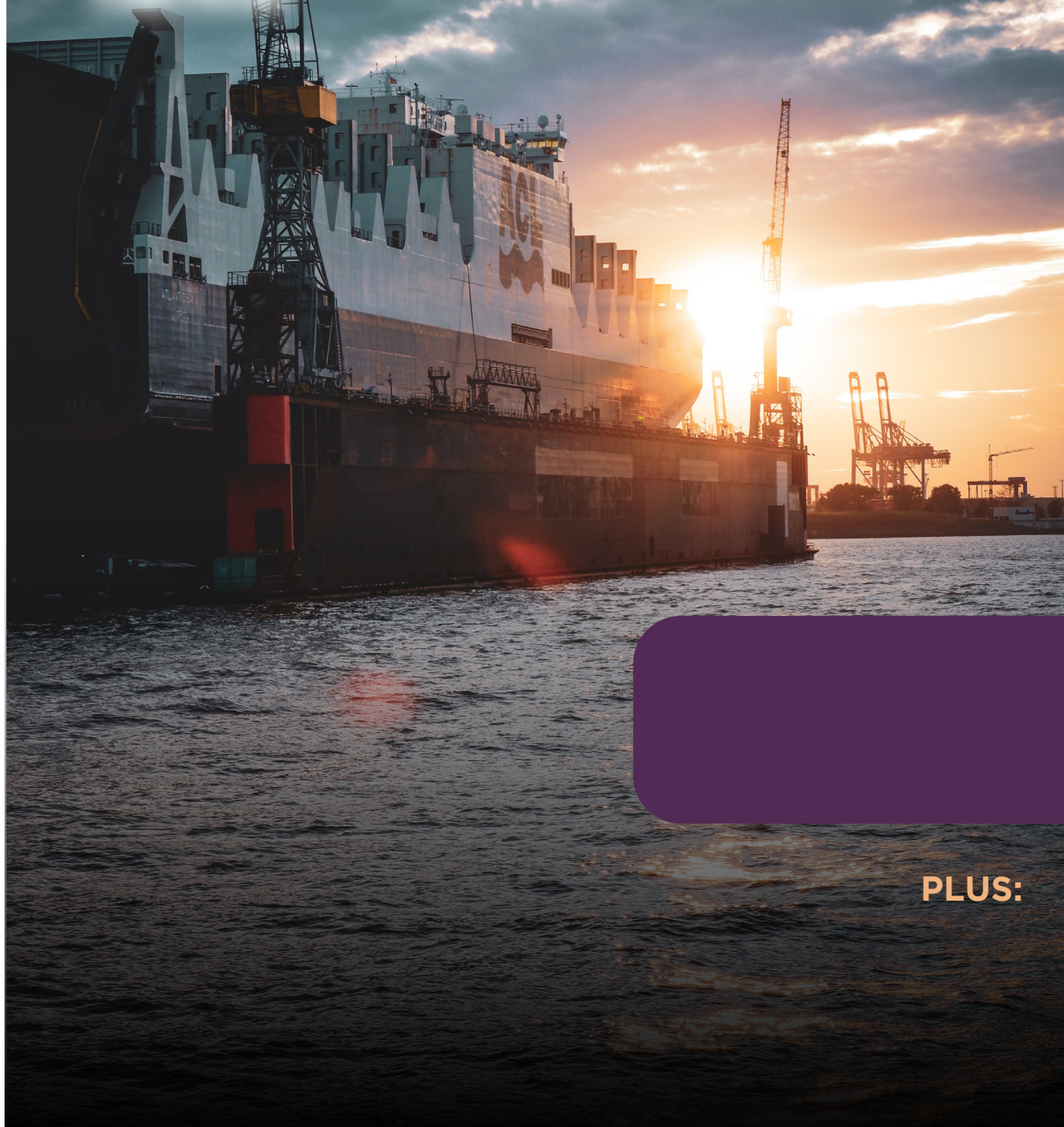




TOMAX  
NEWS

Issue 71  
11<sup>th</sup> March 2022

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PLUS:





