



Australian  
**BORDER FORCE**

# Goods Compliance Update

October 2020



# Table of Contents

Foreword	3
A message from Michael Outram APM, ABF Commissioner	3
Customs Group Update	4
Feature Articles	6
Australia's world-leading role combating modern slavery in supply chains	6
Focus on Disaster Risk Reduction in Australia	7
Free Trade Agreements Update	9
Trade Compliance News	12
Border Watch Update	14
Australian Trusted Trader Update	15
Customs Licensing Update	17
Customs Brokers	17
Customs Licensing – Depots and Warehouses	19
Customs Compliance Reminders	21
Compliance program results 1 April 2020- 30 June 2020	23
Infringement Notice Scheme	23
Revenue understatements – General	26
Revenue understatements – Trade remedies	26
Supply Chain Integrity Compliance	27
Duty Refunds	27
Duty Drawbacks	28
Compliance Monitoring Program	29
Australian Customs Notices and Industry Guidance	32
Australian Customs Notices	32
Industry Guidance	32
Clarification	34
In the news	35
Next Issue and Contact	38
Glossary	39

# Foreword

## A message from Michael Outram, ABF Commissioner

It is my pleasure to introduce to you the October edition of the Goods Compliance Update. As the COVID-19 pandemic continues to dominate world news bulletins, last summer's horrific bushfires might seem a lifetime ago. They remain an ever present memory for those who lost everything, however, and serve as a timely reminder of the importance of reducing the risk of disasters of this kind now and in the future.

On page eight of this edition is a feature article that refers to a pilot project conducted in partnership between Home Affairs and several other agencies, to improve Australia's resistance to potential future disasters. Extreme weather events like bushfires, cyclones and flooding cause the Australian economy around \$18 billion a year. With this figure projected to rise to \$39 billion by 2050, lessons learned from the pilot will help enable the Government and others, to make risk-informed decisions that limit the impact of natural hazard events on our communities.

An interesting initiative highlighted in our Australian Trusted Trader update on page 16 involves one of our trusted traders, Zangold Pty Ltd, securing a \$10 million contract that will help protect Australian Defence Force personnel from emerging threats such as the risk of chemical and biological attacks.

Our Trusted Trader program continues to grow, even in the age of a pandemic. As at 1 October 2020, there were 777 fully accredited members in the program, compared with 100 three years ago. This represents 18.7 per cent of Australia's two-way trade value, and 10.64 per cent of the country's two-way trade volume. To be endorsed as a trusted trader by the ABF not only secures benefits like faster clearance of goods at the border. It is also an endorsement by the Australian Government that your business is trustworthy. We are still progressing applications and where we can, subject to COVID-19 restrictions, validating businesses to join the program. You can find out more about the



Australian Trusted Trader program by visiting [www.abf.gov.au/att](http://www.abf.gov.au/att).

I would also like to take this opportunity to note two milestones the ABF has recently achieved, one being the fifth anniversary of the stand-up of the ABF, the other the first anniversary of our Customs Group being established within the ABF. While still only young, the ABF has matured as a modern, professional and disciplined border law enforcement agency and customs service. The opportunities ahead of us are significant, with the COVID-19 pandemic demonstrating we are much more than an immigration and customs service. Wherever you look across the ABF, there is significant success, commitment and deep levels of skill. We will continue to work with you during this challenging time to facilitate legitimate trade while preventing and disrupting the movement of illicit and prohibited goods.

As we continue to navigate the health and economic challenges surrounding this pandemic, my hope is for you, your family, colleagues, clients and those in your local community, to stay safe.

# Customs Group Update

## A message from Dr Bradley Armstrong, Deputy Comptroller-General and Group Manager, Customs Group

During the COVID-19 pandemic, Customs Group is focussed on facilitating trade and travel and providing customs services that remain agile and supportive to industry during these challenging times. Customs Group continues to play a key role in the whole-of-ABF response to managing the challenges of the COVID-19 pandemic, and the Government's wider response to strengthening the economy.

Customs Group is committed to developing and implementing border measures that support trade that is key to our economic recovery. We are equally committed to protecting the Australian public from entities that are attempting to exploit border vulnerabilities during the pandemic.

In July we reached the first anniversary of Customs Group in the ABF. During this time we've achieved some significant outcomes.

These include the election of Matthew Duckworth, Assistant Secretary, Customs and Trade Policy Branch to the Chair of the World Customs Organization (WCO) Permanent Technical Committee. The WCO Permanent Technical Committee develops international standards for Customs procedures to facilitate trade and keep supply chains secure, including the global Customs response to COVID-19. This role will provide the ABF with an opportunity to contribute to the strengthening of global trade facilitation and recognises the level of influence and confidence the ABF enjoys in this international forum.

Customs Group is also leading the ABF's efforts on the eradication of modern slavery from international supply chains. We are working closely with Australian businesses to assist them in meeting obligations under the Modern Slavery Act. The National Roundtable on Human Trafficking and Slavery is the primary forum for cooperation between government, civil society and the business community to be able to address human trafficking and slavery in Australia.



This edition of the Goods Compliance Update includes a feature article on Australia's world-leading role in combating modern slavery, and the ABF has published detailed online guidance about the Modern Slavery Act, including information about how the impacts of the COVID-19 pandemic may increase modern slavery risks for vulnerable workers in supply chains.

This edition also provides important information on how Customs Group delivers a range of industry assistance and operational trade compliance activities through the Trusted Trader and Trade Compliance Branch. A broad range of trade services are available to support industry, including advice on tariff classification, administering the Tariff Concession System, valuation, rules of origin, customs commitments for Australia's free trade agreements, and other customs and border revenue matters.

There is also an update on the Australian Trusted Trader program, including new member benefits, good news stories, information on the re-accreditation process; and information for licensed customs brokers and depot and warehouse operators. The results of the Trade Compliance program from 1 April to 30 June 2020 are also included.

Dr Bradley Armstrong PSM  
Deputy Comptroller-General  
Group Manager Customs Group  
Australian Border Force



*Customs Group Manager Dr Bradley Armstrong with Assistant Secretary, Modern Slavery and Human Trafficking, David Brightling at the virtual Senior Officials' Meeting of the National Roundtable on Human Trafficking and Slavery.*

# Feature Articles

## Australia's world-leading role combating modern slavery in supply chains

Modern slavery is a term that describes serious exploitive practices that involve the use of coercion or deception to undermine victims' freedom. The United Nations estimates that there are more than 40 million modern slavery victims around the world. Many of these victims are exploited in the global supply chains of our imported goods and services. As well as causing serious, long-term harm to victims, modern slavery in supply chains distorts the global economy, undercuts responsible businesses and, if not addressed, may pose legal and reputational risks for Australian companies.

The ABF is driving Australia's efforts to combat modern slavery in supply chains through the Commonwealth *Modern Slavery Act 2018* (Modern Slavery Act). The Modern Slavery Act is the strongest legislation of its kind in the world. It requires large businesses and other entities to prepare annual statements explaining the steps they are taking to assess and address modern slavery risks in their global operations and supply chains. The ABF reviews and publishes these statements on the world's first Government-run Online Register for Modern Slavery Statements (<https://modernslaveryregister.gov.au/>).

Australian importers, exporters, licensed customs brokers and freight forwarders occupy an important position in global supply chains and have a vital role to play in combating modern slavery. Large businesses operating in the import-export sector will need to comply with the Modern Slavery Act if they meet the \$100 million annual revenue threshold for reporting set by the legislation. Smaller businesses can also opt to voluntarily comply with the Modern Slavery Act and should ensure they are aware of possible modern slavery risks linked to their business activities.

There are two key, basic steps that businesses in the import-export sector can take to help tackle modern slavery in global supply chains. As a first step, businesses should consider whether the transport and logistics services they use could involve modern slavery. For example, the global shipping industry is a high risk sector for modern slavery due to widespread poor working conditions, prevalence of unskilled migrant labour and limited regulatory oversight. Secondly, businesses should consider whether they deal in high volumes of goods that carry significant modern slavery risks, such as rubber or timber products, construction materials, and textiles. The United States Government maintains a searchable online list of goods it has assessed as being made using child or forced labour, which are common forms of modern slavery ([www.dol.gov/agencies/ilab/reports/child-labor/list-of-products](http://www.dol.gov/agencies/ilab/reports/child-labor/list-of-products)).

