Australian Government

Department of Immigration and Border Protection

Time Release Study

2014

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Executive summary

Introduction and context

The way borders are managed can foster or impede legitimate trade and travel. Border control points, systems and processes span supply chains and travel pathways for both legitimate and illicit trade and travel.

The design and operation of border controls can add to economic competitiveness and productivity, by fostering rapid movement and border entry or exit. Alternatively, it can detract from competitiveness and productivity by impeding entry and exit for legitimate trade and travellers, diminishing the efficiency of our national infrastructure. Poorly-managed border controls can increase national security risk and affect our overall community safety.

Intelligence agencies and law enforcement agencies have indicated that the illicit economy is driven towards globalisation by the same factors as legitimate business. By diversifying their interests, as access to illicit markets expands and opportunities to disguise illicit movements increase, organised crime groups are able to grow both in number and size[1].

As a result of increased trade volumes, the global economy continues to place pressure on facilitation and intervention at the border. This has required countries to increase international trade and customs cooperation to ensure the efficient and safe movement of goods.

The Department of Immigration and Border Protection (the Department) has undergone a significant reform programme in recent years, working to facilitate legitimate trade and travel.

Over the past seven years the annual Time Release Study (TRS) has highlighted the challenges presented by increasing cargo volumes and more complex supply chains. While the Department continues to streamline its processes and simplify its interaction with traders and facilitators at the border, analysis of the 2014 TRS demonstrates that although trade volumes continue to increase the Department is not an impediment to trade.

[1] Australian Crime Commission. *Organised Crime in Australia 2013.* July 2013.

Methodology and scope

Methodology

The TRS utilises 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 that permission is given for the goods to enter home consumption.

The 2014 TRS measured clearance performance for air and sea cargo import consignments that arrived during the TRS standard snapshot period of one week from 24 to 30 September. Performance levels for 2014 have been compared with TRS results from previous studies.

All core data were sourced from the Integrated Cargo System (ICS). Data to measure gate-out[2] performance were provided by 1-Stop, a company that provides services to Australian ports.

Scope

The 2014 TRS continues the focus on multi-year and year-on-year trends for existing areas of interest.

Cargo pathway (sea)

After departing the country of export, goods may travel through one or more ports before arrival at an Australian port. The pathway that cargo takes has risk implications for border agencies as well as for industry. The average times from arrival are considered for consignments that do not travel direct from the country of export to Australia, that is, those consignments with a 'cargo pathway'.

Cargo pathway (air)

Only a very small proportion of air cargo has a 'cargo pathway' recorded. As this is a very small sample of the total air consignment moments, it is statistically insignificant to compare the average arrival times of this sample against the complete TRS population. Therefore, cargo pathway is not included for air.

Top 10 loading countries (sea and air)

For both the sea and air environments, information has been included showing the top 10 overseas countries where goods were loaded on to a ship or aircraft for each primary Australian port.

[2] Gate-out is defined in the 'Glossary' section as when imported cargo exits the wharf or terminal where it was imported.

Time Release Study 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 2014 consisted of in excess of 41,000 sea cargo consignments and almost 457,000 air cargo consignments.

Events

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

Refer to Appendix 1 for event definitions.

Table 1. Sea cargo sample characteristics – imports

Characteristic	Number
Total consignments/unique cargo lines	41,025
Full container load (FCL) consignments	30,751
Full container multiple suppliers (FCX) consignments	1,404
Less than container load (LCL) consignments	8,054
Break-bulk consignments	767
Bulk consignments	49
Import declarations	27,105
Self-assessed clearance (SAC) consignments	944
Importers	10,353
Customs brokers	408
Discharge ports	21
Origin countries	100
Vessels	113
Arrivals	142
Shipping companies	32

Freight forwarders	648
Unique populations	**Number**
Gate-out consignments for the target week	35,378

Dimensions

The data captured on all consignments support 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 the Department
  - impeded by the Department of Agriculture and Water Resources (DAWR)
  - 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	456,788
'Straight-line' consignments	3,401
Consolidated consignments	453,387
Import declarations	36,552
Self-assessed clearance (SAC) consignments	416,799
Registered importers	13,665
Customs brokers	467
Discharge ports	8

Origin countries	180
Flights	1,240
Arrivals	1,257
Airlines	53
Freight forwarders	398

Percentages

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

Export consignments

The 2014 export characteristics are based on export declarations (EDN) that were lodged in the week 24 to 30 September 2014, where:

- consignments were reported at a container/cargo terminal operator (CTO) by 31 October 2014, which were linked to an EDN lodged during the TRS week
- consignments were reported on a main manifest, for a departure by 31 October 2014, which were 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.

Table 3. Export consignments sample characteristics

Characteristic	Sea	Air	Total
EDNs lodged	12,848	14,261	27,273
Consignments reported at the CTO	79,786	36,623	116,409
Consignments reported on a main manifest	26,414	26,706	53,120

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)					
Events	2010	2011	2012	2013	2014
Documents to arrival	-3.1	-4.1	-4.0	-4.0	-3.6
Customs unimpeded to arrival	-2.2	-3.1	-3.1	-2.9	-2.4
Ready to pay to arrival	-2.0	-2.9	-2.8	-2.8	-2.3
Release to arrival	0.2	-0.3	-0.4	-0.6	-0.0
Arrival to clearance	0.9	0.4	0.2	-0.1	0.5
Arrival to availability	1.3	1.5	2.3	1.2	1.3

Notes:

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

The measure of 'documents to arrival' compares the time at which a consignment is fully reported and declared to the Department relative to the arrival of the consignment at a port in Australia. In 2014, all required reports and declarations were received by the Department 3.6 days before the goods arrived in Australia. Table 4 shows that the early receipt of documents has a positive flow-on effect for other events, including earlier clearance of the consignments. Compared to previous years, in 2014 documents were received around 14 hours closer to the time of arrival of the goods.

'Customs unimpeded to arrival' measures the time taken for the Department to complete risk assessment evaluations and processing in relation to the arrival of the goods in Australia. At the time the goods are unimpeded by the Department, duty, taxes and charges may still be required and the goods may also be subject to a biosecurity impediment from DAWR. In 2014, the Department completed its risk assessment processes 2.4 days before the goods arrived in Australia. In the previous three years, the goods where unimpeded around three days prior to their arrival in Australia, so the 2014 performance for this measure showed that the risk assessment process was completed around half a day closer to the arrival of the goods. The decline in performance in 2014 would likely be attributed to the narrower timeframe between the documents being received by the Department and the arrival of the goods in Australia.

‘Ready to pay’ is the time at which a consignment becomes free of impediments from either border agency (the Department and DAWR), however the payment of duty, taxes and charges remains outstanding. The average time that a consignment became ready to pay in 2014, occurred 2.3 days before the goods arrived in Australia. As with the above two measures, on average the ready to pay event occurred half a day closer to the arrival of the goods when compared to previous years.

‘Release to arrival’ measures the time at which permission is given to remove the goods from customs control. For goods to be released from customs control, all duties, taxes and charges must have been paid, however, the goods may be subject to a biosecurity directive or condition imposed by DAWR. On average, consignments were released from customs control at the time the goods arrived in Australia in 2014. In the previous three years, consignments were, on average, released from customs control before the goods arrived in Australia.

The measure ‘arrival to clearance’ compares the time the goods arrived in Australia to the time at which all border agency requirements have been satisfied and permission is given to deliver the goods into home consumption. In 2014, clearance occurred half a day after the goods arrived in Australia. When compared to the previous year, clearance in 2014 occurred around 14 hours later. Clearance in 2013 actually occurred before the goods arrived in Australia. Performance for this measure, as with the other measures for sea cargo occurred around half a day later when compared to the results achieved in 2013. This deterioration in performance is the likely effect of documents being received by the Department closer to the arrival of the goods, leaving less time to complete all border agency formalities before the goods actually arrive in Australia.

‘Arrival to availability’ measures the time taken for a consignment to become physically available for delivery. This is when a consignment has been discharged from the ship, or for consolidated cargo, when a consignment has been unpacked. In 2014, this occurred 1.3 days after the arrival of the goods. The 2014 performance for this measure was an additional 2.5 hours after arrival when compared to 2013 but was a day earlier when compared to performance in 2012.

A key conclusion from the above is that early reporting provides benefits to border agencies and to industry, by having a cascading effect on the clearance process. Border agencies rely on information provided about goods to undertake risk assessment and where goods present no risk and require no further intervention, early release provides industry with increased certainty of status and the ability to organise and confirm downstream logistics.

Sea cargo snapshot

This snapshot provides an overview of the key results and findings for 2014. These include multi-year and year-on-year trends.

Volume

Sea cargo consignments increased by 10 per cent in 2014, continuing the trend of increasing cargo volumes.

Cargo released

55 per cent of all consignments were reported, paid and released either before or at the time the ship arrived in Australia. By the time that the goods were physically available for delivery, 67 per cent of consignments were released.

Reporting performance

Industry continued its early reporting record with documents lodged on average 3.6 days prior to the arrival of the goods, however, when compared to 2013, early reporting slipped by nearly 10 hours.

Clearance performance

In 2014, on average goods were cleared for entry into home consumption just half a day after their arrival at an Australian port. This represents a deterioration of just over half a day compared to 2013, when goods were cleared before they arrived.

Availability performance

The average availability time in 2014 for sea cargo declined by nearly two and a half hours compared to 2013, with goods becoming physically available for delivery 1.3 days after they arrived in Australia.

Port performance

The proportion of cargo entering Melbourne and Fremantle ports increased while both Sydney and Brisbane ports experienced declines when compared to 2013. The average availability time in 2014 for all ports was just over one day, with goods unloaded at Brisbane being available in just under a day after arrival.

Loading countries

Goods that arrived into Australia during the TRS week had been loaded onto ships from 90 countries. Goods loaded onto ships at Chinese ports increased by more than four per cent, accounting for nearly 40 per cent of all sea-borne goods arriving into Australia.

Gate-out performance

Shipping containers in which a consignment did not fill the entire container and consignments for other consignees were placed in the container (Less than container load (LCL cargo)) moved more quickly from the port precinct compared to shipping containers that had a consignment for a single consignee that did not fill the container (Full container load (FCL cargo)) and shipping containers that had multiple consignments on multiple bills of lading for a single consignee that did fill the container (Full container multiple suppliers (FCX cargo)). Average gate-out times for 2014 were similar to the previous year.

Performance by cargo type

There was a slight decline against most performance measures for FCL and FCX cargo while performance for LCL cargo improved compared to 2013. The performance of break bulk (that is, non-containerised cargo) improved in 2014, with earlier reporting of goods resulting in a flow-on to earlier release and clearance of goods.

Impeded cargo

The proportion of consignments impeded in 2014 declined slightly; however, the impediment was resolved later, with a greater percentage of impediments lifted after availability, when compared to 2013.

Importer size

The proportion of imports by importer size remained consistent with the previous year. Small and medium importers accounted for 85 per cent of all importers, but were responsible for only 43 per cent of the total consignments imported during the TRS week.

Reporting timeframes

In 2014, more cargo reports and import declarations were provided later to border agencies when compared to the 2013 TRS week. This measure continues to be variable showing no long term trend across all previous TRS reports.

Country of origin

The countries that make up Australia's top 10 trading partners accounted for nearly 80 per cent of goods imported into Australia in the 2014 TRS week. Goods originating in China, the United States of America (USA) and Hong Kong made up the top three trading partners. The clearance times for goods shipped from the USA improved slightly, whilst the clearance times for those from both China and Hong Kong declined slightly when compared to 2013 figures.

Air cargo multi-year trend

Table 5. Air cargo – average times from arrival (hours)

Events	2010	2011	2012	2013	2014
Documents to arrival	-1.8	-1.4	-1.4	-3.3	-3.5
Arrival to customs unimpeded	2.3	5.6	6.6	2.3	1.1
Arrival to ready to pay	3.3	6.6	7.7	2.7	1.6
Arrival to release	4.2	7.1	8.2	3.3	2.0
Arrival to clearance	4.5	7.4	8.4	3.4	2.2
Arrival to availability	19.0	29.5	71.7	28.8	53.8

Notes:

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

The 'documents to arrival' measures the time between when all documents are received by the Department and the time at which an aircraft arrives at an airport. In 2014 consignments, on average, were fully reported 3.5 hours prior to the arrival of the aircraft. This was a further improvement on the result achieved in the previous years.

‘Arrival to customs unimpeded' measures the time from arrival of the goods to the time that the goods are Customs unimpeded. On average, risk assessment and processing was completed just over one hour after the goods arrived in Australia. This was an improvement of over one hour when compared to performance in 2013 and an improvement of over five hours when compared to 2012. This improvement demonstrates that, on average goods are free of any impediment from the Department earlier after the goods had arrived into Australia than in previous years.

The average time that a consignment became ready to pay was 1.6 hours after the goods arrived in Australia. The 2014 performance for this measure was an improvement of over an hour when compared to the previous year, and an improvement of over six hours when compared to 2012, meaning that consignments were ready to pay much sooner after arrival.

The measure for arrival to release compares the time difference between when the goods arrived in Australia and were released from customs control. In 2014, goods were released from customs control two hours after the goods arrived in Australia, compared to 3.4 hours in 2013 and 8.2 hours in 2012.

The measure for arrival to clearance compares the time difference between when the goods arrived in Australia and were given permission to deliver the goods into home consumption. This occurred just over two hours after the goods arrived in Australia. On comparison with performance in previous years, the results for 2014 showed an improvement of over one hour when compared to 2013 and an improvement of over six hours when compared to performance in 2012. This improvement means that goods could be delivered into home consumption soon after the goods arrived in Australia.

As industry reports earlier, it is also acquitting payment responsibilities earlier. These two elements, along with early risk assessment, result in goods being released and cleared closer to the arrival of the goods.

The measure for arrival to availability compares the time difference between when the goods arrived in Australia to when the consignment becomes physically available for delivery. For the vast majority of air cargo, which is consolidated for freight purposes, this represents when the cargo has been unpacked. In 2014, air cargo consignments, on average, were available nearly 54 hours (more than two days) after the goods arrived at an airport in Australia. This is a deterioration of 25 hours when compared to the results achieved in 2013. Many factors may have contributed to the deterioration in the time from when the goods arrived to the time they became available. Those factors may have included increased air cargo volumes and the physical time taken to unload consignments from an aircraft and have them moved to licenced premises. Additional logistical pressures may have also faced industry members due to increased cargo volumes, including transport, space and storage constraints. As indicated by the border agency clearance times detailed above, this deterioration was not due to border agency processes or performance.

Air cargo snapshot

This snapshot provides an overview of the key results and findings for 2014. These include multi-year and year-on-year trends.

Volume

Air cargo volumes continued to increase in 2014. Compared to 2013, volumes were 13 per cent higher, and doubled since 2011.

Reporting performance

On average, goods were reported half an hour earlier in 2014 compared to the previous year, with goods cleared on a Self-Assessed Clearance (SAC) declaration reported nearly five hours before arrival.

Clearance performance

The average clearance times for all air cargo consignments improved by more than one hour compared to the previous year.

Availability performance

There was a significant decline in availability times in 2014. Compared to 2013, availability declined by nearly 25 hours.

Impeded cargo

In 2014, goods impeded by both the Department and DAWR were released nearly four hours later compared to the previous year.

Express carriers

The proportionate share of air cargo consignments handled by express carriers remained consistent with 2013. On all measures except availability, performance by the express carriers remained consistent with the previous year.

General carriers

General carriers accounted for 56 per cent of air cargo consignments in 2014. Reporting and clearance times for general carriers improved, however, the availability time declined by four hours.

Legislated timeframes

Four per cent of all cargo reports and one per cent of all import declarations were reported later than the legislated timeframes in 2014. This is a negligible variance to the 2013 TRS report.

Self-Assessed Clearance (SAC) declarations

90 per cent of goods reported on a SAC declaration were valued at or under $300. Of these, the majority were goods valued at less than $100 (68 per cent). This reflects the popularity of low value goods ordered online.

Import declaration

In 2014, there was a two per cent increase in the number of air cargo consignments entered on an import declaration. While volumes continue to increase, the proportion of goods by value has remained relatively consistent over the past four years.

Loading countries

57 per cent of all air cargo consignments were discharged at Sydney airport. Melbourne was the next busiest airport with 25 per cent, an increase of 19 per cent on last year. Compared to 2013, the proportion of air cargo consignments discharged at Brisbane, Perth and Adelaide airports decreased slightly.

Sea cargo results – imports

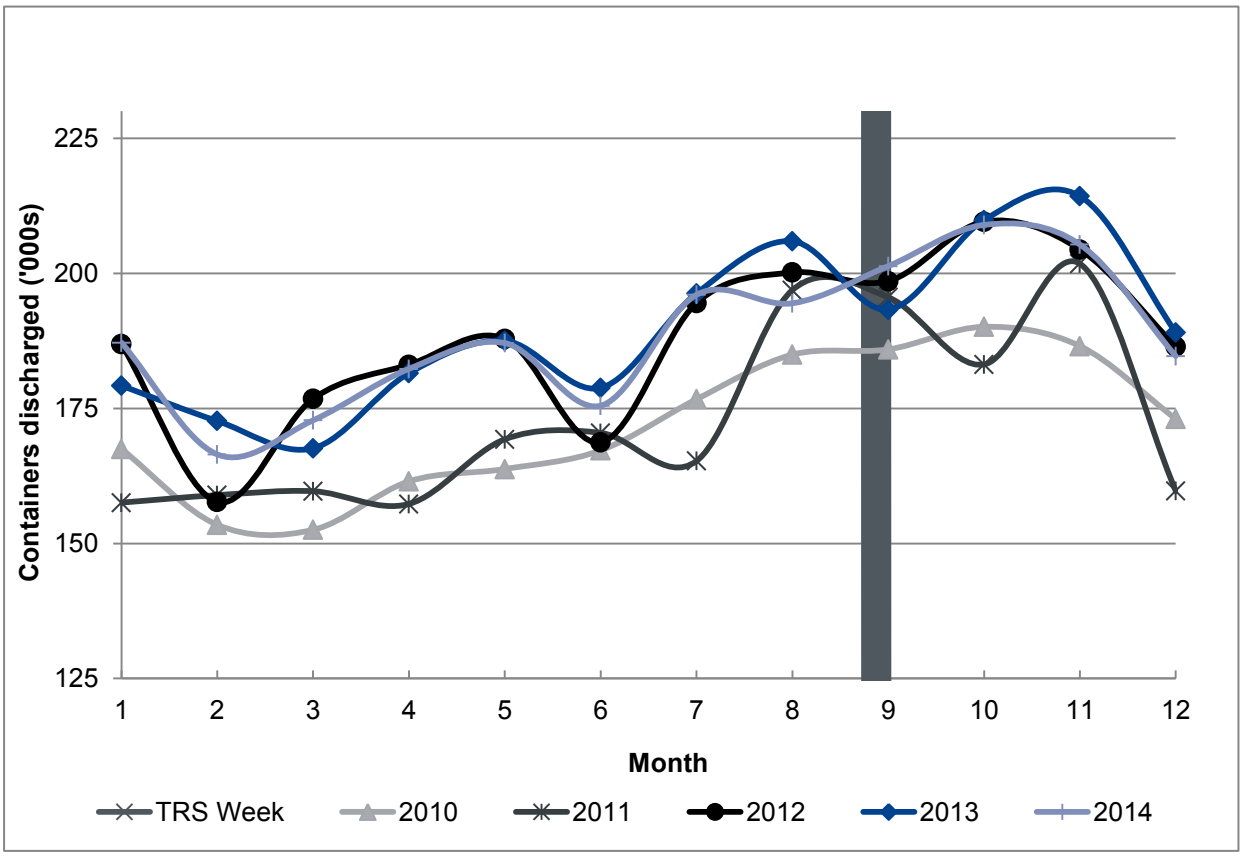
Sea cargo volume

The TRS uses the total number of containers discharged per month as a broad indicator of activity levels (see Figure 1).

Since the TRS commenced, 2013 was the peak year for the total number of containers discharged at Australian ports. In 2014, the total number for containers discharged in Australia declined slightly.

Despite the decline in the number of containers discharged in 2014, the number of consignments reported to the Department during the 2014 TRS week increased by around 10 per cent.

Figure 1. Sea cargo – total containers discharged per month (2010–2014)



Notes:

- Figures are based on stevedore reporting to the Department.
- Totals show numbers of containers only and do not account for different container sizes.
- 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 a significant improvement in reporting practices by industry. In 2007, 20 per cent of consignments were not fully reported, with a status of documents incomplete at the time the goods arrived. By 2013, this figure was just 10 per cent. In 2014, the percentage of consignments that had not been fully reported and had incomplete documents at the time the goods arrived had deteriorated, increasing to 14 per cent.

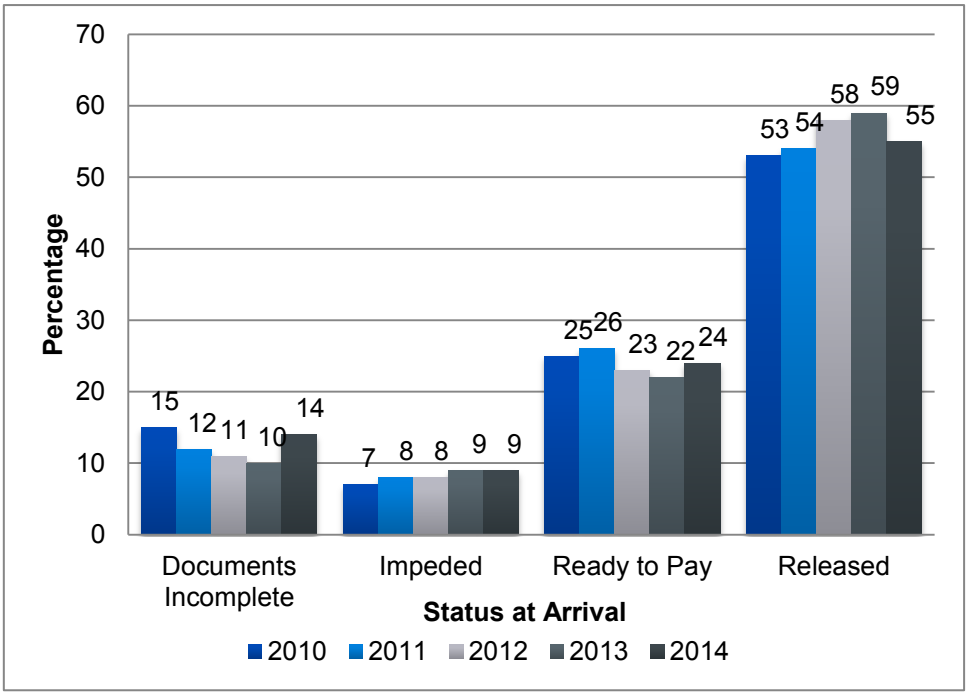
The percentage of consignments that were impeded at arrival was consistent with the percentage in 2013. Nine per cent of consignments were still subject to risk assessment, evaluation and processing by the Department at the time the goods arrived in Australia.

The percentage of consignments with the status of ready to pay at the time of arrival increased by two percentage points compared to the previous year.

At arrival, 55 per cent of all sea cargo consignments were released The 2014 result was a deterioration of four percentage points on the high achieved in 2013.

Overall, the proportion of consignments that had been fully reported and where all duties, taxes and charges had either been paid or were ready to pay, at the time the goods arrived in Australia, remained constant at 79 per cent (see Figure 2).

Figure 2. Sea cargo – status at arrival



Distribution of release

The trend of earlier release of consignments did not continue in 2014 (see Figure 3). The average (mean) time for release was around 43 minutes prior to arrival, more than 14 hours later than in 2013. The median time was eight hours prior to the arrival, more than nine hours later than in 2013.

When comparing the distribution of release in 2014 to that of previous years (see Figure 4), the peak in that distribution occurs prior to the arrival of the goods in Australia, which was not previously the case.

Figure 3. Sea cargo – distribution of release (2014)

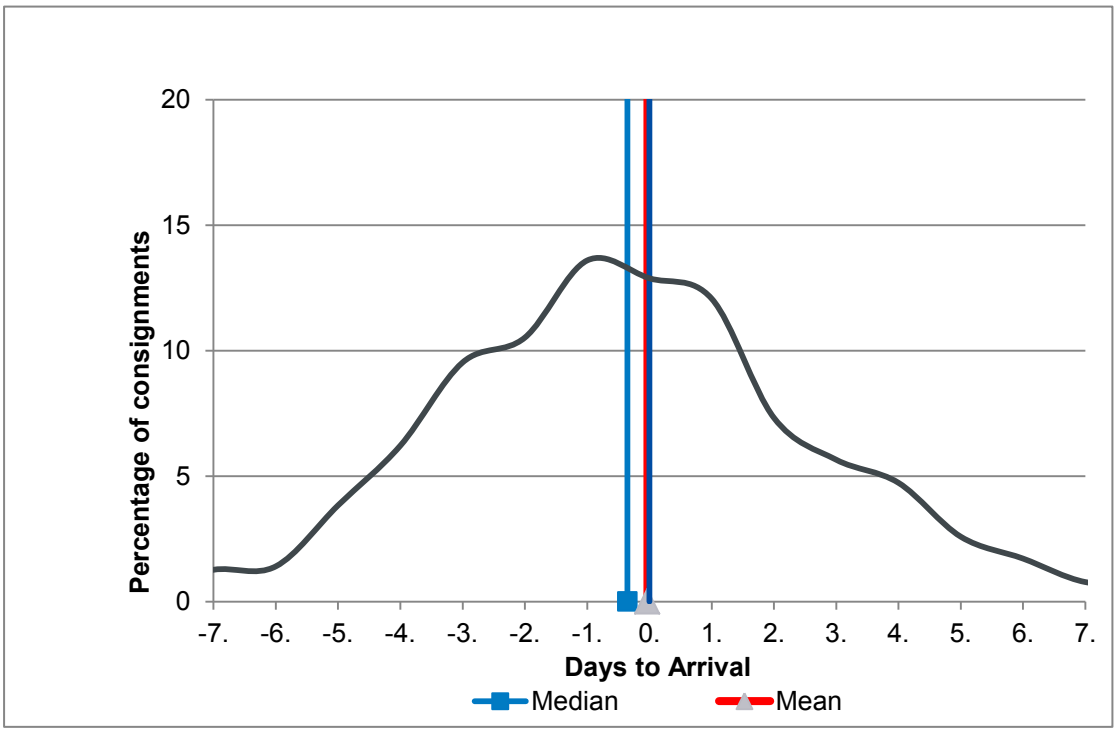
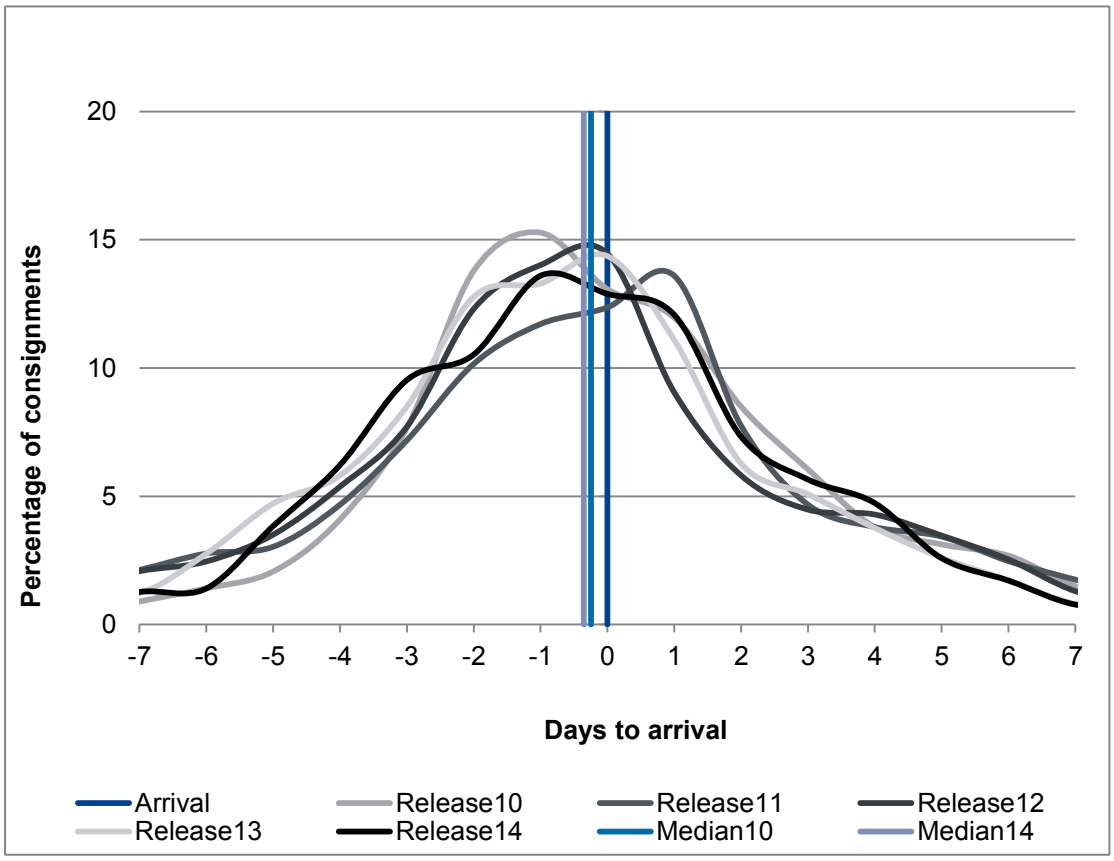


Figure 4. Sea cargo – distribution of release (2010-2014)



Status at availability

In 2014, six per cent of all consignments had incomplete documents at the time the goods were available for delivery, representing an increase of one percentage point compared to the previous year.

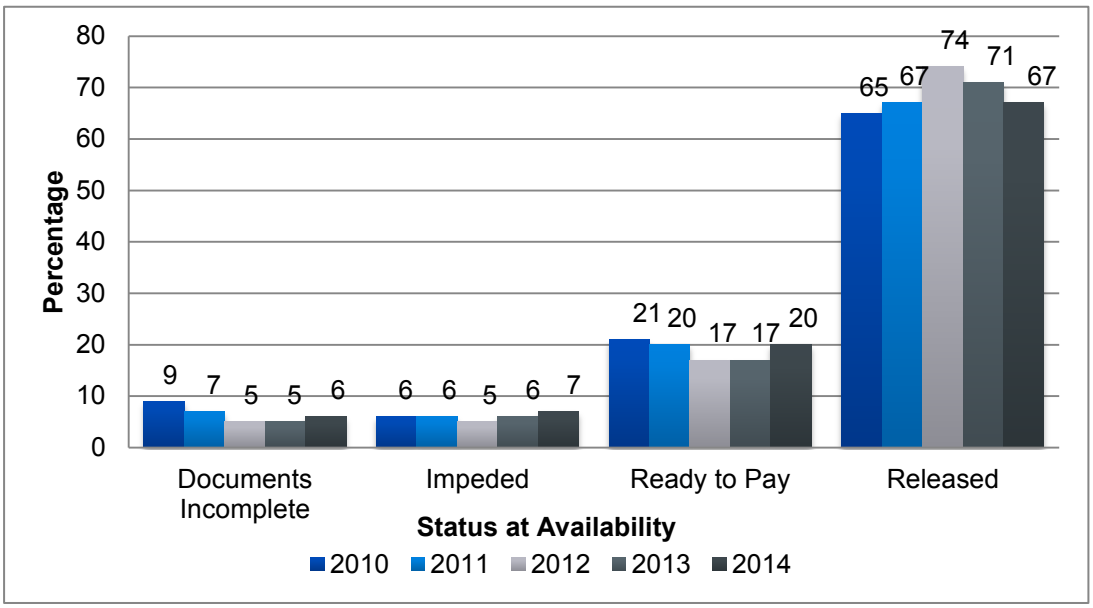
The rise in the proportion of consignments with incomplete documents would have likely contributed to the increase in the proportion of consignments that were still impeded at the time of availability. The number of consignments that were still subject to risk assessment, evaluation and processing at the time of availability also increased by one percentage point in 2014.

The percentage of consignments that were free of impediments from either the Department or DAWR and only required the payment of duties, taxes and charges increased by three percentage points to 20 per cent in 2014.

In 2014, 67 per cent of goods were released at the time of availability. This represented a four percentage point reduction compared to the previous year (see Figure 5).

Through the Trusted Trader Programme, the Department will work collaboratively with trusted importers to support streamlined arrangements for the clearance, reporting and movement of cargo. Combined with improvements that industry can make to its reporting and payment practices, this should increase the proportion of goods released at the time of availability.

Figure 5. Sea cargo – status at availability



Discharge ports

Productivity at Australian ports has increased significantly over the last decade. Increasing competition, the introduction of automated technologies and infrastructure improvements, are 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 focused on improving transport links, to move goods quickly out of the port precincts[3].

Following the release of the *National Land Freight Strategy in 2012*, a number of states have released state-specific strategies. The Department 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 distribution of cargo among the top five ports (by volume) in 2014 had only relatively minor changes when compared to 2013 (see Figure 6).

Figure 6 shows the distribution of consignments discharged at the top five ports as a proportion of the total consignments discharged at those ports. Compared to the previous year, both Melbourne and Fremantle had a small increase in their share of total consignments while both Sydney and Brisbane experienced a small decrease in their share of total consignments. The share of consignments discharged at Adelaide remained constant at three per cent of total consignments.

Thirty-nine per cent of all consignments discharged at Australian ports during the 2014 TRS week were discharged at Melbourne. This is a three percentage point increase compared to the previous

[3] NSW Roads and Maritime Service *Management of Overweight Trucks in the Port Precinct – Industry Guidelines 2012*

year. Melbourne also performed above the all ports average for all measures except 'customs unimpeded to ready to pay' (see Table 6).

Figure 6. Sea cargo – top five ports of discharge

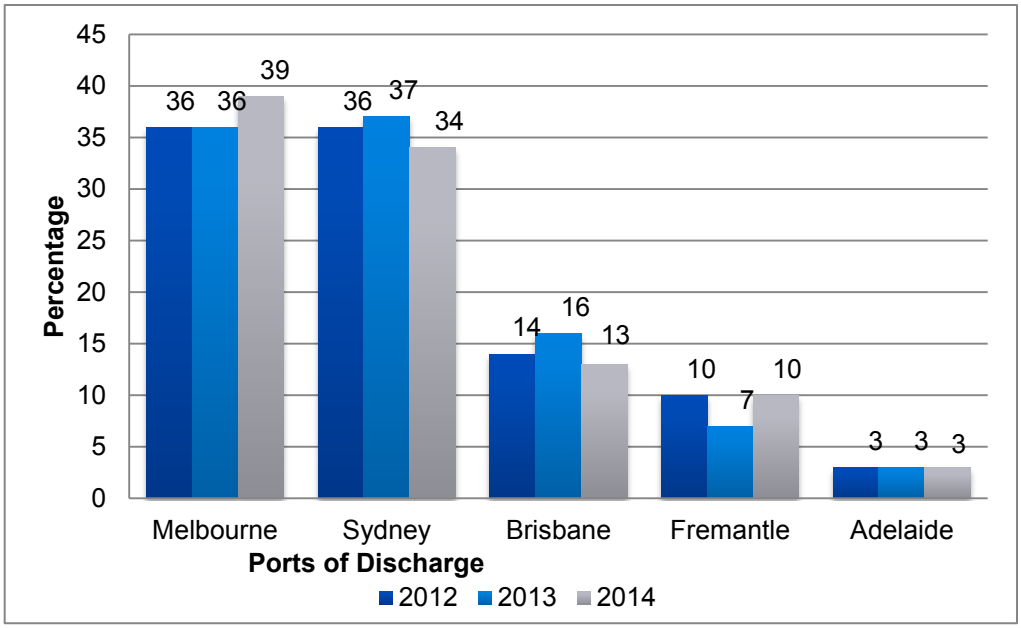


Table 6. Sea cargo – top five port of discharge comparison (days)

Discharge port comparison	All ports		2014 port by port performance measurement					Primary responsibility
	2013	2014	MEL	SYD	BNE	FRE	ADL	
Impending Arrival Report (IAR) to arrival	-9.7	-10.1	-11.4	-9.9	-8.9	-6.6	-13.5	Ship's agent
House Bill of Lading (HBL) to arrival (lowest level bill)	-9.1	-8.5	-9.2	-8.6	-7.7	-5.2	-12.2	Freight forwarder
Ocean Bill of Lading (OBL) to arrival	-8.8	-8.3	-9.3	-8.3	-7.4	-4.6	-12.3	Shipping company
Declaration to arrival	-4.5	-3.9	-4.1	-3.8	-4.0	-2.9	-5.3	Brokers
Documents to arrival	-4.0	-3.6	-4.1	-3.3	-3.3	-2.5	-5.0	All reporters

Documents to customs unimpeded	1.0	1.2	1.3	0.8	0.7	3.3	0.5	The Department
Customs unimpeded to arrival	-2.9	-2.4	-2.9	-2.5	-2.6	0.8	-4.5	Consolidated
Ready to Pay (RTP) to arrival	-2.8	-2.3	-2.7	-2.3	-2.3	-0.4	-4.1	Consolidated
Documents to RTP	1.2	1.3	1.5	1.0	1.0	2.1	0.9	The Department and Department of Agriculture and Water Resources
Customs unimpeded to RTP	0.2	0.1	0.2	0.2	0.3	-1.2	0.4	Department of Agriculture and Water Resources
Release to arrival	-0.6	0.0	-0.4	0.1	-0.4	2.1	-1.2	Consolidated
RTP to release	2.1	2.3	2.3	2.4	1.9	2.5	3.0	Brokers
Arrival to clearance	-0.1	0.5	0.1	0.6	0.1	2.7	-0.4	Consolidated
Release to clearance	0.6	0.5	0.5	0.5	0.5	0.7	0.8	Department of Agriculture and Water Resources
Arrival to availability	1.2	1.3	1.5	1.5	0.7	1.2	1.7	Stevedores and Reporters
Arrival to discharge (FCL)	0.8	0.7	0.7	0.8	0.4	0.6	1.7	Stevedores
Arrival to discharge (FCX)	0.7	0.7	0.7	0.7	0.4	0.6	1.5	Stevedores
Arrival to unpack (LCL)	3.5	3.8	3.5	4.1	2.8	5.9	5.5	Reporters
Arrival to discharge (break-bulk)	2.6	1.8	2.8	N/A	1.4	0.7	0.9	Stevedores
Arrival to discharge (bulk)	1.9	2.6	5.3	0.9	3.6	4.8	2.0	Stevedores

Notes:

1. Interval measures show the average (mean) time difference between named events for all consignments in the sample.
2. Events are defined at Appendix 1.
3. The interval measure is days or parts of days.
4. Where an individual port has performed above the average for all the Australian ports this is highlighted in **green**. Where an individual port has performed below the average for all the Australian ports this is highlighted in **red**.

Table 7. Sea cargo – top 10 loading countries	
Country	**Percentage**
China	38.5
United States of America (USA)	7.3
Singapore	4.9
New Zealand	4.5
Hong Kong	4.2
Thailand	4.0
Malaysia	3.9
Republic of Korea	3.6
Germany	3.5
Taiwan	3.2

Goods arriving into Australia during the TRS week were loaded onto ships in 90 countries. As in previous years, nearly 40 per cent of these goods were loaded onto ships at ports in China.

Overall, the proportion of goods loaded in each country has remained consistent with results from previous years.

Figures seven to 11 below show, for cargo discharged at each port, the top 10 countries of loading for that cargo.

Figure 7. Sydney port – top 10 loading countries

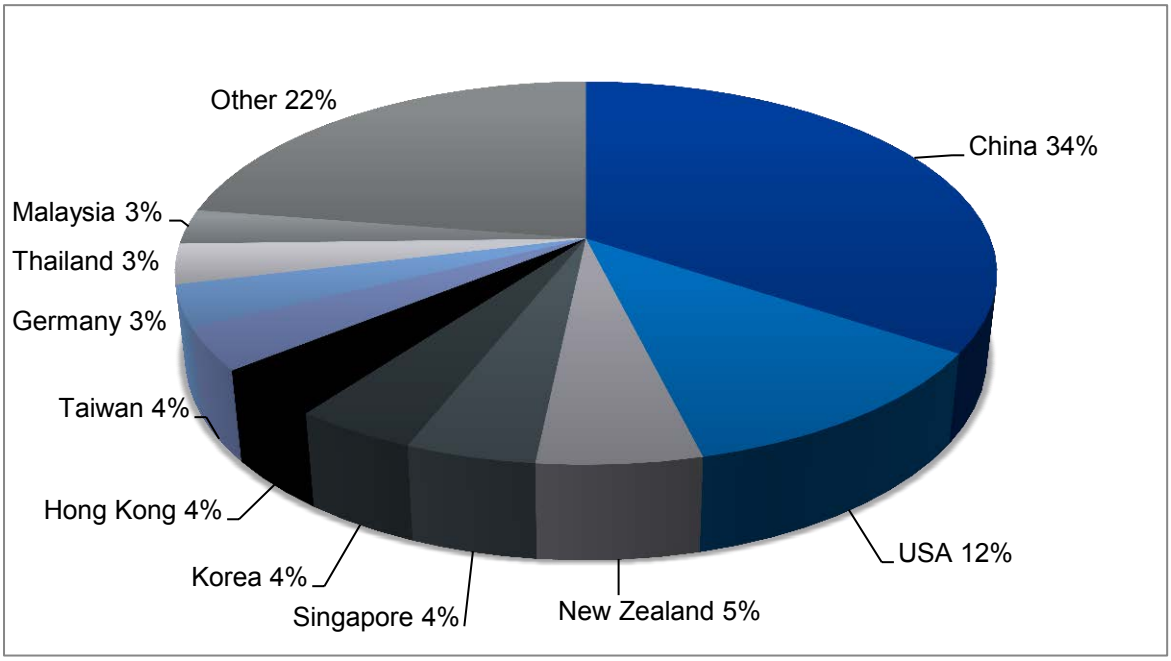


Figure 8. Melbourne port – top 10 loading countries

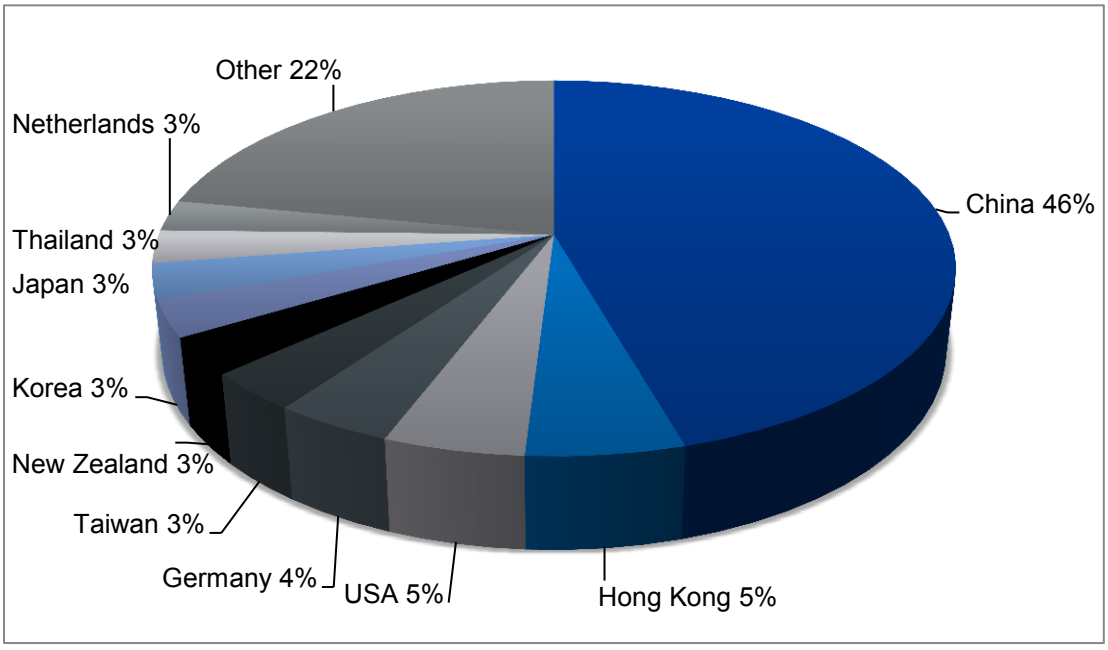


Figure 9. Brisbane port - top 10 loading countries

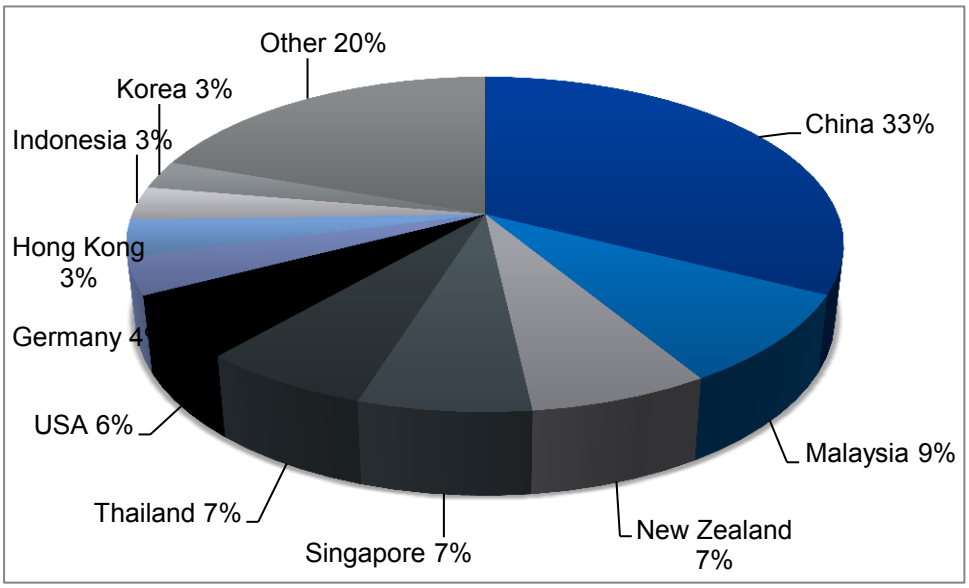


Figure 10. Fremantle port – top 10 loading countries

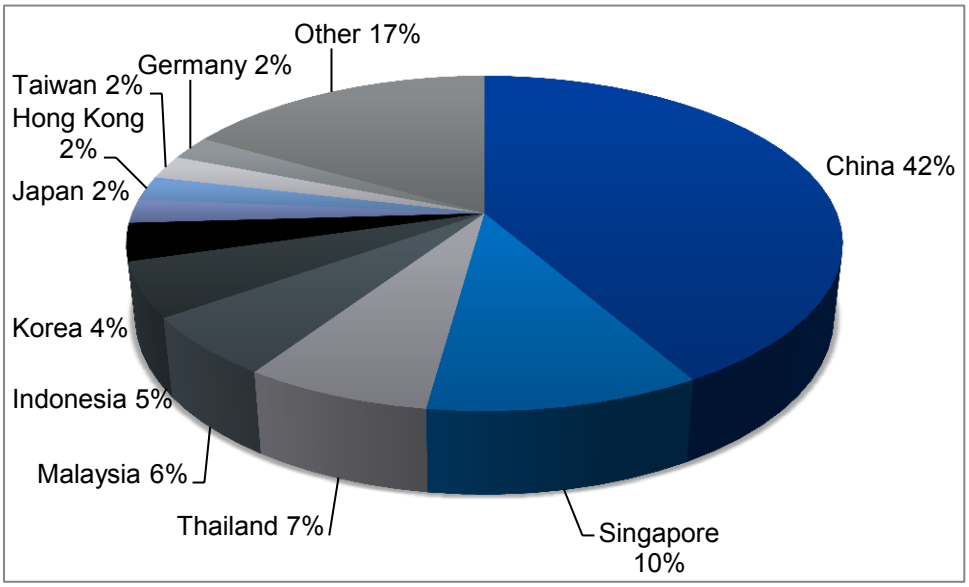
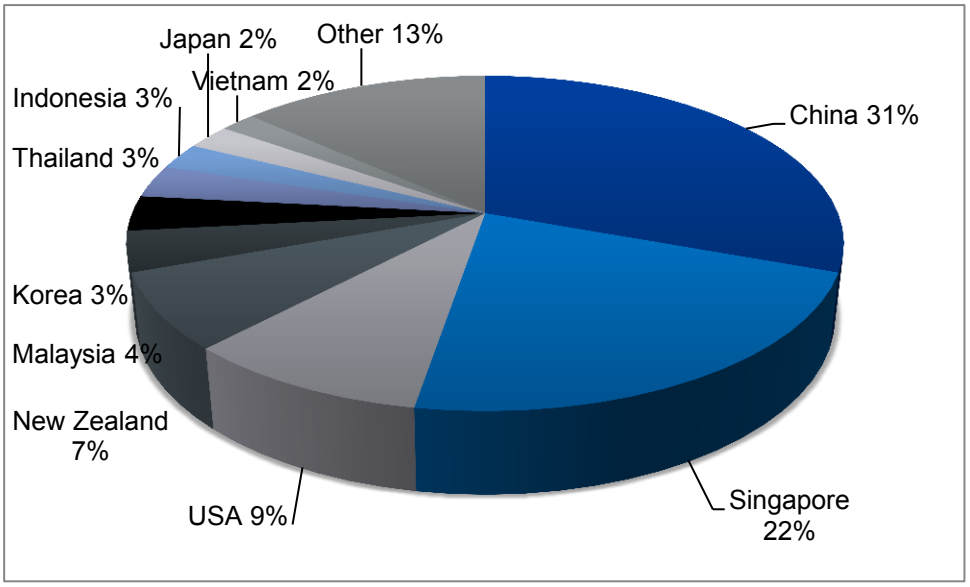


Figure 11. Adelaide port - top 10 loading countries



Gate-out

The measure for gate-out compares the average time between containerised cargo being discharged from a ship to the time when it leaves the wharf. This provides an indication of the time it takes cargo to move through the port precinct. Gate-out data is recorded for ports of Sydney, Melbourne, Brisbane and Fremantle only. Gate-out data is available for 96 per cent of cargo lines discharged during the 2014 TRS week (see Figure 12).

In 2014 the gate-out time was consistent with the times of the previous two years. The average time taken for containerised cargo to leave the wharf is just over two days for both FCL and FCX cargo. LCL cargo moves from the wharf in a quicker time than FCL and FCX cargo, with an average time of less than two days.

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

Gate-out	2012	2013	2014
All cargo	2.2	2.2	2.2
FCL	2.3	2.4	2.2
FCX	2.1	2.2	2.3
LCL	1.7	1.6	1.7

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

Analysis of the average times between the discharge of containerised cargo from a ship to when that cargo leaves the wharf, was conducted for each of the four ports with a gate-out population. This analysis shows that in 2014, containerised cargo moved quickest through the port at Fremantle, with an average time of 1.8 days. In previous years, Fremantle has always recorded the longest time between discharge and gate-out. The result achieved in 2014 is an improvement of almost 29 hours when compared to 2013, with Fremantle being the only port to show an improvement in 2014.

Containerised cargo moving through the port in Melbourne recorded an average time from discharge to gate-out of two days, while in Brisbane the average time was 2.4 days. In 2014, the port with the longest time between discharge and the cargo leaving the wharf was Sydney, with an average time of two and a half days. For containerised cargo moving through the port at Sydney during the 2014 TRS week, it took over 14 hours longer than in 2013.

Figure 12. Sea cargo consignment status at gate-out by cargo type

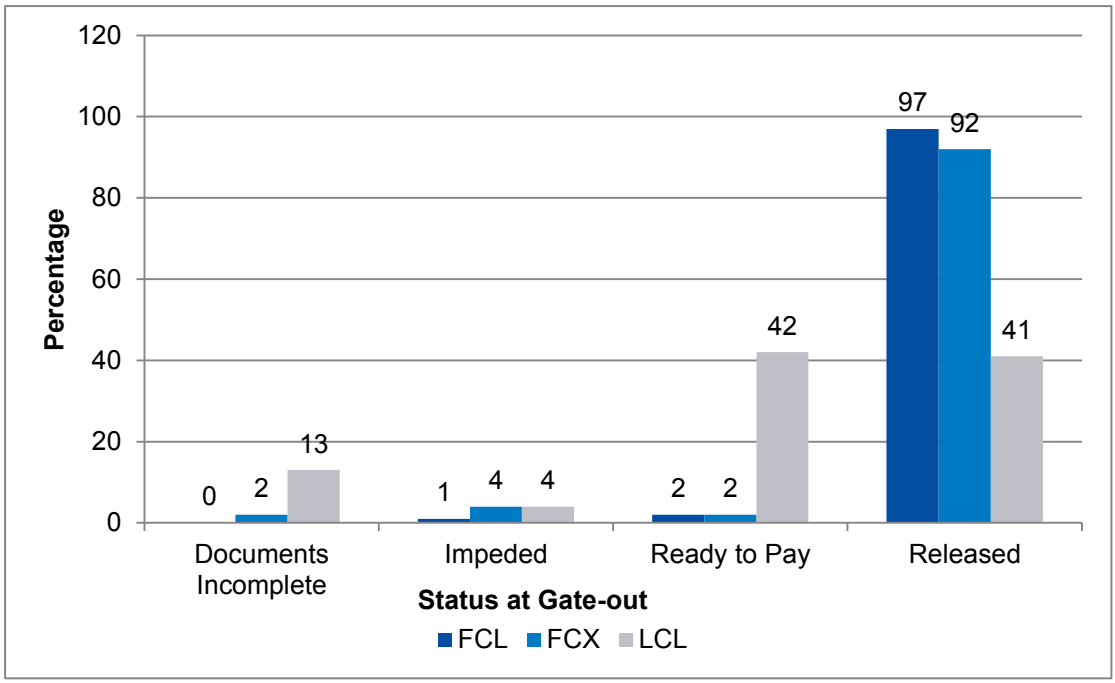


Figure 12 above examines the status of sea cargo consignments, by cargo type, at the time of gate-out. This section only examines the population of containerised sea cargo discharged at Sydney, Melbourne, Brisbane and Fremantle ports during the 2014 TRS week.

In 2014, just over 100 FCL consignments were not fully reported at the time the container left the wharf. This means that for less than half a per cent of FCL consignments discharged at one of the four major ports, the Department was still yet to receive all required reports and declarations at the time the consignment left the wharf. This compares to LCL cargo where 13 per cent of consignments still had incomplete reports and declarations at the time they left the wharf.

Similarly, 97 per cent of FCL cargo was released at the time of gate-out. This is in comparison to LCL cargo where only 41 per cent of consignments had a released status at the time of gate-out.

Despite over 90 per cent of both FCL and FCX cargo having a status of released at the time of gate-out, the performance of this measure deteriorated in 2014 when compared to the previous year. In 2013, 99 per cent of FCL and 97 per cent of FCX cargo had a status of released at the time of gate-out. However, LCL cargo experienced a four percentage point increase in the status of released at the time of gate-out from 2013 to 2014.

Cargo type

Table 9. 2014 Sea cargo – performance by cargo type (days)						
Cargo type	**All types**	**FCL**	**LCL**	**FCX**	**B/B**	**BLK**
Percentage of cargo lines	100	75	20	3	2	>1
Documents	-3.6	-3.9	-2.3	-2.6	-5.5	-4.7
Customs unimpeded	-2.4	-2.8	-0.6	-1.2	-5.1	-4.2
Ready to pay	-2.3	-2.8	-0.6	-1.0	-4.4	-4.2
Release	-0.0	-0.7	2.5	0.4	-2.2	-4.2
Clearance	0.5	0.0	2.6	0.9	-1.7	-3.8
Availability	1.3	0.7	3.8	0.7	1.8	2.6

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

Table 9 displays the measure of the time between the arrival of goods in Australia in 2014 and key events for each of the different cargo types including containerised cargo and bulk cargo.

Full Container Load (FCL) cargo

For FCL cargo, the Department received all required documents almost four days before the goods arrived in Australia. When compared to the previous year, the 2014 performance of this measure deteriorated by nearly 10 hours. This meant that all required reports and declarations were received 10 hours closer to the time of arrival of the goods in 2014.

Receiving all required reports and declarations closer to the time of arrival of the goods had a flow-on effect to the other measures for FCL cargo and ultimately this impacted on the time clearance was reached in relation to the arrival of the goods. In 2013, clearance was reached before the arrival of the goods and in 2014 permission was given to deliver the goods into home consumption at the time the goods arrived in Australia, a variation of more than 14 hours.

Less than Container Load consignments (LCL) cargo

The improvements in the early reporting of LCL cargo in 2013 held strong in 2014 with the performance of LCL cargo remaining consistent with times achieved last year.

Of all the cargo types, LCL cargo demonstrates the worst performance averages. On average, the Department receives all required reports and declarations 2.3 days before the goods arrive in Australia, this is more than one and a half days closer to the arrival of the goods than for FCL cargo.

A consequence of receiving all the required documents closer to the time of arrival of the goods is that LCL cargo is also impeded by the Department for a longer period compared to the other containerised cargo types (FCL and FCX cargo).

In 2014, LCL cargo became unimpeded by the Department just over half a day before the goods arrived in Australia.

LCL cargo was the cargo type that took the longest to become available for delivery; this is due to the requirement that all LCL cargo must be unpacked from the container before it can be delivered into home consumption. In 2014, LCL cargo was available on average nearly four days after the goods arrived.

Full container multiple suppliers consignments (FCX) cargo

The average time for all documents to be received by the Department for FCX cargo was 2.6 days before the goods arrived. This was nearly five hours closer to the arrival of the goods when compared to the previous year.

The largest variation in performance for FCX cargo was for the measure of arrival to clearance. In 2014, clearance was achieved nearly one day after the goods arrived in Australia. This was over 19 hours later than the previous year.

Break-bulk cargo

Break-bulk cargo displayed strong performance improvements in 2014. Documents were received 5.4 days before the arrival of the goods and the Department had completed all risk assessments, evaluations and processing for the goods to be unimpeded over five days before the goods arrived. On average, break-bulk cargo had a status of customs unimpeded more than 31 hours earlier than in 2013.

The early lodgement of all documents for break-bulk cargo had a flow-on effect for this cargo type when it reached the status of both release and clearance. In 2014, break-bulk cargo was released more than two days before the goods actually arrived in Australia. Clearance was also achieved nearly two days before the goods arrived.

Bulk cargo

Bulk cargo is loose, unpackaged, non-containerised cargo (such as gas, grain and ore) that is carried in the hold of a ship. In 2014, the bulk cargo type showed improvement in all performance measures with the exception of the comparison of arrival to availability of the goods.

In 2014, all reports and declarations for the bulk cargo type were received, on average, an additional seven hours before the arrival of the goods compared to the previous year.

Bulk cargo reached a status of ready to pay more than four days before the goods arrived in Australia.

Impeded cargo

In 2014, when cargo was impeded by one or both border agencies, it took longer for those goods to be released than it did in 2013 (see Table 10).

When cargo was impeded by the Department in 2014, it was released half a day after its arrival; this was 12 hours later than in 2013. Despite taking longer to release cargo subject to an impediment in 2014, the proportion of cargo impeded by the Department was three percentage points less in 2014 (at 11 per cent) than it was in 2013 which was 14 per cent. In 2014, the Department received all of the required reports and declarations at a later time and this is the likely cause of this result.

When cargo was impeded by DAWR, it was released slightly after the goods arrived in Australia. This was a deterioration of nine hours from the release time in 2013.

The greatest deterioration in performance in 2014 when compared to 2013 was when cargo was impeded by both border agencies. In these instances the cargo was released nearly two days after arrival of the goods, a further 19 hours after arrival than in 2013, this is despite the same percentage of cargo being impeded in both years.

Table 10. Sea cargo – impeded cargo (2013–2014)

Impeded by:	2013 Total Consignments = 36,723	Days to release after arrival	2013 Total Consignments %	2014 Total Consignments = 41,079	2014 Total Consignments %	Days to release after arrival
The Department	5,139	0.0	14	4,520	11	0.5
DAWR	5,797	-0.4	16	6,818	17	0.0
The Department and DAWR	1,779	1.2	5	1,493	4	48

Importer size

Importer size can play a major role in trade facilitation performance. Using the total declared value of goods imported during a 12-month period (1 October 2013 to 30 September 2014 to align with the TRS week), importers are categorised as a small, medium or large importer (see Figure 13):

- Small – imported goods to a total value of $1 million or less in 2014
- Medium – imported goods neither large nor small
- Large – imported goods to a total value of $20 million or more in 2014.

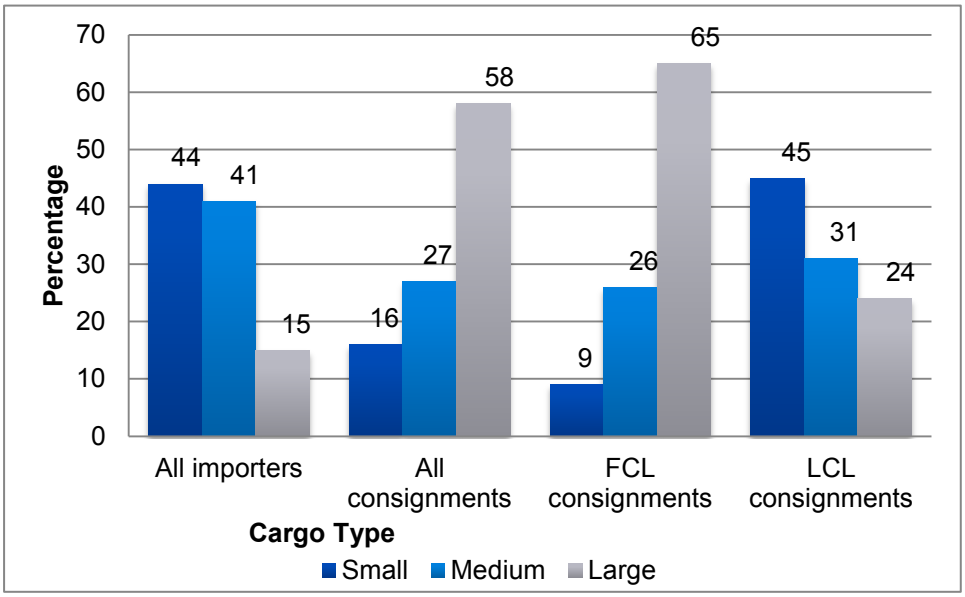
The proportion of importers in each importer size grouping remained unchanged to 30 September 2014, with small-and medium-sized importers accounting for 85 per cent of all importers. Despite accounting for the majority of the importer population, small-and medium-sized importers were only responsible for 43 per cent of all consignments that arrived during the 12 month study period.

Table 11. Sea cargo - importer size and activity (%)						
	2013			2014		
Consignments	Small	Medium	Large	Small	Medium	Large
All importers	44	41	15	44	41	15
All consignments	15	26	59	16	27	58
FCL consignments	9	26	66	9	26	65
LCL consignments	47	31	21	45	31	24

The percentage of all consignments imported by each importer size was consistent with the previous year, with only a one percentage point variation for each importer size.

The biggest variation in the 2014 study period was in the proportion of LCL consignments imported by large-sized importers. This proportion increased by three percentage points to 24 per cent.

Figure 13. Sea cargo – importer size by cargo type



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

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

Small importers

The population of small importers is diverse. 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 often quite varied.

In 2014, the Department received all of the required reports and declarations for consignments imported by small-sized importers 1.9 days before the arrival of the goods in Australia.

In 2014, clearance for consignments imported by small-sized importers was achieved more than three days after the goods arrived and more than one day after the goods became physically available for delivery.

Table 12. Sea cargo – small-sized importer performance (days)					
Interval	**2010**	**2011**	**2012**	**2013**	**2014**
Documents	-1.1	-2.3	-2.1	-2.2	-1.9
Customs unimpeded	0.4	-0.7	-0.5	-0.4	-0.3
Ready to pay	0.6	-0.4	-0.2	-0.2	-0.2
Availability	2.3	2.5	3.1	2.1	2.1
Release	3.3	3.0	2.9	2.5	2.9
Clearance	4.0	3.7	3.5	3.1	3.4

Medium importers

Medium-sized importers performed better than small-sized importers in 2014, with the Department receiving all of the required documents more than three days before the goods arrived in Australia.

Consignments imported by medium-sized importers achieved a status of released nearly one day after the goods arrived. Compared to the previous year this means that permission to remove the goods from customs control was given around 12 hours later in 2014.

'Clearance' and 'availability' occurred at the same time from arrival in 2014 for consignments imported by medium-sized importers.

Table 13. Sea cargo – medium-sized importer performance (days)					
Interval	**2010**	**2011**	**2012**	**2013**	**2014**
Documents	-2.7	-3.8	-3.7	-3.6	-3.4
Customs unimpeded	-1.7	-2.6	-2.7	-2.5	-2.2
Ready to pay	-1.5	-2.5	-2.5	-2.3	-2.1
Release	1.3	0.7	0.6	0.4	0.9
Clearance	1.9	1.4	1.2	1.0	1.4
Availability	1.4	1.6	2.5	1.3	1.4

Large importers

With the exception of availability, all events for consignments imported by large-sized importers occurred before the goods arrived in Australia; however, this performance is not as good as the previous year.

Despite being lodged four days before the arrival of the goods, documents were received by the Department half a day later in 2014. The event which experienced the largest deterioration when comparing performance from 2013 to 2014 was ready to pay. This event occurred nearly three days before the goods arrived, but it occurred nearly 17 hours closer to the arrival of the goods compared to 2013.

Table 14. Sea cargo – large-sized importer performance (days)

Interval	2010	2011	2012	2013	2014
Documents	-3.6	-4.7	-4.5	-4.5	-4.0
Customs unimpeded	-3.0	-3.8	-3.8	-3.7	-3.0
Ready to pay	-2.8	-3.6	-3.6	-3.6	-2.9
Release	-0.9	-1.5	-1.7	-1.8	-1.1
Clearance	-0.2	-0.8	-1.0	-1.2	-0.5
Availability	1.0	1.2	2.0	1.0	1.0

Importer compliance with legislative reporting timeframes

This is the fifth year that compliance with reporting and declaration timeframes has been included in the TRS.

The values recorded against cargo reports and import declarations in table 15 below, indicate the percentage of the entire sea cargo population that arrived during the 2014 TRS week that was not lodged within the legislated timeframes.

The legislative timeframes for lodgement of sea cargo reports and declarations are as follows:

- sea cargo report – 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 section 18 and 19 of the *Customs Regulation 2015* refer.
- import entries (import and warehouse declarations) – lodged by the end of the next working day after the day on which the goods were imported. Section 32 of the *Customs Regulation 2015* refers.

The values recorded against each importer size in table 15 indicate the percentage of late cargo reports and import declarations attributed to the population of that importer size.

When compared to the previous year, the proportion for both cargo reports and import declarations that were lodged later than the applicable legislative timeframe increased by one per cent.

In 2014, the highest percentage of late cargo reports was associated with consignments imported by large-sized importers. This percentage increased by five per cent on the previous year, with more than half of all cargo reports for consignments imported by large-sized importers being lodged later than the legislated timeframe.

Cargo reports lodged for consignments imported by the small-sized importer group improved significantly in timeliness in 2014. Only 21 per cent of cargo reports for this group were lodged later than the legislated timeframe, a decrease of five per cent on the previous year.

The large-sized importer group also had the highest percentage of import declarations that were lodged after the prescribed timeframe. Import declarations should be lodged by the end of the day after the day on which the goods were imported. In 2014, 40 per cent of consignments imported by large-sized importers were lodged after this timeframe, an increase of five per cent on the previous year.

As with cargo reports, import declarations for consignments imported by small-sized importers showed a large increase in timeliness. In 2014, 30 per cent of import declarations were lodged after the prescribed timeframe, an improvement of six per cent.

Table 15. Sea cargo – importer compliance with legislative reporting timeframes (%)

Report	2011 Late	2012 Late	2013 Late	2014 Late
Cargo report	5	6	4	5
Small	26	27	26	21
Medium	28	29	26	27
Large	46	44	48	53
Import declaration	6	8	6	7
Small	33	31	36	30
Medium	29	28	29	30
Large	38	40	35	40

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 early lodgement of all required reports and declarations also allows border agencies to complete their risk assessment processes before the arrival of the goods and provide greater certainty of status to importers.

The Department will also continue efforts to educate traders and increase awareness of the benefits of early reporting.

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

Geographical proximity to Australia is a common element for many of Australia's top trading partners. Trading partners from the Asia-Pacific region constitute the majority of Australia's import trade. This is also reflected in the increasing number of free trade agreements (FTAs) that Australia has with regional partners[4].

China continued to be the major source country for goods imported into Australia during the 2014 TRS week, with nearly 42 per cent of goods arriving from that country.

The percentage of consignments imported from the United States of America, New Zealand, Hong Kong, and Malaysia all increased in 2014 when compared to the same time last year. While the percentage of consignments originating in the Republic of Korea and Japan declined.

Table 16. Sea cargo – country of origin: Australia's top 10 trading partners by sea

Country of origin	Number of consignments	%
ALL	41,025	100
China	17,195	41.9
United States of America	3,250	7.9
Hong Kong	2,608	6.4
New Zealand	2,377	5.8
Thailand	1,879	4.6
Malaysia	1,427	3.5
Germany	1,075	2.6
Indonesia	987	2.4
Republic of Korea	938	2.3
Japan	783	1.9

[4] Australia has bilateral free trade agreements (FTA) in place with New Zealand, the United States of America, Thailand and Malaysia. FTAs with Japan, Korea and China were all signed after the 2014 TRS week but before the publication of the 2014 TRS. Australia is party to a regional free trade agreement [ASEAN-Australia-New Zealand Free Trade Agreement (AANZFTA)] which includes Malaysia, Thailand and Indonesia.

Bilateral FTA negotiations commenced with Indonesia in 2013, but are not yet complete.

The information contained within this footnote relates only to the countries referenced as Australia's top 10 trading partners during the TRS week.

The Department of Foreign Affairs and Trade (DFAT) maintains a complete list of all current agreements and status of negotiations on their website.

Table 17. Sea cargo – country of origin: average times for events from arrival (days)						
Country of origin	**Documents**	**Unimpeded**	**Ready to pay**	**Release**	**Clearance**	**Availability**
All	**-3.6**	**-2.4**	**-2.3**	**0.0**	**0.5**	**1.3**
China	-3.1	-2.2	-2.1	0.1	0.4	1.2
United States of America	-4.1	-2.5	-2.4	0.1	1.0	1.7
Hong Kong	-3.3	-1.3	-1.3	0.3	0.4	3.0
New Zealand	-2.4	-1.7	-1.4	-0.2	0.1	1.1
Thailand	-4.4	-3.0	-3.3	-1.0	0.1	0.8
Malaysia	-3.4	-2.2	-2.5	0.0	0.1	0.9
Germany	-5.3	-4.0	-4.0	-0.8	-0.2	1.6
Indonesia	-3.4	-2.1	-2.0	0.3	1.0	1.2
Republic of Korea	-5.1	-3.9	-4.1	-1.1	-0.9	1.2
Japan	-4.4	-3.1	-3.0	-0.4	0.2	1.3

Notes:

1. Interval measures show the average (mean) time difference between named events for all consignments in the sample.
2. Events are defined at Appendix 1.
3. The interval measure is days or parts of days.
4. Where the consignments arriving from a particular country of origin have performed above the average for all consignments imported during the TRS week, this is highlighted in **green**. Where the consignments arriving from a particular country of origin have performed below the average for all consignments imported during the TRS week this is highlighted in **red**.

In 2014 Indonesia moved into Australia's top 10 trading partners for sea cargo, displacing Taiwan. Both Thailand and the Republic of Korea fell in the rankings compared to the 2013 TRS week, while Hong Kong rose from ninth to third on the list of top 10 trading partners.

In 2014, the Department received all of the required reports and declarations for goods arriving from China almost half a day later than the average for all consignments that arrived during the TRS week.

Consignments arriving from Germany and the Republic of Korea had all of the required reports and declarations lodged on average more than five days before the consignments arrived in Australia. This resulted in clearance being achieved before the goods arrived.

Documents for consignments arriving from the United States of America, Thailand and Japan were received in advance of the average time for all consignments that arrived during the TRS week.

Despite the Department, on average, receiving all documents for consignments arriving from the United States of America more than four days before the goods arrival, clearance was not achieved until one day after the goods arrived.

Air cargo results - imports

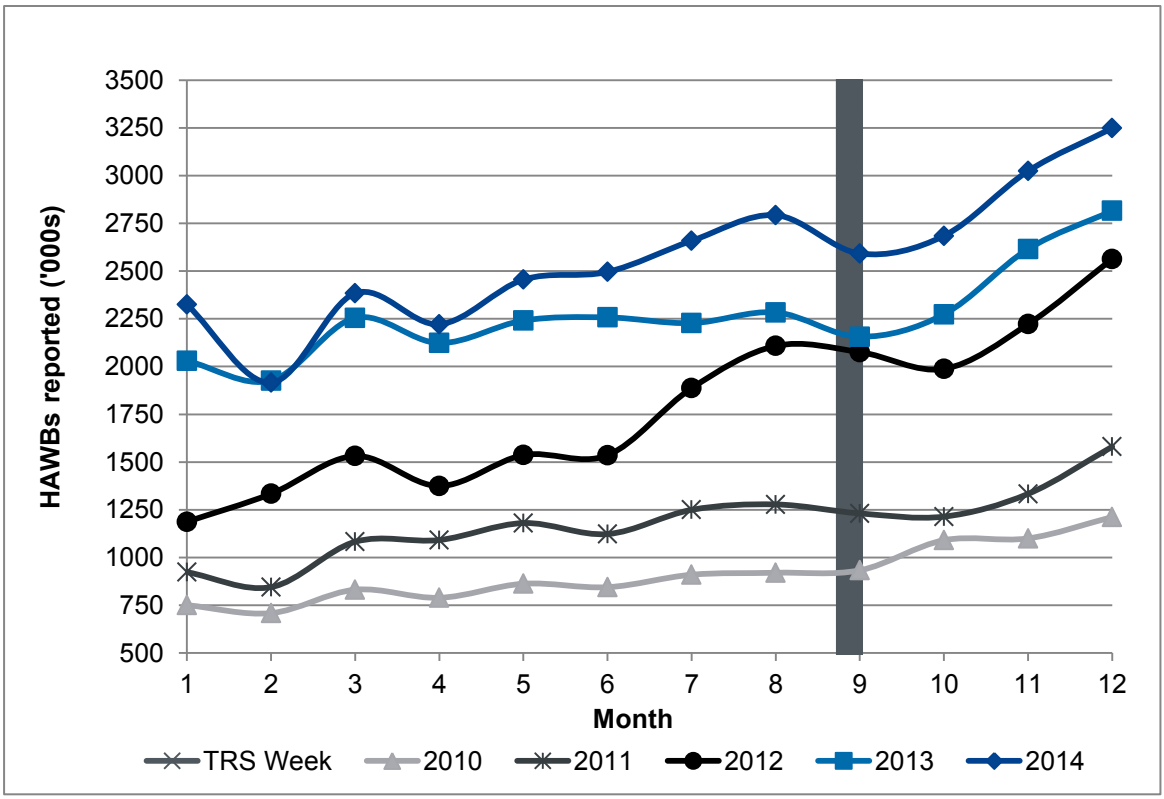
Air cargo volumes

In the eight years that the TRS has been published there has been a continuous upward trend in the number of air cargo consignments arriving in Australia. This trend has continued in 2014 and is anticipated to continue in future years (see Figure 14).

When compared to 2013, there was an increase of more than 13 per cent in the number of air cargo consignments arriving. Significantly, the volume of air cargo consignments that arrived in 2014 was double that which arrived in 2011.

The yearly pattern in air cargo volumes is similar to that of sea cargo with an increase in volumes in the lead up to the Christmas sales period, the end of the financial year and commencement of the new financial year. There is a noticeable decrease in arriving volumes around February and September.

Figure 14. Air cargo – volume (2010–2014)



1. Figures are based on reporting to the Department by airlines and freight forwarders.
2. Master Air Waybills (MAWBs) are not counted.

Performance by declaration type

Table 18. Air cargo – performance by declaration type (hours)						
	2013			2014		
Service type	All	SAC declaration	Import declaration	All	SAC declaration	Import declaration
% of cargo lines	100	91	9	100	91	9
Documents to arrival	-3	-5	11	-3.5	-4.9	11.2
Customs unimpeded to arrival	2	1	15	1.1	-0.3	15.7
Arrival to ready to pay	3	1	16	1.6	0.1	17.1
Arrival to release	3	2	21	2.0	0.2	21.2
Arrival to clearance	3	2	22	2.2	0.2	22.4
Arrival to availability	29	29	27	53.8	54.2	50.3

The overall percentage of cargo lines that are entered for home consumption on either a SAC declaration or an import declaration remained consistent with the previous year. However, the actual number of SAC declarations increased by nearly eight per cent while the number of import declarations rose by over two per cent compared to 2013.

For goods cleared on a SAC declaration, the Department received all required documents nearly five hours before the goods arrived in Australia. In comparison, for goods cleared on an import declaration, the Department received all required documents more than 11 hours after the goods arrived.

In 2014, almost all goods entered on a SAC declaration were unimpeded before arrival. However, this was not the same for goods entered on an import declaration where goods were unimpeded nearly 16 hours after the goods had arrived.

The biggest improvements in 2014 were in the comparison of ‘arrival to release’ and ‘arrival to clearance’ for goods entered on a SAC declaration. In 2014, goods entered on a SAC declaration achieved a status of released and clearance just 12 minutes after the goods arrived, this was nearly two hours earlier than the previous year.

In comparison, goods entered on an import declaration achieved a status of released and clearance 21 and 22 hours respectively after the goods arrived in Australia.

A large decline was seen in the measure of arrival to availability. Compared to the previous year, goods entered on a SAC declaration became available for delivery 25 hours later in 2014 while goods entered on an import declaration were available 23 hours later.

Cargo status

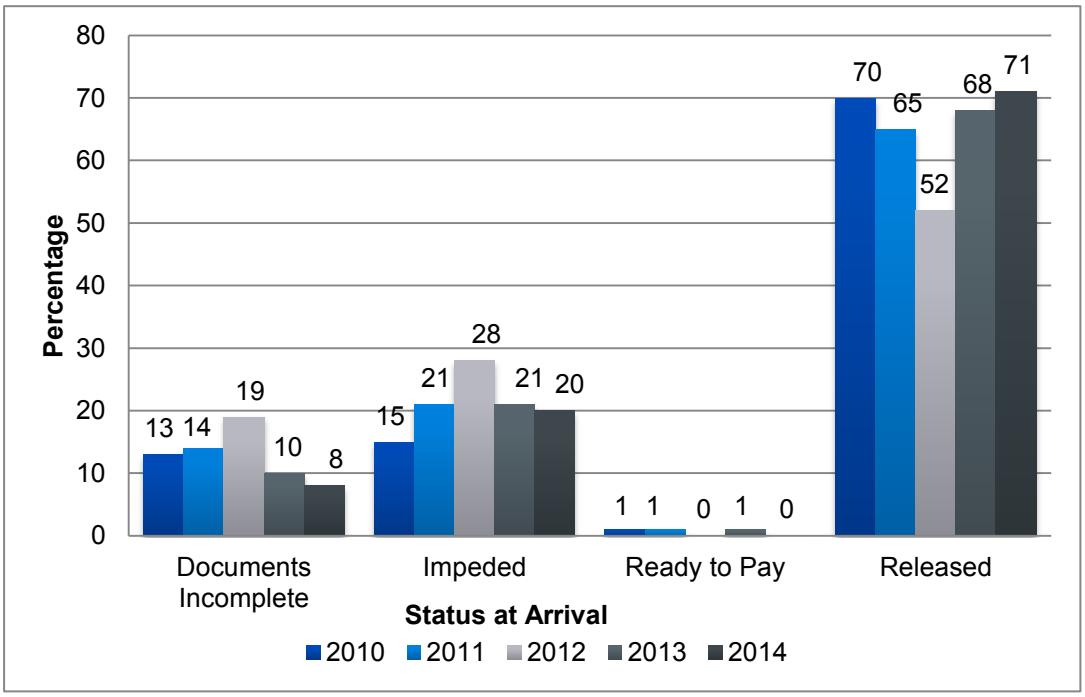
Status at arrival

The results for status at arrival demonstrate an improvement on the previous year (see Figure 15). In 2014, only eight per cent of air cargo consignments had incomplete documents at the time the goods arrived in Australia.

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. In 2014, 20 per cent of consignments were still impeded at the time they arrived in Australia.

In 2014, 71 per cent of consignments were released at the time the goods arrived. When compared to the previous year, this population had increased by three percentage points in 2014. This is primarily attributable to a higher incidence of consignments that had been fully reported at the time of arrival.

Figure 15. Air cargo – status at arrival (2014–2010)



Status at availability

Status at availability considers the status of a consignment which has been discharged from an aircraft or, if shipped as consolidated cargo, when the goods have been unpacked. (see Figure 16).

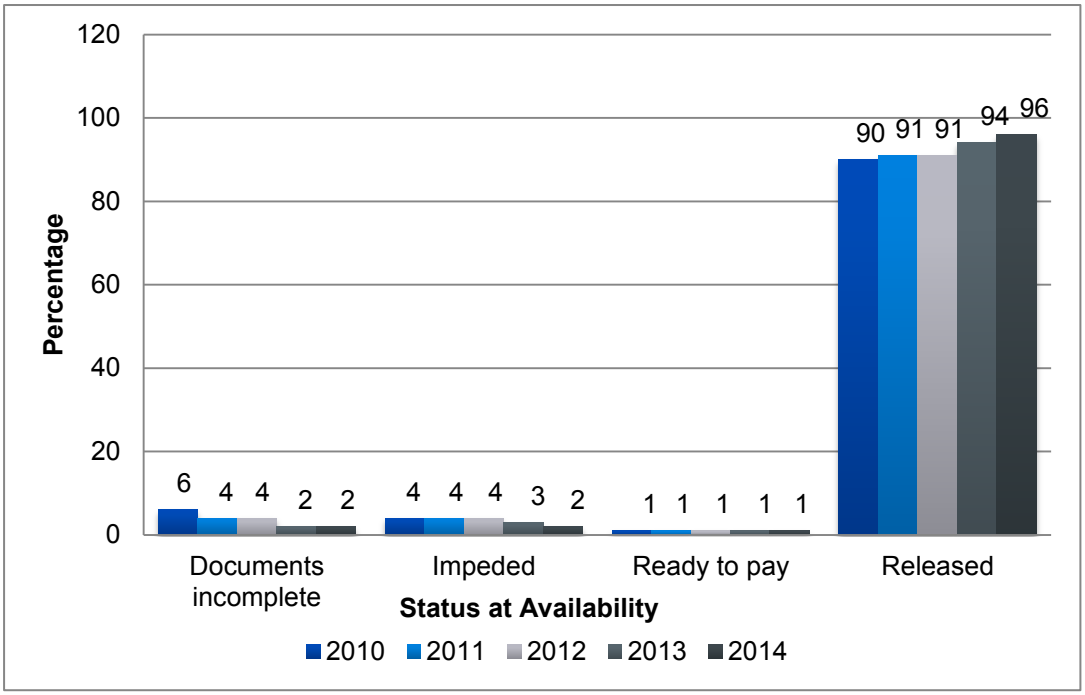
In 2014, the Department had not received all the required documents for just two per cent of consignments.

In 2014, two per cent of consignments were still impeded at availability; this is a decrease of one percentage point over the previous year.

Consistent with previous years, the result for ready to pay was one per cent of all consignments.

Since 2007, the proportion of cargo released by the time the goods are available for delivery has remained above 90 per cent and 2014 was no different with 96 per cent of consignments released at the time the goods become available for delivery. This is the highest percentage achieved to date, despite the increasing air cargo volumes, a positive result for both the border agencies and industry alike.

Figure 16. Air cargo – status at availability (2010 – 2014)



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.

This section examines cargo that is impeded and measures the time taken for those goods to be released using the measure of ‘arrival’ to ‘release’.

In 2014 the Department impeded two per cent of air cargo consignments, which on average were released nearly one whole day after the goods arrived. DAWR impeded three per cent of air cargo consignments, which on average were released 22 hours after they arrived in Australia, more than three hours later than the previous year.

Consignments impeded by both border agencies accounted for 0.2 per cent of all consignments that arrived during the 2014 TRS week. These consignments were released on average 68 hours after the goods arrived–four hours later than the previous year (see Table 19).

Table 19. Air cargo – impeded cargo (2013–2014)

Impeded by:	2013 Total consignments = 423,671	Hours to Release after arrival	2013 Total consignments %	2014 Total consignments = 456,776	2014 Total consignments %	Hours to release after arrival
The Department	5,758	22.2	1	9,229	2	23.5
DAWR	16,020	18.8	4	15,192	3	22.3
The Department and DAWR	1,032	64.1	0.2	1,103	0.2	68

Express and general air cargo

Performance by service type has been included in the TRS since 2010. This section considers the performance of express carriers (who provide expedited, integrated logistics for air cargo) and general cargo providers.

The volume of air cargo handled by both express carriers and general providers continued to trend upwards in 2014 (see Figure 17). The numbers of consignments handled by express carriers increased by nine per cent in 2014 while the number of consignments handled by the general providers increased by almost six per cent.

Historically, air cargo arriving into Australia was dominated by express carriers, who typically carried high volume low value cargo, entered on SAC declarations. However, general providers now dominate, with 56 per cent of air cargo handled by these providers during the 2014 TRS week (see Figure 18). The percentage of air cargo handled by each service type in 2014 remained steady when compared to the previous year.

Figure 17. Air cargo – volume of cargo lines by service type

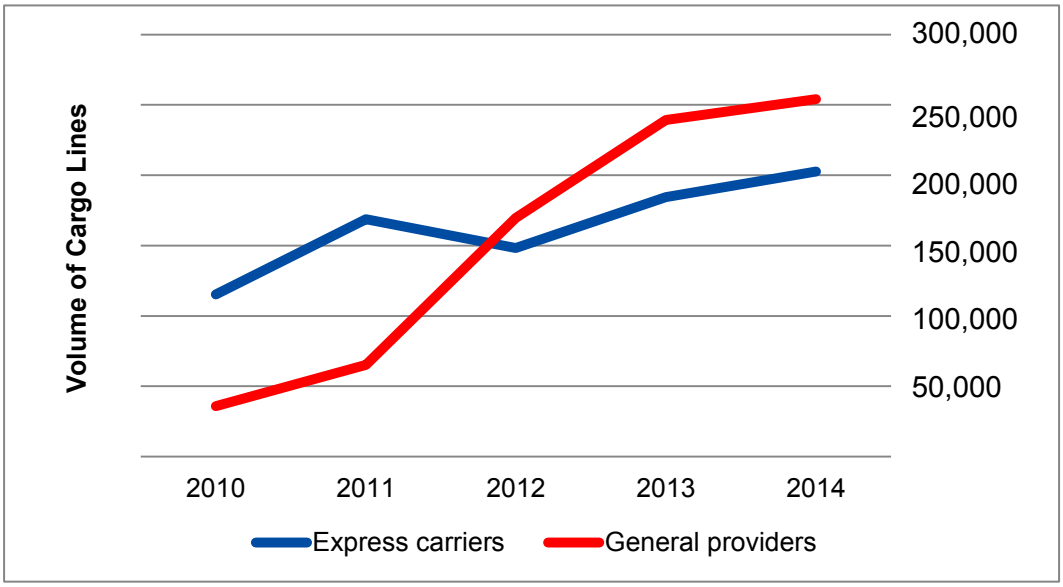
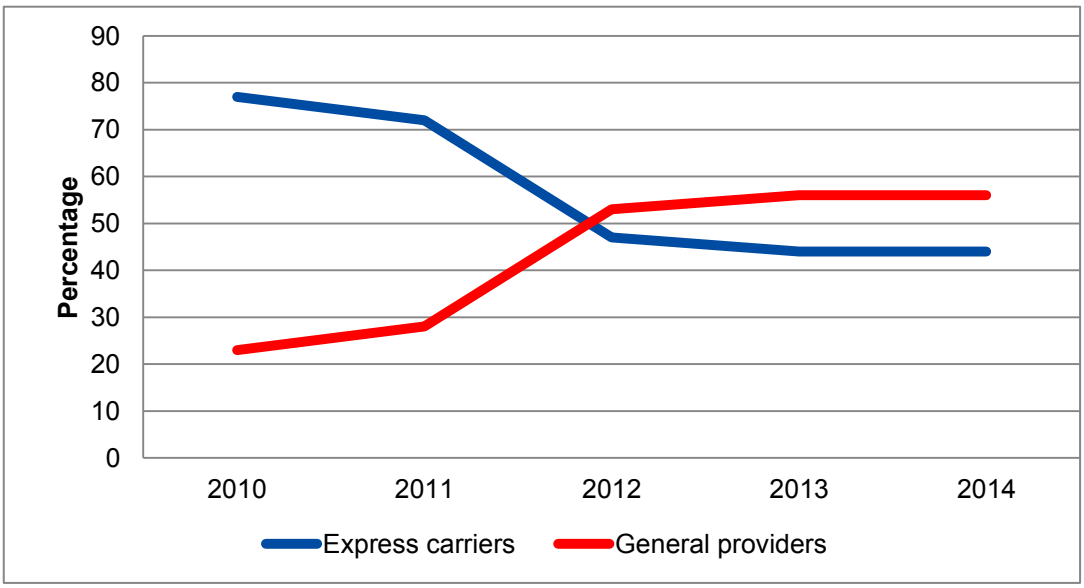


Figure 18. Air cargo – proportion of cargo lines by service type



Compared with the previous year, the performance on most measures by express carriers remained constant in 2014. The only measure where performance by express carriers deteriorated was 'availability'. In 2014, 'availability' occurred 79 hours after the goods arrived, which was 52 hours later than the previous year.

Performance by the general providers improved on all measures with the exception of 'availability'. All required documents were received by the Department an average of four hours before the goods arrived, an improvement of one hour compared to 2013. The events 'customs unimpeded' and 'ready to pay' both occurred two hours after the goods arrived in Australia, an improvement of two hours on 2013. The events 'release' and 'clearance' both occurred three hours after the goods arrived in Australia.

Cargo handled by general providers was available for delivery 34 hours after the goods arrived. This was four hours later than in 2013, however was 45 hours sooner than cargo handled by the express carriers.

Table 20. Air cargo – 2014 performance by service type average from arrival (hours)									
		Declaration type			Declaration type			Declaration type	
Service type	All	Import	SAC	Express carrier	Import	SAC	General carrier	Import	SAC
% of cargo lines	**100**	9	91	**44**	11	89	**56**	7	93
Documents	-3	11	-5	-3	8	-5	-4	15	-5
Customs unimpeded	1	16	0	0	12	-1	2	20	0
Ready to pay	2	17	0	1	14	0	2	21	1
Release	2	21	0	1	16	0	3	28	1
Clearance	2	22	0	1	16	0	3	30	1
Availability	54	50	54	79	65	81	34	32	34

Compliance with legislative reporting timeframes by service type

It is important for industry to be aware of the legislated reporting timeframes and comply with these requirements. The legislative timeframes for lodgement of air cargo reports and declarations are as follows:

- air cargo reports must be lodged not less than two hours before the estimated time of arrival of the aircraft at its first Australian airport.
- the lodgement timeframe for an import declaration is defined as being by the end of the next day following the day on which the goods were imported. Goods are considered to have been imported after the ship or aircraft carrying the goods first arrives at a port or airport in Australia at which any goods are to be discharged.

The percentages of cargo reports lodged after the legislated timeframes were two per cent for express carriers and five per cent for general providers; this was the same proportion as 2013.

As with cargo reports, import declarations that were lodged later than the prescribed timeframes remained consistent with the previous year for both service types, at one per cent.

In 2014, express carriers handled nine per cent more cargo than the previous year. The number of cargo reports lodged by the express carriers later than the legislated timeframe increased by 30 per cent. The number of import declarations lodged after the prescribed timeframe for consignments handled by the express carriers increased by 15 per cent.

The general providers handled six per cent more cargo than the previous year, with the number of cargo reports lodged for this cargo after the legislated timeframes increasing by 11 per cent. The number of import declarations lodged after the prescribed timeframe for consignments handled by the general providers decreased by 12 per cent from the same time the previous year.

Table 21. Air cargo – compliance with legislative reporting timeframes			
Report	**2012 Late %**	**2013 Late %**	**2014 Late %**
Cargo report	7	3	4
Express carrier	3	2	2
General provider	10	5	5
Import declaration	2	1	1
Express carrier	1	1	1
General provider	2	1	1

Additional information

Top 10 countries of loading by airport

In the 2014 TRS week, 30 per cent of all cargo discharged at Australian airports originated in the United States of America, with an additional 28 per cent originating in the United Kingdom. There was a significant decline (80 per cent) in consignments loaded in Taiwan in 2014 compared to 2013, with that country dropping from ninth to eighteenth on the list of loading countries in 2014.

Unlike sea cargo, where nearly 40 per cent of all cargo originated in China, just over three per cent of air cargo originated in China.

Table 22. Air cargo – top 10 loading countries	
Country	**%**
United States of America	30.0
United Kingdom	28.5
Hong Kong	17.7

Singapore	11.8
New Zealand	3.4
China	3.3
Germany	1.4
United Arab Emirates	0.7
Malaysia	0.4
Republic of Korea	0.4

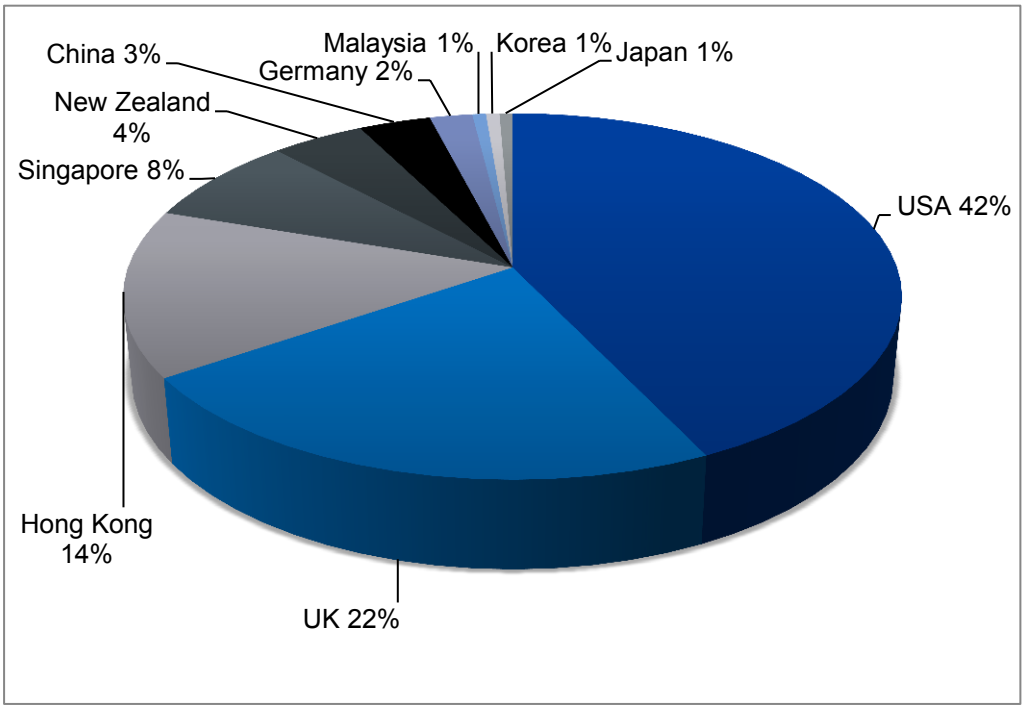
Examining the pattern of discharge for air cargo around Australia, during the 2014 TRS week, 57 per cent of all air cargo consignments were discharged at Sydney airport. Melbourne airport was the next busiest, with 25 per cent, a three per cent increase on the previous year. This was followed by Brisbane and Perth (both eight per cent) and Adelaide (one per cent).

The actual number of air cargo consignments discharged at Sydney increased by six per cent in 2014, while cargo consignments discharged at Melbourne rose by nearly 19 per cent. Cargo consignments at Brisbane, Perth and Adelaide all declined slightly compared with the previous year.

Sydney airport

Compared to the previous year, there was a further increase in consignments loaded in the United States of America and the United Kingdom (up 42 per cent and 22 per cent respectively). The overall percentage of consignments loaded in Hong Kong, Singapore and China declined slightly.

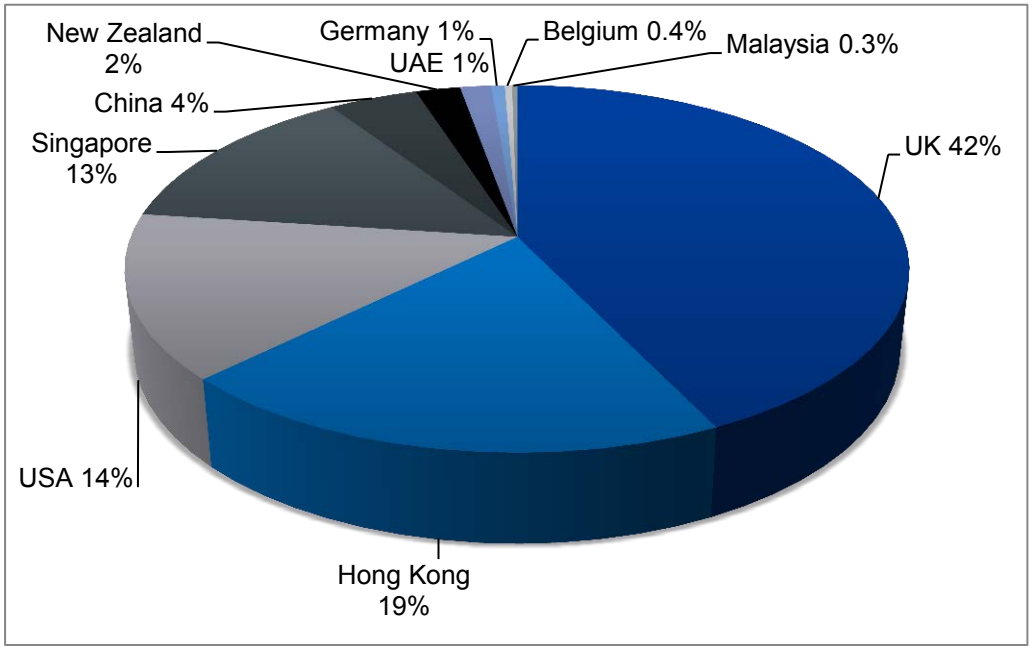
Figure 19. Sydney airport – top 10 loading countries



Melbourne airport

Following a 46 per cent decline in the number of consignments from the United States of America in 2013, there was a 68 per cent increase in that number in 2014. Consignments loaded in New Zealand increased by over 50 per cent in 2013, however declined by 37 per cent in 2014. The total share of cargo loaded in the United Kingdom declined by 12 per cent from that reported in 2013.

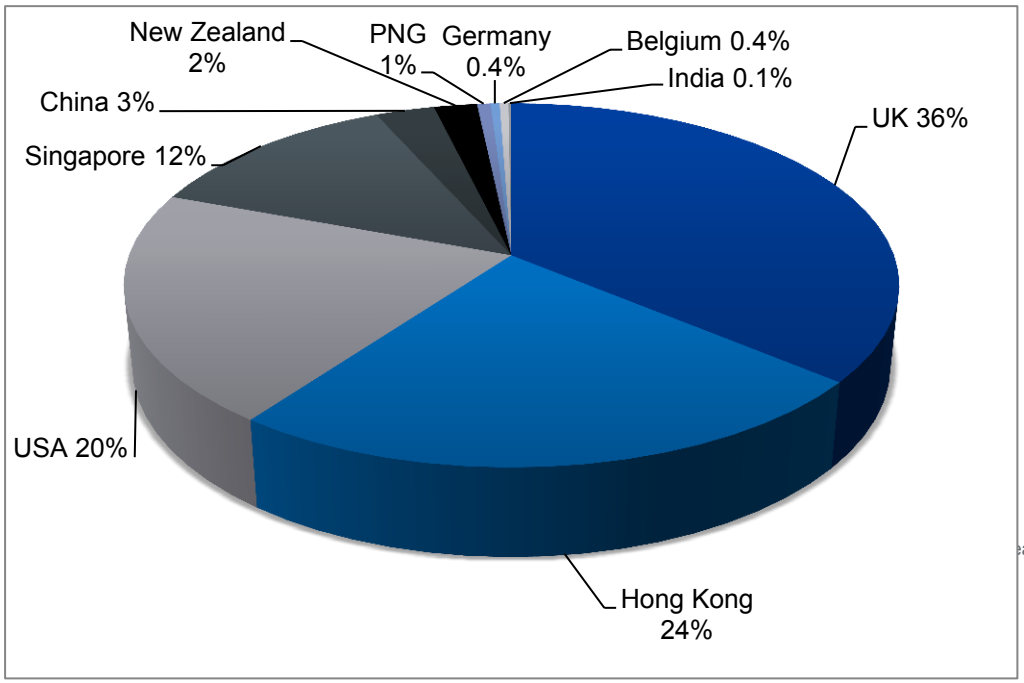
Figure 20. Melbourne airport – top 10 loading countries



Brisbane airport

There was a significant change in the loading country percentage distributions for cargo discharged at Brisbane airport in 2014. There was a 48 per cent decline in the volume of cargo loaded in the United Kingdom, while there was an increase in cargo loaded in Hong Kong (up 35 per cent), the United States of America (up 47 per cent) and Singapore (up 37 per cent).

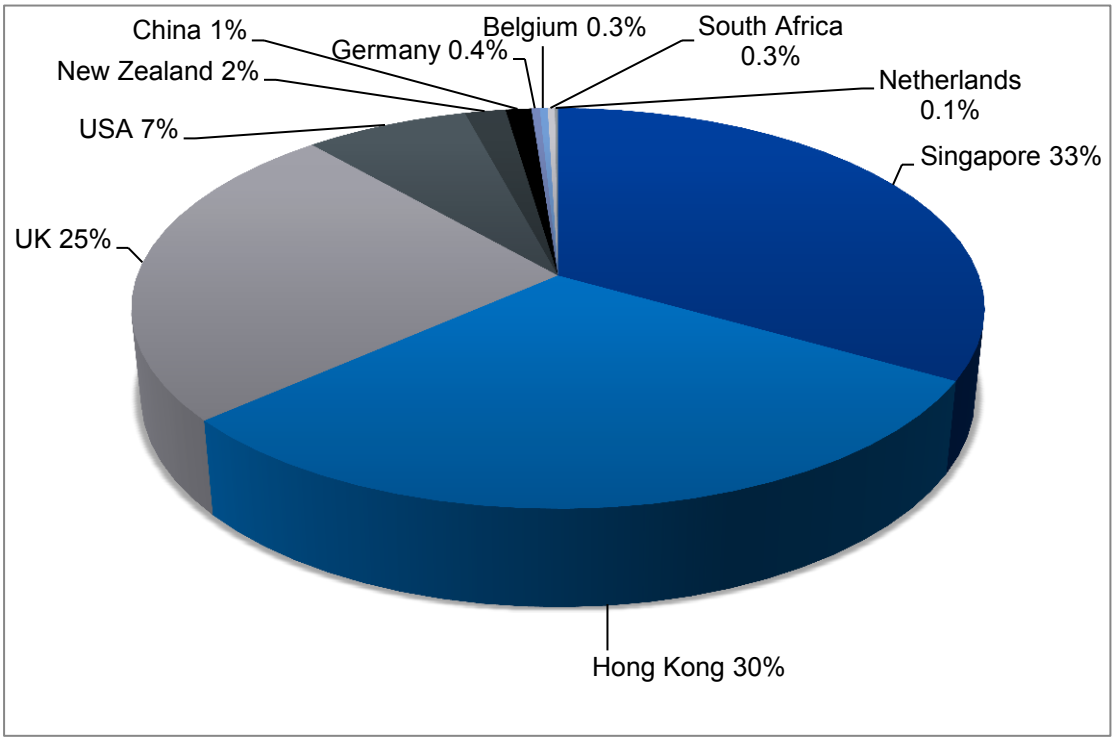
Figure 21. Brisbane airport – top 10 loading countries



Perth airport

Following a 500 per cent increase in the volume of consignments loaded in the United Kingdom and discharged at Perth airport in 2013, there was a decline of 30 per cent in 2014. There was an increase in the volume of cargo loaded in Hong Kong of 42 per cent and seven per cent in Singapore compared to the previous year.

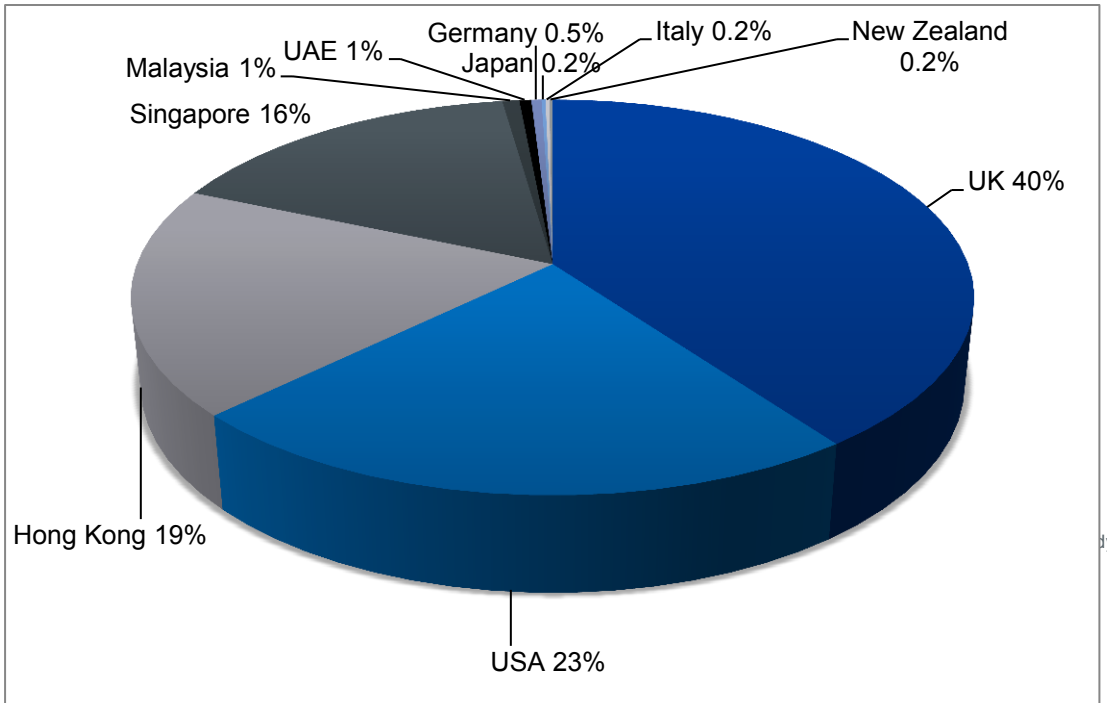
Figure 22. Perth airport – top 10 loading countries



Adelaide airport

There was an increase in consignments discharged at Adelaide airport from the United Kingdom (up 37 per cent). Consignments from Hong Kong and the United States declined by 29 per cent and 46 per cent respectively.

Figure 23. Adelaide airport – top 10 loading countries



Value of imports by declaration type

The trend of recent years in the growth in numbers of Australian consumers purchasing goods online has continued. This growth has been driving the upward trend of air cargo volumes, particularly in respect of goods valued under $1000 (low value goods).

By value, the majority of goods entered on a SAC declaration are valued under $100 (68 per cent), Table 23 refers. Compared to 2013, the number of consignments entered on a SAC declaration with a value less than $100 increased by a further one 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.

Table 23. Air cargo – breakdown of SACs by value (%)

	2011	2012	2013	2014
$0 to $100	66	75	72	68
$100 to $200	14	12	13	16
$200 to $300	6	4	5	6
$300 to $400	4	3	3	3
$400 to $500	3	2	2	2
$500 to $600	2	2	1	2
$600 to $700	2	1	1	1
$700 to $800	1	1	1	1
$800 to $900	1	1	1	1
$900 to $1,000	1	1	1	1

In 2014 there was a two per cent increase in the number of air cargo consignments entered on a declaration compared to the previous year. While volumes continue to increase, the proportion of consignments in each value category (Table 24) has remained relatively consistent over the past four years, with only a one percentage point variation recorded in three of the categories in 2014.

Goods reported on a SAC declaration (full format) under $1000 are commonly alcoholic beverages and tobacco products, which attract duty and taxes.

Table 24. Air cargo – breakdown of declarations by value (%)

	2011	2012	2013	2014
$1,000 to $1,100	3	3	3	3

$1,100 to $1,200	2	3	3	3
$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	24	23	22	23
$5,000 to $10,000	15	14	14	14
$10,000 to $20,000	11	11	10	10
$20,000 to $30,000	5	5	5	4
$30,000 to $40,000	3	2	3	2
$40,000 to $50,000	2	2	2	2
$50,000+	11	9	9	9
Declaration under $1,000 (SAC declaration - full format)	9	14	14	14

International mail

In the 2013–14 financial year, approximately 150 million mail items entered Australia. This represents a decline of nearly 22 per cent from a peak of nearly 200 million mail items in the previous financial year (see Figure 24).

It should be noted, however, that a different method was used to capture the number of mail items arriving in this financial year. The previous method involved obtaining statistics of mail volumes from an external source, whereas the current method obtains statistics from sources within the Department, allowing improved verification of the data.

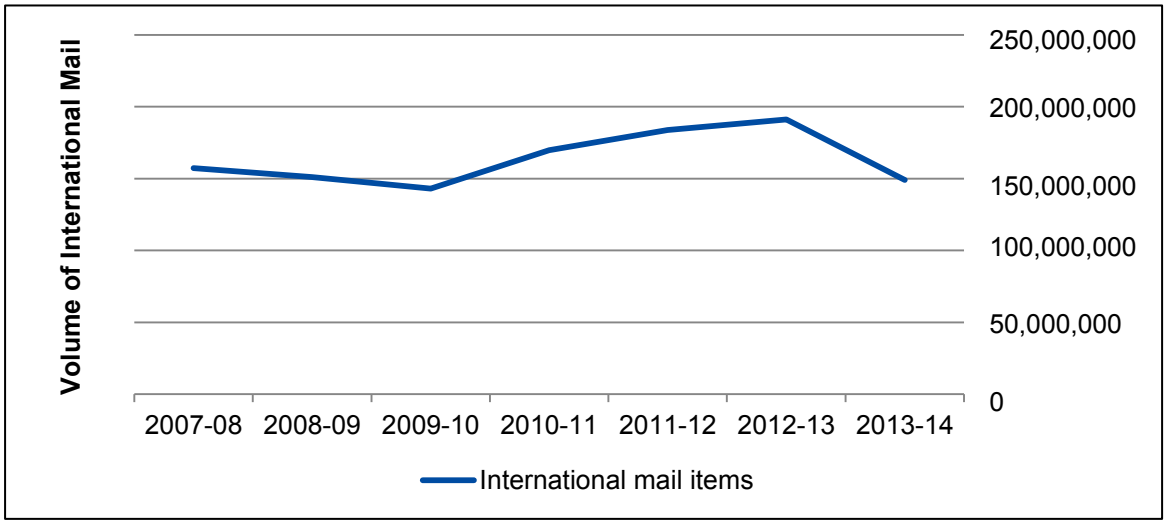
International experience suggests that demand for letters will continue to fall, with forecasts indicating that by 2020 letter volumes could be a quarter of those from 2008.[5] The Australia Post Annual Report has identified that some of the decline in mail volumes could be attributed to the continued decline in the number of letters sent each year.

Currently, border processing of international mail including, collection of revenue, is largely manual. The Department's "Strategy 2020" document published 2015 identified opportunities to work with Australia Post to modernise processes associated with the mail stream, including electronic reporting of mail items. The Department will draw on international initiatives to improve the information

[5] Sourced from the 2014 Australia Post Annual Report.

captured for international mail, such as work being undertaken through the Kahala Posts Group[6]. Electronic reporting will enable border agencies to more efficiently process mail and will allow more effective intelligence-led, risk-based assessments to improve intervention rates.

Figure 24. International mail volumes



Sea and air cargo results – exports

Statistics for exports that are relevant to the Department and industry involve far fewer events than in the import environment. The main reasons for this are that goods for export do not come under customs control until they are delivered to a point of export, and then depending on commercial agreements and contracts, the goods are exported soon after this point.

These relevant events are:

- Export declaration (EDN) lodgement to Container Terminal Operator (CTO) receival notice
- EDN lodgement to departure report
- EDN lodgement to main manifest.

The lodgement of the EDN signifies an exporter's intention to export the goods, and the lodgement of the CTO receival notice notifies that the goods have moved to a place of export and, at this point the goods formally come under customs control. Other events measure the time between the lodgement of the EDN to when the goods are authorised to be loaded onto an exporting ship or aircraft (the departure report), as well as confirmation that the goods were on the exporting ship or aircraft (the main manifest).

Table 25. Exports – average times from EDN lodgement (days)

Interval	Sea	Air
EDN lodgement to CTO receival notice	11.9	1.2

[6] 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.

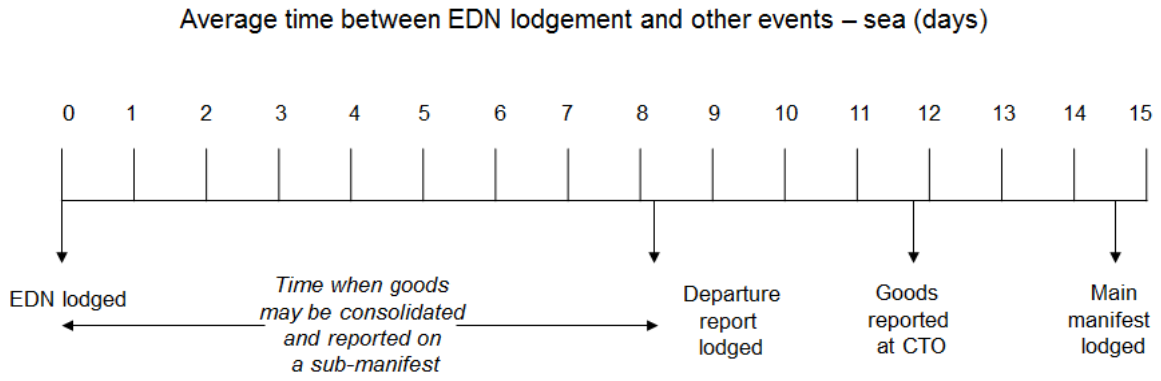
EDN lodgement to departure report	8.1	0.6
EDN lodgement to main manifest	14.7	2.3

Sea

In the 2014 TRS week, 50.4 per cent of all EDNs lodged were for sea cargo, a slight increase from the previous year.

For sea cargo, on average the CTO receival notice was lodged nearly 12 days after lodgement of the EDN; this is consistent with 2013. However, the time from EDN lodgement to the time the departure report was lodged shortened 8.1 hours compared to 2013 (9.3 hours (see Figure 25)).

Figure 25. Timeline showing average time between EDN lodgement and other events – sea (days)

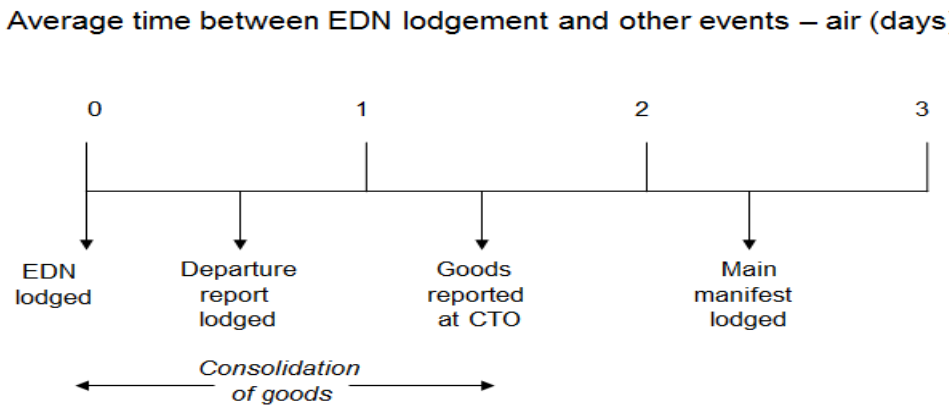


Air

There was a slight decrease in the proportion of EDNs for air cargo lodged in 2014 compared to the previous year.

Continuing the trend of the past three years the average times between EDN lodgement and other lodgements has been relatively consistent, with other minor changes. Figure 26 below shows the average timings for goods exported by air in 2014.

Figure 26. Timeline showing average time between EDN lodgement and other events – air (days)



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 the Department. This is when all required reports and declarations have been received by the Department.
Customs unimpeded	Indicates that risk assessment, evaluation and processing have been completed by the Department. Payment of duties, 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
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 declaration
TRS	Time Release Study
UCL	Unique Cargo Line
WCO	World Customs Organization

Appendix 3. Glossary

Term	Description
Air cargo report	A report to the Department 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 the Department 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, or ▪ once deconsolidated (unpacked). The Air Waybill Outturn also identifies any surpluses or shortages in the cargo received.
Bill of Lading	A Bill of Lading is 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 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. The Department is the Government's lead border agency. It also acts on behalf of a range of other agencies. DAWR works in partnership with the Department at the border to manage biosecurity, 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.
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.
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).

Term	Description
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 and Water Resources	DAWR manages biosecurity controls at Australia's borders to minimise the risk of exotic pests and diseases entering the country. In 2012, DAWR 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 the Department 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 $2000.
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 the Department or DAWR that must be resolved before the goods may be released.
Impending Arrival	A report to the Department that provides information about the expected

Term	Description
Report	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 $1000 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 $1 million or less • Medium – imported goods neither large nor small • Large – imported goods to a total value of $20 million or more.
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.
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.
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 (the Department and DAWR).
Outturn	A report on the discharge and receipt or unpacking of cargo.
Sea Cargo Report	A report to the Department 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 $1000. 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
	  ○ duties and taxes are payable because the goods include alcoholic beverages or tobacco products, the goods are part of a larger consignment and/or because of commercial reasons.

Term	Description
	• SAC declaration (short form) – used if only minimal information is required, can be used to pay duties and taxes for imported goods that include alcoholic beverages and/or tobacco products.
Stevedore	Entities responsible for loading and unloading ships on behalf of shipping companies.
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 the Department for clearance purposes.
Time Release Study	A method designed and endorsed by the WCO for measuring border agency performance in trade facilitation.
Unpack	The process of unpacking cargo from a container.