



Australian
BORDER FORCE

Goods Compliance Update

Autumn 2023



Table of Contents

Table of Contents	2
Customs Division Update	4
A message from Tony Smith, Assistant Commissioner, Customs Division	4
Feature Articles	5
An update from the Secretariat Office of the World Customs Organization Asia/Pacific Regional Vice-Chair	5
ABS Importer Characteristics Publication	8
Countering Trade Based Money Laundering	9
Industry Engagement Update	11
Trade and Goods Compliance Advisory Group	11
Maintaining Communication with the ABF	11
Trade and Tariff Policy Update	12
Increase to Biosecurity Cost Recovery Charge	12
Trade Compliance Operational Update	13
Premium Hand-Made Cigars declared as Cigar Humidor	13
Trade Measures - Goods Interacting with Foreign Economies	14
Tariff Classification of Electric Bicycles	15
Compliance Monitoring Program – Correct Reporting Requirements	16
Trade Services Update	17
Voluntary Disclosures	17
Operation JARDENA Update	19
Working with industry to harden the supply chain against criminal infiltration	19
Australian Trusted Trader Update	21
Program Update	21
Customs Licensing Update	22
Customs Broker Licensing Continuing Professional Development Audits	22
Licensing statistics	22
Border Watch Update	23
Authorities seize 1.1 tonnes of cocaine labelled as rat poison and plastics	23
What to report:	24
Australian Customs Notices and Industry Guidance	25
Australian Customs Notices	25
Prohibited Goods Contact Points	26
Commonwealth Penalty Unit Increase	26
Piggyback Consignments & Identifying Clients	27

Compliance Program Results	28
Financial Year to date 2022/23 (JUL-MAR)	28
Infringement Notice Scheme	28
Revenue Understatements – General	30
Duty Refunds	30
Duty Drawbacks	31
Revenue Understatements – Trade Remedy Measures	31
Compliance Monitoring Program	32
In the news	35
April 2023	35
March 2023	36
February 2023	37
GCU Next Issue & Contact Information	39
Continuing Professional Development GCU Point Update	39
Web Links	39
Contact Information	39
Glossary	40

Customs Division Update

A message from Tony Smith, Assistant Commissioner, Customs Division

Welcome to the autumn 2023 edition of the Australian Border Force (ABF) Goods Compliance Update (GCU). By way of introduction, my name is Tony Smith and I was recently appointed the Assistant Commissioner of Customs Division.



The ABF has undergone a structural change since the last edition was published. Customs Group is now Customs Division and sits within National Operations under Deputy Commissioner Tim Fitzgerald. The previous Customs Group Manager, Vanessa Holben PSM has now been appointed as Deputy Commissioner for Regional Operations. We congratulate Vanessa on this promotion and thank her and her team for all the work they undertook in this role and their great number of achievements.

I am pleased to have joined Customs Division and am thrilled to have taken on the AC role. I started my career in Australian Customs Service in 1989 and it's exciting to be back working in the field of Customs and Trade. Our work is the cornerstone of economic and community protection and its importance to the nation's health cannot be underestimated.

I look forward to working closely with our government, industry and community partners and I also hope to meet many of you at engagement opportunities in the near future.

In this edition, the opening feature article provides an update on the ABF Commissioners role as the World Customs Organization (WCO) Asia/Pacific Regional Vice-Chair. This includes the key engagement and capability building work that has

been undertaken across the region to date and also some upcoming events. There is also a QR code which directs you to the WCO Asia Pacific Instagram account if you would to learn more.

Our second feature article highlights the recent publication from Australian Bureau of Statistics. The publication titled Characteristics of Australian Importers uses data from the 2020-21 year to provide analysis and insights into the importer population. Along with the sister publication Characteristics of Australian Exporter these documents may be useful to consider in your daily work.

The final feature article focuses on the work undertaken by the ABF in combatting Trade Based Money Laundering (TBML). We know that illicit actors are best countered, and the border best protected, through an effective partnership between government, industry and the Australian community. We have included guidance and reference material to provide a greater understanding of this risk, and the indicators of TBML in the trade environment. A 'TBML in a nutshell' poster is also included. Please share this information with your colleagues and if you note these indicators and/or other suspicious behaviour we encourage you to report this through the Border Watch program.

Lastly, we present the results of the Trade Compliance Program, covering the financial year to date July to March 2022/23. We hope you enjoy this edition and encourage feedback and ideas to be submitted to the Goods Compliance mailbox.

Tony Smith
Assistant Commissioner
Customs Division
National Operations
Australian Border Force

Feature Articles

An update from the Secretariat Office of the World Customs Organization Asia/Pacific Regional Vice-Chair

World Customs Organization (WCO) Asia/Pacific (A/P) Regional Vice-Chair (APVC) – Australian Border Force (ABF) Commissioner and Comptroller-General of Customs, Michael Outram APM, is currently in the tenth month of his two-year term. As APVC he represents Members priorities and interests of the A/P Region, which are encapsulated in the strategic pillars of *'growth, security, unity and prosperity'*.

Key engagements we've participated in so far...

Since commencement of his tenure, the APVC has maintained a busy and forward leaning agenda and has already hosted a number of high-level Executive Regional engagements, including:

32nd session of the WCO A/P Regional Contact Points (RCP)

The 32nd RCP was held in November 2022 in Brisbane, Australia, and was the first Executive-level engagement hosted by the APVC Secretariat during Commissioner Outram's tenure. The event brought together 40 in-person delegates from 18 Member Customs administrations and two WCO regional offices in the A/P; as well as 12 delegates from seven countries along with the Chair of the Regional Private Sector Group (RPSG) A/P joining virtually.

87th session of the WCO Policy Commission (PC)

In early December 2022, Commissioner Outram represented the A/P Region at the 87th session of Policy Commission (PC) and joined the Secretary General, Deputy Secretary General, WCO Secretariat, Council Chairperson, PC Members and counterpart Regional Vice-Chairs to discuss governance and gender-diversity, Green Customs, WCO modernisation and Australia's non-paper on hybrid engagement.

Virtual A/P Caucus for the Regional Consultation on WCO Modernization Plan

In early February 2023, Commissioner Outram and WCO Deputy Secretary General, co-hosted a virtual Caucus as part of Regional consultations on the *WCO Modernization Plan*. Throughout these discussions, Members agreed on the criticality of the relationship between Customs and businesses and the preeminent role of the WCO in Customs matters.

Regional Private Sector Group Asia/Pacific meeting

In February 2023, the APVC Secretariat participated in the first RPSG A/P meeting for 2023, joining RPSG A/P industry partners from Authorized Economic Operators. During the meeting, participants discussed the World Trade Organization Trade Facilitation Agreement and complementarities with the WCO's Revised Kyoto Convention, 'e-commerce as the way of the future', Green Customs, and the SAFE Framework of Standards to Secure and Facilitate Global Trade.



Image: 32nd session of the World Customs Organization Asia/Pacific Regional Contact Points (Source: ABF)

Capacity Building Workshops we've co-hosted...

The APVC co-hosted several working level capacity building workshops, including:

WCO A/P Region Digital Forensics Workshop

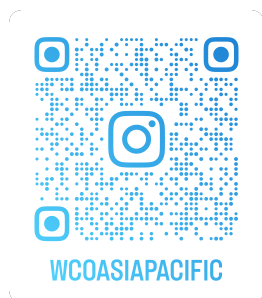
In October 2022, the ABF in its capacity as the APVC Secretariat hosted the WCO A/P Region Digital Forensics Workshop in Perth, Australia. Focusing on cyber investigation techniques, extraction of data on IT tools and digital evidence management, the workshop provided an opportunity for experts and participants to share experiences and to discuss a way forward, raise awareness and provide a platform to share Regional best practices.

WCO Operation TENTACLE A/P Workshop on Anti-Money Laundering and Counter-Terrorism Financing

In early 2023 the WCO Operation TENTACLE A/P Workshop on Anti-Money Laundering and Counter-Terrorism Financing (AML / CTF) was held in Brisbane, Australia. The workshop brought together 59 participants representing 22 countries and three partner agencies to raise awareness of countering money-laundering activities in Customs and augmenting the enforcement capabilities of Customs administrations, financial intelligence units and police services to tackle money laundering and terrorism financing in Asia, Africa, Latin America, Eastern Europe and the Middle East.

Have you seen our Communications and Media?

In addition to the aforementioned events and engagements the Secretariat Office has maintained a media presence with internal and public communications, including on the wcoasiapacific.org website and the [@wcoasiapacific](https://www.instagram.com/wcoasiapacific) Instagram account. To view some of the communications, please scan our Instagram QR code below:



A/P Customs News

In November 2022, the APVC Secretariat published its first edition of the A/P Customs News – Volume #67 on *Women in Customs*. The issue focussed on celebrating the work of Women in Customs. The issue highlighted the valuable contribution of women in the workplace and also tackled the gender equality initiatives around the A/P region.

