



Australian
BORDER FORCE

Goods Compliance Update

2024 - 1

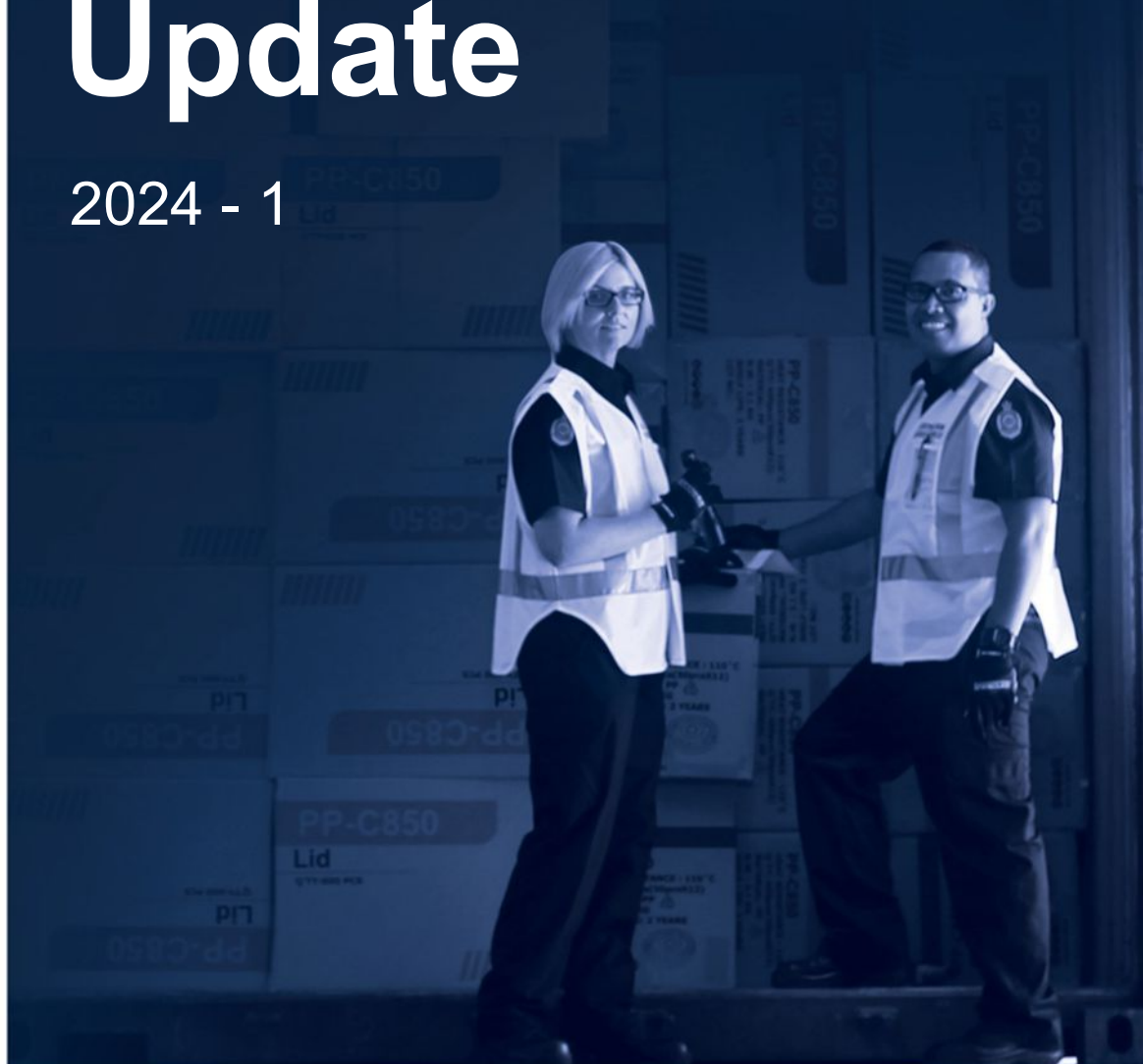


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Foreword

Tony Smith, Assistant Commissioner, Customs Compliance, Enforcement and Targeting Division

Welcome to the latest edition of the Goods Compliance Update (GCU). At the March Trade Compliance Advisory Group (CAG) meeting, roundtable discussions were held to understand the importance and the value that the GCU is to your respective areas of work.

The feedback provided was well received, insightful and a promising indication of industry's positive engagement with the Australia Border Force (ABF). As Assistant Commissioner of the Customs Compliance, Enforcement and Targeting Division, I am energised to hear that this publication is having a significant and far-reaching impact on your duties, training and compliance initiatives. We acknowledge that the GCU plays an essential role in delivering the key information to industry that supports our collective efforts to keep Australia's trade efficient, productive and safe.

Illicit tobacco and vaping products remain priority areas of focus for the ABF. The import prohibition of disposable vapes came into effect as of 1 January 2024 and from 1 March 2024, the reforms were expanded, making all vape devices, substances and accessories a prohibited import, unless subject to an exemption or permit.

The ABF is committed to working in collaboration with industry and other whole-of-government partners to realise the intent of these health-led reforms. As recently announced by the Minister for Health and Aged Care, over 5.3 million illicit vapes and vaping products have been seized in 2024. The ABF and the Therapeutic Goods Administration (TGA) have led these seizures, with assistance from state and territory law enforcement and health agencies. We expect these numbers to grow as ABF targeting activities mature and as we increase collaboration with partners, including industry and the recently established Illicit Tobacco and E-Cigarette (ITEC) Commissioner.

The ITEC Commissioner is an independent statutory position reporting directly to the Minister for Home Affairs, supported by ABF staff to combat the trade of illicit tobacco and e-cigarettes.



In December 2023, state and territory work health safety Ministers agreed to prohibit the domestic use, supply and manufacture of engineered stone benchtops, slabs or panels to protect the future health and safety of workers. The domestic use prohibition has been in place since 1 July 2024.

On 18 September 2024, the Minister for Employment and Workplace Relations announced an additional layer of deterrence against non-compliance, the introduction of an import prohibition that will take effect from 1 January 2025. From this date, the ABF will be delivering against the intent of these reforms by ensuring and enforcing compliance with the import prohibition. Industry members can expect ongoing engagement from the ABF in relation to the import prohibition over the coming months.

These ongoing reforms and the active role the ABF is playing to support them demonstrates that the health and safety of all Australians is a collective effort across all layers of government. Of course, because of the changes, we are also doing our best to keep importers, exporters and service providers apprised of the flow-on effects to their business.

In this edition you will find an array of updates, notices and statistics designed to engage you.

Thank you,

Tony Smith
Assistant Commissioner
Customs Compliance, Enforcement and Targeting

Focus on: Locating illicit goods in the supply chain

The ABF is committed to providing industry with clarity about the management of illicit goods, especially when legitimate supply chain logistics are impacted by the unexpected presence of suspicious or illicit goods. The information below is for you, as industry stakeholders, in the event that you encounter suspicious or illicit goods in the supply chain. Additionally, this information will support compliance with your obligations regarding the treatment and storage of illicit goods.

What are illicit goods?

For the purpose of this article, the term 'illicit goods' refers to goods that are prohibited or restricted at the border. Illicit goods may be concealed or incorporated within consignments that are otherwise unrestricted and/or appropriately authorised for import or export. Alternatively, illicit goods may be mis-reported or incorrectly packaged goods. For example:

- illicit goods may be an unexpected sports bag containing packages of white powder found concealed amongst a mixed consignment
- cigarettes or other tobacco products hidden between layers in a shipment of tiles

Other border restricted or 'illicit goods' detected by industry stakeholders could include:

- undeclared cash
- wildlife goods
- weapons

However, some goods are less obviously illicit and less likely to be identified by industry in the supply chain. If you see something that does not feel right with goods or activity in the supply chain, report it. One small observation could help stop a much larger border crime.

Alerting the authorities Border Watch

The Border Watch program is a Department of Home Affairs and ABF initiative that educates, informs and asks members of the community and industry to report suspicious border-related behaviour and activities.

Unexpected items found within consignments should be considered suspicious and alerted to Border Watch as their presence may indicate criminal activity. Some examples of random items include: bolt cutters, discarded bags or wraps and broken container seals. If you discover these items, contact Border Watch as soon as possible.

Border Watch members can access a dedicated hotline 24 hours a day, 7 days a week.

Anyone can make a report online at abf.gov.au/borderwatch.



Focus on: Locating illicit goods in the supply chain

When making a report, it will be helpful to supply:

- The location of the illicit goods, including specific details such as current address and location i.e. in a dead house
- any unique identifiers, such as a container number or airway bill number
- a description of the illicit goods
- other identifying characteristics such as consignee, consignor

All information reported to Border Watch is treated confidentially and managed securely. You can provide information to Border Watch anonymously. For full details, view our Information Protection Statement at abf.gov.au/borderwatch.

Australian Federal Police

If illicit goods are found within a Customs place, particularly border controlled drugs, cash or firearms; the most appropriate authority to respond, following any notification to ABF, is the Australian Federal Police (AFP).

- 131 AFP (237) – if urgent
- (02) 5127 1111 – routine
- In an emergency, call 000

If community or industry members find illicit goods outside of Customs places, the most appropriate contact point is the AFP. Be assured that on receiving a report, each of the aforementioned authorities are well equipped to make a referral or to direct you to the appropriate authority.