The ABF is working closely with businesses, including importers, exporters, licensed customs brokers, and freight forwarders, to implement the Modern Slavery Act. The ABF has published detailed online guidance about the Modern Slavery Act, including information about how the impacts of the COVID-19 pandemic may increase modern slavery risks for vulnerable workers in supply chains. Between January-June 2020, the ABF responded to over 400 queries from entities about the Act.

The ABF operates a free email helpdesk at [slavery.consultations@abf.gov.au](mailto:slavery.consultations@abf.gov.au) to provide specific guidance to entities who are required to report. For further information about the Government's response to modern slavery, visit: <https://www.homeaffairs.gov.au/criminal-justice/Pages/modern-slavery.aspx>.

## Focus on Disaster Risk Reduction in Australia

Australians are all too familiar with the disaster that can follow natural hazard events such as bushfires, cyclones and flooding. Disasters cost the Australian economy around \$18 billion a year, with this figure projected to rise to \$39 billion by 2050<sup>1</sup>, without accounting for the effects of climate change. Reducing disaster risk is critical to supporting communities and economies to be resilient when they are impacted by natural hazards. More than ever, limiting the impact of disasters now and in the future requires a coordinated effort across and within many areas of activity including land use planning, infrastructure, emergency management, social policy, agriculture, education, health, community development, energy and the environment.

Figure 1. Flood affected township of Giru in the January / February 2019 floods (credit: Facebook: Sheree Batters)



In 2019, the Department released [guidance material](#) that provides direction to decision makers, encouraging innovative planning processes that consider relevant climate and disaster risk as part of strategic long-term planning and investment decisions.

On 13 March 2020, the Council of Australian Governments (COAG) endorsed the [National Disaster Risk Reduction Framework](#) (the Framework) as the guiding national framework to reduce the risk of future disasters through coordinated action across all sectors of the economy. An inaugural National Action Plan to implement the Framework has been developed, together with state and territory governments, and will be released soon. The National Action Plan will be updated each year to maintain collective focus on the actions needed to realise the Framework's outcomes.

In June 2020, the Department completed a pilot project in the supply chain and freight sector to explore the feasibility and benefits of a national disaster risk information services capability. The private sector has called for a national platform to provide improved and open access to information and guidance on disaster risk<sup>2</sup>, to

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<sup>1</sup> Deloitte Access Economics (2017) Building resilience to natural disaster in our states and territories. Australian Business Roundtable for Disaster Resilience & Safer Communities. Available at: <https://www2.deloitte.com/content/dam/Deloitte/au/Documents/Economics/deloitte-au-economics-building-resilience-natural%20disasters-states-territories-161117.pdf>

<sup>2</sup> Deloitte Access Economics (2016) Building an open platform for natural disaster resilience decisions. Australian Business Roundtable for Disaster Resilience & Safer Communities. Available

support complex decision making on priorities and investments. This pilot is a key Government contribution to implement the Framework, delivering on its first priority of 'Understand Disaster Risk' and enabling progress on the Framework's three other priorities.

The pilot was conducted in partnership with the Department of Infrastructure, Transport, Regional Development and Communications, the Department of Agriculture, Water and the Environment, the Commonwealth Scientific and Industrial Research Organisation, the Bureau of Meteorology, Geoscience Australia, the Queensland Department of Transport and Main Roads and the Bushfire and Natural Hazards Cooperative Research Centre (including the University of Adelaide).

The pilot included the analysis of three case studies, the flooding of the Bruce Highway adjacent to Townsville, the multi-hazard freight impacts surrounding the Victoria-Tasmania transport and freight network, and the issue of coastal inundation and subsidence in the Port of Adelaide. Through these three case studies, the pilot validated the need for a national disaster risk management capability as a foundational element for implementing the Framework. It also illustrated that there would be a clear benefit if Australian communities and businesses had access to practical disaster risk management information and resources.

*Figure 2. Flood debris across the Bruce Highway at the approach to the Haughton River bridge (credit: Queensland Department of Transport and Main Roads).*



Lessons learnt from the pilot will inform the design of a national capability to provide industry, government and the community with the information and guidance needed to make risk-informed decisions to improve Australia's resilience. A national capability will help Australian communities, businesses and key sectors, including supply networks and infrastructure, be better prepared for potential disasters and to assist long term planning. A summary report of the pilot outcomes will be published on the Department's website. The development of the Framework, the National Action Plan and the completion of the pilot are part of the Australian Government's comprehensive program to reduce Australia's systemic disaster risk in partnership with other jurisdictions. This program is supported by an Australian Government commitment in the 2019-20 Budget of \$130.5 million over five years, matched by states and territories, to fund risk initiatives within jurisdictions. This includes \$5.22 million per year for projects and initiatives of national significance. Please contact [disasterriskreduction@homeaffairs.gov.au](mailto:disasterriskreduction@homeaffairs.gov.au) or visit the Emergency Management Australia section of the [Department's website](#) for further information.

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at: <http://australianbusinessroundtable.com.au/assets/Building%20an%20Open%20Platform%20for%20Natural%20Disaster%20Resilience%20Decisions%20CLEAN.pdf>



# Free Trade Agreements Update

Since the last Goods Compliance Update, the Indonesia-Australia Comprehensive Economic Partnership Agreement entered into force.

## Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA)

IA-CEPA entered into force on 5 July 2020. The Minister for Trade, Tourism and Investment, the Hon Simon Birmingham and his Indonesian counterpart Minister for Trade H.E Enggartiaso Lukita, signed the IA-CEPA on 4 March 2019, in Jakarta.

Australia provides duty-free access for originating goods from Indonesia from 5 July 2020. Indonesia has committed to eliminate or reduce tariffs for most goods, or provide improved access under Tariff Rate Quotas and other arrangements for originating goods from Australia.

To be entitled to preferential tariff treatment on import from Indonesia into Australia, goods must be 'Indonesian originating'. These are goods that meet the requirements of [Division 1HA of Part VIII of the Customs Act 1901](#).

### Documentary Requirements

Unless the requirement has been waived, importers must possess either a valid Certificate of Origin (COO) or Declaration of Origin (DOO) when making a claim for preferential treatment under Indonesia. More information about the COO and DOO for the IA-CEPA can be found in Section 9 of the ABF guide: <https://www.abf.gov.au/free-trade-agreements/files/indonesia-australia-comprehensive-economic-partnership-agreement.pdf>.

### Certificates of Origin

A COO must be issued by an Issuing Body in the country of origin and can only cover a single shipment, but multiple goods may be included provided each good is originating in its own right.

A COO must also meet the data requirements set out in [Appendix 4-A.1 of the Agreement](#).

A sample of the IA-CEPA COO is available in Attachment A and B of the Department of Foreign Affairs and Trade (DFAT) [Guide to using IA-CEPA to export or import goods](#).

### Declarations of Origin

DOOs can only be completed by authorised or registered exporters. The Indonesian Government has yet to advise on whether it will allow its exporters to make DOOs for imports into Australia from Indonesia. Until notified otherwise, Australian importers will only be able to claim IA-CEPA preference on the basis of a valid IA-CEPA COO.

For exports from Australia to Indonesia, an Australian exporter must be registered in Australia. Registration is through the Australian Business Register (ABR). The ABR provides a unique identifying number (Australian Business Number, or ABN) which is required to appear on the DOO.

A DOO may be self-completed by a registered exporter on an invoice, delivery note, or other commercial document containing a description of an originating good sufficient to identify it. The exporter must type, stamp or legibly print on the relevant commercial document, a declaration in the following form:

*“The exporter of the products covered by this document declares that, where clearly indicated, these products are of Australian preferential origin and meet the requirements of Chapter 4 (Rules of Origin) of the IA-CEPA.”*

While DOOs do not otherwise need to follow a prescribed format, they must also fully comply with the data and other requirements of the Procedures for Making Declarations of Origin set out in [Annex 4-B of Agreement](#).

In addition, Australian exporters should ensure their information on the ABR is accurate, up-to-date and matches exactly the information provided on the DOO (e.g. company name, ABN number and contact details). A DOO may only apply to a single shipment and remains valid for at least 12 months from the date it is made.

## Australian Trusted Trader waiver

The Australian Trusted Trader (ATT) Origin Waiver benefit has been extended to ATTs for the IA-CEPA in accordance with [ACN No 2019/23](#). More details of the Origin Waiver benefit for ATTs can be found at: <https://www.abf.gov.au/about-us/what-we-do/trustedtrader/benefits/origin-waiver-benefit>.

