



TOMAX
NEWS

Issue 63
14th January 2022

PLUS:

MARKET SUMMARY

- The Australian supply chain network has been in chaos over the last 2 weeks as the Omicron variant spread put a lot of the nation's essential workers into isolation. New rules being introduced will help alleviate these pressures over the coming weeks however.

- Space and services from China are tightening up heavily in the lead up to Chinese New Year (1st February) so shippers and consignees are encouraged to plan shipments carefully and have bookings placed as early as possible.

- REMINDER: Terminal Infrastructure Levies (also known as Port Infrastructure Surcharges) were increased by Australian terminals from 1st January to new record highs. Your account manager will update you about the new levels but please keep these increases in mind when calculating landed costs.



TARIFF CONCESSIONS GAZETTE

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 Gazette 13/01/22](#)

[Click to view Gazette 12/01/22](#)

[Click to view Gazette 11/01/22](#)



NATIONAL ADBLUE EFFORTS ON TRACK TO DEFEAT SHORTAGE CRISIS

Four weeks ago, the federal government charged its crisis management agency, Emergency Management Australia (EMA), with handling the urea shortage, a compound deemed essential in the manufacture of AdBlue. The implications of the shortage struck great fear for Australia's economy.

However, the intensity of national efforts to address the shortage have instilled confidence in defeating the AdBlue shortage crisis, with Heavy Vehicle Industry Australia (HVIA) chiming in that they are "bullish about national efforts to head off any AdBlue shortage crisis." In addition, the industry suppliers group stated that the actions undertaken before and over the Christmas to New Year period is paying off.

The first steps involved the Australian Competition and Consumer Commission (ACCC) to grant an interim exemption enabling AdBlue manufacturers, suppliers and other stakeholders to collaborate to address AdBlue supply shortages without breaching competition laws.

Todd Hacking, HVIA chief executive, has been involved in meetings facilitated by EMA, also known as a National Coordination Mechanism (NCM) and says, "stocks of AdBlue are now steadily improving across priority sites and localised production has been ramping up at an ever-increasing rate." He

believes confirmation of local supply should provide confidence that the situation is being rectified, preventing the need to stockpile AdBlue. He continued, "it is still crucial that businesses do not hoard the product so those that need supplies have access to them until the situation normalises. The NCM has been a great success in bringing together government, industry and other with stakeholders meetings held almost every two days across the Christmas and New Year break. This has been an incredible effort to everyone involved, in what has been a challenging issue."

From January 16th, Incitec Pivot Limited (IPL) is aiming at production of 3 million litres of AdBlue a week. The federal government is assured that IPL's production schedule in conjunction with ongoing imports will allow petrol stations and other distributors to replenish inventory over the coming weeks.

As soon as international shortages were first flagged, HVIA had already begun actively collaborating with the government to resolve the issue. Hacking noted that, "many HVIA members have a large stake in this issue and are active participants in ensuring the security of supply to market is guaranteed as soon as possible."

Just prior to Christmas, Jeanne Johns, Incitec Pivot MD and CEO, addressed the challenge her company faced stating, "our expert

teams have been working around-the-clock on a solution to help address an Australian AdBlue supply shortage. We're very pleased our domestic manufacturing expertise can be mobilised and we're working together with the federal government to expand supply of this critical material that we all rely on to keep Australia moving. We've had great support from prime minister Scott Morrison, industry minister Angus Taylor and the federal Department of Industry. We will continue to work closely together as we progress our manufacturing assessment and next steps to expand AdBlue supply and technical grade urea production for the AdBlue industry. Importantly, our plans to expand production will not impact on the supply of fertilisers which our Australian farmers are relying on. With the support of key partners including IOR, IPL is working quickly to build additional storage capacity to support the supply chain and customers. COVID highlighted the importance of Australian manufacturing and we are proud to play our part in securing domestic supply chains"

Meanwhile, IPL's Brisbane Gibson island plant produces fertiliser products, along with industrial chemicals for the domestic market.

The plant had planned to cease local production in favour of imported 'green' ammonia in December, as a result of escalated gas prices, but was given a new lease on life through a \$29.4 million federal grant to boost domestic urea supply by 5,000 tonnes by the end of the month. While the majority of the urea produced is fertiliser grade used by Australian farmers, a small portion is used to make AdBlue solution, supplying around 10% of the Australian market. The remainder of the AdBlue market relies on international imports which have been disrupted across the previous months.

ATN. (2022). HIVA GIVES THUMBS UP ON NATIONAL ADBLUE EFFORT. Retrieved from <https://www.fullyloaded.com.au/industry-news/2201/hvia-gives-thumbs-up-on-national-adblue-effort> on 13th January, 2022.





