



Australian  
**BORDER FORCE**

# Goods Compliance Update

Winter 2021



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# Customs Group Update

## A message from Vanessa Holben, Deputy Comptroller-General and Group Manager, Customs Group

Welcome to the winter 2021 edition of the Australian Border Force Goods Compliance Update (GCU). The last few months have again proved that this is a significant year of change and re-building as we move forward in a global environment changed by the COVID-19 pandemic.

We look forward to helping to facilitate more safe travel and trade opportunities in coming months, with the Government looking to open the border in a considered and phased manner.

The ABF has a proud history of involvement in the negotiation of international agreements, such as the Mutual Recognition Agreements that provide important benefits to our Australian Trusted Trader program members. Our feature article in this issue provides an insight into the MRA negotiation process.

This edition of GCU also includes important information on the implementation of the 2022 Harmonized Commodity Description and Coding System. Australia is committed to implementing the internationally agreed changes for commencement on 1 January 2022. Importers, exporters and brokers should be aware that the proposed changes may affect the classification or the applicable rate of customs duty of their goods.

The *Customs Amendment (Product Specific Rules Modernisation) Act 2021* commenced on 9 April 2021, and with it, nearly 3,000 pages of regulations were removed while streamlining the way product specific rules of origin for Australia's free trade agreements are implemented. This adds to the nearly 2,700 pages of regulations removed by the *Customs Amendment (Product Specific Rules Modernisation) Act 2018*.



After months of intense negotiations requiring a whole-of-government effort, including from Australian Border Force and Department of Home Affairs officers, on 15 June 2021 the Prime Minister and his UK counterpart announced their Agreement in Principle on the terms on which the free trade agreement will be concluded.

We would also like to highlight a number of changes to Schedule 4 of the *Custom Tariff Act 1995*. The 'Free' rate of customs duty for certain medical and hygiene goods capable of use in combating COVID-19 has been extended to 30 June 2022. Two new concessional items have commenced: Item 39A provides for concessional treatment for certain motor vehicles and components imported by registered automotive service providers and Item 58 provides for concessional treatment for certain goods for use in the F-35 Lightning II Joint Strike Fighter Program.

There is also an important update on the new obligations on customs depot and warehouse licenses. Lastly, we present the results of the Trade Compliance Program, covering the period from 1 January to 31 March 2021.

Vanessa Holben  
Group Manager Customs Group  
Deputy Comptroller-General  
Australian Border Force

# Feature Articles

## Authorised Economic Operator Mutual Recognition Arrangements

The Australian Border Force (ABF) is committed to supporting economic recovery by enabling Australian exporters to get their goods to overseas markets faster. To reduce delays for Australian Trusted Traders at international borders, the ABF negotiates Authorised Economic Operator (AEO) Mutual Recognition Arrangements (MRAs) with key trading partners. Australia's AEO is the Australian Trusted Trader (ATT) program.

### What are AEO MRAs?

AEO MRAs are arrangements between customs administrations with equivalent AEO programs, developed in accordance with the World Customs Organization (WCO) SAFE Framework of Standards to Secure and Facilitate Global Trade (SAFE Framework). They recognise and provide reciprocal trade facilitation benefits to highly compliant traders, and are offered as a benefit through AEO programs.

AEO MRAs streamline customs clearance processes and promote bilateral trade and investment. They provide Trusted Traders with increased predictability, certainty, and speed to international markets through priority processing and differentiated examinations at partners' borders. In short, if you are a member of the ATT program, you can expect your goods to be cleared faster by overseas customs administrations with whom Australia has signed an MRA.



*Director General of Japan Customs Motoya Nakae and ABF Commissioner Michael Outram, APM (signed at the World Customs Organisation headquarters), in June 2019, prior to the COVID-19 pandemic and distancing guidelines*



## Signed AEO MRAs

Australia has embarked on an ambitious program of AEO MRA negotiations, and is party to nine of the world's 91 AEO MRAs. We are pleased to have signed arrangements with the customs administrations of Canada, the People's Republic of China, Hong Kong SAR, Japan, the Republic of Korea, New Zealand, Singapore, Taiwan and Thailand. We continue to pursue AEO MRAs with other key trading partners, and are progressing negotiations with India, Indonesia, Malaysia and the United States.




*Director-General of Singapore Customs, Ho Chee Pong, and ABF Commissioner Michael Outram, APM in May 2018 (prior to COVID-19 pandemic and distancing guidelines)*

## The ABF's approach to AEO MRA negotiations

When considering a new AEO MRA partner, the ABF considers the value and volume of two-way trade, where our traders face delays at international borders, and Australia's strategic bilateral trade interests. We also assess the level of interest from the economy we are planning to negotiate with, and the expected duration of those negotiations. While an AEO MRA may be of high priority to Australia, our partners may place a different priority on the negotiations.

The ABF also seeks to understand whether our partner requires a Treaty or Agreement to be in place prior to commencing AEO MRA negotiations. Our approach allows AEO MRAs to sit under a Customs Mutual Assistance Agreement, Free Trade Agreement, or the World Trade Organization's Trade Facilitation Agreement, minimising potential barriers to commence negotiations.



To begin negotiations, a letter of intent is exchanged with the overseas customs administration formalising the agreement to participate in negotiations. We work together to develop a joint work plan which outlines each stage of the negotiation process and establishes a timeline. The work plan is usually signed by the heads of customs agencies, with the news communicated to our Trusted Traders.

During the program comparison stage, we compare the legislative and policy frameworks for our AEO programs. Following this, we undertake a number of joint validations at the premises of AEO businesses in both locations to confirm whether the stated accreditation processes are in fact carried out in practice. This helps the ABF confirm that overseas customs administrations have a similarly rigorous approach to supply chain security. COVID-19-related travel and movement restrictions in force in many economies make it particularly difficult for the ABF and overseas customs officers to undertake validation site visits.

The results of the comparison and site visits determine whether our programs are compatible, if there are any barriers to AEO MRA implementation, and whether it is appropriate to enter into an AEO MRA. The ABF needs to be satisfied that the high standards of the ATT program are reflected in our partner's program.

The ABF and its overseas counterpart then draft the legal document. The text details the benefits that will be available to each party's AEO members, and how the AEO MRA will operate. Once the text is finalised, the ABF Commissioner or delegate will meet with their counterpart to sign the agreement.

The final step is to pilot and implement the AEO MRA with industry. The pilot enables implementation of the AEO MRA in practice, allowing us to monitor compliance with the terms of the arrangement, and track the data exchange with our AEO MRA partner. The pilot helps to ensure that Trusted Traders receive streamlined access in both directions. Once this is confirmed, the AEO MRA becomes available for all Trusted Traders.

## Challenges and opportunities

There are a number of factors that can impact the negotiations, so it is important to manage expectations regarding the time it takes to negotiate an arrangement. Another important insight for the ABF is to seek feedback from stakeholders across government and industry throughout the MRA process. Their expertise strengthens the negotiation process and ensures that the resulting arrangement suits all parties. In particular, this allows us to consider operational complexities, for example, where countries have separate quarantine and biosecurity requirements.

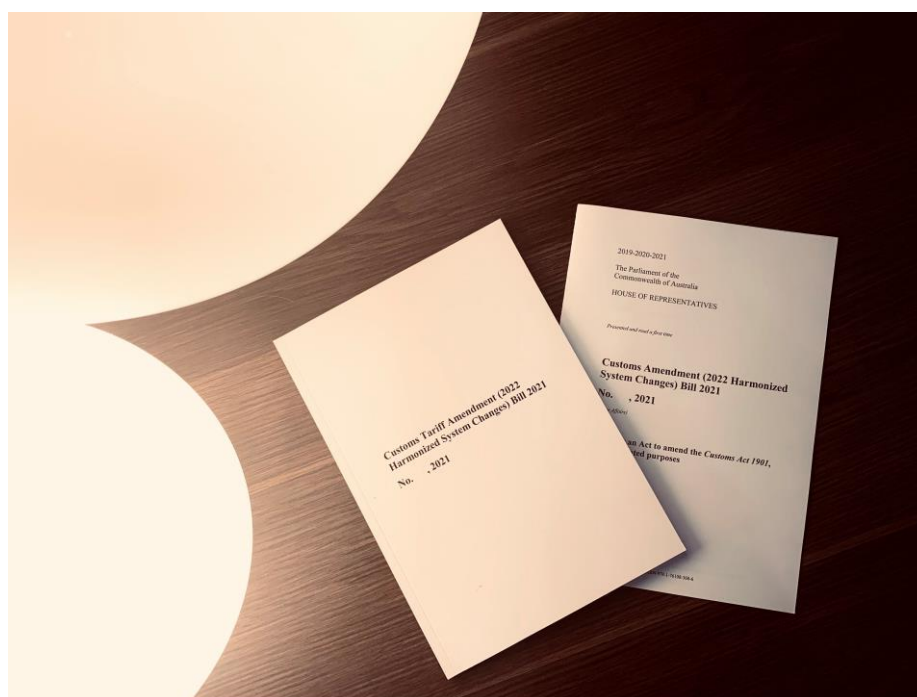
WCO Members have begun thinking about the future of AEO programs, and this body of work is called 'AEO 2.0'. Key issues under discussion include ways to harmonise the membership criteria and benefits of AEO programs around the world, making it easier to conclude MRAs – and for industry to get comparable benefits from customs administrations around the world.

The ABF invites input from Trusted Traders on potential new MRA partners, MRA benefits they would like to see, and how they believe ATT could evolve into the future.

## Update of Australia's Tariff to Harmonized System 2022

Every five years the Harmonized Commodity Description and Coding System (Harmonized System) is updated to reflect developments in Tariff rates for international trade. The 2022 Harmonized System, a result of the sixth review of the Harmonized System, will commence internationally on 1 January 2022. Australia is one of more than 200 economies which uses the Harmonized System and is committed to implementing the 2022 Harmonized System by this date.

The 2022 Harmonized System creates new tariff classifications for emerging technologies and product categories (such as light-emitting diode (LED) light sources, virgin olive oils and placebos) and removes tariff classifications for products that are no longer traded in significant volumes. The new system also creates new tariff classifications to improve the monitoring of trade for goods of concern such as chemicals that are controlled under the Kigali Amendments to the Montreal Protocol and the Chemical Weapons Convention. To implement the 2022 Harmonized System, on 23 June 2021 the Assistant Minister for Customs, Community Safety and Multicultural Affairs, Jason Wood, introduced the *Customs Tariff Amendment (2022 Harmonized System Changes) Bill 2021* (the HS Bill) in the House of Representatives.



The HS Bill amends the *Customs Tariff Act 1995* (the Customs Tariff Act) to insert and amend headings, subheadings and legal notes contained in Schedule 3 to the Customs Tariff Act to implement the changes in the 2022 Harmonized System. Except for three categories of goods: flat panel displays, semiconductor-based transducers and electronic waste, amendments will be made in a manner which preserves existing duty rates for the goods. The rate of customs duty for these three categories of goods will be 'Free'. Consequential amendments will be made to Schedule 4 of the Customs Tariff Act, which provides for concessional tariff treatment for goods that meet specified criteria, and to Schedules 4A to 13, which provide for preferential rates of customs duty under Australia's free trade agreements. Consequential amendments will also be made to the *Customs Act 1901* to preserve border arrangements for tobacco products.

The ABF has published information on these changes, including concordance tables for the transfer of goods and links to the text of the HS Bill and an Explanatory Memorandum, on the [ABF HS2022 webpage](#). Text of the HS Bill and an Explanatory Memorandum have been published on the Federal Register of Legislation: [Customs Tariff Amendment \(2022 Harmonized System Changes\) Bill 2021](#)  
[Customs Amendment \(2022 Harmonized System Changes\) Bill 2021](#)

## Commencement of the Recycling and Waste Reduction (Export – Waste Plastics) Rules 2021

With effect from 1 July 2021, Australia will regulate the exportation of waste plastic under the *Recycling and Waste Reduction Act 2020* and the *Recycling and Waste Reduction (Export-Waste Plastics) Rules 2021* (the Plastic Rules). These measures require exporters to hold a waste export licence and declare each export consignment of waste plastic to the Department of Agriculture, Water and Environment (DAWE).

DAWE will administer licences to export waste plastic, which may be valid for up to three years. Waste export licences will also be subject to conditions. Exporters need to meet the requirements of the *Recycling and Waste Reduction Act 2020* and the Plastic Rules in order for the Minister for the Environment to consider granting a waste export licence.

The Plastic Rules will commence in two phases. Phase one of the Plastic Rules will come into effect from 1 July 2021 and will only allow the export of waste plastics that have been sorted into single resin or polymer type, or processed with other materials into processed engineered fuel. Phase two will come into effect from 1 July 2022 and will only allow the export of waste plastics that have been sorted into single resin or polymer type and further processed, or processed with other materials, into processed engineered fuel.



Sorting of plastic bottles (Source: Department of Agriculture, Water and the Environment)

The commencement of the Plastic Rules on 1 July 2021 (with phase two to commence on 1 July 2022) ensures that Australia will only export waste plastic that has been processed and meets certain requirements. The intent of the measure is to prevent the export of unprocessed waste plastic, which can have a negative impact on human health and the environment in the receiving country. It will also maximise the ability of the Australian waste and recycling sector to collect, recover, recycle, reuse and convert waste plastic into new products.

Australia will introduce rules for the export of tyres and paper in later stages, which will impose similar licencing requirements on exporters of these materials. Rules for tyres will come into effect on 1 December 2021 and paper and cardboard on 1 July 2024.





*Plastic waste at a landfill (Source: Department of Agriculture, Water and the Environment)*

DAWE has introduced a new Waste Plastic Export List, which allows exporters to notify DAWE of their intention to export certain types of plastic or circumstances of their intended waste exports instead of applying for a waste export licence. Exporters can check the [Waste Plastic Exports List](#), on DAWE's website to see if they fit the criteria for this option. The Waste Export List can change at any time, so exporters of waste plastics should check it regularly to see if their individual circumstances have changed. Please visit the [Waste Plastic Exports List](#) website for more information.

The ABF published an Australian Customs Notice ([ACN 2021-25](#)) on 29 June informing exporters of the new waste plastics export licence requirements.

# Counter-Proliferation Update

## Export permits – What do I need to know?

The ABF is committed to ensuring that exporters are compliant with export control legislation. Defence Export Controls (DEC) in the Department of Defence is Australia's military, dual-use goods and technology export regulator. The ABF has responsibility for enforcing this legislation at the border.

DEC issues a number of different permit types. If you are exporting goods, services or technologies that are subject to permit requirements, you can apply for:

- a new permit to export, supply or publish military, dual-use goods or technology (including for transshipment through Australia and for repair or return purposes);
- multi-party (project) permits and permits to match contracts;
- an in-principle assessment;
- a permit to export, supply or publish items previously granted in-principle approval; and
- a renewal of a permit or an in-principle approval.

### Most common permit validation errors at the border:

**Goods subject to permit requirements lodged for export when no permit has been issued by DEC.**

**Single use permit has already been used.** If regular export of the same item is required, DEC can issue a multiple use permit.

**Permit has expired.**

**Permit does not cover all items listed on the commercial invoice.**

**Permit has not been quoted in the Integrated Cargo System (ICS).**

**Permit does not include details of the consignee.**

**Consignment exceeds the cumulative total of the quantity of items approved in the permit.**

**Permit has been issued by DEC but not provided to the cargo reporter or the ABF.** The non-lodgement of a required permit constitutes the committing of an offence against the *Customs Act 1901*.

Freight forwarders are reminded to ensure that exports are lodged into the ICS at the earliest possible time. Commercial documentation, including Export Control Assessments (ECAs) and permits must be provided to the ABF for goods subject to export controls at the time of lodgement. This ensures the correct information is provided to the ABF and assists in avoiding unnecessary delays with the export.

More information about exporting these goods can be found on the [Defence Export Controls](#) website under the Department of Defence.

# Trade and Tariff Policy Update

## Tariff Updates

### Changes to Schedule 4 of the Customs Tariff Act 1995

Since the last GCU, a number of changes have occurred to Schedule 4 of the *Customs Tariff Act 1995* (Customs Tariff Act).

#### Item 39 - Motor vehicle testing equipment

As the Automotive Transformation Scheme (ATS) closed at the end of March 2021, automotive service providers registered under that scheme are no longer able to claim concessional treatment for certain goods under Item 39 to Schedule 4 of the Customs Tariff Act. This concession covered goods for use in the testing, quality control, manufacturing, evaluation or engineering development of motor vehicles designed or engineered in Australia or components for inclusion in such motor vehicles.

An equivalent concession is now available under new Item 39A.

See [ACN 2021/14](#) for more details.

#### Item 57C - Goods to be used in the response to the COVID-19 pandemic

New item 57C to Schedule 4 of the Customs Tariff Act further extends, to 30 June 2022, the concessional treatment of a 'Free' rate of customs duty for eligible medical and hygiene goods capable of use in combating COVID-19.

Item 57C covers the same range of goods as items 57, 57A and 57B. The list of goods eligible under Item 57C is specified in Customs By-law No. 2100131. To be eligible for concessional treatment, the goods must be specified in the by-law and the date for working out the rate of customs duty must be between 1 July 2021 and 30 June 2022.

See [ACN 2021/26](#) for more details.

### Customs Tariff Amendment (Incorporation of Proposals) Bill 2021

On 16 June 2021, the *Customs Tariff Amendment (Incorporation of Proposals) Bill 2021* was introduced in Parliament. The Bill incorporates Customs Tariff Proposal (No. 1) 2021, Customs Tariff Proposal (No. 2) 2021 and Customs Tariff Proposal (No. 3) 2021. It will amend Schedule 4 of the Customs Tariff Act to extend the date of Item 57, and insert new Items 39A and 58.

#### Customs Tariff Proposal (No. 1) 2021 - Item 57

This Customs Tariff Proposal extended to 30 June 2021 the concessional treatment of a 'Free' rate of customs duty for prescribed medical and hygiene goods. The extension facilitated continued access to goods needed to respond to the COVID-19 pandemic.

[Customs Tariff Proposal \(No. 1\) 2021](#) was tabled in Parliament on 3 February 2021.

See [ACN 2020/53](#) for more details.

#### Customs Tariff Proposal (No. 2) 2021 - Item 39A

Following the closure of the ATS, and to continue to support domestic research and development in the automotive sector, item 39A provides a 'Free' rate of customs duty for prescribed goods for use in the testing, quality control, manufacturing evaluation or engineering development of motor vehicles designed or engineered in Australia, or components for inclusion in such motor vehicles.

To be eligible for the concessional rate of customs duty, goods must be imported by an entity who was registered as an automotive service provider under the ATS Act at 30 March 2021.



Item 39A commenced on 1 April 2021 and ends on 30 June 2025.  
[Customs Tariff Proposal \(No. 2\) 2021](#) was tabled in Parliament on 17 March 2021.  
See [ACN 2021/14](#) for more details.

## Customs Tariff Proposal (No. 3) 2021 - Item 58

Consistent with the terms of the *Memorandum of Understanding concerning the Production, Sustainment and Follow-on Development of the Joint Strike Fighter* which governs this program, the Australian Government has committed to achieving tax neutrality for the F-35 Lightning II Joint Strike Fighter Program. Item 58 in Schedule 4 of the *Customs Tariff Act 1995* provides a 'Free' rate of customs duty for goods that are for use in the program known as the F-35 Lightning II Joint Strike Fighter Program from 1 March 2021. [Customs Tariff Proposal \(No. 3\) 2021](#) was tabled in Parliament on 26 May 2021.  
See [ACN 2021/08](#) for more details.

## ABF's approach to tariff classification and the French version of the Harmonized System

As a result of [Comptroller-General of Customs v Pharm-A-Care Laboratories Pty Ltd \[2020\] HCA 2](#) and [Smoothflow Australia Pty Ltd and Comptroller-General of Customs \[2020\] AATA 1890](#) importers and their brokers have contacted the ABF querying as to whether these cases have introduced a new requirement to consult the French text version of the International Convention on the Harmonized Commodity Description and Coding System, when identifying the appropriate tariff classification for their goods.

As with other international conventions where there is more than one authoritative language version, it has always been the case that the alternative language text can be used in situations where there may be doubt or difference of opinion as to the meaning of text. For nearly all goods, it is sufficient to only consider the English language version. In such situations where there may be doubt or difference of opinion as to the meaning of the English language text, consulting the French language version will generally clarify or confirm how to resolve those doubts or concerns. As the Harmonized System Convention was authenticated in the French language as well as the English language and is equally authoritative in each language, the operation of the Article 33 of the Vienna Convention on the Law of Treaties means that not only is the French text of the Harmonized System Convention equally authoritative with the English text, but each term of the Harmonized System Convention is presumed to have the same meaning in each text.

Only in the situation where comparison between the English and French text does not provide clarity or confirm how to resolve doubts or differences of opinion, application of that presumption requires that every effort should be made to find a common meaning for the texts before preferring one to another, from which it follows that the treaty interpreter should seek the meaning that gives effect, simultaneously, to all the terms of the treaty, as they are used in each authentic language. It is important to understand, however, that the recent cases have not changed or extended the use of alternative language versions.



## Commencement of Customs Amendment (Product Specific Rule Modernisation) Act 2021

On 9 April 2021 the *Customs Amendment (Product Specific Rule Modernisation) Act 2021* (PSR Modernisation Act 2021) commenced and completes the work started with the *Customs Amendment (Product Specific Rule Modernisation) Act 2018* (PSR Modernisation Act 2018) that commenced on 14 December 2018.

Combined, these two Acts streamline the way in which product specific rules of origin (PSRs) are given effect domestically for ten of Australia's fifteen FTAs and aligns them with how recent FTAs have been legislated by the Australian Parliament. Combined, the associated customs regulation amendments have resulted in a reduction of over 5,600 pages of regulations.

	No. pages before commencement	No. pages after commencement
<b>Customs Amendment (Product Specific Rule Modernisation) Act 2021 – Reduction of 2,939 pages</b>		
<u>Customs (New Zealand Rules of Origin) Regulations 2006</u>	279	14
<u>Customs (Chilean Rules of Origin) Regulations 2008</u>	421	13
<u>Customs (Thailand–Australia Free Trade Agreement) Regulations 2004</u>	446	13
<u>Customs (Korean Rules of Origin) Regulation 2014</u>	966	16
<u>Customs (Malaysian Rules of Origin) Regulation 2012</u>	704	17
<u>Customs (Australia–US Free Trade Agreement) Regulations 2004</u>	210	14
<b>Customs Amendment (Product Specific Rule Modernisation) Act 2018- reduction of 2,693 pages</b>		
<u>Customs (Japanese Rules of Origin) Regulation 2014</u>	506	16
<u>Customs (Chinese Rules of Origin) Regulation 2015</u>	257	17
<u>Customs (ASEAN–Australia–New Zealand Rules of Origin) Regulations 2009</u>	1,977	15
<u>Customs (Singaporean Rules of Origin) Regulations 2017</u>	14	13

*Number of Pages in relevant rules of origin regulations before and after commencement of the two PSR Modernisation Acts*

As the PSRs for each of these agreements will apply by direct reference in the Customs Act, the PSR Modernisation Act 2021 removes the need to prescribe the PSRs in regulations. This process has been used to implement FTAs since 2017.

The PSR Modernisation Act 2021 will not change the substance of the PSRs. Importantly, these amendments will streamline the way Australia implements each agreements' PSR in future versions of the Harmonized System such as those for HS 2022 – see article on [Update of Australia's Tariff to HS 2022](#).

The ABF will progressively update guides and other information on the ABF FTA web pages to reflect the changes made by these amendments. See [ACN 2021/17](#) for more details.

# Free Trade Agreements Update

## Australia-United Kingdom Free Trade Agreement – Agreement-in-principle Announced

On 15 June 2021, Prime Minister Scott Morrison and UK Prime Minister Boris Johnson announced agreement in principle on core elements of the Australia-United Kingdom Free Trade Agreement. While negotiations have not yet concluded, the Agreement in Principle sets the framework for the negotiations. On mobility (also known as movement of natural persons) Australia and the UK commit to provisions on temporary entry that will support economic recovery, enhance opportunities for business travel, and encourage people to travel and work in each other's territory. Mobility commitments in the chapter on temporary entry and side initiatives negotiated alongside the FTA will include:

- reciprocal removal of economic needs tests;
- Australia and the UK to provide balanced guarantees that are broadly reciprocal to maintain visa pathways for service suppliers for a substantial number of sectors through the binding of these sectors in the FTA;
- making Work and Holiday Maker and Youth Mobility Schemes available to nationals no older than 35 for a total stay of up to 3 years, without having to undertake specified work including regional work (such as working on a farm);
- the UK and Australia will ensure we can further support agriculture and agribusiness, by outlining visa pathways to facilitate mobility for those involved in agricultural work;
- the UK and Australia will jointly explore dedicated visa requirements, in line with our respective systems, to further enable workplace exchanges which facilitate early career mobility for those involved in innovation across industry, culture and the arts.

These changes will be made within 5 years to allow for a smooth adjustment in respective systems. Australia and the UK commit to the liberalised goods market access including full liberalisation of tariffs on UK originating goods entering Australia and full liberalisation of tariffs on Australian originating goods entering the UK, while taking account of UK product sensitivities.

Australia and the UK commit to rules of origin (ROO) that will facilitate market access and reflect modern production processes, and existing and future global value chains. Commitments will boost efficiency, reduce costs and cut red tape by making it simpler for traders and customs authorities to prove the originating status of goods. They will include rules for specific products that support each country's economic and production interests. Commitments in the ROO chapter will include:

- efficient and low-cost processes to prove originating status of goods, reducing the amount of paperwork at the border for traders and Customs authorities;
- Product Specific Rules which enable traders to make fair use of the reduced tariffs;
- no requirement for verification visits by the importing country to ascertain if goods being imported into its territory are originating;
- low value threshold for declarations of origin that allows for Australia to use the value of AUD 1000;
- PSRs which respect UK sensitivities in agricultural sectors such as fisheries and dairy, and do not include Regional Value Content (RVC) rules for agricultural goods;
- PSRs which enable UK automotive exports, including an RVC of 25% for cars.

On Customs and Trade Facilitation, Australia and the UK commit to facilitating increased bilateral trade and efficient and transparent customs procedures, while also allowing the UK and Australia to maintain effective customs control.

For more information see:

[Media Statement by the Prime Minister and Minister for Trade, Tourism and Investment  
Australia-United Kingdom Free Trade Agreement – Agreement in Principle](#)



*The Hon. Scott Morrison MP, Prime Minister of Australia, and the United Kingdom's Prime Minister, the RT Hon. Boris Johnson MP discussed the free trade agreement negotiations during their meeting in London on 15 June 2021 (Source: Dominic Lipinski/Pool Photo via AP apnews.com).*

# Trade Compliance News

## Operational Update and Industry Guidance

### Importer prosecuted and convicted for providing false documents

In March 2021, an importer of electric scooters was prosecuted and convicted for providing false information to the ABF. The importer was initially issued with a 'Refusal to Import a Road Vehicle or Vehicle' under the *Motor Vehicle Standards Act 1989* by the Department of Infrastructure and Regional Development. Despite this, he provided his customs broker with an 'approval' to import the scooters that proved to be false.

The broker was concerned about the documentation and referred the importer to the ABF. After investigating the matter and checking with the Department of Infrastructure and Regional Development it was determined that the importer had provided a fraudulent document. Trade Compliance issued the importer with an Infringement Notice for of \$3,150.00 for a breach of 243U of the Act. The importer failed to pay the infringement notice so Trade Compliance commenced prosecution action that ultimately resulted in the following breaches being brought before the Court:

- Breach of s240(6B) alter or deface a commercial document required to be kept.
- Breach of s234(1)(d)(iii) intentionally give information to a broker, knowing that the information was false or misleading in a material particular and knowing that the broker would include the information in a statement made to an officer.

The matter went to court in March 2021 and the importer was convicted and fined \$4,000 for both offences. He was also ordered to pay ABF costs totalling \$1,089.70.

Licensed customs brokers are reminded to be vigilant in conducting due diligence on importers, and where there is any concern about suspicious documents or other concerns about the truthfulness of documents being provided, to refer them to the ABF. This is also a reminder to recipients of infringement notices, ABF encourages payment in a timely manner, and it should be noted that prosecution will be considered where infringements remain unpaid.





## ABF sharpens focus on prohibited weapons

Trade Compliance officers have seen an upturn in prohibited weapons detections this quarter. Items recently seized include butterfly knives, cross bows, throwing axes, throwing knives, extendable batons, nunchucks and paracord bracelets containing concealed knives.

In particular, ABF officers have intercepted a higher volume of paracord bracelets available in a range of designs and colours, usually constructed of thick braided parachute cord with a clasp that can contain a concealed blade.

Importers and service providers should remain aware of the wide range of goods covered by the Prohibited Imports regulations and other Customs-related legislation, and when in doubt seek advice from the ABF before importing any types of weapons. Significant penalties or even prosecution can apply if weapons are imported without permission or are not declared properly in order to avoid detection upon importation.



*This black paracord bracelet containing a concealed blade was recently seized by ABF officers in Sydney.*

## Cannabidiol (CBD) oil products

The ABF recently issued a press release on the escalating issue of CBD products being intercepted at the border. As the range of CBD products available in the global marketplace broadens, ABF is seeking to warn all consumers that unless they have a permit to import the product, their items will be seized at the border and they may face sanctions.

The warning follows a marked increase in the number of CBD products being seized by ABF officers across Australia in recent months. CBD items regularly seized by ABF officers include gummies, oils and skin care products that claim to have varying health benefits or therapeutic uses. Although some of these products may be available in pharmacies in Australia, it is illegal to import them without a permit.

All CBD products seized at the border are referred to the Australian Federal Police for investigation and possible prosecution. Department of Home Affairs Assistant Secretary, Trusted Trader & Trade Compliance, Brett Cox, said the increase in detections of CBD products was a concerning trend: *“CBD products can only be imported into Australia if permission has been granted by the office of drug control, and under the Customs Act 1901, individuals who unlawfully import CBD products can be prosecuted, face large fines or even imprisonment.”*

The Assistant Minister for Customs, Community Safety and Multicultural Affairs, Jason Wood, congratulated frontline ABF officers for preventing prohibited CBD products from reaching our shores and warned importers: *“CBD products are controlled under the Customs Act to help ensure the safety of the Australian*

*Public. People who import CBD products are not only wasting their money, but they also risk prosecution. Anyone purchasing goods from overseas has a responsibility to check if they can legally be brought into Australia and I urge them to do this."*



*An example of CBD products intercepted by ABF at the border.*


## Industry members working with ABF to improve processes and controls

At the April Compliance Advisory Group (CAG) meeting, industry representatives discussed the value of working with ABF to identify and analyse examples of non-compliance that while not intentional, occurred due to process failure or a lack of robust internal controls and checks. The following examples have been provided to highlight the importance of robust internal processes and quality assurance mechanisms.

### ***Misuse of GST exemptions due to lack of internal controls detected***

The ABF have been targeting the misuse of GST food exemptions. A recent detection relates to soda syrup that is mixed with water to make a beverage, similar to cordial. The broker incorrectly applied the GST food exemption to the goods and upon the ABF's assessment agreed that the goods were subject to GST as they are not a beverage or ingredient for a beverage specified in Schedule 2 of the GST Act. The broker removed the GST food exemption and reviewed previous misuse resulting in an additional \$7,086.95 GST. They also amended their internal systems and software to remove the GST food exemption from this product to ensure future compliance.

In another similar example the ABF recently detected misuse of the GST food exemption for syrups used to flavour coffee. The broker incorrectly applied the GST food exemption to the goods and upon the ABF's targeting and assessment agreed that the goods were subject to GST as they are not a beverage or



ingredient for a beverage specified in Schedule 2 of the GST Act. In fact coffee flavouring syrup is listed on the ATO's Detailed Food List as a taxable supply. The brokerage conducted their own full audit and amended previous misuse resulting in an additional \$49,071.51 GST. They advised that the error occurred during initial assessment of the GST status of the goods as no differentiation was made between syrups which are subject to GST and sauces which are GST free and the GST food exemption was applied to both the syrups and sauces. The brokerage has conducted internal broker training and updated their internal systems and software to ensure future compliance.

When non-compliance is detected, to protect themselves and their clients, it is wise for brokers to review and voluntarily correct any previous errors and also review and address the actual cause of the error to ensure future compliance.

***Misuse of Tariff Concession Order (TCO) and Incorrect Classification: Pacifier vs Teat***

Recently the National Refunds Intervention team detected the misuse of a TCO. The import declaration was amended to claim TCO 9304530 for goods invoiced as a rubber pacifier and classified to 4014.90.00. TCO 9304530 is for TEATS, baby. The goods were not a teat as a teat is a fixture to a bottle to enable feeding/drinking. A pacifier or dummy should be classified to 3926.90.90. The brokerage advised the error occurred due to a broker failing to identify the goods correctly as they did not know the difference between a pacifier and a teat. The incorrect details were entered into their database which resulted in a recurring error. The brokerage has advised they have provided training to all staff stressing the importance of correctly identifying and classifying goods. They have also amended their database to ensure future compliance and are in the process of reviewing and correcting previous errors.

For general Customs Trade Compliance queries please contact [goodscompliance@abf.gov.au](mailto:goodscompliance@abf.gov.au).

Please note that the Goods Compliance mailbox is not to be used for requests relating to the clearance of goods.

## Spotlight on Intellectual Property Rights Enforcement

The ABF Trade Compliance team's efforts in combating counterfeit goods was recently recognised by French luxury goods brand Louis Vuitton, which hosted a virtual ceremony to acknowledge the Intellectual and Property Rights Enforcement (IPRE) team's role in brand protection management.

Louis Vuitton's Director for Intellectual Property (Asia Pacific), Mr Mayank Vaid, commented on the excellent engagement between ABF and industry: *"in the 2020/2021 financial year to date, the ABF has more than doubled their seizure figures for Louis Vuitton alone,"* Mr Vaid said.

The IPRE team were presented with a plaque of thanks from Louis Vuitton that noted the ABF's 'steadfast commitment to combat counterfeiting and to protect Intellectual Property Rights'.

Import provisions under the *Copyright Act 1968*, *Trade Marks Act 1995*, *Olympic Insignia Protection Act 1987* and the *Major Sporting Events (Indicia and Images) Protection Act 2014* allow the ABF, under certain circumstances, to seize goods that infringe copyright, trademarks, protected Olympic expressions, and images and material relating to major sporting events.

More information on the rules around the importation of Intellectual Property (IP) is available here on the ABF website: [How to import intellectual property \(abf.gov.au\)](https://abf.gov.au/how-to-import-intellectual-property). Important information on this website page includes details of our Notice of Objection scheme, the process followed when goods are seized, and the list of companies with a current Notice of Objection in place. This web page also notes that the ABF encourages industry and community members to provide information to assist the ABF in identifying and intercepting suspect goods, and provides contact details for reporting. The website also contains a handy reference guide, fact sheets, and relevant forms.



*Virtual ceremony hosted by Louis Vuitton to thank ABF officers in the Trade Compliance team for their role in protecting intellectual property rights.*



# Australian Trusted Trader

## Program update

As at 16 August 2021, there were 1147 entities actively engaged with the Trusted Trader Program. This includes 849 accredited Trusted Traders and 298 entities under assessment, 12 of whom have been offered Trusted Trader status. Validations are currently suspended as a result of the travel restrictions imposed in response to the COVID-19 pandemic.

The ATT program continues to evolve, delivering on the Governments deregulation agenda and improving trade facilitation and reducing costs for Trusted Traders. To continue to access these benefits, Trusted Traders must continue to meet the qualification criteria and meet all reporting obligations. For further information on how to comply with these obligation please contact your ATT Account Manager.

## Introduction of new benefits for Trusted Traders

### Duty Deferral Plus (Periodic Payment benefit)

The Periodic Payment benefit was announced at Federal Budget 2020-2021 as part of the tranche of Simplified Trade System Budget Measures. The benefit will:

- enable Trusted Trader importers to defer payment of Australian Border Force (ABF)-collected import taxes and charges on most imported goods
- allow eligible importers who are registered for Goods and Services Tax (GST) monthly deferral with the Australian Taxation Office to defer all border fees and charges collected by the ABF.

From the first quarter of the 2021-22 Financial Year Trusted Trader importers who elect to defer charges will pay a single monthly payment for:

- customs duties (including dumping and countervailing duties),
- Import Processing Charge (IPC);
- Wine Equalisation Tax (WET);
- Luxury Car Tax (LCT);
- GST (via the ATO);
- Agriculture Processing Charge (APC); and
- the wood levy.

But it does not include:

- Department of Agriculture, Water and the Environment's specific fee-for service charges or other charges imposed by agencies at different points in the trade approvals process.
- Duties applicable to excise equivalent goods, or mixed goods that include EEGs, imported by Trusted Traders. This includes alcohol, tobacco and petroleum products.

The Periodic Payment benefit extends the Duty Deferral benefit introduced to the program in 2018, with a single monthly payment. This will assist in improving cash flows and simplifying payment processes for participating businesses.

For Trusted Traders interested in further information on this benefit, please contact your Account Manager in the first instance.

## Thailand Mutual Recognition Agreement

On 1 April 2021, Australian Border Force Commissioner Michael Outram APM and Director General of Thai Customs, Mr Patchara Anuntasilpa, signed the Australia-Thailand Authorised Economic Operator (AEO) Mutual Recognition Arrangement (MRA) to recognise formally each other's AEO programs.

Thailand is Australia's eleventh largest trading partner, with \$21.6 billion in two-way trade in 2019-20. The AEO MRA with Thailand will provide faster and more efficient access for Australian Trusted Traders into the market of the second-largest economy in South East Asia

AEO MRAs are a benefit under the ATT program and enable customs administrations to streamline border processing of goods, providing traders increased predictability, certainty and speed to market.

The ABF has also signed AEO MRAs with the Customs Administrations of Canada, the People's Republic of China, Hong Kong SAR, Japan, the Republic of Korea, New Zealand, Singapore and Taiwan, and continues negotiations with other key trading partners.

Eligible Australian businesses who are not yet part of ATT are encouraged to visit the ABF website, or submit an application to join the program. To find out more, and to join, visit [www.abf.gov.au/trustedtrader](http://www.abf.gov.au/trustedtrader). The feature article in this edition contains more information about the AEO MRA negotiation process.



*ABF Commissioner Michael Outram APM and Director General Thai Customs, Mr Patchara Anuntasilpa, signing the Australia-Thailand AEO MRA via video link.*

## In the spotlight – ATT Symposium

Planning is underway for the next ATT annual Symposium. This is the ATT program's premier event and an excellent opportunity for Trusted Traders to gain additional insight into the benefits available, network with industry peers and develop relationships with the ATT Team.

A face to face event in Sydney was originally planned for November, however options are now being reviewed due to the current COVID-19 outbreaks. Information on the event and whether it will need to be run virtually will be communicated soon.

Trusted Traders will receive updates through the ATT Account Management Team as additional information becomes available.

The Trusted Trader team can be contacted by email at: [TrustedTrader@abf.gov.au](mailto:TrustedTrader@abf.gov.au) or by calling 1300 319 024.



# Customs Licensing Update

## New obligations on customs depot and warehouse licences

The Australian Customs Notice 2021-23 'New obligations on customs depot and warehouse licences' (the Notice) was published on 1 July 2021 to inform all customs depot and warehouse licence holders that additional conditions have come into effect.

The Notice can be found on the ABF website, or can be accessed [here \(https://www.abf.gov.au/help-and-support-subsite/CustomsNotices/2021-23.pdf\)](https://www.abf.gov.au/help-and-support-subsite/CustomsNotices/2021-23.pdf).

The Notice supersedes the previous Department of Home Affairs Notice 2019-27 'New obligations on customs depot and warehouse licences' and does not apply to Australian Taxation Office administered warehouses.

The additional conditions are imposed by the Comptroller-General of Customs under section 77Q and section 82A of the *Customs Act 1901* (the Act). They are applicable to ABF administered depots and warehouses, including on-airport cargo terminal operators, duty free shops, provedores and catering bonds.

The Notice outlines the conditions into three categories;

1. Statutory - These conditions are outlined in the Act, under section 77N and section 77P for customs depot licences and under section 82 for customs warehouse licences. They are applicable to all customs depot and warehouse licence holders.
2. Additional - These conditions are imposed under section 77Q of the Act for customs depot licences and section 82A of the Act for customs warehouse licences. They are applicable to all customs depot and warehouse licence holders.
3. Specific - These conditions are imposed under section 77Q of the Act for customs depot licences and section 82A of the Act for customs warehouse licences. Specific conditions are only applicable to certain categories of licences. Depending on the customs licence type, certain specific conditions may apply to reflect the operating environment.

The changes include the following:

- Strengthen existing controls within the supply chain.
- Provide timings when notifying the ABF of particular matters.
- Additional controls on persons accessing customs licensed places.
- Clear delineation of additional conditions as they relate to specific licence types.
- Alignment of compliance controls for licence holders with the Aviation Transport Security Act 2004 and Aviation Transport Security Regulations 2005.
- Alignment of compliance controls for licence holders with the Biosecurity Act 2015.

Licence holders will be provided a copy of the Notice with their renewal documentation.

For more information or if you have questions, you can contact Customs Licensing at [licensing@abf.gov.au](mailto:licensing@abf.gov.au).



## Fit and Proper Assessments

When applying for a customs depot or warehouse licence, the proposed licence holder must ensure the licence holder and persons in positions of management or control are fit and proper for the purposes outlined in the *Customs Act 1901* (the Act).

When the ABF makes a determination of whether a person is fit and proper, it takes into account matters outlined in section 77K of the Act for depots and in section 81 of the Act for warehouses. For existing customs depot and warehouse licence holders, they must ensure the licence holder and persons involved in the management or control of the licensed place are fit and proper for the life of the licence.

The ABF defines management or control to be:

- A person who has authority to direct the operations of the licensed place or to direct activities in the licensed place, the removal of goods from the licensed place, or another important part of the operations of the licensed place; or
- he or she has authority to direct a person who has authority referred to above

In order for the ABF to make an assessment on whether a person is fit and proper, a B301 'Consent to Personal Information' form (B301 form) must be completed, supplied with the required supporting documentation and submitted to the ABF.

Australian Customs Notice 2021-23 'New obligations on customs depot and warehouse licence holders' has imposed an additional condition on all customs depot and warehouse licences where the holder of the licence must, when requested by the ABF, ensure **all persons** in positions of management or control complete and submit B301 forms to the ABF.

This includes all persons in positions of management or control regardless of whether they are in the direct employment of the licence holder, must complete and submit a B301 form. This includes but not limited to, third party entities, contractors, casual staff and security personnel if they hold a position of management or control.

The B301 form has been updated with a revised privacy notice. Licence holders will be provided the new form during the renewal process. Alternatively, you can access the new form [here](https://www.abf.gov.au/form-listing/forms/b301.pdf) <https://www.abf.gov.au/form-listing/forms/b301.pdf>.

The ABF will not accept previous versions of the B301 form for submission after licence holders have been written to advising of the updated form. Licence holders should familiarise themselves with the new form, ensure their employees are aware of the change and only utilise the new form in future submissions.

In addition, the supporting identity documentation requirement has changed when submitting a B301 form. **Certified copies of identity documents are no longer required.**

The new identity documentation requirements can be found within the 'Proof of Identity Requirements – 1538i' form. This form can be found on our website or can be accessed [here](https://www.abf.gov.au/form-listing/forms/1538i.pdf) <https://www.abf.gov.au/form-listing/forms/1538i.pdf>.

For more information or if you have questions, you can contact Customs Licensing at [b301forms@abf.gov.au](mailto:b301forms@abf.gov.au).

## Depot and warehouse licence renewals

Customs depot and warehouse licence renewal invoices are now considered overdue. Licence holders should ensure they have received the respective renewal invoices for the licences they hold.

### Unpaid Invoices

Warehouses with unpaid licence fees require immediate payment or are at risk of suspension. Fees must be paid within twenty-eight days of the date on which they become payable.

All depot licence fees must be paid before the end of the financial year. If the holder fails to pay the charge within 90 days immediately following the end of the financial year, the licence expires at the end of that period of 90 days.

If you have not received your renewal invoice, you can contact Customs Licensing at [licensingrenewals@abf.gov.au](mailto:licensingrenewals@abf.gov.au) quoting your licence number.

### Act of Grace Payments

Many licence holders have written to the ABF to enquire about waiving fees due to the ongoing COVID-19 pandemic and the effects of limited travel in and out of Australia.

Unfortunately, the relevant legislation concerning customs licensing within the *Customs Act 1901* does not allow for these fees to be deferred or waived.

While there is no ability for the ABF to waive or defer licence fees, the Department of Finance does provide a mechanism for 'Act of Grace' payments or waiver of debt due to special circumstances that you may wish to consider.

Information on this scheme and how to apply can be found on the Department of Finance's website at <https://www.finance.gov.au/individuals/act-grace-payments-waiver-debts-commonwealth-compensation-detriment-caused-defective-administration-cdda/act-grace-payments>.

### Paid Invoices

Once licence holders have paid their renewal invoices, they will receive their Renewal Certificate. Licence holders will be requested to contact Customs Licensing to update their details, including;

- Providing an updated staff lists (if a recent staff list has not been submitted to the ABF)
- Update key contact details
- Acknowledgement they have familiarised themselves with the new obligations on customs depot and warehouse licences
- Submit any new B301 forms for new employees in positions of management or control (if applicable)

For more information or if you have questions, you can contact Customs Licensing at [licensing@abf.gov.au](mailto:licensing@abf.gov.au).

### More information

Contact [licensing@abf.gov.au](mailto:licensing@abf.gov.au) for further information.

# Customs Compliance Reminders and Industry Guidance

## 'Time-up' goods in depots

The ABF is reminding licensed depot operations and importers that goods stored in a section 77G licensed depot must be entered for home consumption before going time-up. Under s77P of the Act if imported goods received into a depot during a particular month remain un-entered, it is a condition of the licence that the holder of the licence must remove the goods to a warehouse before the end of the following month. If the holder makes a written application to the ABF before the end of that following month, the ABF may grant an extension.

For example, if goods arrive into the depot on 18 June, they need to be moved or cleared by 31 July. After this time, goods not moved or cleared are classified as 'time-up goods'.

A written request for extension under section 77P of Act must be made to the ABF prior to the conclusion of the legislated timeframe and be supported by valid reasons for the extension.

Depot operators should note that it is a requirement of section 77G depot licenses that any time-up cargo is identified and actioned in a timely manner. The unauthorised storage of goods subject to customs control represents a failure to operate as licensed. If a license holder fails to adhere to the regulatory requirements of the Act, appropriate treatments will be applied including education, warning letters, infringement notices, or even suspension or cancellation of licences.

Please refer to this online fact sheet on the ABF's approach to time-up goods: [Time-up Goods \(abf.gov.au\)](https://www.abf.gov.au/time-up-goods) for more information. It should be noted that time-up and abandoned cargo sometimes represent a heightened risk to the ABF as illicit goods have been detected in goods time-up or abandoned. Depot operators are encouraged to report any suspicious activity or concerns to Border Watch via this link: [Border Watch Online Report \(homeaffairs.gov.au\)](https://www.border.gov.au/border-watch-online-report).

## GST on low value imported goods – correct reporting

Since 2018, goods with a customs value of AUD \$1,000 or less (low value goods) have attracted the Goods and Services Tax (GST) at point of sale if imported from overseas by consumers in Australia. Importers are reminded that it is mandatory to report specific information in the Integrated Cargo System (ICS).

Businesses that are registered for GST and sell low value goods to consumers in Australia are required to provide the following information:

- Vendor ID - the GST registration number (ARN) or Australian business number (ABN) of the non-resident business selling the goods.
- Importer ID - the ABN of the purchasing business - to identify goods imported by a GST-registered business for which no GST is payable at the time of sale.
- GST-paid exemption code - to identify that GST has been paid on a low value good at the point of sale. This GST exemption code works the same as other GST exemption codes already being used by importers (that is switching off GST liability at the border).

It is the responsibility of importers and their agents to ensure that information provided to the ABF is complete and accurate (including in the correct fields) to reduce the likelihood of these goods being subject to double taxation and/or the business being contacted by the Australian Taxation Office. There are penalties that can be imposed for not providing this information. Section 288-46 of Schedule 1 to the *Taxation*

*Administration Act 1953* allows for a penalty of \$4,440 (20 penalty units) to be imposed if the information is not included in customs documents.

Don't risk holding up your consignments by incorrect reporting.

The ABF's web page [GST on low value goods](#) provides further information about the facilitation of low value goods to consumers in Australia.

## Gross weight reporting

Gross weight reporting errors regularly feature in ABF statistics as some of the most common errors identified on import and export declarations and cargo reports. During the financial year 2019-20 gross weight was the most common error type found on export declarations and cargo reports and fifth most common error type on import declarations identified by the Compliance Monitoring Program (CMP). Many of these errors in the export environment occur as the net weight is inadvertently entered instead of the gross weight. It may be timely for reporters to re-familiarise themselves with weight reporting requirements on both inbound and outbound cargo communications or statements.

The approved statements set out the ABF's requirements for reporting the gross weight of a consignment.

**Export Declarations** – *the weight of the goods, including the packing but excluding the carrier's equipment.*  
[Comptroller-General of Customs Instrument of Approval No. 2 of 2015 \(legislation.gov.au\)](#)

**Import Declarations** – *gross weight of the goods including the packing.*  
<https://www.abf.gov.au/help-and-support-subsite/files/711-import-declaration-n10.pdf>

**Air and Sea Cargo Reports** – *the gross weight of the goods including the packing.*  
<https://www.abf.gov.au/help-and-support-subsite/files/64ab-cargo-report-air.pdf>  
<https://www.abf.gov.au/help-and-support-subsite/files/64ab-cargo-report-sea.pdf>

The ABF ICS data dictionary groups these definitions as 'the gross weight (mass) of the goods including packing but excluding the carrier's equipment'. Reporting of consignment weight is therefore consistent between air and sea cargo and for import and export purposes.


Under policy, the term 'packing' is defined with reference to rules 5(a) and 5(b) of the *General Rules For The Interpretation Of The Harmonized System* i.e. "packing materials and packing containers presented with the goods". For this reason, pallets and packing would usually be reported as part of the consignment's gross weight (when imported or exported with the goods). On the other hand, Unit Load Devices (ULD) and shipping containers would not normally be reported in this figure.

For clarity, in the sea environment, gross weight only includes the goods inside the container, including pallets and packing, not the container itself or any fixed part of the container, even if (as often happens with sea cargo) the shipping container is delivered with the goods inside (i.e. Full Container Load, Full Container Mixed).

In the air environment, the weight of ULDs e.g. the ubiquitous 'cans', pallets, coolainers, car racks, that are specially designed or contoured to lock into the body of the aircraft and that are separated from the goods prior to delivery, is not included in gross weight calculations. Secondary containers such as pallets and packing, that keep the goods safe during transportation and are delivered to the consignee with the goods, should be reported in the gross weight field. If the packing is intended to be returned for re-export or re-use, a separate line on the import declaration for the goods can be used. The same weight reporting requirements will apply for the container/packing upon re-export if reported on an Export Declaration.

Please refer to Australian Customs Cargo Advice 2012/11 (<https://www.abf.gov.au/help-and-support-subsite/CargoAdvices/2012-11.pdf>) for further information on how to import shipping containers, including iso-tanks.





The International Air Transport Association's (IATA) definitions of 'containers', 'pallets', 'airline equipment' and the like, are not referenced in the *Customs Act 1901*, and are therefore not necessarily interchangeable with information required to be reported to the ABF. If in doubt, always check whether industry's terms are defined or calculated in the same manner as specified in the Customs Act and the relevant Approved Statement.

Reporters are encouraged to amend any incorrect information in the ICS if they become aware that a reporting error has occurred. Singular as well as systemic errors should be promptly amended or reported to ABF under voluntary disclosure provisions to avoid potential future penalty action. It is acknowledged that in some cases, exporters may not accurately know information such as value, weight and quantity until the goods have arrived at the port of destination. Such exporters should consider applying to the ABF to become what is known as a 'confirming exporter'. An application for confirming exporter status is available on the ABF website at: <https://www.abf.gov.au/form-listing/forms/b111.pdf>

## Clarification on refund and remission eligibility

The ABF wishes to clarify that underbond goods deemed to be superseded are not eligible for a refund or remission of duty.

Refunds and remissions of duty can only be made subject to the conditions and restrictions, prescribed in the *Customs Regulation 2015* (subsection 163(1)(b) of the Act). Clause 1 of Schedule 6 of the *Customs Regulation 2015* prescribes circumstances in which a refund, rebate or remission of duty may be made by a Collector.

As an example, goods that become superseded due to a change in packaging requirements or similar are not covered under the prescribed circumstances in Clause 1 of Schedule 6, where a refund or remission of duty can be made.

# Compliance program results 1 January 2021 - 31 March 2021



Note: Statistics were accurate at the time of extraction on 28 May 2021. As data has been drawn from a dynamic source, figures provided may differ slightly in previous or future reporting.

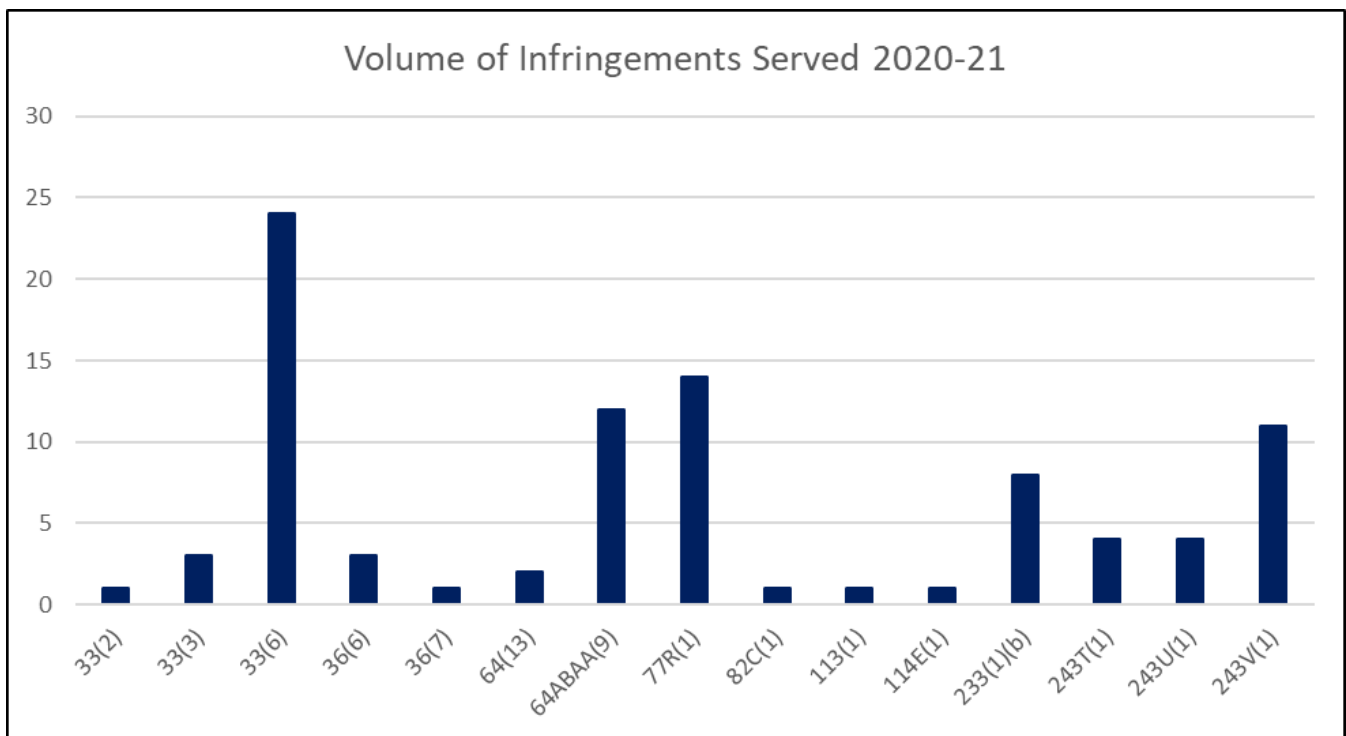
## Infringement Notice Scheme

Table 1 - Infringement Notice Scheme offences

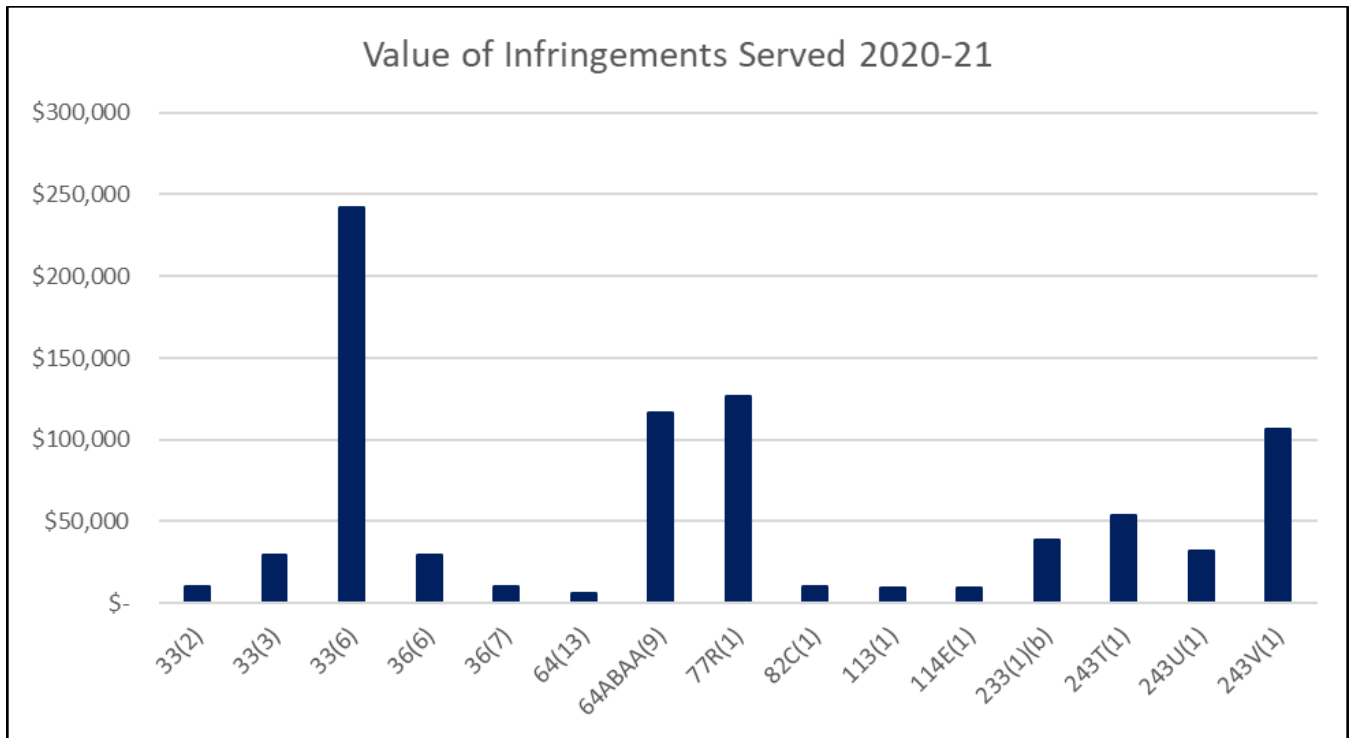
Offence	Description
33(1)	Moving, altering or interfering with goods subject to Customs control without authority (intentional)
33(2)	Moving, altering or interfering with goods subject to Customs control without authority
33(3)	Moving, altering or interfering with goods subject to Customs control without authority (by an employee)
33(6)	Directs another person to move, alter or interfering with goods subject to Customs control without authority
36(1-7)	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
82C(1)	Breach of conditions of a warehouse licence
112(2B)	Prohibited exports
113(1)	Failure to enter goods for export and loading/exporting without authority to deal

Offence	Description
114E(1)	Sending goods to a wharf or airport for export without proper authority or reporting actions
115(1)	Goods taken on board without authority to deal
116(2)	Failure to withdraw or amend export declarations when necessary
233(1)(b)	Prohibited imports
233(1)(c)	Prohibited exports
233(1)(d)	Possession of prohibited imports or prohibited exports
240(1)	Failure to keep commercial documents
243SB	Failure to produce documents or records
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

**Figure 1 - Number of Infringement Notice Scheme offences 1 July 2020 - 31 March 2021**



**Figure 2 - Value of Infringement Notice Scheme offences 1 July 2020 - 31 March 2021**





## Revenue understatements – General

**Table 2 - Value of revenue understatements identified from Investigations and Compliance activities (Australian Dollars)**

Activity	Financial year 2019 – 2020	1 January 2020 – 31 March 2020	1 January 2021 – 31 March 2021	Financial year to date 2020 – 2021 (July to March inclusive)
Post Transaction Verification	\$40,614,771	\$21,595,301	\$2,568,791	\$61,560,974
Pre-Clearance Intervention	\$16,611,209	\$2,999,205	\$2,678,524	\$9,471,563
General Monitoring Program	\$1,469,180	\$55,315	\$130,232	\$274,533
Voluntary Disclosures	\$40,018,804	\$13,889,265	\$9,265,473	\$66,471,496
Refused Refunds	\$32,882,214	\$3,201,124	\$989,247	\$3,006,674

## Revenue understatements – trade remedy measures

During the period 1 January to 31 March 2021, Trade Compliance officers completed 13 verification activities to ensure a level playing field in relation to the enforcement of trade remedy measures, primarily focusing on:

- Aluminium extrusions;
- Hollow Structural Sections (HSS); and
- Steel pallet racking.

A total of 57 verification activities have now been completed this financial year to date.

**Table 3 - Value of revenue understatements identified from trade remedy investigations and compliance activities (Australian Dollars)**

Trade remedy understatements identified	Financial year 2019 – 2020	1 July – 31 March 2021 (20-21 YTD)
Customs duty	\$347,317.72	\$37,708.88
Dumping duty	\$6,948,130.03	\$1,924,390.23
Countervailing duty	\$2,018,723.47	\$272,704.61
GST	\$1,077,336.56	\$411,719.01

*Note: The apparent reduction in dumping and countervailing outcomes can be attributed to several factors but particularly to the success of ABF operations conducted in the previous financial years, which targeted deliberate evasion of dumping measures on aluminium extrusions. Many entities deliberately circumventing anti-dumping measures that were subjected to ABF compliance activity ultimately left the industry.*

## Duty Refunds

**Table 5 - Administration of Refunds**

Description	Financial year 2019 – 2020	1 January 2020 – 31 March 2020	1 January 2021 – 31 March 2021	Financial year to date  2020 – 2021 (July to March inclusive)
Number of refunds lodged	120,077	31,063	23,434	75,488
Number of approved refunds	117,782	30,537	23,864	74,816
Value of approved refunds	\$260,945,917	\$67,856,236	\$45,230,503	\$175,521,050
Value of refunds lodged	\$323,729,248	\$69,377,108	\$47,273,039	\$184,655,358
Number of refunds rejected (non-compliant)	707	204	170	495
Value of refunds rejected (non-compliant)	\$32,882,214	\$3,201,124	\$989,247	\$3,006,674

*Note: The approved refunds figures include claims lodged in past periods.*

## Duty Drawbacks

**Table 6a - Administration of Duty Drawbacks (number)**

Description	Financial year 2019 – 2020	1 January 2020 – 31 March 2020	1 January 2021 – 31 March 2021	Financial year to date  2020 – 2021 (July to March inclusive)
Drawbacks Lodged	2,559	565	551	1,678
Total Drawbacks Paid	2,457	531	539	1,585
Drawbacks Rejected	72	44	9	26

**Table 6b - Administration of Duty Drawbacks (value in Australian dollars)**

Description	Financial year 2019 – 2020	1 January 2020 – 31 March 2020	1 January 2021 – 31 March 2021	Financial year to date 2020 – 2021 (July to March inclusive)
Drawbacks Lodged	\$572,953,667	\$71,732,063	\$170,817,606	\$459,830,956
Total Drawbacks Paid	\$390,445,296	\$53,532,077	\$118,124,185	\$401,510,262
Drawbacks Rejected	\$42,252,252	\$41,842,248	\$213,811	\$29,767,804

*Note: The drawbacks paid figure is sometimes significantly different than that lodged for a period due to claims lodged towards the end of a period being processed in the next period.*

## 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 7 - CMP import declaration results**

Description	Financial year 2019 – 2020	1 January 2020 – 31 March 2020	1 January 2021 – 31 March 2021	Financial year to date 2020 – 2021 (July 2020 to March 2021 )
No. of Lines Checked	6,175	1,234	1,323	4,295
No. of Lines Detected to Have Error/s	1,689	334	284	854
Error Rate	27%	27.07%	21.2%	20.76%
No. of Detections	2,453	459	365	1,074

**Table 8 - Most common errors on import declaration lines (CMP)**

Description	Financial year 2019 – 2020	Financial year 2020 – 2021 YTD
Incorrect Delivery Address	347	106
Tariff Classification	274	84
Val - Price (Invoice Total)	195	70
Val - Invoice Terms	177	136
Gross Weight	115	37
Origin	81	39
Val - Related Transaction	80	65

*Note: A number of valuation date errors are still being detected. Due to some identified industry system problems that skew the official figures they will not be published in the GCU until this issue is resolved.*

**Valuation Date** – The ABF continues to monitor errors in reporting relating to the valuation date, in line with the legislation and ACN 2020/08. Where there is no material change in revenue or other impact relating to the incorrect date, the ABF will take no further action. There are instances where the incorrect date has resulted in an incorrect amount of revenue being paid by the importer, and in these cases the ABF will require the import declaration to be amended to reflect the correct date. CMP have detected instances where even just the one day difference makes a significant difference to the exchange rate and subsequent revenue owing.

**Valuation Invoice Terms** – CMP regularly detected incorrectly reported INCOTERMS. It is important that correct INCOTERMS and calculations are used. An INCOTERMS 2020 Reference Guide is available on our website to assist brokers in this area if required.  
<https://www.abf.gov.au/help-and-support-subsite/FactSheets/incoterms-2020-reference-guide.pdf>

**Incorrect Delivery Address** – The CMP team have been advised on several occasions the cause for incorrect addresses is due to brokers software systems where they either incorrectly select or auto populate address field using historical data. The correct delivery address is incredibly important in our risk assessment process and it is expected licensed brokers would exercise appropriate due diligence in ensuring all information they enter on behalf of their client is in fact correct and consistent with documents they have received, before submitting the declaration.

**Tariff Classification** – CMP regularly detect classification errors where it often appears brokers fail to review documents provided or obtain enough details about the goods to enable a correct classification. These errors are usually simple errors and clearly visible in the documents provided so many can be avoided if the broker ensures they have enough information about the goods to enable their correct classification.



## Export declarations

**Table 9 - CMP export declaration results**


Description	Financial year 2019 – 2020	1 January 2020 – 31 March 2020	1 January 2021 – 31 March 2021	Financial year to date 2020 – 2021 (July 2020 to March 2021 )
No. of Lines Checked	481	9	177	616
No. of Lines Detected to Have Error/s	235	4	66	271
Error Rate	49%	44%	34.4%	35.2%
No. of Detections	467	5	150	392

**Table 10 - Most common errors on export declarations (CMP)**

Description	Financial year 2019 – 2020	Financial year 2020 – 21 YTD
FOB Value	136	133
FOB Currency	11	27
Gross Weight	92	59
AHECC - Misclassification	48	27
Consignee City	36	6
Net Quantity	31	44
AHECC - Multi-Lines	24	13
Origin	26	30
Consignee Name	24	8
Other Export Data Inaccuracy	16	25

**FOB Value** – The majority of detections above were due to incorrect currency being entered. This is largely due to calculations of FOB values which are misrepresented through incorrectly reporting in AUD and not the actual currency stated on the invoice. The export value should be expressed in the currency used in the invoice, and that currency then specified in the export declaration. Another common error is where freight and insurance is incorrectly included in the FOB value confusing the process with imports. When reporting FOB for exports, FOB does not include freight & insurance.

**Gross Weight** – A high percentage of the detections above are attributed to goods incorrectly entered as the net weight not the gross weight or export weight has been amended from what was originally entered and not updated once the gross weight is known. All export declarations must be complete and accurate when lodged prior to the exportation of the goods. Some exporters however, may not be able to obtain certain details when an export declaration is lodged. In some cases, an exporter may not accurately know information such as value, weight and quantity until the goods have arrived at the port of destination. Such exporters should consider applying to the ABF to become what is known as a 'confirming exporter'. An



application for confirming exporter status is available on our website at: <https://www.abf.gov.au/form-listing/forms/b111.pdf>

**Net Quantity** – CMP regularly detect declared net quantity errors which appear to be data entry errors by reporters. The ABF expects all declarations to be entered accurately so it would be wise for the reporter to check the accuracy of what they have entered against commercial documents before submitting the export declaration.

**Origin** – CMP regularly find that documents received show a different country of origin than what has been entered. These simple errors are usually visible in the documents submitted so could be avoided by reviewing information provided to data entered before submitting the declaration.

**AHECC – Misclassification** – Similar to import declarations CMP regularly detect incorrect AHHEC classifications on export declarations. A recent example of this is where footwear was originally classified to 64039900. When documents were received and assessed by CMP the broker agreed the footwear had been incorrectly classified as they were made from all synthetic material so should have been classified to 64041990. Again many of these breaches can be avoided by the reporting party obtaining enough details about the goods to correctly classify them.

## Cargo reporting

**Table 11 - CMP cargo report results**

Description	Financial year 2019 – 2020	1 January 2020 – 31 March 2020	1 January 2021 – 31 March 2021	Financial year to date  2020 – 2021 (July 2020 to March 2021 )
No. of Lines Checked	6,175	1,234	1,323	4,295
No. of Lines Detected to Have Error/s	187	32	77	128
Error Rate	3.03%	2.59%	5.92%	3.35%
No. of Detections	215	36	85	138

**Consignee & Consignor Incorrect** – The CMP team regularly detect the incorrect reporting of consignee and consignor details in cargo reports. Many are simple errors and clearly visible when documents are reviewed. The correct consignee and consignor details are incredibly important in our risk assessment process and it is expected reporters exercise appropriate due diligence in ensuring all information they enter on behalf of their client is in fact correct and consistent with documents received.

**Origin Port of Loading** – Again this appears to be a simple error clearly visible when documents are received so many of these errors can be avoided by more accurate data entry and review of information available.

**Gross Weight** – CMP often detect errors where goods have been incorrectly entered as the net weight instead of the gross weight on cargo reports. Again many of these errors can be avoided by more accurate data entry and review of information available.

**Table 12 - Most common errors on cargo reports (CMP)**

Description	Financial year 2019 – 2020	Financial year 2020 – 2021 YTD
Gross Weight	77	15
Consignee Incorrect	65	30
Consignor Incorrect	32	18
Goods Description	22	4
Declared Value	16	4
Origin Port of Loading	3	21
Cargo Report Data Inaccuracy (Other)	34	35

# Australian Customs Notices and Industry Guidance

## Australian Customs Notices

The following table contains the ACNs that have been issued since the last GCU. Any numbers missing from the table below (such as 2021-19) refer to customs broker license application notices. The full list and details can be found here: <https://www.abf.gov.au/help-and-support/notices/australian-customs-notices#>

Number	Title
2021-17	Customs Amendment (Product Specific Rule Modernisation) Act 2021
2021-18	New firearm serial number requirements under the Customs (Prohibited Imports) Regulations 1956
2021-20	New by-law for superyachts undertaking repairs
2021-22	Luxury car tax thresholds for 2021-22
2021-23	New obligations on customs depot and warehouse licences
2021-25	Commencement of the Recycling and Waste Reduction (Export – Waste Plastics) Rules 2021
2021-26	Extension of concessional treatment for certain hygiene and medical goods
2021-27	1 July 2021 changes to customs duty rates and to the Australian Harmonized Export Commodity Classification
2021-28	Expansion of Duty Deferral Benefit for Australian Trusted Traders
2021-30	Indexation of customs duty rates on excise-equivalent goods on 2 August 2021
2021-31	Cheese and Curd Quota Scheme – Allocations for 2021-2022
2021-32	Registration for the new Integrated Cargo System Business Continuity Plan Subscription list

## Industry Guidance

### Wine Export Approval

Exporters must submit a Shipping Application via the [Wine Australia Licensing and Approval System \(WALAS\)](#) for each consignment of wine leaving Australia that is in excess of 100 litres. If the export complies with all requirements, Wine Australia will issue an Export Permit Number. The permit number is required to obtain the EDN (Export Declaration Number) from the Border Force's Integrated Cargo System (ICS). This permit is a single use permit and will not be accepted by ICS for multiple EDNs (however, the permit may be used for multiple lines of a single EDN).

From 1 June 2021, all Australian wine exporters will be required to upload copies of their labels to WALAS prior to submitting a shipping application. As part of the shipping application, exporters will need to make a declaration that the images provided to Wine Australia for the directory reflect the actual labels on the wines in the shipment. For more information please visit the [Wine Australia](#) website.

### Review of policy and *Customs Act 1901* requirements for Thermal Controlled Container Units (TCCUs)

Customs and Trade Policy Branch have announced a review of the internal arrangements and the legislative requirements under the *Customs Act 1901* for the import and export of thermal controlled container units (TCCUs). These units are used by importers to transport temperature sensitive goods, such as pharmaceuticals, via air freight. Industry and interested parties are invited to direct queries on the ABF's current treatment of TCCUs or to raise any concerns or proposals regarding future treatment of TCCUs to [importexportpolicy@abf.gov.au](mailto:importexportpolicy@abf.gov.au). Submissions are requested by close of business on 15 September 2021.



## A message from the Department of Infrastructure:

### The new era of road vehicle regulation has started

A new era for road vehicle regulation in Australia, including importing road vehicles, started on 1 July 2021 when the *Road Vehicle Standards Act 2018* (RVSA) replaced the *Motor Vehicle Standards Act 1989* (MVSA). The operational detail is contained in the *Road Vehicle Standards Rules 2019* (the Rules). The RVSA, the Rules and related legislation are collectively referred to as the Road Vehicle Standards (RVS) legislation.

### The Register of Approved Vehicles

The RVS legislation introduced the Register of Approved Vehicles (RAV), an online, publicly-accessible database of all vehicles that have met the requirements of the RVS legislation and have been approved to be provided to the Australian market.

Road vehicles can only be entered onto the RAV if covered by a:

- **vehicle type approval (VTA)** – VTAs replace MVSA import plate approvals and allow a type of road vehicle to be provided to the Australian market in an unlimited numbers, or
- **concessional RAV entry approval** – concessional RAV entry approvals differ from VTAs in that they cover a single road vehicle. These approvals are granted for certain classes of road vehicle, including classic and collectable road vehicles, used motor cycles, vehicles that will be subject to a second stage of manufacture, and the personal property of migrants and expatriates who are entering Australia permanently.

### Import approvals

Importantly, VTAs and concessional RAV entry approvals also serve as import approvals.

The Department of Infrastructure, Transport, Regional Development and Communications (the department) no longer needs to issue a separate import approval letter when it approves a vehicle to be entered on the RAV. However, the department will continue to issue importation notices in some circumstances – particularly for single road vehicles being reimported or that are not intended to be entered on the RAV (for example, race or rally vehicles), and for classes of things that are not road vehicles (such as agricultural machinery or motorised mobility devices). The department's [8 steps to import a vehicle](#) webpage outlines the process for importing a road vehicle into Australia.

### Entry approval notices

The department is currently updating the current VTA and concessional RAV entry approval notices so they:

- clearly identify an approval holder's importation approval rights, and
- provide a clear reference to the relevant RVS legislation provisions that allow VTAs and concessional RAV entry approvals to serve as import approvals.

The revised approval notices will clearly establish an approval holder's road vehicle importation rights for ABF officers. The department will continue to issue import approval letters while it updates the VTA and concessional RAV entry approval notices. These letters will be issued under an interim arrangement ensuring vehicle importation rights, as established in the RVS legislation, are clearly communicated as the department grants approvals.

More information about importing a road vehicle into Australia under the RVS legislation is available on the department's [Importing a road vehicle into Australia](#) webpage.

## What is a road vehicle?

Under the RVS legislation, a road vehicle is a:

- road motor vehicle – a vehicle that is designed solely or principally for the transportation of people, animals or goods on public roads or a vehicle permitted to be used on public roads;
- road trailer – a vehicle without motive power designed for attachment to a road motor vehicle or a piece of machinery or equipment that is equipped with wheels and designed to be towed behind a road motor vehicle; and a
- partly completed road motor vehicle.

It is an offence to import, sell or present new or used imported road motor vehicles to the Australian market for the first time unless they meet the Australian Design Rules.

## Road vehicle kits including disassembled or partly disassembled road vehicles

Road vehicle kits including disassembled or partly disassembled road vehicles must be assessed by the department. If the department determines an import approval is not required, an advisory notice will be issued. This will allow the kit or disassembled vehicle to be released from customs control.

## Road vehicle parts

Road vehicle parts do not require an import approval. However, for the purposes of both tariff classification and obtaining an import approval, a road vehicle is not considered to be parts just because it is unassembled, dismantled or incomplete. Anyone intending to import an unassembled, dismantled or incomplete road vehicle should seek advice from the department. If a road vehicle assembly or component being imported bears a road vehicle identification chassis number and is to be reassembled for use on public roads, then an import approval in the form of VTA or a concessional RAV entry approval is required.

## Non-road vehicle

A 'non-road vehicle' (often referred to as 'non-transport equipment' and/or 'off-road vehicles') is a vehicle that is not principally designed for road travel and/or is not permitted to be driven on public roads. Non-road vehicles do not need an import approval. However, if there is any uncertainty that a vehicle is a non-road vehicle, the department can assess whether the vehicle requires an import approval or determine that they are not road vehicles. If a vehicle is assessed as a non-road vehicle, an advisory notice will be issued. This will allow the vehicle to be released from customs control.

Further information on non-road vehicles is available on the department's [Advisory notice that a thing is not a road vehicle](#) webpage.

For further information or inquiries, please contact the department by email at: [RVSAimplementation@infrastructure.gov.au](mailto:RVSAimplementation@infrastructure.gov.au) or by calling 1800 815 272 (Monday to Friday, 9am to 5pm AEST, within Australia) or +61 2 6274 7444 (calling from overseas).

# Around the Regions

## Queensland - Moving with the Times

The Brisbane ABF Client Counter is trialling a new client interaction format. From 17 May 2021 they moved to an appointment based system with the counter continuing to operate for walk in attention from 1000 – 1400 only, Monday to Friday. Appointments can be made by calling a dedicated phone number 07 3136 7578. Unaccompanied Personal Effects documents can still be lodged for processing outside of these hours by way of a drop box.

The benefits of the trial are already being realised with ABF officers being able to more efficiently manage their time, the backlog in manual document clearance has been reduced significantly. Clients making appointments are also finding the process more efficient due to a reduction in waiting times for an officer to be available to serve them.

A number of documents are now accepted electronically, reducing the need for clients to physically present at the ABF counter. Given the current COVID-19 situation, reducing physical contact and finding ways to streamline our business benefits ABF, industry, and the general public alike.

The trial will be in place for six months at which time it will be reviewed to assess viability for permanent adoption. Feedback is welcome by email at [pebne@abf.gov.au](mailto:pebne@abf.gov.au)



# In the news

## March 2021

### Warning over spike in banned dog collar detections

An alarming spike in the number of banned 'pronged' dog collars detected at the border has prompted a warning from the ABF. The collars are considered dangerous due to the possibility of the prongs causing injury by puncturing or bruising a dog's neck during use, even if unintentional, and the potential for misuse, and as such are classified as a prohibited import.

There has been a more than seven-fold increase in pronged dog collar detections over the past 12 months (April 2020 – March 2021) compared to the previous 12 months, up from 56 to 477. The majority of intercepted consignments are of single collars. Banned collars have been detected by ABF officers in Sydney, Melbourne, Brisbane and Perth during the past 12 months.

The full story is available here: [Warning over spike in banned dog collar detections - All News - Australian Border Force Newsroom \(abf.gov.au\)](https://www.abf.gov.au/newsroom/news/2021/03/warning-over-spike-in-banned-dog-collar-detections)



*An ABF officer holds one of the pronged dog collars seized at the border*

## April 2021

### Charges laid after \$2.7 million worth of cocaine concealed in clay bricks

Organised Crime Squad detectives charged a man in Sydney as part of ongoing investigations into the alleged importation of cocaine worth an estimated \$2.7 million concealed in clay blocks. The arrest followed the identification of a consignment of interest by ABF officers in Sydney. The air cargo consignment from the UK, which was declared to contain two clay blocks, was examined by ABF officers, who noted inconsistencies.

During a subsequent deconstruction, the consignment was found to contain 9kg of compacted white powder within the items. The powder was tested and returned a presumptive positive result for cocaine, which has an estimated potential street value of \$2.7 million. Inquiries were subsequently commenced by detectives from the State Crime Command's Organised Crime Squad under Strike Force Ortella. More information can be found here: [Charges laid after \\$2.7 million worth of cocaine concealed in clay bricks - All News - Australian Border Force Newsroom \(abf.gov.au\)](#)



*The cocaine was detected within wrapped clay blocks*

## May 2021

### High visibility joint operation at Port Botany

The ABF, in conjunction with NSW Police, Transport for NSW and the Department of Home Affairs, recently carried out a high-visibility operation at Port Botany to ensure compliance in and around the port precinct.

On Tuesday (18 May 2021) ABF officers from NSW Maritime Operations met a vessel four miles off shore and escorted it to a wharf in Port Botany. The vessel was then boarded and searched with the assistance of the ABF Detector Dog Unit. ABF officers conducted live compliance checks of 355 containers departing the wharf to ensure all had appropriate permissions, and targeted containers arriving from high-risk overseas ports for examination. Officers from Aviation and Maritime Security (AMS) in the Department of Home Affairs, along with ABF officers, conducted 515 individual Maritime Security Identification Card (MSIC) checks in and around Port Botany to ensure compliance with Commonwealth legislation.



As part of this operation, NSW Police and Transport for NSW, also conducted vehicle stops on heavy vehicles transporting containers to and from the port precinct to check for vehicle compliance, conduct drug and alcohol tests and search vehicles using ABF Detector Dogs. Transport for NSW inspected 146 vehicles with 28 defect notices being issued. Four drivers were issued with infringement notices and two vehicles were found to be above their allowed maximum weight.

Department of Home Affairs, Assistant Secretary, Maritime, Transport Security Operations, Craig Riviere, said this was a great example of State and Commonwealth agencies working together to ensure the security of Australia's largest port. The full story can be found here: [High visibility joint operation at Port Botany - All News - Australian Border Force Newsroom \(abf.gov.au\)](https://www.abf.gov.au/newsroom/news/high-visibility-joint-operation-at-port-botany)

## June 2021

### Two Sydney men – one an airline freight worker – charged for allegedly importing 156 kilograms of pseudoephedrine

Two Sydney men have been charged in connection to the 2020 seizure of 156 kilograms of pseudoephedrine, as a result of Operation IRONSIDE.

An AFP-led investigation into the activities of an airline freight employee suspected of using his role to advise multiple criminal syndicates about law enforcement interest into incoming consignments, resulted in officers executing two search warrants on Tuesday, 8 June 2021.

It is alleged a 51-year-old Darling Point man, who is an airline freight worker, and a 36-year-old East Hills man were involved in importing 156 kilograms of pseudoephedrine in fabric rolls from India via air cargo, which was seized by Australian Border Force officers in October 2020. Further details can be found here:

[Two Sydney men – one an airline freight worker – charged for allegedly importing 156 kilograms of pseudoephedrine - All News - Australian Border Force Newsroom \(abf.gov.au\)](https://www.abf.gov.au/newsroom/news/two-sydney-men-one-an-airline-freight-worker-charged-for-allegedly-importing-156-kilograms-of-pseudoephedrine)



*156kg of pseudoephedrine was found concealed within rolls of fabric at Sydney Airport in 2020*

## ABF target asbestos in imported building products

The ABF is undertaking a targeted period of action against imported building products at risk of containing asbestos. Asbestos is a prohibited import. Breathing in asbestos fibres can have devastating health effects and is known to cause asbestosis, lung cancer and mesothelioma. Between 1 July 2020 and 31 March 2021, the ABF has served 102 infringement notices totalling \$902,918.

Asbestos is a Tier 1 good under the *Customs Regulation 2015*, and carries significant penalties for its unlawful importation. Offences relating to asbestos importation by individuals can attract fines of up to \$222,000 or three times the value of the goods, whichever is greater, and/or imprisonment for up to five years. For a body corporate the same border offence attracts a higher penalty of up to \$1,110,000 or fifteen times the value of the goods, whichever is the greater, in accordance with the *Crimes Act 1914* (Cth).

Asbestos has been detected in building materials such as cement fibreboards and panels, pre-fabricated housing kits, cut stone and tiles. Parts, components and structural goods designed to resist heat or flammability may be of particular risk. Read the full story here: [ABF target asbestos in imported building products - All News - Australian Border Force Newsroom](#)

## Latest COVID-19 detector dog research and trials underway at Adelaide Airport

The latest COVID-19 detector dog research and trials commenced at Adelaide Airport on 17 June 2021. Six dogs, including four Australian Border Force (ABF) detector dogs, one South Australian Metropolitan Fire Service (SAMFS) dog and one dog from the University of Adelaide (gifted by the ABF), have commenced research trials at Adelaide Airport to determine the feasibility of deploying dogs to detect COVID-19. The COVID-19 detector dog feasibility trials are a collaboration between the ABF and the University of Adelaide's School of Animal and Veterinary Sciences, SAMFS, the Department of Agriculture, Water and the Environment, and NSW and SA State Health.

Following positive results from the phase 1 controlled trials at the University of Adelaide, and the ABF National Detector Dog Program Facility in Melbourne, operational research trials were conducted over three weeks at Sydney International Terminal from 15 - 31 March 2021. The full story is available here: [Latest COVID-19 detector dog research and trials underway at Adelaide Airport - All News - Australian Border Force Newsroom \(abf.gov.au\)](#)



*An ABF Detector Dog Unit officer and dog involved in the Adelaide trial*

## Next Issue and Contact

If you have any comments or queries on this issue or would like to see a particular topic covered in the next issue of Goods Compliance Update, please email [goodscompliance@abf.gov.au](mailto:goodscompliance@abf.gov.au), attention GCU editor.

If you would like to contact ABF industry engagement in regards to an event or other engagement opportunity they can be contacted at [industry.engagement@abf.gov.au](mailto:industry.engagement@abf.gov.au).

# Glossary

ABF	Australian Border Force
ACM	Asbestos Containing Material
ACN	Australian Customs Notice
AEO	Authorised Economic Operator
AFP	Australian Federal Police
AHKFTA	Australia-Hong Kong Free Trade Agreement
APC	Agriculture Processing Charge
APL	Agriculture Processing Levy (Charge)
APM	Australian Police Medal
APVMA	Australian Pesticides and Veterinary Medicines Authority
ARN	Australian GST registration number
ASA	Australian Space Agency
ASEAN	Association of Southeast Asian Nations
ASO	Australian Sanctions Office
ATO	Australian Taxation Office
ATS	Automotive Transformation Scheme
ATT	Australian Trusted Trader
ChAFTA	China Australia Free Trade Agreement
COAG	Council of Australian Governments
COO	Certificate of Origin
CMP	Compliance Monitoring Program
CP	Counter Proliferation
CPD	Continuing Professional Development
CPQ	Community Protection Questions

CPTPP	Comprehensive and Progressive Agreement for Trans-Pacific Partnership
CRN	Consolidation Reference Number
DEC	Defence Export Controls
DFAT	Department of Foreign Affairs and Trade
DIBP	Department of Immigration and Border Protection (2015-2017)
DOO	Declaration of Origin
DSGL	Defence and Strategic Goods List
ECA	Export Control Assessment
EDN	Export Declaration Number
EEG	Excise Equivalent Goods
EFT	Electronic Funds Transfer
FID	Full Import Declaration
FTA	Free Trade Agreement
GCU	Goods Compliance Update
GST	Goods and Services Tax
Harmonized System	Harmonized Commodity Description and Coding System
IA-CEPA	Indonesia Australia Comprehensive Economic Partnership Agreement
IAG	Industry Advisory Group
ICS	Integrated Cargo System
IDM	Illustrative descriptive material
IFCBAA	International Forwarders and Customs Brokers Association of Australia
IPC	Import Processing Charge
ITTF	Illicit Tobacco Task Force
INS	Infringement Notice Scheme
JAXA	Japanese Aerospace Exploration Agency
LCL	Less than Container Load



LCT	Luxury Car Tax
MRA	Mutual Assistance Arrangement
NCBLAC	National Customs Brokers Licensing Advisory Committee
NGA	National Gallery of Australia
OCG	Organised Crime Group
PACER	Pacific Agreement on Closer Economic Relations
PAFTA	Peru-Australia Free Trade Agreement
PSM	Public Service Medal
PSR	Product Specific Rules
RCEP	Regional Comprehensive Economic Partnership
SAC	Self-Assessed Clearance
SAFE Framework	SAFE Framework of Standards to Secure and Facilitate Global Trade
TCCU	Thermal Controlled Container Units
TGA	Therapeutic Goods Administration
TLF	Tariff list file
UK	United Kingdom of Great Britain and Northern Ireland
UNSC	United Nations Security Council
WET	Wine Equalisation Tax
WCO	World Customs Organization
WMD	Weapons of Mass Destruction