## Related ABF guide and Australian Customs Notice – Indonesia

Further information about determining the originating status of goods and materials can be found on the ABF IA-CEPA webpage: <https://www.abf.gov.au/importing-exporting-and-manufacturing/free-trade-agreements/indonesia>

These documents also contain useful information for users of IA-CEPA:

- [Guide to the Indonesia Australia Comprehensive Economic Partnership Agreement](#)
- [Australian Customs Notice No 2020/27 - Entry into Force](#)

Further details of other benefits of the IA-CEPA can be found on the DFAT IA-CEPA webpage: <https://www.dfat.gov.au/trade/agreements/in-force/iacepa/Pages/indonesia-australia-comprehensive-economic-partnership-agreement>

## Free Trade Agreements (FTAs) not yet in force

The Australian Government continues to work with other parties on the ratification of PACER Plus. More information on PACER Plus can be found on the DFAT webpage: <https://www.dfat.gov.au/trade/agreements/not-yet-in-force/pacer/Pages/pacific-agreement-on-closer-economic-relations-pacer-plus.aspx>.

The ABF will provide related guides and notices when this agreement's entry-into-force details are known.



## Launch of FTA negotiations with the United Kingdom

On 17 June 2020, Australia and the United Kingdom of Great Britain and Northern Ireland (UK) launched negotiations for a free trade agreement.

The public launch of negotiations was preceded by a video teleconference between Minister for Trade, Tourism and Investment, Senator the Hon Simon Birmingham, and his UK counterpart, Secretary of State for International Trade, Liz Truss on 15 June 2020.

DFAT welcomes submissions from interested individuals and groups on the potential opportunities and impacts of a future FTA with the UK. Information on submissions is available at this link: <https://www.dfat.gov.au/trade/agreements/negotiations/aukfta/submissions>. Individuals, organisations and groups that make submissions will be registered as stakeholders by DFAT for further consultation and follow up, as appropriate.

For more information on FTAs please contact: [tradepolicy1@abf.gov.au](mailto:tradepolicy1@abf.gov.au).

# Trade Compliance News

## ABF and customs broker improve importer compliance

The ABF's monitoring of air cargo import activity recently identified a spike in the volume of import declarations made by a trader of high value luxury goods (bags, purses and clothing). The declared value for a large number of previous and current importations was inconsistent with other information available to the ABF. As a result, the ABF requested import documents to verify the value and description of the imported goods. The freight forwarder contacted the importer and requested the documents, however, the importer could not provide appropriate documents usually expected of an organised business operation.

The ABF then contacted the importer directly and determined that they were a relatively new, small business that did not fully understand the import process or ABF requirements. ABF officers informed the importer about the cargo process and their legal responsibilities and obligations as an importer.

The importer accepted the advice of the ABF and engaged a licenced customs broker to address the identified reporting issues. The customs broker also provided valuable advice to the importer, who has now realigned their business activities to ensure future compliance with ABF import requirements. After investing some additional resources in accounting and bookkeeping activities, the importer provided more documents relating to the previously imported goods that had apparent inconsistencies. Consequently, the ABF's concerns with these previous imports were resolved, which included the collection of additional customs duty and GST. ABF is satisfied that the importer is now well educated about their ongoing compliance responsibilities.

## Risks of relying on previous broker's work

A random Compliance Monitoring Program (CMP) match recently resulted in ABF officers querying the use of Tariff Concession Orders (TCOs) for imported goods cleared on behalf of a major equipment importer and manufacturer.

The brokerage, a Trusted Trader, reviewed the findings and agreed that the TCOs were not applicable to the imported equipment. Amendments were made to correct the import declarations and the goods were cleared.

The brokerage's National Compliance Manager discussed the detections with the ABF and agreed that the tariff list file (TLF) had been transferred from a previous brokerage and had not been reviewed. The brokerage agreed that they would conduct an audit of the TLF to ensure accuracy and report the findings to the ABF.

Licensed customs brokers and brokerages need to take care when accepting existing tariff classifications, TCOs and other concessional instruments that new clients may bring with them. It is always sound business practice to review these claims against primary source Illustrative Descriptive Material (also known as IDM) before accepting them. This guiding principle is as relevant to new clients with one or two commodities as to multinationals with TLFs containing thousands of different items.

The value of CMP matches, in aiding in the detection and correction of errors on import and export declarations, should not be underestimated or dismissed as being a nuisance. There have been multiple instances where brokerages have voluntarily revisited past consignments and made amendments following a CMP assessment. The ABF takes note of such detections and regularly reviews imports matching the same risk profile, belonging to the same owner and others. It is always good business practice to act on detections, not only for the actual goods identified, but all relevant past transactions as well.



Due to the proactive response by this brokerage ABF decided not to apply penalties in this instance.

In another example, the ABF recently assessed a refund claiming a TCO and from the information received, determined that the goods did not meet all of the criteria of the TCO. The licensed customs broker agreed that not all of the goods to which they had applied the TCO met the criteria and requested authority to amend their error. The licensed customs broker accepted full responsibility for the error and advised that the importer was in no way at fault. They explained the error was originally made by a previous licensed customs broker who no longer worked for the brokerage and acknowledged their lack of due diligence in accepting previous information without first checking its accuracy and before amending the Full Import Declarations (FIDs). The licensed customs broker promptly and voluntarily reviewed not only this TCO but all previous TCO uses for this importer.

After considering the compliance history of the licensed customs broker, the significance of the breach and their cooperation in the investigation, they were issued with a formal warning letter. This example again highlights the importance of not relying on previous work, and instead assessing the particulars of each unique consignment when preparing declarations for lodgement and refund applications.

## Prohibited goods detected during post-transaction assessments

The ABF recently identified numerous examples where the Integrated Cargo System (ICS) self-assessed clearance (SAC) declaration indicator was being ticked 'Yes' incorrectly. As a result, regulated goods were inappropriately reported on cargo reported SACs.

By ticking yes on the SAC indicator on a cargo report, the 'responsible party' declares that there are no regulated goods in a consignment. In these recent examples, the goods description listed was generic, such as, 'medicines' or 'knives'. These descriptions are insufficient, but do suggest that the goods may be regulated. Regulated goods must be correctly reported on a short or long form SAC or FID (not a cargo reported SAC). A failure to correctly report the particulars of goods is an offence against subsection 243U(1) of the *Customs Act 1901* and can attract penalties of up to \$13,320 per offence.

In the most recent examples, ABF officers worked with the relevant reporters and owners to clarify the nature of the goods and amend the reports so the goods could be reported correctly on short form SACs. Education was provided to all parties to ensure they understood the requirements to clarify the nature of all goods reported, and to ensure that they have appropriate systems in place for reporting goods. It is important for reporters to seek further information from owners or importers if there is any doubt as to the nature of reported goods, and to ensure that there is no risk of goods being reported incorrectly. This is particularly important for goods that may be the subject of regulated goods restrictions.

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

# Border Watch Update



## BORDER WATCH

Help protect Australia's border

### Did you know you can report a suspected trade compliance issue to Border Watch?

You can use your commercial expertise to help ABF protect Australia's border by reporting suspicious import details and behaviours to Border Watch.

#### What can I report?

##### Suspicious import details

- Vague goods descriptions
- Declared values that appear to have been altered
- Commercial documents received from an unusual source
- A consignment that has been split to evade the \$1,000 entry threshold
- Consignments sent on a door-to-door basis for Delivery Duty Paid with an attached 'pro-forma' invoice

##### Suspicious behaviours

- Has the importer or client's behaviour recently changed?
- Is the importer or client insistent on the use of a tariff or exemption code that isn't applicable?
- Has the importer advised they will take their business elsewhere when you advise them of tariffs or dumping duties?
- Have you been asked to use a Free Trade Agreement and have concerns that the requirements have not been met?
- Is the importer providing only 'pro-forma' invoices that are not accepted as valid by the ABF?
- Is the importer or client reluctant to provide evidence of how the goods were paid for?
- Is the importer or client reluctant to show exactly what the goods are?
- Has the importer or client asked for unusual amendments that result in a duty/GST refund after the goods have been delivered?
- Has the importer requested re-export or transshipment once the consignment has been held at the border?

### How do I make a report?

If it doesn't seem right, report it to **Border Watch**. Visit [abf.gov.au/borderwatch](http://abf.gov.au/borderwatch).

### Help protect Australia's border

Border Watch is a Department of Home Affairs and ABF program that allows members of the community and industry to provide information about suspicious border related activities.

### Become a Border Watch member

As industry members working as part of Australia's trading community, you and your staff know what looks and sounds unusual.

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 allegation hotline.