For more information on AFP reporting, refer to the link: [Report a Commonwealth crime | Australian Federal Police \(afp.gov.au\)](#).

Additional reporting obligations for Customs licence holders, cargo terminal operators, cargo handlers and Australian Trusted Traders

While notifying Border Watch and alerting the AFP are important first steps, they do not fulfil all the reporting obligations of customs-licence holders or accredited Trusted Traders.

Customs licenced warehouse and depot operators, and Customs brokers have obligations to notify the Comptroller-General of Customs in relation to notifiable events, they can do so by writing to Customs Licensing Compliance – clc@abf.gov.au and CC'ing their Account Managers to fulfil their obligations.

The holder of the licence must inform the ABF of any suspected breaches or offences of Customs-related law, by any persons related to the premises, whether or not it is related to the licensed place, as soon as practicable and always within 24 hours.

Cargo Terminal Operators and Cargo Handlers (CTOs) need to notify their local ABF office in writing no later than five days after the CTO becomes aware of a notifiable event.

As Trusted Traders, you will need to notify Border Watch and/or AFP before reporting to your Account Manager. This is in accordance with Section 7 of the Australian Trusted Trader (ATT) Legal Agreement, which states that Trusted Traders must notify their Account Manager as soon as practicable after becoming aware of any event which is a suspected or actual breach of security, or of a Customs-related law with respect to the entity's international supply chain.

Focus on: Locating illicit goods in the supply chain

Managing illicit goods

What happens next depends on some key variables, including:

- where items were located;
- the nature and size of goods identified; and
- which agency has jurisdiction to respond and investigate.

The ABF or AFP contact may provide instructions on how to handle or store the goods until an officer attends. Generally, the illicit goods identified should remain on site and, if possible, under the observation of a CCTV camera, unless advised otherwise by authorities.

A number of different factors can influence how (and how quickly) the relevant authorities are able to respond to such reports. In some circumstances, it can take time to prepare the appropriate logistical arrangements for the removal of detained goods.

Once on site, ABF officers may seize or detain the goods, or refer them to another agency such as the AFP (e.g. narcotics, cash), a state/territory police force (e.g. goods that are subject to state or territory based legislative instruments), or the Department of Agriculture, Fisheries and Forestry (e.g. biosecurity concerns).

If you encounter significant delays in the attendance of ABF officers or the removal of illicit goods, you can follow up on your initial report through Border Watch or your local ABF contact for more information. You can also contact the ABF Global Feedback Unit at abf.gov.au/feedback to give compliments, complaints and suggestions.

Health and Safety

Your safety and the safety of employees is of paramount importance. Do not touch, taste, smell, move or unpack illicit goods unless instructed to do so by an ABF or police officer. If a substance cannot be immediately identified it should be considered hazardous until proven otherwise.



Image: ABF Officers (Source: ABF)

Industry Engagement

Website

The Industry Engagement website went live on 22 May 2024 and as part of continual improvement efforts, we are seeking your views, ideas and feedback on the website – particularly as it relates to the website’s overall placement, utility, navigation, ease of use and of content.

Email the team with your feedback at industry.engagement@abf.gov.au.

Current industry website address:
<https://www.abf.gov.au/importing-exporting-and-manufacturing/trade-and-goods-compliance/national-committee-on-trade-facilitation>.



Image: ABF Officers (Source: ABF)

Upcoming Meetings

Date	Meeting/s
19 November 2024	National Committee for Trade Facilitation (NCTF)
20 November 2024	Trade Facilitation Initiatives Working Group Trade Technology Working Group

Industry Engagement

Meeting Snapshots

October 2023

At the National Sea Passenger Facilitation Committee held 26 October 2023, members expressed support for this Committee to continue as a collaborative forum, to raise challenges and recommend solutions.

The ABF Chair acknowledged that the recommencement of this committee was timely – given the return to pre-COVID volumes across the cruise sector - and that it provided an opportunity to both reflect and consider if any adjustments are required to ensure the committee remains fit for purpose into the future. The next NSPFC will be held on 10 September 2024.

March 2024

Members of the **Trade and Goods Compliance Advisory Group** (CAG) discussed a number of cross cutting trade and compliance matters, including confidentiality procedures connected to the publishing of trade statistics. Further items canvassed at this meeting included:

- Customs Licensing – which following discussions resulted in beneficial feedback that will inform the considerations in shaping revised conditions into the future.
- ATT 2.0 – an overview of the current state of development for the next iteration of Australia's Authorised Economic Operator model.
- Trends – including the changing patterns of importing large manufactured products requiring split consignments to enable transit.

April 2023

Industry and government members of the Trade Facilitation Initiatives Working Group met and discussed a broad range of trade related topics and initiatives including:

- Model Law on Electronic Transferable Records (MLETR) Project – which if adopted into domestic law, would allow industry to digitise key trade records like bills of lading, and would give these records the same legal standing as equivalent paper-based records.
 - Industry consultation and feedback is sought on MLETR. For more information, see [Model Law on Electronic Transferable Records \(ag.gov.au\)](https://ag.gov.au/Model-Law-on-Electronic-Transferable-Records)
- Simplified Trade System (STS) reforms – members received updates on reforms which included:
- Customs Regulatory Sandbox – which the amendment to support controlled trials with industry came into effect on 14 March 2024. For more information, see [Regulatory Sandbox \(abf.gov.au\)](https://abf.gov.au/Regulatory-Sandbox)
- Go Global Toolkit – which among other purposes aims to directly support Australian industries seeking to grow their business globally. For more information, see the [Go Global Toolkit on the business.gov.au website](https://business.gov.au/Go-Global-Toolkit).
- Biosecurity Portal – which was co-designed with industry to deliver a new digital service model and enable streamlined and simplified interactions. For more information, see [Biosecurity Portal \(agriculture.gov.au\)](https://agriculture.gov.au/Biosecurity-Portal).

Industry Engagement

Meeting Snapshots

- Integrated Cargo System (ICS) Real Time Notifications – which provides subscribers with information about trending cargo and trade related matters including advice of ICS performance issues or outages. For more information, see [Integrated Cargo System \(ICS\) Notifications \(abf.gov.au\)](https://abf.gov.au)
- Fit and Proper Persons Assessment Reform – which following discussion it was agreed to be addressed in more detail at the National Committee on Trade Facilitation meeting scheduled for 19 November 2024. For more information on the current requirements, see [Fit and proper requirements for customs brokers \(abf.gov.au\)](https://abf.gov.au)

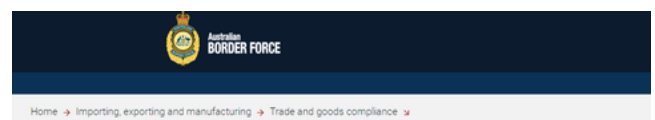
The Trade Technology Working Group met and discussed current and future technology related items including:

- Foundations to Enable a Single Trade Environment – members canvassed both technical and non-technical requirements to progressively implement technological improvements.
- Vision for a Future Australian Cargo System – beyond the ICS and current business model, members exchanged views on what a future-state trade technology and business service environment could entail.
- Streamlining Cargo Intervention Model (SCIM) initiative – which involves co-designing, testing, and evaluating new intervention models with industry and government partners in the sea cargo environment, as well as developing threat detection prototypes. Member feedback on the SCIM roadmap and proposed tranches of work.

June 2024

Items canvassed at **National Committee on Trade Facilitation** meeting included:

- Engineered Stone Import Prohibition – which is to come into effect on 1 July 2024 and members agreeing to discuss implementation and compliance considerations in the CAG.
- E-commerce and its impact on customs and border agencies globally – members exchange domestic and international insights acknowledging that over a seven-year period global parcel volumes have increased by 150 per cent; from 64 billion in 2016 to 161 billion in 2022, and that it is estimated to reach 225 billion by 2028. Members further discussed key policy challenges and opportunities to enable a more effective management of e-commerce at the border without negatively affecting the flow of legitimate trade.



Trade and goods compliance

NATIONAL COMMITTEE ON TRADE FACILITATION

Overview

The National Committee on Trade Facilitation (NCTF) is a forum for government and industry stakeholders to share information and discuss strategic issues that relate to international trade facilitation. The NCTF was established to provide a forum to facilitate both domestic coordination and implementation of the provisions of the World Trade Organization's Agreement on Trade Facilitation (WTO TFA). As Australia has implemented the agreement, the NCTF continues to play a role in discussing new opportunities to improve and reform Australia's trade system.

Meeting frequency

NCTF meets twice a year. Meetings may occur more frequently, as required and agreed by the Chair.

Image: ABF Trade Compliance Webpage

Trade and Tariff Policy

Australia and India sign Mutual Recognition Arrangement

On 18 April 2024, ABF Commissioner Michael Outram APM and India's Central Board of Indirect Taxes and Customs Chairman, Sanjay Kumar Agarwal, signed the Australia-India Authorised Economic Operator (AEO) Mutual Recognition Arrangement (MRA) – Australia's 10th AEO MRA.

The MRA will provide reciprocal trade facilitation benefits to our AEOs, and will support Australian Trusted Traders to gain faster and more efficient access into one of the fastest growing economies in the world. The instrument will be pivotal in driving an estimated \$588 million growth of trade into the Australian market over the next ten years, including strengthening supply chain security and providing diversified markets for Australian traders.

Commissioner Outram said, *"I am proud to sign the Australia-India MRA, which recognises and further strengthens customs-to-customs connections with one of our key regional partners and Australia's sixth largest trading partner"*.

The MRA with India's Central Board of Indirect Taxes and Customs complements those MRAs already signed between the ABF and the Customs administrations of Canada, the People's Republic of China, Hong Kong SAR, Japan, the Republic of Korea, New Zealand, Singapore, Taiwan, and Thailand.

AEO MRAs are arrangements between Customs administrations with equivalent AEO programs developed in accordance with the World Customs Organization (WCO) SAFE Framework of Standards to Secure and Facilitate Global Trade (SAFE Framework).

The MRA is a great example of India and Australia's developing trade and investment ties as well as enhanced economic cooperation under the Comprehensive Strategic Partnership.

Image: Commissioner Michael Outram APM and India's Central Board of Indirect Taxes and Customs Chairman, Sanjay Kumar



Trade and Tariff Policy

Australia and Indonesia sign Mutual Recognition Arrangement

Businesses in Australia and Indonesia are set to benefit from a simplified customs process after the two countries signed an AEO MRA.

ABF Commissioner, Michael Outram APM, and the Indonesian Director General of Customs and Excise (DGCE), Askolani, signed the Arrangement at the 23rd Customs-to-Customs Talks in Canberra on Wednesday 7 August 2024.

Commissioner Outram said Australia's 11th MRA will mean ATTs gain faster, more efficient, and more secure access to one of the world's fastest growing economies.

"Indonesia is a vitally important partner for Australia, and it is my honour to host today's Customs-to-Customs Talks and to sign the Arrangement," Commissioner Outram said.

"It is important we continue to strengthen cooperation and information sharing between our countries on enforcement and trade facilitation matters."

Following today's signing, our two agencies will operationalise the Arrangement, which will reap tangible economic and security benefits. This is only possible due to the hard work of our officers over the past few years to finalise the details of the Arrangement.

While this will be my last Customs-to-Customs Talks planned with Indonesia before I conclude my time as ABF Commissioner, I am confident that the long-standing cooperation between the ABF and DGCE will continue into the future."

In 2022-23, Indonesia was Australia's 13th largest two-way trading partner by value (\$26.2 billion) and 9th largest export market (\$15.7 billion). Indonesia is also on track to become one of the world's ten largest economies by the mid-2030s and the fourth largest economy by mid-century.

Australia has now signed arrangements with Canada, the People's Republic of China, Hong Kong Special Administrative Region, Japan, the Republic of Korea, New Zealand, Singapore, Taiwan, Thailand and India.

Indonesia has also signed with the Republic of Korea, Hong Kong Special Administrative Region, the United Arab Emirates, and ASEAN.

Australian businesses, who form part of the international supply chain, are encouraged to visit the ABF website to submit an application to join the ATT program.



Image: Commissioner Michael Outram APM and the Indonesian Director General of Customs and Excise (DGCE), Askolani

Trade and Tariff Policy

Asia/Pacific Vice Chair tenure wrap up



Image: Commissioner Michael Outram APM at WCO RHCA Conference

On 30 June 2024, ABF Commissioner and Comptroller-General of Customs, Michael Outram APM, marked the conclusion of his two-year tenure as the WCO Asia/Pacific Regional Vice- Chair (APVC). In this role, Commissioner Outram represented and advocated for the interests of 35 diverse and dynamic WCO Asia/Pacific Members, and has driven the Region's growth, security, unity and prosperity.

The APVC, operating on a two-year elected and rotational position, acts as senior representative of the Region at the WCO, including on high level bodies, such as WCO Policy Commission.

Commissioner Outram outlined the achievements of Members' regional association through the Asia/Pacific Customs Region at the Regional Consultation meeting, held in Brussels, Belgium, in June 2024.

One of the major highlights was the WCO's highest governing body, the Council, endorsed the WCO Resolution on 'Strengthening Customs-Industry Resilience' at its sessions in June this year. This initiative was progressed in partnership with the Private Sector Consultative Group – Asia/Pacific (RPSG A/P), stemming from an initial Concept Note on a WCO Resolution and was widely supported by both WCO Members of the Asia/Pacific and the WCO Council more broadly. It features a number of elements and initiatives to strengthen cooperation and collaboration with Customs and Industry, including ingraining resilience as the core of the Customs-Industry partnership.

Other highlights include efforts advanced through the Asia/Pacific Region and the WCO to: combat 'Illicit Tobacco'; strengthen 'Supply Chain Integrity', including partnership with Industry; work to promote 'Gender Equality and Diversity' in Customs via a recent Asia/Pacific Regional Communique; and driving global policy on Customs' role in responding to trade-based money laundering.

In recognition of the Region's value and interest in Customs capability development, during the two years of Commissioner Outram's tenure as the APVC, the Region saw the establishment of a new WCO-accredited Regional Training Centre in Cambodia and the expansion of an existing one in India. The Region also saw the establishment three new WCO-accredited Regional Dog Training Centres in Australia, Indonesia and Hong Kong China.

Trade and Tariff Policy

Asia/Pacific Vice Chair tenure wrap up

Over the two years, Commissioner Outram and the ABF hosted or co-hosted a number of WCO capacity building events with WCO Regional Entities and Members, both in the Asia/Pacific and between WCO Regions. These include workshops on detector dogs, digital forensics, green Customs, anti-money laundering / counter terrorism financing, gender equality and diversity, supply chain Integrity, trade-based money laundering and others.

During this time, the Asia/Pacific featured prominently in the WCO, with the Region hosting the Authorized Economic Operator Global Conference (Shenzhen, China, May 2024); the 6th Global Canine Forum (Hong Kong China, March 2024); the WCO Technology Conference and Exhibition (Hanoi, Vietnam, October 2023); the inaugural WCO / Universal Postal Union Global Conference (Tokyo June 2023). In January 2024, the Region also transitioned the hosting responsibilities of the Asia/Pacific Regional Intelligence Liaison Office from the Republic of Korea to Japan.

Commissioner Outram noted that “the success of our dynamism as a Region is only possible through our active efforts to foster collaboration and celebrate diversity, and our commitment to our Mission as Customs, which, ultimately, is what defines us.”

During this time the APVC, along with the WCO Members of the Region, welcomed two new Members from the Asia/Pacific, Palau and the Solomon Islands, who together increase regional Membership to 35 and global WCO Membership to 186.

Additionally, in January this year, WCO Members welcomed a new Secretary General; Mr Ian Saunders.

Together, these developments, efforts, events and initiatives of the Asia/Pacific Region are impressive and significant; they underscore the attention, focus and emphasis on Customs and our Region’s contributions to proactive engagement and leadership on Customs matters. They also reflect the Asia/Pacific Region’s characteristic dynamism, diversity, pragmatism, collaboration and leadership on policy development and capacity building.

Commissioner Outram handed over APVC representation and responsibilities to Hong Kong Customs and Excise Commissioner, Louise Ho from 1 July and the ABF is confident the dynamism and leadership of the Asia/Pacific Region and its Members will continue going from strength to strength.

Trade Compliance

Want a Faster Redline Refund Assessment?

In order to avoid any delays when your refund goes redline, we recommend that you provide the National Refunds Intervention (NRI) team with all the required documents, that fully support the changes made and any concessions claimed.

We regularly receive insufficient documents that do not provide the information required for us to verify that the changes made and/or concessions claimed are in fact compliant. The lack of information submitted results in unnecessary delays and effort for both industry and the ABF. Please see below examples of refund claims where we often do not receive adequate documents.

Claiming a Tariff Concession Order

In order to claim a Tariff Concession Order (TCO) in accordance with the Australian law, your imported goods must:

- firstly be classifiable to the tariff classification to which the TCO is keyed; and
- precisely meet the description given to the TCO.

If you claim a TCO you need to be aware that penalties may apply if your goods do not precisely match the TCO description and/or its tariff classification.

TCO's are varied and some can be very complex, so in order to prove the goods meet the criteria of the TCO and its classification you will need to submit Illustrative Descriptive Material (IDM) and other supports documents.

The IDM will need to show enough detail, with sufficient written explanation to be able to identify the physical characteristics of the goods and how they match the TCO description and its classification. These can include:

- composition – what are the goods made of
- mode of manufacture - the process by which the materials are modified to form the end product
- form - the shape and dimensions of the goods
- function - what the goods do, and how do they do it
- parts (where applicable) - requires additional IDM for the goods to which the parts belong, including sufficient detail to ascertain how the accessories relate (or: are related)

IDM may take the form of photos, diagrams, URLs or other references, and may be (among other things)

scanned physical documents, saved screen-shots of displayed documents/webpages and/or hyperlinks to existing open-source information on the internet to illustrate the goods.

We aim to process your refund application within 30 calendar days upon receipt of all necessary information. In some cases where the IDM is not clear enough and further information is required, a Notice to Produce Documents (NPD) will be generated in ICS. It is important to note that there will be an additional 30 days to assess any further information provided. If there is no response received by the NPD, the refund will be rejected.

The ABF strongly recommends brokers review all commercial documents thoroughly and specifically highlight/mark/comment/circle the areas on the IDM that support the wording of the TCO description and its classification. This will avoid any unnecessary delays in processing refunds.

Claiming a Tariff Concession Order

If you are claiming Refund Reason Codes A, B or C you must either make a refund claim or notify NRI within 14 days after the goods were released from customs control. This may apply where the goods:

- have deteriorated while subject to customs control have been damaged, lost, stolen while subject to customs control
- were not consigned

You will need to provide sufficient evidence of the damages or missing items and any correspondence with the supplier regarding the goods. For further information please see refund specific information on our website at [Refund of customs duty](#).

Trade Compliance

Compliance Monitoring Program – Correct reporting requirements

Recent results from the Compliance Monitoring Program (CMP) have found that the following fields continue to be the top errors from month to month. The information provided is a restatement of existing policy, regulatory or legislated requirements and are not new requirements. For this particular quarter, there was a noticeable increase in Tariff Classification errors.

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 and that when requested, information provided to ABF supports the address reported.

Tariff classification

Goods that are imported require classification under the Customs Tariff Act 1995. CMP regularly detect classification errors where it often appears brokers fail to review documents provided or obtain enough details about the goods to enable a correct classification. These errors are usually simple errors and can be avoided if the broker ensures they have enough information about the goods to enable their correct classification.

Officers may request IDM to support eligibility for the Tariff classification or the TCOs to apply. IDM provided should accurately identify the goods and meet the definitions in the instruments precisely. ABF has a range of information and resources available that will assist in the classification of goods and can be found on the ABF website [Tariff classification](#).

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.

Further information on the above requirements can be found within various guides and factsheets, including the ABF Incoterms 2000 Reference Guide, on the ABF website www.abf.gov.au.

Valuation date

The Valuation Date field contains the date of export of the goods from the overseas country. Usually the valuation date is the date that goods leave their country of export, as stated on the freight documentation. The day of exportation in relation to imported goods is defined in subsection 161J (4) of the Customs Act 1901.

This definition provides that the day of exportation is the day the goods left the place of export; or if posted, the day the goods were posted.

In both of these cases, the ABF must be satisfied as to the correctness of the dates and may request further information. Information on the above requirements can be found within various guides and factsheets on the ABF website www.abf.gov.au.

Trade Risk and Enforcement

Securing trade against money laundering

Securing trade against money laundering threats is crucial for maintaining the integrity of Australia's economy. Money laundering poses significant risks, enabling criminal organisations to disguise the origins of illicit funds and integrate them into legitimate financial systems.

The methods used by criminals are constantly changing. In recent years, the global cost of financial crime compliance has risen exponentially reaching AUD\$206 billion.

Trade-Based Money Laundering (TBML) has become a major channel used by criminals to launder their proceeds of crime. They also use TBML to thwart sanctions, evade customs duties and taxes, avoid capital controls, and illegitimately claim tax exemption or duty concessions.

Businesses in the import-export sector play a pivotal role in protecting trade against the threat of TBML. It is imperative that entities involved in international supply and value chains are adequately equipped to protect their business from exploitation by criminals seeking to launder money and fund terrorism. Import and export businesses can take steps to safeguard their operations and contribute to the overall trust and stability of the international trade environment. Collaboration with the Australian Border Force and regulatory compliance will enhance efforts in detecting TBML and preventing illicit activities that compromise the integrity of trade.

What is TBML?

The Financial Action Task Force (FATF) defines TBML as the process of disguising the proceeds of crime and moving value through the use of trade transactions in an attempt to legitimise their illicit origins. It is a form of border-related financial crime which can be easily overlooked given the nature of trade and techniques exploited by criminal groups.

TBML methodologies vary in complexity and are frequently used in combination with other money laundering techniques to further obscure the origins of the money. Criminals can use TBML to mask the transfer of illicit wealth by using structured trade transactions, networks and infrastructure to disguise and move funds around the world while also integrating the same into legitimate economies.

Image: Cargo Terminal Operator (Source: ABF)



Trade Risk and Enforcement

Securing trade against money laundering

Examples of TBML

Over/under invoicing of goods and service <ul style="list-style-type: none">• Misrepresentation of the price of goods and services, to allow for the transfer of the value.
Over/under shipping of goods and services <ul style="list-style-type: none">• Representation of the quantity of goods, including 'phantom' shipments where no product is moved at all.
Multiple invoicing of goods <ul style="list-style-type: none">• Multiple payments for the same shipment of goods or delivery of services.
Falsely described goods <ul style="list-style-type: none">• False goods description involves a misrepresentation of the quality or type of goods or services in order to manipulate the transaction value.

What are the red flags?



Lack of documentation to support transaction



Payment made by a third party



Discrepancies in documentation



Consignment (size/type) not consistent with the normal scale/activity of business



Consignee/consignor business inconsistent with shipped goods



Shipping to/from free trade zones (FTZ)

The Australian Government Financial Crime Guide on Preventing trade-based money laundering in Australia provides further details on indicators and behaviours to help business understand and detect suspicious activities.

Your business can play a crucial role in detecting TBML by recognising and reporting suspicious activity to the Australian Border Force via the [Border Watch](#) program.

Trade Services

Voluntary compliance exceeds \$1.1 billion in revenue

Voluntary Disclosure Intervention (VDI) team has operated as a separate team since 2014-15.

In the last three years, the VDI team has significantly increased in-person industry engagement to actively promote the benefits of voluntary compliance.

Benefits to companies include:

- A bulk payment advice issued by the VDI team replacing the need to lodge individual amendments to 50+ ICS lines.
- Protections afforded for full and accurate disclosures against prosecution (or the application of administrative penalties) under sections 243T and 243U of the Customs Act 1901.
- Protections which apply from the time a letter of 'intention' to lodge a disclosure is submitted, in accordance with Australian Customs Notice ACN 2023/41 - Updated guidance on Voluntary Disclosures (abf.gov.au).

"Since 2014, VDI teams have actioned 757 cases where industry has been protected from penalties."

Common types of errors or omissions that can prompt a voluntary disclosure include:

valuation adjustments
transfer pricing adjustments
incorrect tariff classification
incorrect application of a TCO related party indicator errors
incorrectly claimed refunds and/or drawbacks

To lodge a voluntary disclosure, a written notice emailed to the ABF should detail the nature of previous errors and the relevant declarations required.

Fast figures

In 2023-24 the VDI team identified \$255.418 million in revenue for recovery – a 39.84% increase from 2022-23.

In the last three years, the number of VDI cases annually where industry has been protected from penalties, has increased by more than 87%.

Since inception, total revenue identified by the VDI team is \$1.1 billion and the number of cases handled so far is 771.

Engaging with industry

VDI holds meetings annually with industry consultants as an educational exercise in terms of voluntary reporting and documentary requirements whilst providing industry an insight into VDI legislation, policy and processes.

This VDI industry engagement has seen an increase in the number of error notices and is considered a critical factor in increasing revenue recovery via voluntary compliance.

It provides an opportunity to offer advice on resolving specific pain points for industry, receive feedback, improve relationships and streamline the disclosure process.

It has resulted in the release of an ACN, updates to the VDI webpage, and the reminder letter initiative.

Other VDI Industry engagement has included attendance at symposiums, summits, trade exhibitions, an ASEAN forum and the publication of articles in industry newsletters.

Learn More

You can access the Voluntary Disclosures E-learning Module at ABF - International Supply Chain Security Education Program
australianborderforce.birchlp.com.au

Contact us

The team seeks to share knowledge and get feedback from industry to further improve the voluntary disclosure environment. The VDI team can be contacted at vdi@abf.gov.au. Find more information at [Voluntary disclosures](http://Voluntarydisclosures).

Customs Licensing

Broker licensing

Licence applications

During the 2023-24 financial year Customs Licensing finalised 66 customs broker licence applications, this is up 25% from last year. These licence applications comprised of:

- 44 nominee licence applications; resulting in 32 new nominee customs broker licences being granted and 12 not being granted.
- 22 corporate licence applications; resulting in
- 22 new corporate customs broker licences being granted

Broker licence statistics

As of 15 July 2024, there are 422 licensed corporate customs brokers, 1539 licensed nominee customs brokers and 12 licensed sole traders. As requested by industry a breakdown by age and state for licensed individuals can be found below.



Image: ABF Officer (Source: ABF)

	20-29	30-39	40-49	50-59	60-69	70-79	80+	Total
NSW	< 5	85	247	201	137	32	0	705
VIC	< 5	48	143	133	114	34	0	474
QLD	< 5	28	78	56	44	8	< 5	218
WA	< 5	15	33	31	15	10	0	105
SA	0	5	12	17	5	< 5	< 5	41
TAS	0	0	< 5	< 5	< 5	0	0	6
NT	0	< 5	0	0	< 5	0	0	2
Total	8	182	515	441	317	85	3	1551

Image: Broker licensing statistics

Customs Licensing

Broker licensing

Customs broker licence renewals

This was a licence renewal year for all licenced Customs brokers (occurs every three years). All licences that were not renewed prior to 30 June 2024 expired. The number of Customs broker licences not renewed this year were;

- 63 nominee licences
- 39 corporate licences
- One sole trader licence

In contrast to previous renewal years there was a number of licenced companies and individuals who unintentionally failed to renew their customs broker licences by the due date, resulting in their licence expiring.

The Customs Licensing team worked with industry to support renewals after the due date and found 5% of industry unintentionally failed to renew their brokers licence. The most common reasons identified for customs broker licences not being renewed were;

- the Customs broker did not pay the renewal invoice
- the Customs broker paid the renewal invoice with the incorrect reference number
- the Customs broker failed to submit the required renewal documents.

The licence renewal issues were also compounded by Customs brokers having unrelated issues with their third-party software and identity manager credentials.

