



TOMAX
NEWS

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PLUS:



MARKET SUMMARY

- As the article in this newsletter illustrates, industrial warehousing space remains at record lows across Australia with many cargo owners left with no options to house overflow products. The space situation is expected to remain extremely tight for at least another 6 months.
- Ocean freight rates on various trade-lanes ex: China are beginning to weaken as shipping line bookings ease in the wake of protracted COVID lockdowns in some areas of China. Rates to Europe, the USA and Australia are all falling as carriers scramble to procure as many bookings as they can for their vessels.
- Export vessel space ex: Australia to most destinations remains under severe pressure, with most destinations requiring bookings around 6 weeks in advance in order to secure space. Please plan ahead for any export bookings so as not to be left disappointed by a lack of immediate options.

TARIFF CONCESSIONS GAZETTE (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. 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](#)



TEMPORARY DUTY REDUCTION FOR GOODS FROM UKRAINE

Commencing for a 12 month period from the 4th July 2022, goods that are the produce or manufacture of Ukraine, will have a 'Free' rate of duty. This arrangement is established by Notice of Intention to Propose Customs Tariff Alterations (No.5) 2022 (the Notice), signed on 11 July 2022.

RULES OF ORIGIN

Goods are determined to be the produce or manufacture of Ukraine, if they meet the requirements under Division 1A of Part VIII of the Customs Act 1901 as it applies to Developing Countries. For the purposes of determining originating status for goods from Ukraine, inputs from other Developing Countries can be included as originating in the qualifying region.

For the purposes of determining originating status for goods from other Developing Countries, inputs from Ukraine cannot be included as originating in the qualifying region.

To ensure that a 'Free' rate of customs duty is accessible to goods that may be the produce or manufacture of Ukraine, goods containing inputs from Russia and Belarus, can still be considered originating provided they meet the rules of origin requirements.

INTEGRATED CARGO SYSTEM

The temporary rates for Ukraine will be entered into the Integrated Cargo System (ICS) as soon as practical following the registration of the Notice. The rates will retrospectively commence on 4 July 2022. Any goods entered for home consumption on or after 4 July 2022 until the time the temporary rates have been entered into the ICS will need to apply for a refund. Refund circumstance 'EB' should be quoted.

To declare these goods, the following details must be recorded on the import declaration (Nature 10, Nature 30 or Nature 10/20):

1. In the Origin Country Code field enter the two-digit United Nations country code UA.
2. In the Preference Origin Country Code field enter the country code UA.
3. In the Preference Scheme Type field, click on the drop down button and select DCU (Developing Country - Ukraine).
4. In the Preference Rule Type field click on the drop down button and select one of the following options representing the preferential rule of origin that the good meets:
 - P50 (Partly manufactured goods with a minimum 50% local content - no accumulation)
 - URP (Unmanufactured raw product)

CONCESSIONAL TARIFF TREATMENT

Goods that are the produce or manufacture of Ukraine can claim Schedule 4 concessions where appropriate. Arrangements for goods valued at, or less than, AUD 1,000 are not impacted by this change.

EXCISE-EQUIVALENT GOODS

Excise-equivalent customs duties applied under Chapters 22, 24, 27, 29, 34 and 38 of Schedule 3 to the Customs Tariff Act 1995 will continue to apply to goods that are the produce or manufacture of Ukraine. The temporary reduction to the excise-equivalent rates that apply to certain imported fuels made by the Customs Tariff Amendment (Cost of Living Support) Act 2022, will also apply to goods from Ukraine.

CUSTOMS TARIFF WORKING PAGES AND THE ONLINE TARIFF

The following text will be added to the footnote section of all chapters except Chapters 22, 24, 27, 29, 34 and 38. From 4 July 2022, goods of Ukraine, in accordance with proposed section 18B of the Customs Tariff Act 1995, are Free. The following text will be added to the footnote section of Chapters 22, 24, 27, 29, 34 and 38. From 4 July 2022, for goods of Ukraine, in accordance with

proposed section 18B of the Customs Tariff Act 1995, if a DC rate is shown, then the DC rate applies, if no DC rate shown Free rate applies. The Online Tariff will be updated to reflect the new footnotes shortly. No Customs Tariff Working Pages will be issued in relation to these changes due to the comprehensive nature of the changes.

