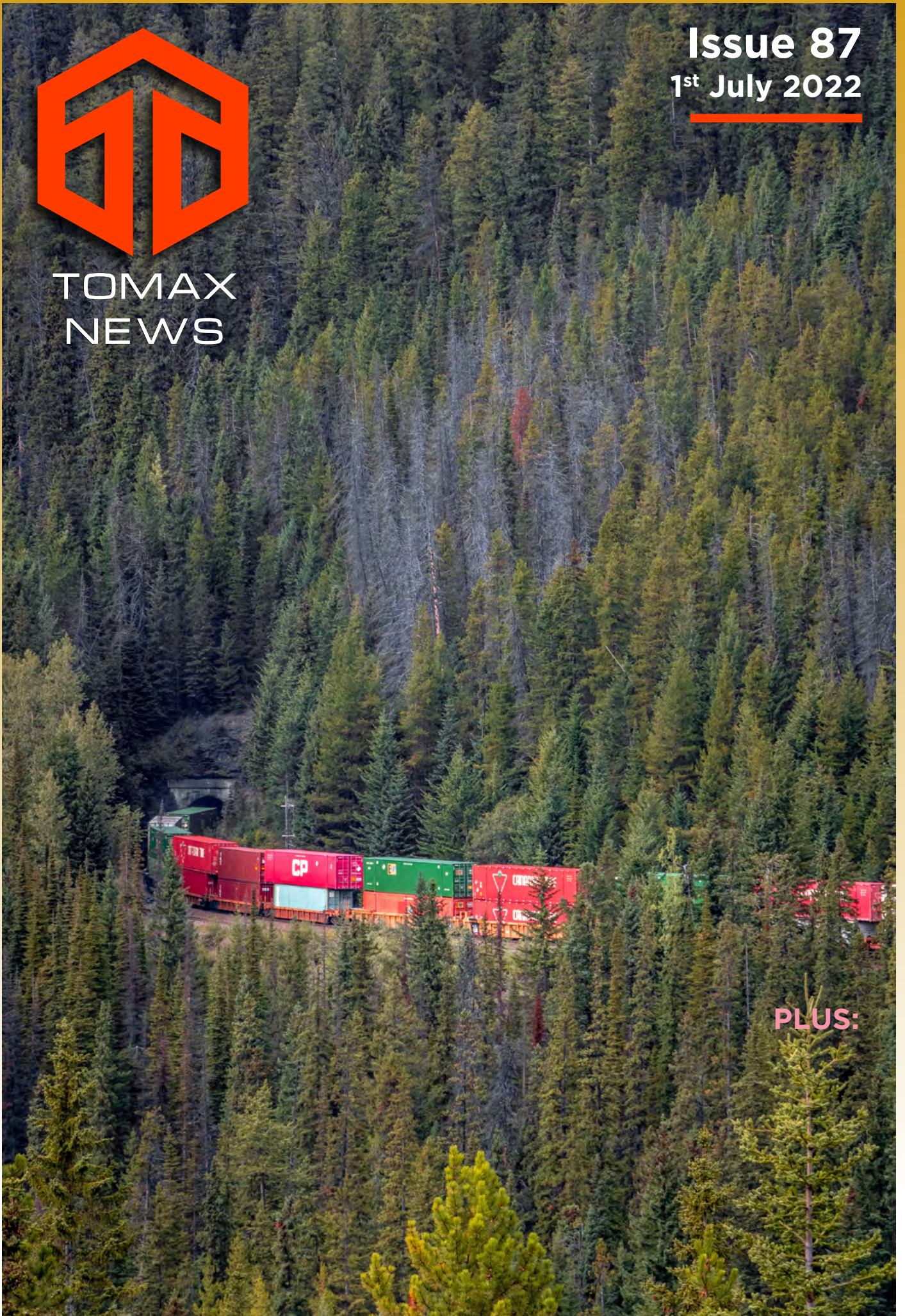




TOMAX
NEWS

Issue 87
1st July 2022

PLUS:



MARKET SUMMARY

• In conjunction with industry associations such as the Freight Trade Alliance (FTA), Tomax Logistics has been campaigning for intervention by government and regulatory agencies into the current practices undertaken by shipping lines. Liner conduct in relation to freight rate setting, vessel scheduling, container detention practices, and deals with container terminals are all resulting in large cost impacts on importers and exporters, coupled with a reduction in services and customer care. Government agencies are starting to take note and there is more media involvement as well helping push the cause. Tomax is very displeased with the current situation and the effect that it is having on you, our clients and friends, who wear the brunt day in and day out. Hopefully there will

be action taken by those who wield the power to do so before too long.

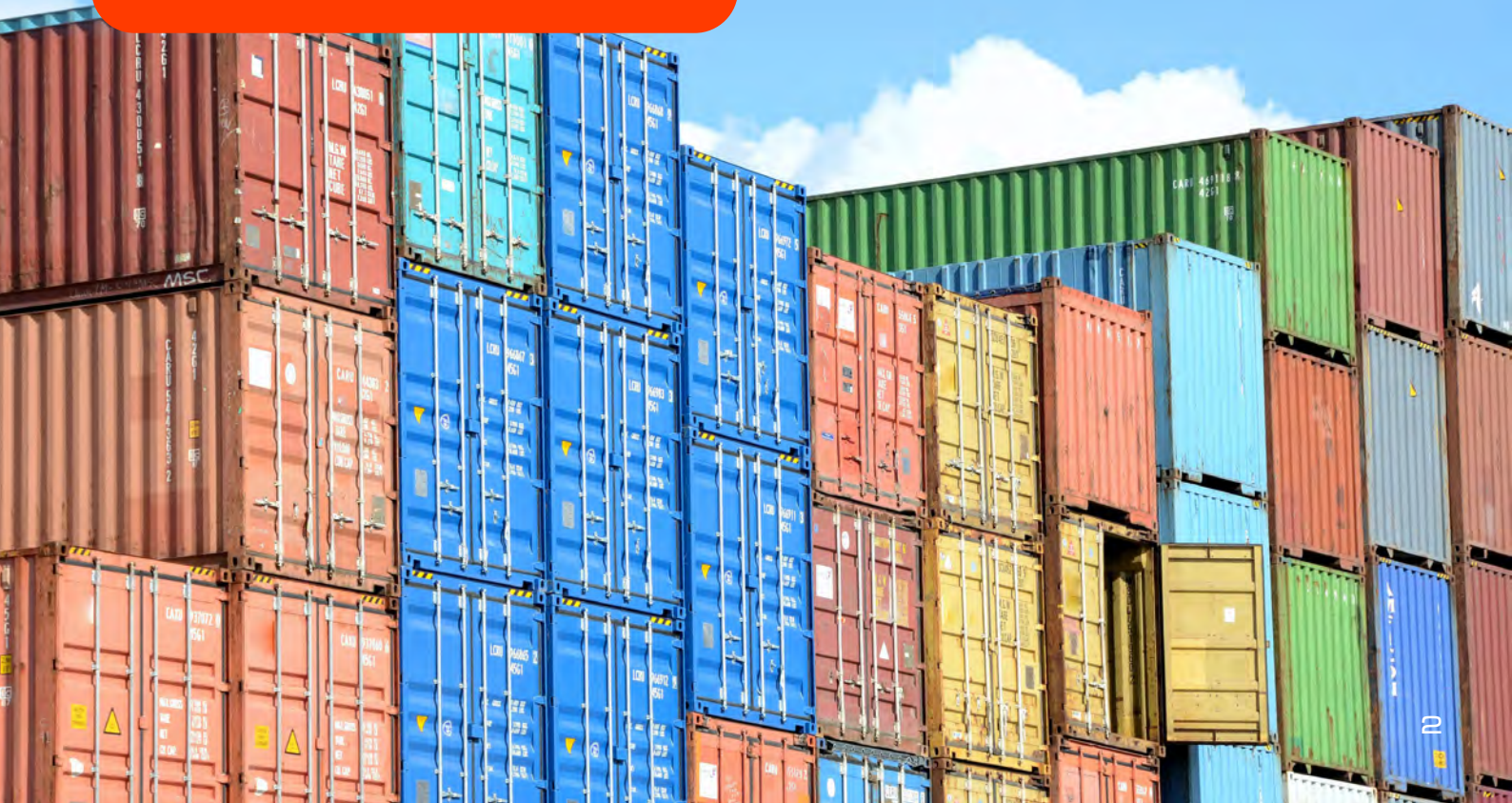
• The Tomax Logistics Seattle, USA team are moving to a new location today. You will now be able to find the crew located at 231 Summit Avenue E, Seattle WA 98102. The phone and fax numbers and email addresses remain the same. If you are in the area drop in and say hello to Michael and the team!

