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Joint Standing Committee on Trade and Investment Growth

Inquiry into the understanding and utilisation of benefits under Free Trade Agreements

PARLIAMENTARY INQUIRY SPOKEN QUESTION ON NOTICE

23 August 2024

QoN Number: 1

Subject: Clearance rates for perishable goods

Asked by: Steve Georganas

Question:

Ms Vithanage: Absolutely. To your first question, on how we help importers to navigate the impact of an FTA, as I mentioned previously, we produce some detailed guides on how to access the various components of an FTA. These are available on our website. What we find, though, is that most importers usually use brokers and agents to navigate that system. Our experience is that it's been quite effective. In terms of perishable goods, either coming into Australia or departing Australia, of course we understand those types of goods. It depends in part whether it comes through air cargo or sea cargo. International mail is generally less of an issue. In terms of both air and sea cargo, we attempt to intervene only where risks have been identified; and generally intervene, for example, in sea cargo at a rate of about two per cent. On the whole, our clearance rates should not prevent perishable items from being left on the side of a warehouse or on the side of a port. I am more than happy to take those specific clearance rates on notice, if that is useful, and provide that to you. I am sure we have it publicly. We will get that detail to you. CHAIR: That would be great. Part of the question was: how long does it take on average for the ABF to process goods coming into Australia, particularly perishable goods.

Answer:

The Australian Border Force (ABF) is responsible for border security and applies a risk based approach to facilitate legitimate goods crossing our national borders. ABF measures form one half of our national border screening activities with the Department of Agriculture, Fisheries and Forestry who screen for biosecurity threats. As both our agencies have a stake in border management, cargo clearance times can be impacted by the activities of either agency.

To this end, the cargo clearance process is multilayered and requires clearance from two agencies for separate purposes, and at times actions from importers such as payment of all relevant duties and taxes before goods are released by both agencies for entry into home consumption. Actions by either agency or by importers themselves impact the clearance times for goods being released into home consumption.

The ABF does report on various cargo clearance metrics reflective of multiple clearance processes. In our most recent data (2021) the average sea cargo clearance time from the time a ship arrives in Australia to the time when goods are released into home consumption (upon fulfilling all clearance requirements and settling all duties and taxes) was approximately 43 hours prior to the vessel arriving in port. This means our risk based clearance processes cleared, on average, goods approximately 43 hours before they arrived in Australia. This is a slight improvement on the previous year's average sea cargo clearance times of approximately 41 hours prior to the vessel arriving in port.

Similarly the ABF also reports on air cargo clearance times which must also undergo a multilayered clearance process like sea cargo. In our most recent data (2021) the average air cargo clearance time from the time a plane arrives in Australia to the time when goods are released into home consumption (upon fulfilling all clearance requirements and settling all duties and taxes) was approximately three hours and six minutes after the air cargo arrived in Australia. This too is a slight improvement on the previous year's average air cargo clearance time of approximately three hours and 42 minutes.

The ABF regularly reports on cargo clearance times via a Time Release Study (TRS) which provides measure of various clearance metrics for sea and air cargo. The ABF's TRS is a method endorsed by the World Customs Organization for assessing border agency performance in trade facilitation. The latest Time Release Study with border performance data is available at Time Release Study 2017-2021.