



**INTERNATIONAL FORWARDERS AND CUSTOMS BROKERS ASSOCIATION OF AUSTRALIA**

# **IFCBAA COUNTRY REPORT**

## **July 2021 – June 2022**

**For presentation to Delegates attending the  
48<sup>th</sup> Executive Committee Meeting July 15, 2022**

**Establishment of International Forwarders and Customs Brokers Association of Australia (IFCBAA) Ltd, effective 1 July 2020.**

The Boards of the Australian Federation of International Forwarders (AFIF) and Customs Brokers and Forwarders Council of Australia (CBFCA) reached an agreement to form a single peak body and to change their current business names to the International Forwarders and Customs Brokers Association of Australia (IFCBAA) Ltd, effective 1 July 2020.

The Boards agreed that a single peak body is better placed to respond to members' issues and concerns, with far-reaching experience and a greater united front for our industry.

The chairperson will rotate annually during this two-year period. At the conclusion of the two-year period, elections amongst the combined membership will create a new Board of Directors.

### **IFCBAA Interim Joint Board**

Adam Butler, Chair – Cable International, Sydney

Paul Golland, Vice Chair – PG Logistics, Sydney

### **Directors (alphabetical)**

Peter Andrews	– International Trade Management, Melbourne
Daniel Andersen	– Schenker Australia Pty Ltd, Sydney
Wade Bollard	– CT Freight, Sydney
Colin Brame	– Southern Cross Cargo, Brisbane
Nicole Couper	– Crane Worldwide Logistics, Perth
David Finnie	– FINNAirSea Logistics, Melbourne
Brad Leonard	– Pro Kinetics, Melbourne
Robert Wallace	– Wallace International, Brisbane

This report will summarise a selection of the major areas of air cargo related activity.

The past year has again provided a number of challenges for IFCBAA's activities in representing members interests and engagement with government agencies, IATA, airlines and cargo handling terminals.

## 1. COVID-19 Impacts

The Covid-19 pandemic has significantly disrupted the aviation industry with unprecedented flight suspensions and cancellations as airlines reacted to the escalating operating restrictions throughout the globe.

In March 2020, the Australian Government closed international borders to all non-citizens and non-residents, borders opened October 2021.

More than 80 per cent of airfreight is usually transported in passenger aircraft to and from Australia and virtually all of this capacity was removed from the market with only a few passenger flights continuing. The significant reduction in air cargo capacity leaving the market because of the suspension of passenger services impacted the industry heavily.

Airfreight rates are currently at 300%- 400% pre-COVID, depending on the origin and destination and are not expected to ever return to pre-COVID levels until a normal market resumes.

Cargo terminal operators and freight forwarders responded to the capacity reductions, suspensions and cancellations of flights, by adjusting their businesses, hours of operations and manpower levels.

### **The International Freight Assistance Mechanism (IFAM)**

The Australian Government acted to safeguard airfreight capacity, establishing the International Freight Assistance Mechanism (IFAM).

The International Freight Assistance Mechanism (IFAM) is a targeted support measure put in place by the Australian Government to keep global air links open in response to the ongoing effects of the COVID-19 pandemic.

IFAM maintains global air connections and protects hard fought market share, while targeting support where it is needed most and buying Australian businesses time to align their operating models to 'new-look' supply chains.

- Horticulture, seafood, lamb, beef, pork and dairy sectors have accessed IFAM support to assist them in sustaining their overseas export markets.
- IFAM has also supported the import of critical PPE medical supplies to combat COVID-19.
- Around 35,000 jobs directly and over 120,000 jobs indirectly in the agriculture, seafood, and aviation and logistics sectors are at risk if airfreight supply chains fail – many of these in regional communities.

IFCBAA played a lead role engaging with the Australian Government on behalf of IFCBAA members, in the roll out of the IFAM program, ensuring a 'level playing field' of access to limited air cargo capacity for all freight forwarders in support of their export and import customers.

IFCBAA has provided extensive communications and updates to members informing them of the IFAM program operation, participation and progress.

## **IFCBAA and Government Engagement on COVID-19 Issues**

IFCBAA has maintained ongoing close engagement with federal and state governments, ensuring the freight transport logistics industry is recognised as 'essential industry' status - enabling freight forwarders' operations to continue during lockdowns, moving goods through the logistics chain without delay, especially large volumes of PPE & medical supplies.

### **2. Aircargo Security**

IFCBAA, as a member of the Australian Federal Government Department of Home Affairs, Aviation & Maritime Security (AMSD) Air Cargo Security Industry Advisory Forum (ACSIAF), is actively engaged in the work of the Government's future strategy and planning in matters related to air cargo security that would have an impact on our members.

