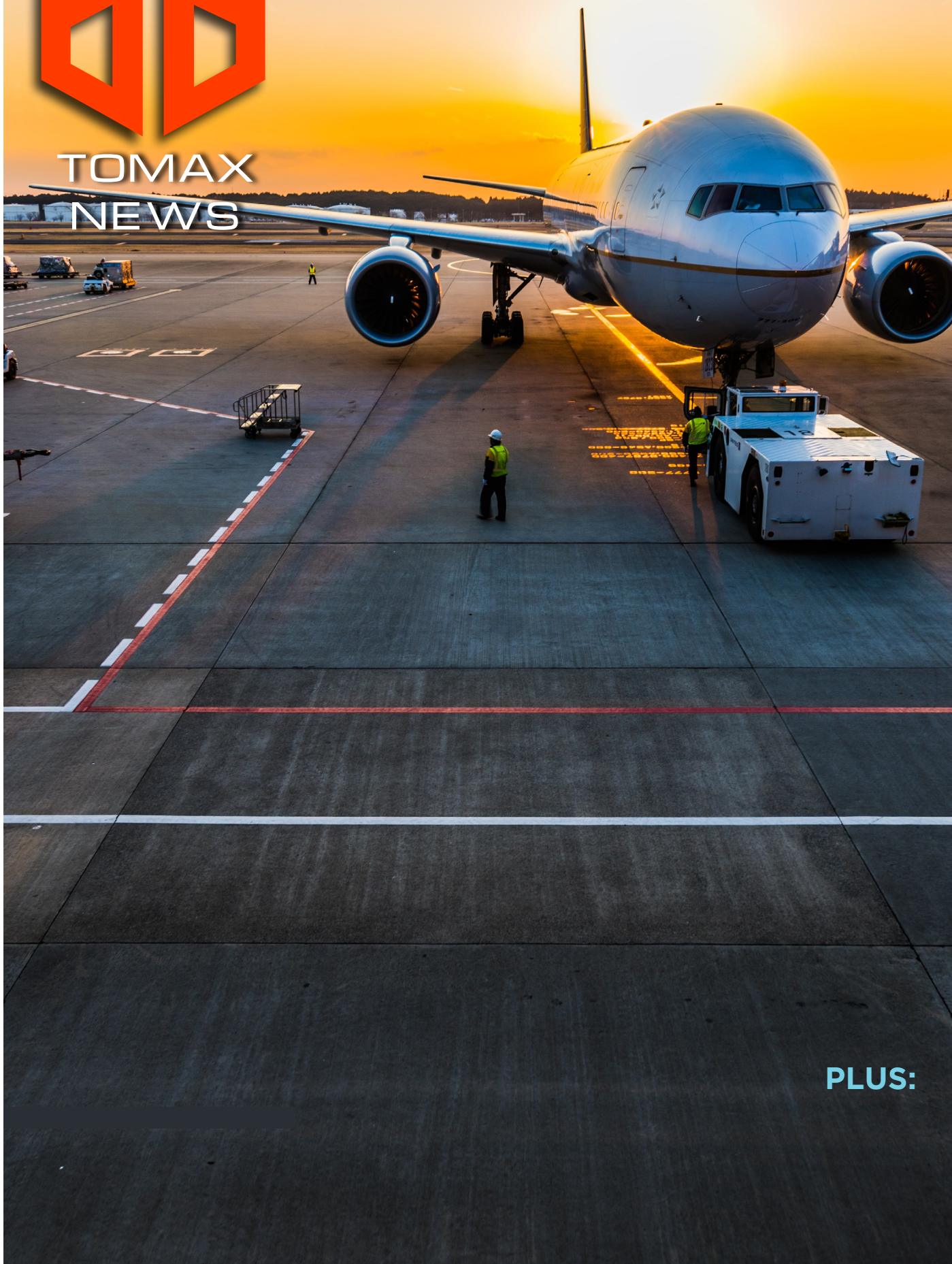




TOMAX  
NEWS

Issue 59  
3<sup>rd</sup> December 2021

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PLUS:

# MARKET SUMMARY

- Courier, pallet, and small parcel services have become even more heavily congested over the last 7 days, with further issues faced due to some wild weather events along the Australian east coast. Pallet movements from Melbourne to Brisbane (and vice versa) are not taking up to 9-11 days. Delays on small parcel collections through most providers are now often taking more than a week just for cargo pickup. No relief this side of Christmas is expected.
- Airfreight pricing is rising around the world with another rush in the movement of pandemic related cargo, due to the fast moving Omicron outbreak. Booking delays and high pricing is affecting many importers globally.
- Quarantine inspection delays continue to plague the release of urgent cargo with documentation processing and inspection delays now more than 7 days in many cases.
- There have been rumours in the market that the Chinese logistics industry will be fully shut down during the entire Chinese New Year and Winter Olympics period. However, Tomax has been advised by various sources that only some localised logistics disruption is expected around the Beijing area during the Winter Olympics and the vast majority of the logistics network will be running as normal in China.
- More and more LCL depots are now charging time slot fees for cargo collection, whilst at the same time drivers are having to often face horrendous queues in order to pick up the freight. It appears to be a blatant money grab as there is no visible benefit to transport companies/importers as it currently stands. Tomax has no option but to pass on the time slot fees charged by the depots accordingly.

## 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.

You can stay up to date with the weekly gazette via the Tomax Newsletter.

[CLICK TO VIEW LATEST GAZETTE](#)

# LATEST NEWS

## PRIME MINISTER ANNOUNCES INQUIRY INTO MARITIME LOGISTICS INDUSTRY

Prime Minister Scott Morrison announced a Productivity Commission inquiry into the efficiency of the Australian maritime logistics system. Mr. Morrison said the Treasurer would shortly be releasing the terms of reference for the inquiry, expected to be complete by mid-2022. Mr. Morrison pointed to the ACCC's Container Stevedoring Monitoring Report 2020-21 and said the government is examining broader issues with the "relative productivity of Australian ports". He said, "ports are the gateway for our economy. Inefficient ports are a tax on all of us." The Prime Minister said the government was assisting to increase port productivity through infrastructure projects and taking on regulatory inefficiencies at the border through the Simplified Trade System. "It's clear, however, that productivity challenges remain in Australia's maritime logistics system. These relate to competition, industrial relations, infrastructure constraints and technology uptake," he said.

The Prime Minister said his government is keeping a close watch on the potential for industrial action to disrupt economic activity. He noted that industrial action at Patrick is on hold for another week, until 10 December. He added, "we encourage the parties to this dispute to negotiate in good faith and to resolve their issues to get this sorted. But at the same time, I want to assure you that our government will take action, if needed, to protect the Australian economy from serious harm."

A statement from the Maritime Union said the Prime Minister's statement was a "calculated, political attack" that was "timed to cause maximum anxiety and fear within the

community". The MUA stated, "the Maritime Union will continue to negotiate in good faith with employers on the waterfront and advocate for good pay, job security and safety in the workplace for our members, but what we don't need is Scott Morrison sticking his head in and trying to create conflict on the waterfront in the lead up to Christmas as a distraction from his failure and lies."

### THE PORTS VIEW:

Michael Gallache, Ports Australia CEO, said the ports organisation continues to support and welcome measures by government looking to assist industry to further develop the efficiency of Australia's ports and maritime capacity. He said, "the fact that the federal government has called for such an inquiry highlights how captive our nation is to the dramatic pressures on the international supply chain and the corollary impacts this has had on our domestic logistics capabilities. Those impacts include but are not limited to the unpredictable and sporadic fluctuation of international supply and demand for goods and increased market pressure on shipping rates, significant delays at major international ports with Port of Los Angeles and Port of Shanghai being the most recent examples, and major world events such as the Suez Canal blockage."

He pointed out that this upcoming review follows an earlier examination by the Productivity Commission earlier this year on the vulnerability of commodities, saying, "[When the review was announced], Ports Australia called on the Productivity Commission to use their Vulnerable Supply Chains report to importantly analyse the

challenges facing our domestic supply chain, yet the final report focused more solely on the vulnerabilities of individual commodities. This latest announced inquiry will, however, work towards developing a greater understanding by business, importers and exporters and the wider community on how reliant our nation is on global supply chains and identify any possible opportunities to improve pressures being experienced domestically. We now urge the federal government and the Productivity Commission to engage with industry from the outset to drive a strong agenda for next year's report so together, we can build on the efficiency of our industry which has strongly upheld our resilience to the global challenges of recent times."