What's coming up...

The APVC will host the 24th WCO A/P Regional Head of Customs Administration (RHCA) Conference in late May 2023 in Perth, Western Australia. The RHCA will focus on finalising items raised during the 32nd RCP, including WCO modernisation and reform, capacity building initiatives, endorsing the establishment of three new Regional Dog Training Centres, supply chain integrity, Green Customs, and industry engagement and partnership. Running concurrently with RHCA, the APVC Secretariat office will also co-host the final Asia/Pacific Plastic Waste Project (the Project) High-Level workshop in Perth, where they will present, discuss and endorse the outcomes and recommendations of the Project at the conclusion of RHCA.

The APVC Secretariat is currently drafting the March/April 2023 issue of the A/P Customs News – Volume #68 on *Supply Chain Integrity* – with publication to coincide with WCO Enforcement Committee.

There are many other upcoming engagements, at both senior and working levels. We would love to hear from our industry partners on how we can better reflect your views in these meetings.

The APVC, and APVC Secretariat Office would like to take this opportunity to acknowledge and thank ABF Deputy Commissioner Regional Operations, Vanessa Holben PSM, for her dedication, leadership and support during the first nine months of the APVC in her previous capacity as Group Manager Customs.

ABS Importer Characteristics Publication

In February 2023, the Australian Bureau of Statistics (ABS) released the 'Characteristics of Australian Importers' publication.



This publication provides an analysis of the number and characteristics of Australian's merchandise importers in the reference period of 2020-21. Key Statistics noted by the publication include:

- The number of importers increased by 23%, to 320,502
- The merchandise imports value increased by 3%, to \$309 billion
- The number of business importers increased by 6%, to 124,507
- 56% of business importers traded at least once with China

For reference the definition of an importer in this publication is:

"An importer is defined as an individual or business that has declared one or more merchandise import transactions, with a value of \$1,000 or more. For the purposes of this publication, importers have been split into two groups, those that report an ABN to Australian Border Force (categorised as 'business' importers) and those that use a Customs Client Identifier (CCID) (categorised as 'other' importers)."

Import origin (country of origin)

In 2020-21, China continued to be Australia's largest import market, accounting for 28% of the business import value and 36% of transactions. Furthermore, 56% (69,567) of all business importers traded at least once with China.

The United States of America was the second largest import market, accounting for 11% of both business import value and transactions.

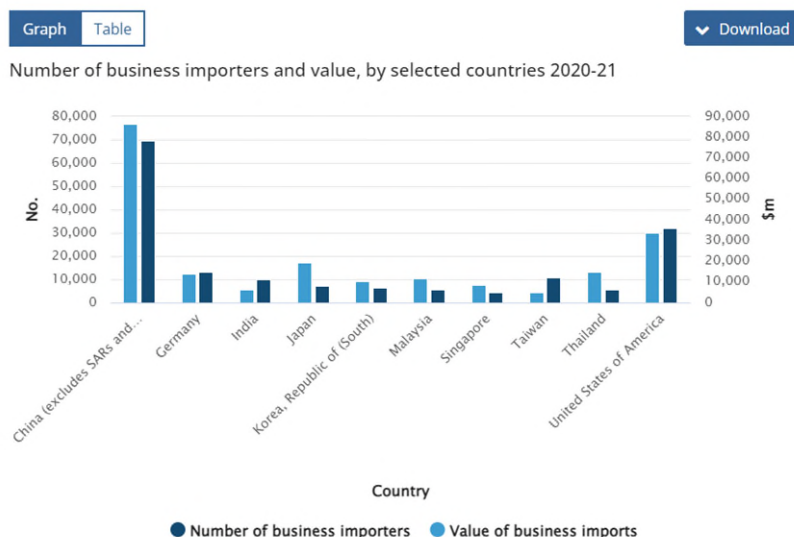


Image: Characteristics of Australian Importers extract – Import Origin graph (Source: ABS)

The publication, including graphs and tables and data download options are available to view on the ABS website [Characteristics of Australian Importers, 2020-21 financial year | Australian Bureau of Statistics \(abs.gov.au\)](https://www.abs.gov.au/characteristics-of-australian-importers-2020-21-financial-year).

The characteristics of Australian exporters publication also produced by ABS is available [Characteristics of Australian Exporters, 2019-20 financial year | Australian Bureau of Statistics \(abs.gov.au\)](https://www.abs.gov.au/characteristics-of-australian-exporters-2019-20-financial-year)

Countering Trade Based Money Laundering

The role of the ABF as the sentry against illicit trade activity provides a unique platform from which to detect the use of international consignments for illicit purposes. We have the people, infrastructure, legislative and regulatory authority, and systems and processes to provide the Australian law enforcement community with visibility of illicit trade activities crossing the Australian border. We are also well positioned to detect Trade Based Money Laundering (TBML) and other trade-related crimes that support criminal networks.

The ABF recognises the Financial Action Task Force (FATF) definition of TBML as being *“the process of disguising the proceeds of crime and moving value through the use of trade transactions in an attempt to legitimize their illicit origins,”* and leverage FATF mechanisms and standards to guide our operational activities.

The ABF’s Border Related Financial Crimes Unit (BRFCU) delivers an enabling function in support of our anti-money laundering and illicit funds transfer lines of effort, and plays a key role in countering the criminal exploitation of Australia’s trade system. It conducts discretionary targeted activities to undertake enhanced detection/disruption operations that target illicit cross-border financial flows including TBML, bulk cash smuggling and illicit value transfer at the border. The team seeks to understand the financial profile of criminal entities that intersect with the border, and in doing so establish alternative disruption options.



Image: International Shipping Terminal (Source: ABF)

Ongoing communication and cooperation with industry is an important element in identifying TBML as most participants at the border want to be compliant, and the provision of information will assist in encouraging voluntary compliance. The following page contains a ‘TBML in a nutshell’ poster designed by the ABF to assist industry and other stakeholders understand TBML and identify potential indicators.

The FATF and the Egmont Group of Financial Intelligence Units has compiled in a comprehensive guide on risk indicators of TBML, which is designed to enhance the ability of public and private entities to identify suspicious activity associated with this form of money laundering.

The FATF guide is available at [Trade-Based Money Laundering: Risk Indicators \(fatf-gafi.org\)](https://www.fatf-gafi.org/publications/tbml/Pages/default.aspx).



The Australian Trusted Trader (ATT) team have also launched an online International Supply Chain Security Education Program, released in January 2023. This free program is open to all Australian businesses, and is designed to support and assist in strengthening their international supply chain and maintaining compliant customs processes.

In partnership with the BRFCU, the ATT team is currently developing a TBML module to assist industry to combat the growing TBML threat. The TBML module will become available to registered users in the coming months.

To access the free online program and keep up to date with the latest module releases, scan the QR code and register.

If you note suspicious indicators of trade based money laundering please report to [Border Watch \(abf.gov.au\)](https://www.abf.gov.au)



Image: ABF TBML in a nutshell poster (Source: ABF)

Industry Engagement Update

Trade and Goods Compliance Advisory Group

Over the past nine months, Industry Engagement section have refreshed the National Committee on Trade Facilitation (NCTF) and its working groups. Rejuvenation of the Trade and Goods Compliance Advisory Group (CAG) and the associated Terms of Reference is well underway, the first meeting for 2023 was held on Wednesday 19 April.

The purpose of the CAG is to bring government and industry together to maximise voluntary compliance by co-designing solutions to existing and emerging issues. This forum also provides opportunity to discuss trade and customs-related legislation and its implementation to inform government decision-making that strikes a balance between trade facilitation and compliance matters.

National Committee on Trade Facilitation (NCTF) Working Groups as at October 2022:

- Trade and Goods Compliance Advisory Group (CAG)
- Trade Facilitation Initiatives Working Group (TFIWG)
- Trade Technology Working Group (TTWG)

Further information on the NCTF including forward work plan and proposed meeting dates for 2023, and its working groups can be obtained from contacting industry.engagement@abf.gov.au

Maintaining Communication with the ABF

The ABF communicates with our clients using a number of methods. To ensure that clients receive timely and accurate information regarding cargo-related business please update data in the ICS as matter of priority. Include current contact persons, role of employment, address, contact phone number and email address.

For further advice refer to the contact cargo systems support link [Contact cargo systems support \(abf.gov.au\)](https://abf.gov.au/contact-cargo-systems-support)

Trade and Tariff Policy Update

Increase to Biosecurity Cost Recovery Charge

On 16 January 2023, the biosecurity cost recovery charge for goods arriving by sea increased to \$58.00. The cost recovery charge only applies to imported goods with a customs value over AUD1000.

The Department of Agriculture, Fisheries and Forestry (DAFF) is expanding biosecurity activities to address the growing risk posed by hitchhiker pests, for example the khapra beetle and brown marmorated stink bug. This is a result from the rising trade volumes, supply chain complexities, and the concurrent movement of pests and diseases around the world. Expanding biosecurity activities aims to better manage the threat of hitchhiker pests through working with industry to design and introduce innovative ways to better profile risk and enable more rapid screening.

The charge rates are reflected in the table below.

Charge	Amount	Who is affected?
Full Import Declaration charge – air	AUD38	Importers and customs brokers of consignments over AUD1000
Full Import Declaration charge – sea	AUD58	Importers and customs brokers of consignments over AUD1000

Further information on DAFF's changes to biosecurity cost recovery is available at: www.agriculture.gov.au/biosecurity-trade/import/industry-advice/2022/275-2022 or by emailing DAFF at BioCRIS@agriculture.gov.au.

The Australian Border Force (ABF) collects the biosecurity cost recovery charge through the Integrated Cargo System, on behalf of DAFF. Information on import processing charges and biosecurity cost recovery charges collected by the ABF is available at: www.abf.gov.au/importing-exporting-and-manufacturing/importing/cost-of-importing-goods/charges/import-processing-charge.

Trade Compliance Operational Update

Premium Hand-Made Cigars declared as Cigar Humidor

The ABF has identified multiple consignments of incorrectly declared and undervalued premium hand-made cigars originating from South America, variously described as Humidor, Humificador or Humidifier sample. In all cases the goods were reported and cleared on Air Cargo Self-Assessed Clearances based on documents provided by the supplier at origin. No tobacco products were declared and the values were understated, resulting in the evasion of duty and GST.

A cigar humidifier or 'humidor' is a humidity-controlled box used primarily for storing cigars, ensuring that the temperature, moisture and humidity are optimised to keep cigars fresh over longer periods.

Several of the importers contacted by the ABF claimed the cigars were ordered and the invoice paid via a payment link. The cigars would then arrive with no further paperwork. They claimed not to understand the requirement to have the goods declared correctly and duty and GST paid.

The affected service providers have been cooperative in responding to this risk and implemented system changes to disrupt this channel of evasion, with recent consignments from the same supplier now being reported correctly. They liaised with their overseas counterparts who handle the supplier's accounts to make sure any future exports from their country of these cigars were declared correctly with accurate values, weights and goods descriptions.

An agreement was reached between the service providers and the ABF to ensure that the courier companies communicated with their clients to establish the correct weights and values at which point import declarations would be lodged to pay the applicable duty and GST.



Image: Cigars Detected described as Humidor (Source: ABF)

This is an example of what can be achieved when the ABF and industry work together to disrupt and deter significant non-compliance and revenue evasion.

If you note any similar indicators on a consignment and suspect non-compliance is occurring please report to [Border Watch \(abf.gov.au\)](https://www.abf.gov.au)

Trade Measures - Goods Interacting with Foreign Economies

The Australian Government charges dumping and countervailing duties (additional duties for dumped or subsidised goods) for certain imported goods. These duties are in addition to customs duty and indirect taxes. In some cases the duty payable may be more than the value of the goods.

Anti-dumping and countervailing measures are imposed where Australian manufacturers are being materially injured by dumped or subsidised imports.

- **Dumping** is when goods exported to Australia are at a lower price than charged in the manufacturing country.
- **Subsidisation** is a financial benefit an exporter receives from a government. A subsidy may allow the exporter to sell goods to Australia at a lower price.

Dumping Exemptions

When a declaration is submitted, the Integrated Cargo System (ICS) checks to see if the commodities are subject to any form of dumping or countervailing measures. If the goods are subject to measures, the system creates an electronic 'flag' in ICS to alert the importer and/or their representative that a certain good may be subject to measures.

If the goods are subject to measures, there is a requirement to input data that will automatically calculate any dumping and/or countervailing duty payable. There is also an option to declare that the goods being imported are exempt from dumping duties by using a dumping exemption type code (DXT).

In some cases, the importer may be eligible to claim an exemption from dumping and/or countervailing duty if imported goods are:

- not the goods subject to measures (DTX = GOODS)
- from an exempt exporter (DTX = SUPPLIER)
- not from a country subject to measures (DTX = COUNTRY)

Compliance Reminder

The ABF Trade Compliance teams have had a number of recent cases where the declared goods were not subject to trade measures (dumping and countervailing duties) by virtue of having entered the economy of another country, however when supporting information was requested the importer and/or their representative could not substantiate the claim.

Please be reminded when applying for any exemption from dumping and countervailing duty liabilities that sufficient evidence to support the claim must be available.

The onus is on the importer to supply evidence to support the use of an exemption, therefore if the evidence cannot be provided to support the exemption then the relevant dumping duty will apply at the applicable rate.

Further information on Trade Measures and ABF requirements is available at [Dumping and countervailing duties \(abf.gov.au\)](https://abf.gov.au).

Tariff Classification of Electric Bicycles

The ABF have recently undertaken compliance activities to address the incorrect classification of electric bicycles (E-Bikes). This article is provided to assist importers and their representatives to differentiate between normal pedal bikes and e-bikes for classification purpose.

E-bikes – essentially powered bicycles – are becoming an ever popular mode of transportation in this country. Almost all E-bikes are imported, either by retailers or individuals, and the import value of each e-bike regularly exceeds the Self Assessed Clearance (SAC) threshold of \$AUD1000. This in turn means imported consignments of e-bikes require a Full Import Declaration (FID).

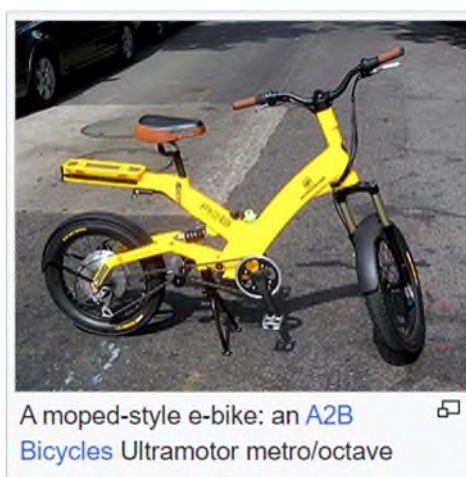


Image: E-Bike example (Source: Wiki)

Tariff Classification

- For tariff classification E-bikes are not considered to be bicycles and should not be classified to tariff classification 8712000 – Bicycles and other cycles (including delivery tricycles), not motorised.
- Additionally, keyed Tariff Classification Order (TCO) 0104891 Bicycles should not be used for e-bikes.

The tariff classification for e-Bikes should be from Chapter 87, Sub Heading 8711 Motorcycles (including mopeds) and cycles fitted with an auxiliary motor, with or without side-cars; side cars. The specific tariff classification will be dependent on the specifications of the e-bike – particularly the engine type and capacity.

Tariff Advices to confirm correct classification can be requested through [Tariff Advice System \(abf.gov.au\)](https://abf.gov.au/tariff-advice-system)

There's a variety of descriptions used for e-bikes. Pedal assist and throttles are one of the main ways of classifying e-bikes – *you may read terms such as PAS, EAPC, EPV, twist and go, and more in connection with just how the power is activated on an e-bike.*

However, it all boils down to the same thing; in order to get the e-bike to deliver power through the motor you either have to use some kind of handlebar device (we'll use the catch-all term of throttle here) or you have to pedal (hence pedal assist). That's all pretty standard from the most basic e-bikes to the very best e-bikes. Oftentimes e-bikes will have both these features and it's up to the rider as to when and how to use them.

Normal pedal bikes do not have a motor or lithium ion battery storage device to power the motor.

When importing e-bikes importers should will also need to consider any regulatory requirements such as the road vehicle import requirements and consult the Department of Infrastructure, Transport, Regional Development, Communication and the Arts (DITRDCA).

The following DITRDCA article on e-scooters provides guidance on determining what is classed as a road vehicle and may be helpful for e-bikes: [Importing e-scooters made easy | DITRDCA](#).

Compliance Monitoring Program – Correct Reporting Requirements

Recent results from the Compliance Monitoring Program have found that the below fields continue to be the top errors from month to month. The information provided below are a restatement of existing policy, regulatory or legislated requirements and are not new requirements.

Delivery Address

Address details are mandatory for import declarations. The Approved Statement requirement for the Delivery Address field is “The address identifying where the goods are finally destined.” Entry of an intermediary address, such as a depot or logistics service provider address, is not appropriate, except in limited cases where, post importation, a single consignment is to be delivered to multiple customers or addresses of the importer. In this case, the customer/importer location or a logistics service provider warehouse can be reported as the delivery address in FIDs.

Please ensure accurate address details are recorded on import declarations. Compliance action may be undertaken where an address other than the delivery address of a consignment is recorded.

Invoice Term Type

The Invoice Term Type is code for the terms under which the goods are sold. It is related to the obligation, cost and risks between the buyer and seller. The “terms of trade” in the international sale of goods basically defines the costs borne by the parties and the point at which responsibility passes from one party to another. The publication INCOTERMS, issued by the International Chamber of Commerce, sets out standard conditions relating to terms of trade. [ABF Incoterms 2020 Reference Guide](#). Goods are commonly invoiced and sold in terms of one or another of the above terms of trade.

Further information on the above requirements can be found within various guides and factsheets on the ABF website www.abf.gov.au.



Image: Vehicle being unloaded (Source: ABF)

Trade Services Update

Voluntary Disclosures

The VDI Team

- Our Voluntary Disclosures (VDI) team is part of the National Trade Services Section and is co-located in Sydney and Melbourne.
- We facilitate voluntary industry compliance with Customs related law in relation to import and export declarations.

What is a Voluntary Disclosure?

A voluntary disclosure is the communication to the Australian Border Force (ABF) through a written error notice of an error, omission or adjustment in a statement (excluding outturn or cargo reports) made to the ABF, such as an error in an import or export declaration.

Examples of an identified error or omission include:

- adjustments to valuation of imported or exported goods
 - an error or omission in the customs value
 - adjustments to the customs value relating to transfer pricing
- an incorrect tariff classification
- an incorrectly applied Tariff Concession Order

The VDI team receives and assesses voluntary disclosure submissions from importers and exporters who are often represented by consultants from accountancy firms, lawyers or brokers.

Legislation & eligibility for protection from penalties and prosecution

- A voluntary disclosure must disclose fully, truthfully and voluntarily, the details of the relevant import or export declarations and the nature of the errors and cannot be given after ABF initiates enquiries or an infringement is served.
- If you make a voluntary disclosure, you are protected from offences in sections [243T](#) and [243U](#) of the *Customs Act 1901* (the Act) that relate to false or misleading statements.

How to submit a Voluntary Disclosure

- A voluntary disclosure can be made by amending a declaration in the Integrated Cargo System (ICS) or,
- through a written declaration to an ABF Officer outlining the nature of the errors and the relevant declarations.

Amendments to declarations within the Integrated Cargo System (ICS) and thresholds for single manual payment requests submitted to the Voluntary Disclosures team

- Import declarations lodged in the ICS could contain errors that result in short payment of duty. In situations where a short payment of duty has been made, an importer/owner is required to pay the correct amount of duty to satisfy their legislative obligations under the Act.
- For import declarations where multiple errors have occurred on numerous lines, an importer/owner can make an application to the Voluntary Disclosures team to pay additional duty on a large number of ICS import declarations through a single manual payment (bulk amendment).

What is required to form part of a Voluntary Disclosure submission?

Depending upon the nature of the error, omission or adjustment you **might** also be asked to provide some additional information to assist in the processing of a disclosure. This might include:

- a copy of an extract of the ICS import declaration data for the relevant disclosure period in an Excel spreadsheet format, including your adjustment calculations, full import declarations numbers and declaration type (example, such as Nature 10, 20, 30)
- a signed letter with Authority To Act on behalf of the importer or exporter if relevant
- supporting documentation, including supplier invoices, credit/debit notes, journal ledgers and intercompany loan/netting documents and bank statements
- copies of relevant Tariff and/or Valuation Advices from the ABF
- details of any Advance Pricing Agreements with the Australian Taxation Office (ATO)
- details of any ATO GST liability reassessment if the importer is registered with the GST Deferral Scheme

Voluntary disclosure submissions will be processed more efficiently when all the relevant information is provided with the error notice.

The VDI team will confirm receipt of your submission within five working days.

Voluntary Disclosures relating to transfer pricing

Where a voluntary disclosure involves transfer pricing between related parties, any adjustments to goods must be submitted as soon as the data becomes available and should be submitted in line with your financial reporting obligations.

Contact us

The VDI team manages all voluntary disclosure requests by companies. Lodgement of your submission, advice and queries can be emailed to vdi@abf.gov.au.

Operation JARDENA Update

Working with industry to harden the supply chain against criminal infiltration

Cargo Reporting

The ABF relies upon members of the international trading industry to provide accurate and timely information to assist in the risk assessment and clearance of cargo. Accurate, complete and on-time cargo reports are particularly important as the first step in our risk assessment process and one way industry and the ABF can work together to harden the supply chain against criminal infiltration.

ABF Operation JARDENA was established in November 2021 to bolster and better coordinate ABF efforts in combatting organised crime in Australia's international supply chains—and to be a focal point for bold, longer-term supply chain reform.

Analysis of cargo reporting undertaken by Operation JARDENA has identified that significant improvement in many aspects of cargo reporting is required in order to improve the integrity of the supply chain and the ABF will continue to work with industry to improve compliance levels.

As specified in the *Customs Act 1901* (the Customs Act), cargo reporters are obliged to communicate to the ABF a report of all the cargo they have arranged to be carried to, or through, Australia. This includes reporting the details of other parties on whose behalf they have arranged to carry cargo.

With the rise of e-commerce, Operation JARDENA has also detected deficiencies with cargo reporting of Less than Container Load (LCL) cargo. This includes situations where the cargo reports are not reported at the lowest level bills and consignees and consignors are not reported in alignment with Approved Statements. Significant non-compliance has been identified regarding reporting the ultimate recipient and the overseas supplier of e-commerce goods.

Operation JARDENA has been engaging with industry to educate cargo reporters with their obligations for compliant, timely and accurate reporting.

Where cargo reporters fail to comply with their obligations in relation to cargo reporting, the Customs Act provides for a broad range of enforcement actions including licence suspension or cancellation, infringement notices, and prosecution action.

For more information visit the ABF website:

- [Cargo reporting and transhipped goods \(abf.gov.au\)](https://abf.gov.au/cargo-reporting-and-transhipped-goods)
- [Cargo reporting compliance \(abf.gov.au\)](https://abf.gov.au/cargo-reporting-compliance)
- [Timeframes for reporting cargo being exported to Australia \(abf.gov.au\)](https://abf.gov.au/timeframes-for-reporting-cargo-being-exported-to-australia)
- [Providing information on cargo being exported to Australia \(abf.gov.au\)](https://abf.gov.au/providing-information-on-cargo-being-exported-to-australia)
- [Approved Statements](https://abf.gov.au/approved-statements)

Underbond Movements

An approved underbond movement allows the direct movement of goods that are subject to customs control between two places. Owners or their agents may seek authorisation from the ABF to move goods under customs control (underbond movements) between specified locations through the Integrated Cargo System (ICS).

Misuse of underbond movements is of serious concern to the ABF. Incorrect handling of underbond goods undermines the ability of the ABF to prevent the importation of illicit goods, protect the community and collect revenue.

Goods subject to customs control may only be stored at the licensed depot or warehouse nominated in the approved underbond movement and the storage of underbond goods at any other place - whether licensed or unlicensed – is not permitted. This includes transit or transport yards, at an agent's office or at an alternative licensed depot or warehouse.

A person who moves goods other than in accordance with an approved underbond request may be found to have committed an offence under the Customs Act and the goods may be forfeited.

Persons and entities entrusted with the movement of goods under customs control should be aware of their obligations to keep goods safely and the potential consequences if they fail to do so (see section 35A and section 36 of the Customs Act).

The Customs Act provides for a broad range of enforcement actions where persons fail to comply with various obligations in relation to underbond movements and movement applications including:

- cancellation or suspension of a licence issued to a broker or licenced premises due to any breaches of licence conditions;
- issuing of infringement notices for making false or misleading statements (such as in a movement application), for moving goods without authority, or for failing to keep goods safely or account for the goods;
- prosecution action; and
- forfeiture of the goods moved without authorisation.

Further information on the obligations related to underbond movements can be found on the ABF website [Movement of goods under customs control \(abf.gov.au\)](https://www.abf.gov.au/movement-of-goods-under-customs-control)

Case Study: Supply Chain Employee Terminations

The termination of employment for two flight engineers at Brisbane Airport, who used their positions of trust within the supply chain to move goods that were subject to customs control without authority, should serve as a warning to all supply chain employees to obey the law and to report any suspicious border-related activity to the ABF's Border Watch program.

The ABF, through Operation JARDENA, is deliberately, systematically and resolutely applying relevant powers of the Customs Act in effective and innovative ways to identify and remove individual criminals and inside conspirators from customs controlled locations, hardening them to criminal re-infiltration and supporting legitimate trade by enforcing better compliance to Customs Act obligations.

Read the media release at: [Do not risk it for the biscuit – two Brisbane airport workers face fines and criminal sanctions \(abf.gov.au\)](https://www.abf.gov.au/media-releases/2022/09/15/do-not-risk-it-for-the-biscuit-two-brisbane-airport-workers-face-fines-and-criminal-sanctions)



Image: Food and goods subject to customs control from arriving international aircraft (Source: ABF)

Australian Trusted Trader Update

Program Update

The Australian Trusted Trader (ATT) program accredits Australian businesses who demonstrate high levels of supply chain security, trade compliance and a commitment to continuous improvement. The ATT program is now in its eighth year since commencement in 2016, and throughout this time has demonstrated the success of building trusted partnerships that deliver supply chain security and trade facilitation benefits for both ABF and Industry.

As at 02 March 2023, the ATT program was actively managing 1,116 entities, including 931 accredited Trusted Traders and 185 active applications; across nearly all sectors of the economy. This sustained growth and development has seen ATT become a benchmark for Authorised Economic Operator (AEO) programs globally.

In 2020, the program transitioned from the implementation phase, which included additional funding to prioritise new accreditations, to sustainment. In sustainment, the focus of the program is ongoing assurance and ensuring the integrity of the program. This has included the development of supply chain security training for accredited Trusted Traders and online training to support applicants in developing an understanding of supply chain security and to facilitate improvements in international supply chain security more broadly.

The ATT program continues to assess new applications and on-board entities into the program who can demonstrate strong supply chain security, trade compliance and a commitment to continuous improvement. The prioritisation of these new applications is now balanced within the flow of reaccreditations, assurance activities and support to accredited Trusted Traders.

In the last six years more than 700 entities have withdrawn ATT applications due to an inability to achieve the requirements of the ATT Rule, or for other reasons. This is in addition to the 30 entities that have been refused ATT accreditation and 37 entities that have had ATT accreditation terminated. It is important that entities make sure they have strong supply chain security and trade compliant practices before applying for the program.

To support entities to better understand the core components of supply chain security and how to limit supply chain exploitation, the 'ATT Online International Supply Chain Security Education Program' has recently been launched and includes eight initial modules intended to provide a basic understanding of supply chain security. This online program is available to all those active in the international supply chain, not just accredited Trusted Traders and can be accessed through the QR code below:



Customs Licensing Update

Customs Broker Licensing Continuing Professional Development Audits

As outlined in the Spring 2022 edition of the Goods Compliance Update, all individually licensed customs brokers were assessed as part of the 2021/22 Continuing Professional Development (CPD) audit. This audit resulted in 15 customs brokers surrendering their licences; and 10 customs brokers being referred to the National Customs Brokers Licensing Advisory Committee (NCBLAC) for investigation and report for failing to meet their CPD obligations. Prior to NCBLAC conducting their investigation 1 customs broker surrendered their customs broker licence.

In undertaking its investigation, NCBLAC noted its appreciation of the efforts made by the industry associations, particularly the International Forwarders and Customs Brokers Association of Australia (IFCBAA) and the Freight and Trade Alliance (FTA), to provide information concerning their records of CPD compliance.

After considering NCBLAC's report and all supporting documentation for the nine customs brokers investigated, a Delegate of the Comptroller-General of Customs;

- Revoked four of the customs brokers licences;
- Issued a formal reprimand to four customs brokers; who are also required to complete the missed CPD points from the 2021/22 CPD year and complete their CPD obligations for the 2022/23 CPD year by 31 March 2023. Any customs broker who fails to meet these requirements will have their licence cancelled without additional referral to NCBLAC; and
- Suspended one customs broker licence pending them meeting the above CPD requirements and re-entering the work force.

Licensing statistics

Licence Type	Number
Nominee Customs Broker	1609
Sole Trader Customs Broker	13
Corporate Customs Broker	443
S77G Depot	439
S79 Warehouse (ABF)	159
S79 Warehouse (ATO)	331

Note: Figures as of 24MAR2023

Border Watch Update

Authorities seize 1.1 tonnes of cocaine labelled as rat poison and plastics

Authorities have seized 1.1 tonnes of cocaine from two shipping containers that arrived at Sydney's Port Botany in November.

The first container ABF officers examined was marked as containing 20 pallets of rat poison and insecticide that had arrived after passing through the Port of Balboa in Panama.

ABF officers removed 11 packages wrapped in black plastic that were on top of the front row of the pallets. The packages contained black duffle bags filled with blocks of a powdered substance that returned a presumptive positive result for cocaine.

Each duffle bag weighed about 50kg with an estimated total of 550kg of cocaine seized from the bags.

ABF officers later that day intercepted a second container declared as containing "plastic articles" sent from Texas, USA, to Norwest, NSW. Officers seized about 550kg of cocaine from the second container.

The estimated street value of the combined 1.1 tonnes of cocaine in the containers was \$440 million, and would have caused significant harm to the Australian community if it had reached the streets.



Image: Authorities found 1.1 tonnes of cocaine labelled as rat poison and plastics (Source: ABF)



BORDER WATCH

Help protect Australia's border

Help protect Australia's border

Border Watch is an initiative that educates, informs and asks members of the community and industry to report suspicious border-related behaviour and activities.

Become a Border Watch member

We encourage any company that operates in the international trade or transport sectors to join the Border Watch industry program. Border Watch is free to join.

As a member, you can:

- Receive a free presentation
- Receive free resources to help you identify suspicious activity
- Access a dedicated 24/7 industry reporting hotline.

For more information or to report suspicious activity:
abf.gov.au/borderwatch

If something doesn't feel right, make it your business.

If you see something that doesn't feel right, make it your business. Flag it with Border Watch. One small observation could help stop a much larger border crime.

You can choose to make a report anonymously.

What to report:

Suspicious import details

- The nature of the consignee's business is inconsistent with the goods described.
- Inconsistent cargo value with freight costs and goods description.
- Companies using web-based or encrypted email addresses.
- Client not providing all information or documentation in order to avoid identification.
- A client has requested changes to the consignee name or delivery address at the last minute.

Suspicious behaviours

- Clients who are anxious, nervous, evasive or being unreasonably demanding.
- Clients making enquiries about Australian Border Force examinations.
- A client collecting their own shipment or organising a third party to collect the goods on their behalf.
- Clients settling accounts earlier than is normal practice, using cash, bank cheque or prepaid credit cards.

Become a Border Watch member or report online at abf.gov.au/borderwatch.



Image: Authorities found 1.1 tonnes of cocaine labelled as rat poison and plastics (Source: ABF)

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 2023-09) 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
2023-14	Tariff Concessional Item 9 – Goods of International Organisations
2023-13	Customs Tariff By-laws sunseting on 1 April 2023
2023-11	Mandatory Continuing Professional Development for Licensed Customs Brokers
2023-10	Approved Course of Study for a Customs Broker Licence
2023-08	Customs duty rates for tobacco and tobacco products – March 2023
2023-07	Expansion of Duty Deferral Benefit for Australian Trusted Traders
2023-05	Classification of Technical Grade Urea and Diesel Exhaust Fluid
2023-04	Customs (Comprehensive and Progressive Agreement for Trans-Pacific Partnership - Entry into Force for Chile) Notice 2023
2023-03	Indexation of customs duty rates on excise-equivalent goods on 1 February 2023
2023-01	Sea Cargo Reporting Requirements and Inspection Arrangements (Replacing ACN 2022/38)
2022-55	Expansion of the Origin Waiver benefit for Australian Trusted Traders to the Australia-India Economic Cooperation and Trade Agreement (ECTA)
2022-54	Administrative Changes to Certain Inputs to Manufacture Program
2022-53	Customs Tariff Changes 1 January 2023
2022-52	Australia-India Economic Cooperation and Trade Agreement – Entry into Force
2022-51	Customs (Regional Comprehensive Economic Partnership Agreement —Entry into Force for Indonesia) Notice 2022 and Regional Comprehensive Economic Partnership Product Specific Rules of Origin – use of 2022 Harmonized System Nomenclature
2022-50	Increase to Biosecurity Cost Recovery Charge
2022-48	Customs (Comprehensive and Progressive Agreement for Trans-Pacific Partnership - Entry into Force for Other Parties) Notice 2022
2022-46	New Obligations on Customs Depot and Warehouse Licences
2022-45	Extension of the additional customs duty on Russian and Belarusian goods
2022-43	Customs (Pacific Agreement on Closer Economic Relations Plus-Entry into Force for Vanuatu) Notice 2022
2022-42	Converting the value of cryptocurrencies into Australia dollars when valuing goods at the border as required by the Customs Act 1901
2022-41	Increase in rate of customs duty for certain fuels

Prohibited Goods Contact Points

Thinking of importing or exporting goods and want to know if there are may be restrictions in place?. The ABF website's 'Prohibited Goods' page is a good place to start:

[Prohibited goods \(abf.gov.au\)](https://abf.gov.au)

Under the Categories and/or List of Items you will find details of Prohibited and Restricted Goods, what permissions or permits might be required and what the best contact point is and where to obtain further information for that particular item.

The screenshot shows the ABF Prohibited Goods webpage. At the top is a dark blue navigation bar with tabs: OVERVIEW, CATEGORIES, LIST OF ITEMS, and APPLICATION FOR PERMISSION TO IMPORT TOBACCO FORM. The 'CATEGORIES' tab is active. On the left is a sidebar with a 'Categories' section containing links: Animals and plants, Asbestos, Consumer products (highlighted), Defence and Strategic goods, Drugs, Medicines and Therapeutic Substances, Firearms, Hazardous goods, and Intellectual property and cultural items. The main content area is titled 'Consumer products' and features a search bar. Below the search bar, it states 'Showing 14 out of 14 items that match your criteria' with a 'Reset search' link and a 'sorted by title' dropdown. A list of items is shown, with 'Ceramic ware - glazed' expanded to show details. The details include a section for 'Competition and Consumer Act goods' which states: 'Goods subject to a permanent ban under the Competition and Consumer Act 2010 including: glucomannan, certain seat accessories and sun visors, certain toys, oral snuff and chewing tobacco (if imported in quantities greater than 1.5 kilograms), certain water ski releases, and candles/candlewicks containing leads.' It then lists the contact point: 'Requests to import these goods should be addressed to: Consumer Product Safety Branch, Australian Competition and Consumer Commission, PO Box 3131, Canberra ACT 2601.' It also mentions 'Or by using the ACCC enquiry form' and 'More information is available on the Australian Competition & Consumer Commission website, or you can contact us.' At the bottom right of the main content area are two buttons: 'Ask a question' and 'Feedback'.

Image: Extract from ABF Prohibited Goods webpage. (Source: ABF)

If you have further general enquiries on importing or exporting goods then please refer to [Contact us overview \(abf.gov.au\)](https://abf.gov.au)

Commonwealth Penalty Unit Increase

Please be aware there has been an increase the base amount of the Commonwealth penalty unit to \$275, effective from 1 January 2023 as per the *Crimes Amendment (Penalty Unit) Act 2022*. Please note this will have an impact on the value of penalties issued by the ABF under the Infringement Notice Scheme.

Piggyback Consignments & Identifying Clients

The ABF has detected multiple instances of fraudulent identity claims associated with the import of non-compliant and illicit goods, including in the smuggling of tobacco and alcohol.

This misuse of an identity is generally referred to as a “*piggyback*” consignment. This refers to a shipment where a legitimate importer’s name is used by an entity not associated with them in order to import illicit goods. The legitimate importer is unaware a consignment has been shipped in their name until the point there is a detection at the border and they are contacted by the ABF.

Service providers should take reasonable steps to verify the identity of their clients. This is not necessarily an onerous task, for example, in the context of piggyback consignments, a simple search of your client on the internet or phone call to your client through the claimed company’s main switchboard could reveal discrepancies between the details you have been provided and the legitimate entity’s details.

Please be particularly vigilant in identifying your client if the following indicators of a piggyback consignment are present:

- First time clients
- Clients who are also the ultimate consignee
- Industry rumours/information about illegal activity involving particular shipments and goods
- The nature of the consignee’s business is inconsistent with the goods described
- Inconsistent cargo value with freight costs and goods description
- Companies using web-based or encrypted email addresses
- Contact by mobile number or email only with no landline number provided
- Client not providing all information or documentation in order to avoid identification



Image: ABF Detector Dog Unit searching cargo (Source: ABF)

If you are suspicious about the identify of your client due and cannot substantiate their claims please report to [Border Watch \(abf.gov.au\)](https://www.abf.gov.au)

Compliance Program Results

Financial Year to date 2022/23 (JUL-MAR)



*Note: All statistics were accurate at the time of extraction for the period 01 July 2022 to 31 March 2023.
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(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(2)	Failure to keep goods safely
36(6)	Failure to account for goods
36(7)	Failure to deliver goods in accordance with an Authority to Deal and cannot 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
77R(1)	Breach of conditions of depot licence
82C(1)	Breach of conditions of a warehouse licence
102A(4)	Failure of a holder of a warehouse licence to notify Customs of release or return of prescribed goods for export
113(1)	Failure to enter goods for export and loading/exporting without authority to deal
114E(1)	Sending goods to a wharf or airport for export without proper authority or reporting actions
233(1)(b)	Prohibited imports
233(1)(c)	Prohibited exports
240(6B)	Failure to keep a document if required so by an authorised officer
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 Jul 2022 - 31 Mar 2023

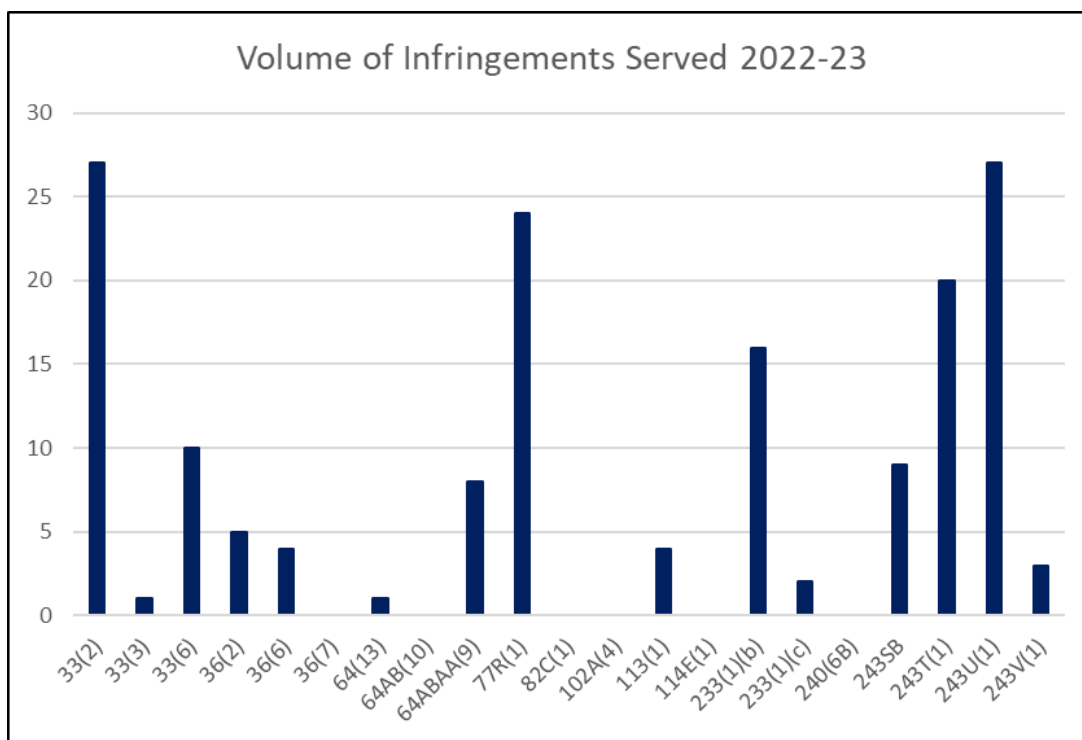
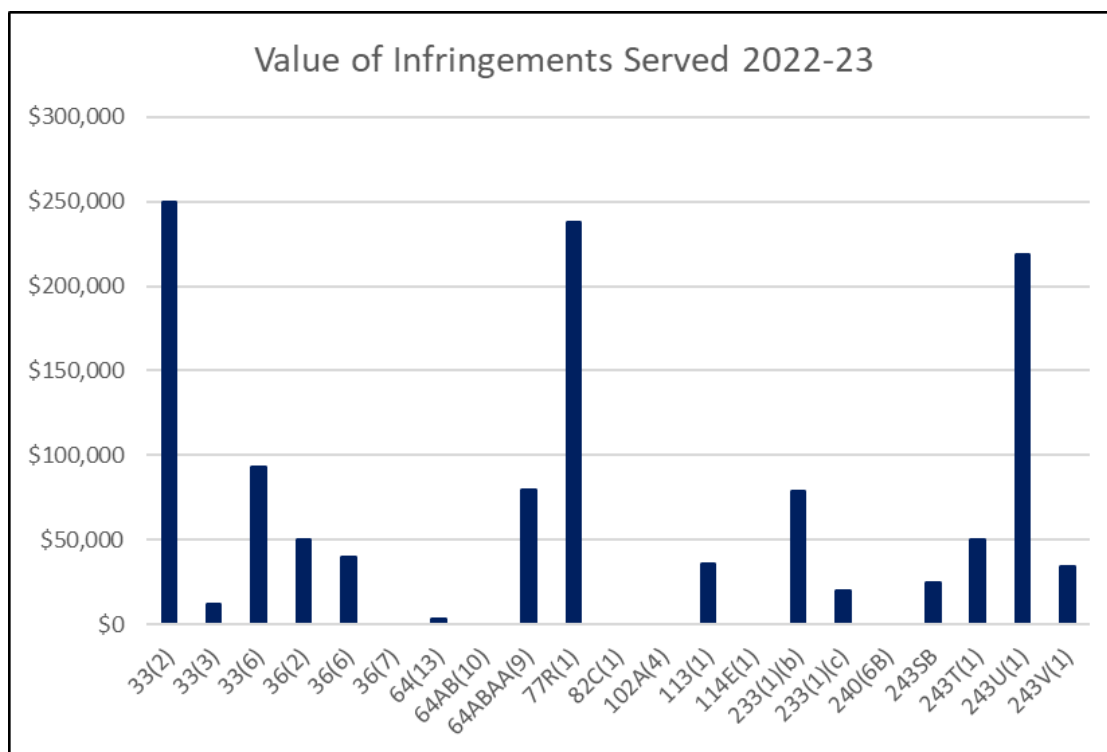


Figure 2 - Value of Infringement Notice Scheme offences 1 Jul 2022 - 31 Mar 2023



Revenue Understatements – General

Table 2 - Value of revenue understatements identified from investigations and compliance activities, Quarter 3 (Jan - Mar 2023) and financial year to date (Jul 2022 - Mar 2023) with comparison same period 2021-22 (AUD)

Activity Type	Q3 JAN-MAR 2022/23	Q3 JAN-MAR 2021/22	FYTD JUL-MAR 2022/23	FYTD JUL-MAR 2021/22
Post Transaction Verification	\$4,336,326	\$11,635,792	\$15,412,282	\$31,702,269
Voluntary Disclosure	\$42,237,494	\$46,274,181	\$151,908,883	\$131,682,937
Pre Clearance Intervention	\$3,050,357	\$2,989,575	\$13,298,143	\$10,564,772
Compliance Monitoring Programme	\$100,942	\$63,589	\$239,489	\$249,612
National Refunds Intervention	\$6,680,210	\$2,928,378	\$17,251,161	\$12,217,529

Duty Refunds

Table 3 - Administration of Refunds Quarter 3 (Jan - Mar 2023) and financial year to date (Jul 2022 - Mar 2023) with comparison same period 2021-22 (AUD)

Refunds Description	Q3 JAN-MAR 2022/23	Q3 JAN-MAR 2021/22	FYTD JUL-MAR 2022/23	FYTD JUL-MAR 2021/22
Number of refunds Lodged	26,135	26,273	72,711	75,918
Value of refunds lodged	\$92,862,156	\$60,092,328	\$233,735,469	\$199,662,689
Number of approved refunds	26,738	26,675	71,906	75,331
Value of approved refunds	\$80,574,046	\$59,334,408	\$192,645,058	\$181,859,415
Number of refunds rejected (non-compliant)	209	127	533	441
Value of refunds rejected (non-compliant)	\$6,075,292	\$2,109,701	\$15,640,140	\$9,579,151

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

Duty Drawbacks

Table 4 - Administration of Duty Drawbacks Quarter 3 (Jan - Mar 2023) and financial year to date (Jul 2022 - Mar 2023) with comparison same period 2021-22 (AUD)

Drawbacks Description	Q3 JAN-MAR 2022/23	Q3 JAN-MAR 2021/22	FYTD JUL-MAR 2022/23	FYTD JUL-MAR 2021/22
Drawbacks Lodged	408	442	1,335	1,463
Value of Drawbacks Lodged	\$105,719,364	\$203,894,594	\$316,979,946	\$461,594,016
Total Drawbacks Paid	397	380	1,295	1,371
Value of Drawbacks Paid	\$74,209,109	\$87,733,034	\$333,316,945	\$383,383,829
Drawbacks Rejected	5	7	12	29
Value of Drawbacks Rejected	\$362,187	\$111,082	\$582,461	\$631,696

Note: The paid drawback figure includes claims lodged in past periods, explaining why the number of paid can be larger than the number lodged. Furthermore, the value paid are 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.

Revenue Understatements – Trade Remedy Measures

In the financial year to date 2022/23, ABF completed 74 trade remedy measures verification activities that included an outcome, in comparison to 61 in 2021/22. These activities ensure a level playing field in relation to the enforcement of trade remedy measures and primarily focused on:

- Aluminium Extrusions;
- Hollow Structural Sections;
- Steel Pallet Racking;
- A4 Copy Paper;
- Precision Pipe and Tube Steel;
- Electric Resistance Welded, Steel Pipes;
- Galvanised Steel Plates;
- Concrete Underlay Film;
- Deep Drawn Sinks;
- Other Tubes, Pipes and Hollow Profiles;
- Silicon Metal 553;
- Steel Post with Caps;
- Steel Reinforcing Bar; and
- Electrical Cables (SRF3025V & SRF3025V-B)

Table 5 - Value of revenue understatements identified from trade remedy investigations and compliance activities, financial year to date (Jul 2022 - Mar 2023) with comparison same period 2021-22 (AUD)

Trade Remedy Understatements	FYTD 2022/23	FYTD 2021/22
Customs Duty	\$5,834	\$274,020
Dumping Duty	\$2,484,723	\$5,064,646
Countervailing Duty	\$1,373,418	\$1,743,563
GST	\$584,291	\$805,354
Total	\$4,448,266	\$7,887,584

Compliance Monitoring Program

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

Import declarations

Table 6 - CMP import declaration results Quarter 3 (Jan - Mar 2023) and financial year to date (Jul 2022 - Mar 2023) with comparison same period 2021-22 (AUD)

Description	Q3 JAN-MAR 2022/23	Q3 JAN-MAR 2021/22	FYTD JUL-MAR 2022/23	FYTD JUL-MAR 2021/22
No. of lines checked	1462	1488	4613	4606
No. of lines detected to have errors	423	349	1219	1011
Error Rate	28.9%	23.4%	26.4%	21.9%
No. of Detections	442	428	1352	1329

Table 7 - Most common errors on import declaration lines (CMP)

Description	FYTD 2022/23	FYTD 2021/22
Val - Valuation Date	179	138
Other	157	109
Val - Invoice Terms	153	72
Incorrect Delivery Address	139	154
Goods Description	89	69
Tariff Classification	87	96
Val - Price (Invoice Total)	83	100
Val - Related Transaction	57	85
Gross Weight	52	48
Loading Port	43	17

Export declarations

Table 8 - CMP export declaration results Quarter 3 (Jan - Mar 2023) and financial year to date (Jul 2022 - Mar 2023) with comparison same period 2021-22 (AUD)

Description	Q3 JAN-MAR 2022/23	Q3 JAN-MAR 2021/22	FYTD 2022/23	FYTD 2021/22
No. of lines checked	236	37	731	376
No. of lines detected to have errors	86	12	221	164
Error Rate	36.4%	32.4%	30.2%	43.6%
No. of Detections	96	20	257	284

Table 9 - Most common errors on export declaration lines (CMP)

Description	FYTD 2022/23	FYTD 2021/22
FOB Value	107	68
AHECC - Misclassification	27	31
Gross Weight	23	44
Net Quantity	21	40
Other Export Data Inaccuracy	17	13
AHECC - Multi-Lines	14	7
Origin	12	22
Consignee Name	11	12
FOB Currency	7	17
Permit Number	7	5

Cargo reporting

Table 10 – CMP Cargo report results Quarter 3 (Jan - Mar 2023) and financial year to date (Jul 2022 - Mar 2023) with comparison same period 2021-22 (AUD)

Description	Q3 JAN-MAR 2022/23	Q3 JAN-MAR 2021/22	FYTD 2022/23	FYTD 2021/22
No. of lines checked	1462	1488	4613	4705
No. of lines detected to have errors	82	63	287	256
Error Rate	5.6%	4.2%	6.22%	5.44%
No. of Detections	82	74	304	300

Table 11 - Most common errors on cargo reports (CMP)

Description	FYTD 2022/23	FYTD 2021/22
Cargo Report Data Inaccuracy (Other)	65	66
Consignee Incorrect	64	55
Consignor Incorrect	38	34
Port of Destination	32	39
Declared Value	28	14
Gross Weight	23	25
Goods Description	18	51
Origin Port of Loading	17	7
Bill Number	5	3
Container Number	4	2

In the news

April 2023

98 tonnes of cocaine seized in Operation TIN CAN

A major joint operation organised by the Australian Border Force, World Customs Organization (WCO) and the UN Office on Drugs and Crime (UNODC) has cracked down on insider threats in the maritime supply chain.

Operation TIN CAN involved customs, police, and other law enforcement agencies from across the world and led to 43 arrests and more than 100 drug seizures, including 98,734 kilograms of cocaine and 314 kilograms of cannabis.

A total of 58 countries were involved, with support provided by the major shipping lines affected by international drug trafficking.

The ABF worked alongside officers from German Customs, United Kingdom Border Force, US Customs and Border Protection and the Dutch Customs Administration to deliver a series of coordinated strikes on organised crime.

The operation, which ran in November and December last year, saw cooperation with the shipping industry and a combination of traditional law enforcement methods and new innovative data visualisation tools, tracking, and inspection technologies.

ABF officers deployed to Colombia and Panama as part of the Operation worked alongside Colombian authorities during the seizure of around 100 kilograms of cocaine from inside a shipping container. Each block of cocaine was individually wrapped into one kilogram packages and hidden within the container's structure. A total of 815 kilograms of cocaine was also seized by Costa Rica's Drug Control Police from a truck intending to enter the container terminal. A further 25 kilograms of cocaine was located by police in Ecuador concealed in a container's internal refrigeration and ventilation systems.

Increasingly, organised crime syndicates have been turning to the "rip-on/rip-off" concealment method which involves the exploitation of shipping containers to traffic illicit drugs around the world. As cargo moves from the country of origin to the country of destination, insiders at each port (such as corrupt port workers) tamper with legal shipments.

Trusted insiders working in the maritime supply chain exploit their positions to support organised crime syndicates to traffic illegal drugs. The key to their success depends on access to the location of a specific container; insider knowledge of the port environment; and, the ability to coordinate insider threats at both ends of the transport supply chain.

ABF Commander Bjorn Roberts, of Operation JARDENA, said the contamination of container cargo has become the most frequently used concealment method for organised crime groups to move cocaine and other illicit drugs around the world.

"TIN CAN was a hugely successful operation and showcased how law enforcement agencies across the world can work together – and work with industry – to combat the threat of organised crime," Commander Roberts said.

"Almost 100 tonnes of cocaine was detected and it is highly likely some of that would have been destined for Australia, had it not been seized."

"This method of drug trafficking is not possible without the active involvement of trusted insiders in the maritime supply chain."

"The ABF is committed to strengthening our supply chains to combat criminal infiltration and deliver a robust network that supports the rapid movement of legitimate trade."

"The threat of the involvement of insiders is a major concern for law enforcement agencies around the world."

"The Australian border is one of our most critical national assets. The ABF, along with our law enforcement partners, will continue to make the border a hostile environment for criminals trying to import illicit drugs."

Law enforcement agencies have now updated their cargo selection criteria and are targeting new trafficking trends that were observed during the operation.

Anyone with information about suspicious border activity or border-related crime can report it anytime through Border Watch at borderwatch.gov.au. Information can be provided anonymously.

March 2023

Keeping up with the K Litter

The Australian Border Force (ABF) detector dog facility in Perth is hosting a family reunion this week with ABF detector dogs Kenji, Keanu, and Australian Federal Police (AFP)'s Kanto, catching up for the first time in five years.

The three brothers are part of a very successful litter born in 2018 which produced 11 detector dogs, and following an ABF tradition all have names starting with the same letter.

Five of the 'K' litter stayed with the ABF, three work with partner agencies in Australia and three are globetrotting with international law enforcement partners.

ABF Dog Detector Unit Supervisor Susan Tucci said the 'K' litter is part of a highly valued breeding program that helps to keep the community safe by detecting dangerous goods such as narcotics and firearms.



Image: ABF DDU K Unit (Source: ABF)


"Our detector dog teams can quickly and accurately screen large volumes of both people and cargo with their highly trained sense of smell," Ms Tucci said.

"Kanto has arrived to our joint kennel facility in Perth just in time for the brothers to celebrate their fifth birthday together, so the handlers are having a little celebration.

"The program demonstrates how the ABF works with our partners to maintain the integrity of the border and keep the community safe."

The ABF program breeds around 160 Labrador retriever puppies each year, providing dogs for the AFP and Department of Agriculture, Forestry and Fishing, as well as overseas partners including Japan, New Zealand and Indonesia.

Kenji and Keanu are both trained in the detection of explosives. They have wide ranging experience from working large public gatherings like Anzac Day at the war memorial, to the international cricket T20 World Cup at Optus Stadium.



Kanto has been interstate with the Australian Federal Police (AFP) before returning to Perth and is an explosive detection dog. He is trained to protect the Australian community by sniffing out military and commercial grade explosives and firearms.

AFP Inspector Matthew Taylor said Kanto, like all AFP detection dogs, received training at the National AFP Canine Operations Centre in Canberra.

"AFP Canine has dogs that are trained to detect firearms, explosives, currency, drugs and electronic devices," he said.

"AFP Canine has a strong relationship with ABF Canine and the detection dogs within both programs are regularly deployed together to safeguard Australia's national security.

"Kanto is a high energy, hardworking member of the AFP family and it is great to see him reunited with his brothers Kenji and Keanu after five years."

In 2022, ABF detector dogs made more than 1,500 detections of drugs, firearms, explosives, tobacco and currencies in our airports, sea ports and postal centres.

February 2023

Artworks seized and returned to Mexican Embassy

The Australian Border Force (ABF) has intercepted the entry of two protected cultural objects from Mexico: a pre-Hispanic Mixtec copper bowl and a 100-year-old votive painting, both of which were returned to the Mexican Government today.

Minister for the Arts, the Hon Tony Burke MP, handed over the objects to His Excellency Mr Eduardo Peña Haller, Ambassador of Mexico, during a ceremony in Canberra this morning.

Australian residents purchased the objects online from a US-based company before ABF officers detected the items upon arrival in Australia.

Concerned about the lack of export documentation for the objects, ABF officers referred them to the Department of Infrastructure, Transport, Regional Development, Communications and the Arts for investigation under the Protection of Movable Cultural Heritage Act 1986.

The Department consulted with the Embassy of Mexico, and the Government of Mexico submitted a formal repatriation request. The bowl was seized in Sydney, and the votive painting in Perth in 2022.

Acting Assistant Secretary of the ABF's Customs and Trade Policy Branch, Joshua Hutton, said ABF officers are trained to detect a wide range of prohibited goods, including protected cultural heritage objects significant to a nation's identity such as antiquities, art, fossils, historical documents, and numismatic material.

"We are incredibly proud of the highly specialised skills of our officers, which not only help keep Australia's borders safe but also protect the cultural heritage of other nations," Mr Hutton said.

"We're delighted that these priceless objects have been returned to the people of Mexico through the Embassy of Mexico here in Australia."

The Australian Government is committed to the protection of Australian and international cultural property, which is upheld under law. Australia is a signatory to the United Nations Educational Scientific and Cultural Organisation (UNESCO) Convention on the Means of Prohibiting and Preventing the Illicit Import, Export and Transfer of Ownership of Cultural Property 1970.

Mr Hutton reminded Australians to be careful when buying art or historical objects, no matter in what country or era they might have been created.

“Art collectors should always verify the provenance of any cultural works they acquire overseas, whether online or in person. Many countries have laws that regulate the export of cultural property, and it may be illegal to export the goods without the correct permit,” he said.



Image: ABF Officer John Faliti inspects the votive painting following its seizure at Perth airport (Source: ABF)

Further information is available on our website.

About the returned objects:

- The 5x3cm bowl was crafted by the Mixtec people during the Mesoamerican Post-classic period (1200-1521), and is decorated with a feathered serpent motif.
- The 1923 ex-voto (or votive) painting depicts the story of a mining accident survivor who, after 52 days of pain and with no signs of recovery, asked the Virgin of the Rosary of Charcas for relief. The painting was commissioned by the man as a sign of gratitude to the Virgin.

Further Media articles available at [Australian Border Force Newsroom \(abf.gov.au\)](https://www.abf.gov.au/newsroom)

Media contact: Australian Border Force - (02) 6264 2211

GCU Next Issue & Contact Information

Continuing Professional Development GCU Point Update

In the previous GCU, a request for expression of interest was included to consider if ABF may be able to offer licensed brokers a CPD point for reading and engaging with the GCU. The response has been considered and we will not be offering this option due to minimal interest.

Web Links

Please note, as the GCU includes web links we encourage readers to download information as they desire, in anticipation that hyperlinks referenced in the newsletter may be subject to change.

Contact Information

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, 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.

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
AUKFTA	Australia United Kingdom Free Trade Agreement
CBD	Cannabidiol
ChAFTA	China Australia Free Trade Agreement
CITES	The Convention on International Trade in Endangered Species
COAG	Council of Australian Governments
COO	Certificate of Origin
CMP	Compliance Monitoring Program

ABF	Australian Border Force
CP	Counter Proliferation
CPD	Continuing Professional Development
CPQ	Community Protection Questions
CPTPP	Comprehensive and Progressive Agreement for Trans-Pacific Partnership
CRN	Consolidation Reference Number
DDU	Detector Dog Unit
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
IGL	Intergovernmental Ledger
ICS	Integrated Cargo System
IDM	Illustrative descriptive material

ABF	Australian Border Force
IFCBAA	International Forwarders and Customs Brokers Association of Australia
IMDA	The Infocomm Media Development Authority of Singapore
IPC	Import Processing Charge
IPRE	Intellectual Property Rights Enforcement
ITTF	Illicit Tobacco Task Force
INS	Infringement Notice Scheme
JAXA	Japanese Aerospace Exploration Agency
JSCOT	Joint Standing Committee on Treaties
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
ODC	Office of Drug Control
PACER	Pacific Agreement on Closer Economic Relations
PAFTA	Peru-Australia Free Trade Agreement
PCI	Pre-Clearance Intervention
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
STS	Simplified Trade System
TCCU	Thermal Controlled Container Units

ABF	Australian Border Force
TGA	Therapeutic Goods Administration
TLF	Tariff list file
UAVs	Unmanned Aerial Vehicles
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