AUSTRALIAN COUNTRY REPORT FOR
FAPAA 50th ECM & AGM
13-15 June 2024
Perth, Australia

Overview

The International Forwarders and Customs Brokers Association of Australia (IFCBAA) is Australia's leading peak national body, representing members interests in international trade logistics and supply chain management service provision. We are committed to being the voice for customs brokers, international freight forwarders and other associated groups involved in international trade, representing, and supporting our members in a difficult regulatory environment.
Mission Statement

"To be the single and influential voice for the international freight forwarders and customs brokers in Australia and to promote the professional development of our members through education, training and compliance".

The primary objectives of IFCBAA are:

- To raise the profile of International Trade Logistics and supply chain management service industry
- Establishing relationships and making representations to domestic and international Government bodies, agencies, statutory authorities and relevant industry organisations to benefit Australian trade and the international freight forwarding and customs brokerage industry.
- To promote the professional development of IFCBAA members through the provision of education and training courses
- To support IFCBAA members to increase regulatory compliance and minimise business and individual risks.

Board of Directors
The then respective 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 from 1 July 2020 onwards.

The then respective Boards agreed that a single peak body would be better placed to respond to members' issues and concerns into the future , with far-reaching experience and a greater united front for our industry.

The Board of Directors of IFCBAA is made up of the following people:

Adam Butler (Chair)	Peter Andrews	Nicole Couper
Paul Golland, (Vice Chair)	Wade Bollard	David Finnie
Daniel Andersen	Colin Brame	Andrew Hudson

Administration

- Chief Executive Officer: Scott Carson
- Finance & Administration Manager/Company Secretary: Peter Gregory
- Manager International Freight and Logistics: Stephane Parrenin
- Professional Development & Training Manager: Praveen Jomy
- Manager Border and Biosecurity: Brad Leonard
- Member Services & Events Manager: Jodie Murray
- Regional Manager WA: Phil Gray
- Regional Management NSW/QLD/NT: Scott Carson /Jodie Murray
- Trainee Administrator: Maddy Allen
- Student Training Administration Trainee: Siobhan Peteru
- Finance & Administration Support: Jessica Turnbull
- Member & Accounts Administrator: Claire Gilmour

Industry Representation

IFCBAA is represented on the following Australian based consultative forums/committees/industry groups, most of which are facilitated by either Federal or State Government International Trade based regulatory bodies:

- Customs Advisory Board (IFCBAA Chair - ABF Commissioner appointee)
- National Committee on Trade Facilitation (NCTF)
- Trade Facilitation Initiatives Working Group (TFIWG)
- Trade and Customs Legislation Working Group (LWG)
- Trade and Goods Compliance Advisory Group (CAG)
- Australian Trusted Trader Industry Advisory Group (ATTIAG)
- Air Cargo Security Industry Advisory Forum (ACSIAF)
- ACSIAF International Working Group
- ACSIAF Domestic Working Group
- Port Transport & Logistics Taskforce (PTLT - NSW)
- TFNSW Empty Container Working Group
- WA Port Operations Taskforce
- Department of Agriculture Cargo Consultative Committee (DCCC)
- Australian Border Force - NSW Trade Facilitation Forum
- Australian Border Force - Victorian ABF Industry Engagement Forum
- Supply Chain Advisory Network (SCAN)
- Australian International Trade and Transport Industry Development Fund (AITTDF)
- Australian Industry Training Group on Biosecurity (AITGB)

- Department of Agriculture, Fisheries and Forestry - Biosecurity Import Supply Chain Roundtable
- Department of Agriculture, Fisheries and Forestry - Continued Biosecurity Competency (CBC) Training Working Group
- Victorian Ministerial Ports Industry Roundtable (involving Freight Victoria)
- Transport for NSW Freight and Logistics Advisory Council
- Integrated Cargo System Technical Working Group (ICSTWG)
- Department of Foreign Affairs and Trade – Free Trade Agreements between Australia and other countries (involvement and input as part of the industry consultation that assists with the processes involved with these agreements)

Additionally, IFCBAA has the following international membership and representation:

- International Federation of Freight Forwarders Associations (FIATA)
- Advisory Body International Affairs (ABIA)
- FIATA Advisory Body, Safety and Security (ABSS)
- FIATA Air Freight Institute (AFI)
- Cargo Executive Council Australia (CEC)
- Federation of Asia Pacific Aircargo Associations
- International Air Transport Association (IATA)
- Federation of Customs Brokers Associations (IFCBA)
- The International Air Cargo Association (TIACA)

Industry Training

IFCBAA, through it's Training division ITALC, delivers ASQA accredited Diplomas in Customs Broking and also International Freight Forwarding.

Additionally, IFCBAA delivers a wide range of largely compliance and regulatory based short courses to members and industry, that cover air cargo, sea cargo and load restraint practices.

IFCBAA was the winner of the "2024 Top Performing Publication Reseller – Asia Pacific Region" award, relating to its wholesale sales of the IATA DGR manuals and related products.

Further details on IFCBAA's Training services offering are contained within the separate Training Report that accompanies this report.

1) **Air Cargo Landscape in Australia**

Australian export air freight volume and capacity have shown notable changes compared to previous years, reflecting both recovery trends and ongoing market adjustments.
International scheduled freight traffic in January 2024 increased by 29.4% over January 2023 to 87,319 tons, with a share of 50/50 between outbound and inbound cargo (43.500 and 43,700 respectively). Inbound freight traffic increased by 26.0% and outbound freight traffic increased by 33.0% compared to January 2023. See below chart.

Monthly traffic

	Total for the month				Growth compared to		
	Jan-21	Jan-22	Jan-23	Jan-24	Jan-23	Jan-22	Jan-21
Passengers Carried	67,472	442,275	2,960,999	3,803,151	28.4%	759.9%	>999.9%
Freight (tonnes)	72,548	81,565	67,476	87,319	29.4%	7.1%	20.4%
Mail (tonnes)	2,034	1,525	1,832	2,068	12.9%	35.7%	1.7%
Available Seats	479,082	958,906	3,521,759	4,767,687	35.4%	397.2%	895.2%
Flights	3,553	5,291	14,206	18,562	30.7%	250.8%	422.4%
Aircraft Movements	3,865	5,933	14,621	19,016	30.1%	220.5%	392.0%

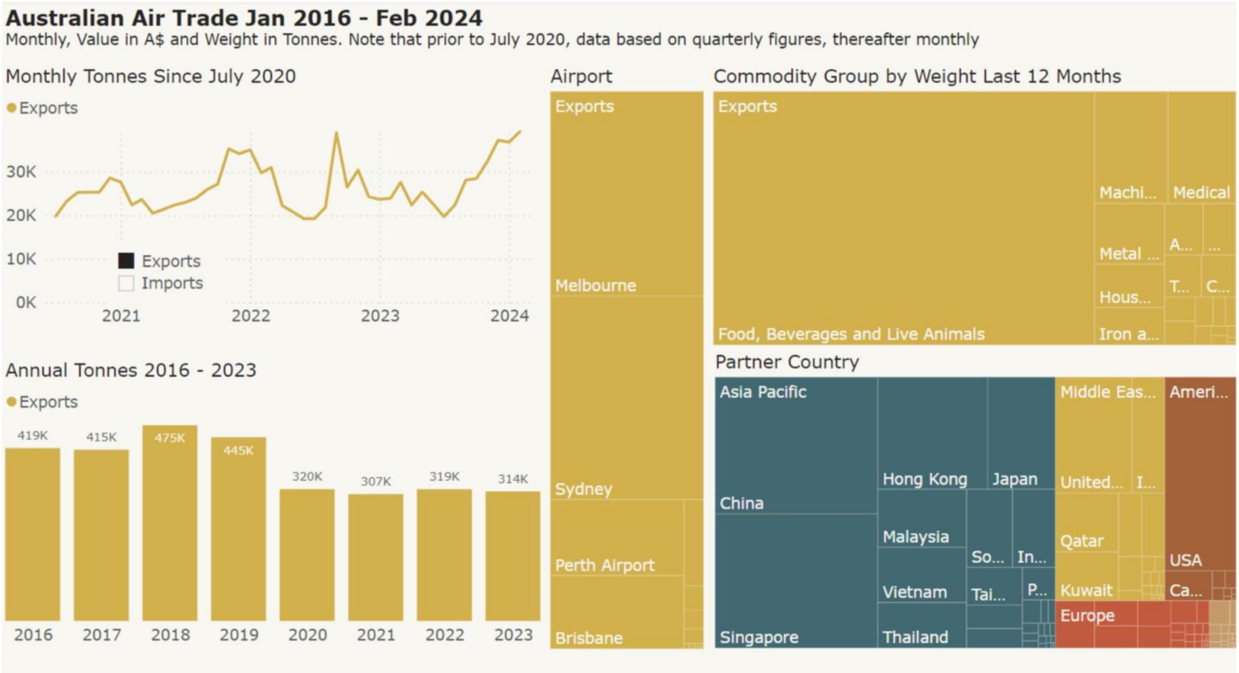
For the last 12 months ending in January (Feb2023-Jan2024), the total tonnage of the international air cargo traffic is up 5.2% to 949,084 tons in Jan 2024 compared to 2023, 45% of which was related to export traffic. International inbound traffic was 571,000 tons, while outbound traffic was 472,000 tons. See below chart.