More info:

[www.abf.gov.au/borderwatch](http://www.abf.gov.au/borderwatch)

# Australian Trusted Trader Update

## Program update

On 1 July 2020, the ATT program transitioned to part of the 'core-business' of the ABF. The program will continue to accredit eligible businesses and ensure ongoing compliance whilst maintaining the key account management function that many Trusted Traders value highly.

As at 20 July 2020, there were 1,064 traders actively engaged with the program, comprising 765 Trusted Traders and 299 applications submitted and awaiting validation.

With COVID-19 impacting trade, it is an ideal time for Trusted Traders to save time and money, and to leverage a genuine partnership with the Federal Government to help navigate some of the unique global challenges that have emerged and be positioned to face future challenges.

## In the spotlight – Australian Trusted Trader boosting defence capability

In April 2020, Australian Trusted Trader EPE (Zangold Pty Ltd) secured a \$10 million contract with Leidos Australia to deliver chemical and biological defence capabilities to the Australian Defence Force. EPE specialises in technologies to protect personnel from emerging threats such as the risk of chemical and biological attacks. EPE received a \$300,000 funding boost last year from the Defence Innovation Hub to help the business expand and develop its technologies.

*“What this shows is that our record investment in Australia’s defence capability is helping businesses grow and succeed, all while building a strong and sustainable defence industry,”* the Minister for Defence Industry, the Hon. Melissa Price said.

*“EPE’s selection is indicative of the depth and capability of the defence industry in Queensland and Australia more broadly, and EPE will provide a detection capability that is critical to enabling the protection of Defence personnel in chemical and biological threat environments,”* said the Federal Member for Brisbane Mr Trevor Evans.

## Industry Advisory Group

The ATT Industry Advisory Group (IAG) met via webinar on 29 June 2020. Anita Langford, Assistant Secretary, Trusted Trader and Trade Compliance Branch hosted the webinar. The next IAG meeting will be in early 2021.

## New benefit update – Consolidated Cargo Reporting benefit

The Consolidated Cargo Reporting (CCR) benefit was implemented on 30 June 2020 (see [Australian Customs Notice 2020/22](#)). The CCR benefit is the second phase of streamlining assembly orders – the Consolidated Cargo Clearance benefit was the first.

The CCR benefit allows Trusted Trader cargo reporters to lodge a single cargo report for consolidated shipments, where there are multiple suppliers for a single Trusted Trader importer, for all air and sea cargo types. Rather than submitting a cargo report for each supplier in a consolidation, the Trusted Trader cargo reporter can now provide one cargo report with the freight forwarder/consolidator listed, in lieu of the consignor. This allows a Trusted Trader cargo reporter to report a consolidated shipment for a Trusted Trader importer with a single cargo report and import declaration.

## Mutual Recognition Arrangements

In the four years since the pilot, ATT has implemented a number of trade facilitation benefits, including Mutual Recognition Arrangements (MRA) with customs administrations in eight countries.

The ABF continues to explore new MRAs with key trading partners based on the compatibility of our respective programs, the volume of bilateral trade and industry feedback.

## Revalidation of the accredited trusted trader cohort

The ATT program has a four-year revalidation cycle, commencing this financial year. While Trusted Traders are assessed as having a secure supply chain and a lower risk of non-compliance with customs-related laws, they must maintain a satisfactory level of security and trade compliance at all stages of their operations.

Revalidation is critical to the integrity of the ATT program and ensures non-compliance is identified and dealt with in an appropriate and proportionate manner. Revalidation provides assurance that the Trusted Trader continues to maintain a secure and compliant supply chain.

The revalidation program is in addition to the monitoring and assurance processes embedded into the Australian Trusted Trader program, and ensures ongoing compliance with the ATT Rule and the terms of the trusted trader's agreement.

A key objective of the ATT program is to foster continuous improvement, particularly in supply chain security.

Revalidation provides an opportunity to undertake a health check of a Trusted Traders security and compliance function and work with them to ensure continuous improvement. It also provides an opportunity to educate Trusted Traders on contemporary international supply chain security practices, emerging risks and the importance of up to date threat awareness.

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

## Customs Brokers

### Compliance with the ICS EFT Facility

In recent times, including prior to the COVID-19 pandemic, there has been an increase in dishonoured EFT transactions. Many of these are one-off occurrences and the majority are put down to a misunderstanding of the process or human error. These incidents are generally resolved quickly. However, there have been some EFT account holders that continually dishonour. Reasons for this range from poor business and accounting practices to irregular business models, such as finalising the declaration in the ICS then seeking the importer to transfer funds into the brokerage's account before the EFT run occurs.

Between 1 July 2019 and 30 June 2020 there were approximately 570 EFT consolidated transaction dishonours, from more than 160 entities, totalling in excess of \$49.5 million. Of the 65 entities that had three or more dishonours there were 16 Licensed Corporate Brokers with a dishonoured value of over \$15.5 million. The vast majority of these were repaid, usually in a timely manner, however this creates a huge workload within the Department of Home Affairs (Department).

Dishonoured EFT payments breach a number of the conditions of the Direct Debit Request (DDR) service agreement. Point 9 of the DDR service agreement states that you should have sufficient funds in the account at the time of payment. Point 10 allows the Department to refuse EFT payments where you have, on more than one occasion, not had sufficient funds in the nominated account. Continual dishonouring poses a risk to the revenue owed to the Commonwealth and could result in the barring of access to the ICS and jeopardise the licence of customs brokers.

In light of the increasing occurrences, Department has exercised its rights and removed repeat offenders from the EFT facility. This includes importers, who have given authorisation to the customs broker to utilise their account. If you, as a service provider, have authorisation from your client to nominate their account then you must confirm with them that they have sufficient funds in the account prior to finalising an import declaration.

Generally the Department will provide a warning to the account holder prior to removing access to the ICS EFT facility. There have been several acts of deliberate dishonours and in these instances EFT facilities were removed without prior notice for these entities. The Department has informed importers and service providers of their removal. The EFT facility will only be returned when the entity has been able to provide a record of compliance, in terms of paying by alternative methods for a period of time, and plans are put into place to address the previous issue.

A corporate customs broker licence holder and a nominee licence holder have been recently referred to the National Customs Brokers Licensing Advisory Committee (NCBLAC) for investigation and report as a direct result of continual EFT dishonours.

It may be an opportune time for all EFT users to monitor the value of your daily consolidated transactions, for both you and any clients, to mitigate any risk of being associated with dishonoured transactions.

## Customs Broker Licensing Continuing Professional Development Audits

In June 2020, the Customs Licensing section completed an audit on all 1702 individually licensed customs brokers on Continuing Professional Development (CPD) points accrued in the 2019/20 CPD year (1 April 2019 – 31 March 2020). The audit was conducted through obtaining information from CPD providers and requesting evidence directly from 102 customs brokers.

The audit found that 58 licensed customs brokers failed to meet their CPD obligations; 26 of these subsequently surrendered their licence while the remaining 32 were referred to the NCBLAC for investigation and report. An update on these matters will be provided in the next GCU.

## Subcontracting of Customs Brokerage Services

The ABF understands that many freight forwarders subcontract customs clearance formalities to third party corporate customs brokers. It has been reported that in some instances the freight forwarder does not want the Customs Broker to contact the importer due to confidentiality reasons.

ACN 2013/64, published in December 2013, clarifies the requirement for an Authority to Act. It states:

*It is not an offence for a licensed customs broker to enter the goods for home consumption without written authority from the owner of the goods. This means it is largely a matter for the owner of the goods and the person purporting to provide customs clearance services on their behalf to establish arrangements governing that relationship. However, it may be prudent for any licensed customs broker purporting to act on behalf of the owner of the goods to have explicit authority to do so to protect themselves from claims against them by the owner of the goods.*

From a policy and compliance perspective there are a number of concerns that should be highlighted with this business model. The customs broker is acting on behalf of the importer and as per the ACN it is advised, for their own protection, to have explicit authority from the importer. The customs broker is also required to ensure anything that they submit to the ABF is true and correct. This includes ensuring that they have done their due diligence in determining the identity of the importer and the authenticity of the documents supplied in order to clear the goods.

It is up to the customs broker to determine if they can meet these requirements without direct contact with the importer. However, the ABF considers that the customs broker could be leaving themselves open to compliance action. There have been examples in the past where customs brokers have been found not to have done their due diligence, relying on the freight forwarder, and as a consequence lodged false or misleading information to the ABF. Past instances have led to compliance action, including formal warnings and infringement notices. Customs Brokers are reminded that breaches could lead to licence suspensions and referral to NCBLAC for investigation.