# MARKET SUMMARY

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- The Australian logistics industry continues to be hit hard by existing and emerging global and domestic complications, such as COVID, large scale flooding, rail network outages, vehicle shortages, and employee absenteeism. In many sectors around the country wait time on services, such as FCL container and interstate transport options, are now reaching two weeks. Whenever there seems to be some light at the end of the tunnel something new arises to inflict further pain on industry participants. The feeling is that our supply chain is going to continue being challenged for quite some months to come.
- Freight rates on many trade-lanes are now showing signs of softening as we enter the traditional quiet season for global freight movements. For an update on the latest offerings please speak to your Tomax Key Account Manager.
- Did you know that Tomax has warehousing facilities all around the country? If you need assistance with warehousing product please do not hesitate to contact us on 1300 186 629 and ask for one of the warehousing sales team.
- WA is still experiencing ongoing volume increases due to reduced labour, reduced terminal shifts and ongoing COVID challenges inhibiting many companies from delivering imports/ exports containers on time. As a result, some transport logistics companies have claimed they will not be held liable for any detention liability invoices, instead recommending you to contact your nominated shipping line/s, to request an extension on your detention free days.
- Malaysia has recently joined the Regional Comprehensive Economic Partnership Agreement (RCEP).

## TARIFF CONCESSIONS GAZETTE

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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

## RUSSIA-UKRAINE INVASION AND THE IMPACT ON AUSTRALIA

**A**s the Russian-Ukraine war continues, trade sanctions on Russia may have little direct impact on Australian producers however, prices here will proceed to skyrocket.

Australians have already been hit with record-high petrol prices, with analysts believing average petrol prices could hit \$2.10 per litre. Following Russia's attack, the global oil price shot up to levels unseen in years with grain and other commodity prices also on the rise. Russia supplies about 30% of Europe's gas and oil imports and accounts for around 11% of world oil production. Currently, the United States and Europe have not imposed sanctions on Russia's energy sector in a bid to reduce the damage done to the world's energy system. Nonetheless, companies have already taken the stance of boycotting Russian oil anyway with at least 10 tankers recently failing to source buyers for their cargoes of Russian oil, according to reports. Despite Australia importing the bulk of its refined fuel from Asia, the impact to the oil supply in Europe will still be felt here.

As Australia's trade relationship with Russia is relatively minimal, the direct impact on Australian producers is expected to be small. Russia accounts for just 0.1 per cent of

Australia's merchandise trade, ranking 42nd on our list of trading partners. Russia ranks 29th in value (\$723 million) for Australia's merchandise exports and 56th in value (\$250 million) for merchandise imports to Australia. Wouter van Eijkelenburg, Rabobank economist, advised that due to bilateral trade with Russia being so minimal, Australian producers would not be directly impacted as much by the trade restrictions on Russia.

Looking at Australian exports to Russia, in 2019-20 there were \$499 million worth of confidential items and special transactions (estimated to include mostly alumina).

Of the goods that were transparent, the largest were live animal exports (\$98 million) and fertiliser imports (\$71 million), both of which were relatively small.

### **Major Australian imports from Russia, 2019-20:**

- Fertilisers (excluding crude): \$71 million
- Crude petroleum: \$59 million
- Wood manufactures: \$25 million
- Salts of inorganic acids and metals: \$17 million



## Major Australian exports to Russia, 2019-20:

- Live animals (excluding seafood): \$98 million
- Starches, inulin and wheat gluten: \$17 million
- Specialised machinery and parts: \$9 million
- Meat (excluding beef): \$7 million

However, this does not rule out the Australian economy being at risk, as we are expected to be hit with higher prices. Russia was a large exporter of many key commodities globally, namely energy, grains, fertiliser, and metals. Although tough trade restrictions will likely be felt in Australia through substantially higher prices, not everyone will be at a loss. Rising prices would lead to both “winners” and “losers” in Australia. The winners will be producers who will benefit from the rise in commodity prices resulting from reduced supply including mining companies (iron ore, gas) and wheat and corn producers. On the other hand, higher fuel and fertiliser prices will limit the upside for food and agricultural producers. For the “losers”, much of the impact would come from notably higher input prices reaching global and local producers. The effects would travel through supply chains and hit Australian consumers indirectly as producers would have passed on their higher input costs. As such, inflation would escalate, business investments could drop and household purchasing power would further deteriorate - all factors which restrict economic growth. At this stage, there is still a high level of uncertainty making it difficult to predict where things could lead.

In lighter news, Keith Pitt, Federal Minister for Resources and Water, advised that Australia’s resource sector was currently “thriving”, stating, “recent requests from Poland to Australia for coal from sources alternative to Russia show the world is increasingly looking to Australia for the resources needed to provide energy security.”

