



Australian Government
**Australian Customs and
Border Protection Service**

Time Release Study 2012



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Executive Summary

Introduction and context

The border environment is becoming increasingly more complex. As more goods are moved across the border, they are sourced from, and travel through, a wider variety of countries. There is also a significant rise in the number of goods being sourced on the internet by individual consumers.

The annual Time Release Study (TRS), published since 2007, has consistently shown that the border agencies are not an impediment to the facilitation of trade. The challenge for Customs and Border Protection into the future, as cargo volumes increase, is to ensure a high level of facilitation is maintained, and our intervention activities are effectively and efficiently targeting high risk consignments.

Increasing trade volumes is an issue that has widespread implications for the Australian Government, State and Territory Governments, government agencies, industry and the community.

The economic prosperity and growth of countries within the Asian region is noted in the Asian Century White Paper. Trade between Australia and Asian nations is already strong, with many of our import and export goods travelling within the Asia-Pacific region. Volumes have been steadily growing over the past decade and will continue to increase in the future.

As volumes increase, ships and aircraft are becoming larger which may create chokepoints and place new demands on air and sea ports. Domestically, it will be important that productivity remains high and goods continue to move quickly and smoothly through our port and airport precincts.

As ports are further developed to meet projected volumes, the movement of goods through the Australian community is also affected. National strategies regarding ports and freight movements are working to provide a national, coordinated response to addressing issues including increasing volumes.

Over the past few years, Customs and Border Protection has employed a number of initiatives to enable us to meet increasing volumes. We moved from a program of mass cargo screening to an intelligence-led risk-based approach that, along with our Cargo Intervention Strategy, has become embedded in business processes.

Customs and Border Protection's intelligence-led, risk-based approach will form the basis of forward looking programs and initiatives to ensure that as volumes increase, our response is flexible, scalable and integrated.

Our work begins ahead of the border, before goods arrive at an Australian port. We rely on early and accurate reporting of goods to make risk determinations. As volumes increase, the collection of intelligence and information holdings, and analysis of them, will become even more vital.

A National Border Targeting Centre will be established to target high-risk cargo. The Centre will co-locate partner agencies such as Customs and Border Protection, the Australian Federal Police and the Department of Agriculture, Fisheries and Forestry.

This joint approach will focus on improved information sharing between agencies domestically, and will also enable improved sharing with similar targeting centres in other countries. For traders, this approach will continue to ensure that legitimate and low risk cargo is not impeded.



Methodology and Scope

Methodology

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

For the 2012 TRS, clearance performance has been measured for air and sea cargo import consignments which arrived during the standard snapshot period of one week (24 to 30 September 2012). Performance levels for 2012 have been compared with TRS results from previous studies.

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

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

Scope

The 2012 TRS continues the focus on multi-year and year-on-year trends for existing areas of interest. New areas included in the 2012 TRS include:

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 assessment implications for the border agencies as well as implications 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 (less than half of one per cent) 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 ten loading countries (sea and air)

For both sea and air, information is included to show for each primary port, the top ten countries where goods are loaded on to a ship or plane for transport to Australia.

TRS design

Import consignments

Cargo is considered at the lowest consignment level. For full container load (FCL) cargo, this is a container. For all other cargo types, including air cargo, it is those consignments consigned to the actual importer (rather than to an intermediary such as a freight forwarder). The TRS sample sets for 2012 consisted of some 37,000 sea cargo consignments and around 318,000 air cargo consignments.

Events

The timing of key events in the movement and clearance cycle of cargo is extracted from data reported to Customs and Border Protection 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	37,122
Full container load (FCL) consignments	29,748
Full container multiple suppliers (FCX) consignments	805
Less than container load (LCL) consignments	5,800
Break-bulk consignments	709
Bulk consignments	60
Import declarations	24,526
Self-assessed clearance (SAC) consignments	91
Importers	9,619
Customs brokers	412
Discharge ports	18
Origin countries	100
Vessels	106
Arrivals	131
Shipping companies	32
Freight forwarders	618
Unique populations	Number
Gate-out consignments	26,908

Dimensions

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

In this study, dimensions include:

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

Table 2 Air cargo sample characteristics – imports

Characteristic	Number
Total consignments/unique cargo lines	318,064
'Straight-line' consignments	3,218
Consolidated consignments	314,846
Import declarations	29,513
Self-assessed clearance (SAC) consignments	285,782
Registered importers	11,608
Customs brokers	480
Discharge ports	8
Origin countries	179
Flights	1,134
Arrivals	1,141
Airlines	54
Freight forwarders	371

Percentages

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

Export consignments

Table 3 Export consignments sample characteristics

Characteristic	Sea	Air	Total
EDNs lodged	12,143	12,826	24,969
Consignments reported at the CTO	66,590	30,670	97,260
Consignments reported on a main manifest	37,381	31,142	68,523

The 2012 export characteristics are based on the following:

- export declarations (EDN) that are lodged in the week 24 to 30 September 2012, where:
 - consignments are reported at a container/cargo terminal operator (CTO) by 31 October 2012, which are linked to an EDN lodged during the TRS week; and
 - consignments are reported on a main manifest, for a departure by 31 October 2012, which are linked to an EDN lodged during the TRS week.

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

Overview of Results – Imports

Average times between the arrival of cargo and other events

Sea cargo multi-year trend

Table 4 Sea cargo – average times from arrival (days)					
	2012	2011	2010	2009	2008
Arrival to documents	-4.0	-4.1	-3.1	-3.3	-3.0
Arrival to customs unimpeded	-3.1	-3.1	-2.2	-2.4	-2.2
Arrival to ready to pay	-2.8	-2.9	-2.0	-2.3	-1.7
Arrival to availability	2.3	1.5	1.3	1.1	1.2
Arrival to release	-0.4	-0.3	0.2	0.2	0.6
Arrival to clearance	0.2	0.4	0.9	0.7	1.2

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**.

In 2011, the majority of results showed significant improvement between the arrival of cargo and other events, often by more than half a day. In 2012, performance has stabilised and generally aligns with the previous year. Where there is a difference, this is usually only a few hours, except for the average availability time.

Document lodgement occurred 0.1 of a day (approximately 2.5 hours) later in 2012 compared to 2011. This measure takes into account the submission of all documents required to fully report and declare a consignment to Customs and Border Protection. These include the actual arrival report, cargo report and the import declaration.

Over the last few years, trend analysis shows that there has been significant improvement in lodgement times for each document type. In 2012, lodgement of cargo reports has continued to improve, while import declarations and actual arrival reports are lodged slightly later when compared to 2011.

Despite minor declines in the average time that consignments are reported and are ready to be paid, the overall trend of earlier release and clearance of goods continues. On average, goods are now cleared for entry into home consumption within five hours of arrival.

The only measure that has experienced a significant decline is arrival to availability. Availability refers to the time that goods have been discharged from a vessel and are physically available for delivery (some border agency requirements may still need to be completed).

In 2012, it took nearly one day longer for goods to become available than it did in 2011. Further analysis indicates that it was likely a small number of events at particular ports that affected the result, rather than an ongoing decline in performance. As availability relates to port operations, this result is further explored in the Ports section.

Sea cargo snapshot

The snapshot provides an overview of the key results and findings in 2012. These include multi-year and year-on-year trends.

Volume – in 2012, sea cargo consignments increased by nearly nine per cent from the previous year. Totals were the highest since the TRS started in 2007.

Cargo released – 58 per cent of all consignments are reported, paid and released either before or at the time of vessel arrival. This represents a ten per cent increase over the past five years.

Reporting performance – on average, there is a slight decline (2.4 hours) in the time that documents are lodged. After significant improvement in 2011, this may indicate a stabilisation of reporting times.

Clearance performance – the trend of earlier clearance of goods continues in 2012. Goods are now cleared within hours of arrival, an improvement of more than one and a half days since 2007.

Availability performance – of all the performance measures, the only significant decline was the average availability time. Goods are available nearly a day later than the previous year. Further analysis suggests a few events at one or two ports (and specific to the TRS week), are responsible for this decline. It does not appear to be an ongoing decline in performance.

Port performance – Sydney and Melbourne ports accounted for 72 per cent of all consignments in the 2012 TRS week. Sydney (2.4 days) and Fremantle ports (3.9 days) experienced arrival to availability times greater than the average (2.3 days) for all ports.

Loading countries – goods arriving during the TRS week were loaded onto ships in 89 countries. Around 40 per cent of these goods were loaded onto ships at ports in China.

Gate-out performance – there was a slight improvement in the average gate-out time (2.2 days from discharge) compared to 2011 (2.3 days). Ninety five per cent of FCL and FCX cargo completed all customs formalities at the time of leaving the wharf.

Performance by cargo type – a decline in the reporting time of LCL cargo resulted in similar declines in the time that goods are impeded, ready to pay, released and cleared.

Of all cargo types, break-bulk had the most improved average availability time, 1.2 days better than a year ago.

Impeded cargo – of the total TRS population, 34 per cent of consignments are of interest to one or both border agencies. Impediments range from incomplete reporting to goods that require inspection or biosecurity treatment.

Importer size – the proportion of importers in the three size categories remained consistent in 2012. Small and medium importers account for the highest proportion of importers (85 per cent), however, combined they are only responsible for 41 per cent of the total consignments imported.

Legislative timeframes – in 2012, the proportion of cargo reports and import declarations lodged late is slightly higher compared to the previous year. Similar to 2011, more import declarations are lodged late than cargo reports.

Import declarations – up to 98 per cent of goods are entered on Nature 10 import declarations, with only a minor proportion of goods entered for warehousing. Small importers have the highest incidence of late reporting of Nature 10s.

Country of origin – over the last five years, the same countries have consistently appeared in the list of Australia's top ten trading partners. These countries account for more than 77 per cent of all goods imported into Australia in 2012, a two per cent increase compared to the previous year.

Cargo pathway – approximately 13 per cent of consignments within the TRS week moved through an overseas port after leaving the country of origin and prior to arrival in Australia. There is minimal difference in the performance of cargo that travels to an Australian port direct from the country of export and cargo that is moved through one or more ports.

Air cargo multi-year trend

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

	2012	2011	2010	2009	2008
Arrival to documents	-1.4	-1.4	-1.8	-0.9	-0.7
Arrival to customs unimpeded	6.6	5.6	2.3	2.8	2.5
Arrival to ready to pay	7.7	6.6	3.3	4.5	3.9
Arrival to availability	71.7	29.5	19.0	22.2	25.0
Arrival to release	8.2	7.1	4.2	5.1	4.9
Arrival to clearance	8.4	7.4	4.5	5.5	5.1

Following a record increase of air cargo consignments in 2011, volumes continued to trend upwards, by an additional 35 per cent in 2012. There has been a dramatic growth in the past two years, with volumes increasing 110 per cent since 2010.

It might be expected that with such significant increases in the number of consignments that physically cross the Australian border, performance may diminish. However, in 2012 the results remained similar to the previous year, except for arrival to availability.

Short timeframes characterise the air cargo environment, potentially limiting the opportunities to significantly improve performance. Noting the volume increases and the additional processing required, on average, reporters continued to report goods prior to arrival.

Of the other measures, including ready to pay and clearance, performance declined by around one hour. The average availability time is the only measure where there was a significant decline. In 2012, goods became available nearly two days later compared to the previous year.

There are many factors that contribute to availability times. In air cargo goods need to be taken off an aircraft and moved to licensed premises to be deconsolidated. In the 2012 TRS week, there were nearly 85,000 more consignments required to be moved compared to 2011. Increasing volumes present many challenges for industry members to transport, process and store goods.

As volumes increase, more entities may seek to capitalise on opportunities within the air cargo industry. As new entrants enter the sector, or existing members expand their operations, they may take longer to establish or streamline business practices. Consequently, the performance of these entities may also have contributed to the 2012 results.

Air cargo snapshot

The snapshot provides an overview of the key results and findings in 2012. These include multi-year and year-on-year trends.

Volume – in 2012, air cargo volumes have increased by 36 per cent. This follows a 60 per cent increase from the previous year. Since the first TRS in 2007, air cargo consignments reported on a SAC have increased by 171 per cent.

Reporting performance – the average time taken to lodge documents remained the same in 2012 as it was the previous year. This is a positive result noting the significant increases in air cargo volumes.

Clearance performance – on average, consignments were cleared one hour later in 2012 compared to 2011.

Availability performance – the most notable decline in performance was the average availability time, with consignments available nearly two days later compared to 2011. Feedback from industry suggests it is a range of factors that contribute to these results; however, the significant increase in air cargo volumes is a primary factor.

Impeded cargo – the proportion of cargo of interest to Customs and Border Protection remains consistent with 2011. By the time the goods are available, the impediment is resolved for more than 80 per cent of these consignments.

Express carriers – in 2012, express carriers accounted for 47 per cent of all air cargo consignments. Of all goods reported by express carriers, 90 per cent are reported on SAC declarations. Performance for these goods generally declined by about three hours, except for reporting which remained stable and availability which declined by a day.

General providers – the proportion of consignments reported by general providers nearly doubled in 2012. Except for availability times, performance improved in all other measures including reporting, release and clearance.

Legislative timeframes – only a small proportion of import declarations (two per cent) were late reported in 2012. Of all late reported cargo reports (seven per cent), general providers account for a higher number of these (ten per cent) compared to express carriers (three per cent).

SAC declarations – 90 per cent of all air cargo consignments are reported on a SAC, an increase of five per cent compared to the previous year. Performance for these goods remains relatively stable, except for availability times which have increased significantly.