# Customs Licensing – Depots and Warehouses

## New Contact Points for Depot & Warehouse Licence Holders

In order to better facilitate the interaction between licence holders and the Customs Licensing team, three new emails have been created to provide better processing times and intuitive points of contact for licence holders and those seeking to apply for a depot or warehouse licence. The three new ABF emails are:

1. [Licensing@abf.gov.au](mailto:Licensing@abf.gov.au) – The primary email for new licence applications or variations, and general enquiries.
2. [B301forms@abf.gov.au](mailto:B301forms@abf.gov.au) – The primary email for submitting Fit and Proper B301 Forms, staff lists and any queries relating to the fit and proper assessment process.
3. [Licensingrenewals@abf.gov.au](mailto:Licensingrenewals@abf.gov.au) – The primary email for any licensing renewal queries and the originating email where you will receive your renewal invoice.

The previous [licen@abf.gov.au](mailto:licen@abf.gov.au) will redirect to the new email address, but please note that the older [Licensing@border.gov.au](mailto:Licensing@border.gov.au) is no longer in operation. This legacy email is only referenced in the Depot and Warehouse Application guides, and in the coming months the Customs Licensing team will look to revise those documents.

## Fit and Proper Process – Submission of B301 Forms

It has come to the attention of the Customs Licensing team that licence holders are submitting a number of employee B301 forms, regardless of whether they are in a position of management or control and utilising older versions of the B301 form.

Older forms will not be accepted and only the latest B301 form on our website must be used (2019 Version) along with the 100 points of identification. The latest form can be found <https://www.abf.gov.au/form-listing/forms/b301.pdf>.

The *Customs Act 1901* requires those in positions of 'Management or Control' to be assessed as Fit and Proper persons as it relates to the licence. Licence holders who submit B301 forms for employees that do not hold a position of management or control, will not be assessed as there is no legislative provision for the Australian Border Force to undertake the check.

If licence holders are unsure about how to assess whether an employee holds a position of management or control, they can learn more about the definition of management or control within the [Australian Customs Notice 2014/23](#). Licence holders can also utilise the published 'Staff List' which contains helpful questions to ascertain whether an employee is likely to hold a position of management or control. The staff list template can be found on our website within the relevant 'Step by Step' webpage. This can be accessed by selecting the relevant option from the licensing menu at this link: <https://www.abf.gov.au>. If licence holders are still unsure of any of their obligations, they are welcome to contact the Customs Licensing team for assistance.

## Licence Renewals

Depot & Warehouse licence renewal invoices have been sent to the respective licensed establishments and are now overdue. If you haven't received your licence renewal invoice yet please contact the team at [licensingrenewals@abf.gov.au](mailto:licensingrenewals@abf.gov.au).

All warehouse licence fees must be paid within twenty-eight days of the date on which they become payable. If payment has not been received by that time, the Comptroller-General of Customs may suspend and subsequently cancel the licence. Warehouse licence invoices not paid by the end of July will have their licence suspended until the renewal invoice is paid.

All depot licence fees must be paid before the end of the financial year. If payment is not made on time, a Collector may, until the charge is paid or at the end of 90 days immediately following the end of the financial year (whichever occurs first), refuse to permit goods that are the subject to customs control to be received into the depot. If the holder fails to pay the charge within 90 days immediately following the end of the financial year, the licence will expire at the end of that period of 90 days. Depot licence invoices not paid by the end of September will result in the expiration of their depot licence.



# Customs Compliance Reminders

## ICS Contact details

All ICS clients should now review their contact details recorded in ICS to ensure they are accurate and up to date. This includes importers, exporters, licensed customs brokers, freight forwarders, licensed s77G depots, s79 warehouse operators and cargo terminal operators. Incorrect or missing details may cause delays in cargo clearance if clients are unable to be contacted in a timely manner.

## Trade Compliance

### Penalty Unit Increase

On 1 July 2020, the value of a Commonwealth penalty unit increased from \$210 to \$222. Under subsection 4AA(3) of the *Crimes Act 1914* (Cth), the Commonwealth penalty unit is indexed every three years, with the first indexation occurring on 1 July 2020.

The new penalty unit value will apply to offences which are committed on or after 1 July 2020. It will not impact current proceedings or offences that were committed before this date. The next indexation of the penalty unit will occur on 1 July 2023.

This is a timely opportunity to remind industry members to take care with record keeping and reporting as, for example, each breach of section 243T/U (false statement) could now attract a penalty of \$13,320 and each breach of subsection 243SB (failure to produce documents) could attract a penalty of \$6,660.

### Protect your business against identity theft

The ABF has detected attempts to misuse the identities of legitimate businesses to circumvent border controls. Businesses can put measures in place to mitigate the risk of this occurring. These include periodically checking what has been reported against their name and ABN. Trusted Traders receive these reports for free. Any suspicious documentation or interactions should be reported to BorderWatch.

ACN 2014/52 provides guidance for licensed Customs Brokers on what they can do to help prevent identity theft <https://www.abf.gov.au/help-and-support-subsite/CustomsNotices/2014-52.pdf>

## Cargo Control

### Depot Licence Holder Obligations

Some depots may have noticed an increase of activity around outturn reporting to ensure it is conducted within legislated requirements. This exercise has highlighted a number of discrepancies and the ABF would like to remind all licence holders of their obligations.

The timeframes within which outturn reports should be submitted are set out in section 64ABAA of the *Customs Act 1901* (Customs Act) and detailed within ACN 2009/09 "Customs Requirements for Cargo Outturn Reporting by Air Cargo Terminal Operators (CTOs) and Air and Sea Depot Operators" <https://www.abf.gov.au/help-and-support-subsite/CustomsNotices/2009-09.pdf>. Where reporting is not conducted within the legislated guidelines compliance treatments will be considered.

## Cargo Reporting Compliance

Reporting cargo within legislated timeframes remains of key importance to the ABF. Without timely and accurate reporting the ability of the ABF to risk assess cargo is limited and may lead to delays in the clearance of cargo.

To support voluntary compliance, in October 2017 the ABF developed a report in the ICS to provide the capability for reporters to check their own timeliness. The report includes both summary and detailed information for late reported cargo reports and an industry average benchmark for comparison.

This reporting capability will enable cargo reporters to compare their performance with the industry average and, where required, improve business practices and monitor trends relating to the lodgement of reports in accordance with legislated timeframes. Reports can be run for any time period and provides filtering options to assist with analysis, and is available to any reporter with access to the ICS.

To ensure the detail provided on cargo reports is accurate, all those involved in reporting cargo should ensure they are familiar with the requirements contained with subsection 64AB (4B) of the Customs Act and detailed within the relevant approved statements. To assist in interpreting the legislative requirements, an updated Australian Customs Notice (ACN) and supporting guide will be published in the near future.

In the interim, more information can be found here: <https://www.abf.gov.au/importing-exporting-and-manufacturing/trade-and-goods-compliance/cargo-reporting-compliance> . The ABF will continue to work with industry and, where necessary, apply compliance treatment options.



# Compliance program results 1 April 2020-30 June 2020



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

## 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(2)	Failure to keep goods safely or failure to account for goods
36(6)	Failure to keep goods safely or failure to account for goods
64(13)	Failure to meet reporting requirements for the impending arrival of a ship or aircraft
64AB(10)	Failure to meet reporting requirements for the report of cargo
64ABAA(9)	Failure to meet reporting requirements for outturn reports
64ACD(2)	Failure to report on passengers and crew
77R(1)	Breach of conditions of depot licence
112(2B)	Prohibited exports

Offence	Description
113(1)	Failure to enter goods for export and loading/exporting without authority to deal
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

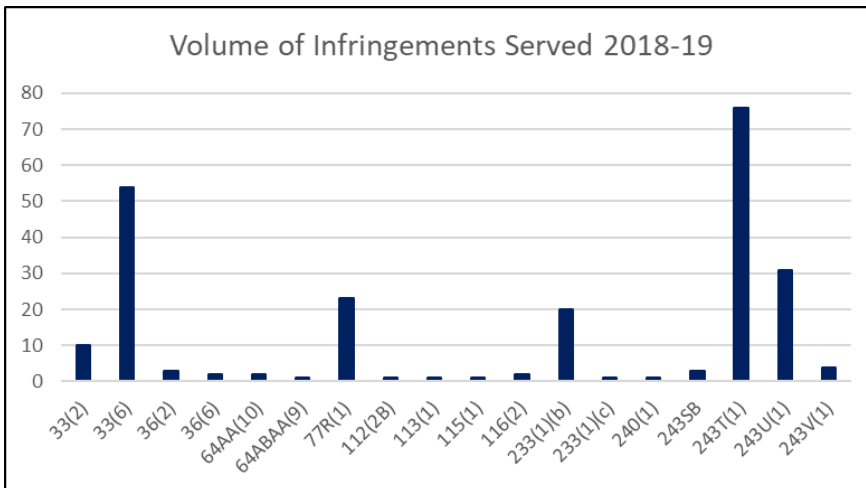


Figure 1 - Number of Infringement Notice Scheme offences 1 July 2018 – 30 June 2019