RESTRICTIONS ON IMPORTING GOODS FROM CERTAIN LOCATIONS

The Autonomous Sanctions Regulations 2011 bans the importation of goods from specified regions of the Ukraine. These arrangements are administered by the Department of Foreign Affairs and Trade, further information is available at Specified Ukraine regions sanctions regime | Australian Government Department of Foreign Affairs and Trade (dfat.gov.au). The temporary duty reduction on goods from Ukraine does not alter the operation of the sanctions.

If you have any questions regarding the above, feel free to chat to one of our friendly Tomax team members on 1300 186 629.



BIOSECURITY ALERTS & CHANGES THIS WEEK

Please note the Biosecurity updates for this week:

REMOVAL OF IMPORT PERMIT REQUIREMENT FOR CELERY, CHERVIL AND FENNEL SEED EFFECTIVE IMMEDIATELY

Effective from 21 July 2022

As advised through the BICON alert issued on 24 June 2022, the Department of Agriculture, Fisheries and Forestry (the department) has removed the requirement for an import permit for celery, chervil and fennel seeds.

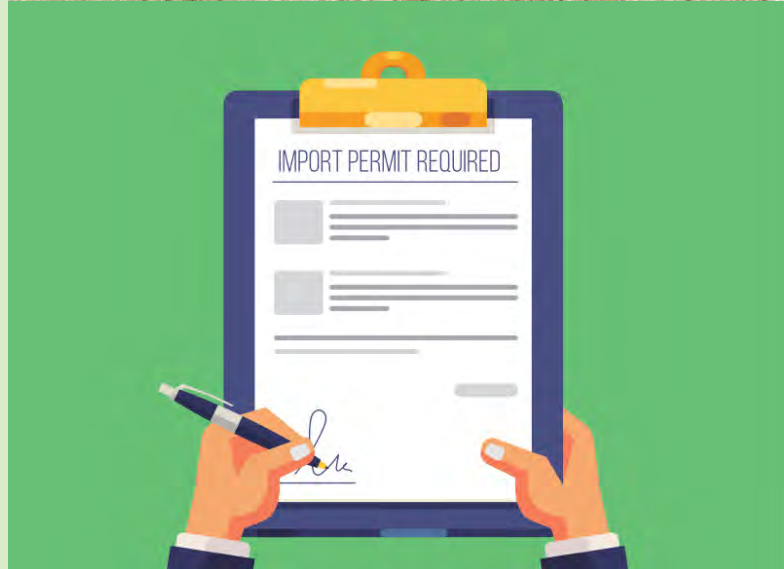
Effective immediately, importers are no longer required to possess an import permit for imports of celery, chervil and fennel seeds for the following end uses:

- Seed for sowing
- Seed for human consumption. This excludes celery and fennel seed for consumption imported under option of controlled atmospheric treatment under pressure to manage Trogoderma (e.g. khapra beetle) risks, which will continue to require an import permit.

MANAGEMENT OF CONSIGNMENTS IN TRANSIT:

- Consignments that arrived in Australian territory prior to 20 July 2022 must still be accompanied by a valid import permit. Consignments that arrive without a valid import permit will be directed for export or disposal.
- Consignments that arrive in Australian territory on or after 20 July 2022 will be permitted entry without an import permit, provided they meet import conditions.

Click on the following link for more information: <https://bicon.agriculture.gov.au/BiconWeb4.0/ViewElement/Element/WhatsChangedNotice?elementPk=1872737>



ADDITION OF SPECIES TO THE RAW SEED FOR HUMAN CONSUMPTION CASE

Effective from 20 July 2022

The species listings in the 'Raw seed for human consumption' case have been updated to include additional scientific names. The Department of Agriculture, Fisheries and Forestry (the department) has assessed that these species either pose a low weed risk, are already present in Australia and not under official control, or are an accepted name of a permitted species.