Goods with a value of \$100 or less continue to account for the highest proportion of low value imports at 75 per cent, an increase of nine per cent in comparison to 2011.

Declarations – there is a five per cent decline in the number of air cargo consignments reported on a declaration in 2012. Additionally, there is a decline in performance across all measures, including reporting, availability and clearance.

The proportionate value of goods reported on declarations has remained relatively stable over the last few years.

Loading countries – goods arriving during the TRS week were loaded onto planes in 105 countries. Eighty-five per cent of air cargo consignments were loaded in only four countries: United Kingdom (32 per cent), United States (21 per cent), Hong Kong (18 per cent) and Singapore (14 per cent).



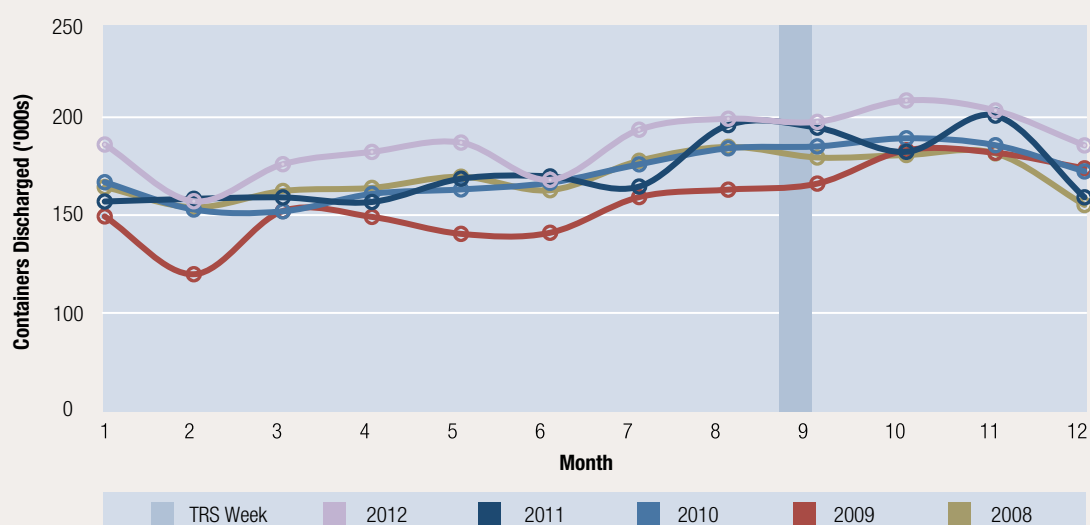
Sea Cargo Results – Imports

Sea cargo volume for 2012

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

Container volumes for 2012 are the highest experienced in the last five years, an increase of 8.6 per cent from 2011. The Global Financial Crisis (GFC) led to a short term decline in the number of containers discharged in 2008 and 2009. Since then, volumes have been steadily increasing.

Figure 1 Sea cargo – total containers discharged per month (2008 to 2012)



Notes:

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

Cargo status

Status at arrival

Sea cargo volumes have fluctuated in recent years due primarily to the effects of, and subsequent recovery from, the GFC.

Despite these events, there has been a continuing trend of improvement in the time that documents are lodged and goods are subsequently released and cleared for entry into home consumption. Figure 2 demonstrates that in the past five years, there has been a ten per cent increase in the number of goods that are released from Customs control by the time of arrival.

For goods to be released, all Customs border formalities must be completed, including full reporting of consignments and payment of duty and taxes. Goods may remain subject to biosecurity compliance before the goods can be cleared for entry into home consumption.

Over the past few years, as more consignments have been reported earlier, the proportion of goods that are released by the time a vessel arrives into port has increased. As a result of improved reporting practices, the proportion of documents that remain incomplete by the time of arrival is at its lowest level in five years.

These findings continue to demonstrate the links between early reporting by industry and the ability of border agencies to work towards completing risk assessments prior to, or by the time of, vessel arrival.

Further examination of status at arrival identifies that large importers have the highest proportion (73 per cent) of goods that are released by arrival, and the lowest number of documents that are incomplete (seven per cent).

In comparison, medium importers have 44 per cent of goods released at arrival with a further 35 per cent free from border agency interest, other than the need to pay duties, taxes and charges.

At the time of arrival, only 22 per cent of goods imported by a small importer are released, with 35 per cent ready to pay. Of the three importer sizes, small importers also have the highest proportion of incomplete documentation at 24 per cent.

Figure 2 Sea cargo – status at arrival

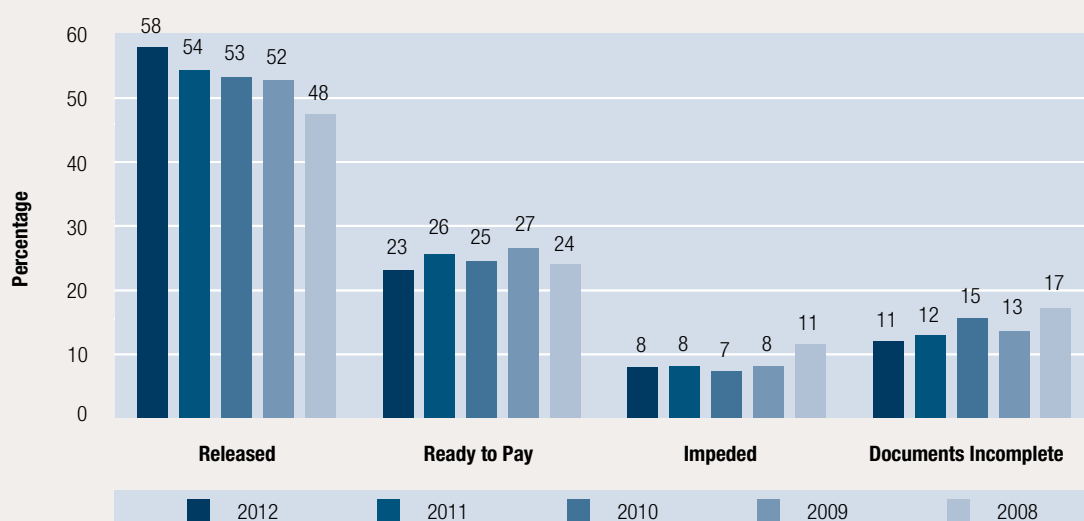
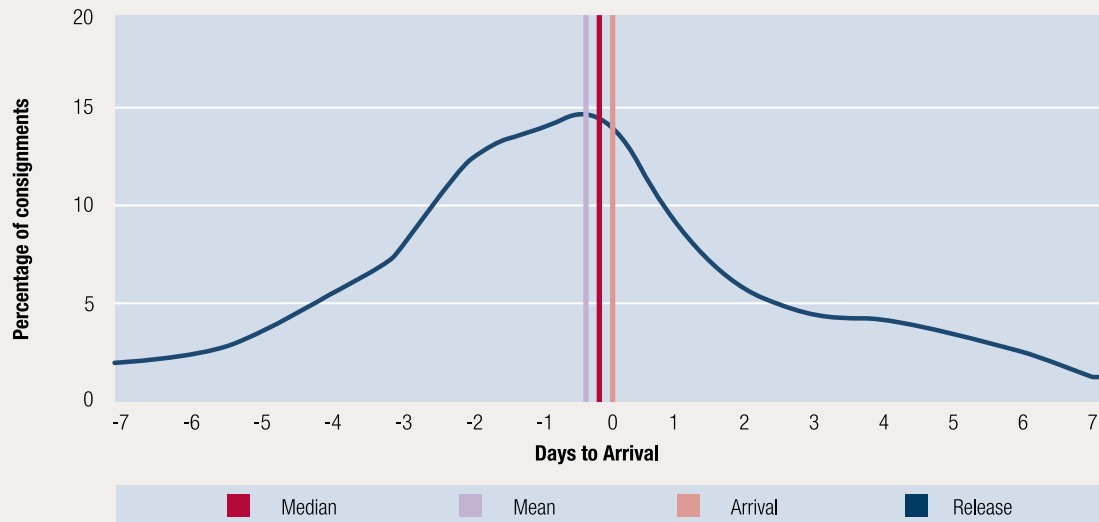


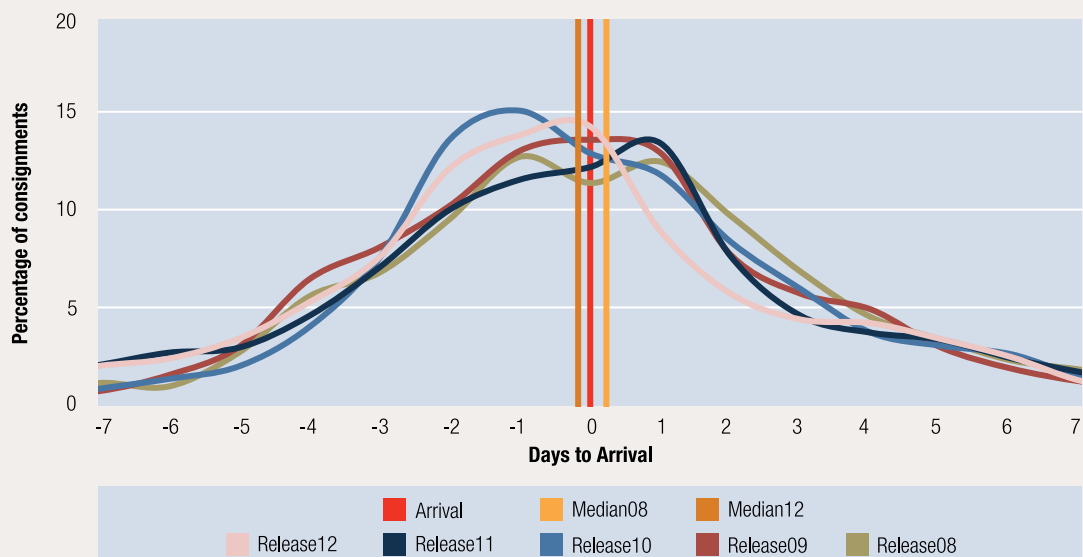
Figure 3 Sea cargo – distribution of release (2012)



The overall average (mean) time in 2012 is around ten hours prior to arrival, an improvement of two hours compared to the previous year. The overall median time also improved by approximately 11 hours.

The trend of earlier release times demonstrates that industry is reporting and paying for goods earlier, ensuring earlier release is achieved.

Figure 4 Sea cargo – distribution of release (2008–2012)



Status at availability

When the TRS was first undertaken in 2007, only 55 per cent of goods were released at the time of availability. Over the past few years, enhanced industry practices, including a shift towards earlier reporting, has resulted in this figure rising to nearly 75 per cent of cargo. The TRS has consistently demonstrated the links between early reporting and enhanced trade facilitation.

Early reporting benefits the border agencies and industry equally. Border agencies rely on information provided about goods to undertake risk assessment. 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.

Over the past five years, the proportion of goods that are released from Customs control by the time of discharge from a vessel has risen from 57 per cent in 2008 to 74 per cent in 2012. At the same time, there has been a corresponding reduction in the amount of cargo that is either ready to be paid for or that has not been fully reported.

When importer size is considered, between the time of arrival and availability, a further 12 per cent of large importers have goods released (up to 85 per cent at availability) and nine per cent ready to pay.

The rise for medium importers between these two events is even greater, with an additional 20 per cent of goods released by the time of availability. Only ten per cent of goods for medium importers remain of interest to the border agencies or are not fully reported by the time of availability.

Small importers remain the only importing group with a low proportion of goods (44 per cent) released by availability, with a further 32 per cent ready to pay. Since 2007, small importers have continued to have the highest proportion of incomplete documents of the three importer groups. This gap is closing however, with 11 per cent of reporting incomplete in 2012, reduced from 22 per cent from when the study was first conducted in 2007.

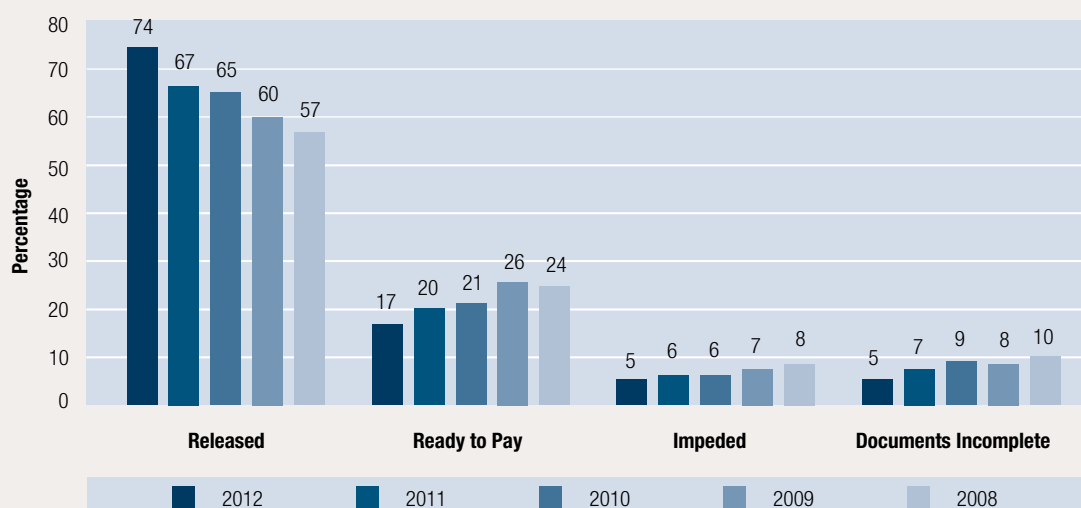
Over the last five years there has been a slight decline (three per cent) in cargo that remains impeded at availability. Continual refinement of Customs and Border Protection's intelligence-led risk-based approach ensures that low risk cargo is facilitated and not impeded unnecessarily.