### **SHIPPING AUSTRALIA'S VIEW:**

Melwyn Noronha, Shipping Australia CEO, welcomed the Prime Minister's announcement and said there is clearly a problem with industrial relations on the waterfront.

"Australia is plagued by ongoing protected industrial action. Each day, about \$552.9 million worth of containerised goods, about 16,000 twenty-foot boxes worth, cross the wharves," he said, "economists reckon that industrial disruption at our ports can lead to a direct loss of about \$22.7 million a day to the Australian economy. Then there's the multiplier effect. Some goods are components used to make other industrial goods, or to deliver services. If they are disrupted then the effects of port delays cascade throughout the economy in the form of lost sales, unexpected costs of transport and storage, and losses in production or productivity where the delayed goods are inputs to other processes such as manufacturing. Consider, also, that about 9.5% to 10% of the Australian workforce works in some aspect of the logistics sector, which is

primarily driven by sea freight. These multiplier effects are significant and are compounded by the length of industrial action."

Additionally, Mr. Noronha stated that the Australian ports are inefficient saying, "they are ranked by a World Bank report as being among the worst-performing ports in the world. There are ports in war-torn or bandit-infested countries that perform about as well as our ports. The same report indicates that there are Alaskan crab ports that perform about as well as our ports. Ports must get ships to berth faster. Ports must process cargo faster. Ports must have less idle time at berth. Ports must do better. As nearly all of our imported goods and commodities move by sea, the Prime Minister is quite right: port inefficiency is a tax on all Australians."

### **THE SHIPPERS' VIEW:**

Paul Zalai, Freight and Trade Alliance director and Australian Peak Shippers Association secretariat, also welcomed the Prime Minister's announcement about the inquiry.

"The terms of reference need to be wide ranging and go beyond the probes initiated in other jurisdictions such as the US - we need to take this opportunity for an independent review to focus on all aspects of the international shipping and logistics sector," Mr Zalai said, "where necessary, we would encourage the introduction progressive regulation by the Australian government to stimulate commercial opportunities to complement existing trade modernisation initiatives."

Ackerman, I. (2021). Inefficient ports are a tax on all of us: Prime Minister announces inquiry into Maritime Logistics efficiency. Retrieved from <https://www.thedcn.com.au/news/law-regulation-trade/inefficient-ports-are-a-tax-on-all-of-us-prime-minister-announces-inquiry-into-maritime-logistics-efficiency/> on 3rd December, 2021.





# REGIONAL COMPREHENSIVE ECONOMIC PARTNERSHIP - ENTRY INTO FORCE 1 JAN 2022

**T**he Regional Comprehensive Economic Partnership (RCEP) is a regional free trade agreement that will complement and build upon Australia's existing free trade agreements with 14 other Indo-Pacific countries. RCEP comes into force 1 January 2022 following ratification by Australia, New Zealand, Brunei Darussalam, Cambodia, China, Japan, Laos, Singapore, Thailand, and Vietnam. When in force for all 15 signatories, RCEP will be the world's largest free trade agreement and include nine of Australia's top 15 trading partners. A "Proof of Origin" must be held at the time the goods are entered to claim the preferential tariff rates. It must be in writing or any other medium, including electronic format and can be a Certificate of Origin (COO) or a Declaration of Origin (DOO) as outlined below.

The COO / DOO must specify that the goods are originating and meets the requirements of the FTA and contain the minimum information requirements as set out in Annex 3B to the Agreement.

- a. A Certificate of Origin issued by an issuing body in accordance with Article 3.17 (Certificate of Origin);
- b. A Declaration of Origin by an approved exporter in accordance with subparagraph 1(a) of Article 3.18. We understand approved exporter status may be granted to Trusted Traders identified by their ABN.
- c. A Declaration of Origin by an exporter or producer in accordance with subparagraph 1(b) of Article 3.18

The agreement provides that Australia, Brunei Darussalam, China, Indonesia, Japan, Korea, Malaysia, New Zealand, the Philippines,

Singapore, Thailand, and Vietnam will allow type (c) DOO no later than 10 years after their respective dates of entry into force of this Agreement. Cambodia, Lao PDR, and Myanmar will allow type (c) DOO no later than 20 years after their respective dates of entry into force of this Agreement.

