

## **Country report**

Prepared for 36th Executive council meeting of FAPAA

5-6 June 2009 Bangkok, Thailand

CBAFF – Customs Brokers & Freight Forwarders Federation NZ Inc

### **Introduction:**

The Customs Brokers and Freight Forwarders Federation NZ Inc CBAFF is the industry representative body representing the best interests of the international freight and logistics industry in New Zealand.

CBAFF is administered by a council elected every year at the annual general meeting. Because of the physical size of New Zealand the council is divided into 4 regions in order to draw representation from the whole country.

### **Current council representatives are:**

President	Willie van Heusden	Senator Logistics NZ Ltd
Vice president	Glenn Goldham	DHL Global Forwarding
Vice president	Michael Stewart	CEVA Logistics Ltd
Immediate past president	Sean Neary	Pengellys NZ Ltd
Auckland representative	Tony Lynch	UTI NZ Ltd
Auckland representative	Trevor Duxfield	Hemisphere Freight Ltd
Wellington representative	Scott Thompson	Express Logistics Ltd
Christchurch representative	Donna Yarrall	DHL Global Forwarding
Christchurch representative	Steve Pugh	GV Intl Freight Ltd
Dunedin representative	David McAllister	Advanced International Ltd

### **General Information New Zealand airports, airlines and volumes**

New Zealand has seven international airports serving 4.29 million people:

Auckland

Hamilton

Wellington

Palmerston North

All in the North island

And Christchurch

Dunedin

Queenstown in the south Island.

The following international airlines currently serve New Zealand:

Aerolineas Argentinas

Air Caledonie International

Air Canada (Code share only)

Air China (Code share only)

Air New Zealand

Air Pacific

Air Tahiti Nui

Air Vanuatu

American Airlines (Code share only)

Austrian (Code share only)

British Airways (Code share only)

Cargolux Airlines International

Cathay Pacific

China Eastern (Code share only)

Etihad Airways (Code share only)

Emirates Airline

Japan Airlines (Code share only)

Jetstar Airways (a subsidiary of Qantas)

KLM Royal Dutch Airlines (Code share only)

Korean Air

LAN Airlines  
Lufthansa German Airlines (Code share only)  
Malaysia Airlines  
Mexicana (Code share only)  
Pacific Blue Airlines (a subsidiary of Virgin Blue)  
Polynesian Blue  
Qantas Airways  
Royal Brunei Airlines  
Scandinavian Airlines System (Code share only)  
Singapore Airlines  
Singapore Airlines (Cargo)  
Shanghai Airlines (Code share only)  
Tasman Cargo Airlines (formerly Asian Express)  
Thai Airways International  
United Airlines (Code share only)  
US Airways (Code share only)

**Source:** Ministry of Transport [www.transport.govt.nz](http://www.transport.govt.nz)

### **Overseas cargo loaded by airport**

New Zealand airports loaded overseas cargo weighing more than 104,000 tonnes in the year ending June 2007, down 2.3% compared with the previous year. The value of overseas cargo loaded at New Zealand's airports was NZ\$5.4 billion, up 4.7% compared with the previous year. Most of the cargo went via Auckland Airport, which accounted for over 83% of all New Zealand airfreight loaded for export.

This table shows export tonnage and value by airport for the year ending June 2007 (provisional).

<b>Airport</b>	<b>Gross Weight</b>	<b>Value (FOB) NZ\$ millions</b>
Auckland	86,838	4,401
Wellington	575	34
Christchurch	16,701	964
<b>All Airports</b>	<b>104,120</b>	<b>5,400</b>

**Source:** *Statistics New Zealand*

*Statistics may not add up to stated total due to rounding.*

### **Airport details**

A brief overview of Auckland, Wellington and Christchurch international airports follow,

#### ***Auckland Airport***

Important features of Auckland Airport include:

- 21km (14 miles) from Auckland's central business district, about 35 minutes by car.
- 24 hours a day operation.
- Approximately 70 percent of all international visitors arrive at Auckland.
- New Zealand's largest and busiest airport based on total passengers and cargo
- Every day on average:
  - 100 international flights and 300 domestic flights occur.
  - 496 tonnes of cargo and mail are flown between New Zealand and other countries.
  - Over 34,000 passengers pass through Auckland International Airport's terminals daily
- Embarking on terminal expansion to cope with expected 25 million arrivals per annum by 2025

#### ***Wellington International Airport***

Important features of Wellington International Airport include:

- 15 minutes drive from the city centre.
- For the year to 31 March 2008 it handled around 5 million passengers, of which some 603,000 were international passengers. For the same year there were just over 111,000 aircraft movements.
- The airport is a major domestic hub in the regional and national transport system, as well as providing international services to Sydney, Melbourne and Brisbane.

