurate documentation.

FTA is working with the department to assist address these issues where they exist. Details of these common errors are being shared in our customs broker Continuing Professional Development (CPD) training. FTA is encouraging the department to work direct with those businesses (as required, with the support of FTA) to implement remedial action of those slowing down of the system and affecting all parties.

FTA sees merit in incentivising “early” lodgement and reiterated reasons why this cannot always be achieved, particularly in circumstances when customs brokers receive late documentation from importer clients - FTA acknowledged that the latter is a matter that must be addressed between commercial parties.

FTA PRELIMINARY CONCEPT

- A primary cause of problems is the “late” declarations submitted by importers / customs brokers - feedback from members was that one the reasons for late reporting was the need to wait for the cargo report to be lodged by the shipping line / freight forwarder noting that the import declaration must match with the cargo report on critical data fields (including vessel / voyage).

- While an importer or customs broker may have consignment details (in some cases weeks) in advance of arrival, they may not know the import vessel details until much later - particularly in the common circumstances where the cargo is being transhipped between vessels before arriving into Australia.

- While a “pre-load reporting model” would largely address this by ensuring earlier cargo reporting (this being a proposal raised by FTA as a part of the STS and current Regulatory Sandbox review), we acknowledge that this would be a complex Integrated Cargo System (ICS) change necessitating it to be a long-term reform.

- As an alternate solution, FTA has proposed a concept of importers and customs brokers lodging early - where they are unsure of import vessel details, they simply lodge with some form of “check to arrive” or “dummy” details. Once import vessel details are known, an amendment is made to the import declaration.

Both the department and the Australian Border Force are checking to see what impacts this would have on their profiling / risk assessment. We assume that this concept would also have benefits for the ABF in receiving earlier declarations but understand that this may have other adverse border protection consequences.

Further member updates on operational changes and our ongoing advocacy activity will be provided as progress is made.

Source: FTA

MGW
TARE
PAYLOAD

30480 KG 67200 LB
2200KG 4850LB
28280KG 62350LB

STAFF SPOTLIGHT

MEET ALEXA ZHU

KEY ACCOUNT MANAGER
TOMAX LOGISTICS SHANGHAI

What is your role at Tomax?

I am the Key Account Manager, dealing with exports.

What do you enjoy doing in your spare time?

Puzzles and Sudoku.

Who is your favourite singer?

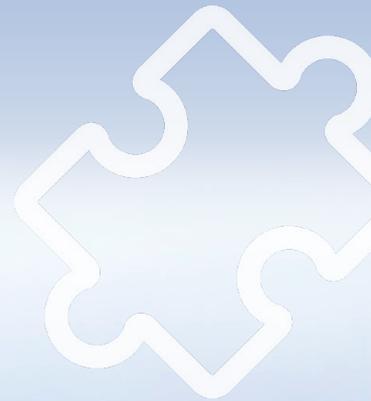
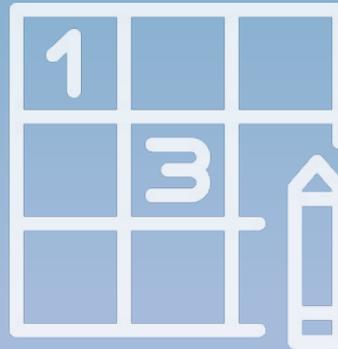
Michael Jackson.

Best place to visit in China?

The East-West of China because home is best!

Your favourite food?

All kinds of meat!



Alexa taking in the views of the Sydney Opera House while on a Ferry ride!

FRIDAY FUNNIES

We hope these jokes brighten your day as we approach the weekend!

What has a bed you can't sleep in?

A river.

Why were the teacher's eyes crossed?

She couldn't control her pupils.

What creature is smarter than a talking parrot?

A spelling bee.

Apparently, you can't use "beef stew" as a password.

It's not stroganoff.

Where do hamburgers go dancing?

They go to the meat-ball.

Why did the tree go to the dentist?

It needed a root canal.

What do you call two monkeys that share an Amazon account?

Prime mates.

Why are hairdressers never late for work?

Because they know all the short cuts!

Where do sheep go to get their hair cut?

The baa-baa shop.

What's the most musical part of the chicken?

The drumstick.

Why does Humpty Dumpty love autumn?

Because Humpty Dumpty had a great fall.