• Warehousing space around the country remains tight but options are available for those who need some overflow storage services. Contact Chris or Leigh on 1300 186 629 for more information on how Tomax can assist you with 3PL warehousing services.

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](#)





TOMAX LOGISTICS GROUP

Celebrating 35 Years

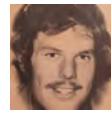


TOMAX LOGISTICS GROUP - 35 YEARS IN BUSINESS



It's a very special Tomax anniversary with the parent company Tomax Logistics Australia (M&D Jones Customs Pty Ltd) turning 35 years old today. Starting out in a small Melbourne office in 1987 under the direction of legendary founder Maurie Jones, the company has gone from strength to strength over the 35 years it has been in operation. The Tomax team has been very busy in recent years with the company expanding into a diverse range of logistics service offerings and adding an array of both domestic and international offices. The additions to the Tomax team over the last 5 years illustrates the rapid growth of the group, rising from 34 staff in 2018, up to 102 staff today. From the humble beginnings in 1987 we are all very proud of the position that the group is in, with a fabulous team around the world working together day in and day out to deliver our unique Tomax style of customer service. Congratulations to the entire Tomax group on celebrating 35 years in business today, and a big thanks to Maurie Jones who is up there smiling down on us and enjoying the ride with us still, and a massive thank you to all our wonderful clients and partners for the support you have shown us over the journey!!

TOMAX HISTORY TIMELINE



1987 - Tomax is founded as M&D Jones Customs Pty Ltd by Maurie Jones with 5 staff

1999 - Moved to the Port Melbourne "aircraft hanger" office

2004 - Tomax Hong Kong office is opened

2008 - Moved to Clayton when the logistics industry went digital and paper releases no longer required (20 staff in group)

2009 - Tomax Shanghai partnership office is opened

2010 - Legendary founder Maurie Jones passed away but forever in our hearts

2011 - Tomax Logistics Warehousing opened our first warehousing location in Dandenong, Melbourne (1,745 sqm)

2012 - Melbourne warehousing operation moves to Noble Park due to increasing volumes (3,300 sqm)



2014 - Tomax Logistics moves into our current global headquarters in Clayton, Melbourne (28 staff in group)



2018 - Melbourne warehousing operation moves to new Dandenong mega facility (8,650 sqm)

2018 - Tomax USA office opens in Seattle (34 staff in group)



2019 - Tomax Transport is founded (65 staff in group)



2020 - Brisbane office and warehouse opens (1,600 sqm) (76 staff in group)

2021 - Tomax Shanghai incorporated into the Tomax group (95 staff in group)



2021 - Perth warehousing operation opened

2022 - Sydney office opened and Perth operation relocates to larger facility (4,800 sqm) (102 staff in group)



DEADLY VARROA MITE DETECTED AT PORT OF NEWCASTLE

The New South Wales government has issued a biosecurity emergency order, following the detection of a parasite threatening Australia's bee industry, at Port of Newcastle last week.