OMICRON VARIANT CAUSES SUPPLY CHAIN MAYHEM

The Container Transport Alliance Australia (CTAA) director says industry players are facing the most challenging conditions ever, with the Omicron variant contributing to supply chain disruptions.

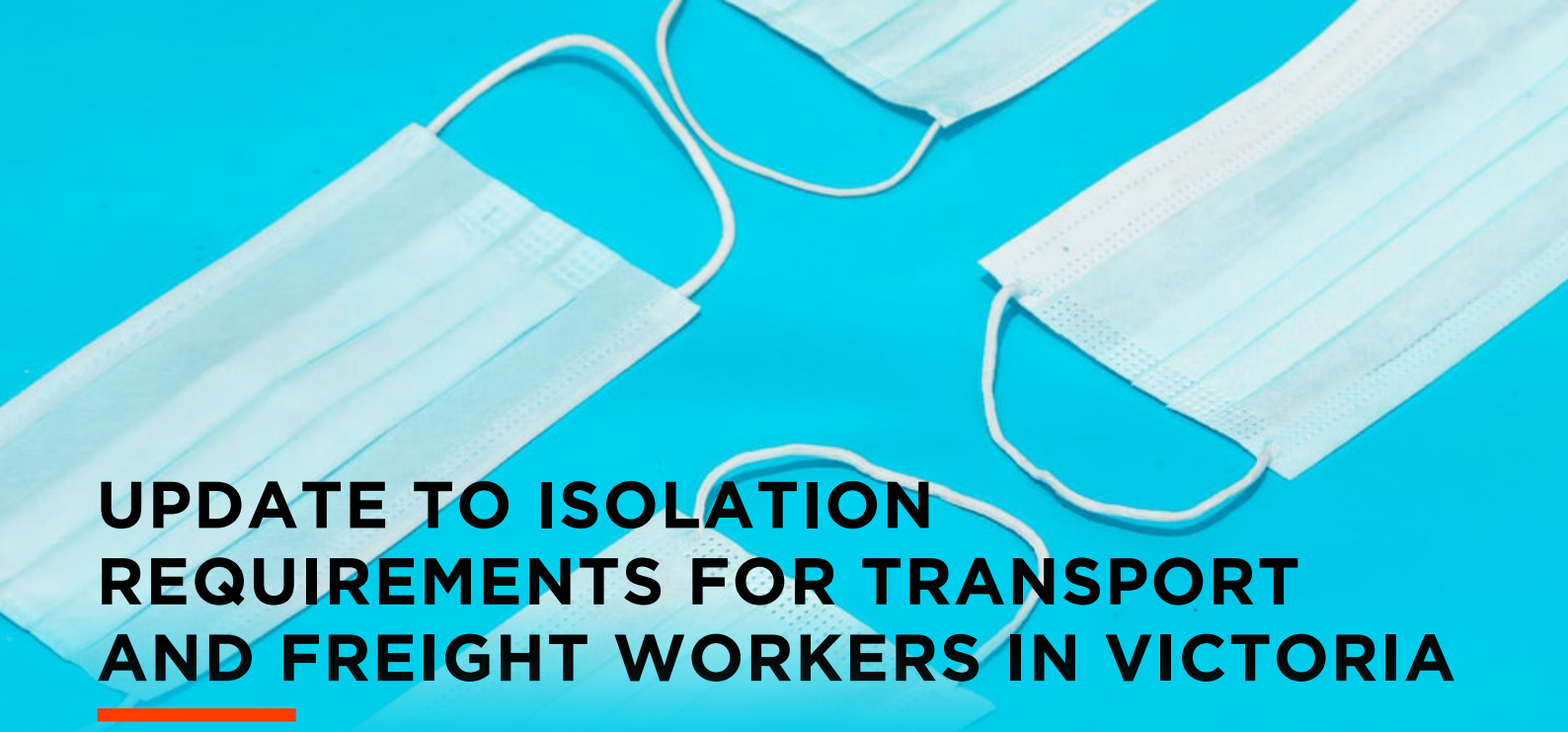
According to Neil Chambers from the CFTAA, staff shortages, terminal congestion and significant competition to secure vehicle booking slots are combining to create the difficult conditions.

He explains, “container transport operators across Australia have reported to CTAA that they are experiencing between a 5 percent to 20 percent reduction in available staff, including heavy vehicle drivers, warehouse staff, forklift drivers, container unpack crews and administration, due to COVID infections and isolation requirements. Compounding this are staff shortages at customers’ premises, as well as at international container stevedore terminals and at empty container parks across Australia, significantly delaying the movement of containers through the supply chain. As a result, transport operators are reporting operational capacity constraints, with transport yards operating between 70 per cent to over 130 percent capacity.”

