



TOMAX
NEWS

Issue 68
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PLUS:

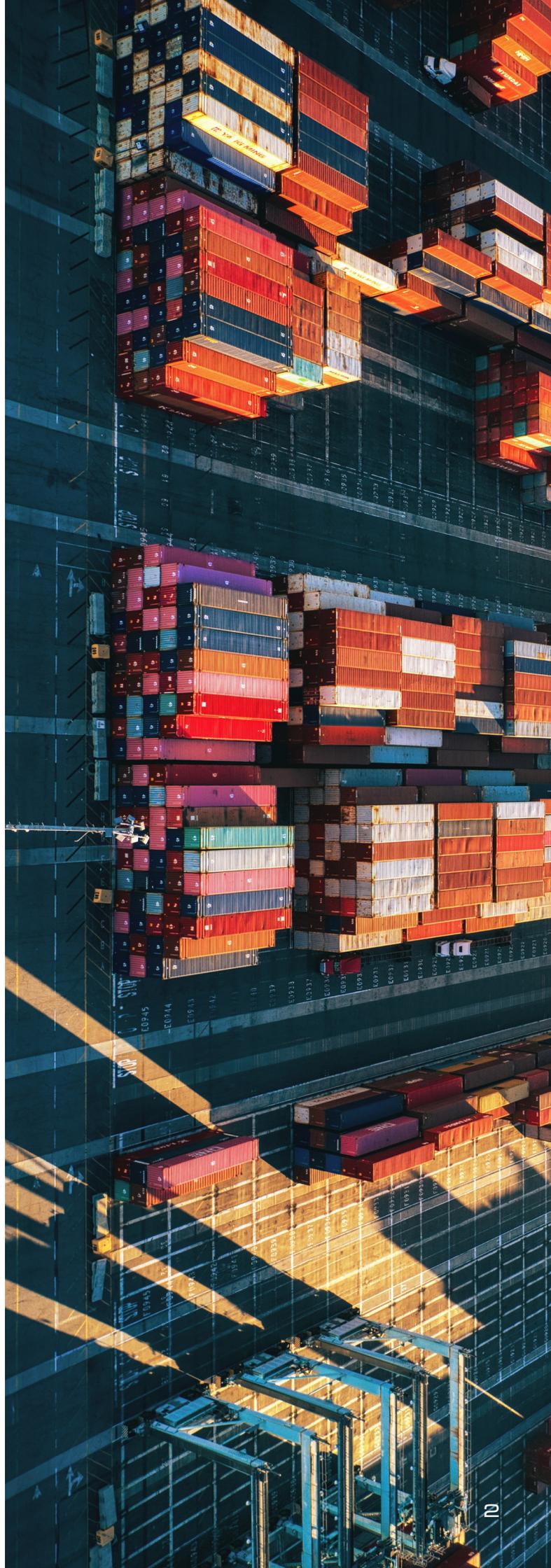
MARKET SUMMARY

- Freight rates on the China to Australia trade lane are beginning to show signs of softening in the few weeks post Chinese New Year. Whilst most industry pundits are at odds over what the year will bring, Tomax is doing everything possible to bring pressure to bear on shipping lines to have rates lowered as far as possible in order to assist importers and exporters.
- Available warehousing space in the main Australian sea ports is at all time lows with many companies seeking options to store cargo left floundering. Demands for space in Melbourne and Fremantle especially are exceeding supply, also resulting in the price for space, both in warehousing leases and 3PL pallet storage costs, rising significantly.
- Transport services around the country have been severely affected over the last few weeks with many drivers and logistics workings forced into COVID isolation or having to care for someone in isolation, leaving up to 35% of the workforce in many sectors unavailable.

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. 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](#)



LATEST NEWS



RAILWORKS REOPEN TO WA AFTER SA FLOOD DAMAGE

After the heavy South Australian floods severed the rail network, the Trans-Australian railway between Adelaide and Tarcoola has reopened to freight trains headed to Western Australia. The damage inhibited freight movements to Western Australia which impacted food supplies and led to shortages across major supermarkets. Track damage was evident in 18 different locations and took more than 100 Australian Rail Track Corporation staff to assist with repairs spanning over a 3 week period. On Tuesday, nine freight trains were able to access the network, enabling the movement of supplies along the rail link bridging Western Australia and the Northern Territory to the eastern states.

Simon Ormsby, ARTC group executive interstate network, believes the crews and contractors working on the interstate network are deserving of Australia's gratitude, saying, "in the end we had more than 100 staff on the ground working around the clock to fix 18 locations along a 300-kilometre stretch of track in 24 days. This was a tremendous display of co-ordination and effort with our on ground work supported by ARTC project management and logistics staff from across the country...We are hoping to get back to normal operation as soon as possible."