As a result, these species may be permitted entry into Australian territory subject to the import conditions of the 'Raw seed for human consumption' BICON case.

Click on the following link for the list of scientific names: <https://bicon.agriculture.gov.au/BiconWeb4.0/ViewElement/Element/WhatsChangedNotice?elementPk=1878515>

ADDITION OF SPECIES TO THE BIRDSEED CASE

Effective from 20 July 2022

The species listings in the 'Birdseed' case have been updated to include additional scientific names.

The Department of Agriculture, Fisheries and Forestry (the department) has assessed that these species either pose a low weed risk, are already present in Australia and not under official control or are an accepted name of a permitted species.

As a result, these species may be permitted entry into Australian territory subject to the import conditions of the 'Birdseed' BICON case.

Click on the following link for the list of scientific names: <https://bicon.agriculture.gov.au/BiconWeb4.0/ViewElement/Element/WhatsChangedNotice?elementPk=1878514>





AUSTRALIA HAS LOWEST INDUSTRIAL VACANCY RATE IN THE WORLD

According to CBRE, Australia now has the lowest industrial and logistics vacancy across the world, after dropping to 0.8% during the first half of 2022 with year-on-year rent growth exceeding 13%. Australia's previously lowest record was 1.3% during the end of 2021, with research revealing a further tightening across the country's five major markets. Sass J-Baleh, CBRE's Head of Industrial and Logistics Research Australia says, "from 6.3% at the end of 2019, Australia's Industrial & Logistics vacancy rate has trended down to its current record low of 0.8%. Although vacancy rates around the globe have also fallen over the past 12 months in particular, Australia now has the lowest national vacancy rate globally, and Sydney the lowest vacancy rate of any city."

Due to the low figure, Australia is ahead of Sweden (1.1%), end-of-2021 leader Belgium (1.3%), the United Kingdom (1.6%) and Hong Kong SAR (2.3%). At the end of H1 2022, the global average was 2.7% where mainland Europe sat at 2.6% and the USA on 3.1%. The lowest vacancy rate in Australia is Sydney, following a further reduction from 0.4% to 0.3% across the previous 6 months. Additionally, this is also the lowest of any major city globally, ahead of Los Angeles (0.5%), Gothenburg (0.9%), Seoul (1.0%) and Auckland (1.0%).

Sass continued, "with Australia's highest vacancy rate in any market now just 1.4 per cent in Brisbane, the downward movement recorded for each market reflects the current chronic undersupply. Australia has a relatively low share of developments that are speculative, especially compared to other major markets, so we are unlikely to see vacancy rates change significantly over the next 12 months."

CBRE believes the lack of opportunity is driving significant rental growth, with super prime grade rents rising a national average of 13% per year-on-year to the end of June, which has already exceeded their full-year forecast of 12%. Rental growth has been most evident in Sydney, sitting at 23% year-on-year, followed by a 17% increase in Perth and 14% in Melbourne.

Cameron Grier, Regional Director of CBRE Industrial & Logistics in Pacific, believes, "the depth in demand is giving owners and developers significant choice, and only occupiers with the strongest covenants are winning the right space. We expect demand to continue to outpace supply this year and into 2023, and we are seeing rental growth above CBRE Research forecasts."

CBRE notes in line with the reduction in available supply, net absorption through the first half of 2022 dropped by approximately 40% against H2 2021, with the national figure 1,400,000 sqm. Furthermore, most of Australia's major markets have high pre-commitment levels on supply in the pipeline, including Sydney with 73% of the city's incoming 875,000 sqm.

"Speculative developments only account for 33% of the floorspace in Australia's pipeline, compared with 76% in the USA, 57 per cent in the UK, 48% in Spain and 43% in Germany," Sass says, "that means the Australian market is less susceptible to volatility and major fluctuations in supply and vacancy levels moving forward."

