



Australian  
**BORDER FORCE**

# Goods Compliance Update

April 2019



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# Feature Articles

## Asbestos located in Apiculture Equipment

In December 2018, the Australian Border Force received a referral through the Office of Fair Trading regarding hand held, battery-operated bee smokers advertised for sale by an Australian business located in Queensland.

Bee smokers are constructed with a heat shield between the handle and drum of the unit and the referral reported the use of asbestos in this heat shield.

The ABF referred the matter to the Asbestos Safety Eradication Agency (ASEA) and QLD Workplace Health and Safety (WHS) for investigation.

QLD WHS confirmed, through laboratory testing, that the battery-operated bee smokers did contain asbestos in the heat shields and that the devices were imported from China. Further investigation by QLD WHS with two other Queensland based beekeeping (apiculture) equipment retailers revealed that similar units, also imported from China, also contained asbestos.

Bee smokers are designed to emit smoke and are used by apiculturists to calm bees when working in close proximity to the hives. The smoke masks the bee's alarm pheromones, released by the guard bees if they perceive the hive to be under threat. Using smoke creates an opportunity for the beekeeper to open the beehive and work while the colony's defence response is interrupted.



Figure 1: Battery-operated or Electric Bee smoker

Figure 2: Close up showing heat shield containing asbestos between the drum and handle of the unit.

Bee smokers generate and emit smoke either through a manual or battery-operated heat source. Asbestos has only been located in the heat shield of the battery-operated bee smokers. Manual bee smokers do not generate as much heat and therefore have not been found to contain the heat shield component.

Licensed Brokers are advised to be aware that battery-operated bee smokers may contain asbestos and care should be taken to specifically request information from the importer as to the manner in which the smoker generates heat. Battery-operated bee smokers can also be described as electric bee smokers. Examination of previous import data has shown that often bee smokers are described simply as bee smokers with no reference to the heat generation method.

Imports of battery-operated or electric bee smokers should be declared under tariff 8424 8200 or 8424 8990. A Community Protection question will be activated from 12 April 2019 on these tariffs, requiring a response to the asbestos content of the units. As with any asbestos declaration, appropriate assurance processes must be followed to ensure the Australian prohibition on asbestos is maintained.

The National Workplace Safety Authority has issued a domestic safety alert regarding asbestos in battery-operated bee smokers <https://www.asbestossafety.gov.au/importing-advice/safety-alerts-and-recalls/alert-asbestos-insulation-component-battery-operated-bee-smokers-april-2019> and is contacting relevant bee related organisations. The ABF is conducting targeted border activity on the identified Chinese suppliers of the units confirmed to contain asbestos as well as broadening the intelligence based activity on small hand held tools containing a heat source. Any questions regarding this information can be forwarded to [GoodsCompliance@abf.gov.au](mailto:GoodsCompliance@abf.gov.au)

## Tobacco Import Requirements

The Australian Government is continuing to combat the illicit tobacco trade by introducing new measures that will strengthen the border and protect Commonwealth revenue as part of the 'Black Economy Package – combatting illicit tobacco' announced in the 2018-19 Budget.

### What is changing?

From 1 July 2019, all duties and taxes on imported tobacco will need to be paid immediately on importation into Australia. The option to enter tobacco into licensed s79 warehouses will no longer be available. The new changes will reduce the potential for tobacco being removed from warehouses to the black market without payment of revenue.

Duty free stores, catering bonds and providore warehouses will continue to be able to sell duty free tobacco products, with two new refund circumstances introduced in the Customs Regulations 2015 to support these operators.

From 1 July 2019, new requirements will apply to the importation of tobacco products into Australia. Cigarettes, molasses and loose-leaf tobacco will become prohibited imports and permission granted by the Department of Home Affairs (Home Affairs) or approval from the Minister will be required to import these products into Australia. The tobacco prohibited import measure will further secure Australia's borders by providing ABF officers with new enforcement options to seize illicit tobacco and infringe tobacco smugglers. Importers will be required to apply for a tobacco permit with Home Affairs. The permit application and other information about these measures is available on the ABF website at [www.abf.gov.au/tobacco](http://www.abf.gov.au/tobacco). Further information will be published in the lead up to 1 July.

The measures build on the success of the ABF led multi-agency Illicit Tobacco Taskforce established on 1 July 2018 as part of the Black Economy Package.

### Enquiries

Email: [tobaccopolicy@homeaffairs.gov.au](mailto:tobaccopolicy@homeaffairs.gov.au)

# Changes to the asbestos border control

Amendments have been introduced with effect from 26 March 2019 for the import and export prohibitions for asbestos. Outdated provisions and references to repealed legislation have been removed, and the framework of the border control has been strengthened by aligning the definition of *asbestos* with work, health and safety legislation in Australia.

- The importation of asbestos, and goods containing asbestos, is still controlled under Regulation 4C to the *Customs (Prohibited Imports) Regulations 1956*.
- The exportation of asbestos, and goods containing asbestos that fall to descriptions within Schedule 1, is still controlled under Regulation 4 to the *Customs (Prohibited Exports) Regulations 1958*.

The definition of asbestos has been amended slightly to align with the *Work, Health and Safety Regulations 2011*, with the effect that only asbestiform asbestos is now controlled at the border. Further, the border control for asbestos is now applied equally to all of the specified asbestos mineral silicate types whereas previously, importations of amphibole asbestos were treated differently to those containing chrysotile asbestos.

Ministerial permission to import will now be considered for the permissible purposes of research, analysis or display for all asbestos silicate types. Additionally, permission to import asbestos, and goods containing asbestos, from Australian external Territories may now be granted for the purpose of disposal in a state or territory on the mainland. The Minister responsible for granting import and export permissions remains the Minister responsible for the *Work, Health and Safety Act 2011* (the *Work Health and Safety Minister*). Information about applying for Ministerial permissions is available at the [Asbestos Safety and Eradication Agency \(Cth\) website](#).