The deadly varroa mite was discovered in beehives at the port by biosecurity surveillance. The mite was found in 2 of the 6 hives the port uses to monitor biosecurity and was also reportedly detected in the hives of a commercial beekeeper closeby. As a result, the NSW government is urging all beekeepers across the state to protect their industry.

Dugald Saunders, NSW agriculture minister, said, "we have immediately launched an eradication plan which involved setting up a biosecurity zone, containing the infected hives and euthanising the bees. Australia is the only major honey producing country free from varroa mite and if it has the chance to establish here, it could cost the honey industry more than \$70 million a year."

The biosecurity zone covers an area within a 50-kilometre radius of Port of Newcastle. Beekeepers in this zone were advised to notify the NSW department of primary industries of the location of their hives. Mr Saunders added, "biosecurity is one of my top priorities and beekeepers have been working with the government through the National Bee Pest Surveillance Program to act as an early warning system. If it weren't for their diligence in monitoring hives and catch boxes at strategic locations around our ports and airports, this threat may have gone undetected."

Williams, A. (2022). DEADLY VARROA MITE DETECTED AT PORT OF NEWCASTLE. Retrieved from <https://www.thedcn.com.au/news/environment/deadly-varroa-mite-detected-at-port-of-newcastle/> on 30th June, 2022.



GREAT BARRIER REEF SHIPPING BREACH RESULTS IN \$75,000 FINE

A master and the first officer of bulk carrier Sea Coen have been fined \$40,000 and \$35,000 respectively for breaching a designated shipping area in the Great Barrier Reef, after pleading guilty last week for the offence.

Taking place in March, the 289-metre ship entered the reef lagoon through Palm Passage off the coast of Townsville, which is a shipping exclusion zone.

Josh Thomas, Great Barrier Reef Marine Park Authority CEO, believes the convictions were a good example of the enforcement of compliance in the World Heritage area and said it demonstrated strong collaboration between management services, as the reef authority was notified about it through the reef vessel tracking services operated by Maritime Safety Queensland.

“Having access to technology such as vessel tracking services, ensures we can act swiftly to prevent serious incidents from damaging the marine park,” Mr Thomas said, “the reef authority places a very high priority on investigating breaches of laws that are designed to reduce the risk to the reef from ships navigating within this World Heritage area. Major shipping incidents can have catastrophic consequences for the environmental, cultural and economic values of the Great Barrier Reef, and vessel operators who flout the laws will be held to account.”

As a result of the Sea Coen incident, there was a high level of risk to navigate the ship safely through the Great Barrier Reef. Although, no major damage was caused.

Mr Thomas continued, “it is vital we enforce compliance in the marine park as the measures in place are to protect the iconic Great Barrier Reef for today and future generations.”

The Great Barrier Reef Marine Park Authority agree that reef vessel tracking is an integral service for managing ship movements and protecting the environments of the Great Barrier Reef and Torres Strait. The tracking service provides 24-hour monitoring and notification of incidents, facilitating better intervention to prevent damage to the reef.

Recently, navigation around the Great Barrier Reef and associated environmental impacts have been addressed by the local maritime community. The Australian Maritime Safety Authority last week issued a marine notice reminding mariners of the coastal pilotage requirements that apply within Great Barrier Reef and Torres Strait waters.

Williams, A. (2022). MASTER AND OFFICER FINED \$75,000 FOR GREAT BARRIER REEF SHIPPING BREACH. Retrieved from <https://www.thedcn.com.au/news/bulk-trades-shipping/master-and-officer-fined-75000-for-great-barrier-reef-ship-breach/> on 30th June, 2022.

MISDECLARING CONTAINER WEIGHTS COMES WITH CONSEQUENCE

Asia-Europe ocean carriers are attempting to constrain rogue shippers responsible for misdeclaring westbound booking container weights and submitting last-minute verified gross mass (VGM) amendments. Misdeclared booking weights can lead to the weight allocations of individual alliance partners to be exceeded, ships to shut out cargo, underperforming contracts and lost revenue.