The Customs broker licence renewal process has been finalised and all Customs brokers were posted their new licence and licence conditions in July. If you are a licensed Customs broker and have not received your new licence and licence conditions please contact the Broker Licensing team via brokers.licensing@abf.gov.au.



Image: ABF Officer (Source: ABF)

Active Customs brokers

Of the 1539 licensed nominee Customs brokers, 275 have not lodged a FID in 2024. It is important to note that an unknown number of these licensed nominee Customs brokers are employed by companies and are lodging FIDs as the owner of the goods; however, as these lodgments are not linked to their nominee Customs broker licence they do not show up as an active nominee Customs broker in these figures.

Customs Licensing

Compliance matters

Surrender of a Customs broker's licence

In September 2023, a licensed Customs broker was identified as lodging 40 Full Import Declarations for consignments which resulted in the ABF detecting;

- 1900 kg of methamphetamine
- 50 kg heroin
- 40 kg of pseudoephedrine
- 22 million sticks of undeclared cigarettes
- 16500 kg of undeclared loose tobacco.

Six of these importations were further investigated by the ABF and it was found that the Customs broker had not undertaken any due diligence in order to verify the information provided to the ABF, the identity of the importer or the legitimacy of the goods.

The delegate referred this matter to the National Customs Brokers Licensing Advisory Committee (NCBLAC) for investigation and report; and as the delegate deemed it necessary for the protection of the revenue and in the public interest to do so, the customs brokers licence was suspended pending NCBLAC investigation and report in accordance with section 183CR(1) of the *Customs Act 1901*.

After considering the NCBLAC report on the matter, the Delegate concluded that the broker had not exercised due diligence and as a result had ceased to perform the duties of a customs broker in a satisfactory and responsible manner

and was guilty of conduct that was an abuse of the rights and privileges arising from their licence. The Delegate had decided to cancel the Customs broker licence, however, the licence was surrendered and not renewed prior to the matter being finalised.

Suspension of a Customs broker licence

In February 2024, a nominee and corporate customs broker licence holder was identified as lodging ten Full Import Declarations for consignments which resulted in the ABF detecting;

- 1.7 million sticks of undeclared cigarettes
- 2,215 kg of undeclared chewing tobacco
- 856 kg of undeclared loose tobacco
- 1,606 kg undeclared snuff tobacco
- 2,580 tins of undeclared betel nut (regulated good).

These importations were further investigated by the ABF and it was found that the Customs broker had not undertaken any due diligence in order to verify the information provided to the ABF, the identity of the importer or the legitimacy of the goods.

The Delegate referred this matter to NCBLAC for investigation and report; and as the Delegate deemed it necessary for the protection of the revenue and in the public interest to do so, the nominee customs brokers licence was suspended pending NCBLAC investigation and report in accordance with section 183CR(1) of the *Customs Act 1901*.

Customs Licensing

Compliance matters

The Customs broker made admissions that due to a third party software issue, the ten lodgments were actually lodged by other nominee brokers they employed.

After considering the NCBLAC report on the matter, the Delegate concluded that the corporate and nominee Customs broker had ceased to perform the duties of a customs broker in a satisfactory and responsible manner; and were guilty of conduct that was an abuse of the rights and privileges arising from their licence. The Delegate decided to; suspend the nominee licence for a further 6 months; impose a number of additional licence conditions on the corporate Customs broker licence, including specific due diligence measures that must be undertaken; and require the Customs broker to complete a corporate governance training course.

NCBLAC referral

In March 2024, a licensed Customs broker was identified as lodging 147 Full Import Declarations (FID) whilst travelling overseas. As this is a clear breach of a customs broker licence conditions, a Delegate of the Comptroller-General of Customs has referred this matter to NCBLAC for investigation and report.

Additional information on this matter will be provided in the next Goods compliance Update.

Review into Customs broker conditions

In 2023-24, the Australian Border Force (ABF) undertook a review of the current customs broker additional licence conditions.

The review involved extensive engagement with industry and was in response to the significant activity undertaken by Operation IRONSIDE and Operation JARDENA that identified the heightened risk of criminality and trusted insiders operating within the supply chain.

Changes are focused on strengthening the current controls within the customs broker licensing regime, while maintaining the controls are fit for purpose and do not impact legitimate trade. The changes to the additional licence conditions can be summarised as:

Enable the ABF to conduct fit and proper person checks on entities occupying trusted positions within the supply chain in a timely manner and take action as required. This includes key roles such as those who occupy traditional classifier and compiler type roles.

A provision where a brokerage may be required to submit a staff list to the ABF detailing all persons who participate in the operations of the customs broker.

Reinforce the requirement that customs brokers undertake mandatory CPD developed by the ABF to ensure compliance with the Act.

Updates to notification timeframes and references to the ABF.

For detailed information on the changes to Customs broker additional licence conditions that came into effect on 01 July 2024, please refer to ACN 2024-21.

Customs Licensing

Broker licensing

Customs Licensing's fit and proper regime

Custom Licensing's fit and proper regime for licenced depots, warehouses, and Customs brokers plays an important role in the supply chain to protect the border and industry from trusted insider risks and illegitimate trade.

With additional customs broker licence conditions now including Fit and Proper requirements for persons who participate in the operations of the Customs broker, it extends a broader responsibility and a need for corporate Customs brokers to further consider those employees who enter data on their behalf to ensure they are compliant with the licencing requirement.

To date in 2024, Customs Licensing have assessed over 2644 individual Fit and Proper applications. Of those applications 206 required further investigation and resulted in the removal of 4 applicants from customs licenced places, maintaining legislative accountability and the integrity and security of the supply chain.

Customs Licensing will continue to work through the high volume of applications, actively checking the accuracy of the information provided and removing high risk staff from licenced places when they fail the Fit and Proper assessment.

Completion of B301 and B1555 forms

There are a number of common errors found in B301 and B1555 forms submitted to the ABF that contribute to processing delays, to avoid these delays we encourage applicants and licensees to check these forms for completeness prior to submission. These common errors include; applicants providing incorrect or insufficient identity documents; applicants not completing the forms correctly which includes not signing the form; and applicants failing to disclose convictions or findings of guilt.

Applicants should be aware of the potential consequences regarding false and misleading statements which may lead to them failing the Fit and Proper assessment and being removed from a licensed place.

The image displays two Australian Border Force forms. The top form is B301, titled 'Consent to obtain personal information', which includes a 'Privacy Notice' and a 'Completing the form' section. The bottom form is B1555, titled 'Consent form Fit and Proper Checks', which includes a 'Providing false or misleading information' section and a 'Personal details' section. Both forms are designed for use by Customs brokers and licensees to provide personal information and consent to the ABF's Fit and Proper assessment process.

Image: B301 and B1555 forms

Customs Licensing

Compliance matters

Transfer of licence

Over the past 18 months, the Customs Licensing Team have noticed an increasing trend of Depot and Warehouse Licensees attempting to transfer their licence or change their ABN as a result of a business decision to restructure, down size or sell to another entity.

Transferring a Customs licence or changing ABN is a breach of the licensing conditions as a customs licence is only valid for the entity it was granted to.

As specified in the Customs Act 1901.

CUSTOMS ACT 1901 - 77Z Licences cannot be transferred

(1) Subject to subsection (2), a depot licence cannot be transferred to another person.

(2) A depot licence may be transferred to another person in the circumstances prescribed by the regulations.

CUSTOMS ACT 1901 - 77Z Licences cannot be transferred CUSTOMS REGULATION 2015 - REG 34 states:

Transfer of depot licence

For subsection 77Z(2) of the Act, a depot licence may be transferred:

(a) if the licence holder dies--to the legal personal representative of the licence holder; or
(b) if the licence holder is a company for which a receiver is appointed--to the receiver of the company; or.

(c) if the licence holder is a company for which an administrator is appointed under section 436A, 436B or 436C of the Corporations Act 2001 --to the administrator of the company

Changes to warehouse licenses for excise-equivalent goods

With effect from 1 July 2024, ACN 2024/26 detailed changes, to the administration of Excise Equivalent Goods (EEGs) stored in warehouses licensed under section 79 of the Customs Act 1901. The amendments mirror changes to excise warehouses' storing excisable goods, administered by the Australian Taxation Office (ATO), streamlining licence application and renewal requirements for EEG warehouses and establishing a public register of EEG warehouses.

These changes only apply to fuel and alcohol (excluding tobacco) and are only available to customs warehouses storing EEGs. The changes do not extend to duty-free stores, provedores or catering bonds.

The new administrative arrangements:

- remove the requirement to renew excise equivalent warehouse licences so that such licences are ongoing until they are surrendered or cancelled
- remove the fees associated with applying for, or renewing licences to store EEGs
- enable a single licence to be granted in relation to more than one EEG warehouse (an entity-level licence)
- provide default movement permissions for EEGs, allowing more free movement between other licensed EEG warehouses
- establish a public register on the ATO website that provides information on businesses that hold a licence granted by the ATO under the Customs Act 1901 and the Excise Act 1901

Customs Licensing

Compliance matters

All private and general warehouses that are licensed by the ATO and store EEGs should apply to the ATO for variations to warehouse licences. For more information on EEGs or EEG warehouse licences, please visit www.ato.gov.au/EEGs.

Depot and warehouse licence renewals

Depot and warehouse licence renewal invoices were sent to all respective licensed establishments in the month of June. If you haven't received your licence renewal invoice, please contact the team at 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.