Proof of Origin documents are valid for one year from the time they are issued. COO can be issued retroactively, but it must be within one year of the date of shipment. Back-to-back COO and DOO are permitted under similar circumstances to Australia's other FTAs.

## **CERTIFICATES OF ORIGIN (COO):**

- Must be in English
- Have a unique COO number
- Contain an authorised signature and the official seal of the exporting Party. These can be applied manually or electronically. We do not know whether the names of the signatories will be published.
- Can cover multiple invoices in a single shipment
- Can cover multiple goods, provided that each good qualifies as an originating good separately in its own right.
- Amendments must be struck out and changes certified by the authorised signature and official seal of the issuing body.

## **Annex 3B to the Agreement provides the minimum information requirements to be contained in a COO:**

- a. exporter's name and address
- b. producer's name and address, if known;
- c. importer's or consignee's name and address;
- d. description of the goods and the HS Code of the goods (six - digit level);
- e. unique Certificate of Origin number;

- f. origin conferring criterion;
- g. declaration by the exporter or producer;
- h. certification by the issuing body that the goods specified in the Certificate of Origin meet all the relevant requirements of the Rules of Origin based on the evidence provided with the authorised signature and official seal of the issuing body;
- i. RCEP country of origin referred to in Article 2.6 (Tariff Differentials);
- j. details to identify the consignment such as invoice number, departure date, vessel name or aircraft flight number, and port of discharge;
- k. FOB value, if the regional value content origin conferring criterion is used;
- l. quantity of the goods;
- m. in the case of a back-to-back Certificate of Origin, original Proof of Origin reference number, date of issuance, RCEP country of origin of the first exporting Party, and, if applicable, approved exporter authorisation code of the first exporting Party.

**DECLARATION OF ORIGIN (DOO):**

- Must be in English
- Must contain the name and authorised signature of the certifying person.
- Must be dated.

**Annex 3B to the Agreement provides the minimum information requirements to be contained in a DOO:**

- a. exporter’s name and address;
- b. producer’s name and address, if known;
- c. importer’s or consignee’s name and address;
- d. description of the goods and the HS Code of the goods (six-digit level);
- e. in the case of an approved exporter, authorisation code or identification code of the exporter or producer (may be the ABN – TBC);
- f. unique reference number;
- g. origin conferring criterion;
- h. certification by an authorised signatory that the goods specified in the Declaration of Origin meet all the relevant requirements of the Rules of Origin (ROO). The ROO are contained in Annex 3A to the Agreement;
- i. RCEP country of origin referred to in Article 2.6 (Tariff Differentials);
- j. FOB value, if the regional value content origin conferring criterion is used;
- k. quantity of the goods;
- l. in the case of a back-to-back Declaration of Origin, original Proof of Origin reference number, date of issuance, RCEP country of origin of the first exporting Party, and, if applicable, approved exporter authorisation code of the first exporting Party.

A suggested blank format for the DOO has not as yet been released. Note that consignment rules will also apply.





# AUSTRALIA POST WELCOMES ELECTRIC TRUCKS TO ITS FLEET

**A**ustralia Post has added the first of 20 electric trucks to its national delivery fleet and are ready to take on parcel deliveries in Melbourne, just ahead of Christmas. Joining Australia Post's current delivery fleet of more than 2100 electric delivery vehicles and 1400 electric bicycles, the Fuso eCanter is warmly welcomed after the successful trial of the Daimler developed truck in 2019.

James Dixon, Australia Post General Manager Networks says the addition of the Fuso eCanter is an exciting step for the organisation. James says, "we're very proud to be Australia's largest electric fleet operator, but up until this point, our electric fleet has consisted solely of smaller delivery vehicles that are used for the last-mile...We've trialled a range of electric trucks previously, but the Fuso eCanter is the first we've found that suits both Australian conditions and our unique operational needs."

Australia Post Chief Sustainability Officer, Susan Mizrahi, says growing the current electric fleet was an integral part of Australia Post's 2020-22 Corporate Responsibility plan and its science-based target to minimise its emissions by 15% by 2025. "This is an important milestone for our business," Susan stated, "we know that every delivery

has a carbon footprint which is why we're committed to reducing our emissions through growing our electric fleet and increasing our renewable energy production to help power these new vehicles."