Misuraca, J. (2022). Australia has lowest vacancy rates globally. Retrieved from <https://mhdsupplychain.com.au/2022/07/19/australia-has-lowest-vacancy-rates-globally/> on 19th July, 2022.

VIC/NSW HYDROGEN HIGHWAY GRANT OPENED

Grant applications for \$20 million worth of funding for Australia's first renewable hydrogen highway have officially been opened by the Victorian and New South Wales governments.

Matt Kean, NSW treasurer and energy minister, believes the grant funding will provide support for the design and delivery of the hydrogen highway, spanning across Australia's Hume Highway along the east coast and is one of the busiest freight corridors. Kean added, "this initiative aims to show the potential of renewable hydrogen for heavy vehicles with the goal of transitioning the freight sector to zero emissions energy sources. The Hume Hydrogen Highway will create new jobs and attract investment to NSW and Victoria. It's expected to drive uptake of renewable hydrogen in the heavy transport sector."

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The NSW and Victorian governments have each invested \$10 million in grant funding for the Hume Hydrogen Highway as part of a joint grant initiative to support the development of at least four refuelling stations along the highway and approximately 25 hydrogen-powered trucks. The NSW government says transport is one of Australia's largest sources of greenhouse gas emissions, with renewable hydrogen showing strong potential to be cost competitive with diesel for trucks.

Lily D'Ambrosio, Victoria's energy, environment and climate action minister, advised that transport accounts for 25% of Victoria's total carbon footprint. D'Ambrosio said, "Australia's busiest corridor is the

perfect place to kickstart the transition to a zero-emission freight sector. The renewable hydrogen highway will create new jobs, drive investment across the east coast and is a landmark step towards meeting Victoria's target to halve emissions by 2030 as we work towards net-zero by 2050."

Kean says the Hume Hydrogen Highway is the first initiative of a state-wide hydrogen refuelling network. He added, "what we're looking for is strong industry collaboration between refuelling station operators, fleet operators, truck manufacturers, major freight customers, and other entities which will be vital to the success of the initiative."

By 2026, the Victorian, NSW and Queensland governments will collaborate on the development of the renewable hydrogen highway focusing on the Hume Highway, the Pacific Highway and the Newell Highway. Grant applications close on 21 October 2022 and the successful applicant must enter into a joint funding agreement with both governments.

Fully Loaded. (2022). NSW AND VICTORIA OPEN HYDROGEN HIGHWAY GRANT APPLICATIONS. Retrieved from <https://www.fullyloaded.com.au/industry-news/2207/nsw-and-victoria-open-hydrogen-highway-grant-applications> on 20th July, 2022.



Hydrogen

VICROADS BECOMES PRIVATISED: A WISE OR PROBLEMATIC MOVE?

In a sign of the transport industry becoming increasingly modern, VicRoads was handed over from government control to a private consortium of owners. This privatisation signals a great shift in the way Victorian transport companies can navigate licensing and have received many praises in the industry who keenly await changes.

Like many in the sector, Victorian Transport Association (VTA) CEO Peter Anderson has been left frustrated on occasions by VicRoads, waiting eagerly for it to become privately owned so that it can take advantage of modern technology. He said, "I think it's a great move. One of the issues we've had with VicRoads is the ability to keep up with the technology required, so we're hoping that, with a new provider, we'll see it brought up to speed with other states. We've been calling for this for quite some time. We're hoping it'll result in the system being updated, so we can get online and get into the 21st century."

Although the Victorian government will retain the ownership of VicRoads, the new privatisation deal means a consortium will handle the licensing and registration operations for the next 40 years. Signing off a \$7.9 billion deal, the group will take on face-to-face work, call centres and administrative systems.

The VTA CEO says the shift in power may relieve the current frustrating administration processes that many operators face. He added, "it's been archaic compared to how we

do business nowadays. We can only applaud the government for its leadership and for taking this big step. Hopefully it can produce a more efficient process for us all so companies can keep up with commitments to registration in a more professional way."