Table I International Traffic

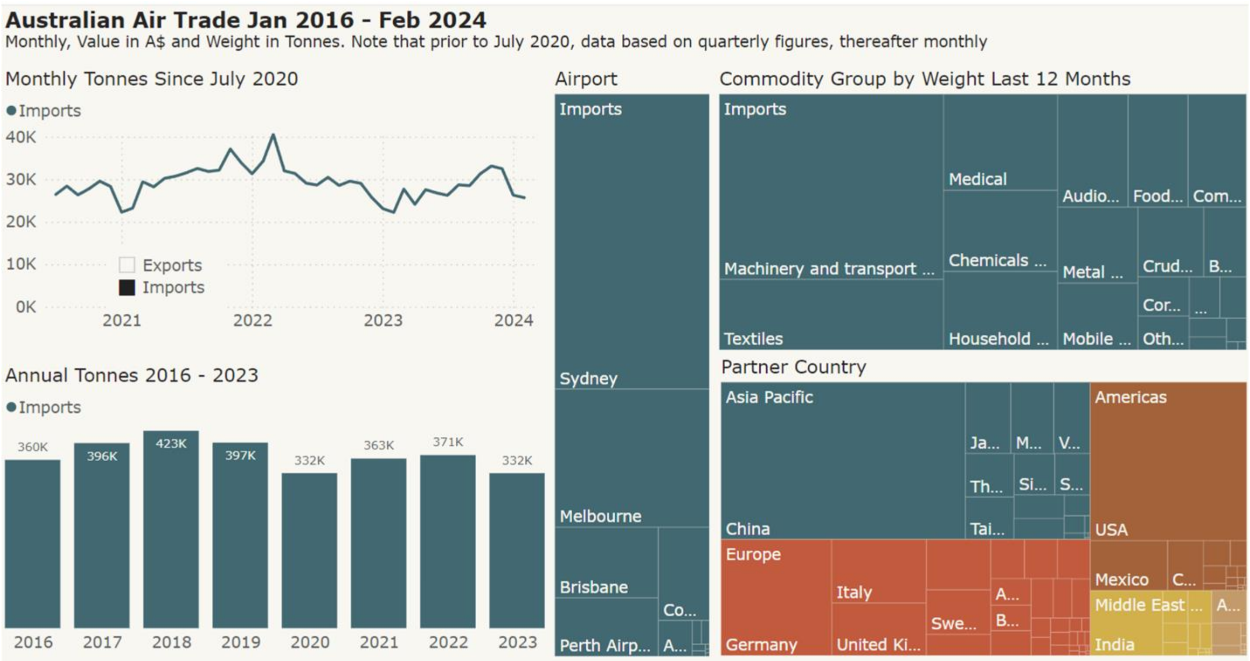
	Year ended January				Change
	2021	2022	2023	2024	2024/2023
Passengers Carried	5,215,625	1,930,164	21,597,482	36,619,229	69.6%
Freight (tonnes)	882,475	955,272	902,127	949,084	5.2%
Mail (tonnes)	24,694	21,451	21,906	24,476	11.7%
Available Seats	10,279,818	7,738,055	27,021,656	46,459,643	71.9%
Flights	59,776	52,739	116,779	183,902	57.5%
Aircraft Movements	62,408	56,302	122,089	188,634	54.5%