The tough trade sanctions on Russia could make the Reserve Bank’s job harder by increasing inflationary pressures on the back of higher commodity prices. Given inflation had already begun to rise prior to the conflict, this would put the RBA in an awkward position.

“Raising rates will not alleviate the supply shortages, and hence will do little to stem these price pressures,” Mr van Eijkelenburg warned, “however, in the longer run, higher rates would deal a double whammy to growth, considering that demand will also be eroded by higher prices.” He believes it would be wiser for the RBA to focus on the developments of fundamentals in the Australian economy to avoid major policy mistakes and said, “the RBA seems to do just that by keeping the cash rate at 0.1 per cent in their March meeting while continuing to signal its patience.”

Hutchens, G. (2022). Russia’s Ukraine invasion could push Australian petrol prices above \$2 a litre and raise interest rates. Retrieved from <https://www.abc.net.au/news/2022-03-04/ukraine-war-trade-sanctions-russia-australia-petrol-prices/100878972> on 7th March, 2022.





# OUTBACK WAY FUNDING BOOST



Last month, the government announced plans to invest an additional \$678 million to seal an additional 1,000 kilometres of road and deliver further upgrades along the “Outback Way” - Australia’s longest shortcut. The works will involve sealing the remainder of the unsealed and substandard sections of Outback Way in Queensland and Western Australia. Priority sections on Tjukururu Road and Plenty Highway in the Northern Territory will also be upgraded. The Government has pledged to seal the entire 2,720 kilometres of Outback Way in order to cut travel times for freight and tourists while giving residents along the route improved access to supplies needed to survive.

Prime Minister, Scott Morrison, stated the upgrades would support 2,197 jobs and deliver a vital economic boost across Australia’s centre saying, “our additional investment of \$678 million in Outback Way is part of our plan for a strong economy across Queensland, the Northern Territory and Western Australia. Investing in infrastructure right across Australia will keep our economy strong and growing

while ensuring Australians, regardless of where they live, have jobs. Our investment locks in a pipeline of works that will drive investment in regional Australia and boost economies from Winton in Queensland to Laverton in Western Australia, helping regional and remote communities and those who call them home to grow and prosper.”

Barnaby Jones, Transport and infrastructure minister, asserted that the government was delivering on its commitment to seal the entire length of Outback Way. Joyce said, “the Nationals and Liberals had the vision to start these upgrades and we are driving ahead with the sealing of the third road that runs east to west across our nation, from Winton to Laverton. Outback Way is a vital piece of national transport infrastructure that supports regional economies the length of the 2,720-kilometre route and connects them to the rest of Australia. This additional funding builds on the \$330 million we’ve invested since 2013 to seal over 600 kilometres of Outback Way, giving freight, tourists and locals a smoother, safer drive. \$124 million will



be spent on upgrades in the Northern Territory alone, creating 442 jobs for locals and delivering a much-needed economic injection in the Territory. These upgrades will spark new opportunities for industries along the route, including the critical earth precincts north of Alice Springs, the gold precincts around Laverton and the massive beef industry, while ensuring communities and people on the corridor have better access to supplies.”

David Littleproud, Federal Member for Maranoa, advised the \$154 million would be invested in the Queensland section of Outback Way, creating 671 jobs across the state and thus, driving economic growth. Littleproud stated, “sealing and upgrading Outback Way will reduce the long and unreliable travel times that freight and motorists experience along sections of the route. The upgrades will also drive economic growth in remote communities, bring more tourists, improve connections between people, jobs and services, and goods with markets.”

Chiming in, Queensland senator, Susan McDonald, believes mining and agriculture businesses would benefit from the government’s investment in western Queensland.”\$41.5 million of this funding will go towards progressively sealing the remaining unsealed sections of the

Donohue Highway in Queensland, to improve safety and efficiency. Solely-funded by the Australian Government, the Donohue Highway sealing works will support around 124 jobs during construction, providing a major boost to the local economy”, Susan said.

Rick Wilson, Federal Member for O’Connor, said, “this funding commitment will create 1,084 jobs in Western Australia, delivering a significant boost to our regional and remote towns. A sealed route will also deliver social benefits for communities by improving access to goods and services and increased employment opportunities, particularly for Indigenous communities.”