Neil believes the reduction in capacity is due to the delays in customer deliveries and the need to stage empty import containers through transport yards while trying to secure de-hire slots at clogged empty container parks or container terminals that have reached capacity to receive returns.

Neil added, “the current supply chain delays and the severe impact of COVID infections seem set to continue well into 2022. DP World Australia has notified industry that approximately 10 per cent of its workforce are impacted through either having contracted COVID-19 or are isolating at home with a positive case in their household. DP World says these numbers may increase as Australia works through the current COVID-19 wave. Vessel berthing delays at container terminals across Australia are still of significant concern, impacting all of the major stevedore companies. These delays are being felt most acutely in Sydney and Melbourne, with delays of between 2 up to 9 days, while a heat wave in WA is now affecting terminal productivity in Fremantle.”

Friend, B (2022). Omicron variant prolongs container logistics delays. Retrieved from <https://mhdsupplychain.com.au/2022/01/10/omicron-variant-prolongs-container-logistics-delays/> on 13th January, 2022



UPDATE TO ISOLATION REQUIREMENTS FOR TRANSPORT AND FREIGHT WORKERS IN VICTORIA

The Victorian Government has provided an update in regard to home isolation requirements:

From 11:59pm, Tuesday 18 January 2022, workers in emergency services, education, critical utilities, critical care services, custodial facilities and **transport and freight operators, including at ports and airports** will join workers in the food production sector as being eligible for the exemption.

Under the conditions of the exemption, the worker may return to work if it is necessary for continuity of operations and if other options have been exhausted. The exemption will apply to attending work only, not any other settings.

In order to be eligible, the worker must first notify the employer of their status as a contact, and critically, both parties must consent to the worker returning to the workplace. They are already required to be fully vaccinated.

Strong measures will be required to reduce the risk of a contact attending work while infectious:

- The worker must undertake a daily Rapid Antigen Test (RAT) for five days and return a negative result prior to attending work each day
- They must wear a face mask at all times, with exceptions in the case of eating or drinking, or safety reasons, and a P2/N95 respirator is preferred
- The worker cannot enter shared break areas and the employer must try and facilitate solo

break time. The employer must also take reasonable steps to deploy the worker in areas where transmission risk is lower

- If at any time the worker develops symptoms or tests positive on a RAT, the exemption no longer applies – they are a case, must isolate for 7 days, and must notify others including their employer.

The exemption order is identical to that granted by Victoria's public health team for key food and beverage workers, and is designed to protect the state's essential workforce during the continuing Omicron wave. This exemption also currently applies to hospital workers, disability workers, residential aged care facility workers, and ambulance workers, but the use of an N95 mask at the workplace is a requirement, not a preference.

Close contacts, otherwise known as household and household-like contacts, are people who have spent more than four hours with a case inside a house, accommodation or care facility.

The Department of Health has also updated its contact management guidelines to require workplaces to notify the Department when five cases have attended the work premises within seven days. Previously, workplaces were required to advise the Department and Worksafe of single cases.

More information on the conditions of the exemption and applicable cohorts of workers will be published at www.coronavirus.vic.gov.au/isolation-exemptions when they come into effect at 11:59pm, Tuesday 18 January.



COVID OUTBREAK STRIKES AIR CARGO AND TRUCKING IN CHINA

Following Ningbo-Zhoushan Port's latest COVID lockdown, forwarders are now shifting volumes to Shanghai to avoid delays. The latest disruption takes place in Ningbo's Beilun district, bordering three of the port's container terminals. Container loading and discharge is operating as per usual, however the impact on trucking and access to the port is severe, according to local forwarders.

In August last year, saw a key terminal at the Ningbo-Zhoushan port closing operations for 8 days after a worker contracted COVID-19 and Shanghai's Pudong International Airport shut down its cargo zone after five workers tested positive.

According to one forwarder, "many truckers live in Beilun and there are complicated COVID-19 control policies there, so it's extremely difficult to bring containers in or out. Some shipping lines may decide to omit Ningbo and, as there is only three or four weeks until Chinese New Year, we recommend shipping as early as possible from alternative ports instead of queuing for Beilun."

Another forwarder for LCL cargo advised their customers, "for any LCL shipments booked from Ningbo but not delivered to us yet, please cancel the booking from Ningbo and divert the shipment to Shanghai immediately." Trucks could not move from Ningbo to most nearby cities, and drivers entering the city faced a 14-day quarantine. International booking arte being re-routed because of the disruption. "Internal transport and landside costs are spiraling in some areas, typically round-trips to and from Shanghai take up to an additional eight hours. Ocean freight

availability and rates, from both Ningbo and Shanghai, are likely to be impacted."

Maersk indicated that they had no plans to omit Beilun terminals from its schedules, as the prospect of long landside delays has also prompted other forwarders to recommend shifting volumes from the port.