### **3. IATA**

#### **a) IATA FIATA Air Cargo Program (IFACP) and Annual Financial Review**

As widely reported, the IFACP was terminated by IATA late last year following intense negotiations between FIATA and IATA to seek a more equitable agreement between the air cargo agent and carrier.

FIATA did not object to this nor ask for the arbitration clause to be invoked, as was possible. As such the current IATA financial criteria remains unchanged, with 39 different resolutions in place around the globe, unless a new agreement can be conceived.

In Australia, IATA requires all IATA agents to undertake the Annual Financial Review (AFR).

If the agent does not meet the financial criteria, IATA will require a bank guarantee, cash deposit, or default insurance, usually based on the 3 highest trading months in a financial year.

As the global insurance provider of IATA default insurance has decided to conclude the insurance facility on 30 June 2021, IATA will require a bank guarantee, or cash deposit, from those agents affected by the change.

The AFR based on the 3 highest trading months in the financial year will be an issue for air cargo agents this year, as freight rates are between 2 and 6 times pre-COVID, so the bank guarantee or cash deposit may be prohibitive for some agents.

IFCBAA had been working with an insurance broker and IATA, endeavoring to secure a replacement insurance provider, but this did not eventuate.

#### **b. IATA e-AWB: update on current progress**

e-AWB Penetration is now around 75%, where it is legal to use it.

IFCBAA has repeatedly called for a simplified and single process to facilitate greater use of e-AWB as all Airline/CTOs have a different system of acceptance. The pre-shipment data (FWB/FHL/FHM) advice provided by forwarders is at 98% of the total air exports and supplied to the CTO, through a CCN switching system. Therefore, if ALL airlines had the capability to accept e-AWB and the same processes existed across each cargo terminal (CTO), at the airport interface, then our e-AWB utilisation as a country would rise.

#### **4. Border Clearance Agencies**

IFCBAA, as the representative industry body for service providers engaged in border clearance, has a long history of engagement with government agencies at the Australian border.

The 2 major agencies are Australian Border Force (ABF) and Department of Agriculture (DAFF)

The primary IT system for Customs and Quarantine clearance - the Integrated Cargo System (ICS) - is a significant point of vulnerability in the transport supply chain.

The ICS was introduced in 2005 with major disruption and delays to the supply chain. There has been no modernisation upgrade to the ICS since its introduction. There are regular instances of points of failure, outages, and delays in the ICS on the ABF side and DAFF side, see Simplified Trade System (STS) explanation.

With an ageing Licensed Customs Broker workforce (average age of 54), the sector is not being replaced by enough younger entrants. IFCBAA provides two Diploma courses, Diploma of International Freight Forwarding (DIFF) which is certified by FIATA, and Diploma of Customs Broking (DCB) being the major prerequisite to be accredited by Australian Border Force for a Broker's License. IFCBAA is represented at many careers expos throughout Australia, which is looking to foster a future in Supply Chain Logistics both Domestic and internationally.

#### **5. Customs Related Matters**

##### **a. Australian Trusted Trader (ATT) Program**

The ATT is the Australian version of the original European 'Authorised Economic Operator' (AEO) scheme derived from the World Customs Organisation (WCO) 'SAFE' Framework of Standards and commenced in Australia in July 2016.

The number of entities both Importer/ Exporter and Service Providers has steadily grown. At the same time, mutual recognition with other global economies has also increased therefore benefitting those in the system.

As at 1 June 2022, over 1100 'Trusted Entities' have been accredited or are being accredited, including importers, exporters and a large number of Freight Forwarders and Customs Brokers have been admitted into the program. There are still those within and outside the system who believe that greater benefits need to be created to both increase the value for those in the system and those considering joining.

Deferred payment of Customs Duty was introduced for Importers but is not extended to service providers (Customs Brokers) at this time.

IFCBAA as a member of the Australian Trusted Trader Industry Advisory Group (ATTIAG) with other industry stakeholders, continues to engage with Australian Border Force to increase benefits to industry under the ATT program.

##### **b. National Committee on Trade Facilitation (NCTF) and a trade 'Single Window' to Government**

Australia created a National Committee on Trade Facilitation (NCTF), as we are a signatory to the World Trade Organisation (WTO) Trade Facilitation Agreement.

Our industry has some concerns about the way in which the NCTF is run; including how it meets its stated

objectives. Industry has called for NCTF to look at ways to include a trade 'Single Window' (SW) to

Government. To further examine these issues, industry has funded wide ranging University led research into the benefits of a SW and delivered this research to the Government for further consideration.