Following changes to the border control, asbestos is also now prescribed as a Tier 1 good within the *Customs Regulation 2015*. This means that the unlawful importation or exportation of asbestos is now a criminal offence under section 233BAA of the *Customs Act 1901*. When prosecution action is to be undertaken, the Australian Government will consider the evidence available in deciding whether or not to prosecute as a Tier 1 criminal offence. A person convicted of an offence under section 233BAA is punishable by a fine not exceeding 1000 penalty units or imprisonment of five years, or both. This will complement the suite of sanctions available to the ABF, which includes fines issued under the Infringement Notice Scheme, in lieu of prosecution when considered appropriate.

ACNs 2019/10, 2019/11 and 2019/12 have been published with further information about the amendments, which can be referenced at the ABF website [Notices page](#).

Further information about the border controls for asbestos, including the referenced ACNs, is available at the ABF website: [www.abf.gov.au/asbestos](http://www.abf.gov.au/asbestos).

# Cargo reporting and import declaration requirements

The following information is reprinted from content that was available on earlier Home Affairs public websites. It will be uploaded to the current ABF website once it is re-formatted. The content remains current and is provided to ensure industry awareness of relevant issues in cargo reporting. Issues relating to specific incidents should first be addressed with the relevant ABF Regional Command. Broad concerns can be raised with industry peak bodies for representation in relevant consultative forums.

This information explains our requirements for the reporting and clearance of cargo. It outlines how these requirements apply to a number of common business models.

The legislation and policy requirements outlined below have been in place since 2005. They do not represent a change in policy.

## Cargo reporting

This section outlines a number of legislative definitions and requirements in relation to cargo reporting.

### Definition of consignor and consignee

For the purposes of a cargo report, the Customs Act defines:

- a consignor as a supplier of goods who is located outside Australia who either initiates the sending of goods to a person in Australia or complies with a request from a person in Australia
- a consignee as the ultimate recipient of the goods that have been sent from outside Australia whether or not the person ordered or paid for the goods.

Reporting the details of a logistics service provider in either the consignor or consignee field of a cargo report does not meet legislative requirements if:

- the logistics service provider is not the supplier of the goods or the ultimate recipient but is an intermediary or service provider (for example consolidator or freight forwarder)
- the required information is available to the cargo reporter.

The requirement to report consignor and consignee details does not apply to cargo reporters who have entered into an arrangement for the carriage of the consignment on behalf of another cargo reporter. Where such an arrangement applies, the cargo report (referred to as a 'parent bill report' for sea cargo and 'sub-master air waybill' for air cargo) should provide details of the overseas logistics service provider as the consignor and the receiving logistics service provider as the consignee.

### Legislative requirements

In accordance with the Customs Act, we require a cargo reporter to report all goods that they have arranged to be carried to Australia.

A cargo reporter is required to report a separate cargo report for each consignor/consignee combination.

Information in a cargo report allows us to:

- achieve cargo control
- identify and respond to risks at the border
- ensure that appropriate revenue is collected before the release of cargo.

Incomplete reporting of cargo can result in a delay in the release of the cargo from customs control.

### Bills of lading

The house bill number field or the air waybill number field on a cargo report should quote the house bill of lading number issued for the goods to ensure each cargo report lodged in the Integrated Cargo System (ICS) has a corresponding bill of lading.

Where a cargo reporter has been unable to obtain a bill of lading to lodge a cargo report, for example the overseas freight forwarder is unwilling to prepare the necessary bill of lading, the cargo reporter is able to use another commercial document to lodge the cargo report provided that the commercial document contains sufficient information to:

- identify the consignment
- lodge the cargo report in the ICS.

Where a cargo reporter has been unable to obtain a bill of lading to lodge a cargo report, evidence of this should be kept for audit purposes.

### **Cargo reporters**

In the Customs Act, a cargo reporter is defined, in relation to a ship or aircraft and in relation to a particular voyage or flight, as one of the following:

- a. the operator or charterer of the ship or aircraft
- b. a slot charterer in respect of the ship
- c. a freight forwarder in respect of the ship or aircraft.

Each cargo reporter is responsible for lodging a cargo report detailing the cargo they have arranged to be carried on the ship or aircraft.

Each cargo reporter is also responsible for notifying us of any cargo carried on behalf of another cargo reporter.

The carrier (shipping line or airline) is required, as the first cargo reporter, to report the full details of cargo which they are directly responsible for. This means the operator of the ship or aircraft is the responsible party for cargo reports at the ocean bill of lading level or master air waybill level respectively.

Where the operator of a ship or aircraft has sold space to another cargo reporter (usually a freight forwarder and, with sea cargo, might include a slot charterer), they are also required to notify us of any cargo carried on behalf of that other cargo reporter. The other cargo reporter will then become the responsible party to supply a further cargo report for that cargo, at the house bill level.

Where a cargo report at the house bill level is required but a cargo reporter has not been engaged to lodge that report, a cargo reporter needs to be engaged.

### **Containerised sea cargo types**

The containerised sea cargo types are:

- FCL – Full Container Load: a container where all the contents are consigned from one consignor to one consignee. There is only one consignment in the container.
- FCX – Full Container with Multiple House Bills of Lading: a container where all the contents are consigned to one consignee in Australia and where there are two or more consignments within the container.
- LCL – Less than Container Load: a consignment that does not occupy the full space available in the container. The consignment has been consolidated with one or more consignments in the container. The consignments in this container must be for at least two different consignees in Australia.

## Import declarations

For the purposes of an import declaration, a consignment is defined as goods that are shipped from one consignor to one consignee which might not be packed in a single package or arrive in Australia at the same time.

### Legislative requirements

The Customs Act requires imported goods to be entered for home consumption or for warehousing. An entry for home consumption is made by submitting an import declaration for the imported goods.