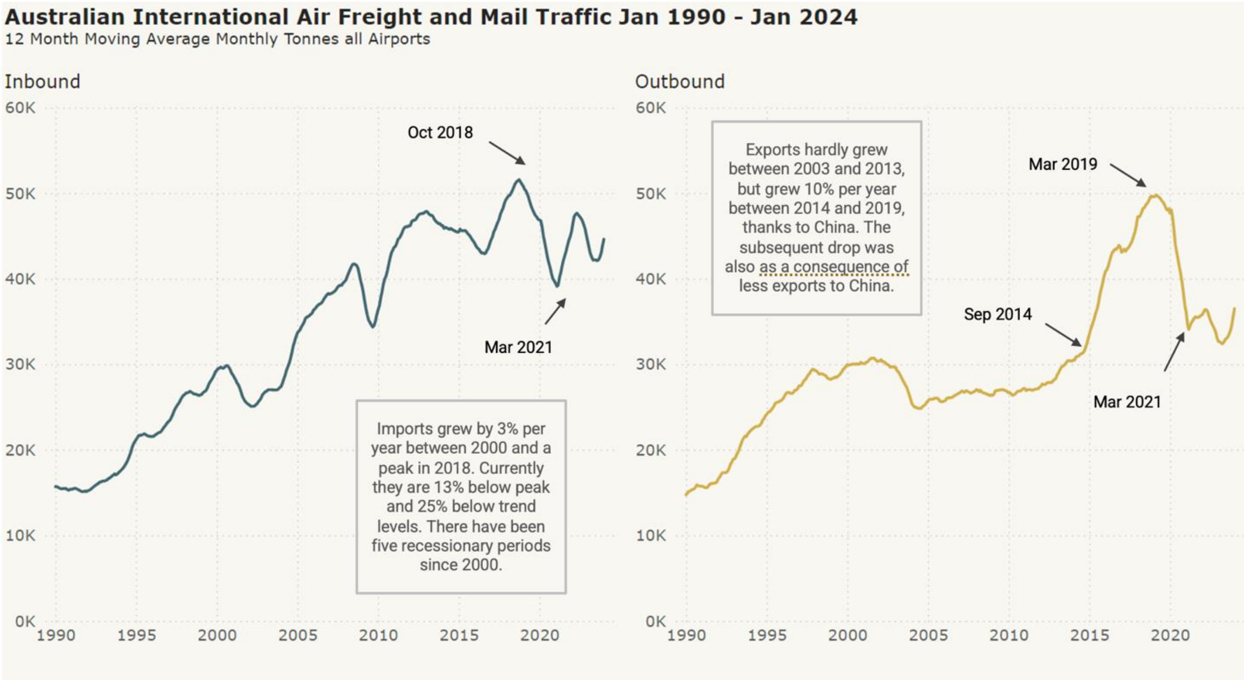
While capacity has increased in 2024 compared to 2023, it is still below pre-pandemic levels.
Qantas capacity has returned to near pre-pandemic levels, its cargo capacity has been boosted by the introduction of 2 dedicated A330 freighters, while phasing out the 767F. Several carriers, mainly Asia based, have not yet returned to full capacity.
Australian air cargo exports dropped substantially after China imposed an import ban on several commodities in 2020 but have started to recover in the last six months.
While global air cargo demand increased by more than 10% year-over-year in January 2024, partly due to factors like retailers rebuilding inventories and increased shipments related to early Chinese New Year preparations, Australia air exports grew by 33% in Jan 2024 compared to Jan 2023.
Recovery will depend on increased import activity from China as well as the ability for Australian exporters to expand in other markets.
Air imports are 22% below their 2018 peak, but air traffic is only 13% below peak levels.
Inbound airfreight is increasingly being driven by small package traffic related to cross border e-commerce. Small package traffic is now a more important part of inbound volumes having grown from 15-20% to 30-35% in the last 17 years.
In the last year roughly 85 million packages were imported into Australia.
Singapore, New Zealand, China, Hong Kong and the USA are the largest outbound air freight markets.
Singapore Airlines, Qantas and Cathay Pacific are the largest carriers and account for about 30% of outbound as well as inbound volumes.
Perishable, food and live animals represented by far the largest volume, however produces and fruits are seasonal commodity, which represents challenges regarding capacity at peak times.
With sea freight disruptions still creating challenges for shipping line in the foreseeable future, it is expected that the air freight market ex australia will remain strong this year, and could see volume catching up wth pre-pandemic level as early as August 2024.
Long-term growth forecasts point to moderate export growth of 0.3% per year and import growth of 2.2% per year.