This is increasingly important in the current environment of cargo volume growth. There is a need to be able to quickly move goods away from port precincts where space is at a premium and congestion is a major issue.

Increasing cargo volumes have seen the emergence of the intermodal model. These are freight terminals situated in less congested locations that act as a staging point for import and export cargo. Intermodal hubs enable cargo to be quickly moved to and from port precincts without having to spend significant time at the actual ports.

The 2012 TRS availability results show that close to three quarters of all sea cargo is released from Customs control by the time it has been discharged from a vessel and is able to leave the wharf. The early submission of accurate and complete documentation is a major contributor to Customs and Border Protection being able to complete risk assessment and release cargo in a timely manner.

Figure 5 Sea cargo – status at availability



Discharge ports

The *State of Australian Cities 2012* report¹ notes that the proportion of the population living in capital cities has steadily increased over the last 40 years. As the primary ports are located within the urban boundary, the increase in cargo volumes, and subsequent transport of freight, has a significant impact on road and rail infrastructure.

The Australian Government, in partnership with State Governments, local councils and industry, are working to respond to the challenges presented by increasing cargo volumes. In recent years, a number of strategies that provide a coordinated approach to port and freight issues have been released or are being developed. These include:

- The *National Ports Strategy*² was released in 2010, to provide a nationally coordinated approach in regards to the planning and development of port infrastructure.
- The recently released *National Land Freight Strategy*³ provides a long term blueprint for an integrated transport system. This strategy recognises the importance of moving goods in and out of the ports by road and rail.

Additionally, port productivity has been the focus of significant attention in the last 15 years. In its annual report of stevedoring productivity⁴, the Australia Competition and Consumer Commission (ACCC) noted the productivity improvements that have taken place since the 1998 waterfront reforms. The ACCC attributes these improvements to workplace reforms and investment in capital equipment.

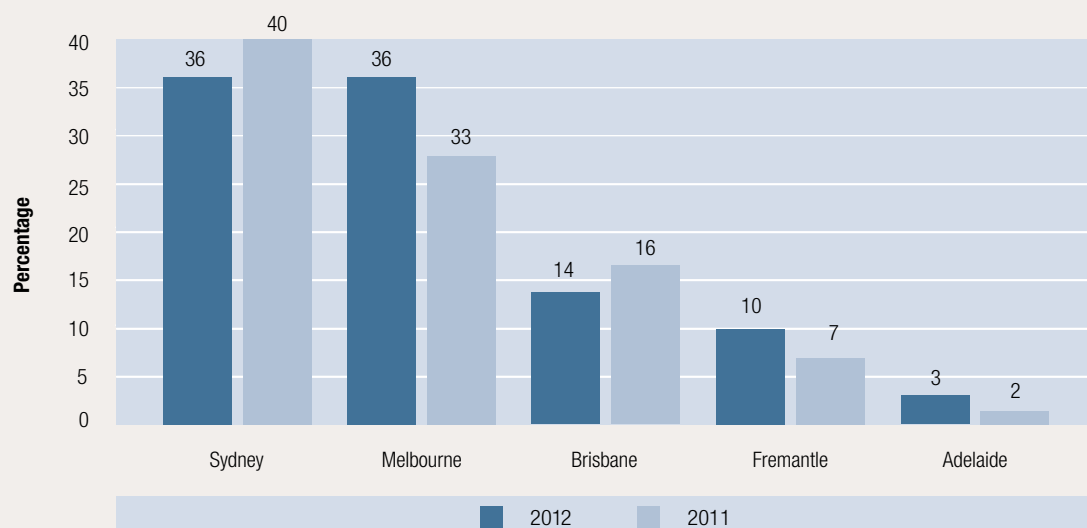
The report highlighted the current and future demand for additional stevedoring services due to increasing cargo volumes. The entrance of new operators in 2013, at both Sydney and Brisbane ports, suggests there may be short term declines in performance as the new terminals are established.

Port performance

In 2012, the majority of the top five ports of discharge have experienced a modest increase in consignment volumes. Sydney and Brisbane have fewer consignments, and as such, a smaller proportion of imports in the TRS week compared to 2011.

A snapshot of individual port performance against the overall 2012 and 2011 average port performance is provided at Table 7, 'Top five ports of discharge sea port comparison'.

Figure 6 Sea cargo – Top five ports of discharge



1 Department of Infrastructure and Transport, December 2012, *State of Australian Cities 2012*

2 Department of Infrastructure and Transport, 2011, *National Ports Strategy*

3 Department of Infrastructure and Transport, 2012, *National Land Freight Strategy: A Place for Freight*

4 Australian Competition and Consumer Commission, October 2012, *Container Stevedoring Monitoring Report No. 14*

Since the first TRS in 2007, the average time between vessel arrival and cargo availability has remained a stable measure, with an interval between 1.2 and 1.5 days. In 2012, the interval between arrival and availability increased to 2.3 days. Across the top five ports, this increase can generally be attributed to FCL and FCX cargo, which account for 82 per cent of all cargo types. For FCL and FCX cargo, the time that these goods became available increased by nearly one day compared to 2011.

Further examination of these results indicates there were one or two days within the TRS week in which there were significant delays in the discharge of cargo. For example, at Fremantle port on 27 and 28 September 2012, average availability times were 5.6 and 3.5 days respectively. Of all the cargo to arrive at Fremantle port in the TRS week, 83 per cent arrived on these two days.

When considering average availability times for the month of September 2012, compared to previous years, there is not a significant decline in performance. Table 6 shows the average availability times for the top five ports over the last five years, for the month of September (expanded from the TRS week in September).

The table illustrates that the average time between arrival and availability for all ports in the month of September was 1.6 days, compared to 2.3 days for the TRS week (refer Table 7). When considering availability over the past five years for the month of September, performance has not significantly declined in 2012.

This indicates that the decline in the average availability time within the TRS week, can be attributed to factors and events specific to the week.

Table 6 Sea cargo – average times from arrival to availability: for the month of September 2008–2012 (days)

Arrival to availability	2012	2011	2010	2009	2008
All ports	1.6	1.9	1.3	1.2	1.3
Adelaide	1.3	1.1	1.3	1.2	1.0
Brisbane	1.3	1.1	1.6	1.0	0.9
Fremantle	2.5	2.1	1.4	1.5	1.8
Melbourne	1.4	1.5	1.1	1.0	1.2
Sydney	1.8	2.5	1.4	1.4	1.4

Table 7 Sea cargo – top five ports of discharge comparison (days)

Discharge port comparison	All ports		2012 port by port performance measurement					Primary responsibility
	2012	2011	ADL	BNE	FRE	MEL	SYD	
Arrival to IAR	-10.5	-11.7	-13.3	-12.6	-6.5	-10.2	-11.0	Ship's agent
Arrival to HBL (lowest level bill)	-9.1	-8.8	-11.8	-9.4	-4.9	-9.5	-9.6	Freight forwarder
Arrival to OBL	-8.8	-8.4	-12.7	-9.6	-4.7	-8.9	-9.1	Shipping company
Arrival to declaration	-4.3	-5.0	-5.0	-4.8	-2.1	-4.4	-4.6	Brokers
Arrival to documents	-4.0	-4.1	-4.6	-4.6	-1.9	-4.1	-4.2	All reporters
Documents to customs unimpeded	0.9	1.0	0.4	0.9	0.7	1.0	0.8	Customs and Border Protection
Arrival to customs unimpeded	-3.1	-3.1	-4.2	-3.7	-1.2	-3.0	-3.4	Consolidated
Arrival to RTP	-2.8	-2.9	-4.0	-3.4	-1.0	-2.8	-3.1	Consolidated
Documents to RTP	1.1	1.3	0.6	1.2	0.9	1.2	1.1	Customs and Border Protection and DAFF Biosecurity
Customs unimpeded to RTP	0.2	0.2	0.2	0.3	0.2	0.2	0.2	DAFF Biosecurity
Arrival to release	-0.4	-0.3	-1.6	-0.9	0.7	-0.4	-0.5	Consolidated
RTP to release	2.4	2.5	2.4	2.5	1.7	2.4	2.7	Brokers
Arrival to clearance	0.2	0.4	-1.1	-0.3	1.5	0.1	0.1	Consolidated
Release to clearance	0.6	0.7	0.5	0.7	0.8	0.6	0.6	DAFF Biosecurity
Arrival to availability	2.3	1.5	0.9	2.0	3.9	2.0	2.4	Stevedores and Reporters
Arrival to discharge (FCL)	1.9	0.9	0.7	1.7	3.7	1.7	1.9	Stevedores
Arrival to discharge (FCX)	1.9	1.0	0.9	2.2	2.8	1.8	2.0	Stevedores
Arrival to unpack (LCL)	4.2	4.3	3.1	3.9	6.0	3.4	4.7	Reporters
Arrival to discharge (break-bulk)	2.1	3.3	1.3	2.4	0.6	1.4	N/A	Stevedores
Arrival to discharge (bulk)	2.3	2.4	1.7	3.0	3.1	1.8	2.3	Stevedores

Top ten countries of loading by port

For the first time in the TRS series, the top ten countries of loading are considered for each of the primary ports. Figures 7 to 11 identify the top ten countries where goods are loaded, to be discharged at Sydney, Melbourne, Brisbane, Fremantle and Adelaide ports.

In total, goods arriving during the TRS week were loaded on to ships in 89 countries. Around 40 per cent of these goods were loaded onto ships at Chinese ports.

Consignments that are loaded in China, the US and Thailand are discharged at all five Australian ports. Generally, the loading countries are quite similar for each of the ports, with most loading countries discharging goods at three or more ports. The only port that differs to this is Adelaide, which is the only port to discharge goods loaded in India, Italy and Qatar.

Figure 9 Brisbane port – top ten loading countries

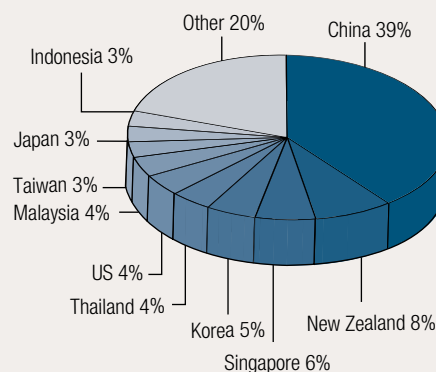


Figure 7 Sydney port – top ten loading countries

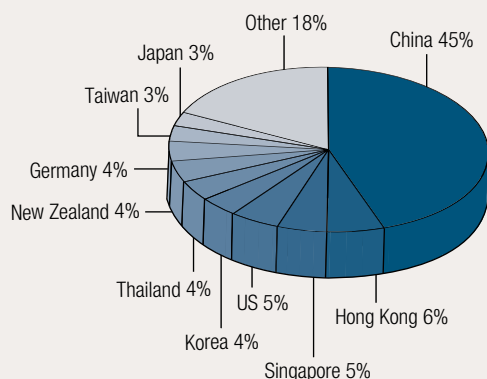


Figure 10 Fremantle port – top ten loading countries

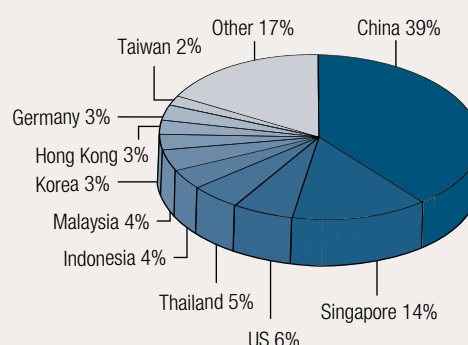


Figure 8 Melbourne port – top ten loading countries

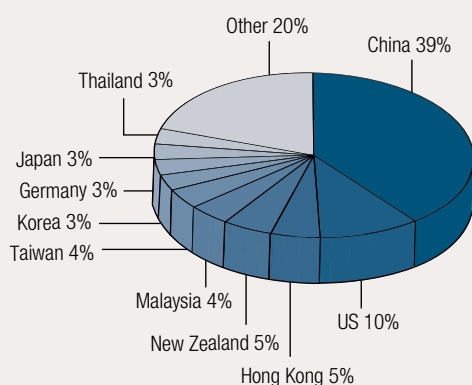
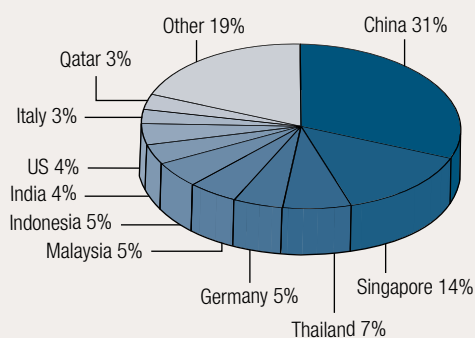


Figure 11 Adelaide port – top ten loading countries



Gate-out

The measure for gate-out identifies the average time between containerised cargo being discharged from a vessel (progressive discharge), to the time it 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 four ports – Sydney, Melbourne, Brisbane and Fremantle (73 per cent of the total TRS population).

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

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

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

There was an improvement in average gate-out times in 2012 for all ports. FCL and LCL cargo left the wharf around seven hours earlier this year, compared to 2011. FCL accounts for the majority of consignments (81 per cent) within the gate-out population, while FCX and LCL account for two and 16 per cent respectively.