An import declaration must be lodged for each consignment (that is, a separate import declaration must be lodged for each consignor/consignee combination).

However, in the case of an FCX container (that is, a full container load made up of multiple consignments for a single importer), it is permissible for one import declaration to be lodged for all of the consignments (including where the shipment includes multiple FCX containers).

Importers accredited under the Australian Trusted Trader (ATT) programme are permitted to lodge one import declaration for a consolidated shipment made up of multiple consignments for a single importer, across all cargo shipment types for sea and air cargo.

## Business models

This section outlines a number of common business models along with the respective cargo reporting and clearance requirements.

### Model one

One importer submits one order to one supplier. The supplier fills the order and arranges for the goods to be sent to the importer.

Reporting requirements:

- The consignor is the supplier. The supplier is the consignor because, when the supplier receives the order from the importer, the supplier initiates the sending of the goods to a person in Australia.
- The consignee is the importer.
- In this model, there is:
  - one bill of lading
  - one cargo report.

Clearance requirements:

- In this model, there is one import declaration.

### Model two

One importer submits multiple orders to one supplier. Where the importer and the supplier have arranged for all orders over a specified period to be filled and paid for together (and there is evidence of this arrangement), the shipment can be considered as one consignment.

Reporting requirement:

- The consignor is the supplier. The supplier is the consignor because, when the supplier receives the orders from the importer, the supplier initiates the sending of the goods to a person in Australia.
- The consignee is the importer.
- In this model, there is:
  - one bill of lading
  - one cargo report.

Clearance requirements:

- In this model, there is one import declaration.



### **Model three**

One importer submits multiple orders to one supplier. Where the importer and the supplier have arranged for each order to be filled and paid for separately, each order is considered to be one consignment.

Reporting requirements:

- The consignor is the supplier. The supplier is the consignor because, when the supplier receives the orders from the importer, the supplier initiates the sending of the goods to a person in Australia.
- The consignee is the importer
- In this model, there are:
  - multiple bills of lading
  - multiple cargo reports.

Clearance requirements:

- In this model, clearance requirements differ according to cargo type: for FCX sea cargo (multiple bills of lading for one consignee), there is one import declaration
- for other cargo types (FCL and LCL sea cargo and air cargo), there are multiple import declarations (one for each consignment).

### **Model four**

One importer submits a separate order to multiple suppliers. Each supplier fills its order and arranges for the goods to be sent to the importer separately. There is no consolidation of goods.

Reporting requirements:

- The consignors are the suppliers. The suppliers are the consignors because, when they each receive an order from the importer, each supplier will initiate the sending of their goods to a person in Australia.
- The consignee is the importer.
- In this model, there are:
  - multiple bills of lading
  - multiple cargo reports.

Clearance requirements:

- In this model, for the cargo types FCL and LCL sea cargo and air cargo, there are multiple import declarations (one for each consignment).

### **Model five**

Multiple importers submit an order to one supplier. The supplier fills the orders and arranges for the goods to be sent to each importer as either LCL sea cargo or air cargo.

Reporting requirements:

- The consignor is the supplier. The supplier is the consignor because, when the supplier receives the orders from the importers, the supplier initiates the sending of goods to the persons in Australia.
- The consignees are the importers.
- In this model, there are:
  - multiple bills of lading
  - multiple cargo reports.

Clearance requirements:

- In this model, there are multiple import declarations (one for each consignment).

### **Model six**

One importer submits a separate order to multiple suppliers. Each supplier fills its order and, on instruction from the importer, arranges for the goods to be sent to a distribution centre located outside Australia for consolidation. The distribution centre consolidates the cargo before sending to the importer.

#### Reporting requirements:

- The consignors are the suppliers. The suppliers are the consignors because, when they each receive an order from the importer, each supplier will initiate the sending of their goods to a person in Australia
- The distribution centre is not the consignor as it does not initiate the sending of the goods to a person in Australia. The distribution centre receives goods from the suppliers and offers a consolidation service before arranging the transport of the goods to the importer.
- The consignee is the importer.
- In this model, there are:
  - multiple bills of lading
  - multiple cargo reports.

Note: In this model, the cargo reporting requirements (at the house bill level) are not met by the lodgement of only one cargo report that nominates the distribution centre as the consignor and the importer as the consignee.

#### Clearance requirements:

In this model, clearance requirements differ according to cargo type and importer:

- for FCX sea cargo (multiple bills of lading for one consignee), there is one import declaration
- for other cargo types (FCL and LCL sea cargo and air cargo), there are multiple import declarations (one for each consignment)
- for importers accredited under the ATT programme, the shipment will be able to be cleared on a single import declaration for all cargo types.

#### **Model seven**

One importer submits one order to its distribution centre located outside Australia. The distribution centre, in turn, sends orders to multiple suppliers. The suppliers fill the orders and send the goods to the distribution centre. The distribution centre consolidates the goods and sends them to the importer.

#### Reporting requirements:

- The consignors are the suppliers. The suppliers are the consignors because, as a result of each supplier receiving an order from the distribution centre, each supplier will initiate the sending of their goods to a person in Australia through the distribution centre. The distribution centre will consolidate the orders and will arrange transport to Australia.
- The distribution centre is not the consignor as it does not initiate the sending of goods to a person in Australia. It acts as a conduit for the orders from the importer to the suppliers, receives the goods from the suppliers, offers a consolidation service, and arranges the transport of the goods to the importer.
- The consignee is the importer
- In this model, there are:
  - multiple bills of lading
  - multiple cargo reports.

In this model, the cargo reporting requirements (at the house bill level) are not met by the lodgement of one cargo report that nominates the distribution centre as the consignor and the importer as the consignee.