Monthly Export tons ex Australia:

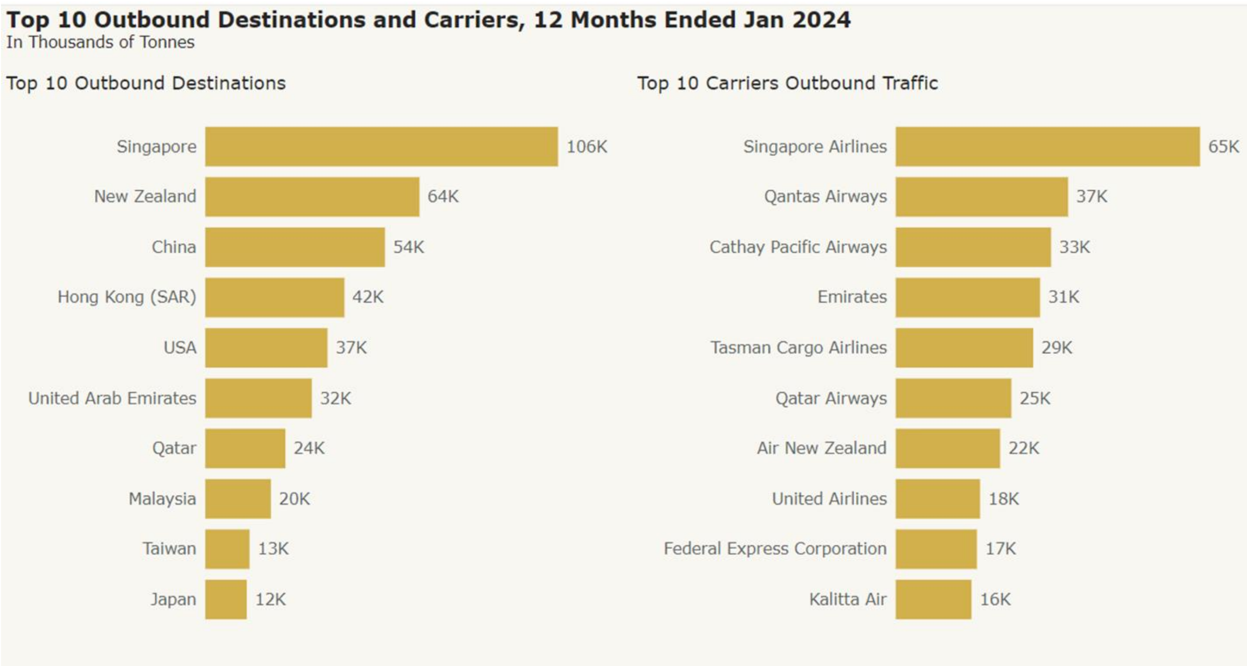


Monthly Import Tons – Into Australia



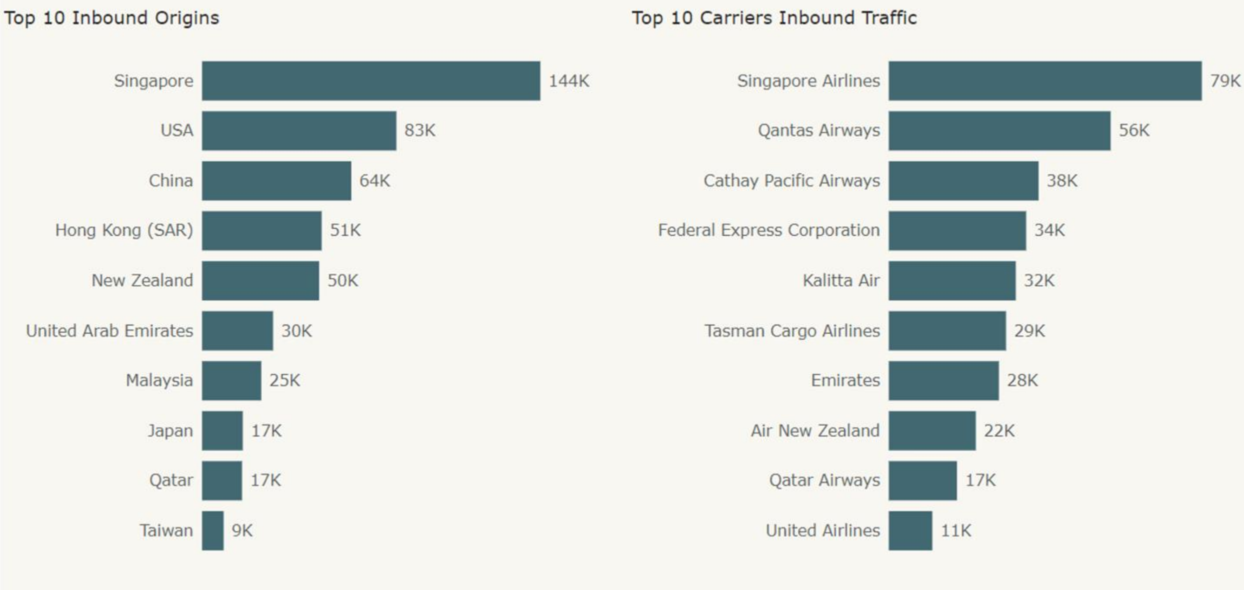


Singapore, New Zealand, China, Hong Kong and the USA are the largest outbound air freight