With the government’s additional funding for Outback Way, this means upgrades can continue to be rolled out as previously funded works are completed. The Australian Government’s funding commitment represents 80% of the total funding package, with state and territory governments providing the remaining 20%.

Fully Loaded. (2022). Funding boost for outback way upgrade. Retrieved from <https://www.fullyloaded.com.au/industry-news/2202/funding-boost-for-outback-way-upgrade> on 9th March, 2022.







## BREACHES OF OCCUPATIONAL HEALTH AND SAFETY LEAD TO DEATH AND THREE CHARGES

**A** stone benchtop business is facing charges after a man was fatally crushed while unloading a shipping container in 2020. Under section 26 of the Occupational Health and Safety Act, WorkSafe have laid down three charges to Best Benchtop and Stone Pty Ltd for failing to ensure that a workplace was safe and without risks to health.

The charges are in place after a man was killed when approximately 30 stone slabs each weighing 220 kilograms, fell onto him while he was helping the company's director unload a shipping container in a Campbellfield factory. It is alleged it was reasonably practicable for Best Benchtop and Stone to take measures to reduce the risk of the slabs falling during the unloading process and causing serious injury or death to people carrying out tasks inside the container.

The matter was listed for a filing hearing at the Melbourne Magistrates' Court on March 9, 2022 and serves as a timely reminder for businesses to be mindful of the chain of responsibility act to ensure their workers are kept safe and avoid facing charges with breaches to the OHS act.

Fully Loaded (2022). MELBOURNE BUSINESS CHARGED OVER SHIPPING CONTAINER DEATH. Retrieved from <https://www.fullyloaded.com.au/industry-news/2203/melbourne-business-charged-over-shipping-container-death> on 10th March, 2022.



# INTERNATIONAL WOMEN'S DAY: BREAKING THE BIAS



International Women's Day, which took place this Tuesday, was driven by a campaign to break the gender bias which creates an uneven playing field for women globally. On 8th March, annually, International Women's Day celebrates the social, economic, cultural and political achievements of women worldwide. The theme in 2022 called for action to #BreaktheBias in communities and workplaces to create a world free of stereotypes and discrimination. The campaign can be perceived to deliver an important message to the maritime industry, an industry which is historically and consistently male dominated. In 2021, only 1.2% of the global seafaring community consisted of women, according to the Seafarer Workforce Report from BIMBO and the International Chamber of Shipping. Although the figure represents a positive trend in gender balance (up 45.8% since the 2015 report was released), the current gender ratio indicates that there is a long way to go.

Jillian Carson-Jackson, President of the Nautical Institute, believes breaking the bias involves working toward a world which is diverse, equitable, and inclusive.

She said, "in the maritime industry this means not just looking to provide 'equal opportunity' but to support diversity with equitable opportunities – recognising we are communities of experts with different experiences, different viewpoints, and different skill sets. It also means we focus on ensuring a safe and healthy workplace – not just physical safety, but also psychological safety where everyone feels valued and able to speak up, be heard and be respected. Working together, we can break the bias."

In the spirit of International Women's Day, the International Chamber of Shipping launched its inaugural Maritime Diversity and Inclusion Charter which encourages shipping companies to improve and annually review their diversity and inclusion practices to create opportunities for all. These opportunities should be accessible irrespective of gender, race, ethnic origin, nationality, disability, age, sexual orientation, gender identity, or religion.

In partnership with the ICS Diversity Panel and Women's Panel, made up of representatives from shipping companies, charities, and unions around the world,



the charter was developed over an 18 month period. The International Transport Workers' Federation also provided input and support.

Karin Orsel, MF Shipping Group CEO and ICS Diversity Panel chair, stated she was one of the only women in the maritime sector when she joined at the age of 23. Karin said, "the industry has made many improvements since then, but it still has a long way to go. We developed the Maritime Diversity and Inclusion Charter as a guiding light to inspire shipping companies to do better for all employees."

The charter is a customisable online tool for shipping companies and enables users to choose from a number of actions, pledges and monitoring and reporting metrics which they are prepared to engage with. For instance, companies can commit to appointing a lead on diversity to promote visibility and drive key actions, or track promotion opportunities given to monitored groups defined by gender, age and ethnicity.

Natalie Shaw, ICS director of employment, said it has never been more important to cultivate a safe company culture in which equality, fairness and respect are incorporated into policies and behaviours. She said, "this charter aims to recognise the efforts of many, while providing guidance for those who still have work to do and we welcome the commitment of

shipping companies in creating a more diverse and inclusive sector by signing up to the Shipping Industry Diversity Charter. Shipping is one of the most culturally diverse industries on earth. It's high time that we make concerted efforts to create space to attract people who previously may have not considered the opportunities available in such an exciting sector."

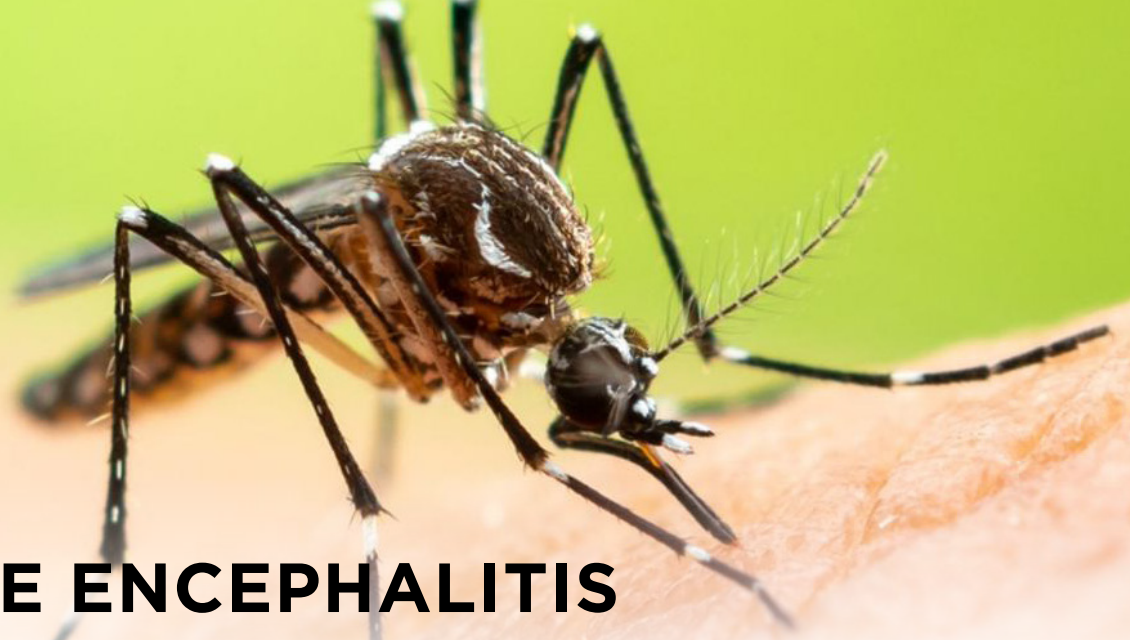
Alongside the launch was ICS's own International Women's Day campaign, #ThisIsWhataSeafarerLooksLike, which celebrated the broad range of roles which women fulfill in the maritime sector, ranging from cadet to CEO. Furthermore, the ICS also plans to release its Diversity and Inclusion Toolkit for Shipping later this year to guide the industry as it updates and improves policies and practices to address the needs of the diversified seafarer community.

Williams, A. (2022). ICS launches online diversity charter on International Women's Day. Retrieved from <https://www.thedcn.com.au/region/international/ics-launches-online-diversity-charter-on-international-womens-day/> on 8th March, 2022.

Williams, A. (2022). International Women's Day 2022: Breaking the Bias. Retrieved from <https://www.thedcn.com.au/region/international/ics-launches-online-diversity-charter-on-international-womens-day/> on 8th March, 2022.







# JAPANESE ENCEPHALITIS DISEASE RESPONSE

**T**he Department of Agriculture, Water and the Environment is currently responding to an outbreak of the Japanese encephalitis virus, which has been confirmed in pigs in Victoria, New South Wales, Queensland, and South Australia. Alarmingly, there have also been confirmed cases in humans. The department is working closely with the Australian Government Department of Health, and state and territory counterparts, to respond to this outbreak. Japanese encephalitis is a mosquito-borne virus that can cause reproductive losses and encephalitis in pigs and horses.

Pig and horse owners should implement mosquito control measures to help protect their animals: this includes looking for signs of the disease in pigs and horses, covering horses with fabric/rugs and applying insect repellent to shield them from mosquito bites. Anyone living, working or spending time near pigs or waterways where waterbirds are present should take steps to avoid being bitten by mosquitoes. Horses are a 'dead end host' – meaning mosquitos cannot pass the virus from horses to humans.

In rare cases, Japanese encephalitis can also cause disease in people. Most Japanese encephalitis virus infections in people are asymptomatic, however, those with severe infection (which occurs in less than one per cent of cases) may experience neck stiffness, coma, and

more rarely, permanent neurological complications or death. Encephalitis is the most serious clinical consequence of infection. Illness usually begins with symptoms such as sudden onset of fever, headache and vomiting. Anyone experiencing these symptoms should seek urgent medical attention. People should try to prevent mosquito bites by using mosquito repellent containing picaridin, DEET or oil of lemon eucalyptus on all exposed skin and reapply every few hours. Wear long, light coloured and loose-fitting clothing as well as covered footwear when outside. Ensure accommodation, including tents, are properly fitted with mosquito nettings or screens.

Lumpy skin disease is also being monitored closely, as it has been detected in our region. and is a viral disease of cattle and water buffalo that causes relatively low mortality. However, the disease can result in animal welfare issues and significant production losses. The disease is spread primarily by biting insects including certain species of flies, mosquitoes and possibly ticks.

For the latest information or to report an outbreak, visit the Australian Government website <https://www.outbreak.gov.au/>

Department of Agriculture, Water & the Environment. (2022). Japanese encephalitis. Retrieved from <https://www.outbreak.gov.au/current-responses-to-outbreaks/japanese-encephalitis> on 11th March, 2022.



# CONSEQUENCES OF LCL TIME SLOT BOOKINGS



**T**he delivery of LCL consignments has raised some concerns including a question as to whether vehicle booking systems will provide the required remedy as they have previously done elsewhere in the supply chain in managing the collection and dispatch of sea freight containers and import/export consignments. Confusion in terms of costs associated with the delivery of LCL consignments has also come to light. This has raised the question as to whether vehicle booking systems will provide the required remedy as they have done elsewhere in the supply chain in managing the collection and dispatch of sea freight containers and import / export consignments. Up until about eighteen months ago, vehicle booking systems have had limited uptake at LCL and airfreight depots. While some depots are notably operating smoothly without this level of technology, several are at times struggling with unacceptable delays in servicing transport operators. Other depots have demonstrated that their vehicle booking systems are achieving cost savings, operational efficiencies and a safer environment minimising truck waiting time. Based on preliminary discussion with key stakeholders, the following observations are made:

## **WAITING TIMES**

Recent examples of 90 to 120 minute delays remain at some larger facilities that have adopted vehicle booking systems. This is more the exception, with

most transport operators agreeing that waiting times have improved at depots deploying this technology. Furthermore, notifications are provided ensuring there are no impediments to release and largely avoiding futile trips. This is a positive development meaning that transport operators are generally seeing a reduction in wait time costs that would otherwise cascade down the supply chain.

## **TIME ZONE SLOTS**

Current LCL vehicle booking systems mandate one house bill of lading per slot booking. This poses significant inefficiencies for transport operators who would otherwise collect multiple consignments on one truck and commonly, deliver to a general geographic zone. As crazy as it sounds, there have been repeated accounts where a truck will enter a depot, pick up as many house bill consignments they can book for one time zone, leave the depot, and immediately queue up again for their next time zone to collect the remaining consignments. Some transport operators claim they are constantly operating trucks at half capacity due to the need to meet the time slot disciplines. Whilst acknowledging that wait times have improved, many claim that the additional associated administration and the inability to maximise multi-load and consolidate freight has added to overall operating costs. To counter this, it has been suggested by some depots that



transport operators should consider an afternoon 'sweep' (utilising larger vehicles to collect multiple house bill consignments per time zone when plenty of slots are generally available), return to their own facility, 'cross-dock' consignments and make next day deliveries. Again, feedback on this proposal by transport companies varies from it being 'unworkable', due to the risks of mishandling and damaging freight, to being possible with significant process re-design and substantial additional cost.