REDUCING ADMIN

Previously, fleet owners had to undergo constant registration visits and often suffered unroadworthy vehicle fines when VicRoads' administrative side couldn't follow the online movements of other state bodies. Many Victorian operators who would have encountered these difficulties would have had to line up in VicRoads' queues just to de-register and then re-register trucks that had been sitting idle to avoid paying hefty administrative fees.

As such operators are looking forward to a more seamless process available for transport industry members, with the updated system being made online and user friendly to avoid the painstaking waits in queues to simply register vehicles. One operator believes that this privatisation move is the way forward and is overall beneficial for the industry, exclaiming, "I want a system where we can do everything online. I want to be able to register, de-register, check licences, clear defects and see if we're cleared in all states. I want to be able to physically see it and not have to go in and stand in lines. With everything else online now, why can't we also make all of these processes online too?"

MONEY MOTIVES

The announcement of VicRoads' new owners appears to be a positive move for many in Victoria's transport sector. While the private ownership occurs, Victorian treasurer Tim Pallas advised that the state government will continue controlling data, privacy provisions and essential fee prices. Any money raised from the private venture will go to the Victorian Future Fund to address the state's pandemic debt, with the consortium of private owners consisting of Aware Super, Australian Retirement Trust and Macquarie Asset Management.

However, Mathew Munro, executive director of Australian Livestock and Rural Transporters Association (ALRTA) has raised concerns over the profiteering motives behind the private consortium now assuming ownership of VicRoads. Despite the state government asserting the money from this venture will be used to fix Victoria's roads and contribute to the Future Fund, Munro is unsure about how the consortium will treat its new ownership. Munro said, "this move has come as a surprise to us. The profit motivation of investors is our fundamental concern because if it leads to an increase in charges above what has been agreed to in the past then there'll be no consultation. We haven't been consulted, so there's no assurances for us if the privatisation of VicRoads won't lead to increased charges."

If VicRoads rates do go up under the new owners, Munro says the charges will vary from other states, which could potentially lead to fleet owners operating in other states or territories. In other cases, this increase

may be passed onto consumers, meaning inflation will continue to grow. Munro wants the administrative arrangements to be made fair under the new ownership and highlights privatisation occurring in the electricity and gas markets as examples of when private ownership isn't always as good as it initially appears. He added, "we will definitely be asking the government to talk to us and explain the changes, why they've been made and what impacts will happen. We want to know what will happen with costs and the nature of the delivery of VicRoads's service going forward."

In contrast, Anderson doesn't believe this profit motive from the new owners as being a widely negative factor. The VTA CEO understands that private ventures will hold an element of profiteering behind them, but that many private owners often revitalise enterprises. Anderson said, "in our view, \$7.9 billion will go a long way towards fixing the state's roads, so we hope it goes into that. The reality is it doesn't matter who takes over, if you privatise it then there will be people wanting to make money out of it. I'm more positive about it all. I see more positives than negatives out of privatising it. At the end of the day, I just want VicRoads focusing on road quality and improving its management of vehicles."

Fully Loaded. (2022). Privatising VicRoads - Positive or Problematic? Retrieved from <https://www.fullyloaded.com.au/industry-news/2207/privatising-vicroads-feature> on 19th July, 2022.





55 CONTAINERS LOST OVERBOARD

En route from Singapore to Suez earlier this month, the 17,300 TEU APL Vanda has been confirmed to have lost 55 containers overboard.

There were no injuries resulting from the incident, as confirmed by CMA CGM's following statement, "On 3 July, APL Vanda reported that about 55 containers from a single bay fell overboard whilst the vessel was facing heavy weather en route from Singapore to Suez, just before entry to the Gulf of Aden. No injury has been reported and all crew members are safe. The vessel has stopped in Djibouti to clear some damaged containers on deck before safely continuing her voyage."