A surplus of 25 units of heavy machinery were used throughout the work sites and in some areas requiring repairs to access roads between the highway and rail network.

During the rail closure, the Western Australian government worked with Pacific National and Linfox to develop a land bridge which allowed the delivery of containers via trucks. The National Heavy Vehicle Regulator also allowed larger road trains to access different road freight networks in order to help deliver critical supplies.

Woolworths has already taken advantage of the coastal shipping option, for goods destined to the west, with the first ship leaving Sydney on the 8th February to arrive at Port of Fremantle by 22nd February. The coastal shipping exemption is expected to facilitate the delivery of more than 3500 extra pallets of goods to Fremantle.

Rita Saffioti, Transport minister, thanked the ARTC, retailers, industry, and especially truck drivers for helping to keep supplies moving. She added, "It will take some time to clear the backlog of supplies, so I encourage everyone to remain patient and to continue to only buy what you need over the next few weeks. We are continuing to allow truck deliveries to supermarkets 24/7, under changes to planning laws in 2020, which will mean we can get more essential goods and supplies back onto our supermarket shelves quicker."

Williams, A. (2022). Rail networks reopen to WA following SA floods. Retrieved from https://www.thedcn.com.au/news/containers-and-container-shipping/rail-networks-reopen-to-wa-following-sa-floods/?utm_source=DCN+Daily+Newswire&utm_campaign=604da73f84-EMAIL_CAMPAIGN_10_06_2021_COPY_01&utm_medium=email&utm_term=0_505d67c448-604da73f84-143548541 on 16th February, 2022.

CHINA ADDED TO THE BMSB EMERGING RISK COUNTRY LIST

As a result of detections of live BMSB in some containerised commodities originating in China, the department will be adding China as an emerging risk country for the remainder of the 2021-22 BMSB season.

The increased random inspection activities will apply to the following goods:

- Goods manufactured in, or shipped from China
- FCL / FCX containers – for goods shipped in sealed 6 hard sided containers
- Goods tariffed as Chapters 39, 68, 69, 70, 73, 84, 85 and 89

LCL / FAK containers and break bulk goods (including those shipped on flat rack or in open top containers) are out of scope for increased inspection activities.

In scope containers, as identified above, will be selected at random and will be directed for an 'Inspection – Seals Intact Inspection' at a Class 1.1, 1.3, 2.1 or 2.2 Approved Arrangement.

For further information, visit <https://www.awe.gov.au/biosecurity-trade/import/before/brown-marmorated-stink-bugs> or chat to one of our friendly Tomax team members on 1300 186 629.



OPINION STORY

MAERSK RAKES IN HUGE \$18 BILLION PROFIT FOR 2021

Whilst importers around the world have been left savaged by huge price hikes in almost every sector of business, shipping lines have been laughing all the way to the bank as they rake in unimaginable profits. The announcement this week by Maersk, the world's largest shipping line, of a record USD 18 billion profit in the 2021 calendar year feels like nothing but a slap in the face with a cold, wet fish for importers and exporters around the world.

Shipping lines have been riding the COVID-19 pandemic wave as demand for shipping services, both for pandemic related cargo and general goods, has surged to levels far outstripping available vessel space. Freight rates on most trade-lanes around the world have risen by 600-900% with shipping lines effectively being able to charge exorbitant rates totally inconsistent with any rise in the cost of service provision. Ocean freight rates rose, basically unchecked, from the early months of the pandemic as governments around the world scrambled to source cargo to fight the COVID-19 virus. Then as global lockdowns began, many people were locked away at home with little to do except shop online to spend money that was unable to be spent on the usual forms of entertainment. Rates continued to rise and rise and rise until they plateaued in late 2021 with shipping lines facing more

and more scrutiny and all of a sudden making announcements that they would put an end to the rate increases in order to support their customers (how generous of them).

As the money has been streaming in for shipping lines they have used it to expand their services and corner more of the market by purchasing more container terminals, more freight forwarders, and even expanding into digital services. Lines have also placed massive orders for new, huge container vessels in order to keep pace with demand and increase their ability to generate even further profits. Adding insult to injury for those utilising the services of these profiteering shipping lines has been the enormous drop in service levels over the last 18 months, with severe delays to cargo, and a lack of containers in the right locations as a result of vessels moving around the world often close to empty in a rush to get back on their money making routes.