Being the Original Equipment Manufacturer (OEM) electric truck available in Australia, The Fuso eCanter utilises the latest technology from the Daimler Truck group.

Daniel Whitehead, President and CEO of Daimler Truck and Bus Australia Pacific, which represents the Fuso, Freightliner and Mercedes-Benz brands, believes Australia Post was the perfect first Australian customer for the eCanter. "Daimler is thrilled to partner with such an iconic brand as Australia Post on a journey towards carbon neutral freight transportation in Australia," Daniel says.

From early 2022, the remaining 17 eCanters will hit the streets delivering in major capital cities, with the rollout of the new vehicles supported by Australia Post Fleet Management Provider SG Fleet.

Friend, B. (2021). Australia Post's first electric trucks. Retrieved from <https://mhdsupplychain.com.au/2021/11/29/australia-post-s-first-electric-trucks/> on 2nd December, 2021.



## CHINA'S 7 WEEK QUARANTINE RULES FOR CARGO CREW

**S**eamarers who return will now have to quarantine for up to 7 weeks, a rule which is expected to exacerbate supply delays out of the export hub. The country has also banned crew changes for foreign seafarers.

Secretary-general of the International Chamber of Shipping, Guy Platten, says China's restrictions cause knock-on effects stating, "any restrictions to ship operations have an accumulative impact on the supply chain and cause real disruptions."

To dodge the COVID-19 restrictions imposed in China, shipping routes are now rerouted, meaning ships will take an extended duration to reach their destinations therefore, raising the cost. Due to the countries' zero-COVID policy, more stringent container processes are now in place to tackle its latest wave of cases. In Shenyang, travellers who arrive from overseas must isolate for 56 days.

Prior to the pandemic, seafarers on occasion, were required to travel to another country

to board a ship. Some would disembark in another country before heading home on a plane, which was challenging over the last couple of years due to border restrictions. Managing director of Singhai Marine Services, Terence Zhao, says the port's main focus is on health matters and quarantine, saying, "the regulations change very often, depending on the local COVID situation."

Minister for Trade, Tourism and Investment, Dan Tehan, believed that Australia will aim to build on the progress made by US President, Joe Biden, and People's Republic of China President, Xi Jinping. Ship managers and operators are calling for China to ease its restrictions and urging governments to prioritise seafarers and shipping or otherwise risk continued disruptions that may go deeper as mariners bear the brunt of the toll.

Friend, B. (2021). China imposes seven week quarantine for cargo crews. Retrieved from <https://mhdsupplychain.com.au/2021/11/29/china-imposes-seven-week-quarantine-for-cargo-crews/> on 2nd December, 2021.



# STAFF SPOTLIGHT

## MEET NICOLE XI

INTERNATIONAL FREIGHT MANAGER  
TOMAX LOGISTICS AUSTRALIA

### 1. What do you do at Tomax?

I'm an International Freight Manager, dealing with shipping lines and agents. I organise freight rates contracts and vessel spaces, provide our clients with a forecast on freight rate trends and update them on the latest shipping marketing situation.

### 2. What are your hobbies/interests?

Dancing and running.

### 3. If you could book a dream holiday where would you go?

Norway - I want to see aurora!

### 4. Favourite childhood memory?

Celebrating Chinese New Year with my whole entire family including my uncles and aunties from my mum's side as well as all my cousins. We went to the street to set the fireworks at mid-night which was so much fun.

### 5. Your greatest achievement?

My kids, Jacob and Olivia.

### 6. Do you live by any motto?

Yes, everyone knows that  
No pain = no gain!

### 7. What do you believe is the greatest invention of all time?

Electricity for sure.



*15km Great Ocean Road Marathon, May 2021*

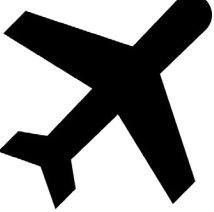

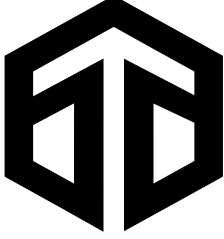







*Jacob and Olivia!*



# QUICK SUDOKU

See if you can solve the following Sudoku Puzzle!

Answers: