Measuring Border Agency Performance
Options for Benchmarking

Best Practices at Border Crossings

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Overview of session

- What is Benchmarking?
- Methodologies
- Measuring performance
- Why do we need measures?
- Performance indicators
- Collecting and Analysing Data
- Using Data and Performance Information
- The Way Forward
Definition of Benchmarking

- Business Improvement Process
- Comparing like procedures and performance with others
- Uses data and information to allow analysis
- Is systematic and methodical
- Identifies opportunities or performance “gaps”
- Drives continuous improvement
Modes of Benchmarking

- **Introspective**
  - Compares current with past performance

- **Internal**
  - Within an organisation

- **External**
  - With other organisations for one or more processes
Benefits and Keys to Success

• Identifies Best Practice
• Identifies performance gaps and strengths
• Provides data and information to create a strategy for improvement
• Promotes collaboration and partnerships
• Must have senior management commitment and resources
Benchmarking Customs Operations

General Methodology for Benchmarking

1. Identify Process
   - Form Team
   - Analyse Process
   - Identify Partner
   - Best Practice
   - Gap Analysis
   - Action Plan
   - Monitor

TYPICAL MODEL
3 PHASES

1. PLANNING

- Define objectives and criteria for success
- Select Partners
- Plan for the exercise
- Form team and assign resources
- Obtain Senior Management Commitment
2. EXECUTION

- Map processes
- Collect and analyse data and information
- Site visits
- Collate data and information to enable comparisons
- Identify performance gaps and improvement opportunities
WCO Benchmarking Methodology

3. IMPLEMENTATION AND FOLLOW UP

- Create implementation plan
- Implement improvements
- Monitor and evaluate
Why do we need Performance Measures?

Measuring Performance – Legal Framework

“What gets measured, gets done”

International Convention on the Harmonization of Frontier Controls of Goods

Revised Kyoto Convention

Country legislation and Service Standards
NEW APPROACHES:

Trade and Transport Facilitation in South East Europe (TTSFE)

Targets, baselines, outputs, benchmarks
• Time-Cost Study (UNESCAP)
  • Based on trade corridors
  • Showed choke points

• Time Release Studies
  • WCO tool
  • Allows detailed analysis of processes

• TTFSE black box concept
Performance Measurement Systems

- World Bank - Doing Business Indicators
- World Bank - Logistics Performance Index
- Laufzettel (Control tag/tracer)
  
  Computer based data systems
  
  - eg ACBPS Integrated Cargo System

- Corridor Measurement
3 CATEGORIES OF AGREED MEASURES

- Local Border Station (pilot site)
- Inland Clearance Terminal Values
- National Indicators

Agreed collection procedures
Data sampling standards
Data Collection Points
IMPORT CLEARANCE TIME
*Time between entrance of truck into the terminal and its exit from the terminal after release of goods.*

Methodology:
*Information on truck identification and time of arrival and departure are recorded with the use of computer terminals or time clocks installed at the terminal entry and exit points.*

EXAMINATIONS
*Number of times that goods are examined or the cargo compartment is searched compared to the total number of import, export, and suspense declarations.*

Methodology
*Information will be derived from the computer system that records all declarations and from the requirement to prepare an automated report of the results of each physical examination.*
TRUCKS CLEARED IN LESS THAN 15 MINUTES
Number of times that a truck completes import clearance (time between entry into the terminal and departure after release of goods) in less than 15 minutes compared to the total number of import clearances.

Methodology
Information will be developed using the same system that provides the data on import clearance times.

BREACHES or IRREGULARITIES / NUMBER OF EXAMINATIONS
Number of irregularities discovered during physical examinations compared to the total number of physical examinations carried out.

Methodology
Information will be obtained from the automated reporting of the results of all physical examinations.


TRUCK EXAMINATIONS
Number of trucks actually opened (i.e., seals broken) compared to the total number of trucks processed.

PAD methodology
Information will be compiled through the use of computerized traffic logs and the requirement to prepare an automated report of the results of each truck examination.

IRREGULARITIES / NUMBER OF EXAMINATIONS
Number of irregularities discovered during examinations compared to the total number of trucks examined.

PAD methodology
Information will be extracted from the automated reports of truck examinations.
PRACTICAL USE OF PERFORMANCE INDICATORS

AVG. ORDER EXIT TIMES

For trucks exiting the country, it is the time between joining the queue and crossing the border.

Methodology

Information on truck identification and times will be recorded continuously with the use of computer terminals or time clocks installed at appropriate locations.

AVG. ORDER ENTRY TIME

For trucks entering the country, it is the time between crossing the border and departing the station.

Methodology

Same as exit time.
PRACTICAL USE OF PERFORMANCE INDICATORS

SURVEYED AND PERMANENT OCCURRENCES OF CORRUPTION

Number of cases when a driver or non-driver makes or is asked to make an unauthorized payment compared to the total number of trucks/locations surveyed and instances are the time.