markets. Singapore Airlines, Qantas and Cathay Pacific are the largest carriers and account for about 30% of outbound as well as inbound volumes.



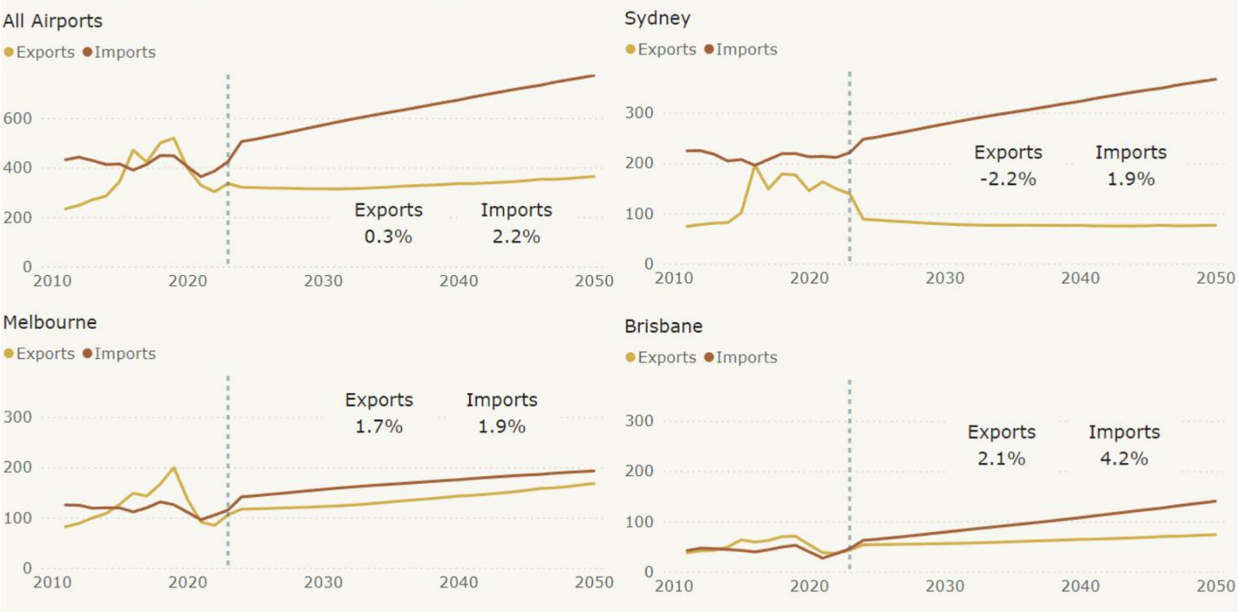
Top 10 Inbound Origins and Carriers, 12 Months Ended Jan 2024