The vessel is currently berthed at Doraleh Container Terminal at the Port of Djibouti, according to AIS tracking data and is on CMA CGM's French Asia Line 3 (FAL3). This route consists of the locations: Rotterdam, Southampton, Antwerp, Le Havre, Tanger Med, Jeddah and Qingdao. Westbound, the route calls Ningbo, Shanghai and Yantian before arriving at Singapore.

Ackerman, I. (2022). 55 CONTAINERS OVERBOARD CONFIRMED. Retrieved from <https://www.thedcn.com.au/news/containers-and-container-shipping/55-containers-overboard-confirmed/> on 20th July, 2022.



ADDRESSING THE DEADLY MARINE PLASTIC PROBLEM

The Australian Maritime Safety Authority (AMSA) has once again reiterated the urgency of reducing plastic litter aboard vessels. Collaborating with the International Maritime Organisation (IMO), AMSA is working on a campaign to address marine litter to minimise plastic in oceans. The IMO said, “marine litter presents a huge problem in our oceans, with some scientists warning that by 2050, the quantity of plastics in the oceans will outweigh fish.”

To combat this, the IMO has adopted a strategy which sets out ambitions to cut down on shipping’s contribution to marine plastic litter and improve port facilities for the recycling and disposal of plastics. Additionally, IMO strives to raise awareness around plastic and investigate action through training programs and public education. They also intend to train seafarers in this sector.

AMSA stated, “plastics of all kinds are a massive problem in our marine environments, affecting marine fauna and flora, and people’s livelihoods and health. AMSA is engaged in the ongoing work of the IMO to reduce marine pollution.” Currently, they are working with the IMO to enforce these actions by 2025.

Williams, A. (2022). MARINE PLASTICS A THREAT TO MARINE FLORA AND FAUNA, LIVELIHOODS AND HEALTH AMSA SAYS. Retrieved from <https://www.thedcn.com.au/news/bulk-trades-shipment/marine-plastics-a-threat-to-marine-flora-and-fauna-livelihoods-and-health-amsa-says/> on 20th July, 2022.

STAFF SPOTLIGHT

DEAN BROOKS

STORE PERSON/COURIER
TOMAX TRANSPORT BRISBANE



What do you do at Tomax?

I am a Store Person/Courier at the Tomax Brisbane location. I sort out the packages, then I drop them off to customers.

What do you enjoy doing in your spare time?

In my spare time, I enjoy taking my family and 2 Jack Russells somewhere special.

Name what you believe is the greatest invention of all time?

The computer and internet.

If you could transform into anything, what would you be?

I would transform into a shark to see what's in the ocean.

Your favourite form of comfort food?

Pasta.

Where would your dream holiday be?

America.

The last concert/live entertainment/festival you went to?

Lunar Festival.

Do you prefer hot or cold weather?

Hot weather!



WINTER FRIDAY FUNNIES! ❄️

We hope these winter themed jokes add a bit of warmth to your day!
We hope everyone stays rugged up during the chilly season.

Did you hear about the snowman spy?
He has a license to chill.

I warned him about starting his own ski resort.
It's a slippery slope.

What do yeti on diets eat?
Iceberg lettuce.

How do you make up a snowman's bed?
Fresh sheets of ice and a thick blanket of snow.

What do you call an igloo without a bathroom?
IG (no loo).

What do superheroes put in their drinks?
Just-ice.

What does a mountain wear on its head?
A snow-cap.

What do you call a photo of the North Pole?
A polar-oid.

Why do polar bears live alone?
They like to ice-olate themselves.

Which one is faster, hot or cold?
Hot. You can catch a cold.

What do you call it when a snowman throws a temper tantrum?
A meltdown.

Answers from last week's Quick Riddles (Issue 89, Pg.10):

- 1) Clock, 2) A promise, 3) 2nd place, 4) Coin, 5) Lunch and dinner,
- 6) 10 years old, 7) There were only 3 people fishing. There was one father, his son, and his son's son. This means there were 2 fathers and 2 sons, since one of them is a father and a son.
- 8) The letter 'R', 9) Computer Keyboard, 10) Light.