By the time of gate-out, over 95 per cent of FCL and FCX cargo has completed all Customs formalities including payment of any tax and duty. This is an identical result to 2011.

Prior to LCL cargo becoming available, it is required to move underbond to a Customs licensed premises for deconsolidation. As a result, importers of this cargo type often take longer to complete import formalities including payment.

By the time of gate-out, 43 per cent of LCL cargo is ready to be paid for, while 20 per cent remains of interest to the border agencies, or have reporting obligations still to be met.

Of the four ports, Melbourne and Sydney both have an average gate-out time of 2.1 days. This extends to 2.5 days for Brisbane and 2.7 days for Fremantle.

These results illustrate that even when availability times for cargo decline, other activities within the port continue to support the timely movement of cargo.

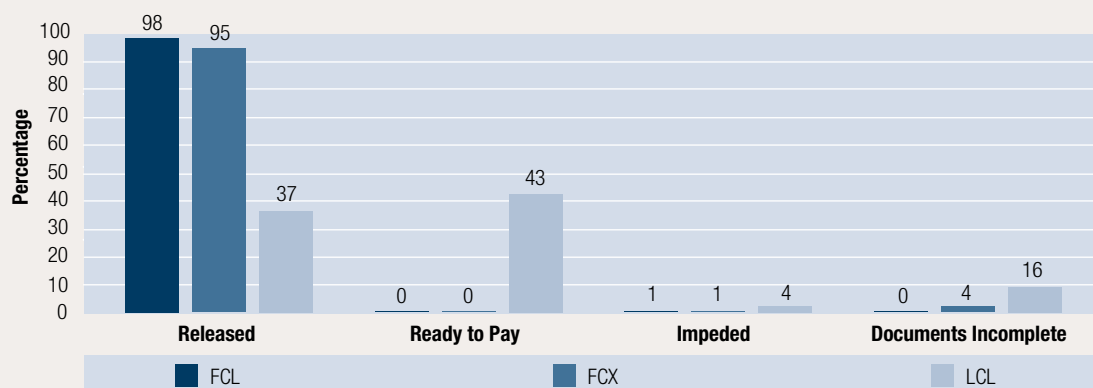
Follow up from the 2011 TRS

One finding in the 2011 TRS was that at the time of gate-out, a substantial amount of FCL and FCX cargo had received approval to move underbond. However, these goods had been released by Customs and Border Protection and were not required to move underbond. Further analysis of the result suggested two reasons for this:

- Within this population, a high proportion of cargo is located at one specific stevedore terminal. Due to congestion issues, underbond movements are requested to move cargo to a nearby licensed premises.
- Consultation indicates that underbond movements are requested to provide surety that cargo will be able to move from the wharf once it becomes physically available.

In a number of circumstances, importers are requesting permission to move FCL and FCX cargo underbond without needing to. It is likely that if both the cargo report and import declaration are submitted in a timely manner, the border agencies will make a risk determination on the cargo before the cargo is physically ready to depart the wharf.

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



Cargo type

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

Cargo type	All types	FCL	LCL	FCX	B/B	BLK
% of cargo lines	100	80	16	2	2	>1
Documents	-4.0	-4.4	-1.8	-2.8	-3.4	-4.0
Customs unimpeded	-3.1	-3.7	-0.4	-1.4	-2.7	-3.6
Ready to pay	-2.8	-3.4	-0.3	-1.2	-1.7	-3.2
Availability	2.3	1.9	4.2	1.9	2.1	2.3
Release	-0.4	-1.2	3.2	0.0	0.1	-2.7
Clearance	0.2	-0.4	3.4	0.4	1.1	-2.3

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

FCL cargo

Overall, FCL cargo continued the trend of strong performance demonstrated over the last few years. Against the six primary measures, FCL performed better than the average for all cargo types.

Compared to 2011, small improvements were made in the time taken for cargo to be unimpeded, ready to pay, released and cleared. Lodgement of documents was slower in 2012, but this was only a marginal decline.

The only notable decline for FCL cargo was in the average availability time, which declined by one day. As FCL cargo accounts for 80 per cent of all consignments, delays in the availability time for this cargo type have a significant impact on the average availability time for all cargo types.

The most commonly imported FCL items include toys, upholstered furniture and ceramic tiles.

LCL cargo

Small importers account for the highest proportion (40 per cent) of LCL cargo. The results for LCL cargo over the last five years have demonstrated that although small importers tend to report and pay for goods later than other importers, they have recorded some of the most significant improvements in their average times.

However, in 2012 this changed for the first time, with performance for small importers declining in all measures except for availability, which improved by a couple of hours. Goods are reported half a day later this year compared to 2011. The results for unimpeded, ready to pay, release and clearance identified a similar decline.

When there is a delay in the reporting of goods, this can create further delays throughout the import process.

Without full reporting, risk assessments cannot be completed, meaning goods remain impeded. There may also be delays in determining the applicable duties, taxes and charges.

FCX cargo

FCX cargo refers to containers with consignments on multiple bills of lading for a single consignee. The most common items imported as FCX cargo include toys, clothes, lamps and light fittings.

In 2012, there was a general decline in performance of FCX cargo. Documents were lodged more than half a day later than in 2011, and goods were cleared 0.2 of a day later. Only arrival to release remained stable from the previous year.

Break-bulk cargo

The results for break-bulk cargo were mixed. While document lodgement, unimpeded and ready to pay times all declined compared to 2011, goods were available, released and cleared faster in 2012. Of all cargo types, break-bulk had the most improved average availability time, 1.2 days better than a year ago.

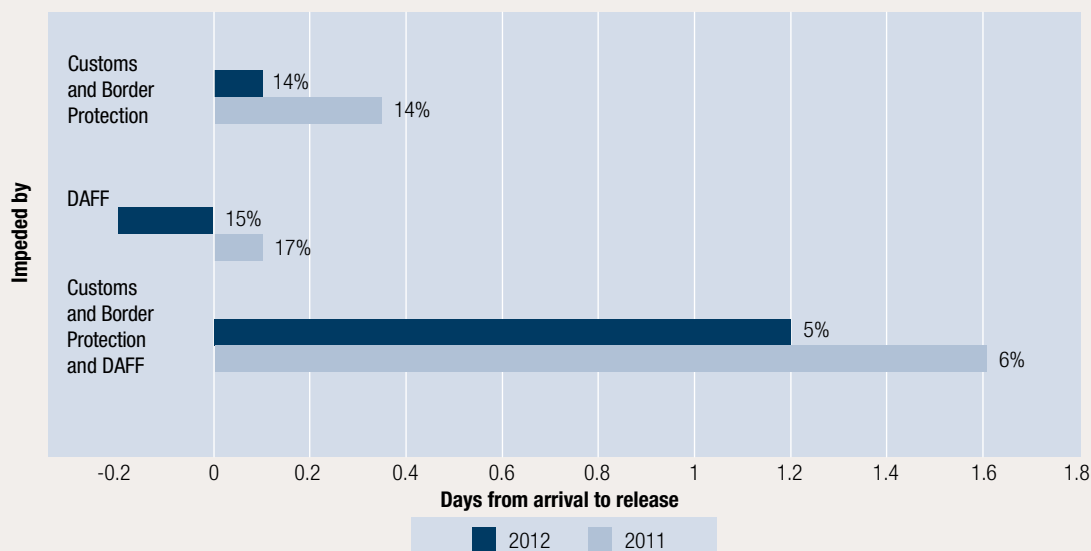
Around 70 per cent of break-bulk cargo is imported by large importers, with medium and small importers accounting for nine and 23 per cent of consignments respectively.

Bulk cargo

Performance of bulk cargo, which consists of non-containerised goods such as gas, grains and ores, declined in 2012. Of all five cargo types, results for bulk cargo have varied the most over the past few years. For example, complete reporting of goods has ranged from between four and six days before arrival. Similarly, clearance of bulk cargo has ranged from three days after arrival, to four days before arrival.

Impeded cargo

Figure 13 Sea cargo – impeded cargo (2011–2012)



The proportion of cargo of interest to one or both border agencies has remained steady over the last few years, with no notable changes.

Of the total TRS population, 34 per cent of consignments are of interest to one or both agencies. This equates to just over 12,000 consignments that have some form of impediment, ranging from a lack of complete reporting of goods, to goods that require intervention such as inspection or biosecurity treatment.

In 2012, by the time that goods became available, many of these consignments had completed all border formalities and only ten per cent remained impeded. Compared to 2011, there were fewer consignments that remained of interest to the border agencies at arrival, availability and release. Overall, within this population in 2012 impediments were lifted earlier than in the previous year.

Customs and Border Protection and the Department of Agriculture, Fisheries and Forestry (DAFF) are responsible for different border risks and the nature and duration of interventions differ. Only a small proportion of goods (five per cent) require some level of intervention by both border agencies. These goods remain of interest for the longest period of time, however, processing times improved in 2012 by nearly half a day compared to the previous year.

In relation to importer size, large importers account for 56 per cent of consignments of interest to one or both border agencies. Medium importers account for 27 per cent and small importers 17 per cent.

For small importers, although they only account for 14 per cent of the overall population within the TRS week, they have a slightly higher proportion of consignments impeded by border agencies.

As noted in the Status at Arrival and Availability sections, small importers have the highest proportion of incomplete documentation at the time of these two measures. Consignments that are not fully reported, meaning Customs and Border Protection and DAFF are unable to complete risk assessment processes, contribute to a status of impeded.

In December 2012, DAFF published a TRS⁵ covering the years 2008–2012. The report highlighted that compliance with biosecurity requirements had a significant effect on release times⁶.

Additionally, it notes that rural tailgates and unpacks were the most common types of sea cargo inspections in 2011–12. Often, time spent waiting for goods or commercial inspection facilities to become available contributes greatly to the time it takes for goods to be free from biosecurity interest.

⁵ Department of Agriculture, Fisheries and Forestry, December 2012, 2008–12 Imported Cargo Processing, A DAFF Time Release Study

⁶ There are a number of design differences between DAFF and Customs and Border Protection's TRS. For example, DAFF considers data for a financial year and includes measurement of intervals specific to DAFF functions.

Importer size

Importer size plays a major role in trade facilitation performance, as evidenced by a number of sections within the TRS. Using the total declared value of goods imported during a 12 month period (1 October 2011 to 30 September 2012 to align with the TRS week), importers are categorised as a small, medium or large importer:

Small – imported goods to a total value of AUD 1 million or less in 2012

Medium – imported goods neither large nor small

Large – imported goods to a total value of AUD 20 million or more in 2012

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

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

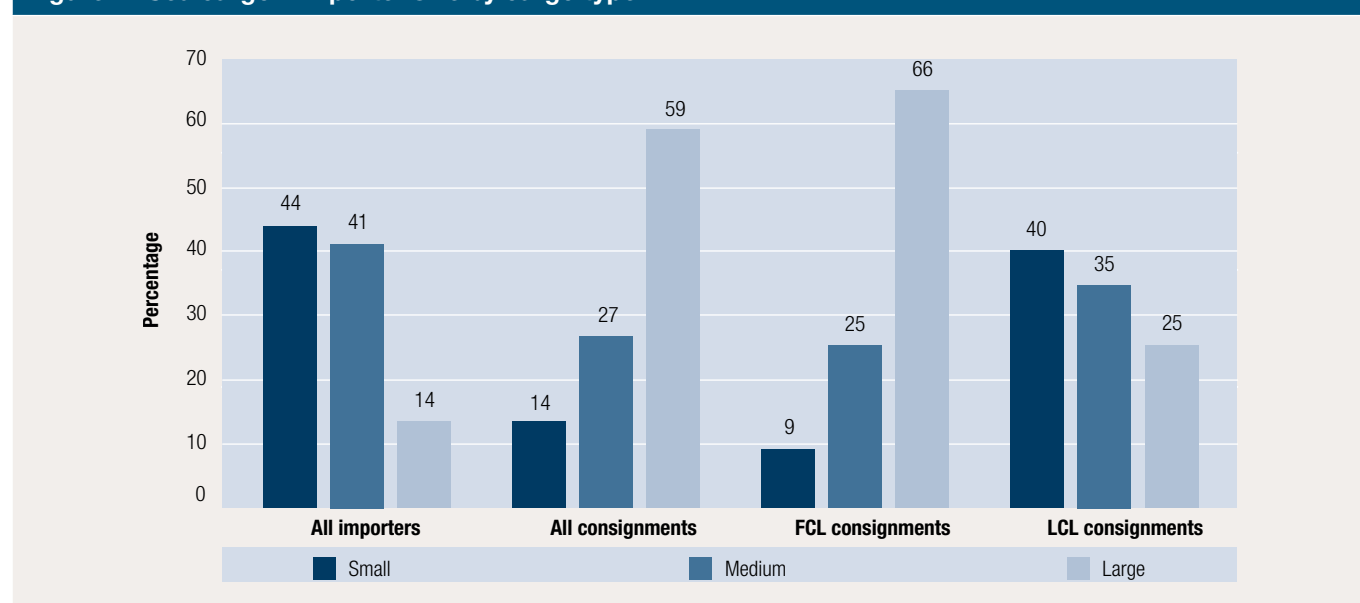
The proportion of importers in each category remained relatively consistent in 2012 when compared with 2011. Small and medium importers account for the highest proportion of importers (85 per cent), however, combined they are only responsible for 41 per cent of the total consignments imported.

Large importers, who import a high proportion of FCL cargo, also account for nearly 60 per cent of all imports.