## ***Christchurch International Airport***

Important features of Christchurch International Airport include:

- 12 km from the centre of Christchurch City.
- As a 24-hour operation, in the year ended June 2008 Christchurch International Airport had approximately 5.9 million passengers, 13,162 commercial aircraft movements and almost 2 million items of international cargo, including cargo transhipped from Christchurch Airport to Auckland for international destinations.
- Korean Air has direct flights between Christchurch and Seoul over New Zealand's summer months of December, January and February.

### **Major challenges for 2009 – 2010**

New Zealand is generally a small market both for air and sea movements and is heavily dependent on produce and perishables in airfreight. The top 5 IATA agents by ranking in New Zealand are solely perishable or have a perishable division along with dry freight.

The underlying strength of the New Zealand dollar and high interest rates in New Zealand are impacting export growth.

A recent suspected pandemic of swine flu as also effected travellers to New Zealand as has the worldwide down turn in trade. Trade statistics for NZ still show a reasonable growth in exports but a serious tanking of airfreight overall. Air NZ has parked 3 planes and all airlines flying into and out of New Zealand are closely monitoring space allocations. Most noticeably in 2009 Air New Zealand has cancelled its freight service from FRA/ORD/AKL/LAX/MEL/SHA return a weekly 747 freighter service. At this stage not replaced. Jet star announced plans to enter the New Zealand aviation market flying narrow body planes into NZ so no increase overall in capacity.

Air New Zealand has been named by Federal investigators in Europe with regards to the alleged price fixing enquiry. At this stage it has made no contingency liability provision for any regulatory fines or action or any follow up class action. This action is mirrored with a similar legal challenge in New Zealand.

The New Zealand Commerce Commission has also launched an investigation into the price fixing allegations and all airlines flying to NZ have been subpoenaed.

Five major multi national freight forwarders have also been asked for "please explain" submissions. CBAFF has responded to the Commerce commission enquiries and has issued a statement to the media and regulatory bodies.

It reads:

["As an industry association the Customs Brokers and Freight Forwarders Federation of New Zealand \(CBAFF\) does not discuss or become involved in any way in pricing or charging issues. CBAFF provides information to members on general issues, trends](#)

and global best practices affecting our sector. We also provide Government advocacy leadership for our members and other trade association services such as training.

We welcome any international investigations into alleged price fixing and await the outcome with interest.

CBAFF supports the concept of the laws of supply and demand dictating pricing levels.”

Increased security measures were introduced in April 2009 with the passing of the civil aviation department's long awaited Rule 109 – amending known shipper rules and introducing a regulated cargo agent's scheme. This provides for RACA accreditation and amounts to self regulation as the CAA rule is outcome based. Currently all major freight forwarders are RACA approved. CBAFF provided a generic exposition for its members and this was well received. Along with RACA registration each company requires training staff; CBAFF entered an agreement with CBFCA – Australia for the provision of on line training. CBAFF also introduced an Identity card system for use in RACA security.

Currently introduced measures at Auckland airport include the installation of x ray machines at the CTO operated by Air New Zealand cargo in Auckland Wellington and Christchurch. The Menzies terminal relies on out sourced screening to Civil Aviation at the same ports. Both facilities have introduced explosive detection equipment. Both CTO's have introduced charging regimes for the additional expenditure and outlay.

New Zealand customs operates a secure export partnership scheme to satisfy US regulations and AMS requirements. As well, the scheme which verifies a company's security through the supply chain is being trailed with Japan. New Zealand recently signed a Free Trade agreement with China and continues to work with India on a similar basis. The ASEAN free trade agreement signed in Singapore also opens trade and supply routes intra Asia.

## **Training**

CBAFF provides training in areas that are specific to our industry – We had a total 470 course attendees and held a total of 464 exams.

Our courses cover the following topics:

- Introduction to Customs Broking and Customs Tariff Interpretation
- Customs Broking and Law
- Customs Tariff Interpretation
- Customs Valuation & Origin Preference
- Advanced Customs Tariff – Chemicals
- Advanced Customs Tariff – Textiles
- Advanced Customs Tariff – Machinery
- Advanced Customs Valuation
- Aircraft Loading & Restraint
- IATA Cargo Tariff

Introduction to Dangerous Goods  
IATA Dangerous Goods (Full - 5 day  
IATA Dangerous Goods Revalidation  
Freight Forwarding  
RACA training.

CBAFF provides training via its own courses and in partnership with University suppliers of tertiary education. The NZ government introduced via Tranzqual the training organisation for logistics an apprenticeship scheme. This scheme commenced April this year with 7 apprentices enrolled.

There is no regulatory authority to license customs brokers; CBAFF provides customs approved training on their behalf to train competence. Brokers are then recorded by NZ Customs and given a declarant code and authority via PIN to prepare submit and sign off an import or export declaration. Current initiatives are under way with Australia to advance a border single window.

**Willie van Heusden**  
**President**

**May 2009**