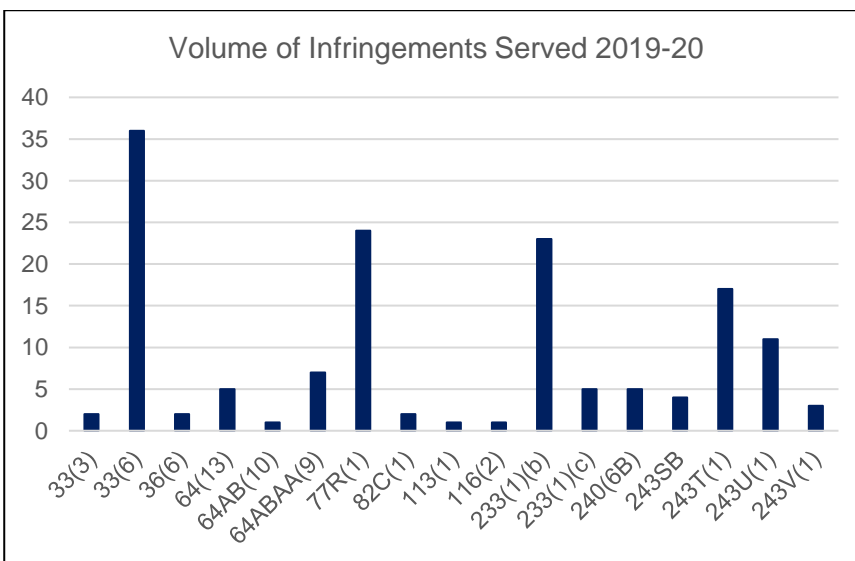


Figure 2 - Number of Infringement Notice Scheme offences 1 July 2019 – 20 June 2020



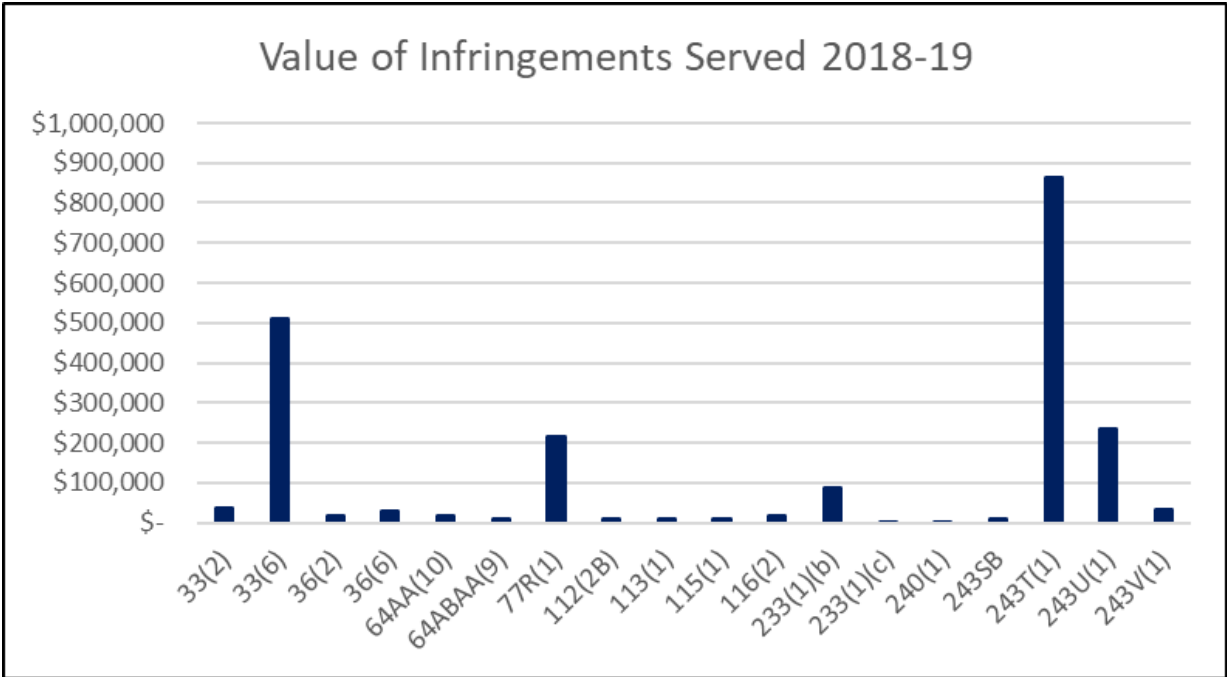


Figure 3 - Value of Infringement Notice Scheme offences full FY 1 July 2018 – 30 June 2019

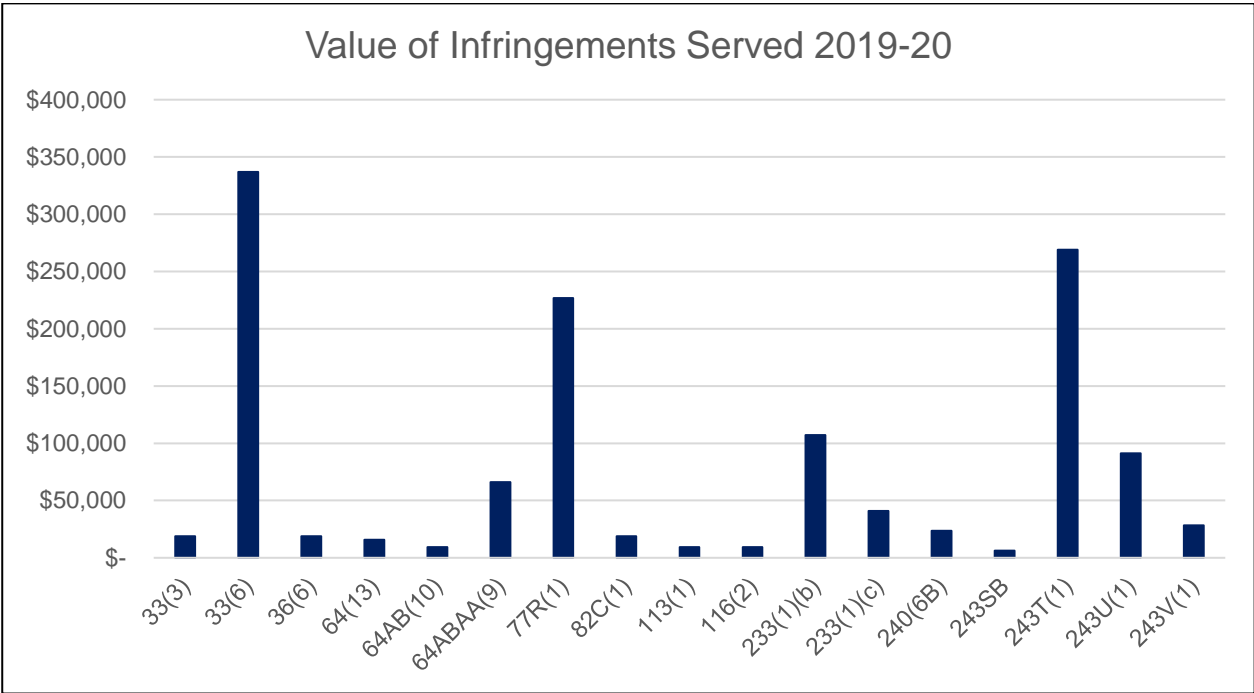


Figure 4 - Value of Infringement Notice Scheme offences 1 July 2019 – 30 June 2020

## Revenue understatements – General

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

Activity	Financial year 2018-2019	1 April – 30 June 2019	1 April – 30 June 2020	Financial year 2019-2020
Post Transaction Verification	\$40,943,533.07	\$10,733,665.32	\$8,358,708.38	\$38,597,972.99
Pre-Clearance Intervention	\$14,639,995.90	\$5,071,086.34	\$5,874,817.48	\$15,922,188.91
General Monitoring Program	\$405,569.59	\$111,509.96	\$675,054.74	\$1,467,495.32
Voluntary Disclosures	\$74,305,441.10	\$26,329,308.11	\$7,924,388.17	\$40,853,168.25

## Revenue understatements – Trade remedies

During the 2019 – 2020 financial year, Trade Compliance officers undertook 54 targeted activities to ensure a level playing field in relation to the enforcement of trade remedy measures for:

- Aluminium extrusions,
- Clear float glass,
- Hollow Structural Sections (HSS),
- Wire rope, and
- Steel pallet racking

Seven infringement notices under the infringement notice scheme were issued to encourage voluntary compliance for \$73,666.45.

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

Trade remedies understatements identified	Financial year 2018-2019	1 April 2019– 30 June 2019	1 April 2020 – 30 June 2020	Financial year 2019-2020
Customs duty	\$436,749.86	\$56,487.47	\$1246.39	\$347,317.72
Dumping duty	\$16,272,065.58	\$4,770,499.30	\$684,811.67	\$6,948,130.03
Countervailing duty	\$5,167,520.16	\$1,433,202.11	\$394,965.37	\$2,018,723.47
GST	\$2,243,554.22	\$654,834.42	\$108,097.29	\$1,077,336.56

## Supply Chain Integrity Compliance

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

**Table 1 – Supply Chain Integrity compliance activity**

Activity	Financial year 2018-2019	1 April 2019- 30 June 2019	1 April 2020 – 30 June 2020	Financial year 2019-2020
Number of cargo compliance checks undertaken	24,012	7,164	2,142	9,167
Total number of breaches	1,012	25	26	276
Proportion of breaches identified against lines checked	4.21%	0.35%	1.21%	3.01%

## Duty Refunds

**Table 2 - Administration of Refunds**

Description	Financial year 2018-2019	1 April 2019 – 30 June 2019	1 April 2020 – 30 June 2020	Financial year 2019-2020
Number of refunds lodged	114,554	30,826	26,150	114,529
Number of approved refunds	114,178	30,637	26,136	114,180
Value of approved refunds	\$247,389,000.08	\$52,564,070.39	\$52,647,661.39	\$251,952,914.92
Value of refunds claimed	\$248,998,777.73	\$54,070,925.95	\$52,594,423.97	\$257,327,913.11

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

The 2019/20 financial year saw an increase in the value of refunds rejected. A significant portion of this increase is due to broker data entry and calculation errors. The ABF would like to remind brokers of the need to exercise care and to have adequate checking processes in place prior to lodgement for any amendments to FIDs.

## Duty Drawbacks

**Table 3 - Administration of Duty Drawbacks (number)**

Description	Financial year 2018-2019	1 April 2019-30 June 2019	1 April 2020 – 30 June 2020	Financial year 2019-2020
Drawbacks Lodged	2,543	683	620	2,558
Total Drawbacks Paid	2,454	674	579	2,457
Drawbacks Rejected	58	8	4	72
Drawbacks Withdrawn	29	12	2	22
Drawback Overclaims	212	42	22	168

**Table 4b - Administration of Duty Drawbacks (value in Australian dollars)**

Description	Financial year 2018-2019	1 April 2019-30 June 2019	1 April 2020 – 30 June 2020	Financial year 2019-2020
Drawbacks Lodged	\$312,733,423.64	\$84,069,812.01	\$231,890,664.60	\$565,905,595.71
Total Drawbacks Paid	\$278,705,773.54	\$69,429,152.36	\$129,917,758.13	\$390,445,295.82
Drawbacks Rejected	\$8,762,520.26	\$1,844,122.25	\$229,945.70	\$42,252,251.70
Drawbacks Withdrawn	\$7,227,724.48	\$1,661,434.32	\$7,369.03	\$247,541.02

*Note: The drawbacks paid figure is sometimes higher than lodged for a period due to claims lodged in previous periods being processed later.*

The total drawbacks paid in 2019/20 financial year increased from previous years. This followed the publication of 'Australian Customs Notice (ACN) 2018/35 Amendments to the Customs Act 1901 - Collecting tobacco duties at the border' and meant from 1 July 2019, importers were required to pay import duty on tobacco products upon importation into Australia. Prior to publication of the ACN, tobacco products were routinely imported directly into under bond warehouses without the requirement to pay duties and taxes at that time, therefore nullifying use of the duty drawback scheme.

# 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 2018-2019	1 April 2019 – 30 June 2019	1 April 2020 – 30 June 2020	Financial year 2019-2020
No. of Lines Checked	5,720	995	2,349	6,175
No. of Lines Detected to Have Error/s	1,407	278	543	1,689
Error Rate	25%	28%	23%	27%
No. of Detections	2,081	417	750	2,453

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

Description	Financial year 18-19	Financial year 19-20
Incorrect Delivery Address	318	349
Tariff Classification	204	274
Val - Price (Invoice Total)	150	195
Val - Invoice Terms	146	177
Gross Weight	98	134
Quantity	75	93

## Export declarations

**Table 9 - CMP export declaration results**

Description	Financial year 2018-2019	1 April 2019 to 30 June 2019	1 April 2020 to 30 June 2020	Financial year 2019-2020
No. of Lines Checked	668	74	332	481
No. of Lines Detected to Have Error/s	328	58	146	235
Error Rate	49%	78%	44%	49%
No. of Detections	673	145	297	467

*Note: The reduction in export declaration assessments since October 2019 has occurred due to ABF resources being allocated to more critical priorities*

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

Description	Financial year 18-19	Financial year 19-20
FOB Value	183	136
Gross Weight	121	92
AHECC - Misclassification	66	48
Consignee City	50	24
Net Quantity	50	36
Origin	46	31
AHECC - Multi-Lines	41	24
Consignee Name	33	16
Other Export Data Inaccuracy	43	26

## Cargo reporting

**Table 5 - CMP cargo report results**

Description	Financial year 2018-2019	1 April 2019 – 30 June 2019	1 April 2020 – 30 June 2020	Financial year 2019-2020
No. of Lines Checked	5,720	995	2,349	6,175
No. of Lines Detected to Have Error/s	246	52	20	187
Error Rate	4%	5%	1%	3.03%
No. of Detections	267	61	24	215

**Table 6 - Most common errors on cargo reports (CMP)**

Description	Financial year 18-19	Financial year 19-20
Gross Weight	77	64
Consignee Incorrect	65	28
Consignor Incorrect	32	32
Goods Description	22	13
Declared Value	16	18
Cargo Report Data Inaccuracy (Other)	12	34

# Australian Customs Notices and Industry Guidance

## Australian Customs Notices

The following table contains the ACNs that have been issued this year to date. Any numbers missing from the table below (such as 2020-35) 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
2020-37	Objectionable Goods – advocating the doing of a terrorist act
2020-36	Biannual indexation of customs duty rates for tobacco and tobacco products 1 September 2020
2020-34	Precursor chemicals and drug regulation amendments
2020-33	Cheese and Curd Quota Scheme – Allocations for 2020-2021
2020-31	Customs duty rates on excise-equivalent goods - August 2020
2020-30	The concessional rate of customs duty for medical and hygiene products that are capable of use in combating COVID-19 will be extended to 31 December 2020
2020-29	Amendment to the Customs (Prohibited Exports) Regulations 1958 – Schedule 2 Rotterdam Convention Chemicals
2020-27	Indonesia-Australia Comprehensive Economic Partnership Agreement – Entry into Force
2020-26	Customs duty rate reductions 1 July 2020
2020-25	Luxury car tax thresholds for 2020-21
2020-23	Chemical Weapons – Amendments to the Customs (Prohibited Imports) Regulations 1956
2020-22	Consolidated Cargo Report benefit for Australian Trusted Traders

## Industry Guidance

### Requirement to notify ABF of COVID-19 cases

The ABF is asking industry partners to report when any of their staff, or visitors to their premises, test positive for COVID-19, or have done in the past 14 days. This will help to ensure the protection of ABF officers and the Australian community. In order to protect personal privacy, do not provide any information that would identify the employee or visitor. Please send an email to [notification.covid@abf.gov.au](mailto:notification.covid@abf.gov.au) and including the following:

- “COVID NOTIFICATION” in the subject field of the email;
- The date when the employee or visitor tested positive and was last present in your premises; and
- Actions undertaken or ongoing such as quarantine of staff and precautionary cleaning of premises.