#### Clearance requirements:

- In this model, clearance requirements differ according to cargo type and importer: ○ for FCX sea cargo (multiple bills of lading for one consignee), there is one import declaration
- for other cargo types (FCL and LCL sea cargo and air cargo), there are multiple import declarations (one for each consignment)
- for importers accredited under the ATT programme, the shipment will be able to be cleared on a single import declaration for all cargo types.

## Model eight

One importer submits one order to a distribution centre located outside Australia. The distribution centre holds stock that it orders and receives from multiple suppliers independently from any orders received from Australia. Upon receiving the order from the importer, the distribution centre fills the order from shelf stock and sends the goods to the importer.

Reporting requirements:

The consignor is the distribution centre located outside Australia. The distribution centre is the consignor because it has purchased the goods independently of receiving any orders from the importer and holds those goods in stock. When the distribution centre receives the order from the importer, the distribution centre picks goods from its stock and initiates the sending of those goods to the importer.

In this model, the businesses supplying the distribution centre are not the consignors as they do not initiate the sending of the goods to a person in Australia, nor do they comply with a request from a person in Australia to send goods to the person.

The consignee is the importer.

In this model, there is:

- one bill of lading
- one cargo report.

Clearance requirements:

- In this model, there is one import declaration.

## Model nine

One importer submits an order to multiple suppliers. The orders are combined into one parcel/box by one of the suppliers or by a consolidator located outside Australia.

Reporting requirements:

- The consignors are the suppliers. The suppliers are the consignors because, when they each receive an order from the importer, each supplier will initiate the sending of their goods to a person in Australia.
- In this model, the supplier or consolidator located outside Australia that combines the goods into one parcel/box is not the consignor as it does not initiate the sending of goods to a person in Australia, nor does it comply with a request from a person in Australia to send goods to the person.
- The consignee is the importer.
- In this model, there are:
  - multiple bills of lading
  - multiple cargo reports.

Note: In this model, the cargo reporting requirements are not met by the lodgement of one cargo report (at the house bill level) that nominates one supplier or the distribution centre as the consignor and the importer as the consignee.

Clearance requirements:

- In this model, clearance requirements differ according to cargo type and importer: ◦ for FCX sea cargo (multiple bills of lading for one consignee), there is one import declaration
- for other cargo types (FCL and LCL sea cargo and air cargo), there are multiple import declarations (one for each consignment)
- for importers accredited under the ATT programme, the shipment will be able to be cleared on a single import declaration for all cargo types.

This model could pose difficulties for a depot operator in accounting for each consignment within the one parcel/box and could, therefore, delay the release of the cargo from the depot.

## Model ten

A person travels to a place outside Australia and purchases goods for themselves. The goods are packed by a consolidator located outside Australia and sent to the person in Australia.

Reporting requirements:

- The consignor is the person who travelled to a place outside Australia and purchased the goods. That person is the consignor because they initiated the sending of the goods to a person (themselves) in Australia.
- In this model, the consolidator who packs the goods is not the consignor as it does not initiate the sending of goods to a person in Australia, nor does it comply with a request from a person in Australia to send the goods to the person.
- The consignee is the person who travelled to a place outside Australia and purchased the goods.
- In this model there is:
  - one bill of lading
  - one cargo report.

Clearance requirements:

- In this model, there is one import declaration.

## 2018–19 updates to the Integrated Cargo System

Table 1 below lays out the planned schedule for updates to the integrated cargo system (ICS).

A brief description of each upgrade is provided in each case.

The schedule is reviewed fortnightly and this plan is current as at 9 April 2019.

The abbreviations in the table are:

|      |                       |
|------|-----------------------|
| DEV  | Development           |
| SIT  | System integrate test |
| UAT  | User acceptance test  |
| IND  | Industry testing      |
| PROD | Production            |

| Update   | DEV                          | SIT                 | UAT                | IND                  | PROD    |
|--|------------------------------|---------------------|--------------------|----------------------|---------|
| <b>19.4.01 Australian Trusted Trader Release</b><br>Changes to support identification of Trusted Traders when staff are working in the EXAMs system. |                              |                     |                    |                      | 10Apr19 |
| <b>19.4.02 Tobacco Phase One</b><br>Changes to the ICS warehousing and permits functionality in support of new Tobacco legislation.                  |                              | 26Mar –<br>24May19  | 28 –<br>31May19    | 3 – 14Jun19          | 15Jun19 |
| <b>19.4.03 Tobacco Phase Two</b><br>Changes to the ICS warehousing and permits functionality in support of new Tobacco legislation.                  | 7Feb19 –<br>3Jun19           | 17Jun19 –<br>2Aug19 | 5Aug19 –<br>9Aug19 | 12Aug19 –<br>23Aug19 | 28Aug19 |
| <b>19.4.04 DAWR Profile Changes</b><br>Changes to the ICS in support of biosecurity legislation.   | Requirements in development. |                     |                    |                      |         |

Table 1. Schedule of updates to the Integrated Cargo System up to 30 August 2019

# Points of contact for trade and goods issues

General enquiries can be made through online forms available at the [‘contact us’](#) page of the ABF website. For referrals, including suspected revenue evasion, please contact Border Watch.