All depot licence fees must be paid before the end of the financial year. The 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 (end of September), the licence expires at the end of that period of 90 days.

The licence renewal certificate process for customs depots and warehouse licence holders has commenced. To date the ABF has processed a total of 446 depot renewal applications, and a total of 151 warehouse renewal applications.



Image: ABF Officers (Source: ABF)

Customs Licensing

Customs Licensing modernisation and reform

On 26 June 2024, the then Minister for Home Affairs has introduced the Customs Amendment (Strengthening and Modernising Licensing and Other Measures) Bill 2024 and the Customs Licensing Charges Amendment Bill 2024 into the Parliament.

The amendments outlined in the Bills modernise and strengthen the customs licensing regime and digitise certain customs processes. These measures form part of the Simplified Trade System (STS) reforms announced in MYEFO 2023-24, which aim to deliver simpler and better aligned rules for cross- border trade.

The Bills and related explanatory memoranda are publicly available as follows:

- [Customs Amendment \(Strengthening and Modernising Licensing and Other Measures\) Bill 2024](#)
- [Customs Licensing Charges Amendment Bill 2024](#)

2022-2023-2024
The Parliament of the
Commonwealth of Australia
HOUSE OF REPRESENTATIVES

As passed by both Houses

**Customs Amendment (Strengthening
and Modernising Licensing and Other
Measures) Bill 2024**
No. , 2024

A Bill for an Act to amend the *Customs Act 1901*,
and for related purposes

2022-2023-2024
The Parliament of the
Commonwealth of Australia
HOUSE OF REPRESENTATIVES

As passed by both Houses

**Customs Licensing Charges Amendment
Bill 2024**
No. , 2024

A Bill for an Act to amend the *Customs Licensing
Charges Act 1997*, and for related purposes

Industry guidance

Australian Custom Notices

The following table contains the Australian Customs Notices that have been issued since the last GCU. The full list and details can be found [here](#).

Notice	Title	Year
2024-29	Indexation of customs duty rates on excise equivalent goods on 5 August 2024	2024 ▼
2024-26	Changes to Warehouse Licences for Excise Equivalent Goods	2024 ▼
2024-25	Commencement of the Recycling and Waste Reduction (Export–Paper and Cardboard) Rules 2024	2024 ▼
2024-24	Import prohibition on certain small air conditioning equipment	2024 ▼
2024-23	Refunds of Duty Paid on Petrol, including Petroleum-Based Oils	2024 ▼
2024-22	Increase to Biosecurity Cost Recovery Charge	2024 ▼
2024-21	New Obligations on Customs Broker Licences	2024 ▼
2024-20	Application for Customs Broker Licences	2024 ▼
2024-19	Luxury Car Tax thresholds for 2024-25	2024 ▼
2024-18	Application for Customs Broker Licences	2024 ▼
2024-17	Removal of 'nuisance tariffs' and extension of duty reduction for Ukrainian goods	2024 ▼
2024-16	Application for Customs Broker Licences	2024 ▼
2024-15	Cheese and Curd Quota Scheme - Allocations for 2024-2025	2024 ▼
2024-14	Application for Customs Broker Licences	2024 ▼
2024-13	Application for Customs Broker Licences	2024 ▼
2024-12	Application for Customs Broker Licences	2024 ▼
2024-11	Maturation Requirement for Spirituous Beverages	2024 ▼
2024-10	Renewal of Customs Broker Licences	2024 ▼
2024-09	Application for Customs Broker Licences	2024 ▼
2024-08	Customs duty rates for tobacco and tobacco products – March 2024	2024 ▼

Industry guidance

Australian Customs Notices

2024-07	AANZFTA Product Specific Rules of Origin – use of 2022 Harmonized System Nomenclature	2024 ✓
2024-06	Prohibited Exports and Imports Regulations Amendments – Drugs	2024 ✓
2024-05	Refund of Customs Duty for Short-Shipped Goods	2024 ✓
2024-04	Application for Customs Broker Licences	2024 ✓
2024-03	PACER Plus Product Specific Rules of Origin – use of 2022 Harmonized System Nomenclature	2024 ✓
2024-02	Indexation of customs duty rates on excise-equivalent goods on 5 February 2024	2024 ✓
2024-01	Application for Customs Brokers Licences	2024 ✓
2023-52	Application for Customs Broker Licences	2024 ✓

Data integrity issues when registering overseas suppliers in the Integrated Cargo System

On a day-to-day basis performing routine tasks, the ABF collects and generates a huge amount of data in terms of import and export declarations, and air and sea cargo reports. With the increased trade in e-commerce and online retailers boosting the volume of transactions crossing the Australian borders, the volume of data collected continues to grow.

Amongst the data collected, are client registration details of overseas suppliers. The registration of Chinese origin suppliers, particularly when compared to other origins, has proven to be a problematic and highly erroneous for the cargo reporting community. This is vastly due to the nuances of local address formatting and language script conversion challenges.

For the 2023 year, there were a total of 49,570 Client records created for Chinese origin suppliers. Of those, 99.97% were registered externally by cargo communicators. On average, there were approximately 3,800 records created per month, 129 records per day.

Errors identified in the fields for Chinese origin Client registration, in particular for:

- Name
- Address fields

ABF has encountered multiple instances of the clients in the ICS with slight variations of the same details. Whilst many non-Australian business address fields are optional within the ICS, attention to detail should be taken when entering data into these fields, particularly in regards to the name of the business to be the ultimate shipper and not the shipping agent or distribution centre.

The address fields should be checked for correctness and consistency with the address standardised process which commence with a street number, street name, district/county, city, postcode followed by province/municipality or autonomous region.

The errors identified demonstrated the lack of adherence to the client registration process by many cargo reporters.

The ABF expects cargo reporters to provide timely and accurate reporting of import and export information, including client registration details, in order for the ABF to apply risk management techniques to the clearance of cargo and put in place appropriate interventions to physically assess high-risk cargo.

When registering clients in the ICS, the ABF expects cargo reporters and service providers to:

- Apply due diligence to ensure the accuracy of the information entered in registrations fields.
- identify and improve business systems and practices which will enable provision of accurate, up to date and timely information to Customs.

Border Watch

Trusted insider animation



The Border Watch team is pleased to introduce a new educational resource to raise awareness of the insider threat to businesses operating in the supply chain.

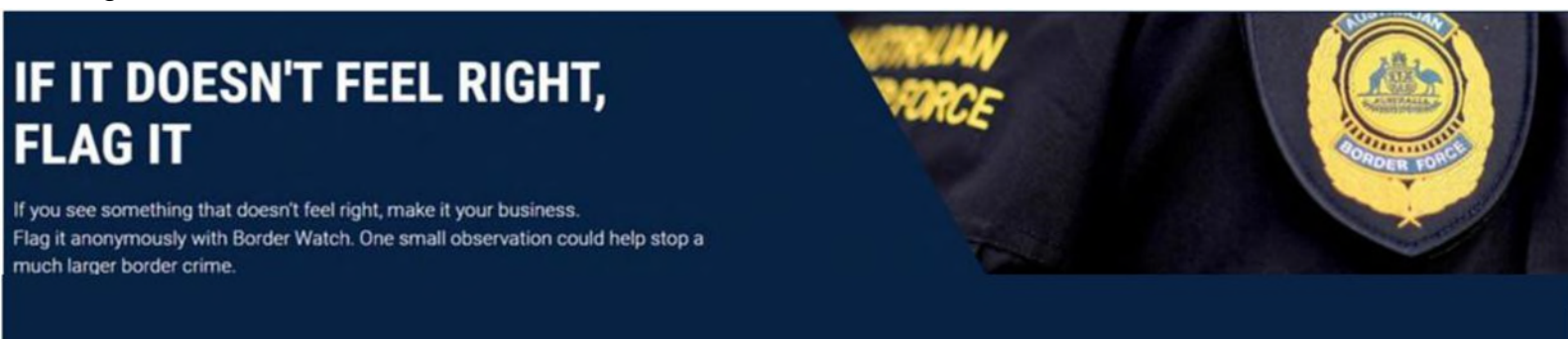
A 'trusted insider' is a person who uses their legitimate employment in the international supply chain to facilitate illicit imports and exports. Trusted insiders can cause serious reputational harm to businesses and their clients. They pose a threat to the wider community by facilitating the import of harmful goods into Australia.

There is no single indicator of insider activity, but there are things you may observe which may of interest to authorities.

We encourage you to [view our new 5-minute video](#) and share it with your team. We hope it will prompt some conversations about the role everyone can play in protecting your business and Australia's border. View the animation here or paste this link into your browser:

<https://bordertv.au.vbrickrev.com/#/videos/658a4856-b0e0-4260-b753-445b41e22289>

As industry members working in Australia's trading and supply chain community, you and your staff know your environment and what looks and sounds suspicious. If it doesn't seem right, make it your business. Flag it with Border Watch.





Products emissions standards

Australia's Product Emissions Standards regulate the manufacture, import and supply of new non-road spark-ignition engines with a maximum power of 19 kilowatts or less, and non-road spark-ignition engines of any kilowatt capacity that are used in marine vessels. The Standards aim to improve Australia's air quality in line with its international climate change obligations, and limit adverse health effects of these products for consumers.