For more information you can see the full notice here: <https://www.abf.gov.au/help-and-support-subsite/CargoAdvices/2020-01.pdf>

### Extension of concessional rate of Customs Duty for COVID-19 products



The concessional rate of customs duty for medical and hygiene products that are capable of use in combating COVID-19, originally detailed in ACN 2020/20 will now operate until 31 December 2020. Please see ACN 2020/30 for more details <https://www.abf.gov.au/help-and-support-subsite/CustomsNotices/2020-30.pdf>

## Information on dumping and countervailing duties

The ABF has published information about dumping and countervailing duties on its website to assist stakeholders understand the requirements for importing goods. This information is available at the following link: <https://www.abf.gov.au/importing-exporting-and-manufacturing/importing/cost-of-importing-goods/charges/dumping-and-countervailing-duties>

## Addition of Phorate to the *Customs (Prohibited Exports) Regulations 1958*

On 11 July 2020, the ABF published ACN 2020/29, to inform stakeholders that Phorate (an insecticide chemical) has been added to the list of prohibited chemicals in Schedule 2 of the *Customs (Prohibited Exports) Regulations 1958* (the PE Regulations). Regulation 4A of the PE Regulations prohibits chemicals listed in Schedule 2 from export from Australia, unless permission has been granted by:

- the Minister for Agriculture, Drought and Emergency Management; or
- an authorised officer from the Department of Agriculture, Water and the Environment (DAWE).

This was a consequential change to a similar amendment to the *Agricultural and Veterinary Chemicals (Administration) Regulations 1995*, and gives effect to the listing of phorate in Annex III of the *Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade* (the Rotterdam Convention). The Rotterdam Convention is an agreement between more than 160 countries around the world to regulate dangerous chemicals and pesticides in order to protect people and the environment. The Australian Pesticides and Veterinary Medicines Authority (APVMA) is the independent national regulator that assesses and registers agricultural chemicals such as phorate before they can be sold in Australia. It conducts rigorous scientific assessments of the potential risks that chemicals pose to human health, the environment and trade.

These changes ensure that Australia meets its obligations under the Convention to provide participating parties with sufficient information about substances to allow them to assess risk and make informed decisions on chemical imports.

Exporters requiring further information can contact the Department of Agriculture, Water and the Environment's Agvet Chemicals Branch at [agvetpolicy@agriculture.gov.au](mailto:agvetpolicy@agriculture.gov.au).

## Retirement of Volume 12 – Export Control Manual from [abf.gov.au](http://abf.gov.au)

In July 2020, the ABF retired Volume 12 – Export Control Manual (Volume 12). Volume 12 was one of the last historical 'customs manuals', with outdated content that was no longer helpful for industry or ABF officers. The ABF is reviewing the content of Volume 12 and will be making export information publicly available through webpages on [abf.gov.au](http://abf.gov.au), consistent with other customs information. For general export questions, please continue to contact the ABF via the link page on our website: <https://www.abf.gov.au/help-and-support/contact-us>.



## Clarification

### Importation of items with Australian Army Emblems

The Australian Army does not have a Notice of Objection in place for its emblems. The Australian Army has a range of recognisable emblems that are protected by legislation. These emblems include the iconic Rising Sun badge, as well as corps and unit emblems. Permission to use Australian Army emblems is managed by the Army Brand Manager to ensure Army's brand and reputation are maintained. Approval must be granted by the Army Brand Manager prior to use an Australian Army emblem. For additional information please email the Army Brand Manager at [army.brandmanager@defence.gov.au](mailto:army.brandmanager@defence.gov.au).

# In the news

## May 2020

### Scammers target industry

Recently, Border Watch has received several reports from industry members about scammers using sophisticated methods to defraud customs brokers, freight forwarders, warehouses and depots, shipping and transport companies. Read the full story here: <https://newsroom.abf.gov.au/releases/scam-alert>

### ITTF seizure of nearly 10 million cigarettes leads to the arrest of one man

On 16 May 2020, the container was intercepted in Sydney by the Illicit Tobacco Taskforce (ITTF) and examined revealing a shipment of 9.75 million cigarettes. The shipment had been mis-declared and was discovered as part of an ongoing ITTF operation. The estimated amount of duty evaded totalled just over \$9.1 million.

During the week of 18 May 2020, the ITTF conducted a managed delivery of the container to an address in Sydney where a man was identified, arrested and later charged with tobacco smuggling offences pursuant to section 233BABAD of the *Customs Act*. <https://newsroom.abf.gov.au/releases/itff-seizure-of-nearly-10-million-cigarettes-leads-to-the-arrest-of-one-man>



### Chewing tobacco seizure at the border leads to arrests in South Australia

The ABF led ITTF detected and seized 660 kilograms of chewing and loose leaf tobacco at the border that led to the arrest of a man in South Australia. The detection was the result of an international referral from a taskforce partner agency overseas. Read more here: <https://newsroom.abf.gov.au/releases/chewing-tobacco-seizure-at-the-border-leads-to-arrests-in-south-australia>

## June 2020

### Australian Government proposes strengthening its stance against e-cigarettes containing vaporiser nicotine

The implementation timeframe for the proposed prohibition on the importation of e-cigarettes containing vaporiser nicotine has been extended by six months to 1 January 2021. This will prohibit the importation of e-cigarettes containing vaporiser nicotine (nicotine liquids and salts) and nicotine-containing refills unless on prescription from a doctor.

More information is available here: <https://newsroom.abf.gov.au/releases/australian-government-proposes-strengthening-its-stance-against-e-cigarettes-containing-vaporiser-nicotine>

## July 2020

### Sunshine Coast man charged after weapons import attempt

Sunshine Coast man is facing state and federal charges relating to weapons importation and drug possession, following his arrest in joint warrant activity between the Queensland Police Service and the ABF. The investigation began in May this year, when ABF officers working in international mail processing in Sydney and Brisbane intercepted a series of packages addressed to the man. The full story is available here: <https://newsroom.abf.gov.au/releases/sunshine-coast-man-charged-after-weapons-import-attempt>



## Illegal tobacco syndicate up in smoke as man heads to prison

A man has been sentenced to serve at least 18 months prison time after illegally importing multiple container shipments of tobacco, and evading tens of millions of dollars in duty to the Federal Government. From August 2017 to November 2018, officers from the ABF made seven detections of illicit tobacco in Melbourne, representing more than 16.5 tonnes and approximately \$14 million in evaded revenue. Read the full story here: <https://newsroom.abf.gov.au/releases/illegal-tobacco-syndicate-up-in-smoke-as-man-heads-to-prison>



## August 2020

### Seizures of medications linked to pandemic on the rise

ABF is warning Australians against importing prohibited substances, which they believe could protect against COVID-19. ABF officers are screening medical supplies coming into Australia and have seen a significant spike in detections of the herbal medicine Ephedra and Hydroxychloroquine used to treat malaria and autoimmune conditions such as Lupus and Rheumatoid Arthritis. Prior to the COVID-19 pandemic, minimal quantities of Ephedra were seen at the border with the ABF detecting two kilograms of the drug in the first three months of 2020. As the pandemic continues to evolve, the ABF has seen a significant spike with officers detecting over 66 kilograms of the drug in April and May alone. Read the full story here: <https://newsroom.abf.gov.au/channels/NEWS/releases/seizures-of-medications-linked-to-pandemic-on-the-rise>





## 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, by 13 November 2020.

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
ACN	Australian Customs Notice
APM	Australian Police Medal
APVMA	Australian Pesticides and Veterinary Medicines Authority
ATT	Australian Trusted Trader
COAG	Council of Australian Governments
COO	Certificate of Origin
CMP	Compliance Monitoring Program
CPD	Continuing Professional Development
DFAT	Department of Foreign Affairs and Trade
DOO	Declaration of Origin
EFT	Electronic Funds Transfer
FID	Full Import Declaration
FTA	Free Trade Agreement
IA-CEPA	Indonesia Australia Comprehensive Economic Partnership Agreement
IAG	Industry Advisory Group
ICS	Integrated Cargo System
IDM	Illustrative descriptive material
ITTF	Illicit Tobacco Task Force
INS	Infringement Notice Scheme
MRA	Mutual Assistance Arrangement
NCBLAC	National Customs Brokers Licensing Advisory Committee
PACER	Pacific Agreement on Closer Economic Relations
PSM	Public Service Medal



SAC	Self-Assessed Clearance
TLF	Tariff list file
UK	United Kingdom of Great Britain and Northern Ireland
WCO	World Customs Organization