

**HOME AFFAIRS PORTFOLIO
AUSTRALIAN BORDER FORCE**

PARLIAMENTARY INQUIRY SPOKEN QUESTION ON NOTICE

Joint Standing Committee on Trade Investment and Growth
Inquiry into the understanding and utilisation of benefits under Free Trade
Agreements

23 August 2024

QoN Number: 4

Subject: Proportion of businesses that navigate requirements without the use of brokers or agents

Asked by: Steve Georganas

Question:

CHAIR: In terms of your average importers—small business—I know there is the website but, apart from the website, where else would they go for their information? Are you saying that they go only through their agent or their broker?

Ms Vithanage: Our experience is that the majority of importers, as opposed to individuals, utilise brokers and agents to ensure compliance. I am happy to take on notice the proportion of folks who try to navigate the system outside of a broker or agent. But in terms of interaction with us, it's principally done through the Integrated Cargo System, which I am sure you have heard about previously. There are certification requirements to get into that system. Our experience is that it's mostly brokers and agents who navigate that system, not individual importers.

CHAIR: It would be a very small number of businesses that would operate on their own accord. Is that a correct assumption to make?

Ms Vithanage: That would be my assumption too. It is quite a small number given all of the various requirements, as you know, to navigate international trade.

Answer:

The *Customs Act 1901* (Customs Act) provides that only the owner of goods or a customs broker licensed by the Comptroller-General of Customs can submit an import declaration to enter goods for home consumption in connection with the importation of those goods.

In Australia all customs brokers are licensed in line with Division 3 of Part XI of the Customs Act.

Most importers of goods choose to engage a customs broker to act on their behalf because of the complexity of the laws governing the importation of goods into Australia (similarly to those of most other countries) and the potential financial and other implications of lodging an incorrect entry.

The below tables show:

- the total and proportionate (by value) goods imported into Australia using a customs broker; and
- the total and proportionate (by number) of import declarations made using a broker.

Table 1 – Customs Value of Imports using a broker vs no broker as at 26 August 2024

		CY 2020	CY 2021	CY 2022	CY 2023	2024YTD*	Total
Broker	Value	\$315,005,622,300.40	\$370,877,376,412.04	\$465,943,131,949.62	\$491,397,831,313.17	\$339,025,001,534.94	\$1,982,248,963,510.17
	Proportion	93.97%	94.19%	92.58%	96.91%	98.17%	95.08%
No Broker	Value	\$20,214,360,859.15	\$22,889,503,660.32	\$37,368,964,404.17	\$15,682,106,541.06	\$6,334,554,638.12	\$102,489,490,102.82
	Proportion	6.03%	5.81%	7.42%	3.09%	1.83%	4.92%
Total		\$335,219,983,159.55	\$393,766,880,072.36	\$503,312,096,353.79	\$507,079,937,854.23	\$345,359,556,173.06	\$2,084,738,453,612.99

Table 2 – Number of Import Declarations using a broker vs no broker as at 26 August 2024

		CY 2020	CY 2021	CY 2022	CY 2023	2024YTD*	Total
Broker	Number	3,946,943	4,303,518	4,362,517	4,231,082	2,786,626	19,630,686
	Proportion	98.49%	98.66%	98.66%	98.78%	98.63%	98.65%
No Broker	Number	60,585	58,562	59,153	52,208	38,787	269,295
	Proportion	1.51%	1.34%	1.34%	1.22%	1.37%	1.35%
Total		4,007,528	4,362,080	4,421,670	4,283,290	2,825,413	19,899,981

YTD* 26 August 2024