### **COSTS PER SLOTS**

This is an area of significant concern. We have witnessed over recent years that stevedores and empty container parks have introduced vehicle booking systems fees from what started as a few dollars to now exceeding \$140 per container per facility. Evidence from competition regulators suggests that stevedores (and presumably empty container parks) are paying less to their commercial client shipping lines and instead are recovering costs from third party transport operators. Foreign owned shipping lines are clearly the winners of this arrangement, paying less to their contracted suppliers with

savings contributing to multi-billion dollar profits. Similarly, it appears as though depots are also taking advantage of this opportunity of using a vehicle booking system to recover a percentage of operating costs from transport operators rather than their commercial client being the freight forwarder. It comes to no surprise if the depot fee, which is currently a \$10 to \$15 per house bill, will grow to be \$50 to \$100 within a few short years.

### **FINAL THOUGHTS**

It is likely that LCL booking systems and industry practices will continue to evolve and in future, deliver similar operational benefits to that we have witnessed at our waterfront. Whilst reported efficiencies delivered to depots and freight forwarders is a positive outcome, to be truly embraced by all of industry, there needs to be a move away from the revenue design feature that mandates access charges be paid upfront from third party transport operators who have no influence on service or price.

Zalai, P. (2022). Consequences of LCL time slot bookings. Retrieved from FTA Notice on 8th March, 2022.





# STAFF SPOTLIGHT

## MEET GLENN WHITE COURIER DRIVER TOMAX TRANSPORT

**What is your role at Tomax?**

I am a courier driver who does deliveries in the NSW region.

**How do you unwind after a long day of work?**

I unwind by playing video games.

**Favourite place to dine at?**

Definitely mum's place - where else!?

**Dream holiday destination?**

Australia.

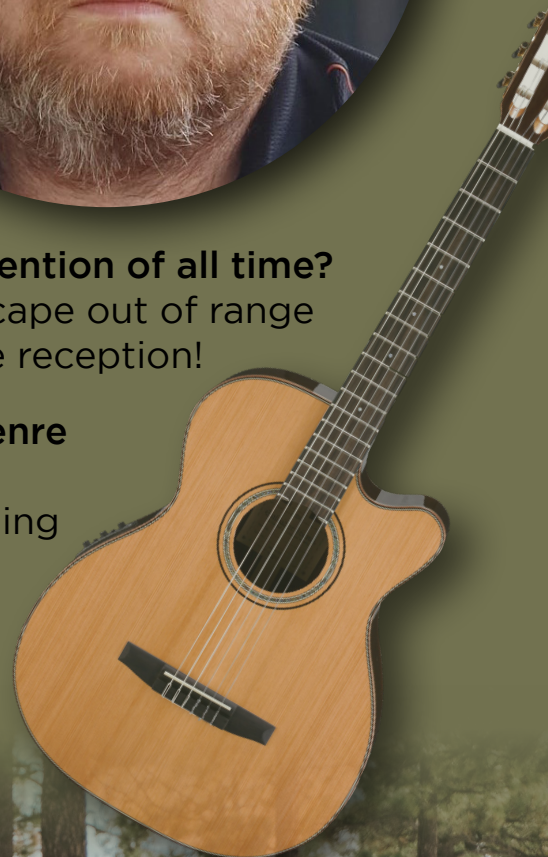


**Greatest invention of all time?**

A 4x4 to escape out of range of telephone reception!

**Favourite genre of music?**

I enjoy listening to country music.





# **TOMAX FOOTY TIPPING 2022**

**CLICK TO JOIN**



**FREE ENTRY!!  
THURSDAY 17TH  
MARCH 2022**

**OR COPY THE LINK & ENTER PASSWORD 'tomax':  
[HTTPS://WWW.FOOTYTIPS.COM.AU/COMPS/TOMAX  
\\_2022\\_AFL\\_TIPPING\\_COMPETITION&P=TOMAX](https://www.footytips.com.au/comps/tomax_2022_afl_tipping_competition&p=tomax)**



# FRIDAY FUNNIES

We hope these jokes brighten up your Friday as we approach the long weekend!

**Why is the grass so dangerous?**

It's full of blades.

**Why couldn't the sailor learn his alphabet?**

He kept getting lost at C.

**What do you call an unpredictable camera?**

A loose Canon.

**Why do cows have hooves and not feet?**

They lactose.

**Why was the robot so tired after his road trip?**

He had a hard drive.

**Why should you never use "beef stew" as a password?**

It's not stroganoff.

**When do computers overheat?**

When they need to vent.

**What do you call birds that stick together?**

Vel-crows.



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