In Thousands of Tonnes



Australian Airfreight Forecast 2011 - 2050

Forecast starts in 2024, In Thousands of Tonnes, Average CAGR 2023-2050 in %



2) Air Cargo Global Trend

BOEING DELAYS Airlines wait for 777 freighters	MIDDLE EAST CONFLICT Back haul to EU above head haul	GLOBAL GROWTH Flower volumes 'take off'
-lack of *any* 777 deliveries in Q1 24	-rates up +39% since early Q1 24	+3% growth between 15th>21st April
-only 26 of 55 orders fulfilled (below 50%)	- sea/air options to EU also growing via Dubai	Linked to high flower volumes with Mother's Day – May 12th
-blamed on supply chain issues with ongoing training of new staff after older staff left during COVID	- high rains and flooding in Dubai also added disruption	Disruption to container shipping also pushing higher airfreight volumes
-Airbus may see increased orders for its A350F	-a worsening Israel/Iran stand-off will increase geopolitical tensions favouring more airfreight	Growth in eCommerce also pointing at improving airfreight levels.

Comparative view DHL GF and Maersk Air

	DHL- April'24 Report	**MAERSK AIR – Freightways webinar 23rd April**
Global airfreight demand	April'24 **+6%** YoY	Q1 24 **+11%->12%** V Q123
Key drivers	**Ecommerce** (fashion & lifestyle). Asia Pacific routes in growth mode – Transatlantic in decline.	**Ecommerce** demand (Asia-.US) with Red Sea dilemma favouring more sea/air volumes via Tanjung Pelepas. Ocean space tight for the short term. Some auto-part vols may switch to air. Semi- conductor shipments meanwhile remain strong.
Airfreight Capacity	April'24 **+10%** YoY- more widebody space especially ex-Asia with summer '24 commercial flights coming online. US DoT granted China based airlines ***+45%*** increase in weekly flights.	Available short-term capacity also seen as tight for next 3->6 months. Summer tourist peak season will add more belly capacity.
Fuel prices	Steady at US**$109**/barrel in Mar'24	Jet fuel at US 2.6/gallon but volatile. SAF (sustainable aviation fuel) – limited supply (0.5% of demand) and US 5/gallon. Reduces GHG by 65%->85% Target to increase SAF supply to 2% of demand by '25 and 70% by '50

Rates	As above, seeing better rates ex-Middle East & SE Asia to EU.	Spot rates are +9% up over April. Approaching summer normally sees rates increase by +3%-+10% with higher demand.
Discussions with the market		A flexible needed seeking options during peak demand periods.
Other market developments	Global inflation at 4.6% Global GDP at +2.6%. Manufacturing PMI highest level since July'22.	Japan – ban on overtime for truck drivers affecting supply chain efficiency from depots.

Thank You & Kind Regards

Jodie Murray
FAPAA Secretariat
International Forwarders & Customs Brokers Association of Australia Ltd