During COVID, NCTF meetings and activities have been less frequent, although IFCBAA continues to be engaged with NCTF committee on trade facilitation initiatives.

### **c. Simplified Trade System (STS) – see below presentation by ABF**

the STS reform agenda will enhance the international competitiveness of the Australian economy by creating a simpler 'tell-us- once' digitised trade framework, allowing more Australian businesses to take full advantage of the opportunities offered by international markets as importers and exporters.

The Government has [established a whole-of-government STS Implementation Taskforce](#) to drive the STS reforms. These next steps in the Government's STS reform agenda build on a range of initiatives underway, including:

- trials of innovative technologies to tackle business problems, including with major partner countries on authenticating trade documents.
- Biosecurity system improvements.
- continued development of a regulatory sandbox within the Customs Act to enable small scale trials, to build the evidence base for long term deregulation.
- testing advanced detection technologies; and
- developing a new border intervention model for sea and air cargo.

To ensure STS initiatives deliver meaningful benefits to the Australian trading community, the Taskforce will collaborate with a broad range of stakeholders, including Australian businesses of all sizes, business associations and peak bodies, trade service providers and state and territory governments, Commonwealth Government agencies, including the Australian Border Force, the Department of Agriculture, Fisheries and Forestry, and the Department of the Prime Minister and Cabinet's Deregulation Taskforce.

IFCBAA, as a member of the STS Taskforce is actively engaged in the development of this important future initiative.

## **6. Biosecurity-Agriculture Related Matters**

### **Department of Agriculture, Fisheries and Forestry (DAFF)**

A transport vulnerability in the Australian environment is the current state of operations of DAFF.

The Department has been concentrating with two major external biosecurity threats of Brown Marmorated Stink Bug and the Khapra Beetle, with a significant shortfall in manpower resources. There are considerable delays in processing import declarations and inspections. Inspections and release of shipments can take over 1 week.

IFCBAA has engaged with the Minister for DAFF, Secretary and senior management to allow Licensed Customs Brokers to undertake low level functions on behalf of the DAFF to reduce delays. It is pleasing to note that the DAFF has responded to our countless requests to allow Brokers to assist in these low-level tasks to expedite clearance at the border.

## 7. Legal and Compliance

During the year we have continued to provide members with both generic and specific guidance on relevant legal compliance matters that may have an effect on their businesses. We regularly consult with senior practitioners from prominent trade and transport law firms, affiliated to IFCBAA, in order to help resolve generic and specific legal issues on behalf of members.

## 8. General

There are many other issues being handled at any one time and IFCBAA Directors and representatives are necessarily active on many committees and Boards. The following is a summary of the major national and international external committees, related to our Airfreight Division:

- **The Department of Home Affairs; Customs & Trade Division ‘National Cargo Facilitation Committee’ (NCTF):**  
the peak consultation body for liaison between Australian Border Force / Customs and Industry on trade facilitation issues.
- **The Department of Home Affairs *Australian Trusted Trader Industry Advisory Group (IAG).***  
IFCBAA is represented on this important sub-committee working to assist develop this landmark progressive program for Australia.
- **Department of Agriculture Biosecurity Division *Industry Cargo Consultative Committee (DCCC) :-***  
The peak body for consultation between the Government Biosecurity division and our industry.
- **IATA Cargo Executive Council (CEC):**  
IFCBAA has three representatives on the representative panel who meet with IATA and their Airline members to discuss IATA Resolutions and Cargo Agency Program matters.
- **Dept. Of Home Affairs, Aviation & Maritime Security Division, *Aviation Security Industry Advisory Forum (ACSIAF) and Working Groups***  
IFCBAA is represented on the ACSIAF who meet quarterly to review requirements in regard to the RACA and AACA Aviation Security programs.
- **Australian Dangerous Goods Air Transport Council (ADGATC)**  
The peak body representing movers of Dangerous Goods by Air. IFCBAA attends this group which meets with the Civil Aviation Safety Authority (CASA) on a regular basis.
- **FIATA:**  
FIATA represents members at the two Annual FIATA forums – The World Congress and the ‘Headquarters Sessions’. The current IFCBAA Vice Chair, Paul Golland, is the current Vice Chair of the extend Board.
- **Customs Advisory Board (CAB)**  
The ABF Commissioner has appointed a board of 10 senior industry participant’s to assist in government to make accurate decisions that may effect industry. A confidentiality agreement has been signed by all. Paul Damkjaer, IFCBAA CEO, is a participant on this board.

## 9. Other

### **IFCBAA National Conference.**

The IFCBAA National Conference has been postponed twice in the past years due to COVID. The conference was held May 2022, with over 270 participants it was an outstanding success.