Maersk have announced further that they are forecasting similar profit levels in 2022, even though some "experts" are predicting a normalisation of the industry in the second half of this year. Let's hope and pray that we do see some sort of "normalisation", although what the new normal is only time will tell.

AUSTRALIA SET TO REOPEN INTERNATIONAL BORDERS NEXT WEEK

Next week, Australia will re-open its borders to international tourists, paving the way for a welcome boost to airfreight capacity. After almost 2 years of COVID border restrictions, Prime Minister Scott Morrison has confirmed from the 21st February onwards, fully vaccinated passengers with a visa into the country will be allowed to enter with no prior exemption needed. The relieving news is welcomed by the airline industry, which has been left financially dented by COVID travel restrictions.

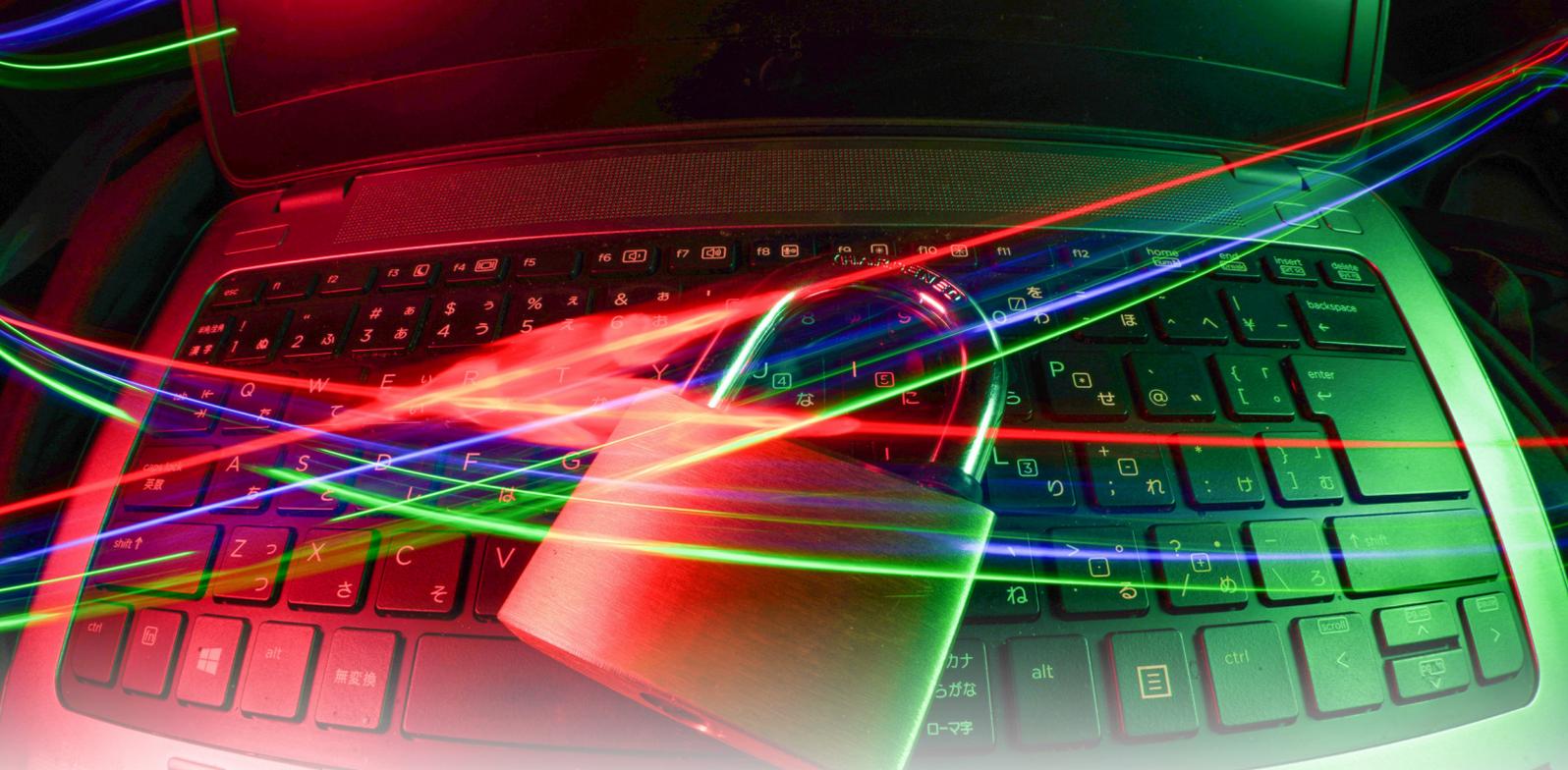
The Board of Airline Representatives of Australia (BARA) noted that the 2020-21 international passenger and freight revenues were estimated at just \$6.5 billion, a drop from \$38 billion in 2018-19. BARA stated, “pre-pandemic, airlines operated some 2,000 international flights to Australia each week, with 840,000 passengers and 22,000 tonnes of freight. Passenger volumes are now 10%-15% of pre-pandemic, still a long way from a sustained recovery.”

