

# Air Cargo Automation

- ▶ For risk assessment, all cargo imported into AU must be reported to ACS and AQIS prior to arrival
- ▶ Cargo report information provides base data to ACS to ensure it is dealt with appropriately. e.g.. Duties, taxes, permits inspections etc.
- ▶ 2 Main components of air cargo reporting
  1. Cargo information prior to arrival
  2. Commercial information required prior to release
- ▶ Providing incorrect information to ACS may result in fines up to A\$3300, regardless of whether duties & tax payments are correct

# Air Cargo Automation

- ▶ Essential information required
  - Air waybill
  - Flight Number
  - Date of Arrival
  - Customs Value – to determine screen free requirements
- ▶ Far less than what is required for sea freight

# Export Cargo Reporting

- ▶ 3 main elements of export cargo reporting
  1. EDN – Export Declaration Number
  2. CRN – Consolidation Reference Number – Export sub manifest
  3. MRN – Manifest Reference Number – Export main manifest

# Export Declaration Number (EDN)

- ▶ All shipments over A\$2000 in value (as a whole)
- ▶ All goods requiring a permit
- ▶ Goods that do not need an EDN:
  - Personal effects, pets, domestic cargo, goods under carnet, military goods
- ▶ Owner of goods is responsible, but normally contracted to forwarder
- ▶ AHECC used for classifying goods
- ▶ If no EDN, goods still need to be reported under a outward manifest or sub manifest
- ▶ Lodged electronically using ICS or manually
- ▶ Prior to export a 'clear' EDN must be received

# Carnet

- ▶ International customs documents that is used for the temporary duty/tax free entry of goods
- ▶ Effectively a passport for eligible goods
- ▶ Facilitates cross border movements of goods by replacing normal customs documents
- ▶ Customs entry not required
- ▶ Australia accepts 2 types
  1. ATA Carnet (Admission Temporary)
  2. FIA/AIT Carnet (Issued by motoring associations)

# Permits

- ▶ ACS computer system is programmed to flag range of commodities
- ▶ Without permits these commodities are not allowed entry or exit of the country
- ▶ Commodities requiring permits are as follows: Meat, dairy, fruit & veg, wine & brandy, wheat & grains, military equip, pharmaceuticals
- ▶ Permits are issued by the associated and relevant government authorities

# Insurance

- ▶ Maximum airline liability for goods is limited to approx USD 20.00 per kg
- ▶ As a result of this limited liability, exporters and importers normally arrange independent insurance
- ▶ Notice of Intention to Claim must be lodged within 7 days of shipment departure or arrival

# Freight Pricing

- ▶ The international airfreight movement is always priced in the currency of origin or in some cases US Dollars
- ▶ Airfreight is charged on a per kilo basis
- ▶ Volume to Weight factor is 6000ccms = 1 kg
- ▶ Pricing guidelines are supplied in TACT rates publications – called ‘TACT Rates’ and used on MAWB’s
- ▶ Airlines produce individual airfreight tariffs

# TACT v Consol Rates

▶ Example of TACT Rates

▶ Melbourne to Auckland NZ (AUD)

<u>Rate type</u>	<u>Code</u>	<u>Amount</u>
▶ <i>Minimum</i>	<i>M</i>	<i>\$120.00</i>
▶ <i>Normal</i>	<i>N</i>	<i>\$5.40 / kg</i>
▶ <i>Plus 45kg</i>	<i>Q</i>	<i>\$4.10 / kg</i>
▶ <i>Plus 100kg</i>	<i>Q</i>	<i>\$3.40 / kg</i>
▶ <i>Plus 250kg</i>	<i>Q</i>	<i>\$2.90 / kg</i>
▶ <i>Plus 500kg</i>	<i>Q</i>	<i>\$2.40 / kg</i>
▶ <i>Commodity</i>	<i>C</i>	
▶ <i>ULD</i>	<i>U</i>	

▶ Example of Consolidation Rates

▶ Melbourne to Auckland NZ (AUD)

<u>Rate type</u>	<u>Code</u>	<u>Amount</u>
▶ <i>Minimum</i>	<i>M</i>	<i>\$50.00</i>
▶ <i>Under 250kg</i>	<i>Q</i>	<i>\$1.50 / kg</i>
▶ <i>Plus 250kg</i>	<i>Q</i>	<i>\$1.40 / kg</i>
▶ <i>Plus 500kg</i>	<i>Q</i>	<i>\$1.20 / kg</i>
▶ <i>Plus 1000kg</i>	<i>Q</i>	<i>\$0.90 / kg</i>

# Volume to Weight Factors In Transport

Mode of Transport	Rate basis for each mode	Ratio used to calculate Volume Weight
<b>Ocean LCL</b>	Per cubic metre (m <sup>3</sup> ) or 1000kg, whichever produces the higher yield to the carrier	1 cubic metre (m <sup>3</sup> ) = 1000 kg
<b>Ocean FCL</b>	Usually a flat rate per container, often with adjustments to cover various surcharges and currency factors	n/a
<b>Int'l Air</b>	Per kg or 6000cm <sup>3</sup> , whichever produces the higher yield to the carrier	1 cubic metre (m <sup>3</sup> ) = 166.66 kg
<b>Post</b>	Per kilogram and fractions thereof. Note that in some countries, standard Int'l airfreight conversion rules (166.66kg=1m <sup>3</sup> ) are used.	n/a Calculated against actual weight only
<b>Air Courier</b>	Can vary by type of shipment: Envelopes & satchels – per package Parcels – usually per kg or 6000cm <sup>3</sup> , but can be a flat price per package.	n/a for parcel rates, but otherwise is: 6000cm <sup>3</sup> = 1kg
<b>Domestic Air</b>	a) Per kg or 4000cm <sup>3</sup> , whichever produces the highest yield to the carrier or can sometimes be b) Per kg or 6000cm <sup>3</sup> ,	a) 1 cubic metre = 250 kg b) 1 cubic metre = 166.66 kg
<b>Domestic Road</b>	a) Per kg or 3000cm <sup>3</sup> , whichever produces the highest yield to the carrier, but can sometimes be b) Per kg or 4000cm <sup>3</sup> c) Per 1000kg or 1 cubic metre is often charges for trans-Bass (to/from Tasmania)	a) 1 cubic metre = 333kg b) 1 cubic metre = 250 kg c) 1 cubic metre = 1 tonne

# Local Charges

- ▶ Local charges applicable to the export are charged in the currency of the origin country
- ▶ Local charges applicable to the import are charged in the currency of the destination country
- ▶ The terms of sale will dictate which party pays the charges.

# Principles of Consolidations

**Exporters**

**Importers**