Table 10 Sea cargo – importer size and activity

Consignments	2012			2011		
	Small %	Medium %	Large %	Small %	Medium %	Large %
All importers	44	41	14	44	42	15
All consignments	14	27	59	14	27	59
FCL consignments	9	25	66	9	26	65
LCL consignments	40	35	24	41	35	24

Figure 14 Sea cargo – importer size by cargo type



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

The results for importer size continue to reflect the overall trends for average sea cargo clearance times.

Similar to the overall average times, the measurement which has a significant decline when compared to 2011 is availability. Across all importer groups, there is a decline in the average time that goods become available. As noted in the Ports section, this appears to be related to a few specific events within the TRS week, rather than an ongoing decline.

The next section examines the year-on-year importer size performance for each importer group in closer detail.

Small importers

Small importers account for 44 per cent of all importers in 2012 and they continue to import a high proportion of LCL consignments. Reporting performance has declined by a few hours, with a corresponding decline in the time taken for the border agencies to complete risk assessment processes.

Despite these results, consignments for small importers continue to be paid for and have all border formalities completed earlier than in previous years. Consequently, goods are released and cleared within three and a half days of arrival.

Table 11 Sea cargo – small importer performance (days)

Interval	2012	2011	2010	2009	2008
Documents	-2.1	-2.3	-1.1	-1.6	-0.7
Customs unimpeded	-0.5	-0.7	0.4	-0.3	0.7
Ready to pay	-0.2	-0.4	0.6	-0.1	0.9
Availability	3.1	2.5	2.3	1.8	2.2
Ready to pay to release	3.1	3.4	2.7	2.8	2.8
Release	2.9	3.0	3.3	2.7	3.6
Clearance	3.5	3.7	4.0	3.5	4.4

Medium importers

Table 12 Sea cargo – medium importer performance (days)

Interval	2012	2011	2010	2009	2008
Documents	-3.7	-3.8	-2.7	-3.0	-2.4
Customs unimpeded	-2.7	-2.6	-1.7	-2.2	-1.5
Ready to pay	-2.5	-2.5	-1.5	-2.0	-1.4
Availability	2.5	1.6	1.4	1.2	1.4
Ready to pay to release	3.1	3.1	2.8	2.8	2.9
Release	0.6	0.7	1.3	0.8	1.6
Clearance	1.2	1.4	1.9	1.6	2.4

In 2012, 41 per cent of importers fall into the medium size category, importing 27 per cent of all goods. The performance results for medium importers closely mirror the 2011 results, except for the average availability time which declined in line with the overall average times.

Since 2008, medium importers have improved their reporting performance by nearly one and a half days. The average time when goods become free of border agency interest and cleared for entry into home consumption have improved at a similar rate.

Large importers

Businesses that imported goods with a total value of \$20 million or more in 2012 account for 14 per cent of all importers. Large importers continue to achieve the best performance figures of the three categories. The 2012 results for large importers identify minor declines in measures such as document lodgement, release and clearance, with the only significant decline in availability. These results closely reflect the overall trends for all cargo.

Table 13 Sea cargo – large importer performance (days)

Interval	2012	2011	2010	2009	2008
Documents	-4.5	-4.7	-3.6	-3.9	-3.8
Customs unimpeded	-3.8	-3.8	-3.0	-3.4	-3.1
Ready to pay	-3.6	-3.6	-2.8	-3.1	-2.9
Availability	2.0	1.2	1.0	0.9	1.0
Ready to pay to release	2.0	2.0	1.9	2.0	2.0
Release	-1.7	-1.5	-0.9	-1.1	-0.9
Clearance	-1.0	-0.8	-0.2	-0.5	-0.1



Importer compliance with legislative reporting timeframes

This year importer compliance with legislative reporting timeframes⁷ is again examined for sea cargo, with additional analysis provided based on importer size.

The legislative timeframe for lodgement of sea cargo reports and declarations include:

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

Electronic reporting within the prescribed timeframes is a statutory requirement and there are penalties associated with non-compliance.

In 2012, the proportion of cargo reports and import declarations lodged late is slightly higher compared to the previous year. Similar to 2011, more import declarations are lodged late than cargo reports.

Further analysis was undertaken to look at late reported import declarations for both FCL and LCL consignments. For FCL consignments in the 2012 TRS week, there is a slight decline (one per cent) in the number of FCL consignments reported late compared to 2011. For LCL consignments, there is a four per cent increase in the number of late reported import declarations.

⁷ In the Annual Report, Customs and Border Protection records the proportion of air and sea cargo bills reported in line with legislated timeframes. The Annual Report figures are calculated for the financial year and include all bills. The TRS is based on a sample week and includes only the lowest level bills, to provide information at the consignment level.

Table 14 Sea cargo – importer compliance with legislative reporting timeframes

Report	2012 Late %	2011 Late %
Cargo Report	6	5
Small	27	26
Medium	29	28
Large	44	46
Import Declaration	8	6
Small	31	33
Medium	28	29
Large	40	38

During 2012, Customs and Border Protection undertook a campaign program, along with education initiatives, relating to late reporting of FCL cargo. Similar initiatives are planned for LCL cargo.

Every consignment requires an import declaration. The value of goods, or how the goods are treated post arrival, determines the type of entry used to declare goods. The types of entries include:

- Declaration (self assessed clearance) – lodged for goods under \$1,000, commonly alcohol and tobacco products which attract duty and taxes. Known as a SAC Dec.
- Nature 10 – most common form of declaration, where goods are immediately entered into home consumption. Duty and GST are required to be paid and all border formalities complete before goods are cleared. Known as a N10.
- Nature 20 – where goods are moved to a warehouse following arrival at an Australian port. Full reporting of the goods is required, however, duty and GST is not required to be paid until the goods are ready to be moved from a warehouse and entered into home consumption. Known as a N20.
- Nature 10/20 – in the event that a single consignment contains a mixture of goods to be immediately entered for home consumption, as well as goods to be moved to a warehouse, a Nature10/20 (N10/20) enables a single communication to Customs and Border Protection and DAFF.

Overall, up to 98 per cent of goods are entered on a N10, with only a minor proportion of goods entered for warehousing.

Tables 15, 16 and 17 provide a breakdown of late reporting based on the type of declaration made, by importer size.

Small importers

Small importers account for 14 per cent of all consignments imported within the TRS week. Within this population, 13 per cent of cargo reports and 17 per cent of import declarations are reported late. Of the three importer groups, small importers have the highest incidence of late reporting of N10s.

Nearly half of all N10/20s and N20s are reported late, however, very few of these types of declarations are lodged by small importers. Of the three importer groups, small importers lodge the highest number of SAC Decs.

Table 15 Sea cargo – small importers: late lodgement of cargo reports and import declarations

	Number of consignments	Number of late cargo reports	Number of late import declarations
SAC dec	58 (1%)	15 (26%)	21 (36%)
N10	4,983 (99%)	627 (13%)	846 (17%)
N20	4 (0%)	0 (0%)	2 (50%)
N10/20	11 (0%)	1 (9%)	5 (45%)

Medium importers

In the TRS population, medium importers are responsible for 27 per cent of all consignments. When these goods are reported, seven per cent of cargo reports and eight per cent of import declarations are reported late.

Of all entry declarations lodged by medium importers, 99 per cent are N10s. Of the remaining types, N20s account for the highest number of entries lodged. For these goods that are being moved to a warehouse, 30 per cent of the import declarations are late reported.

Table 16 Sea cargo – medium importers: late lodgement of cargo reports and import declarations

	Number of consignments	Number of late cargo reports	Number of late import declarations
SAC decs	11 (0%)	3 (27%)	2 (18%)
N10	9,835 (99%)	691 (7%)	840 (9%)
N20	46 (0%)	3 (7%)	14 (30%)
N10/20	5 (0%)	0 (0%)	2 (40%)

Large importers

Of the three importer groups, large importers have the highest number of documents reported late, however, large importers also account for the largest proportion of importations (59 per cent). In percentage terms, large importers have the lowest incidence (five per cent) of late reporting when compared with the overall number of consignments they report.

Where goods are moved to a warehouse, they are more likely to be reported late compared to those that are reported on a N10 and immediately entered into home consumption.

Table 17 Sea cargo – large importers: late lodgement of cargo reports and import declarations

	Number of consignments	Number of late cargo reports	Number of late import declarations
SAC decs	8 (0%)	1 (13%)	2 (25%)
N10	21,703 (98%)	1,025 (5%)	1,400 (6%)
N20	300 (1%)	31 (10%)	45 (15%)
N10/20	73 (0%)	0 (0%)	1 (1%)

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

Over the last five years, the same countries have consistently appeared in the list of Australia's top ten trading partners (Table 18). These countries account for more than 77 per cent of all goods imported into Australia in 2012, a two per cent increase compared to the previous year. The majority of the top ten trading partners are Asia-Pacific countries.

The importance of the Asian region to Australia's future prosperity is identified in the *Australia in the Asian Century White Paper*⁸ released in October 2012. The White Paper identifies the need to continue to reduce barriers to trade, through existing forums such as the World Trade Organisation and through bilateral engagement.

Free Trade Agreements (FTAs) form an important part of Australia's regional engagement and continued development of FTAs is noted as a key pathway in the White Paper. Of the top ten trading partners, Australia has a bilateral FTA with nearly half of these countries, while a further three are currently being negotiated.

In 2012, 43 per cent of goods imported into Australia were from China. This is a five per cent increase from 2011. Over the past five years, the proportion of imported goods from China has risen by almost ten per cent.

The United States frequently accounts for the second highest proportion of goods imported into Australia. Although only accounting for four per cent of consignments overall in 2011, in 2012 goods originating from the United States increased to seven per cent.

Importers sourcing goods from Germany, Japan, Thailand and Korea complete reporting requirements ahead of the average of four days before arrival.

As a result of early reporting, which enables border agencies to process cargo more efficiently and effectively, goods from these countries (with the exception of Japan) are released and cleared at least half a day before arrival.

The average times from arrival for the top ten trading partners are detailed in Table 19.

Table 18 Sea cargo – country of origin: Australia's top ten trading partners by sea

Country of origin	Number of consignments	Percentage
ALL	37,122	100
China	15,784	43
United States	2,489	7
New Zealand	1,655	4
Thailand	1,570	4
Korea	1,382	4
Japan	1,251	3
Hong Kong	1,227	3
Malaysia	1,186	3
Germany	1,102	3
Taiwan	1,077	3

Notes:

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

⁸ Australian Government, October 2012, *Australia in the Asian Century White Paper*

Table 19 Sea cargo – country of origin: average times from arrival (days)

Country of origin	Documents	Unimpeded	RTP	Availability	Release	Clearance
ALL	-4.0	-3.1	-2.8	2.3	-0.4	0.2
China	-3.7	-3.0	-2.8	2.3	-0.3	0.0
United States	-3.7	-2.2	-1.9	1.9	0.0	1.0
New Zealand	-2.1	-1.5	-1.4	1.9	-0.1	0.5
Thailand	-5.0	-4.4	-4.1	2.8	-1.8	-0.6
Korea	-5.5	-4.5	-4.4	2.2	-0.8	-0.5
Japan	-4.7	-3.8	-3.6	2.1	-0.5	0.4
Hong Kong	-2.4	-1.3	-1.2	3.2	1.3	1.7
Malaysia	-3.7	-2.9	-2.8	2.5	-1.0	-0.8
Germany	-5.4	-4.3	-4.1	2.4	-1.0	-0.5
Taiwan	-3.0	-2.2	-2.1	3.1	0.4	0.5

Cargo pathway

The means used to convey goods to Australia, as well as the pathway that journeys take, have implications for the border agencies and industry alike. For the border agencies, there may be risks where cargo stops in multiple ports before reaching an Australian port which need to be taken into account when risk assessing goods.

After leaving the country of export, goods may need to be transferred from one vessel to another in order to complete the journey, or the goods may be required to be repacked or consolidated during the journey.

When goods move through multiple ports en route to Australia, importers are required to reference these ports on the cargo report. This allows the 'cargo pathway' of the goods to be identified.

This section, new in 2012, examines the performance of goods that, after leaving the country of origin, move through one or more overseas ports before arriving at an Australian port.

Table 20 Sea cargo – average times from arrival: cargo pathway consignments (days)

Interval	2012 (all cargo)	2012 (cargo pathway consignments)
Documents	-4.0	-3.9
Customs unimpeded	-3.1	-3.3
Ready to pay	-2.8	-3.0
Availability	2.3	2.1
Release	-0.4	-1.0
Clearance	0.2	-0.4

Of all consignments in the 2012 TRS week, approximately 13 per cent moved through an overseas port after leaving the country of origin and prior to arrival in Australia.

The results for this population reveal that there is minimal difference in the performance of cargo that travels to an Australian port direct from the country of export and cargo that is moved through one or more ports.