### **Continued Professional Development (CPD) Forums**

The IFCBAA holds in all major states of Australia, CPD forums, which allows licensed Customs Brokers to fulfill their legal obligation to the ABF on a yearly basis.

**Paul Damkjaer**

Chief Executive Officer  
*July 4, 2022*



Australian Government

Simplified Trade System  
Implementation Taskforce

# Simplified Trade System (STS) – what this means for Trusted Traders

**Christie Sawczuk**

Acting Head of STS Implementation Taskforce  
(STS Taskforce)

## **Key outcome for session:**

Trusted Traders understand the cross-border trade reforms underway, and how cross-border trade is being made easier and less costly.

## **Key issues for session:**

- Refresher on the STS strategic objectives and outcomes.
- A possible future cross-border trade environment (as a scene setter for the later panel on this topic).
- An overview of STS initiatives underway, including key STS Taskforce led initiatives.
- How Trusted Traders can get involved.

# Refresher – what the STS will deliver for Australian business

Boost Australia's economic recovery by facilitating cross-border trade

Improve trade system resilience with modern and globally competitive trade practices

Simplify and streamline trade processes for Australian businesses



Simpler and more consistent trade rules



More integrated trade-related services



Higher levels of digitisation and data sharing



More modern ICT systems and processes



Continued strengthening of Australia's border security and biosecurity protection

# Possible future cross-border trade environment



**Business experience**  
Simple, integrated and intuitive



**Rules**  
Simple and fit for purpose



**Data**  
Shared, and supported by data standards



**Technology and processes**  
Modern and connected



**Workforce**  
Skilled and adequately resourced



**Funding models**  
Fair and sustainable

# A few examples of STS initiatives helping businesses

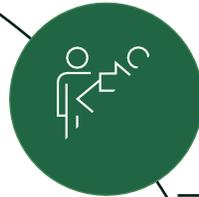
No.	Initiative name	Initiative description and business benefits	Lead agency
<b>Delivered</b>			
1.	Initial Trade Information Service - exports	An initial service that provides information on regulatory requirements and market insights to support Australian exporters.	Austrade
2.	Proof-of-concept for a Digital Verification Platform	A proof-of-concept pilot of the Digital Verification Platform with Singapore to enable paperless trading, saving business time and money.	DFAT and ABF
<b>Ongoing</b>			
3.	Online biosecurity portal	Online portal allowing businesses to book and manage changes for biosecurity inspections, saving businesses time and money.	DAWE
4.	Improvements to simplify customs processes	Including providing businesses with real-time notification of the operational status of the ICS. This means businesses can more effectively manage impacts to their operations.	ABF

# A few examples of STS initiatives helping businesses

No.	Initiative name	Initiative description and business benefits	Lead agency
5.	<b>Agricultural traceability and credentials ‘ecosystem’</b>	Harmonise agricultural traceability frameworks, enabling interoperable standards and data, maximising the ability of exporters to meet market demands and receive premium prices for their quality produce.	DAWE
6.	<b>Advancing reform of biosecurity processing systems</b>	Improvements to modernise biosecurity systems to allow faster and more targeted biosecurity clearance processes.	DAWE
7.	<b>Digitising and improving shipping information management</b>	Initial work on a proposal for digitising and improving shipping information management that will allow arriving ships to submit information through a single digital portal, saving businesses time.	Infrastructure

# STS Taskforce-led work

Delivering foundational work to underpin Australia's future cross-border trade



## 1. Cross-border alignment

Improve cross-border trade alignment of accreditation and authorisation schemes, *reducing duplication which costs businesses time and money.*



## 2. Cross-border trade data sharing by default

Preliminary work to allow agencies to standardise and share cross-border trade data by default *to help streamline government and business interactions.*



## 3. Trade clearance services funding

Complete a stocktake of trade service clearance funding arrangements. Consider options for *a sustainable and fair future funding.*

**4. Other:** Business co-design and engagement, regulatory reform, and digital design and strategy.

# How Trusted Traders can get involved

- We'd welcome Trusted Traders' continued involvement in our work.
- We expect to run co-design workshops with businesses to help:
  - ✓ strengthen our understanding of business needs when interacting with government,
  - ✓ test concepts and solutions for future cross-border trade, and
  - ✓ understand how changes to regulations, systems and processes impact your business.





**Australian Government**

**Simplified Trade System  
Implementation Taskforce**

# Questions and thank you

**Christie Sawczuk**

Acting Head of STS Taskforce

**How to contact us:**

Website: <http://www.simplifiedtrade.gov.au>

Email: [info@simplifiedtrade.gov.au](mailto:info@simplifiedtrade.gov.au)

Or come and see us at our booth today!!!