Meanwhile, the COVID outbreak has also caused China's ninth-busiest airport for cargo to cancel a large number of flights. The government imposed a strict lockdown on the city of Xi'an in mid-December, cutting off most transport to the city, including flights. According to Flightradar24, 104 aircraft are on the ground at Xi'an Airport. The outbreak is linked to the current disruptions being felt at Ningbo port.

Significant delays are predicted in the next two months, with the country's "zero-COVID" policy leading to local restrictions ahead of Chinese New Year and the upcoming Beijing Olympics. Forwarders expect China to crack down on transport, with less charter flights approved and further restrictions on aviation, in particular to Beijing.

During the last week of December, hundreds of flights were cancelled at major Chinese hubs including Shanghai, Beijing and Shenzhen. Hong Kong also faces strict regulations on quarantine, which has led to "extremely challenging work patterns."

Friend, B (2022). Cancelled flights impacting air cargo. Retrieved from <https://mhdsupplychain.com.au/2022/01/10/cancelled-flights-impacting-air-cargo/> on 13th January, 2022

Friend, B (2022). Covid-restricted trucking hits exports from China port. Retrieved from <https://mhdsupplychain.com.au/2022/01/10/covid-restricted-trucking-hits-exports-from-china-port/> on 13th January, 2022

STAFF SPOTLIGHT

ALEX MASCIS

OPERATIONS DOCUMENTATION
COORDINATOR

TOMAX LOGISTICS UNITED STATES



What do you do at Tomax?

Import Operations/ Documentation. I handle all the paperwork for a number of our US based clients, as well as handling freight movement to their final destination.

If you could book a dream holiday, where would you go?

Anywhere on the Yucatan peninsula in Mexico! I was lucky to get out there right before COVID, and have been itching to get back.

What do you enjoy doing in your spare time?

In my spare time I enjoy golfing with friends, adventuring in the vast Cascade Mountains wilderness, and working out. These always help clear the mind after a long day's work.

Best thing to do in the United States?

May be biased as I am from the Northwest, but skiing! We have a number of great mountains to escape to and heaps of snow in the past of couple years.

Do you have any New Year's Resolutions or goals for 2022?

As I am new to the industry, my goal is to continue to grow both my skillset and client base here at Tomax. Personally, I am trying to purchase my first home as well.

Greatest movie or TV show you've seen?

This would have to be Moneyball with Brad Pitt. I have been into baseball since I was a little kid and this true story/movie was a great example of the changing world data has brought to sports.

If you could have any superpower, what would it be?

If I had a superpower, I would want to be able to teleport. I have always been a fan of a nice drive through a scenic area, but there are always times I wish I could just skip to the next destination and save myself the travel time.



HAPPY NEW YEAR!

The Tomax Team would like to wish you a happy, safe and prosperous New Year and all the very best as we approach and overcome new challenges in 2022.

We are always a phone call or email away if you have any queries or would like to speak to one of our friendly team members!

Phone: 1300 186 629 or (03) 9544 4227

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SPOT THE ODD ONE OUT

See if you can spot the odd one out from each set!



A



B



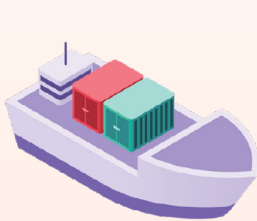
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D



E



A



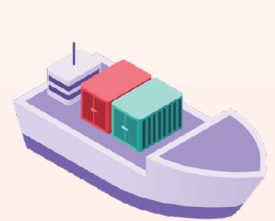
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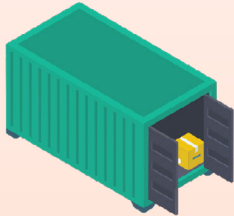
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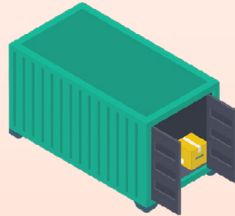
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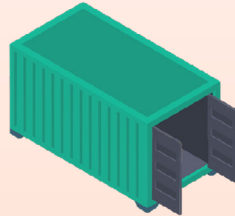
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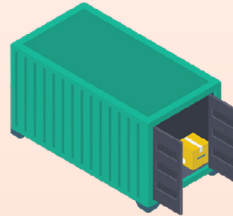
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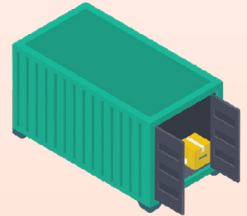
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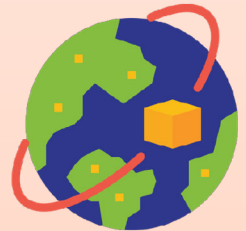
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C



D



E

Answers: A, D, C, E



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