Air Cargo Results – Imports

Air cargo volume for 2012

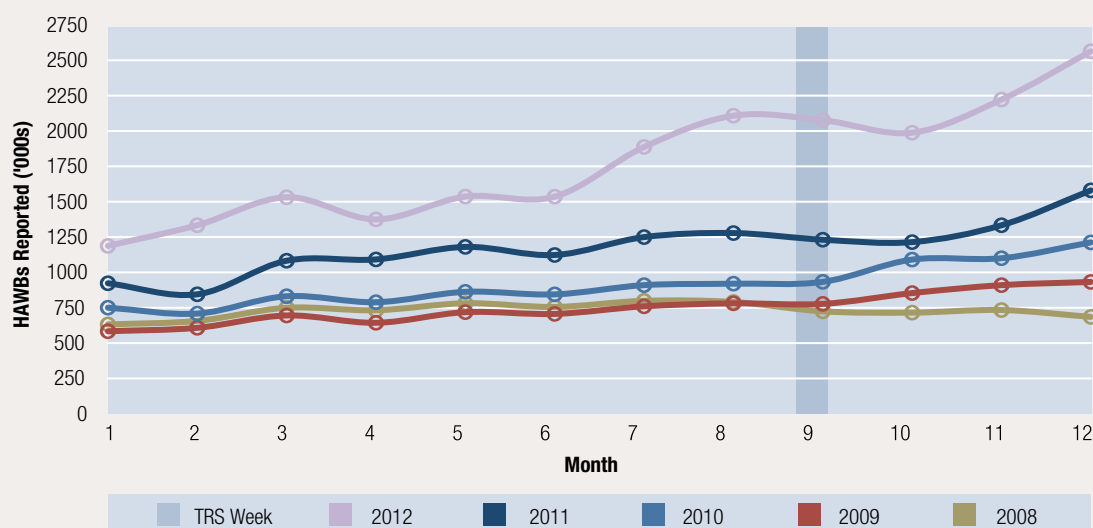
In the past five years air cargo volumes have been steadily increasing. This trend continues in 2012, with a record 36 per cent growth in the number of consignments imported by air in the TRS week, when compared with 2011.

The lowering of trade barriers, through the implementation of agreements such as FTAs, is likely contributing to increasing volumes. The continuing growth in online

shopping by individual consumers, where goods are generally transported by air, is also a contributing factor.

Figure 15 shows the total number of cargo reports at the House Air Waybills (HAWBs) level per month for the previous five years. The vast majority of air cargo is consolidated with individual consignments reported on a cargo report at the HAWB level. Therefore, the number of reported HAWBs provides a sound indicator of total activity.

Figure 15 Air cargo – volume (2008–2012)



Note:

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

Performance by declaration type

Table 21 Air cargo – performance by declaration type (hours)

	2012			2011		
Service type	All	SAC	Declaration	All	SAC	Declaration
% of cargo lines	100	90	10	100	85	15
Arrival to documents	-1	-4	18	-1	-4	14
Arrival to customs unimpeded	7	5	24	6	4	18
Arrival to ready to pay	8	6	25	7	4	19
Arrival to availability	72	75	42	30	30	27
Arrival to release	8	6	30	7	4	23
Arrival to clear	8	6	32	7	4	24

The performance of air cargo in 2012 is similar to the previous year, which is impressive noting the significant volume increases. The number of goods reported on a self-assessed clearance (SAC) declaration is five per cent higher this year than the same period in 2011. The simplified reporting requirements for SACs ensure that reporting, release and clearance times are better in comparison to full import declarations.

The results demonstrate that business practices relating to the processing of import documentation and payment are being streamlined and becoming more efficient in order to meet the increasing import volumes.

The only measure in which there is a decline in performance is the average availability time. In 2012, it took almost an extra two days for goods to become available compared to 2011.

Follow up from the 2011 TRS

Following the 2011 TRS, consultation was conducted to understand the reasons for increasing availability times.

Feedback suggests it is a range of factors that contribute to these results; however, the significant increase in air cargo volumes is a primary factor.

Industry members also noted that there are a number of parties involved in the movement of cargo once a plane has landed at an Australian airport. One delay in the supply chain may have a compounding affect for later parties; as a result it takes longer for a consignment to become available.

Cargo status

Status at arrival

The significant increases in air cargo volumes pose many challenges for importers, cargo reporters, transporters, border agencies and other government bodies.

There are a number of Government initiatives to address issues relating to the movement and storage of imported goods, such as the National Land Freight Strategy. The border agencies are committed to refining processes to improve cargo facilitation. In cooperation with industry, these initiatives will continue to provide benefits to importers through improved cargo release performance.

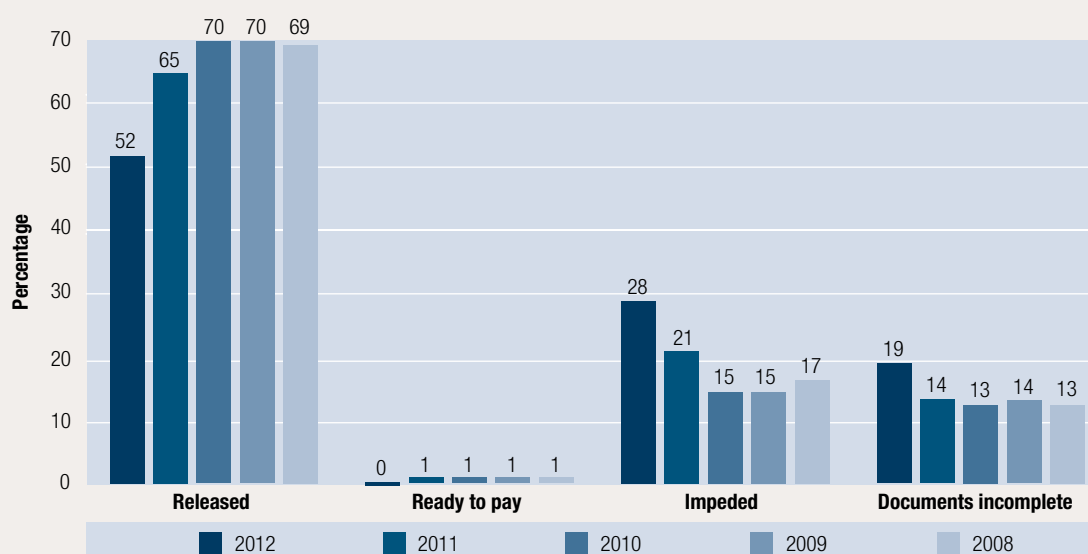
In 2012, the proportion of goods released from Customs control by the time of arrival declined. Although this

proportional decline appears to be serious (13 per cent decline), in fact there were 13,000 more consignments released at arrival when compared to 2011.

With this proportionate decline, there was a corresponding increase in the number of consignments that were of interest to one or both border agencies, or were not fully reported.

Further analysis of these results indicates that performance declines may be attributable to either new industry entrants, or industry members who significantly grew their business in 2012. It is anticipated that performance will improve as these members refine and enhance their business and reporting practices

Figure 16 Air cargo – status at arrival (2008–2012)

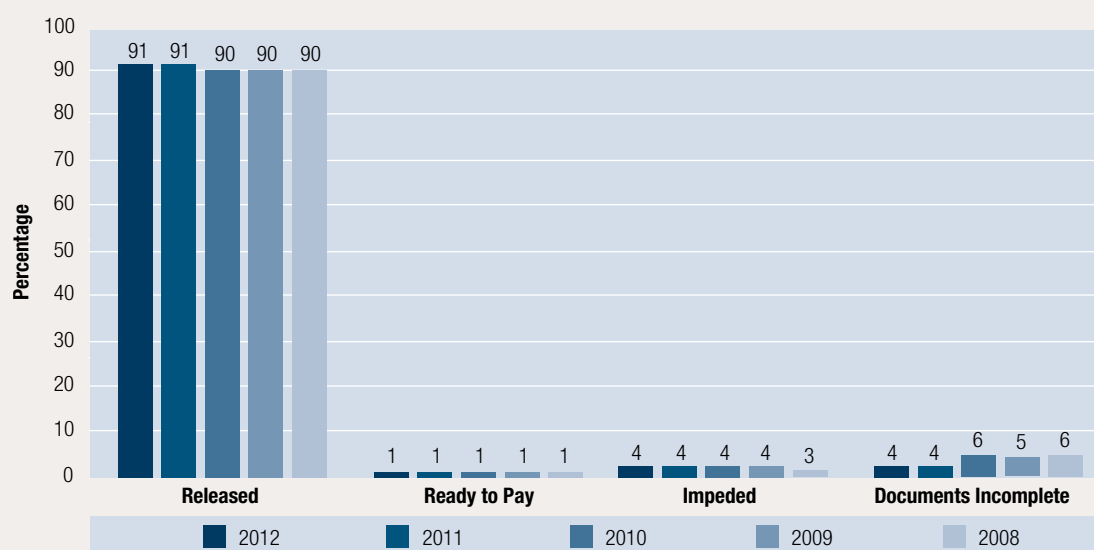


Status at availability

The status of goods at the time they become physically available for delivery has remained steady over the past five years. Noting the fluctuations in the status at arrival results this year, this is a positive result.

Of all air cargo imported during the TRS week, 92 per cent is free of border agency interest and either paid for, or ready to pay, by the time that goods are available. Only four per cent remains of interest to either Customs and Border Protection or DAFF, while a further four per cent has outstanding reporting obligations.

Figure 17 Air cargo – status of availability (2008–2012)



Impeded cargo

The air cargo environment is characterised by short timeframes, which present challenges for border agencies to identify and intervene in high risk consignments. As cargo volumes continue to increase, Customs and Border Protection and DAFF continue to make refinements to risk management processes to ensure our approach is both flexible and responsive.

The proportion of cargo of interest to Customs and Border Protection remains consistent with 2011, despite the increase in air cargo volumes. By the time the goods are available, the impediment is resolved for more than 80 per cent of these consignments.

Compared to 2011, the average time from arrival to release increased slightly. This result is not surprising, noting the higher proportion of goods not fully reported at arrival, as identified in the 'Status at arrival' section. Factors such as early and complete reporting influence the ability of Customs and Border Protection to complete risk assessment processes.

In recent years, a key focus for DAFF has been the refinement of their risk based assessments, to ensure the highest risk consignments are identified for intervention activities. The results indicate the effectiveness of these refinements, with a decline in the proportion of cargo of interest to DAFF in 2012 when compared with 2011.

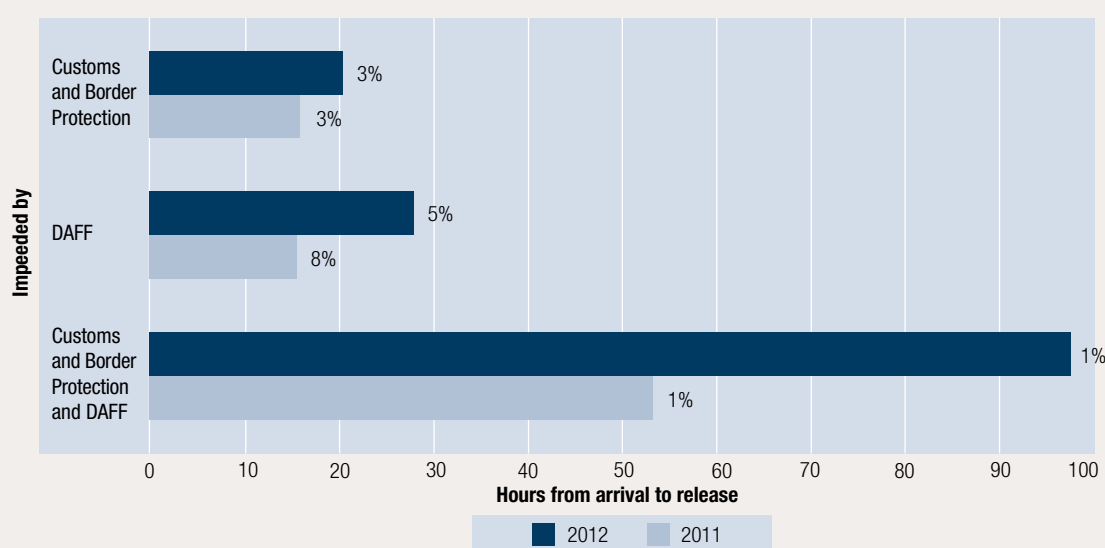
Similar to the results for Customs and Border Protection, the average time taken to lift the impediment has increased however, this is a likely consequence of the higher volumes of air cargo. By the time that goods are available, 93 per cent of consignments are no longer impeded by DAFF.

The proportion of goods of interest to both border agencies is less than one per cent in 2012. Due to the increase in air cargo volumes however, there was an actual increase of 10 per cent in the number of consignments impeded.

With more consignments being impeded, and therefore requiring some level of intervention, it took longer in 2012 for the impediment to be lifted compared to 2011.

DAFF and Customs and Border Protection have different risk assessment and intervention processes, including physical inspections of goods, based on the nature of the risk and the type of goods. The different processes mean that the time cargo spends under the control of the border agencies is longer than if only one border agency is interested in the cargo.

Figure 18 Air cargo – impeded cargo (2011–2012)



Express and general air cargo

In 2012, there is a significant shift in the proportion of consignments reported by general providers compared to express carriers.

To further explore this result, consignments for the entire month of September 2012 have been examined, along with a multi-year trend analysis.

This analysis shows that for both the TRS week and the month of September 2012, consignment volumes for general providers have increased substantially since the same periods in 2011. For the month of September, this represents a 175 per cent increase from 2011 to 2012, primarily of SAC reported goods.

Performance by express carriers declined in almost all categories, including unimpeded, ready to pay

and clearance. For consignments reported on a SAC (90 per cent of express carrier consignments) there was generally only a three hour decline in average times, except for availability.

For general providers, compared to 2011 there is an overall improvement in performance (between five and 12 hours) across all measures except for availability (a decline of nearly two days). There is a marked increase in the number of consignments reported on a SAC by general providers in 2012. For these consignments, performance against all measures is improved, except for availability.

As noted previously, the sharply increasing air cargo volumes are leading to delays in the physical processing of cargo, resulting in delays in cargo becoming available.