Methodology

Information to calculate this indicator will be derived from surveys of truck drivers using the crossing point. This survey will be conducted on a continuous basis through cooperating transport companies.

TRADE VOLUMES

NUMBER OF DECLARATIONS

TOTAL COST OF OPERATIONS compared to RESULTS
Collecting and Analysing Data and Information

DATA COLLECTION POINTS

Country A

Border agencies

Point of collection

Country B

Border agencies

Point of collection
TIME RELEASE STUDY
(AUST CUSTOMS & BORDER SECURITY SERVICE)

TRS – MAJOR FINDINGS

TIME TARGETS USUALLY ACHIEVED
WEAK INTERVENTION AND EXAMINATION POLICY

- Exams
- Detections
TRS – MAJOR FINDINGS

ROLE OF PRIVATE SECTOR IN DELAYS

RELATIONSHIP BETWEEN CLEARANCE AND REVENUE
INTEGRATED CARGO SYSTEM (ICS)

- Fully integrated electronic reporting and clearance
- Allows for a SINGLE WINDOW for border processing
- Collection, analysis and profiling capability
- Comprehensive reporting and intervention
- Fully auditable
• Endorsed by the World Customs Organization

• Measures the average time from arrival of goods at the border until permission is given for the goods to enter home consumption

• provides the border agencies with a holistic view of the cargo operating environment and how the different parties (government agencies and industry) impact clearance times

• enables the measurement of year-on-year improvements in clearance times, including the effects of changes implemented as a result of previous studies or other initiatives

• enables the identification of other improvement opportunities to further streamline border clearance processes and facilitate trade

• provides industry with a measure of border agency performance in delivering timely cargo clearance
1. ESTABLISH WORKING GROUP
2. SCOPE AND DESIGN
3. PLANNING INCLUDING TYPES OF GOODS, GEOGRAPHY
4. SAMPLING METHODOLOGY
5. DESIGN FORMS
6. DATA COLLECTION AND RECORDING METHODOLOGY
7. ANALYSIS AND VERIFICATION OF DATA (WCO Software?)
8. FINAL REPORT AND RECOMMENDATIONS
9. IMPROVEMENTS
TIME RELEASE STUDY
(AUST CUSTOMS & BORDER SECURITY SERVICE)

Wind data and key criteria:

- **Wind data**
  1. Name of Customs Office
  2. Identification number of Goods Declaration (where applicable)
  3. Name and Identification Number of Declarant
  4. Name and Identification Number of the Third Party (where applicable)
  5. Examination of the goods; Yes/No
  6. Checking the Goods Declaration; Yes/No
  7. Intervention by other agencies; Yes/No
  8. Pre arrival lodgement of declaration; Yes/No
  9. Pre arrival lodgement of electronic Goods Declaration:Yes/No
  10.Any simplified procedure: Yes/No
  11. AEO goods; Yes/No

- **Key Criteria**

**Date & Time**

1. Arrival of goods
2. Registration of Goods Declaration
3. Release of goods
Figure 2.6 – Distribution of Release 2007-2010 (Sea)
CONTAINER EXAMINATION FACILITIES (Australian Customs)

- Truck arrival and departure times (lap time) from CRE
- Number of containers arriving
- In-CEF time
- % containers searched (imports/exports)
- Unpack/repack times
- Detections
Case study - CEF

Benchmark Measures – CONTAINER EXAMINATION

Direct Staff $$ per FTE - By Month

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<th>Direct Staff Cost</th>
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<tr>
<td>Jul-11</td>
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<td>Nov-11</td>
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Benchmark Measures – CONTAINER EXAMINATION

Efficiency Factor - Exams

-0.60 -0.50 -0.40 -0.30 -0.20 -0.10 0.00 0.10 0.20 0.30 0.40

Month

Efficiency Factor

Brisbane
Fremantle
Melbourne
Sydney

July 2011 – November 2011

United Nations Economic Commission for Europe (UN ECE)
Identify Gaps and inconsistencies
Make comparisons
Look at improvements
Identify blockages/hot spots

DO SOMETHING TO IMPROVE!!
Standardization of methodology and indicators:

- Time
- Facilitation
- Procedures
- Effectiveness measures
- Collection methods
- Qualitative measures also (not just numbers)
- Use of Technology
- Institutionalization of measures
1. Integrity and timeliness of information is dependent on the integrity of officials
2. What gets measured gets done
3. Collection and analysis of data and information should be embedded in the process
4. If you are not going to do something with the data, don’t collect it
5. Use data and information to make changes and decisions
6. Benchmarking is about comparison not competition so work collaboratively
7. Strive for perfection and never be satisfied with “close enough is good enough”
QUESTIONS?