Japanese carrier ONE said a \$2,000 per container weight discrepancy charge (WDS) would be applicable from 1 July onwards for bookings accepted on or after that date. ONE said the penalty fee would apply where the cargo weight deviated by more than +/- 3 tons per TEU from the bill of lading instructions and VGM documentation. "The implementation of this misdeclaration penalty will support the operational safety for everyone in the cargo handling network, both onshore and onboard ship", ONE advisory said.

On 1st July, 2016, the International Maritime Organisation's (IMO) Safety of Life at Sea (SOLAS) VGM regulations, required the gross mass (cargo gross weight plus container tare weight) of loaded shipping containers to be recorded and verified before they can be loaded onto a vessel for export.

Prior to that, shippers regularly estimated the weight of export containers or, in some cases, deliberately misdeclared

information. This compromised the safe carriage of containers at sea and resulted in numerous accidents relating to vessel stability and the collapse of container stacks.

Overall, the VGM regulations have been successfully implemented around the world, resulting in much safer supply chains. However, flags have been raised over the accuracy of weighing facilities and the number of late VGM amendments.

Moreover, where container lines have an abundance of export cargo to load, which has been the case during the previous two years from Asia to Europe and the US, cargo weights become more critical. Carriers have also tightened up on their annual contracts with shippers that specify minimum quantity commitments between the BCO (shipper) and the shipping line, which usually have only focused on volume, to also include container weights. According to a carrier source, some shippers have been "conveniently underestimating the weight of their boxes" with some of "the weights they state in the agreements are often nowhere near the actual." ONE suggested it faced similar issues with an advisor believing "the penalty fee also safeguards the commercial integrity of our agreements with all our customers."

Wackett, M. (2022). Shippers to pay the penalty as ONE becomes first to apply overweight charge. Retrieved from <https://theloadstar.com/shippers-to-pay-the-penalty-as-one-becomes-first-to-apply-overweight-charge/> on 30th June, 2022.





12 LIVES LOST IN CHLORINE GAS LEAK IN JORDAN

A toxic gas leak from a storage tank in Port of Aqaba, Jordan, has claimed the lives of at least 12 people and injured 251 people.

Footage from the incident on 27th June revealed a storage tank being loaded onto a ship, then falling onto the deck, causing an explosion of yellow-coloured gas. The port, located on the Red Sea, is managed by the Aqaba Ports Corporation and is Jordan's only seaport. The Jordan Maritime Commission has advised ships to keep a distance from the area.

The tank was reportedly filled with 25 tonnes of chlorine gas, which was being exported to Djibouti. When inhaled, chlorine gas converts to hydrochloric acid, which can lead to internal burning and drowning through a reactionary release of water in the lungs.

It is understood maritime traffic continued, but the port's grain silos halted work to allow for grains to be inspected for contamination. According to officials, no vessels were unloading grain during the time of the incident.



Williams, A. (2022). TWELVE DEAD IN GAS TANK LOADING INCIDENT AT PORT OF AQABA, JORDAN. Retrieved from <https://www.thedcn.com.au/news/environment/12-dead-in-gas-tank-loading-incident-at-port-of-aqaba-jordan/> on 28th June, 2022.



IMPACTS OF THE UKRAINE WAR

The war in Ukraine is stifling trade and logistics in the wider Black Sea region, which is increasing global vessel demand and the cost of shipping around the world, according to the UN Conference on Trade and Development. On 28th June, UNCTAD published a report titled, “Maritime trade disrupted: The war in Ukraine and its effects on maritime trade logistics” and said Ukraine’s trading partners must now turn to other countries for the commodities they import. The report attributes the shipping and transport hurdles in the Black Sea region to disruptions in regional logistics, the halting of port operations in Ukraine, the destruction of important infrastructure, trade restrictions, increased insurance costs and higher fuel prices.