| Purpose                                   | Phone  | Email  | Online   |
|---|--|--|--|
| General enquiries                         | 131 881<br>Outside Australia:<br>+61 2 6296 0196                       | NA (online form available)   | <a href="#">General Enquiries Form</a>                                 |
| Referrals (Border Watch)                  | 1800 06 1800<br>Outside Australia:<br>+61 2 6246 1325                  | NA (online form available)   | <a href="#">Border Watch</a>   |
| Cargo Support                             | 1300 558 099   | <a href="mailto:cargosupport@abf.gov.au">cargosupport@abf.gov.au</a>   | <a href="#">Cargo Support</a>  |
| Tariff Concession Orders                  | General Enquiries:<br>02 6229 3567<br>TAPIN help desk:<br>02 6275 6534 | <a href="mailto:tarcon@homeaffairs.gov.au">tarcon@homeaffairs.gov.au</a>   | <a href="#">Tariff Concession Orders</a>                               |
| Cheese and Curd Quota Scheme              | NA (email only)  | <a href="mailto:tarcon@homeaffairs.gov.au">tarcon@homeaffairs.gov.au</a>   | <a href="#">Cheese and Curd Quota</a>                                  |
| Tariff Advice                             | NA (email only)  | <a href="mailto:tariffclassification@abf.gov.au">tariffclassification@abf.gov.au</a>                                 | <a href="#">Tariff Advice</a>  |
| Duty Drawback Scheme                      | 1300 304 322   | <a href="mailto:drawbacks@abf.gov.au">drawbacks@abf.gov.au</a>   | <a href="#">Duty Drawback Scheme</a>                                   |
| Refund applications                       | NA (email only)  | <a href="mailto:nationalrefunds@abf.gov.au">nationalrefunds@abf.gov.au</a>   | <a href="#">National Refunds Intervention</a>                          |
| Valuation Advice                          | NA (email only)  | <a href="mailto:Valuation@abf.gov.au">Valuation@abf.gov.au</a>   | <a href="#">Import Requirements</a>                                    |
| Voluntary Disclosures                     | NA (email address only)  | <a href="mailto:vdi@abf.gov.au">vdi@abf.gov.au</a>   | <a href="#">Voluntary Disclosures</a>                                  |
| ChAFTA / Origin enquiries                 | 1300 805 876   | <a href="mailto:CHAFTA@abf.gov.au">CHAFTA@abf.gov.au</a><br><a href="mailto:origin@abf.gov.au">origin@abf.gov.au</a> | <a href="#">Free Trade Agreements</a>                                  |
| Australian Trusted Trader                 | 1300 319 024   | <a href="mailto:trustedtrader@abf.gov.au">trustedtrader@abf.gov.au</a>   | <a href="#">Australian Trusted Trader</a>                              |
| Industry Engagement                       | NA (email address only)  | <a href="mailto:industry.engagement@homeaffairs.gov.au">industry.engagement@homeaffairs.gov.au</a>                   | <a href="#">Compliance Advisory Group</a>                              |
| Broker Licensing                          | 02 6275 5784   | <a href="mailto:Brokers.licensing@homeaffairs.gov.au">Brokers.licensing@homeaffairs.gov.au</a>                       | <a href="#">Customs Brokers</a>  |
| Depot / Warehouse Licensing               | 02 8339 6347   | <a href="mailto:licen@homeaffairs.gov.au">licen@homeaffairs.gov.au</a>   | <a href="#">Depot Licensing</a><br><a href="#">Warehouse Licensing</a> |
| National Temporary Imports and Securities | NA (email address only)  | <a href="mailto:ntis@abf.gov.au">ntis@abf.gov.au</a>   | <a href="#">Temporary Imports</a>                                      |

| Purpose          | Phone                   | Email  | Online                                     |
|------------------|-------------------------|--|--|
| Goods Compliance | NA (email address only) | <a href="mailto:Goodscompliance@abf.gov.au">Goodscompliance@abf.gov.au</a> | <a href="#">Trade and Goods Compliance</a> |

## New members of the Trade and Goods Compliance Advisory Group (CAG)

The CAG is a forum between the Department of Home Affairs, the ABF, and representatives from industries involved in the movement of goods and services across the border that focuses on practical aspects of compliance with legislation and border clearance processes.

The membership of the CAG has recently changed as the two-year tenure of individual industry representatives has expired and nominations for new members were considered. The CAG representatives from industry for 2019-2021 will be:

| Title                                   | Name                          | Title  | Organisation Name                                 |
|---|-------------------------------|--|---|
| Mr                                      | Andrew Hudson (continuing)    | Executive Member of FBIA (Partner, Rigby Cooke Lawyers)                                  | Food and Beverage Importers Association           |
| Mr                                      | Craig Birchall                | Manager, Customs and trade Facilitation  | QANTAS Airlines Limited                           |
| Mr                                      | David Ware                    | Member of the LCA. (Partner - National Global Trade Advisor - Deloitte Tax services P/L) | Law Council of Australia                          |
| Ms                                      | Dianne Tipping                | Chair  | Export Council of Australia                       |
| Mr                                      | Frank Liang                   | Customs Product Specialist   | Expedient Software                                |
| Mr                                      | Gary Brasher                  | National Customs Manager   | Axima Pty Ltd                                     |
| Mr                                      | Gary Dutton                   | Partner, International Trade & Excise  | Price Waterhouse Coopers                          |
| Ms                                      | Julia Armstrong               | National Customs Manager   | Kuehne + Nagel                                    |
| Ms                                      | Louise Rigoni                 | Director   | Customs Agency Services Pty Ltd                   |
| Mr                                      | Marko Vuksanovic              | Principal, Asia Pacific  | Tradewin  |
| Mr                                      | Matt Condon (continuing)      | Member of MTA (Trade Development Manager - Liberty One Steel)                            | Manufacturer's Trade Alliance                     |
| Mr                                      | Paul Bagnall (continuing)     | (Brokerage Manager - UPS Pty Ltd)  | Conference of Asia Pacific Express Carriers       |
| Mr                                      | Paul Damkjaer (continuing)    | Chief Executive Officer  | Customs Brokers & Forwarders Council of Australia |
| Mr                                      | Stuart McFarlane (continuing) | Business Affairs Manager   | Australian Federation of International Forwarders |
| Mr                                      | Andrew Crawford (continuing)  | General Manager  | Freight and Trade Alliance Pty Ltd                |
| Association Members (permanent members) |                               |  |   |

The Chair of CAG is Mr Matt Duckworth, Assistant Secretary Customs and Border Revenue in the Department of Home Affairs. ABF representation is from the Trade and Goods Operational Policy section and the National Compliance Operations section.

More detail about the CAG and minutes of its meetings are at <https://www.abf.gov.au/importing-exporting-and-manufacturing/trade-and-goods-compliance/compliance-advisory-group>

# Customs Broker Obligations – Continuing Professional Development

Undertaking Continuing Professional Development (CPD) ensures that customs brokers' knowledge and understanding of changes affecting the industry remain up-to-date ensuring they maintain a level of professionalism for themselves, their company and the wider industry. The requirement to undertake CPD is a condition of a customs broker licence.

To maintain their licence all customs brokers must comply with CPD obligations regardless of whether they are active or not.

CPD is undertaken by engaging in a points-based system of ongoing relevant accredited education. The CPD year commences on 1 April each year and ends on 31 March the following year. Failure to accrue sufficient points within a CPD year may affect the status of the broker's licence. Further information on CPD can be found at:

<https://www.abf.gov.au/licensing/brokers/when-you-have/professional-development>

## Audit activity on CPD

In 2018, the Customs Licensing Section conducted an audit on 1362 licence holders (>80%) on CPD points accrued in the 2017/18 CPD year. The audit was conducted through obtaining information from CPD providers and requesting evidence directly from over 100 licensed nominee brokers.

The results of the audit found that eight customs brokers failed to meet their CPD obligations. Two of these subsequently surrendered their licence and the remaining six were referred to the National Customs Brokers Licensing Advisory Committee (NCBLAC) for investigation. Once NCBLAC complete their investigations, they will make a recommendation to the Comptroller-General. Consequences may range from a warning letter or reprimand to suspension or cancellation of a licence.

## Future audit activity

Processes that have now been established within the Customs Licensing Section, and arrangements with CPD providers, will mean that 100% of nominee licence holders will be potentially audited for the 2018/19 CPD year.

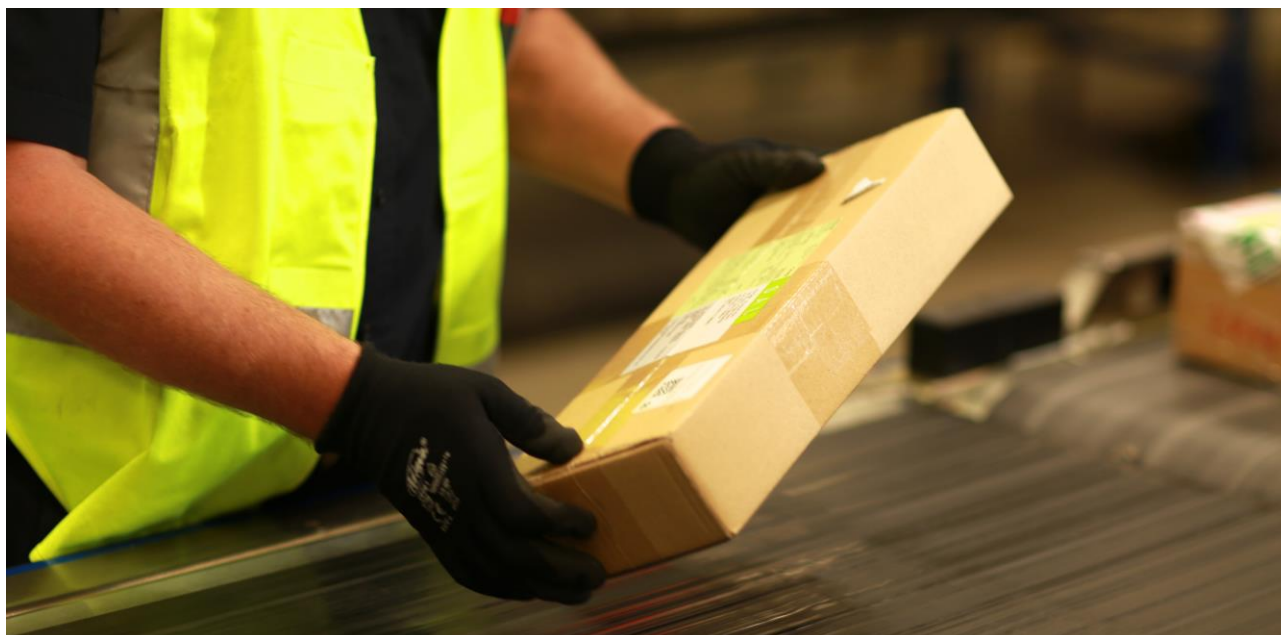
Licence holders are reminded that it is a condition of their licence that they complete 30 points of CPD activity each CPD year (with a minimum of 18 points from Stream A activities), that they must keep records of CPD activity and provide them when requested and notify the Comptroller-General if they have failed to complete their CPD requirements.

### *Additional Conditions*

- (4) *A natural person who holds a broker's licence must undertake accredited Continuing Professional Development (CPD) as per the following requirements:*
- (a) *for the purposes of this condition, accredited CPD activities are the activities accredited by the Comptroller-General of Customs or by a CPD provider that has been granted Accredited CPD Provider status by the Department. A broker must complete sufficient accredited CPD activities to acquire the minimum number of points each year as specified in the CPD Scheme.*
  - (b) *the holder of the broker's licence must keep accurate, auditable, written records of completion of accredited CPD activities and provide them upon request to the Comptroller-General of Customs.*
  - (c) *the holder of the broker's licence must notify the Comptroller-General of Customs if the holder of the broker's licence has failed to complete the required number of points and provide a written explanation of the circumstances surrounding the failure.*