Currently, British Airways will return next month with a direct UK flight, Qantas has brought forward its flight schedules, Emirates are increasing flights to Sydney to twice per day, Qatar Airways is back with daily flights to Brisbane and Etihad is due to return with daily flights to Sydney and Melbourne.

“These routes via Australia offer clients more options to and from Asia and Europe. We expect to see freight rates begin to drop from historic highs within the next month or so for general cargo via Australia, and that will be welcome news for many. But we won’t see real gains directly here until the government signals to the airline industry that it is prepared to drop the isolation requirement for travellers.”

However, with strict COVID restrictions still implemented in Asia Pacific transit hubs, including Singapore and Hong Kong, some have questioned whether there is enough passenger demand to induce bellyhold capacity back to pre-pandemic levels.

One forwarder is expecting air freight rates to continue remaining high for the rest of the year, noting that sea freight delays were continuing to pump-up the demand for air cargo. As many manufacturers are producing finished goods at slower rates, this can also prompt a requirement for airfreight.



AUSTRALIA IN DANGER OF VICIOUS UPCOMING CYBER ATTACK

As tensions between Russia and Ukraine are on the rise, this poses an imminent threat to Australia, who is at risk of facing a crippling wave of cyber attacks within weeks. The war between the European nations has escalated over many months, with many experts alerting of its threat as soon as it began to brew. Being a prominent ally of the US and a relatively influential global player, Australia's offer to assist Ukraine has planted a major target on our backs.

According to Lawrence Patrick, former Silicon Valley entrepreneur and leading cybersecurity expert, Australia's subject to threat is now very real regardless of our physical distance from the action. Lawrence stated, "the visual of seeing battalions at the border facing off with rifles pointed over their shoulder is very dramatic and easy to understand, but what's being missed is that Russia is incredibly sophisticated when it comes to cyber warfare capabilities. The reality is that cyber warfare is likely to be the actual arena of this conflict, and Russia already has a long track record of launching attacks against Australian organisations. Australia is the strongest, oldest and most important military ally of the United States, so when there's conflict between the US and Russia, Australia will undoubtedly be impacted by that. We could very well see scenarios where Australian businesses are targeted by Russian hacker groups. These

groups are military - they may not wear uniforms, but they are definitely backed by the government, with military-grade technology and access to military server farms and resources to carry out attacks, so for all intents and purposes, these are nation-state attacks. Australia definitely should think of itself as being not far away at all from this conflict. It's going to happen in the digital domain, and in that situation, you may as well be right next door, because they will come for you no matter where you are."

Mr. Patrick believes Russia will plan to attack "soft targets" such as hospitals, schools, businesses and not-for-profits and could come in the form of a ransomware attack via a phishing campaign, which would trick someone into clicking on a link which enables attackers to take control of that person's account or infiltrate a system. His chilling example was as follows: "Let's say an admissions co-ordinator at a school clicks on a bad link - it could give an attacker access not only to your school, but all other networks connected to it, like the entire Department of Education. This type of attack that allows them to steal data is critical - it could be student records, financial data, payroll data - any data that's really important to the school system they can steal, lock it up, and basically say, 'If you don't pay us a zillion dollars, we'll delete it or make the data public.'"

Furthermore, Mr. Patrick stated that the attacks were also used to gather information on as many people, including regular citizens, as possible.

Nations such as North Korea, use the proceeds from these attacks to fund the development of weapons, however the more disturbing goal is creating a state of anarchy. Mr. Patrick continued, “Russia has been pretty bold and blatant about the fact they want to create chaos – it’s a win-win, they get some cash from ransomware attacks, but they also create a lot of chaos. If they shut down a school system or throw critical infrastructure into disarray, it’s super helpful to their purpose of creating chaos and grinding day-to-day operations of a target country to a halt – it’s a big part of their playbook.”

