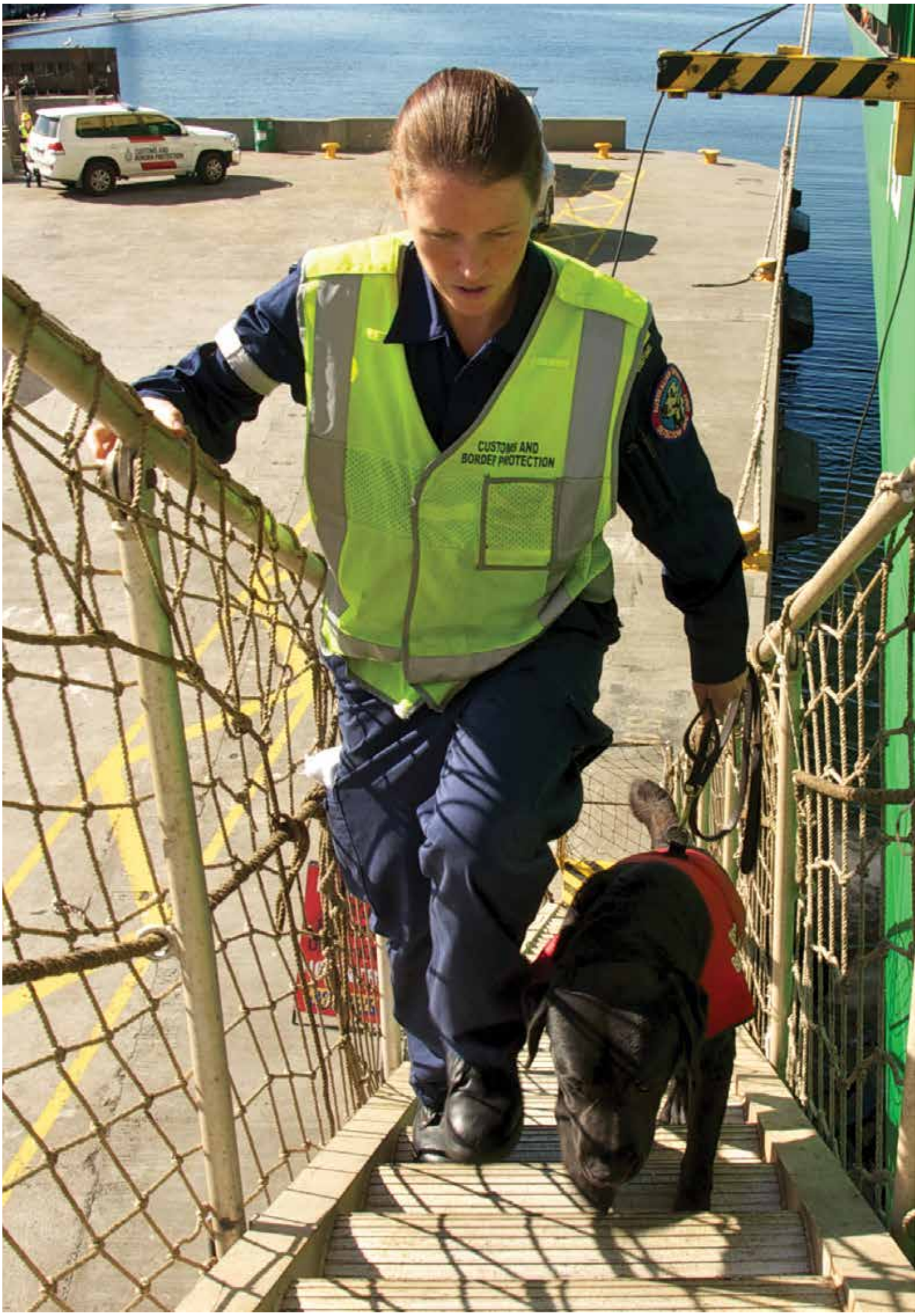
Australian Government

Australian Customs and Border Protection Service

Time Release Study 2013

Contents


CUSTOMS AND
BORDER PROTECTION

Executive Summary

Introduction and context

Over the past six years, the annual Time Release Study (TRS) has highlighted the challenges presented by increasing cargo volumes and more complex supply chains.

The TRS has consistently confirmed that the Australian Customs and Border Protection Service (Customs and Border Protection) is not an impediment to trade and has demonstrated the integral link between early reporting of goods by industry and earlier clearance times.

Utilising the TRS, Customs and Border Protection has been able to identify a number of improvement opportunities. Subsequently, initiatives have been implemented that have improved processes and practices to ensure we continue to facilitate legitimate trade.

The challenges associated with increasing volumes, globalisation of trade and the threat posed by criminal groups, mean that new approaches to how Customs and Border Protection interact with traders are required. This includes further development and refinement of risk assessment and intervention practices.

The *Blueprint for Reform 2013-18*, released in July 2013, sets out the vision for the future of Customs and Border Protection. The Blueprint identifies improvements to the way we work and do business, including modernising current operating models. Within the Reform program, there will be a focus on three areas:

1. Our people and operating model – a professional and agile Service that is adaptive to change
2. Modernisation – efficient business systems, streamlined processes and sophisticated intelligence
3. Integrity – a disciplined Service culture and workforce hardened against corruption.

As part of our efforts, we will transform our approach to Trade and Goods, enhancing the overall experience for traders and improving our intelligence-led, risk-based capabilities.

An initial focus will be on new analytical capabilities and initiatives to harness the benefits of 'big data'. This will create a more seamless experience for traders by focussing our interventions where they are most required.

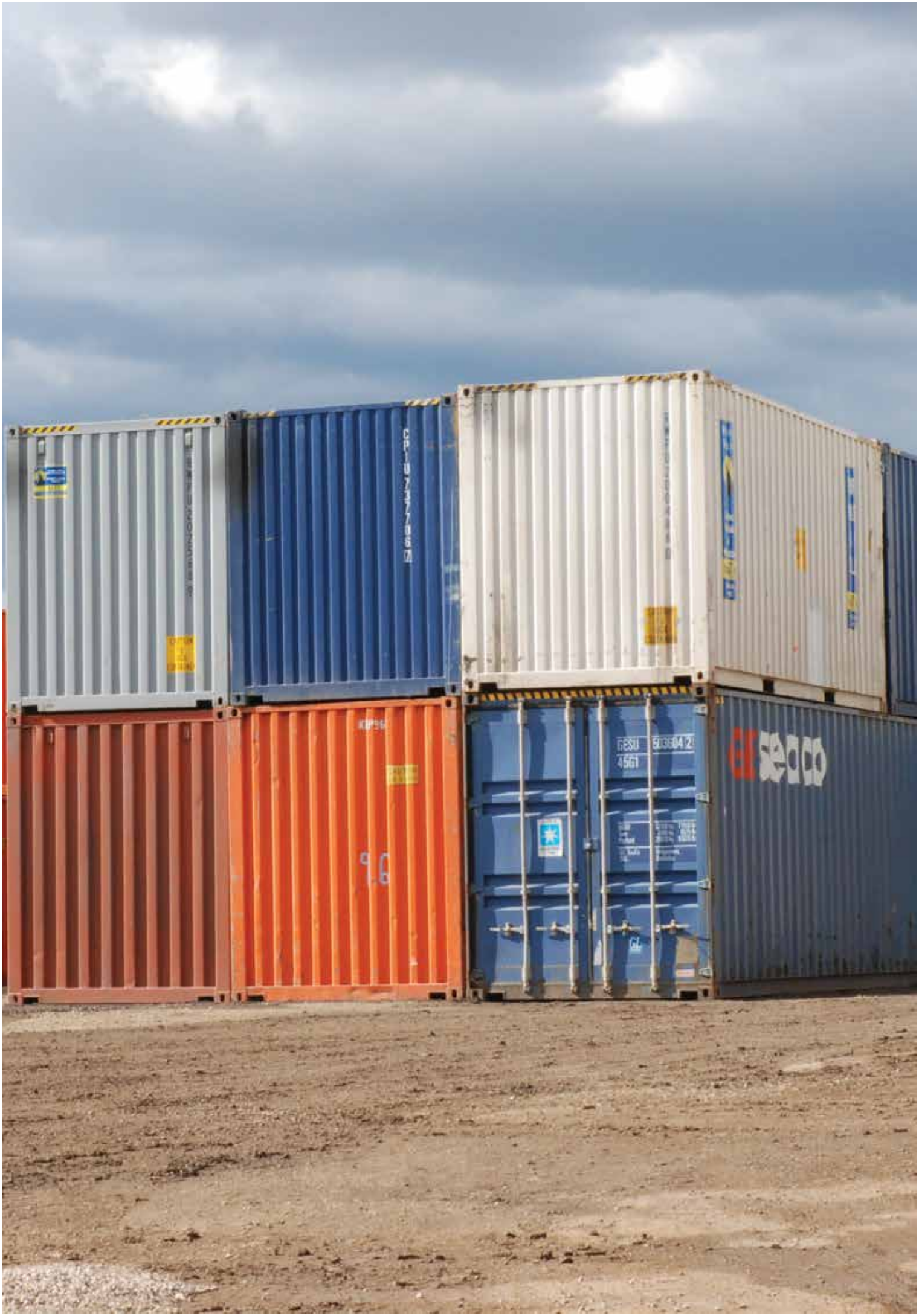
Improved intelligence capabilities will also assist Customs and Border Protection to better identify those traders who present a lower risk to the community.

In line with other government agencies, Customs and Border Protection will move to a digital by default approach. All forms, application processes and related decisions will be available online. Customs and Border Protection will also work towards modernising the mail environment, including consideration of technologies to support streamlined and automated processes.

The relationship between early reporting and early clearance has been a significant theme through the TRS series. Opportunities to further improve early reporting will be explored, including the development of trade assistance technologies. This may include user-friendly portals and intuitive tools that will assist traders to manage their own clearance arrangements.

The TRS will assist in identifying areas within the clearance process that could be explored under the Reform agenda, to meet current and future demand. Innovative mechanisms and processes resulting from this work may provide benefit for different sectors of industry as part of the Trade and Goods transformation approach.

To achieve the vision set out in the Blueprint, a number of specialised Reform taskforces have been established. Customs and Border Protection will work collaboratively with relevant government agencies and industry stakeholders as we develop and implement new initiatives.



Methodology and Scope

Methodology

The TRS is a method endorsed by the World Customs Organization (WCO) for assessing a country's trade facilitation performance at the border. Primarily, the TRS measures the average time between the arrival of goods at the border and the time permission is given for the goods to enter home consumption.

For the 2013 TRS, clearance performance has been measured for air and sea cargo import consignments which arrived during the standard snapshot period of one week (24 to 30 September 2013). Performance levels for 2013 have been compared with TRS results from previous studies.

All core data was sourced from the Integrated Cargo System (ICS).

Data to measure gate-out performance was provided by 1-Stop, a company that provides services to Australian ports.

Scope

The 2013 TRS continues the focus on multi-year and year-on-year trends for existing areas of interest.

TRS design

Import consignments

Cargo is considered at the lowest consignment level. For full container load (FCL) cargo, this is a container. For all other cargo types, including air cargo, it is those consignments consigned to the actual importer (rather than to an intermediary such as a freight forwarder). The TRS sample sets for 2013 consisted of nearly 37,000 sea cargo consignments and more than 420,000 air cargo consignments.

Events

The timing of key events in the movement and clearance cycle of cargo is extracted from data reported to Customs by carriers, cargo handlers, traders and service providers.

Refer to Appendix 1 for event definitions.

Table 1 Sea cargo sample characteristics — imports	Number
Total consignments/unique cargo lines	36,723
Full container load (FCL) consignments	28,929
Full container multiple suppliers (FCX) consignments	1,140
Less than container load (LCL) consignments	5,835
Break-bulk consignments	737
Bulk consignments	82
Import declarations	23,540
Self-assessed clearance (SAC) consignments	599
Importers	9,454
Customs brokers	405
Discharge ports	20
Origin countries	104
Vessels	120
Arrivals	149
Shipping companies	34
Freight forwarders	635
Unique populations	**Number**
Gate-out consignments	30,539

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Dimensions

The data captured on all consignments supports further analysis by dimensions or segments of interest to illustrate the distinct clearance performance levels for these particular segments.

In this study, dimensions include:

- cargo type
- whether the cargo has been impeded by a border agency
  - impeded by customs
  - impeded by biosecurity
  - impeded by both agencies
- discharge port
- country of origin
- importer size
- whether cleared by full import declaration or simplified declaration (low value cargo)
- service type
- gate-out
- countries of loading by port
- value of consignments.

Table 2 Air cargo sample characteristics — imports

Characteristic	Number
Total consignments/unique cargo lines	423,672
'Straight-line' consignments	3,126
Consolidated consignments	420,546
Import declarations	35,442
Self-assessed clearance (SAC) consignments	384,613
Registered importers	13,131
Customs brokers	463
Discharge ports	8
Origin countries	177
Flights	1,207
Arrivals	1,219
Airlines	52
Freight forwarders	383

Percentages

Throughout the TRS, percentages have been rounded to whole figures for ease of reading. Due to the rounding of the numbers, there may be circumstances where percentages within a graph or table do not equal 100 per cent.

Export consignments

Table 3 Export consignments sample characteristics

Characteristic	Sea	Air	Total
EDNs lodged	12,492	13,153	25,645
Consignments reported at the CTO	76,267	30,224	106,491
Consignments reported on a main manifest	34,794	30,431	65,225

The 2013 export characteristics are based on the following:

- export declarations (EDN) that are lodged in the week 24 to 30 September 2013, where:
  - consignments are reported at a container/cargo terminal operator (CTO) by 31 October 2013, which are linked to an EDN lodged during the TRS week; and
  - consignments are reported on a main manifest, for a departure by 31 October 2013, which are linked to an EDN lodged during the TRS week.

For the purpose of the TRS, sub-manifests are not included in the characteristics. Consolidated goods that are reported on a sub-manifest are captured in the counts for consignments reported at a CTO and on a main manifest.

Overview of Results – Imports

Average times between the arrival of cargo and other events

Sea cargo multi-year trend

Table 4 Sea cargo — average times from arrival (days)					
	2013	2012	2011	2010	2009
Arrival to documents	-4.0	-4.0	-4.1	-3.1	-3.3
Arrival to customs unimpeded	-2.9	-3.1	-3.1	-2.2	-2.4
Arrival to ready to pay	-2.8	-2.8	-2.9	-2.0	-2.3
Arrival to availability	1.2	2.3	1.5	1.3	1.1
Arrival to release	-0.6	-0.4	-0.3	0.2	0.2
Arrival to clearance	-0.1	0.2	0.4	0.9	0.7

Notes:

- Interval measures show the average (mean) time difference between named events for all consignments in the sample.
- Events are defined at Appendix 1.
- The interval measure is days or parts of days.
- Where performance has improved since the previous study, the change is highlighted in green. Where performance has declined, the change is highlighted in red.

Performance of sea cargo in 2013 was similar to the previous year, with the average time between arrival and unimpeded the only measure to decline. Average availability times, which experienced an unusual decline in 2012, were the best since 2009.

Industry continued its strong reporting record, with documents lodged on average four days prior to arrival. This figure is consistent with the previous year and continues to highlight the important link between early reporting of goods and earlier clearance.

It took an average of 2.9 days prior to arrival for goods to become unimpeded. Although this is a decline from 2012 (around five hours), this result did not affect availability or release times.

There was an improvement in both the average release and clearance time. Significantly, for the first time since the TRS was undertaken in 2007, goods were cleared for entry into home consumption prior to their arrival at an Australian port.

These results continue to confirm that Customs and Border Protection is not an impediment to the facilitation of trade.

Sea cargo snapshot

The snapshot provides an overview of the key results and findings in 2013. These include multi-year and year-on-year trends.

Volume – sea cargo consignments increased by one per cent in 2013. Although this is a smaller increase compared to the previous year, the trend of increasing volumes continued.

Cargo released – 59 per cent of all consignments are reported, paid and released either before or at the time of vessel arrival. By the time that goods are physically available for delivery, an additional 12 per cent of consignments are released (71 per cent in total).

Reporting performance – industry continued its strong reporting record, with documents lodged on average four days prior to arrival, consistent with the previous year.

Clearance performance – for the first time since the TRS was undertaken in 2007, on average goods were cleared for entry into home consumption prior to their arrival at an Australian port. This represents an improvement of more than six hours compared to 2012.

Availability performance – after experiencing a decline in 2012, the average availability time in 2013 for sea cargo improved, recording the best result since 2009.

Port performance – the proportion of cargo entering the top five ports remained relatively consistent with the previous year. After recording significant declines in the average availability time in 2012, goods at both Sydney and Fremantle ports were available around a day after arrival.

Loading countries – goods arriving into Australia during the TRS week were loaded onto ships in 90 countries. Similar to 2012, nearly 40 per cent of these goods were loaded onto vessels at ports in China.

Gate-out performance – LCL cargo continued to move more quickly from the port precinct compared to FCL and FCX cargo. Average gate-out times were similar to the previous year.

Performance by cargo type – there was improvement against all six performance measures for LCL, FCX and bulk cargo. For all three cargo types, earlier reporting of goods had a flow on to earlier release and clearance of goods.

Impeded cargo – the proportion of consignments impeded in 2013 remained consistent with the previous year, however, the impediment was resolved in a shorter period of time.

Importer size – the proportion of imports by importer size remains consistent with previous years. Small and medium importers account for 85 per cent of all importers, but are only responsible for 41 per cent of the total consignments imported during the TRS week.

Legislative time frames – in 2013, fewer cargo reports and import declarations were reported late compared to the previous year.

Country of origin – the countries that make up Australia's top ten trading partners account for 75 per cent of goods imported into Australia in the 2013 TRS week. Goods originating in China, the US and New Zealand make up the top three trading partners. Clearance times for these three countries were either maintained or improved in 2013.

Air cargo multi-year trend

Table 5 Air cargo — average times from arrival (hours)					
	2013	2012	2011	2010	2009
Arrival to documents	-3.3	-1.4	-1.4	-1.8	-0.9
Arrival to customs unimpeded	2.3	6.6	5.6	2.3	2.8
Arrival to ready to pay	2.7	7.7	6.6	3.3	4.5
Arrival to availability	28.8	71.7	29.5	19.0	22.2
Arrival to release	3.3	8.2	7.1	4.2	5.1
Arrival to clearance	3.4	8.4	7.4	4.5	5.5

In the seven years that the TRS has been published, the number of air cargo consignments within the TRS week has increased from just over 100,000 consignments in 2007 to around 420,000 in 2013. Noting that the TRS is based on one sample week, the year-on-year volume increases are substantial.

On an annual basis, it is anticipated that over the next six years the volume of air cargo consignments will increase by over 100 per cent, presenting numerous challenges for both the border agencies and industry members.

The 2013 results for air cargo are among the best of any year. This demonstrates that industry practices are responsive to increasing volumes, particularly in regard to the timely reporting of cargo. It also illustrates the success of the border agencies efforts to continually refine risk assessment and other processes to ensure timely facilitation of goods.

After a significant delay in the time it took for goods to become available in 2012, time frames improved by nearly two days in 2013. The previous year's results were attributed to new entrants in the air cargo industry and it was anticipated that as their business processes were streamlined, availability times would improve. The 2013 results reflect that industry processes have improved.

It is positive to note that as industry report earlier, correspondingly they are also acquitting payment responsibilities earlier. These two elements, along with early risk assessment, result in goods being released and cleared within a few hours of arrival. Compared to the previous year, goods were cleared five hours earlier in 2013. In an industry where expedited movement of goods is a cornerstone of services provided, this is a positive outcome.

Air cargo snapshot

The snapshot provides an overview of the key results and findings in 2013. These include multi-year and year-on-year trends.

Volume – air cargo volumes continued to increase in 2013. Compared to 2012, volumes were 27 per cent higher, and over the last two years volumes have increased more than 92 per cent.

Reporting performance – on average, goods were reported two hours earlier in 2013 compared to the previous year. This is the best result since the first TRS in 2007.

Clearance performance – similar to reporting performance, the average clearance time for air cargo consignments was the best result since 2007, an improvement of five hours on the previous year.

Availability performance – the average availability time shows that industry members have streamlined their practices, with goods available just over a day after arrival. This is nearly two days earlier compared to 2012.

Impeded cargo – in 2013, earlier reporting of goods contributed to a lower proportion of goods that were impeded by one or both border agencies. Nearly three quarters of impeded goods were released prior to the cargo becoming physically available for delivery.

Express carriers – the proportionate share of air cargo consignments carried by express carriers continues to decline. Reporting performance remained steady over the last few months.

General providers – these carriers accounted for 56 per cent of air cargo consignments in 2013, a three per cent increase from the previous year. Reporting and clearance times improved, as well as the average availability time which improved nearly 60 hours compared to 2012.

Legislative time frames – three per cent of cargo reports and one per cent of import declarations were reported late in 2013. This is an improvement on the 2012 results.

SAC declarations – 90 per cent of goods reported on a SAC are valued at or under $300. Of these, the majority are goods valued at less than $100 (72 per cent). This reflects the popularity of low value goods ordered online, such as books, DVD's and clothing.

Declarations – in 2013, there was a 21 per cent increase in the volume of air cargo consignments reported on a declaration. While volumes continue to increase, the proportion of goods by value has remained relatively consistent over the past four years.

Loading countries – 58 per cent of all air cargo consignments were discharged at Sydney airport. Melbourne was the next busiest airport with 22 per cent. Higher volumes of air cargo goods were discharged in Sydney, Brisbane and Perth compared to 2012, Adelaide remained steady and Melbourne volumes declined slightly.

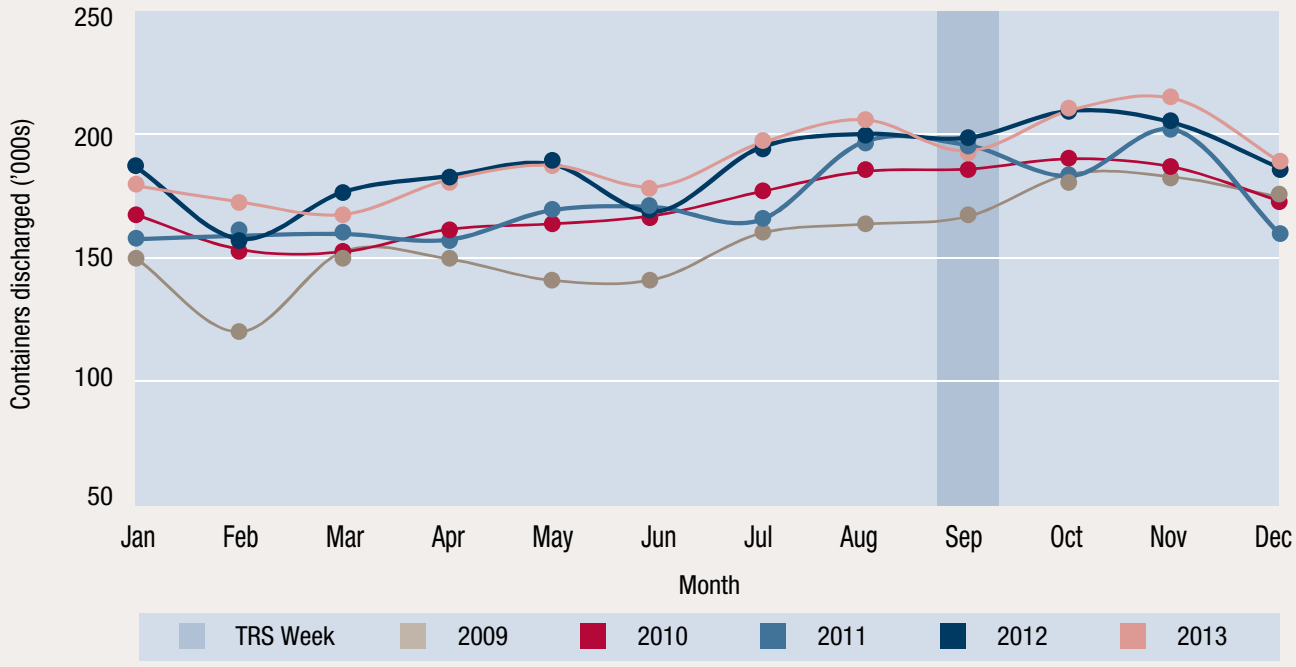
Sea Cargo Results – Imports

Sea cargo volume for 2013

The TRS uses the total number of containers discharged per month as a broad indicator of activity levels.

In 2013, container volumes increased by around one per cent when compared to the previous year. While this increase is less than the increase that happened between 2011 and 2012 (nearly nine per cent), the trend is still showing year-on-year increases.

Figure 1 Sea cargo — total containers discharged per month (2009—2013)



Notes:

- Figures are based on stevedore reporting to Customs and Border Protection.
- Totals show numbers of containers only and do not account for different container size.
- Discharge counts include both full and empty containers.
- Bulk and other non-containerised shipments (i.e. break bulk) are excluded from these counts.

Cargo status

Status at arrival

Since the first TRS, there has been significant improvement in reporting practices by industry. In 2007, 20 per cent of documents were incomplete at the time of arrival. As a result of not having all the required information, the border agencies impeded a higher proportion of goods (15 per cent in 2007) and only 64 per cent were either released or ready to pay at arrival.

In 2013, only ten per cent of goods were not fully reported. The proportion of goods impeded at arrival has reduced to nine per cent and the proportion of goods fully reported and either paid for, or ready to pay by the time of arrival, has risen to 81 per cent.

Based on importer size, large importers have the highest proportion of goods released at arrival (74 per cent) compared to medium importers (43 per cent) and small importers (22 per cent). Of the three importer sizes, large importers have the lowest proportion of documents that are not fully reported at arrival (seven per cent), followed by medium importers (12 per cent) and small importers (24 per cent).

While the majority of documents, such as the cargo report and import declaration, are required to be lodged electronically, as part of the Reform program and the focus on digital by default, a wider range of forms will be made available electronically. Additionally, a range of new tools will be developed to assist importers to better understand their obligations.

This may include solutions that enable importers to more quickly and easily access tariff, valuation, duty and GST information. Customs and Border Protection is also considering ways in which to reduce the administrative burden for importers.

Distribution of release

The trend of earlier release of consignments continued in 2013. The overall average (mean) time was around 15 hours prior to arrival, five hours earlier compared to 2012. The median time was 17 hours in 2013, an improvement of two hours from the previous year. The earlier mean and median times further confirm that early reporting and payment of goods ensures earlier release times.

Figure 2 Sea cargo — status at arrival

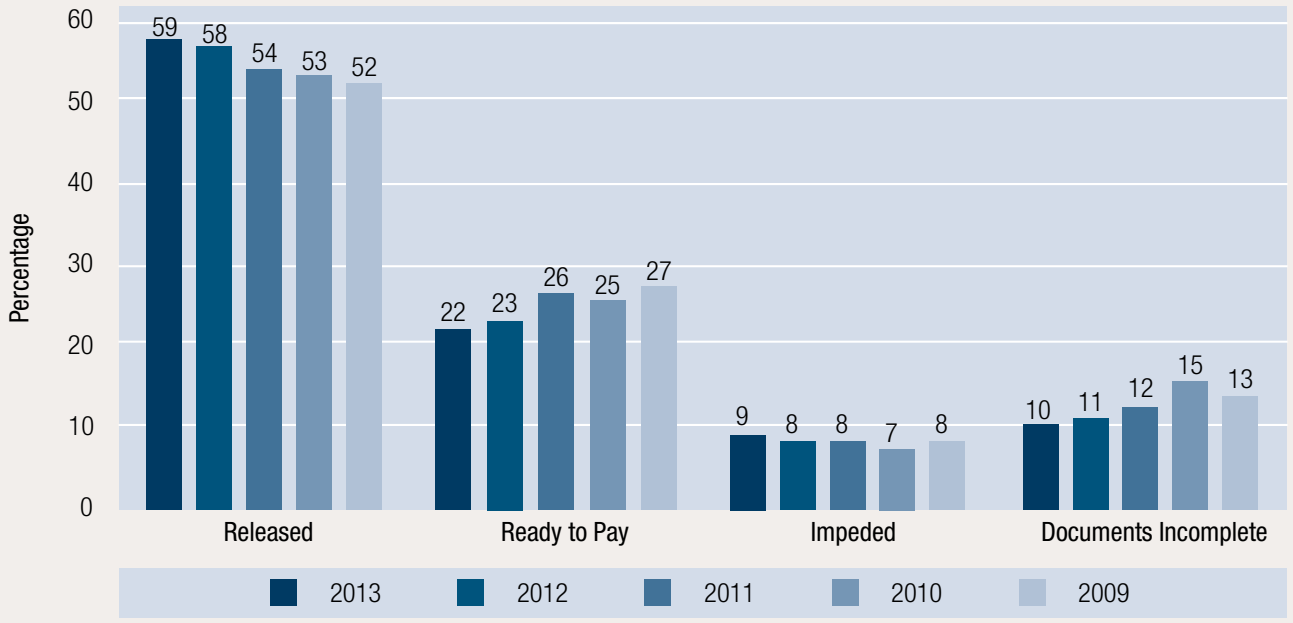


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Figure 3 Sea cargo — distribution of release (2013)

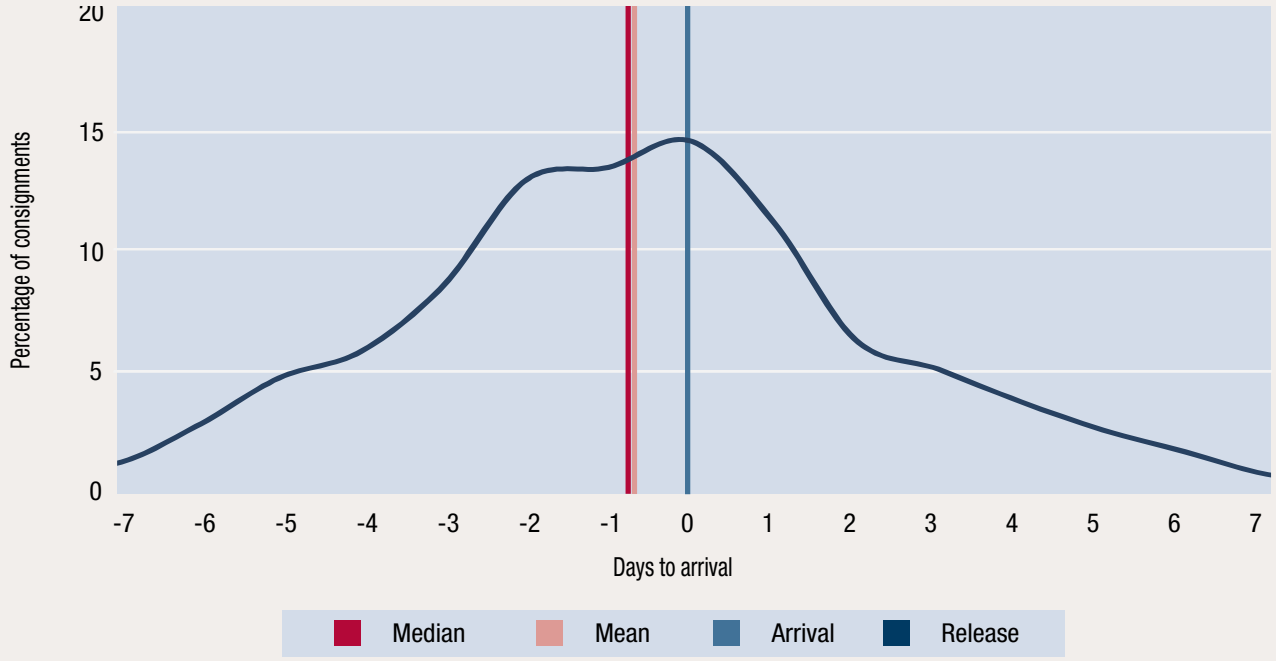
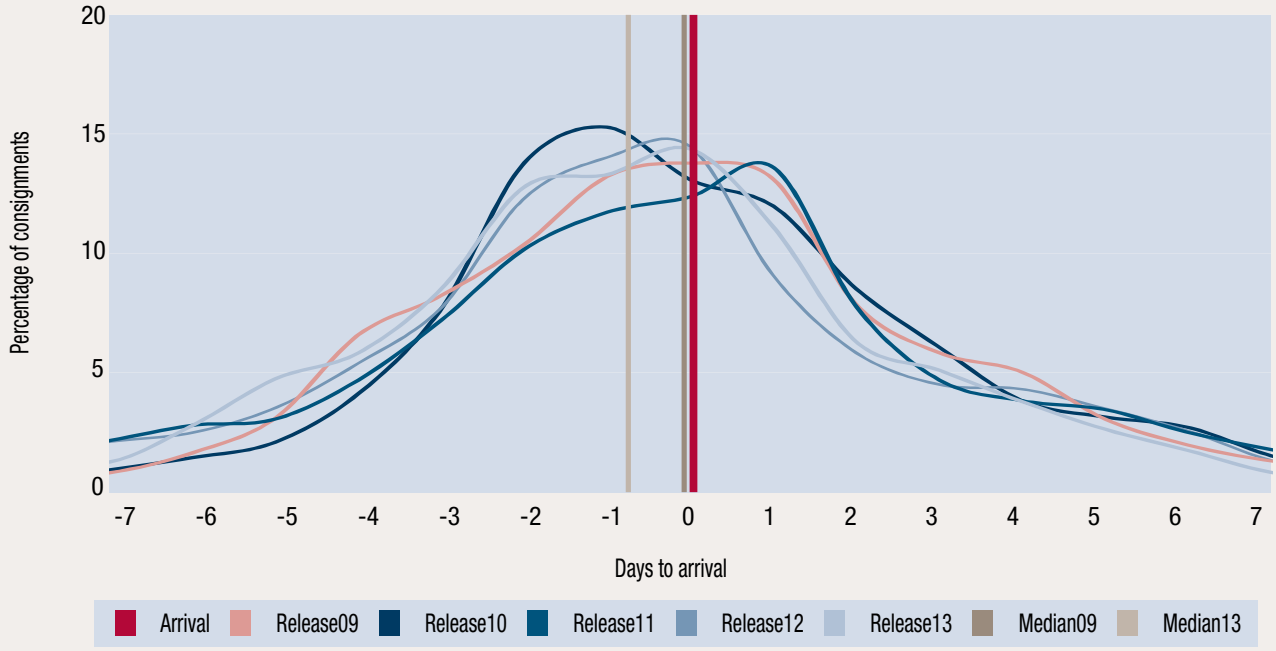


Figure 4 Sea cargo — distribution of release (2009-2013)



Status at availability

In line with the results for status at arrival, over the past seven years the proportion of documents incomplete at the time of availability has decreased by ten per cent.

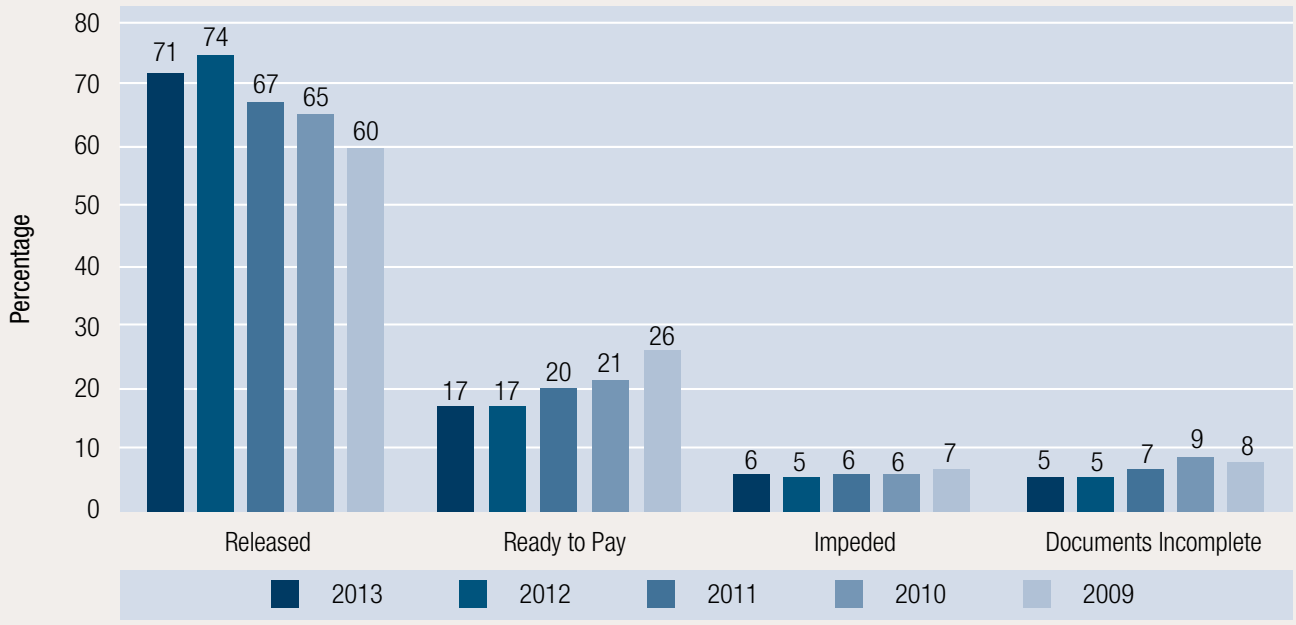
While the proportion of goods of interest to one or both border agencies has remained steady over the past few years, the increase in goods that are released at availability reflects the higher incidence of complete reporting.

Additionally, the 2013 results show that by the time of availability, more traders have paid for their goods. This also contributes to a higher proportion of goods that are released by the time the goods are physically available for delivery.

Further analysis of the results show that large importers achieve a higher rate of release at the time of arrival (84 per cent) when compared to the total importer population. Large importers tend to report and pay for consignments earlier than medium and small importers, leading to lower levels of impeded goods.

Through the Reform program, Customs and Border Protection will work collaboratively with importers to achieve solutions to regulatory impediments. Combined with improvements that industry members can make to their reporting and payment practices, there can continue to be an increase in the proportion of goods released at the time of availability.

Figure 5 Sea cargo — status at availability



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Discharge ports

Productivity at Australian ports has increased significantly over the last ten years. Increasing competition, the introduction of automated technologies as well as infrastructure improvements, are all helping to position ports to meet future demand for services.

In addition to effective port operations, it is widely recognised that to facilitate increasing volumes, more attention needs to be focussed on improving transport links, to quickly move goods out of the port precincts.

Following the release of the *National Land Freight Strategy,* a number of States have begun releasing State-specific strategies. Customs and Border Protection will continue to engage with other government agencies and industry bodies to support solutions that ease congestion at ports and promote the rapid movement of cleared cargo.

Port performance

The proportion of cargo among the top five ports remained consistent in 2013, with only minor changes compared to 2012. With 37 per cent, Melbourne had the highest proportion of cargo, one per cent more than Sydney.

Figure 6 shows the proportion of consignments discharged at the top five ports. Compared to the previous year, Brisbane increased its proportionate share by two per cent and Melbourne by one per cent, while Fremantle had three per cent less consignments. The proportion of consignments for both Sydney and Adelaide was unchanged.

The individual performance of ports (against the 2012 and 2013 averages) is provided in Table 6. Of note, the average availability time for Fremantle and Sydney has improved significantly from the 2012 results.

As noted in the 2012 TRS, a number of events during the 2012 TRS week led to a significant decline in availability times at these ports. In comparison, in 2013 they have recorded their best availability performance of the past three years (Fremantle within a day of arrival and Sydney within 1.2 days of arrival).

Figure 6 Sea cargo — top five ports of discharge

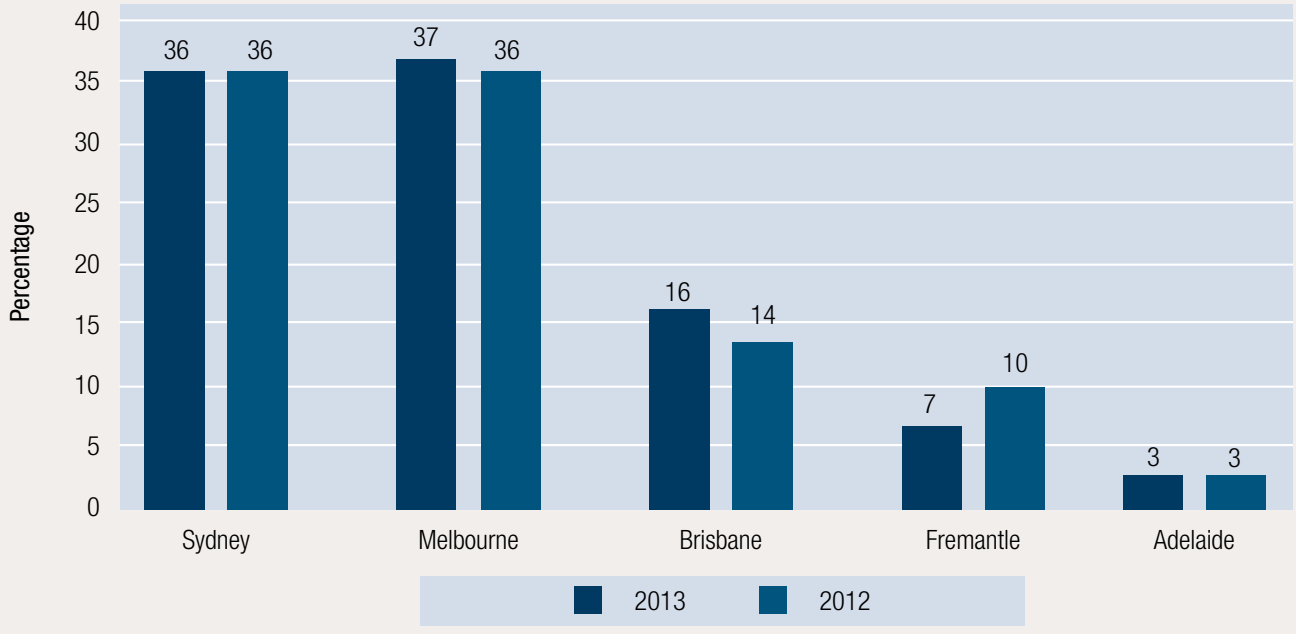


Table 6 Sea cargo — top five port of discharge comparison (days)								
Discharge port comparison	All ports		2013 port by port performance measurement					Primary responsibility
	2013	2012	ADL	BNE	FRE	MEL	SYD	
Arrival to IAR	-9.7	-10.5	-14.5	-9.8	-5.9	-9.7	-9.9	Ship's agent
Arrival to HBL (lowest level bill)	-9.1	-9.1	-11.9	-7.4	-5.3	-9.9	-9.6	Freight forwarder
Arrival to OBL	-8.8	-8.8	-12.7	-7.2	-4.3	-9.4	-9.5	Shipping company
Arrival to declaration	-4.5	-4.3	-4.8	-3.9	-3.5	-4.8	-4.6	Brokers
Arrival to documents	-4.0	-4.0	-5.0	-3.3	-2.6	-4.3	-4.0	All reporters
Documents to customs unimpeded	1.0	0.9	0.8	0.8	0.9	1.3	0.8	Customs and Border Protection
Arrival to customs unimpeded	-2.9	-3.1	-4.2	-2.5	-1.8	-3.0	-3.2	Consolidated
Arrival to RTP	-2.8	-2.8	-4.0	-2.3	-1.6	-2.8	-3.1	Consolidated
Documents to RTP	1.2	1.1	1.0	0.9	1.1	1.5	0.9	Customs and Border Protection and Department of Agriculture
Customs unimpeded to RTP	0.2	0.2	0.2	0.2	0.2	0.2	0.1	Department of Agriculture
Arrival to release	-0.6	-0.4	-1.4	-0.4	-0.1	-0.6	-0.8	Consolidated
RTP to release	2.1	2.4	2.6	1.9	1.5	2.2	2.3	Brokers
Arrival to clearance	-0.1	0.2	-0.5	0.3	0.4	-0.2	-0.3	Consolidated
Release to clearance	0.6	0.6	0.8	0.7	0.6	0.5	0.5	Department of Agriculture
Arrival to availability	1.2	2.3	0.9	1.6	1.0	1.1	1.2	Stevedores and Reporters
Arrival to discharge (FCL)	0.8	1.9	0.5	1.3	0.6	0.6	0.8	Stevedores
Arrival to discharge (FCX)	0.7	1.9	0.6	0.7	0.5	0.5	0.9	Stevedores
Arrival to unpack (LCL)	3.5	4.2	3.1	3.1	6.4	3.7	3.3	Reporters
Arrival to discharge (break-bulk)	2.6	2.1	0.9	1.7	0.9	3.8	N/A	Stevedores
Arrival to discharge (bulk)	1.9	2.3	1.7	1.6	9.2	0.5	1.5	Stevedores

Top ten countries of loading by port

Table 7 Sea cargo – top ten loading countries	
Country	**Percentage**
China	39
United States	7
Singapore	5
New Zealand	4
Hong Kong	4
Thailand	4
Malaysia	4
Korea	4
Germany	4
Taiwan	3

Goods arriving into Australia during the TRS week were loaded onto ships in 90 countries. Similar to 2012, nearly 40 per cent of these goods were loaded onto vessels at ports in China.

Overall, the proportion of goods loaded in each country has remained consistent in 2013 with the 2012 results.

Figure 7 Sydney port — top ten loading countries

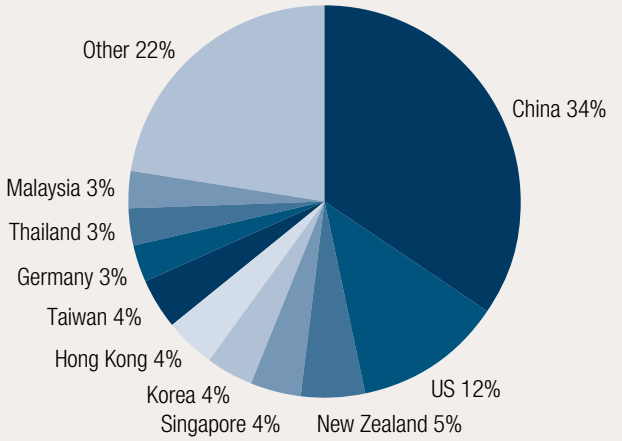


Figure 8 Melbourne port — top ten loading countries

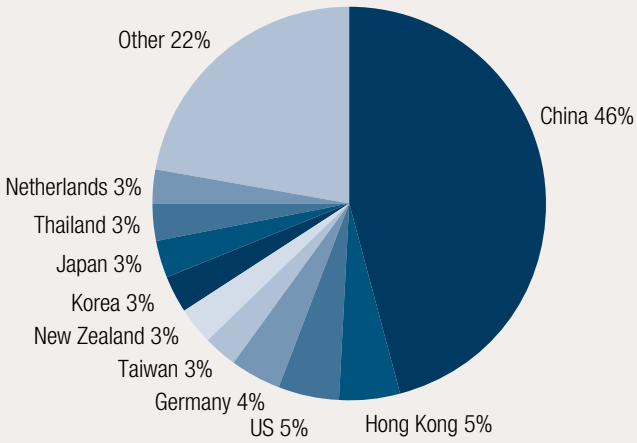


Figure 9 Brisbane port — top ten loading countries

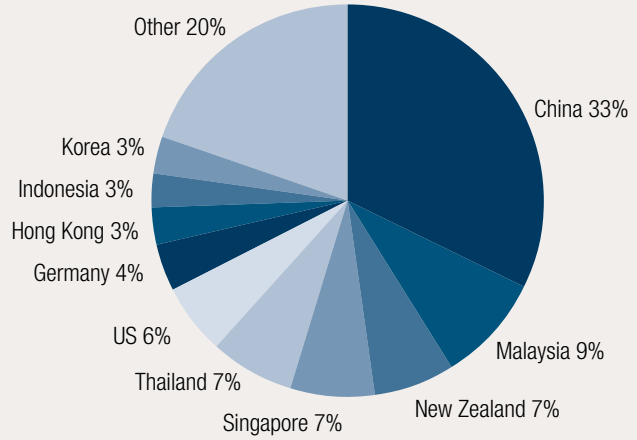


Figure 10 Fremantle port — top ten loading countries

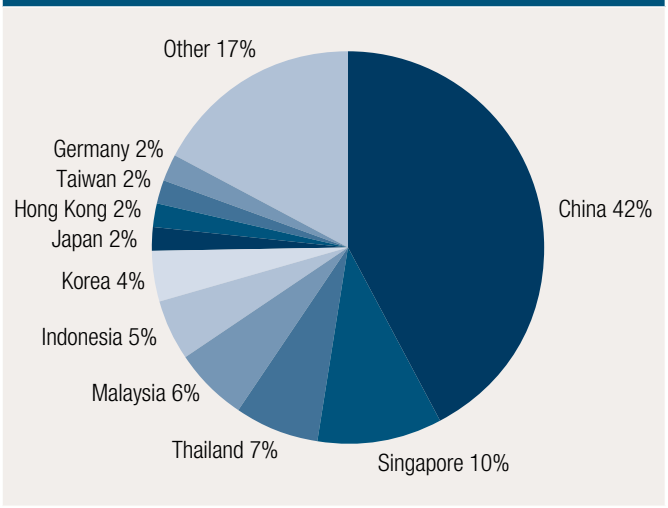
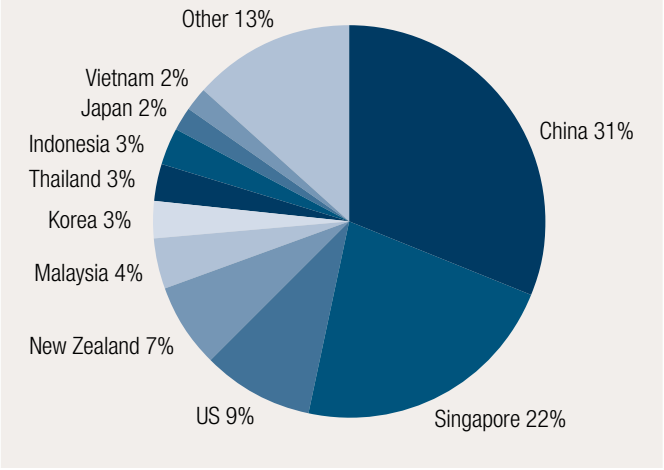


Figure 11 Adelaide port — top ten loading countries



Gate-out

The measure for gate-out identifies the average time between containerised cargo being discharged from a vessel (progressive discharge), to the time it takes to leave the wharf. This provides an indication of the time it takes cargo to move through the port precinct. Gate-out data is recorded for four ports – Sydney, Melbourne, Brisbane and Fremantle (83 per cent of the total TRS population).

Table 8 Sea cargo — average times from discharge: consignments with a gate-out record by cargo type (days)

Gateout	2013	2012	2011
All cargo	2.2	2.2	2.3
FCL	2.2	2.3	2.4
FCX	2.2	2.1	2.5
LCL	1.6	1.7	2.0

Note: The figures in Table 8 are specific to the cargo population with a gate-out record.

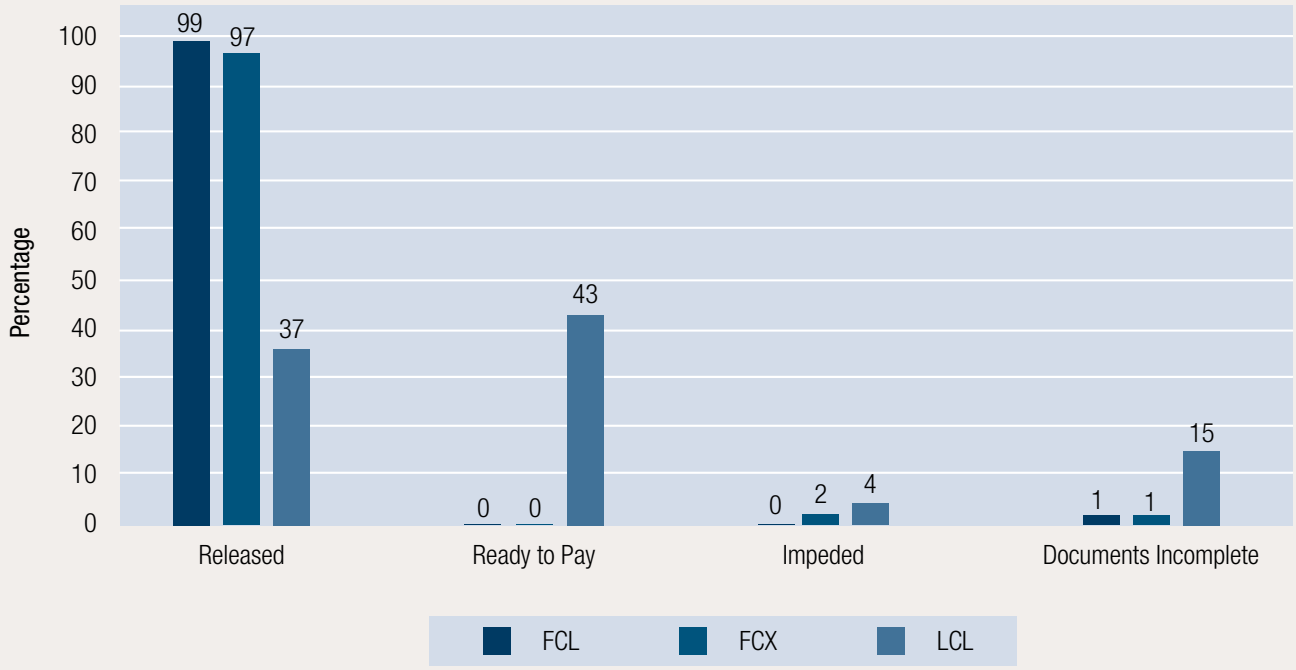
Average gate-out times in 2013 remained within a couple of hours of the 2012 times. When compared to 2011 times, the results suggest a trend of improving times. This is most apparent for less than container load (LCL) cargo, which left the port nearly half a day earlier compared to two years ago.

Further analysis of the individual gate-out results for the four ports reveals that for Sydney and Brisbane, goods leave the ports two days after discharge. Goods leave Melbourne in just under two and a half days and in Fremantle, around three days.

Compared to other ports, Fremantle often records higher than average availability and gate-out average times. Over the past two years, the TRS has shown that delays in these average times may be attributable in part to high proportions of goods arriving within a short space of time, such as only one or two days within the snapshot week. The *Fremantle Ports Annual Report 2012* highlighted congestion as their most significant issue.

The gate-out results reflect the productivity efficiencies that are being achieved in port precincts, enabling faster movement of goods from ports. Traders are also contributing to these efficiencies through early reporting and payment.

Figure 12 Sea cargo — consignment status at gateout by cargo type



Cargo Type

Table 9 Sea cargo – performance by container type (days)

Cargo type	All types	FCL	LCL	FCX	B/B	BLK
% of cargo lines	100	79	16	3	2	>1
Documents	-4.0	-4.3	-2.4	-2.8	-4.7	-4.4
Customs unimpeded	-2.9	-3.5	-0.5	-1.7	-3.8	-4.2
Ready to pay	-2.8	-3.3	-0.5	-1.3	-3.0	-4.1
Availability	1.2	0.8	3.5	0.7	2.6	1.9
Release	-0.6	-1.3	2.4	-0.2	-0.7	-3.8
Clearance	-0.1	-0.6	2.5	0.1	0.0	-3.1

Note: Percentages have been rounded to whole figures. As a result, these figures may not always equal 100 per cent.

FCL cargo

Generally, the 2013 results for FCL cargo were within a few hours of the 2012 average times. The only significant change was in the arrival to availability time, which improved from 1.9 days to 0.8 days. As noted in the 2012 TRS, availability times declined due to specific events within that snapshot week.

There was a minor decline in the average time that documents were submitted to Customs and Border Protection, which led to similar declines in the average unimpeded and ready to pay times. However, these did not affect release and clearance times, which both improved.

LCL cargo

Compared to the previous year, there was improvement in all six measures for LCL cargo. Significantly, in 2013 LCL cargo was reported earlier than any other year in which the TRS has been undertaken. Goods were unimpeded and ready to pay ahead of the 2012 times and subsequently, goods were also released and paid for earlier.

In 2013, release and clearance times improved by nearly a day, continuing an ongoing tend of strong improvement for LCL cargo.

FCX cargo

After a slight decline in 2012, there was improvement across all measures for FCX cargo, including goods becoming available more than a day earlier in 2013.

Break-bulk cargo

Information about break-bulk cargo was submitted to the border agencies nearly one and a half days earlier in 2013 compared to the previous year. This action resulted in similar improvement in the time that goods were unimpeded and ready to pay.

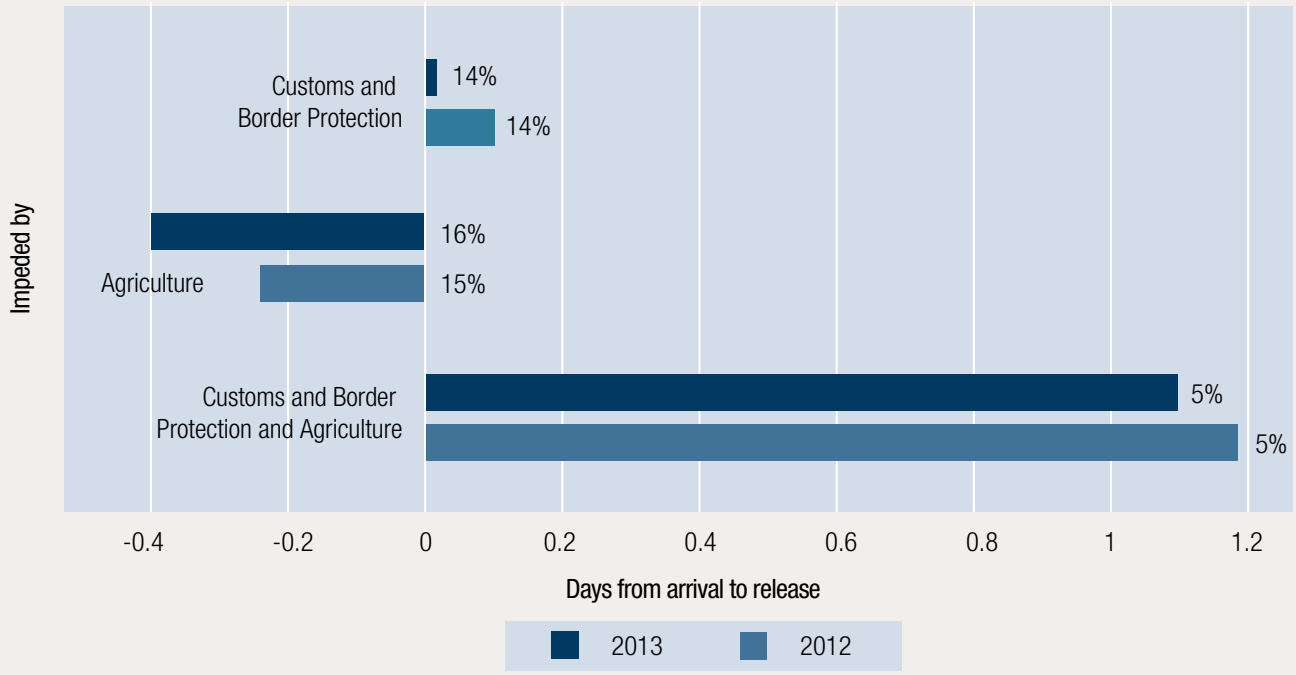
The average availability time was the only area that experienced a decline (by half a day). Further analysis shows the ports of Melbourne and Port Kembla were the main contributors to this result. Thirty four per cent of consignments at the Port of Melbourne were available later than the average time of 2.6 days, while 15 per cent of consignments at Port Kembla were later than the average.

Bulk cargo

Similar to LCL cargo, there was improvement for bulk cargo across all measures. Bulk cargo refers to valuable commodities that are loose, unpackaged and non-containerised (such as gas, grains and ores). Goods were reported nearly ten hours earlier, which led to goods being released and cleared earlier compared to 2012.

Impeded cargo

Figure 13 Sea cargo — impeded cargo (2012—2013)



Since the first TRS in 2007, there has been a steady improvement in the time taken for impeded goods to be released. There are two primary reasons for this. Firstly, industry members have significantly improved reporting practices, with goods reported more than one and a half days earlier when compared to 2007.

The earlier that the border agencies receive all required information relating to imported goods, the earlier that decisions can be made in regards to risk treatments and identification of consignments that require intervention.

Secondly, in the past few years both Customs and Border Protection and the Department of Agriculture have refined and enhanced their intelligence-led, risk-based approaches.

For Customs and Border Protection, this has seen the proportion of consignments requiring intervention drop from a high of 22 per cent in 2009, to the current proportion of 14 per cent. For goods of interest to both border agencies, the time required to intervene in goods has dropped from two and a half days in 2008 to just over one day in 2013.

As part of the Reform program, Customs and Border Protection is working to transform the existing intelligence approach. The establishment of the National Border Targeting Centre will refine and enhance targeting capabilities, enabling the border agencies to better identify those consignments that provide a risk to the Australian community.

Other elements of this work will focus on building a new intelligence framework within a more connected information environment. Customs and Border Protection will consider opportunities to further automate risk analysis profiling and targeting activities to better support decision making.

This will mean that the border agencies can continue to build on the work that has been undertaken over the past few years, while continuing to facilitate legitimate consignments with minimal intervention.

Importer size

Importer size plays a major role in trade facilitation performance, as evidenced by a number of sections within the TRS. Using the total declared value of goods imported during a 12 month period (1 October 2012 to 30 September 2013 to align with the TRS week), importers are categorised as a small, medium or large importer:

Small – imported goods to a total value of AUD 1 million or less in 2013

Medium – imported goods neither large nor small

Large – imported goods to a total value of AUD 20 million or more in 2013.

The category that an importer belongs to may indicate whether they import a low or high volume of goods and the type of goods they import. Importer size may also provide information about how and when an importer provides information to Customs and Border Protection as well as payment preferences, such as GST deferral.

The proportion of imports by importer size remains consistent with previous years. Small and medium importers account for 85 per cent of all importers, but are responsible for only 41 per cent of the total consignments imported during the TRS week.

Figure 14 Sea cargo — importer size by cargo type

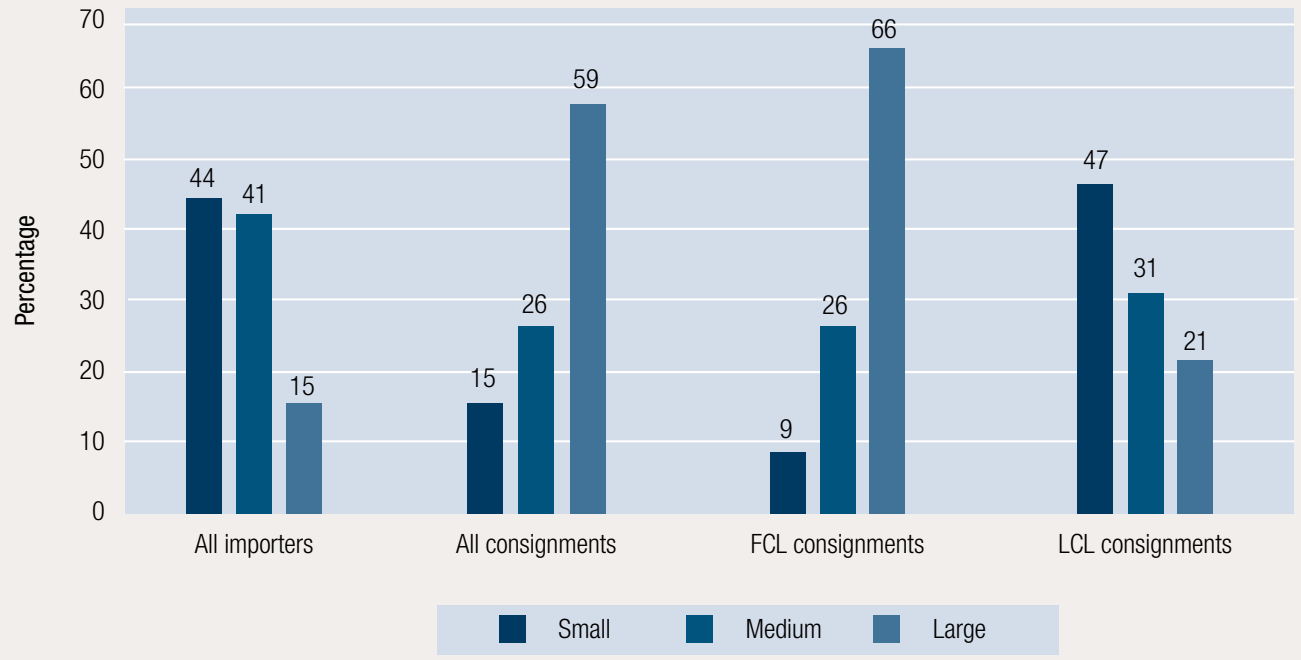


Table 10 Sea cargo — importer size and activity

	2013			2012		
Consignments	**Small %**	**Medium %**	**Large %**	**Small %**	**Medium %**	**Large %**
All importers	44	41	15	44	41	14
All consignments	15	26	59	14	27	59
FCL consignments	9	26	66	9	25	66
LCL consignments	47	31	21	40	35	25

Importer size — average times between the arrival of cargo and other events

The performance of the three importer sizes are explored in this section.

Small importers

Table 11 Sea cargo — small importer performance (days)					
Interval	**2013**	**2012**	**2011**	**2010**	**2009**
Documents	-2.2	-2.1	-2.3	-1.1	-1.6
Customs unimpeded	-0.4	-0.5	-0.7	0.4	-0.3
Ready to pay	-0.2	-0.2	-0.4	0.6	-0.1
Availability	2.1	3.1	2.5	2.3	1.8
Ready to pay to release	2.8	3.1	3.4	2.7	2.8
Release	2.5	2.9	3.0	3.3	2.7
Clearance	3.1	3.5	3.7	4.0	3.5

The population of small importers is a diverse one. It includes members who import low value goods on a regular basis as well as one-off or low volume importers. This means that the knowledge of customs requirements is quite varied.

As part of the Reform program, a range of intuitive, user-friendly portals will be developed to assist importers to understand their obligations, including reporting requirements.

Additionally, Customs and Border Protection will work towards a fully digital environment, linked to a new enterprise case management system. This will provide a single point of reference to manage transactions and enquiries.

Medium importers

Table 12 Sea cargo — medium importer performance (days)					
Interval	**2013**	**2012**	**2011**	**2010**	**2009**
Documents	-3.6	-3.7	-3.8	-2.7	-3.0
Customs unimpeded	-2.5	-2.7	-2.6	-1.7	-2.2
Ready to pay	-2.3	-2.5	-2.5	-1.5	-2.0
Availability	1.3	2.5	1.6	1.4	1.2
Ready to pay to release	2.7	3.1	3.1	2.8	2.8
Release	0.4	0.6	0.7	1.3	0.8
Clearance	1.0	1.2	1.4	1.9	1.6

Reporting times for medium importers have remained consistent over the past three years, with goods reported more than three days prior to their arrival at an Australian port.

In 2013, clearance times have continued to improve, with goods now cleared one day after arrival, the best result of the past five years.

Large importers

Table 13 Sea cargo — large importer performance (days)					
Interval	**2013**	**2012**	**2011**	**2010**	**2009**
Documents	-4.5	-4.5	-4.7	-3.6	-3.9
Customs unimpeded	-3.7	-3.8	-3.8	-3.0	-3.4
Ready to pay	-3.6	-3.6	-3.6	-2.8	-3.1
Availability	1.0	2.0	1.2	1.0	0.9
Ready to pay to release	1.8	2.0	2.0	1.9	2.0
Release	-1.8	-1.7	-1.5	-0.9	-1.1
Clearance	-1.2	-1.0	-0.8	-0.2	-0.5

The performance of large importers in 2013 remained close to the 2012 times, the only exception being availability times which have improved by one day. Remarkably, clearance times continue to improve for large importers, with goods cleared more than a day prior to arrival.

Importer compliance with legislative reporting time frames

Compliance with reporting time frames has been included in the TRS since 2010. While there has been a lower proportion of late reporting[1] in 2013 compared to the previous year, the results over the last four years have remained fairly consistent.

Table 14 Sea cargo — importer compliance with legislative reporting time frames

Report	2013 Late %	2012 Late %	2011 Late %	2010 Late %
Cargo Report	4	6	5	6
Small	26	27	26	24
Medium	26	29	28	36
Large	48	44	46	40
Import Declaration	6	8	6	7
Small	36	31	33	32
Medium	29	28	29	33
Large	35	40	38	34

By reducing the number of cargo reports and import declarations that are reported late, as well as improving the timely flow of information to the border agencies, risk assessment processes can be further refined. The benefit to trusted and compliant traders will be enhanced facilitation with minimised intervention.

Customs and Border Protection will also continue efforts to educate traders and increase awareness of the benefits of early reporting.

The legislative time frames for lodgement of sea cargo reports and declarations:

- Sea cargo report (SCR) – not less than 48 hours before the estimated time of arrival at the first Australian port. Section 64AB(8) of the *Customs Act 1901* and Regulations 28 and 29 of the *Customs Regulations* 1926 refer.
- Import entries (import and warehouse declarations) – lodged by the end of the next working day of Customs, following the day on which the goods were imported. Regulation 43 of the *Customs Regulations 1926* refer.

Electronic reporting within the prescribed time frames is a statutory requirement and there are penalties associated with noncompliance.

1 In the Annual Report, Customs and Border Protection records the proportion of air and sea cargo bills reported in line with legislated time frames. The Annual Report figures are calculated for the financial year and include all bills. The TRS is based on a sample week and includes only the lowest level bills, to provide information at the consignment level.

Country of origin – Australia's top 10 trading partners by sea

Geographical proximity is a key element for trading partners, noting the importance of the Asia-Pacific region to Australia's trade. This is reflected in the number of Free Trade Agreements (FTAs) that Australia currently has, or is negotiating, with regional partners.

In 2013, the reporting of goods imported from China occurred almost half a day later than the previous year, however, this did not have a flow on effect as release and clearance times were maintained. Clearance times for goods from China have steadily been improving over the last few years. Goods sourced from China account for 40 per cent of all consignments, a decrease of three per cent compared to 2012.

For goods sourced from the United States, there was improvement across all six measures. Notably, information about these goods was submitted to Customs and Border Protection nearly a day earlier in 2013, with similar improvements in the time that goods were unimpeded and became ready to pay. The most improved measure was the average arrival to clearance time, an improvement of nearly one and a half days.

Over the past few years, the results for goods imported from New Zealand have fluctuated by up to a day each year. The consistent thread through these results is that where there is a decline in the average time that goods are reported, there is consequently a decline in the release and clearance of those goods.

Table 15 Sea cargo — country of origin: Australia's top ten trading partners by sea

Country of origin	Number of consignments	Percentage
All	36,723	100
China	14,748	40
United States	2,676	7
Thailand	1,716	5
New Zealand	1,643	4
Korea	1,299	4
Malaysia	1,224	3
Germany	1,216	3
Taiwan	1,175	3
Hong Kong	1,083	3
Japan	1,029	3

Notes:

- Australia has bilateral free trade agreements (FTA) in place with New Zealand, the United States, Thailand and Malaysia.
- The Malaysia FTA came into effect 1 January 2013.
- Australia is party to a regional free trade agreement [ASEAN-Australia-New Zealand Free Trade Area (AANZFTA)] which includes Malaysia and Thailand.
- FTA negotiations with the Republic of Korea concluded in December 2013, but are not yet in force.
- Bilateral free trade agreements are being negotiated with China and Japan.
- The information contained within 'Notes' relates only to the countries referenced as Australia's top ten trading partners during the TRS week. While other free trade agreements are being negotiated with several other countries, they are not referenced here.
- The Department of Foreign Affairs and Trade (DFAT) maintains a complete list of all current agreements and status of negotiations on their website.

Table 16 Sea cargo — country of origin: average times from arrival (days)						
Country of origin	**Documents**	**Unimpeded**	**RTP**	**Availability**	**Release**	**Clearance**
ALL	**-4.0**	**-2.9**	**-2.8**	**1.2**	**-0.6**	**-0.1**
China	-3.4	-2.5	-2.3	1.1	-0.3	0.0
United States	-4.4	-3.1	-3.0	1.4	-1.1	-0.4
Thailand	-4.6	-3.9	-3.8	1.3	-2.0	-0.6
New Zealand	-3.0	-2.4	-2.2	0.9	-0.9	-0.5
Korea	-4.6	-3.6	-3.5	1.3	-1.1	-0.6
Malaysia	-4.3	-3.3	-3.0	2.0	-1.4	-0.5
Germany	-4.9	-3.9	-3.7	1.5	-0.6	-0.2
Taiwan	-3.4	-2.3	-2.2	1.8	0.4	0.7
Hong Kong	-3.0	-1.4	-1.3	1.7	0.7	1.1
Japan	-4.4	-3.5	-3.3	1.5	-0.8	-0.1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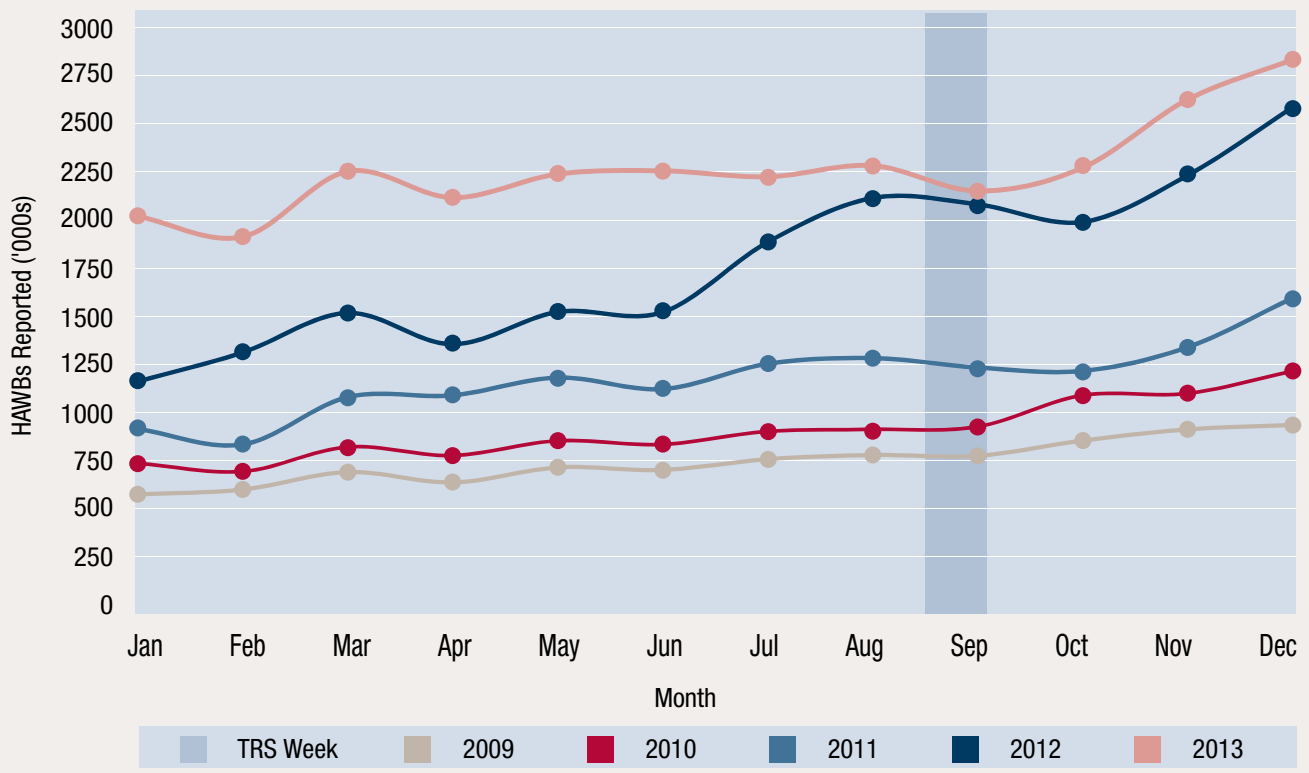
Air Cargo Results – Imports

Air cargo volume for 2013

In 2013, air cargo volumes continued to increase. When compared to 2012, there was an increase of more than 27 per cent. Significantly, over the past two years, air cargo volumes have increased more than 92 per cent.

Cargo volumes were stable through the middle part of the year, with rapid increases in the last two months likely due to the approach of the Christmas season.

Figure 15 Air cargo — volume (2009—2013)



Notes:

- Figures are based on reporting to Customs and Border Protection by airlines and freight forwarders.
- Master Air Waybills (MAWBs) are not counted.

Performance by declaration type

Table 17 Air cargo — performance by declaration type (hours)						
	2013			2012		
Service type	**All**	**SAC**	**Declaration**	**All**	**SAC**	**Declaration**
% of cargo lines	100	91	9	100	90	10
Arrival to documents	-3	-5	11	-1	-4	18
Arrival to customs unimpeded	2	1	15	7	5	24
Arrival to ready to pay	3	1	16	8	6	25
Arrival to availability	29	29	27	72	75	42
Arrival to release	3	2	21	8	6	30
Arrival to clear	3	2	22	8	6	32

In 2013 the proportion of self-assessed clearance (SAC) declarations increased by one per cent, with a corresponding decrease in the proportion of declarations. Although the proportionate share of declarations decreased, the actual number of import declarations submitted in the TRS week rose nearly 6,000 compared to 2012.

As noted earlier, all performance measures for air cargo improved in 2013. While reporting times for SACs remained fairly steady, on average import declarations were reported seven hours earlier compared to the previous year.

For goods that had an impediment, this was resolved within two hours of the arrival of goods at an airport. This was an improvement of six hours for SACs and nine hours for declarations from the previous year.

Significantly, availability times for both SACs and declarations improved compared to the previous year (46 and 15 hours respectively). While availability times tend to fluctuate the most of any measure, the significant decline in the time between arrival and availability in 2012 was likely attributable to business practices that have been streamlined in the intervening period.

Cargo status

Status at arrival

The results for status at arrival demonstrate a significant improvement from the previous year. The proportion of cargo released by the time of arrival increased 16 per cent in 2013 compared to 2012.

This is primarily attributable to a higher incidence of goods that have been fully reported by the time of arrival. Only ten per cent of documents were incomplete in 2013, reduced from 20 per cent in 2012.

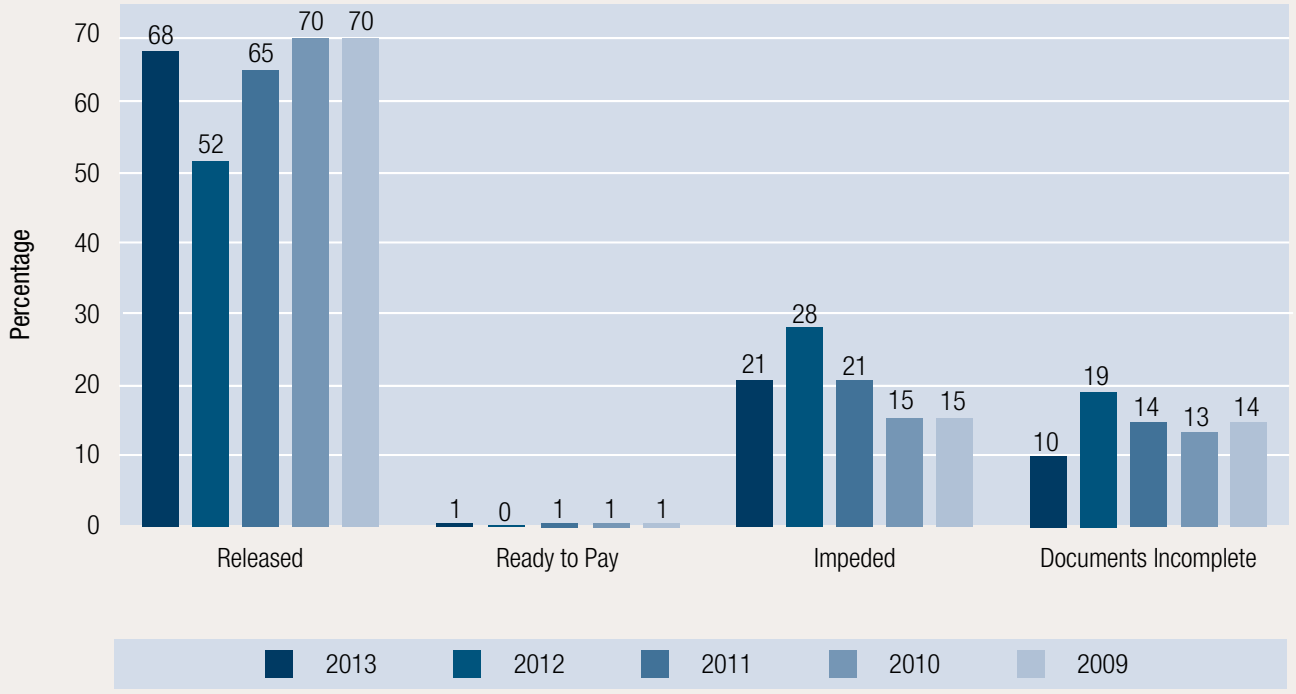
The primary risk assessment of consignments is conducted based on the information submitted to the border agencies.

This includes information about what the goods are, where they have come from and where they are going, as well as the parties involved in the importation.

It is only when the complete information is provided that the border agencies are able to finalise risk assessment and make decisions about which goods require further attention.

There was a similar reduction in the proportion of goods that were impeded at arrival, with 21 per cent in 2013, a seven per cent reduction from the previous year.

Figure 16 Air cargo — status at arrival (2009—2013)

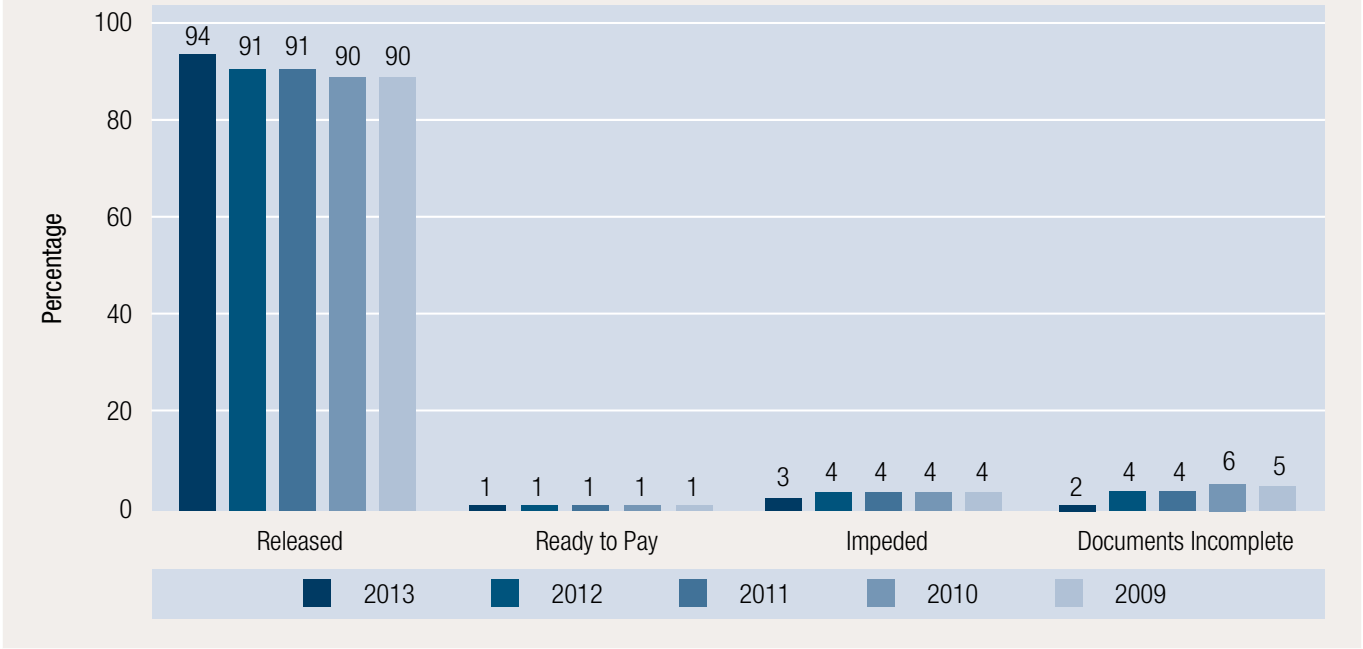


Status at availability

Since 2007, the proportion of cargo released by the time the goods are available for delivery has remained at around 90 per cent. The result of 94 per cent in 2013 is the highest proportion since the first TRS. Noting the increased volumes, this is a positive result for the border agencies and industry alike.

The proportion of goods impeded and documents incomplete are also at the lowest levels since 2007. Between the time of arrival and availability, 18 per cent of consignments that were impeded have had this resolved, and an additional eight per cent have submitted complete documentation to Customs and Border Protection.

Figure 17 Air cargo — status at availability (2009—2013)



Impeded cargo

The earlier that industry submits information about imported goods, the earlier the border agencies can complete risk assessment. Early risk assessment assists the border agencies to identify high risk cargo for intervention, while facilitating legitimate trade.

In 2013, goods were reported earlier compared to 2012 and consequently, the proportion of consignments impeded was also lower compared to 2012.

Release times for Customs and Border Protection were maintained, with only one hour separating the two years. Nearly three quarters of impeded goods were released prior to the cargo becoming physically available for delivery.

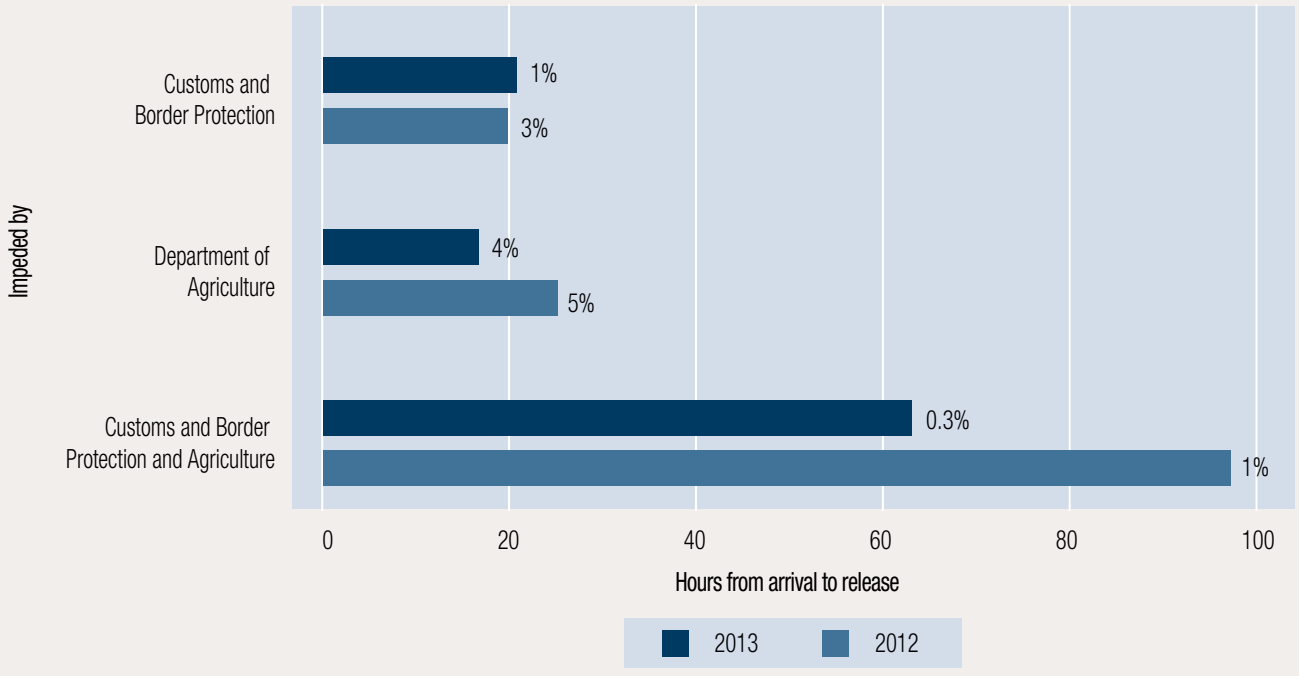
Goods impeded by the Department of Agriculture were released around nine hours earlier compared to the previous year. While the proportion of goods impeded declined from five to four per cent, noting the increase in air cargo volumes, the actual number of consignments impeded increased.

Consignments of interest to both border agencies accounted for less than half a per cent of all consignments. Significantly, these consignments were released 30 hours earlier in 2013 compared to 2012.

In the past few years both Customs and Border Protection and the Department of Agriculture have developed and implemented new risk assessment models.

As part of the Reform program, Customs and Border Protection will continue to further develop and enhance intelligence capabilities and risk assessment processes. This will ensure that as cargo volumes increase, interventions will be further targeted towards those consignments that present a genuine risk to the Australian community.

Figure 18 Air cargo — impeded cargo (20012—2013)



Express and general air cargo

Performance by service type has been included in the TRS for the past four years. This section considers the performance of express carriers (who provide expedited, integrated logistics for air cargo) and general cargo providers.

Historically, air cargo was dominated by express carriers, who typically carried high volume low value cargo and reported goods on SAC declarations. While the volume of goods reported by express carriers has been steadily increasing over the past few years, the number of goods carried by general providers has rapidly increased over the last two years (Figure 19).

As a result, there has been a significant shift in the proportion of goods reported by express carriers as opposed to general providers (Figure 20).

In 2008, express carriers accounted for nearly 80 per cent of all air cargo consignments. Within four years, their proportionate share has decreased to 44 per cent. General providers have increased from nearly 20 per cent to 56 per cent in 2013.

The performance of both express carriers and general providers improved in 2013, reflecting the overall improvements for all air cargo.

Reporting performance for express carriers remained consistent in 2013, while goods were ready to pay and cleared a few hours earlier compared to 2012. Goods were available a day earlier than the previous year.

General providers reported goods three hours earlier in 2013 and goods were cleared seven hours earlier compared to 2012. Of note, general providers improved their availability time from 90 hours in 2012, to just 30 hours in 2013.

Table 18 Air cargo — 2013 performance by service type average from arrival (hours)

Service type	All	Declaration	SAC	Express	Declaration	SAC	General	Declaration	SAC
% of cargo lines	100			44			56		
Documents	-3	11	-5	-3	6	-4	-3	15	-5
Customs unimpeded	2	15	1	0	10	-1	4	20	3
Ready to pay	3	16	1	1	12	-1	4	21	3
Availability	29	27	29	27	27	27	30	27	31
Release	3	21	2	1	14	-1	5	28	3
Clear	3	22	2	1	15	-1	5	30	3

Figure 19 Air cargo — volume of cargo lines by service type

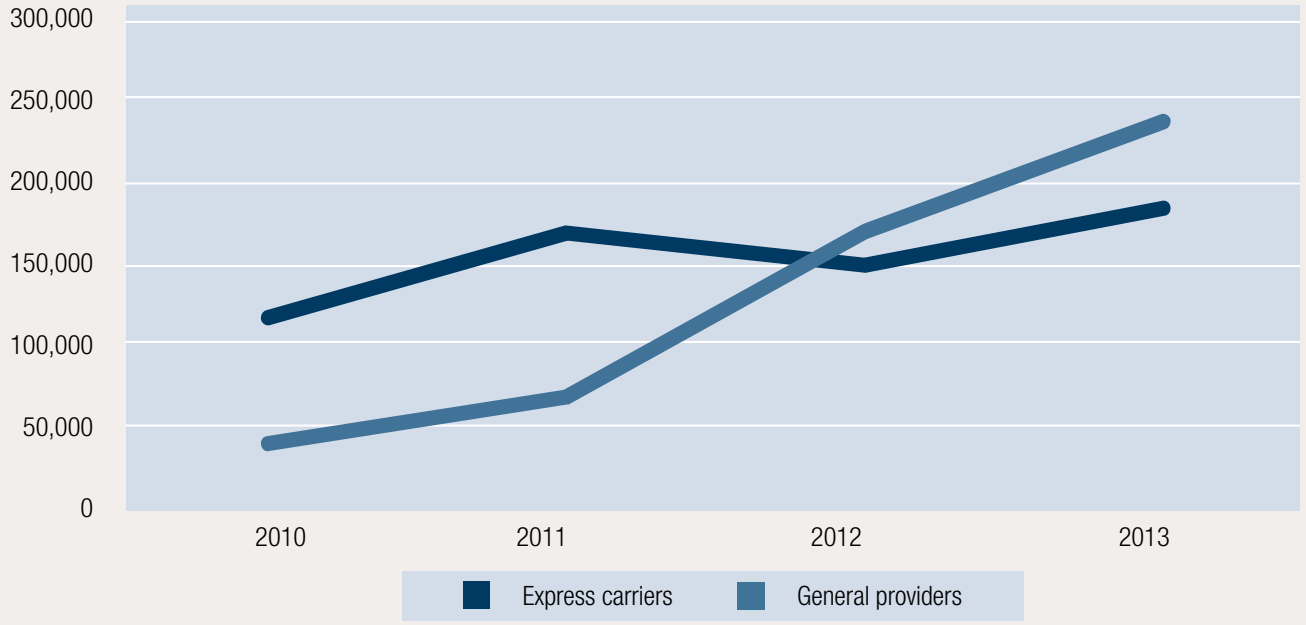
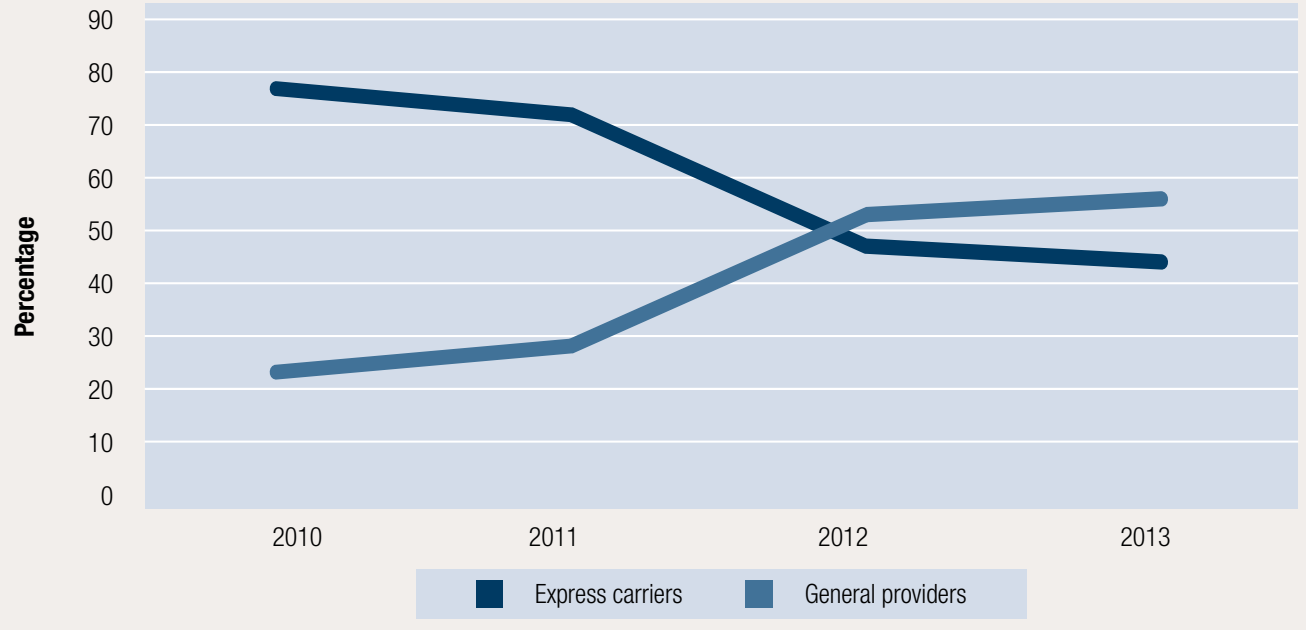


Figure 20 Air cargo — proportion of cargo lines by service type



Compliance with legislative reporting time frames by service type

Table 19 Air cargo — compliance with legislative reporting time frames			
Report	**2013 Late %**	**2012 Late %**	**2011 Late %**
Cargo Report	3	7	6
Express carrier	2	3	2
General provider	5	10	4
Import Declaration	1	2	2
Express carrier	1	1	1
General provider	1	2	2

Since the first TRS in 2007, this study has continued to highlight the important link between the early reporting of goods and subsequent early clearance. Over the past six years, industry has acknowledged the benefits to be realised by early submission of information and subsequently, reporting performance has improved.

It remains important for industry to be aware of the legislated reporting time frames[2] and comply with these requirements.

There was a marked decrease in the number of cargo reports submitted after the legislated time frame in 2013 compared to the previous two years. Express carriers have remained consistent over the last three years, with only a one per cent difference.

General providers, who experienced significant volume growth in 2013, have recorded a five per cent decrease in the number of late cargo reports.

Of all import declarations within the TRS week, only one per cent were lodged late, a one per cent decrease compared to the previous two years.

2 In the Annual Report, Customs and Border Protection records the proportion of air and sea cargo bills reported in line with legislated time frames. The Annual Report figures are calculated for the financial year and include all bills. The TRS is based on a sample week and includes only the lowest level bills, to provide information at the consignment level.

Additional information

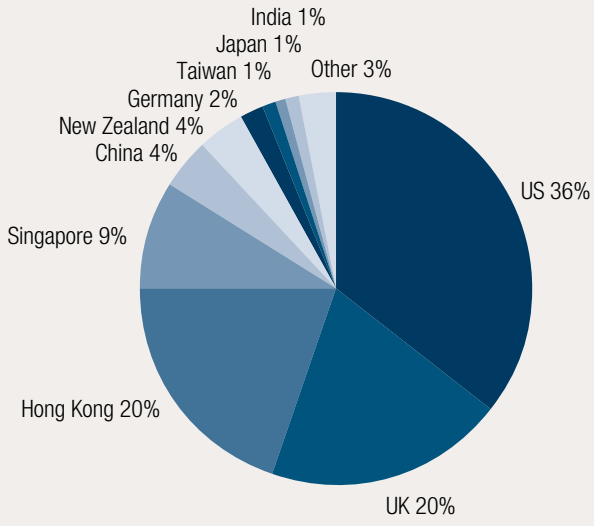
Top ten countries of loading by airport

Table 20 Air cargo — top ten loading countries	
Country	**Percentage**
United Kingdom	34
United States	23
Hong Kong	19
Singapore	11
New Zealand	4
China	3
Germany	1.2
United Arab Emirates	0.6
Taiwan	0.6
India	0.4

In the 2013 TRS snapshot week, 58 per cent of all air cargo consignments were discharged at Sydney airport. Melbourne airport was the next busiest, with 22 per cent, followed by Brisbane (ten per cent), Perth (nine per cent) and Adelaide (one per cent).

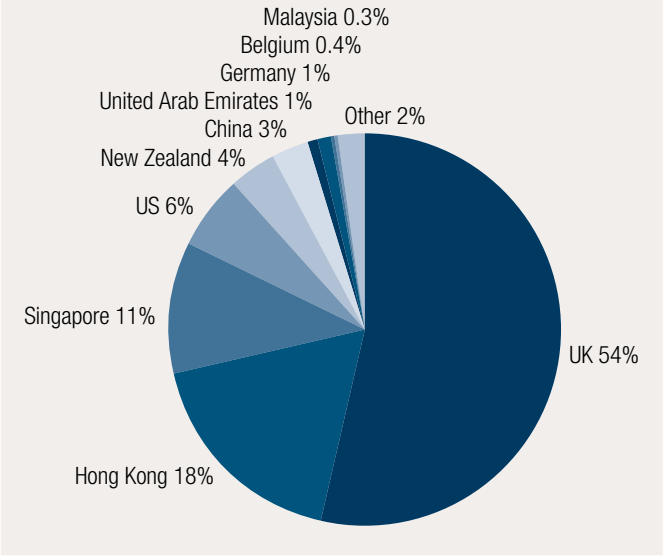
Volumes at Sydney, Brisbane and Perth increased significantly from the same period in 2012 (45, 66 and 73 per cent respectively). Volumes in Adelaide remained steady while Melbourne experienced a decline of around four per cent.

Figure 21 Sydney airport — top ten loading countries



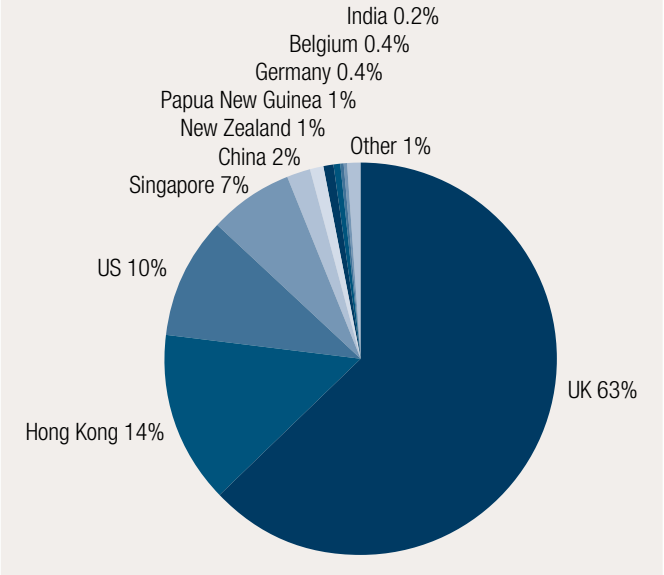
Sydney airport: compared to the previous year, there was more than a 50 per cent increase in consignments from the United States, Hong Kong, Taiwan, China and Malaysia.

Figure 22 Melbourne airport — top ten loading countries



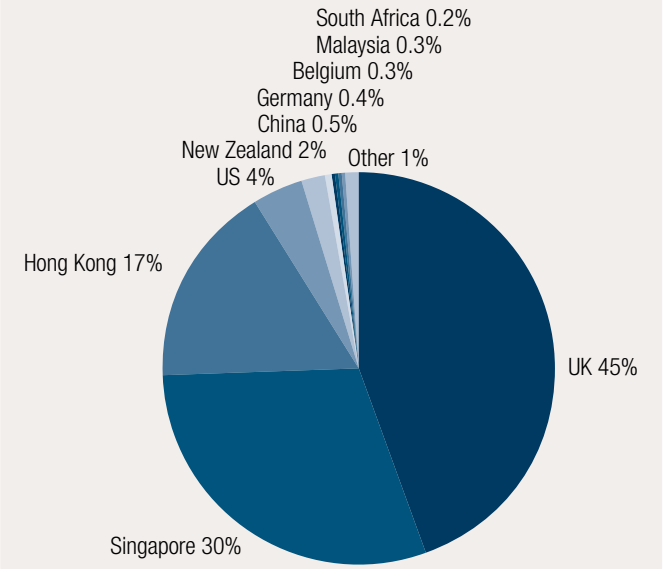
Melbourne airport: there was a 46 per cent decline in the number of consignments from the United States. Consignments loaded in New Zealand and Malaysia increased by over 50 per cent.

Figure 23 Brisbane airport — top ten loading countries



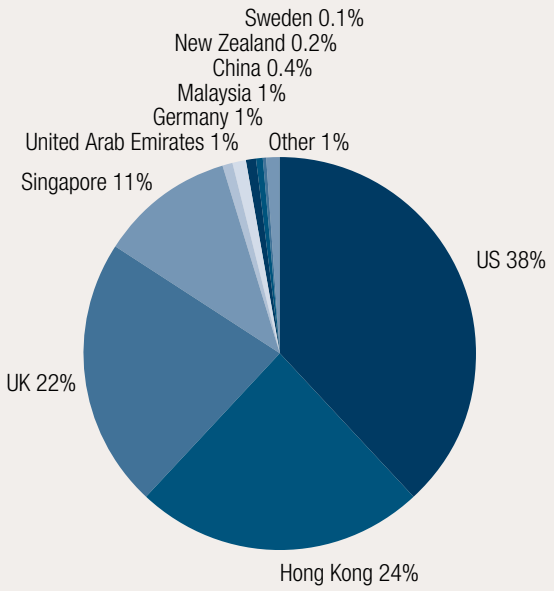
Brisbane airport: there was an increase in consignments loaded in the United Kingdom (171 per cent) and New Zealand (81 per cent). The United Kingdom accounts for 63 per cent of all consignments discharged at Brisbane airport.

Figure 24 Perth airport — top ten loading countries



Perth airport: the volume of consignments loaded in the United Kingdom and discharged at Perth airport increased by 500 per cent compared to 2012.

Figure 25 Adelaide airport — top ten loading countries



Adelaide airport: there was an increase in consignments from the United States (55 per cent) and United Kingdom (22 per cent). Consignments from Hong Kong and Singapore declined by 39 per cent and 25 per cent respectively.

Value of imports by declaration type

In recent years, there has been significant growth in the number of Australian consumers purchasing goods online. Consequently, this growth has been driving the upward trend of air cargo volumes, particularly in respect of goods valued under $1,000 (low value goods).

By value, the majority of goods reported on a SAC declaration are valued under $100 (72 per cent). Compared to 2012, the number of consignments reported on a SAC with a value less than $100 increased by 31 per cent.

Goods valued between $1 and $300 account for 90 per cent of all low value goods. This reflects the popularity of low value goods ordered online, such as books, DVDs and clothing.

In 2013, there was a 21 per cent increase in the volume of air cargo reported on a declaration. While volumes continue to increase, the proportion of goods by value (Table 22) has remained relatively consistent over the past four years. Goods reported on a SAC declaration (full format) under $1,000 are commonly alcohol and tobacco products, which attract duty and taxes.

Table 21 Air cargo — breakdown of SACs by value

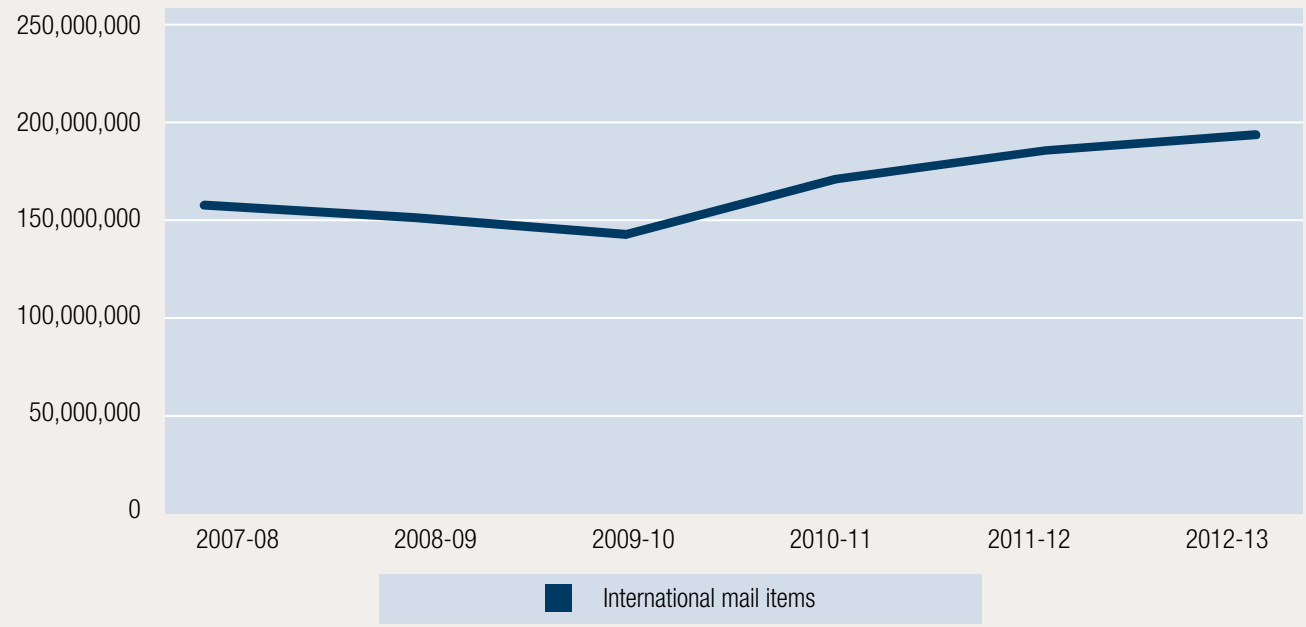
	2013 %	2012 %	2011 %	2010 %
$0 to $100	72	75	66	69
$100 to $200	13	12	14	12
$200 to $300	5	4	6	6
$300 to $400	3	3	4	4
$400 to $500	2	2	3	2
$500 to $600	1	2	2	2
$600 to $700	1	1	2	1
$700 to $800	1	1	1	1
$800 to $900	1	1	1	1
$900 to $1,000	1	1	1	1

Table 22 Air cargo — breakdown of declarations by value

	2013 %	2012 %	2011 %	2010 %
$1,000 to $1,100	3	3	3	3
$1,100 to $1,200	3	3	2	2
$1,200 to $1,300	2	2	2	2
$1,300 to $1,400	2	2	2	2
$1,400 to $1,500	2	2	2	2
$1,500 to $2,000	8	8	8	8
$2,000 to $5,000	22	23	24	25
$5,000 to $10,000	14	14	15	15
$10,000 to $20,000	10	11	11	12
$20,000 to $30,000	5	5	5	5
$30,000 to $40,000	3	2	3	3
$40,000 to $50,000	2	2	2	2
$50,000+	9	9	11	11
Declaration under $1,000 (SAC declaration — full format)	14	14	9	9

International Mail

Figure 26 International mail volumes



In the 2012-13 financial year, nearly 200 million mail items entered Australia, representing a 22 per cent increase from 2007-08. Volumes have been increasing over the last three years, picking up after a slight decline due to the 2008 Global Financial Crisis.

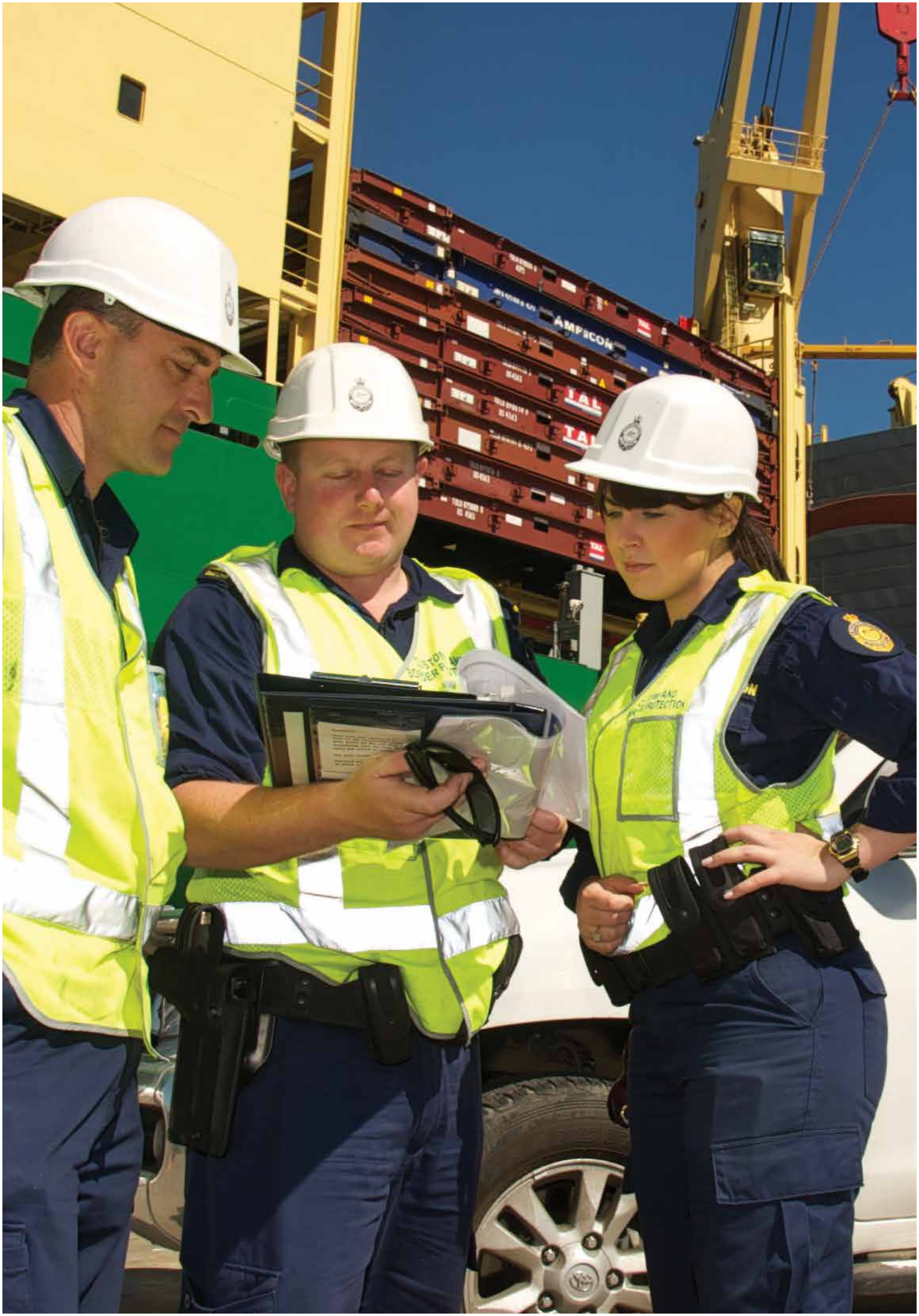
Similar to the rise in air cargo volumes, the number of parcels entering Australia is rapidly trending upwards, primarily due to the popularity of online shopping. However, unlike air and sea cargo, there is minimal electronic reporting of goods crossing the border in the mail stream.

Currently, border processing of international mail, including collection of revenue, is largely manual. As part of the Reform program, there is an opportunity to modernise processes associated with the mail stream, including electronic reporting of mail items. Modernising processes will position Customs and Border Protection to address the challenges presented by increasing volumes.

Customs and Border Protection will work closely with Australia Post and the Department of Agriculture to develop electronic reporting solutions, which will be a key element of reform.

Electronic reporting will enable border agencies to effectively apply intelligence-led, risk-based interventions. Customs and Border Protection will draw on international initiatives to improve the information captured for international mail, such as work being undertaken through the Kahala Posts Group[3].

3 The Kahala Posts Group, comprised of national postal operators, was established to jointly explore the development of new integrated business models and commercial opportunities. Members include Australia Post, US Postal Service, China Post, Singapore Post and Royal Mail.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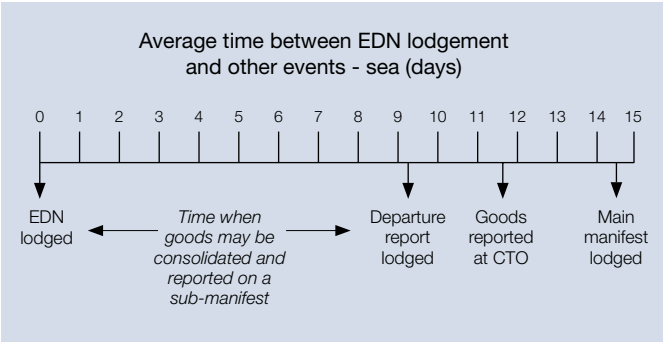
Sea and Air Cargo Results – Exports

Table 23 Exports — average times from EDN lodgement (days)		
Interval	**Sea**	**Air**
EDN lodgement to CTO receival notice	11.8	1.3
EDN lodgement to departure report	9.3	0.5
EDN lodgement to main manifest	14.6	2.3

Sea

In the 2013 TRS week, 49 per cent of all export declarations (EDNs) lodged were for sea cargo, which is around the same proportion as the previous year.

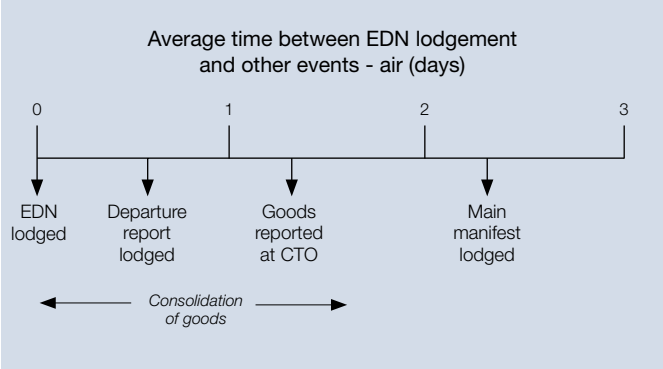
On average, the container terminal operator (CTO) receival notice was lodged nearly 12 days after lodgement of the EDN, an increase of nearly three days compared to 2012. There were increases in the time the departure report (two days) and main manifest (nearly one day) were lodged also.



Air

There was a similar number of EDNs lodged in 2013 as the previous year and the proportion of air cargo EDNs (51 per cent) remained the same.

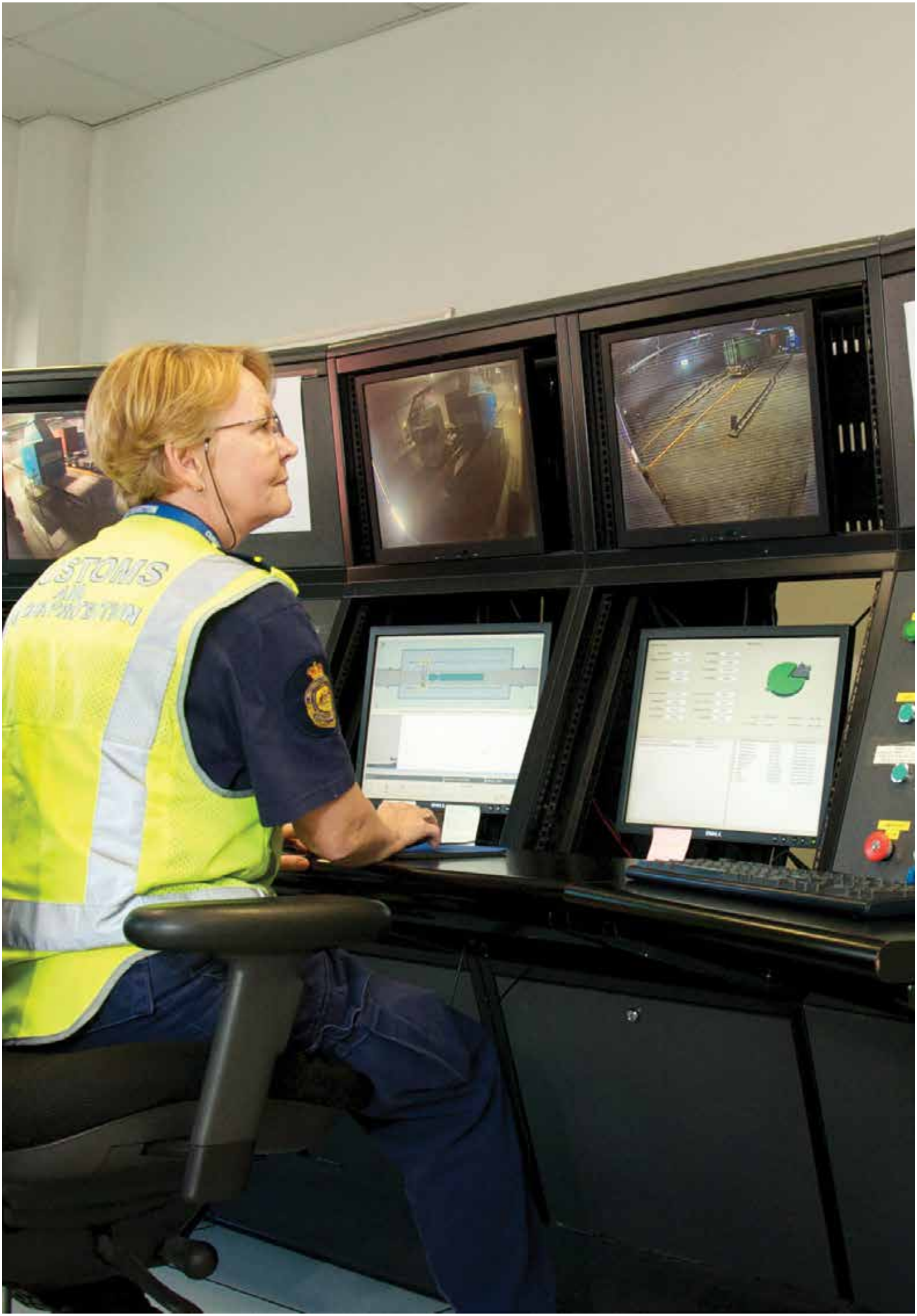
Over the past three years the average times between EDN lodgement and other lodgements has been relatively consistent, with only minor changes. The diagram below shows the average timings for goods exported by air in 2013.




NO SMOKING
NO NAKED FLAMES

Appendix 1: Event Definitions

Event	Description
Arrival	The time at which a ship or aircraft arrives and is secured at the port of discharge. This is when imported goods enter Customs control.
Availability	The time a consignment becomes physically available for delivery. This is when a consignment has completed discharge or, if shipped as consolidated cargo, when it is unpacked.
Documents	The time at which a consignment is fully reported and declared to Customs. This is when all required reports and declarations have been received by Customs.
Customs Unimpeded	Indicates that Customs and Border Protection risk assessment, evaluation and processing is complete. Payment of duty, taxes and charges is still required and the goods may remain subject to biosecurity impediments prior to release.
Ready to Pay	The time at which a consignment becomes free of impediments from either border agency, except for the need to pay duties, taxes and charges.
Release	The time at which permission is given for goods to be removed from Customs control. Duties, taxes and charges must have been paid but goods may be subject to compliance beyond the border with biosecurity directions and conditions.
Clearance	The time at which all border agency requirements have been met and permission is given for the goods to be entered into home consumption.



Appendix 2: Acronyms

Acronym	Definition
AANZFTA	ASEAN-Australia-New Zealand Free Trade Agreement
ASEAN	Association of Southeast Asian Nations
AUD	Australian Dollar
B/B	Break Bulk
B/L	Bill of Lading
BLK	Bulk
FCL	Full Container Load
FCX	FCX cargo refers to containers with consignments on multiple bills of lading for one consignee
GFC	Global Financial Crisis
HAWB	House Air Waybill
HBL	House Bill of Lading
HVLV	High Volume, Low Value cargo
IAR	Impending Arrival Report
ICS	Integrated Cargo System
LCL	Less than Container Load
MAWB	Master Air Waybill
OBL	Ocean Bill of Lading
RTP	Ready to Pay
SAC	Self Assessed Clearance
TRS	Time Release Study
UCL	Unique Cargo Line
WCO	World Customs Organization

Appendix 3: Glossary

Term	Description
Actual Arrival Report	A report to Customs that provides information about the actual arrival of a ship or aircraft at an Australian port or airport.
Air Cargo Report	A report to Customs that provides information about a consignment carried aboard an aircraft arriving in Australia. Equates to an Air Waybill.
Air Waybill	See House Air Waybill or Master Air Waybill.
Air Waybill Outturn	A report to Customs that provides information on the date and time air cargo is received at a Customs place: • on discharge from an aircraft; • on being moved to that place underbond; • once deconsolidated (unpacked). The Air Waybill Outturn also identifies any surpluses or shortages in the cargo received.
Australian Customs and Border Protection Service	The Australian Government's lead border agency, Customs and Border Protection protects the safety, security and commercial interests of Australians through border protection designed to support legitimate trade and travel and ensure collection of border revenue and trade statistics.
Bill of Lading	A document issued by a carrier or its agent to the shipper as a contract of carriage of goods. It is also a receipt for cargo accepted for transportation and must be presented for taking delivery at the destination. Contains information including (1) consignor's and consignee's name, (2) names of the ports of departure and destination, (3) name of the vessel, (4) dates of departure and arrival, (5) itemised list of goods being transported with number of packages and kind of packaging, (6) marks and numbers on the packages, (7) weight and/or volume of the cargo, (8) freight rate and amount.
Border Agencies	Government agencies charged with managing the Australian border. Customs and Border Protection is the Government's lead border agency. It also acts on behalf of a range of other agencies. The Department of Agriculture works in partnership with Customs and Border Protection at the border to manage quarantine, food safety and health matters.
Break-bulk cargo	Non-containerised cargo shipped as units (e.g. bundles, pallets, vehicles and drums).
Bulk cargo	Loose, unpackaged, non-containerised cargo (such as gas, grains and ores) carried in a ship's hold.
Cargo Report Self Assessed Clearance	A cargo report incorporating a Self Assessed Clearance declaration for consignments valued at or below AUD 1,000.
Conditional Clear	A border status that indicates a consignment may be released from Customs control subject to the satisfaction of specified conditions such as quarantine inspection or fumigation. Is equivalent to the WCO status of 'Release'.
Consignment	A specific shipment of goods presented by a consignor to a carrier for delivery to a consignee.
Consolidation	A number of smaller consignments combined for shipment into a larger consignment or container load to avail of better freight rates. Must be deconsolidated (unpacked) at a place subject to Customs control prior to release into home consumption.

Term	Description
Container Terminal Operator	A person or organisation operating at a port to load and unload cargo (in air this is referred to as a Cargo Terminal Operator).
Customs Broker	A person authorised in accordance with the *Customs Act 1901* to act on behalf of an owner of goods, to undertake activities such as arranging for the clearance of goods into home consumption by making an import declaration.
Department of Agriculture	The Department of Agriculture manages quarantine controls at Australia's borders to minimise the risk of exotic pests and diseases entering the country. In 2012, the Department released the 2008-12 Imported Cargo Processing Time Release Study.
Departure	Exported goods leave Customs control. Occurs when the carrying vessel or aircraft leaves the port of loading.
Departure Report	The pilot, Master, or owner of a ship or aircraft has to report the departure of the ship or aircraft to obtain a clearance.
Discharge	The unloading of cargo from an aircraft or vessel.
Express	'Express delivery services'. Integrated logistics suppliers of expedited door-to-door transport and delivery of time-critical air cargo shipments, including documents, parcels and merchandise goods.
Export Declaration	A statement made to Customs by the owner of the goods, or their agent, providing information concerning the goods and the export transaction. A declaration is required for goods valued above AUD 2,000.
Flight	A particular aircraft arrival.
Freight Forwarder	A service provider that arranges the carriage of goods for importers and exporters. A forwarder prepares documents, contracts and arranges transport and insurance.
Full Container Load	A container loaded with goods for one consignee only and for one consignor only, whether transported directly to the consignee or through a freight forwarder or an agent.
Gate-out	When imported cargo exits the wharf or terminal where it was imported.
House Air Waybill	An Air Waybill issued by a freight forwarder, providing details of the goods to be shipped. It includes terms and conditions of carriage.
House Bill of Lading	A bill of lading issued by a freight forwarder, providing details of the goods to be shipped. It includes terms and conditions of carriage.
Impeded	A status of cargo. Impeded cargo is held under an intervention by Customs and Border Protection or Agriculture that must be resolved before the goods may be released.
Impending Arrival Report (IAR)	A report to Customs that provides information about the expected arrival of a ship or aircraft on a voyage or flight to Australia. The IAR provides advance notification of the ship or aircraft's estimated time of arrival and the intended ports of call.
Import Declaration	A detailed fiscal and statistical declaration required for the clearance of consignments valued above AUD 1,000 or more.
Importer size	Using the total declared value of goods imported during a 12 month period (1 October 2012 to 30 September 2013 to align with the TRS week), importers are categorised as a small, medium or large importer: Small – imported goods to a total value of AUD 1 million or less Medium – imported goods neither large nor small Large – imported goods to a total value of AUD 20 million or more

Term	Description
Integrated Cargo System	An integrated software application that allows for the movement of vessels, aircraft and cargo to be electronically reported and declared to the border agencies by traders and service providers. It enables the agencies to risk assess cargo and craft; collect trade statistics; assess and collect revenue; and determine and advise owners of the release status of their cargo.
Less (than) Container Load	A shipping container containing consignments for more than one consignee. Such containers must be deconsolidated under Customs control.
Manifest (main)	A document issued by a shipper covering all cargo stated to be in a ship or aircraft for delivery at a particular port or airport.
Master Air Waybill	An Air Waybill issued by an airline or a code share partner. If the master bill has been issued to a freight forwarder then the freight forwarder will issue House Air Waybills for the goods they have contracted to freight.
Nature 10	Goods are entered for immediate home consumption by way of a N10 Import Declaration and are released from Customs (given an Authority To Deal) when all relevant duty and entry charges are paid. GST may be paid or deferred depending on arrangements the organisation has with the ATO. Mandatory supporting documentation for N10 Entry for Home Consumption declarations includes: bill of lading/airway bill, commercial invoice and a copy of the declaration.
Nature 20	Goods entered on a N20 Warehouse Entry must be stored in a warehouse licensed under the *Customs Act 1901* and can remain there indefinitely. Imported goods declared on a N20 Warehouse Entry do not require payment of duty or taxes until they are released from the warehouse.
Nature 10/20	Goods are for Combined Entry for Home Consumption and Warehousing. A N10/20 offers the convenience of sending Combined Entry for Home Consumption and Warehousing information to Customs and Agriculture in a single electronic communication. A N10/20 is used where a single consignment contains goods for home consumption as well as for warehousing. N10/20 declarations are treated as two separate declarations for cost recovery purposes.
Ocean Bill of Lading	A bill of lading issued by a shipping company or a slot-charterer. If the ocean bill has been issued to a freight forwarder, then house bills will be issued for the goods they have contracted to freight.
Other Government Agencies	In the context of border management, Australian government agencies other than the two primary border agencies (Customs and Border Protection and the Department of Agriculture respectively).
Outturn	A report on the discharge and receipt or unpacking of cargo.
Sea Cargo Report	A report to Customs that provides information about a consignment carried aboard a ship arriving in Australia. Equates to a bill of lading.
Self-assessed Clearance Declaration	A simplified declaration for consignments valued at less than AUD 1,000. There are two types of SAC declarations: • SAC declaration (full format) – used if - an exemption or other concession applies; and/or - if a permit or approval is required; and/or - duty and GST is payable because the goods include alcohol or tobacco products, the goods are part of a larger consignment and/or because of commercial reasons. • SAC declaration (short form) – used if only minimal information is required, can be used to pay duty and GST for imported goods that include alcohol and/or tobacco products.

Term	Description
Stevedore	Entities responsible for loading and unloading ships on behalf of shipping companies.
Straight-line Cargo	Air cargo not consolidated with other consignments. It is shipped on its own Master Air Waybill and is delivered into home consumption from the import terminal (rather than from a deconsolidation depot).
Sub-manifest	A cargo report provided by a person involved in the consolidation of cargo for exportation by a ship or aircraft which must be communicated to Customs for clearance purposes.
Time Release Study	A method designed and endorsed by the WCO for measuring border agency performance in trade facilitation.
Transhipment Cargo	Cargo that is loaded onto a ship or vessel in one country, travels to a second country where the goods are transferred to another ship or vessel before being transported to the country of destination. Transhipments may also occur when goods are moved from one plane to another, or moved between a ship and a plane.
Unique Cargo Line	The Unique Cargo Line represents the lowest level cargo consignment or releasable unit. For TRS, the UCL is the Sample Unit. For non-containerised and LCL cargo the UCL equates to a bill of lading consigned to an ultimate consignee (rather than one to an intermediary such as a forwarder). For FCL cargo it equates to a container.
Unpack	The process of unpacking cargo from a container.