# Compliance program results

## 1 October 2018 –31 March 2019



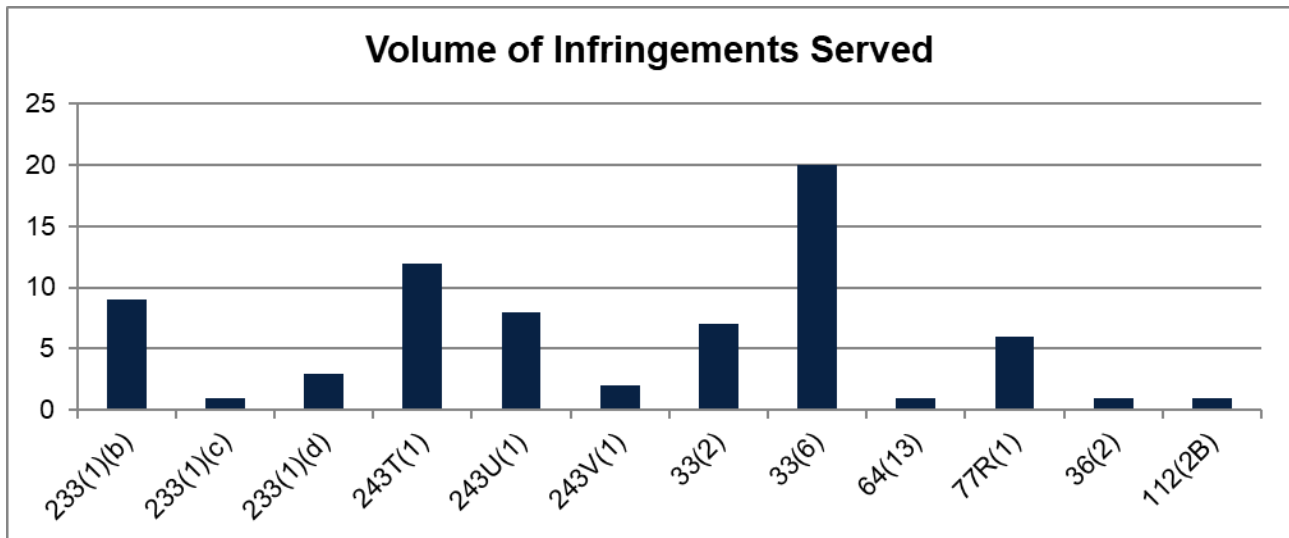
Note: Statistics were accurate at the time of publishing. System parameters may result in variances if published for the same timeframe in the future.

### Infringement Notice Scheme

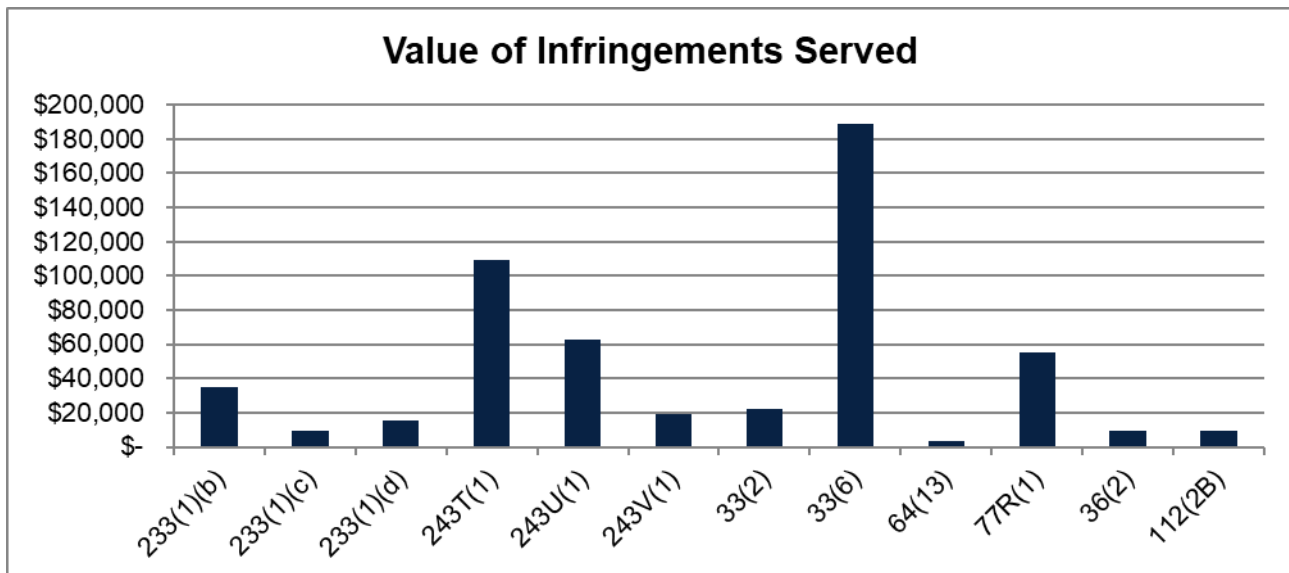
| Offence   | Description   |
|-----------|---|
| 33(2)     | Moving, altering or interfering with goods subject to Customs control without authority |
| 33(6)     | Moving, altering or interfering with goods subject to Customs control without authority |
| 36(2)     | Failure to keep goods safely or failure to account for goods                            |
| 36(6)     | Failure to keep goods safely or failure to account for goods                            |
| 64(13)    | Failure to meet reporting requirements for the impending arrival of a ship or aircraft  |
| 64AB(10)  | Failure to meet reporting requirements for the report of cargo                          |
| 64ABAA(9) | Failure to meet reporting requirements for outturn reports                              |
| 64ACD(2)  | Failure to report on passengers and crew  |
| 77R(1)    | Breach of conditions of depot licence   |
| 112(2B)   | Prohibited exports  |
| 113(1)    | Failure to enter goods for export and loading/exporting without authority to deal       |
| 118(1)    | Departing without Certificate of Clearance  |
| 233(1)(b) | Prohibited imports  |
| 233(1)(c) | Prohibited exports  |
| 233(1)(d) | Possession of prohibited imports or prohibited exports                                  |
| 243T(1)   | False or misleading statements resulting in a loss of duty                              |
| 243U(1)   | False or misleading statements not resulting in a loss of duty                          |
| 243V(1)   | False or misleading statements in cargo reports or outturn reports                      |