Imported products regulated under the Standards are required to be certified to one of the following international standards:

- United States Environmental Protection Agency (EPA)
- California Air Resources Board
- European Union member state certification Environment and Climate Change Canada

These bodies use a unique certification number for products that are acceptable under the Australian Standards. Imported products must also be labelled in accordance with the Standards, and in most instances a certified product would also be labelled accordingly.

When regulated products enter Australia at the border, they are required to be declared as an 'emissions- controlled product', as prompted by a Community Protection Question. The importer is then prompted to provide the relevant certification number.

If this question is answered as 'No', the Department of Climate Change, Energy, the Environment and Water will still undertake checks of other specifications of the import, such as product description and weights to determine if this declaration was made correctly. The Standards do not apply to second hand products. It is important to detect these at the point of entry into Australia, to ensure that non-compliant products are not sold into the community.

If a product is not correctly declared, and arrives in Australia, this would be a contravention of the Standards. Not complying with the Standards is an offence.

If you encounter anomalous imports for emissions-controlled products, please reach out to us via email at:
productemissions.environment@dcceew.gov.au.

For further information, please visit:
www.dcceew.gov.au/environment/protection/emissions-standards.



Image: Cement mixer (Source: DCCEEW)



Image: Ride-on lawn mower (Source: DCCEEW)

Engineered stone importation ban to start 1 January 2025

The ban on the importation of engineered stone benchtops, slabs and panels comes into effect from 1 January 2025, to protect the future health and safety of workers.

This Commonwealth-level prohibition will provide an extra layer of deterrence at the border. Most engineered stone products are imported into Australia.

This follows the world-first domestic ban on the use, supply and manufacture of engineered stone products in Australia that started on 1 July this year. The move aims to safeguard workers from silicosis, a lung disease caused by respirable crystalline silica, which tragically has led to a number of deaths.

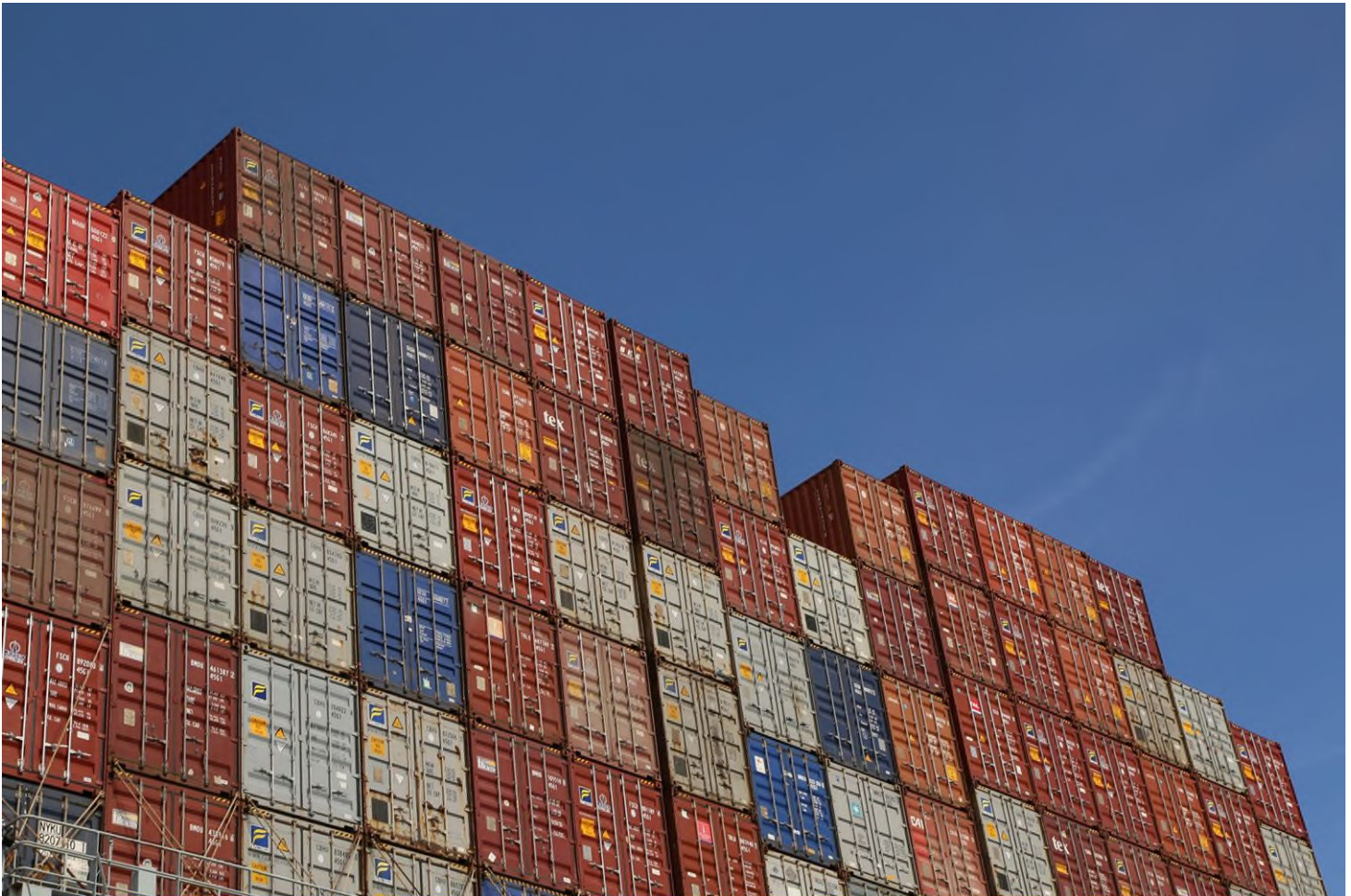


Image: Cargo Containers (Source: ABF)

Compliance program results

Financial Year to date 2023/24 (JUL – MAR)



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
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

Compliance program results

Financial Year to date 2023/24 (JUL – MAR)

Figure 1 – Number of Infringement Notice Scheme offences 1 Jul 2023 - 31 Mar 2024

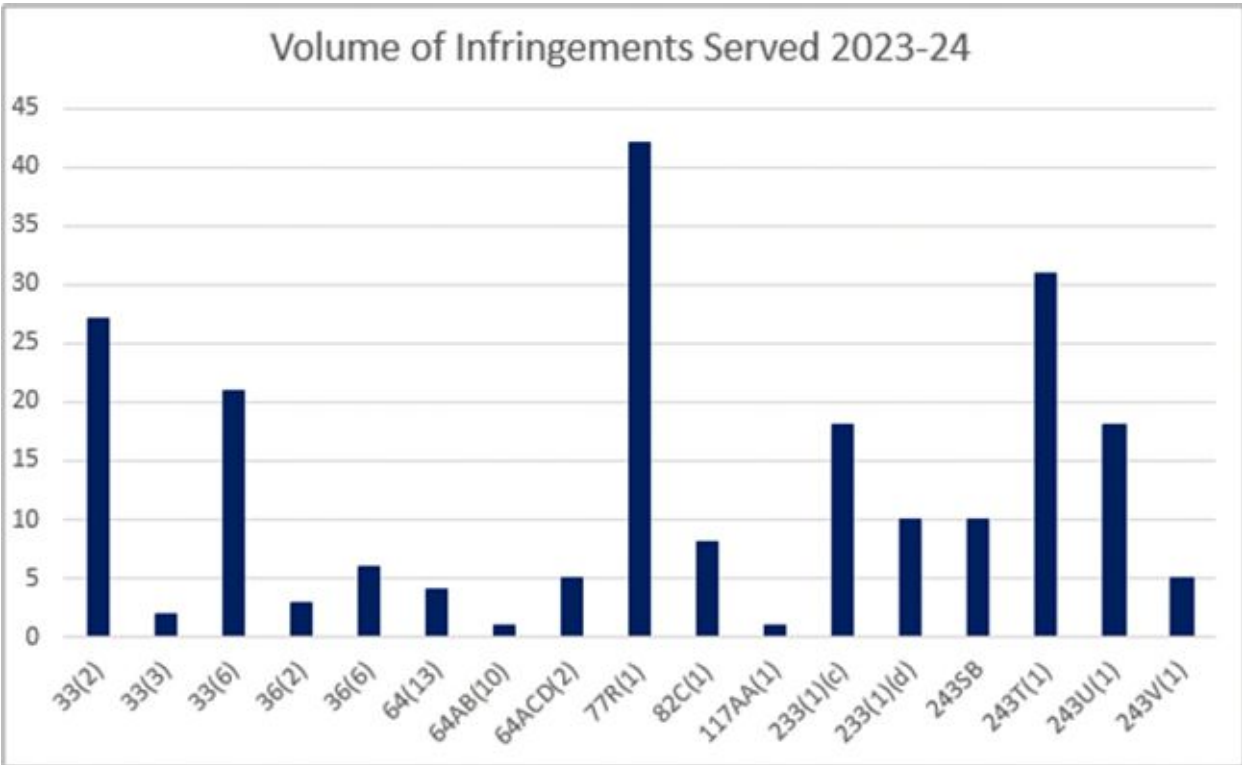
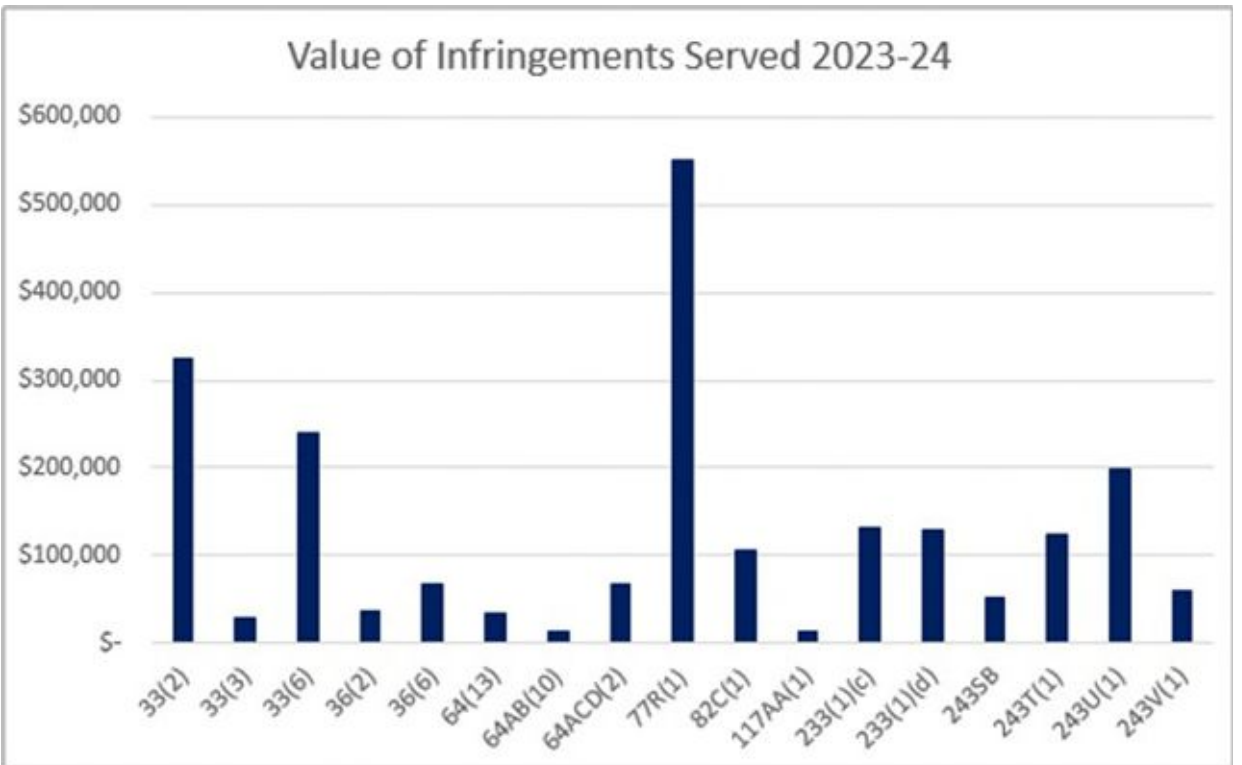