Table 22 Air Cargo – 2012 performance by service type average from arrival (hours)

Service Type	All	Declaration	SAC	Express	Declaration	SAC	General	Declaration	SAC
% of cargo lines	100			47			53		
Documents	-1	18	-4	-3	13	-5	0	22	-2
Customs unimpeded	7	24	5	3	19	1	10	28	8
Ready to pay	8	25	6	3	21	2	11	29	9
Availability	72	42	75	51	53	51	90	34	96
Release	8	30	6	4	23	2	12	36	9
Clear	8	32	6	4	23	2	12	39	9

Table 23 Air Cargo – 2011 performance by service type average from arrival (hours)

Service Type	All	Declaration	SAC	Express	Declaration	SAC	General	Declaration	SAC
% of cargo lines	100			72			28		
Documents	-1	14	-4	-4	8	-5	5	20	0
Customs unimpeded	6	18	4	0	12	-2	21	24	20
Ready to pay	7	19	4	1	13	-1	22	25	21
Availability	30	27	30	22	24	22	49	31	56
Release	7	23	4	1	14	-1	24	32	21
Clear	7	24	4	1	15	-1	24	35	21

Compliance with legislative reporting timeframes by service type

Information that is reported to the border agencies about imported goods, including what the goods are, how they are travelling to Australia and who is responsible for them, forms the basis of risk assessment processes. Without the required information, goods will not be cleared by the border agencies for entry into home consumption.

For the first time in the TRS series, compliance with the legislative reporting timeframes⁹ is examined for air cargo by service type.

The legislative timeframe for lodgement of air cargo reports and declarations include:

- 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 working day of Customs, 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.

Table 24 Air cargo – compliance with legislative reporting timeframes

Report	2012 Late %	2011 Late %
Cargo report	7	6
Express carrier	3	2
General provider	10	4
Import declaration	2	2
Express carrier	1	1
General provider	2	2

Of all air cargo reports lodged in the 2012 TRS week, seven per cent were reported late, an increase of one per cent compared to the previous year. General providers accounted for a higher proportion of late cargo reports (ten per cent) compared to express carriers (three per cent).

⁹ In the Annual Report, Customs and Border Protection records the proportion of air and sea cargo bills reported in line with legislated timeframes. The Annual Report figures are calculated for the financial year and include all bills. The TRS is based on a sample week and includes only the lowest level bills, to provide information at the consignment level.

Only a very small proportion of import declarations (two per cent) were reported late. Compliance with reporting timeframes for import declarations remained similar to 2011.

The results have been further broken down by declaration type within carrier type as detailed below. Similar to sea cargo, SAC declarations and N10s are used to enter air cargo. Additionally, in the air environment, cargo reported SACs are commonly used. This type of declaration is a simplified entry where information about goods, valued below \$1,000, are communicated electronically with a cargo report.

The N20 document type is not listed, because in terms of statistical significance there are too few reported late to be relevant.

Express carriers

Table 25 Air cargo – express carriers: late lodgement of cargo reports and import declarations

	Cargo report late %	Import declaration late %
Cargo reported SAC	3	N/A
SAC dec	2	11
Nature 10	2	14

Express carriers report 90 per cent of all consignments on a cargo report SAC. Only a low proportion of these (three per cent) are reported outside of the legislative timeframes. Across the three main types of entry submissions a consistent proportion of cargo reports (two to three per cent) are lodged late.

Nearly ten per cent of all consignments are reported on an import declaration. Within this population, 11 per cent of declaration SACs and 14 per cent of N10 declarations are reported late. This is a higher proportion compared to cargo reported SACs and is likely due to the additional information required on a declaration as opposed to a SAC. Also, a cargo reported SAC is lodged in conjunction with the cargo report.

General providers

Table 26 Air cargo – general providers: late lodgement of cargo reports and import declarations

	Cargo report late %	Import declaration late %
Cargo reported SAC	10	N/A
SAC dec	13	27
Nature 10	8	24

Of all the cargo reports submitted by general providers, eight to 13 per cent of these are reported late. The highest proportion of these relate to SAC declarations, however, less than 1,000 air cargo consignments are reported on these SACs, compared to over 150,000 consignments reported on a cargo report SAC.

Around 15 per cent of consignments are reported on either a SAC declaration or a N10 by general providers. Within this population 27 per cent of SACs and 24 per cent of N10 declarations are reported late. New industry entrants, as well as smaller carriers who report less frequently, may influence a higher incidence of late reported documents compared to express carriers.



Additional information

Top ten countries of loading by airport

For the first time in the TRS series, the top ten countries of loading are considered for each of the primary airports. Figures 19 to 23 identify the top ten countries where goods are loaded, to be discharged at Sydney, Melbourne, Brisbane, Perth and Adelaide airports.

In total, goods arriving during the TRS week were loaded on to planes in 105 countries. 85 per cent of air cargo consignments were loaded in only four countries: United Kingdom (32 per cent), United States (21 per cent), Hong Kong (18 per cent) and Singapore (14 per cent).

Nearly 53 per cent of all consignments were discharged at Sydney airport, followed by Melbourne (31 per cent), Brisbane (eight per cent), Perth (seven per cent) and Adelaide (one per cent).

Figure 19 Sydney airport – top ten loading countries

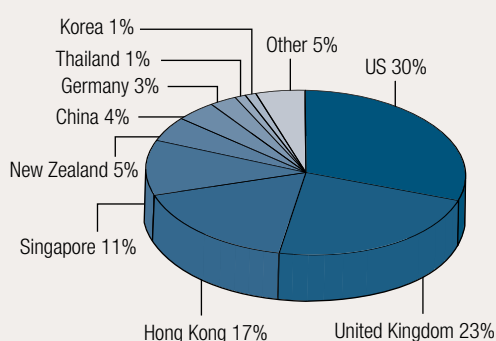


Figure 20 Melbourne airport – top ten loading countries

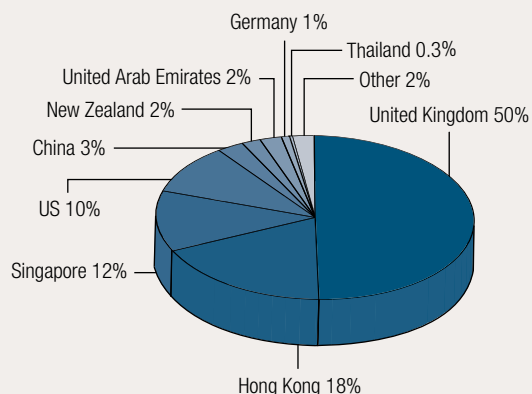


Figure 21 Brisbane airport – top ten loading countries

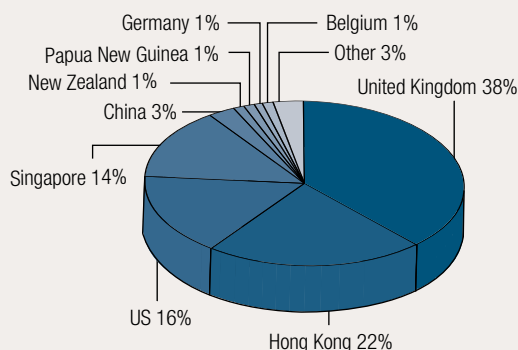


Figure 22 Perth airport – top ten loading countries

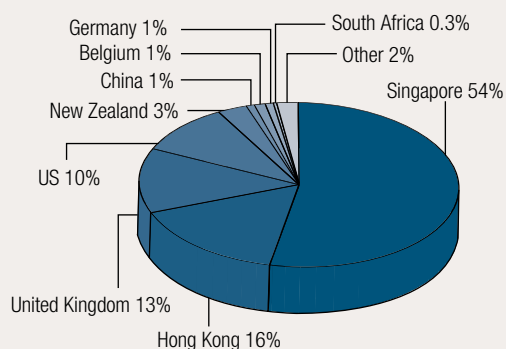
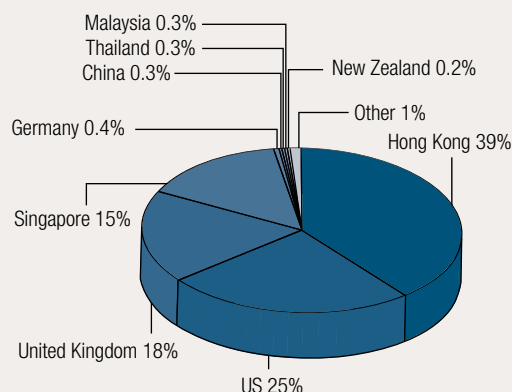


Figure 23 Adelaide airport – top ten loading countries



Value of imports by declaration type

Since the first TRS in 2007, air cargo consignments reported on a SAC (valued under \$1,000) have increased by 171 per cent. Driven by the digital economy and the growth of online shopping by the individual consumer, this is one of the fastest growing import categories.

The Australian Government is currently examining future processing options for these types of imports. In 2012, the Low Value Parcel Processing Taskforce¹⁰ undertook an investigation into the processing of these imports to consider potential future options that will meet both border protection outcomes while supporting trade facilitation.

Australia is not alone in responding to the growth in online shopping, global initiatives are also being considered to better facilitate the movement of these goods.

Goods reported on a SAC commonly include clothing, electronic goods, mechanical parts, sporting goods, CDs, DVDs as well as books and magazines.

In 2012, there was significant growth (47 per cent) in the number of consignments valued below \$600. For consignments valued between \$600 and \$1,000, there was a decline of nearly 14 per cent in the number of goods reported on a SAC.

Goods valued under \$100 continue to account for the highest proportion of low value imports at 75 per cent, an increase of nine per cent compared to 2011.

Table 27 Air cargo – breakdown of SACs by value

	2012 %	2011 %
\$0 to \$100	75	66
\$100 to \$200	12	14
\$200 to \$300	4	6
\$300 to \$400	3	4
\$400 to \$500	2	3
\$500 to \$600	2	2
\$600 to \$700	1	2
\$700 to \$800	1	1
\$800 to \$900	1	1
\$900 to \$1,000	1	1

In 2012, the overall number of consignments reported on an import declaration declined by five per cent compared to the previous year. There were slight variations in the proportion of goods in the categories in Table 28, however, in total there were fewer consignments imported. The only category where volumes increased (by 56 per cent), was in goods valued under \$1,000, which are commonly alcohol and tobacco products, which attract duty and taxes.

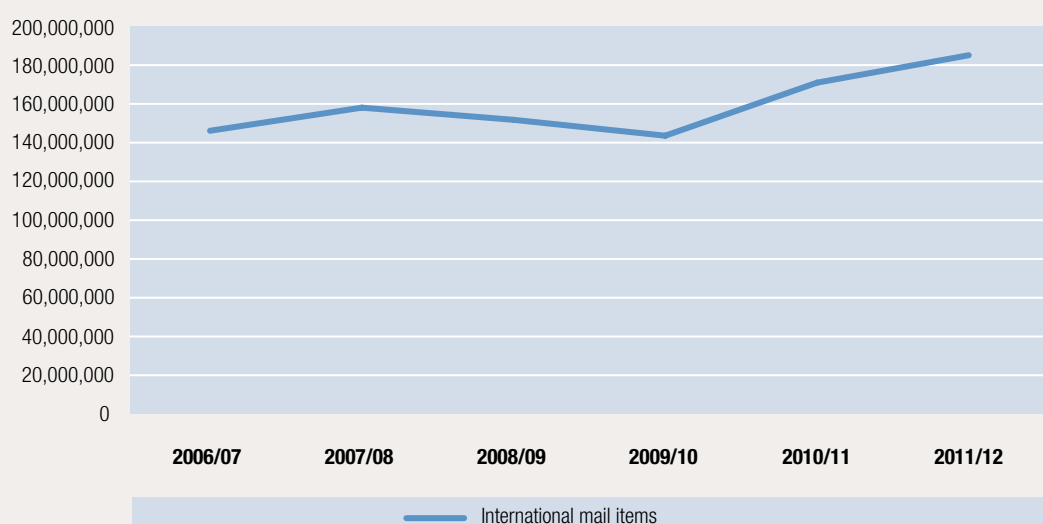
Table 28 Air cargo – breakdown of declarations by value

	2012 %	2011 %
\$1,000 to \$1,100	3	3
\$1,100 to \$1,200	3	2
\$1,200 to \$1,300	2	2
\$1,300 to \$1,400	2	2
\$1,400 to \$1,500	2	2
\$1,500 to \$2,000	8	8
\$2,000 to \$5,000	23	24
\$5,000 to \$10,000	14	15
\$10,000 to \$20,000	11	11
\$20,000 to \$30,000	5	5
\$30,000 to \$40,000	2	3
\$40,000 to \$50,000	2	2
\$50,000+	9	11
Declaration under \$1,000 (Dec SAC – full format)	14	9

¹⁰ The Low Value Parcel Processing Taskforce Final Report, July 2012

International Mail

Figure 24 International mail volumes



In recent years the rise of e-commerce and the digital economy has led to notable cargo volume increases. As the ease, convenience and choice of purchasing goods online by individual consumers has improved, online shopping has become a credible competitor to traditional retailing.

While some of this growth has been witnessed in the air cargo stream and reported on through the TRS series, even more significant is the rapidly increasing volume of goods being moved via international post. In the 2006-07 financial year, just over 140 million items, including letters and parcels, were carried through the post.

Although slight declines were recorded in 2008-2010 (which align to the GFC), international mail continues to record the highest volumes of all three cargo streams. In the past six years, this amounts to an increase of 40 million mail items, a trend which is expected to continue.

Currently, Customs and Border Protection is working with Australia Post and other border and related agencies to initiate a series of reforms within the international mail stream. The purpose of these reforms is to ensure there is a holistic and coordinated approach to border management within international mail, protecting the community from illicit goods while facilitating trade.

One aspect of this is in relation to the electronic reporting of goods. Internationally, there is work being undertaken to improve the information captured for goods moving through the post.

Australia Post, as a member of the Kahala Posts Group¹¹, is working towards trials to electronically capture mail article information, to be exchanged with other economies in the Kahala Posts Group.

Electronic reporting in the international mail environment will have significant and widespread benefits. Primarily, border agencies will be in a position to efficiently and effectively apply intelligence-led, risk-based interventions.

The electronic reporting of goods moving through the post is an essential component to reforming the international mail environment. These reforms will enable border agencies to meet future challenges in this stream, including the increasing volumes of goods.

As these capabilities are developed, the TRS will include clearance performance measures for international mail.

¹¹ The Kahala Posts Group comprises of national postal operators 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.

Sea and Air Cargo Results – Exports

The value of exports has steadily been rising over the last few years. In 2011–12, exports of Australian goods and services were valued at \$315.8 billion¹². Of this export value, 84 per cent was comprised of goods, including 63 per cent of primary products such as food (processed and unprocessed), minerals and fuels¹³. Australia's five largest export markets are China, Japan, Korea, India and the US.

In the 2012 TRS week, there were 2,000 more Export Declarations (EDNs) lodged compared to the same period in 2011.

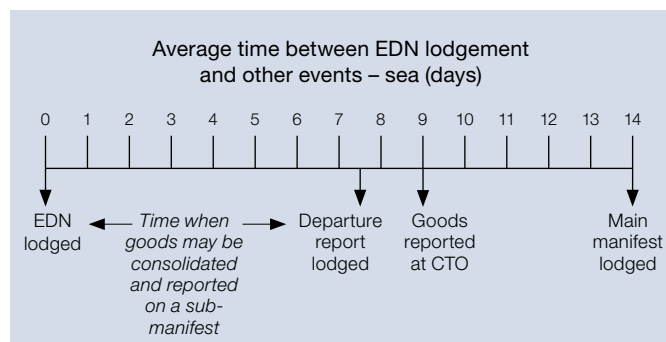
Nearly five per cent of all EDNs were lodged late (after goods were received by a CTO). The majority of late reported EDNs were in relation to sea cargo.

Table 29 Exports – average times from EDN lodgement (days)

Interval	Sea	Air
EDN lodgement to CTO receival notice	9.0	1.4
EDN lodgement to departure report	7.3	0.7
EDN lodgement to main manifest	13.8	2.5

Sea

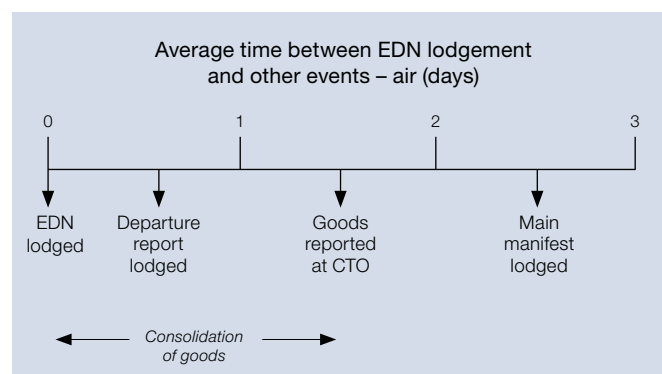
Of all EDNs lodged in the 2012 TRS week, 49 per cent were for sea cargo, an increase of three per cent from the previous year. More than 70 per cent of sea cargo export goods are containerised.



The diagram shows the average timings for goods exported by sea. Compared to 2011, only the time when an EDN is lodged and a departure report is made changed significantly. In 2012, the departure report was lodged 2.4 days earlier than the previous year.

The CTO receival notice and main manifest were lodged with Customs and Border Protection within three hours of the 2011 average times.

Air



In 2012, although the proportion of air cargo EDNs (51 per cent) was smaller compared to 2011 (54 per cent), a higher volume of EDNs were lodged.

Compared to sea, goods within the air cargo environment move very quickly. Within a day and a half of goods being reported on an EDN, the departure report is lodged and goods are received at a CTO. In 2012, the average times for exports by air increased by nearly half a day.

Noting that this is only the second year that exports have been included in the TRS, it is too early to undertake significant trend analysis to understand the timeframes within the exports environment.

¹² Department of Foreign Affairs publication, Composition of Trade Australia 2011–12

¹³ Department of Foreign Affairs publication, Monthly Trade Data – November 2012

Opportunities and Areas for Further Exploration

International Mail Stream

As electronic reporting in the mail stream is developed and implemented, opportunities will arise to measure clearance performance.

Once a baseline performance measure can be established, international mail will become a standard part of the annual TRS series.

Until that time, the TRS will provide information on the progress of reforms in the international mail stream.





Appendix 1: Event Definitions

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

Appendix 2: Acronyms

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

Appendix 3: Glossary

Term	Description
Actual Arrival Report	A report to Customs that provides information about the actual arrival of a ship or aircraft at an Australian port or airport.
Air Cargo Report	A report to Customs that provides information about a consignment carried aboard an aircraft arriving in Australia. Equates to an Air Waybill.
Air Waybill	See House Air Waybill or Master Air Waybill.
Air Waybill Outturn	<p>A report to Customs that provides information on the date and time air cargo is received at a Customs place:</p> <ul style="list-style-type: none"> • on discharge from an aircraft; • on being moved to that place underbond; or • once deconsolidated (unpacked). <p>The Air Waybill Outturn also identifies any surpluses or shortages in the cargo received.</p>
Australian Customs and Border Protection Service	The Australian Government's lead border agency, Customs and Border Protection protects the safety, security and commercial interests of Australians through border protection designed to support legitimate trade and travel and ensure collection of border revenue and trade statistics.
Bill of Lading	A document issued by a carrier or its agent to the shipper as a contract of carriage of goods. It is also a receipt for cargo accepted for transportation and must be presented for taking delivery at the destination. Contains information including (1) consignor's and consignee's name, (2) names of the ports of departure and destination, (3) name of the vessel, (4) dates of departure and arrival, (5) itemised list of goods being transported with number of packages and kind of packaging, (6) marks and numbers on the packages, (7) weight and/or volume of the cargo, (8) freight rate and amount.
Border Agencies	<p>Government agencies charged with managing the Australian border. Customs and Border Protection is the government's lead border agency. It also acts on behalf of a range of other agencies.</p> <p>DAFF Biosecurity works in partnership with Customs and Border Protection at the border to manage quarantine, food safety and health matters.</p>
Break-bulk cargo	Non-containerised cargo shipped as units (e.g. bundles, pallets, vehicles and drums).
Bulk cargo	Loose, unpackaged, non-containerised cargo (such as gas, grains and ores) carried in a ship's hold.
Cargo Report Self Assessed Clearance	A cargo report incorporating a Self Assessed Clearance declaration for consignments valued at or below AU\$1000.
Conditional Clear	A border status that indicates a consignment may be released from Customs control subject to the satisfaction of specified conditions such as quarantine inspection or fumigation. Is equivalent to the WCO status of 'Release'.
Consignment	A specific shipment of goods presented by a consignor to a carrier for delivery to a consignee.
Consolidation	A number of smaller consignments combined for shipment into a larger consignment or container load to avail of better freight rates. Must be deconsolidated (unpacked) at a place subject to Customs control prior to release into home consumption.

Term	Description
Container Terminal Operator	A person or organisation operating at a port to load and unload cargo (in air this is referred to as a Cargo Terminal Operator).
Customs Broker	A person authorised in accordance with the <i>Customs Act 1901</i> 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, Fisheries and Forestry (DAFF) Biosecurity	DAFF Biosecurity, formerly known as the Australian Quarantine and Inspection Service (AQIS), manages quarantine controls at Australia's borders to minimise the risk of exotic pests and diseases entering the country. In 2012, DAFF released the 2008-12 Imported Cargo Processing Time Release Study.
Departure	Exported goods leave Customs control. Occurs when the carrying vessel or aircraft leaves the port of loading.
Departure Report	The pilot, Master, or owner of a ship or aircraft has to report the departure of the ship or aircraft to obtain a clearance.
Discharge	The unloading of cargo from an aircraft or vessel.
Express	'Express delivery services'. Integrated logistics suppliers of expedited door-to-door transport and delivery of time-critical air cargo shipments, including documents, parcels and merchandise goods.
Export Declaration	A statement made to Customs by the owner of the goods, or their agent, providing information concerning the goods and the export transaction. A declaration is required for goods valued above \$2,000.
Flight	A particular aircraft arrival.
Freight Forwarder	A service provider that arranges the carriage of goods for importers and exporters. A forwarder prepares documents, contracts and arranges transport and insurance.
Full Container Load	A container loaded with goods for one consignee only and for one consignor only, whether transported directly to the consignee or through a freight forwarder or an agent.
Gate-out	When imported cargo exits the wharf or terminal where it was imported.
House Air Waybill	An Air Waybill issued by a freight forwarder, providing details of the goods to be shipped. It includes terms and conditions of carriage.
House Bill of Lading	A bill of lading issued by a freight forwarder, providing details of the goods to be shipped. It includes terms and conditions of carriage.
Impeded	A status of cargo. Impeded cargo is held under an intervention by Customs and Border Protection or DAFF Biosecurity that must be resolved before the goods may be released.
Impending Arrival Report (IAR)	A report to Customs that provides information about the expected arrival of a ship or aircraft on a voyage or flight to Australia. The IAR provides advance notification of the ship or aircraft's estimated time of arrival and the intended ports of call.
Import Declaration	A detailed fiscal and statistical declaration required for the clearance of consignments valued at AU\$1000 or more.
Importer size	Using the total declared value of goods imported during a 12 month period (1 October 2011 to 30 September 2012 to align with the TRS week), importers are categorised as a small, medium or large importer: Small – imported goods to a total value of AUD 1 million or less in 2012 Medium – imported goods neither large nor small Large – imported goods to a total value of AUD 20 million or more in 2012

Term	Description
Integrated Cargo System	An integrated software application that allows for the movement of vessels, aircraft and cargo to be electronically reported and declared to the border agencies by traders and service providers. It enables the agencies to risk assess cargo and craft; collect trade statistics; assess and collect revenue; and determine and advise owners of the release status of their cargo.
Less (than) Container Load	A shipping container containing consignments for more than one consignee. Such containers must be deconsolidated under Customs control.
Manifest (main)	A document issued by a shipper covering all cargo stated to be in a ship or aircraft for delivery at a particular port or airport.
Master Air Waybill	An Air Waybill issued by an airline or a code share partner. If the master bill has been issued to a freight forwarder then the freight forwarder will issue House Air Waybills for the goods they have contracted to freight.
Nature 10	Goods are entered for immediate home consumption by way of a N10 Import Declaration and are released from Customs (given an Authority To Deal) when all relevant duty and entry charges are paid. GST may be paid or deferred depending on arrangements the organisation has with the ATO. Mandatory supporting documentation for N10 Entry for Home Consumption declarations includes: bill of lading/airway bill, commercial invoice and a copy of the declaration.
Nature 20	Goods entered on a N20 Warehouse Entry must be stored in a warehouse licensed under the <i>Customs Act 1901</i> and can remain there indefinitely. Imported goods declared on a N20 Warehouse Entry do not require payment of duty or taxes until they are released from the warehouse.
Nature 10/20	Goods are for Combined Entry for Home Consumption and Warehousing. A N10/20 offers the convenience of sending Combined Entry for Home Consumption and Warehousing information to Customs and DAFF in a single electronic communication. A N10/20 is used where a single consignment contains goods for home consumption as well as for warehousing. N10/20 declarations are treated as two separate declarations for cost recovery purposes.
Ocean Bill of Lading	A bill of lading issued by a shipping company or a slot-charterer. If the ocean bill has been issued to a freight forwarder, then house bills will be issued for the goods they have contracted to freight.
Other Government Agencies	In the context of border management, Australian government agencies other than the two primary border agencies (Customs and Border Protection and DAFF Biosecurity respectively).
Outturn	A report on the discharge and receipt or unpacking of cargo.
Sea Cargo Report	A report to Customs that provides information about a consignment carried aboard a ship arriving in Australia. Equates to a bill of lading.
Self-assessed Clearance Declaration	<p>A simplified declaration for consignments valued at less than AU\$1000. There are two types of SAC declarations:</p> <ul style="list-style-type: none"> • SAC declaration (full format) – used if <ul style="list-style-type: none"> - an exemption or other concession applies; and/or - if a permit or approval is required; and/or - duty and GST is payable because the goods include alcohol or tobacco products, the goods are part of a larger consignment and/or because of commercial reasons. • SAC declaration (short form) – used if only minimal information is required, can be used to pay duty and GST for imported goods that include alcohol and/or tobacco products.
Stevedore	Entities responsible for loading and unloading ships on behalf of shipping companies.

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

Appendix 4: Correction of errors in the 2012 Time Release Study

This section acknowledges corrections and amendments to data and information within the 2011 Time Release Study.

Notes for 2012

The figures for air and sea impeded cargo have been calculated for the 2012 TRS using a more refined and precise calculation. To enable accurate comparisons to be made in relation to year-on-year performance, this year's report includes the recalculated figures for 2011.



Appendix 5: List of references

Australian Competition and Consumer Commission, October 2012, *Container Stevedoring Monitoring Report No. 14*

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