



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

# Challenges in facilitating trade and transport

**Seminar on Overcoming Border Crossing Obstacles  
International Transport Forum  
Paris, 5 and 6 March 2009**

**Neil Mann**  
Deputy CEO Passenger and Trade Facilitation



# Challenges in facilitating trade and transport

- Border management has traditionally focussed on regulating the entry of imports for revenue collection, and to address a range of risks such as criminality, bio-security, and public safety
- Consequently, much focus has rightly been placed on facilitating border clearance on importation with significant progress being made
- Over the last decade, however, border management has been in transition from this import and revenue focus to an export and security focus
- This shift has potentially significant implications for the facilitation of exports if not addressed cooperatively by governments and industry



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

# World Customs Organisation

- Pre-arrival electronic reporting
- Risk management
- Unobtrusive intervention technology
- Benefits for compliant traders



## Australia's approach

- Integrated cargo system provides an electronic single window for 98% of all reports and declarations
- Target high risk consignments supported by a deterrence level of cargo inspection and sampling
- Port-side and in-line x-ray inspection
- Programs for compliant traders developed but cost-benefit not clear



# Measuring facilitation performance

## Time Release Study

- The arithmetic mean between the time of the arrival of the goods and their release into the economy via a standardised system

## Objectives

- Establish a baseline of performance
- Identify opportunities for improvement



# Australian import clearance performance

**RESULTS TABLE :** Average Times for Cargo from Arrival to Release and Clearance

Interval	Average Time - Sea Cargo (Days)	Average Time - Air Cargo (Days)
Arrival to Release	1.3	0.3
Arrival to Clearance	1.8	0.3



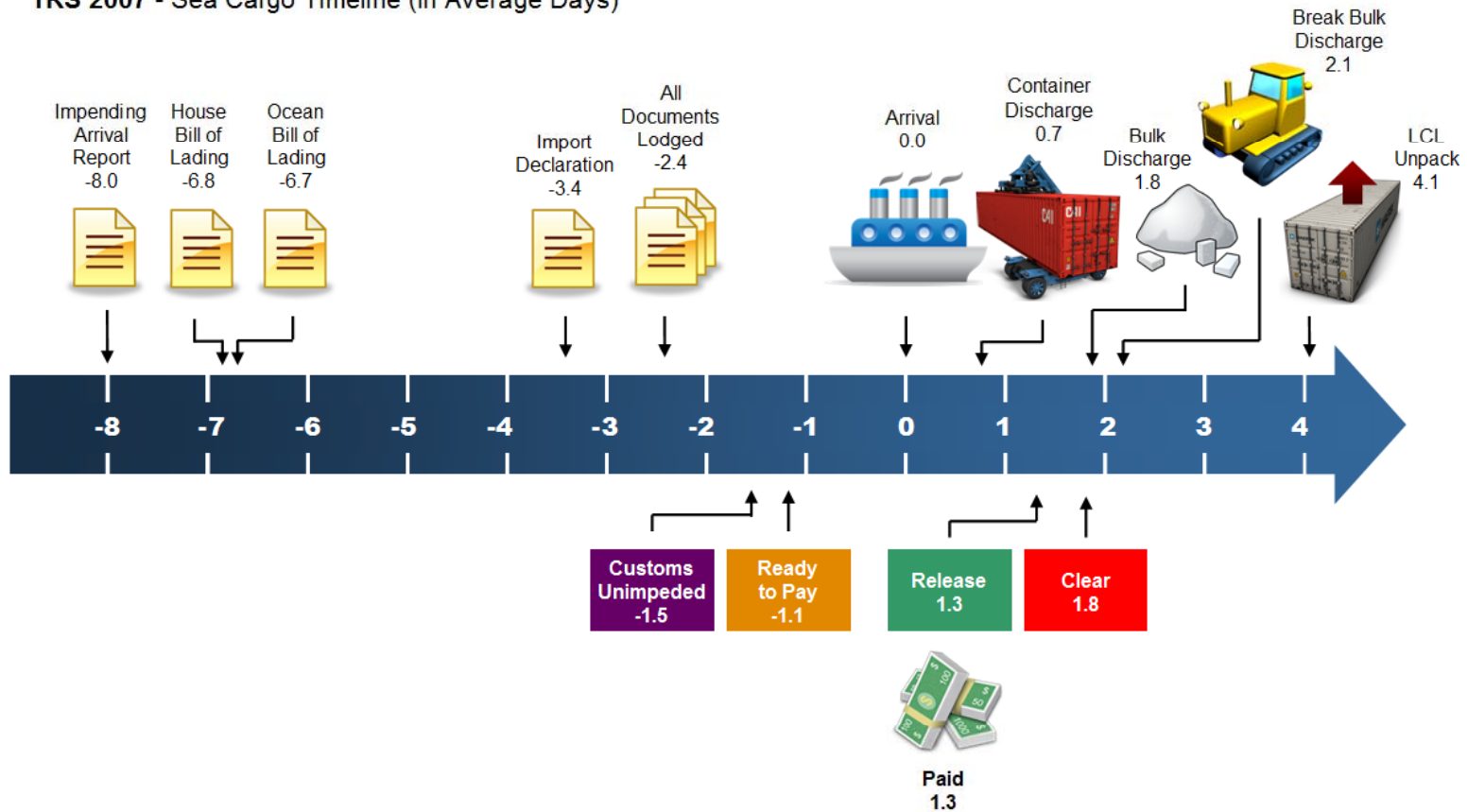
## World Bank measures for sea containers

- Doing Business Survey 2008  
– 12 calendar days
- Logistics Performance Index  
– 1.7 days



# Import clearance timeline

TRS 2007 - Sea Cargo Timeline (in Average Days)





## Australian key findings

- Customs and Border Protection no longer a significant impediment to import trade
- The number and degree of information dependencies between the parties in the supply chain and the effectiveness of business-to-business information exchange are key factors
- Transport and logistics provides are also determinants of performance



## Australian key opportunities

- Improve level of import declarations lodged early
- Improve linking of declarations to vessel arrivals and associated manifest information
- Increase port and transport capacity
- Enhanced risk assessment based on trader history
- Extend single window to additional permit issuers
- Consider further revenue deferral



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

## Shift in border management focus to exports

- Identify and treat risk at source
- Pre-departure risk assessment
- Pre-departure cargo intervention
- Increased focus on supply chain security



## Border management of exports

- International obligations eg counter-proliferation, UN sanctions, endangered wildlife
- Export certification of food safety
- Authorised Economic Operator programs
- Aviation transport security, eg 100% passenger and luggage screening



## USA counter-terrorism measures

- Customs–Trade Partnership Against Terrorism
- Container Security Initiative
- 24 hour pre-load cargo reporting
- “10+2” cargo reporting
- Secure Freight Initiative
  - 100% screening of air cargo by 2010
  - 100% screening of sea containers by 2012



## Alternative approaches

- Low-risk trade routes
- Enhanced risk management of traders
- Supply chain security programs
  - Counter-terrorism
  - Food safety
  - All hazards



## Conclusions

- Progress has been made on standardising import border management processes however less focus has been placed on exports
- The increasing expectations on economies to provide an assurance about the safety of their exports has implications for the level of investment required from governments and industry
- The timeliness and quality of export reporting to support risk assessment and cargo screening infrastructure and technology is not in place
- Alternatives to cargo screening such as supply chain security programs need further exploration with industry and governments
- Measuring export border management performance is required to ensure trade facilitation outcomes are not jeopardised in the future