After the Zirilio Security Operations Centre recorded a suspicious drop in the number of Russian-origin cyber attacks on Australian companies in the past fortnight, this could be due to a major ransomware campaign in the works. He labelled this the “calm before the storm”, and that a major attack could be forthcoming, especially provided how strategic an attack against Australia would be in the lead up to the federal election, in May at the latest. He added, “they are ready to go if the conflict heats up – they didn’t go away, they are not on vacation. We shouldn’t be watching videos of Russia and Ukraine and thinking it’s far away and we don’t need to worry. Every leader of every organisation in Australia ... should be paying attention. If this conflict heats up, there will definitely be cyber warfare ... because Russia is sophisticated in that area and has already made strikes

against Ukraine in the cyber domain, and has already attacked Australia and the US openly and brazenly, so I fully expect that pattern to continue. The next volley, the next action, will be in the digital domain and it will be cyber attacks, and Australia will definitely be targeted because Australia is the strongest ally of the US and Australia has already spoken up on the Russia-Ukraine conflict.”

Australia stands out as a target due to our disproportionate share of media companies and influence, banking and wealth and also due to our involvement in exporting a lot of raw materials that are necessary for the global economy to function. For this reason, Mr. Patrick is convinced Australia will absolutely be targeted disproportionately to our population size, and the way we are likely to be attacked will be very fierce. “It’s inevitable we will be attacked, but it’s not inevitable they will be successful. We have to work together to create a safer Australia,” he said, adding that most cyber attacks last about 60 seconds with the hackers in and out, without business owners realising they have been hacked until months later.

Mr. Patrick is not alone in raising the alarm over Russian cyber attacks, as the European Central Bank and the New York Department of Financial Services have also recently warned of similar digital strikes as a result of bitter conflict.

Carey, A. (2022). ‘Chaos’: Expert reveals chilling sign a major attack against Australia is imminent. Retrieved from <https://www.news.com.au/technology/online/hacking/chaos-expert-reveals-chilling-sign-a-major-attack-against-australia-is-imminent/news-story/dc32fea70c850703a4af1a52f60559f9> on 15th February, 2022.



JAPAN'S SECOND AUTONOMOUS VESSEL, SUZAKU, COMMENCES TRIAL

As part of the Designing the Future of Full Autonomous Ships (DFFAS) project, a domestic Japanese feeder ship is being retrofitted for autonomous shipping.

On Monday, the 2019-built 204 TEU Suzaku was loaded with 2 containers and began an autonomous sailing trial between Tokyo Bay and Ise Bay, after being retrofitted for two months in Innoshima Sanwa Shipyard. Nihon Shipyard designed the modifications to retrofit Suzaku, while Japan Radio designed the integrated information management system used by the support centre.

Plans to pilot the Suzaku for unmanned navigation through crowded waters commenced in September and is the second known Japanese containership to be piloted for autonomous shipping, after Imoto Lines' 194 TEU Mikage last month. DFFAS completed an onshore support centre in Chiba, enabling it to remotely monitor the vessel during testing and intervene in case of emergency. By 2025, DFFAS hopes to commercialise unmanned shipping.

Last November, Norwegian-built Yara Birkeland, became the world's first autonomous battery-operated containership. The 120 TEU vessel began operations for Norwegian fertiliser producer, Yara International, transporting fertilisers from the company's Porsgrunn plant to Norway's Brevik and Larvik ports. After a two year testing and development period, the vessel will become self-propelled and certified as an autonomous, all electric containership.

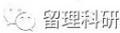
Li, M. (2022). Japan's second autonomous box ship begins trials. Retrieved from <https://theloadstar.com/japans-second-autonomous-box-ship-begins-trials/> on 14th February, 2022.



204 TEU Suzaku



A container equipped with the DFFAS system will be installed on Suzaku, a 749 GT container vessel, in a demonstration trial of a crewless maritime autonomous surface ship.



Demonstration trial



Fleet Operation Center (source: DFFAS CONSORTIUM)



STAFF SPOTLIGHT

MEET SARAH KEAST

**OPERATIONS SUPERVISOR
TOMAX LOGISTICS AUSTRALIA**



What do you do at Tomax?

I am an Operations Supervisor and I help manage registrations.

What are your hobbies and interests?

My hobbies include watching movies – my interests are my kids and family.

Your biggest accomplishment so far?

My kids.

Best thing you've ever eaten?

I went to a Japanese restaurant recently and had the best sushi I have ever tried.

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

Probably the microwave.
As a working mum of 2 young children, it can come in handy!

Your dream holiday destination?

The Maldives – it just looks so peaceful and beautiful.

What are three words that best describes you?

Kind, reliable and outgoing.



FIND THE PATH

Which truck will reach the cargo?



Answer: B



Australian HQ
19/202 Ferntree Gully Rd
Clayton VIC 3168

tomax.com.au
1300 186 629
03 9544 4227