Additionally, the report highlighted that shipping distances have increased, along with transit times and costs. “Grains are of particular concern given the leading role of the Russian Federation and Ukraine in agrifood markets, and its nexus to food security and poverty reduction,” the report’s authors wrote. Since 2020, the grain prices and shipping costs have been escalating, however, the war in Ukraine has exacerbated this trend and reversed a temporary decline in shipping prices. The report stated that between February and May 2022, the price paid for the transport of dry bulk goods such as grains increased by nearly 60%. The accompanying increase of grain prices and freight rates would lead to a 3.7% increase in consumer food prices globally.

With Russia being a giant in the global market for fuel and fertiliser, disruptions in the supply of these commodities may lead to lower grain yields and higher prices, with serious consequences for global food security, particularly in vulnerable and food-import-dependent economies. Furthermore, Russia is one of the world’s largest exporters of hydrocarbons. According to the BP Statistical Review of World Energy, Russia accounted for 20-20% of the EU’s oil, gas and coal

consumption in 2021 (before the invasion of Ukraine). Russia was the source of 37% of the Europe’s natural gas supply, via pipeline imports. “Confronted with trade restrictions and logistical challenges, the cost of oil and gas has increased as alternative sources of supply, often at more distant locations, are called upon,” the UNCTAD report said.

Moreover, daily rates for smaller-size tankers, which are key for regional oil trading in the Black Sea, Baltic Sea and Mediterranean Sea regions, have dramatically increased. The higher energy costs have also led to higher marine bunker prices, raising shipping costs for all maritime transport sectors.

By the end of May 2022, the global average price for very low sulphur fuel oil had increased by 64% since the start of the year. These increased costs imply higher prices for consumers and threaten to widen the poverty gap.

UNCTAD has called for urgent action to open Ukraine’s ports to international shipping so the country’s grain can reach overseas markets, at lower shipping costs. The organisation said continued collaboration is necessary among vessel flag states, port states and other actors in the shipping industry to maintain all necessary services, including bunkering supplies, health services for sailors and certification of regulatory compliance. In doing so, this aims to reduce the negative impacts on costs, insurance premiums and operations. Additionally, UNCTAD believes alternative ways of transport must be pursued and that easing transit and the movement of transport workers – even temporarily – can reduce the pressure on cross-border trade and transit. They have called for more investment in transport services and trade and transit facilitation.

Ackerman, I. (2022). UKRAINE WAR INCREASING SHIPPING COSTS, STIFLING TRADE: UNCTAD. Retrieved from <https://www.thedcn.com.au/news/bulk-trades-shipping/ukraine-war-increasing-shipping-costs-stifling-trade-unctad/> on 30th June, 2022.

STAFF SPOTLIGHT

STEVE GREENSLADE COURIER DRIVER TOMAX TRANSPORT

What do you do at Tomax?

I am a Courier Driver who does deliveries all over South Australia.

What are your hobbies/interests?

Mainly sport such as AFL and NRL. I also enjoy a bit of fishing.

Best place to visit in Australia?

Anywhere the fish are biting!

What are your favourite sports teams?

I follow the Geelong cats in AFL and the Manly Sea Eagles in NRL.

If your life was a movie title what would it be?

My life title would be "Never Ending Story" because I just keep on keeping on!

Do you own any pets?

I have a Bull Mastiff/German Shepherd cross dog named Toby. He is a very friendly big boy.

What was your first ever job?

I worked in the steel industry making steel strapping.

What came first, the chicken or the egg?

Definitely the chicken!



MATHS BRAIN TEASER

See if you can answer the following quick maths problem!

$$\text{Truck} + \text{Truck} + \text{Truck} + \text{Truck} = 28$$

$$\text{Ship} + \text{Ship} + \text{Truck} = 17$$

$$\text{Ship} + \text{Airplane} = 9$$

$$\text{Truck} + \text{Ship} - \text{Airplane} + \text{Truck} = ?$$

Answer: 15