**Table 1 - Infringement Notice Scheme offences**



**Figure 1 – number of Infringement Notice Scheme offences 1 Oct 18 – 31 Mar 19**



**Figure 2 – value of Infringement Notice Scheme penalties 1 Oct 18 – 31 Mar 19**

## Revenue understatements

**Table 2 - Value of revenue understatements identified from Investigations and Compliance activities**

| Activity                   | Financial year to date (Australian dollars) |
|----------------------------|---|
| PTV                        | \$30,209,867.75                             |
| Pre-Clearance Intervention | \$9,527,524.51                              |
| General Monitoring Program | \$294,041.63                                |
| Voluntary Disclosures      | \$47,976,132.99                             |
| Refused Refunds            | \$3,319,785.75                              |

## Cargo control and accounting

The purpose of cargo control and accounting activity is to monitor the level of compliance of cargo terminal operators, licensed depots and warehouses with their respective legislated and licence conditions.

**Table 3 - Cargo control and accounting activity**

| Description  | Financial year to date |
|--|------------------------|
| Number of lines checked as part of customs cargo control and compliance activities | 16,837                 |
| Proportion of breaches identified against lines checked                            | 5.65%                  |

## Refund scheme

**Table 4 - Administration of the Refund scheme**

| Description                                | Financial year to date |
|--|------------------------|
| Number of refunds lodged                   | \$ 93,100              |
| Number of approved refunds                 | \$ 100,921             |
| Value of approved refunds                  | \$ 429,777,847         |
| Value of refunds claimed                   | \$ 407,372,243         |
| Number of refunds rejected (non-compliant) | \$ 2,204               |
| Value of refunds rejected (non-compliant)  | \$ 3,319,786           |

## Duty Drawback scheme

**Table 5 - Administration of the Duty Drawback scheme**

| Description            | Financial year to date (number) | Financial year to date (Australian dollars) |
|------------------------|---------------------------------|---|
| Drawbacks lodged       | 1,870                           | \$228,029,455.35                            |
| Drawbacks paid         | 1,780                           | \$209,276,621.18                            |
| Drawbacks rejected     | 50                              | \$6,918,398.01                              |
| Drawbacks withdrawn    | 17                              | \$5,566,290.16                              |
| Drawbacks over claimed | 185                             | \$792,973.52                                |

# Compliance Monitoring Program

The Compliance Monitoring Program (CMP) monitors the accuracy and quality of import and export declarations and cargo reports to assess overall levels of industry compliance.

## Import declarations

**Table 6 - CMP import declaration results**

| Description                           | Financial year to date |
|---------------------------------------|------------------------|
| No. of Lines Checked                  | 4,725                  |
| No. of Lines Detected to Have Error/s | 1,129                  |
| Error Rate                            | 23.9%                  |
| No. of Detections                     | 1,664                  |

**Table 7 - Most common errors on import declaration lines**

| Description                                 | Financial year to date |
|---|------------------------|
| Other                                       | 84                     |
| Gross Weight                                | 77                     |
| Val - Related Transaction                   | 67                     |
| Quantity                                    | 64                     |
| Origin                                      | 58                     |
| Val - Overseas Freight                      | 57                     |
| Tariff Concession or Other Concession Other | 56                     |
| Number of Packages                          | 41                     |
| Incorrect Supplier Identified               | 40                     |
| Preference                                  | 31                     |

## Export declarations

**Table 8 - CMP export declaration results**

| Description                           | Financial year to date |
|---------------------------------------|------------------------|
| No. of Lines Checked                  | 594                    |
| No. of Lines Detected to Have Error/s | 270                    |
| Error Rate                            | 45.5%                  |
| No. of Detections                     | 527                    |

**Table 9 - Most common errors on export declarations**

| Description                  | Financial year to date |
|------------------------------|------------------------|
| FOB Value                    | 148                    |
| Gross Weight                 | 106                    |
| AHECC - Misclassification    | 51                     |
| Consignee City               | 38                     |
| Net Quantity                 | 38                     |
| Origin                       | 35                     |
| AHECC - Multi-Lines          | 31                     |
| Consignee Name               | 23                     |
| Other Export Data Inaccuracy | 19                     |
| FOB Currency                 | 8                      |

## Cargo reporting

**Table 10 - CMP cargo report results**

| Description                                       | Financial year to date |
|---|------------------------|
| No. of Lines Selected                             | 4,725                  |
| No. of Cargo Reports Detected to Have Error/s (a) | 194                    |
| Error Rate %                                      | 4.11%                  |
| No. of Detections                                 | 211                    |

**Table 11 - Most common errors on cargo reports**

| Description                          | Financial year to date |
|--------------------------------------|------------------------|
| Gross Weight                         | 59                     |
| Consignee Incorrect                  | 44                     |
| Consignor Incorrect                  | 22                     |
| Goods Description                    | 20                     |
| Declared Value                       | 13                     |
| Cargo Report Data Inaccuracy (Other) | 11                     |
| Currency Code                        | 7                      |
| Bill Number                          | 2                      |
| Port of Destination                  | 2                      |
| Origin Port of Loading               | 1                      |

## Anti-dumping and countervailing

| Description                    | Financial year to date |
|--------------------------------|------------------------|
| <b>Total CVAL coverage</b>     | \$72,724,832.89        |
| <b>Number of lines checked</b> | 1,946                  |
| <b>Detection rate</b>          | 34.3%                  |
| <b>Duty under</b>              | \$15,041,927.22        |

**Table 13 – Anti-dumping and countervailing post transaction verification activity to 30 March 2019**