Figure 2 – Value of Infringement Notice Scheme offences 1 Jul 2023 - 31 Mar 2024



Compliance program results

Financial Year to date 2023/24 (JUL – MAR)

Revenue understatements – general

Table 2 - Value of revenue understatements identified from investigations and compliance activities, Quarter 3 (Jan - Mar 2024) and financial year to date (Jul 2023 - Mar 2024) with comparison same period 2022-23 (AUD)

Activity Type	Q3 JAN-MAR 2023/24	Q3 JAN-MAR 2022/23	FYTD JUL-MAR 2023/24	FYTD JUL-MAR 2022/23
Post Transaction Verification	\$9,073,983	\$4,336,326	\$13,861,681	\$15,412,282
Voluntary Disclosure	\$43,078,755	\$42,237,494	\$156,608,492	\$151,908,883
Pre Clearance Intervention	\$5,129,074	\$3,050,357	\$18,461,373	\$13,298,143
Compliance Monitoring Program	\$90,755	\$100,942	\$296,986	\$239,489
National Refunds Intervention	\$3,160,426	\$6,680,210	\$13,652,436	\$17,251,161

Duty refunds

Table 3 - Administration of Refunds Quarter 3 (Jan - Mar 2024) and financial year to date (Jul 2023 - Mar 2024) with comparison same period 2022-23 (AUD)

Refunds Description	Q3 JAN-MAR 2023/24	Q3 JAN-MAR 2022/23	FYTD JUL-MAR 2023/24	FYTD JUL-MAR 2022/23
Number of refunds Lodged	23,190	26,135	68,335	72,711
Value of refunds lodged	\$95,645,974	\$92,862,156	250,617,330	\$233,735,469
Number of approved refunds	23,786	26,738	67,242	71,906
Value of approved refunds	\$88,881,049	\$80,574,046	226,357,295	\$192,645,058
Number of refunds rejected (non-compliant)	113	209	458	533
Value of refunds rejected (non-compliant)	\$2,543,338	\$6,075,292	11,940,570	\$15,640,140

Compliance program results

Financial Year to date 2023/24 (JUL – MAR)

Duty drawbacks

Table 4 - Administration of Duty Drawbacks Quarter 3 (Jan - Mar 2024) and financial year to date (Jul 2022 - Mar 2023) with comparison same period 2022-23 (AUD)

Drawbacks Description	Q3 JAN-MAR 2023/24	Q3 JAN-MAR 2022/23	FYTD JUL-MAR 2023/24	FYTD JUL-MAR 2022/23
Drawbacks Lodged	367	408	1,211	1,335
Value of Drawbacks Lodged	\$122,591,321	\$105,719,364	407,224,974	\$316,979,946
Total Drawbacks Paid	401	397	1,156	1,295
Value of Drawbacks Paid	\$87,160,697	\$74,209,109	346,551,075	\$333,316,945
Drawbacks Rejected	9	5	29	12
Value of Drawbacks Rejected	\$16,272,911	\$362,187	16,471,988	\$582,461

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 2023/24, 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;
- Concrete Underlay film (Black) Precision Pipe and Tube Steel;
- Electric Resistance Welded Poples

Compliance program results

Financial Year to date 2023/24 (JUL – MAR)

Revenue understatements – trade remedy measures

Table 5 - Value of revenue understatements identified from trade remedy investigations and compliance activities, financial year to date (Jul 2024 - Mar 2023) with comparison same period 2022-23 (AUD)

Trade Remedy Understatements	FYTD 2023/24	FYTD 2022/23
Customs Duty	\$11,927.36	\$5,834
Dumping Duty	\$790,804.30	\$2,484,723
Countervailing Duty	\$425,020.31	\$1,373,418
GST	\$348,672.70	\$584,291
Total	\$1,576,424.67	\$4,448,266

Compliance program results

Financial Year to date 2023/24 (JUL – MAR)

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 2024) and financial year to date (Jul 2023 - Mar 2024) with comparison same period 2022-23 (AUD)

Description	Q3 JAN-MAR 2023/24	Q3 JAN-MAR 2022/23	FYTD JUL-MAR 2023/24	FYTD JUL-MAR 2022/23
No. of lines checked	1364	1462	4521	4613
No. of lines detected to have errors	436	423	1398	1219
Error Rate	31.4%	28.9%	30.6%	26.4%
No. of Detections	430	442	1386	1352

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

Description	FYTD 2023/24	FYTD 2022/23
Val - Valuation Date	141	179
Other	98	157
Val - Invoice Terms	197	153
Incorrect Delivery Address	196	139
Goods Description	88	89
Tariff Classification	135	87
Val - Price (Invoice Total)	99	83
Val - Related Transaction	61	57
Gross Weight	52	52
Loading Port	40	43

Compliance program results

Financial Year to date 2023/24 (JUL – MAR)

Export declarations

Table 8 - CMP export declaration results Quarter 3 (Jan - Mar 2024) and financial year to date (Jul 2023 - Mar 2024) with comparison same period 2022-23 (AUD)

Description	Q3 JAN-MAR 2023/24	Q3 JAN-MAR 2022/23	FYTD JUL-MAR 2023/24	FYTD JUL-MAR 2022/23
No. of lines checked	N/A	236	N/A	731
No. of lines detected to have errors	N/A	86	N/A	221
Error Rate	N/A	36.4%	N/A	30.2%
No. of Detections	N/A	96	N/A	257

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

Description	FYTD 2023/24	FYTD 2022/23
FOB Value	N/A	107
AHECC - Misclassification	N/A	27
Gross Weight	N/A	23
Net Quantity	N/A	21
Other Export Data Inaccuracy	N/A	17
AHECC - Multi-Lines	N/A	14
Origin	N/A	12
Consignee Name	N/A	11
FOB Currency	N/A	7
Permit Number	N/A	7

Compliance program results

Financial Year to date 2023/24 (JUL – MAR)

Cargo reporting

Table 10 – CMP Cargo report results Quarter 3 (Jan - Mar 2024) and financial year to date (Jul 2023 - Mar 2024) with comparison same period 2022-23 (AUD)

Description	Q3 JAN-MAR 2023/24	Q3 JAN-MAR 2022/23	FYTD 2022/23	FYTD 2022/23
No. of lines checked	1364	1462	4521	4613
No. of lines detected to have errors	92	82	265	287
Error Rate	19.94%	5.6%	5.92%	6.22%
No. of Detections	92	82	265	304

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

Description	FYTD 2023/24	FYTD 2022/23
Cargo Report Data Inaccuracy (Other)	82	65
Consignee Incorrect	64	64
Consignor Incorrect	32	38
Port of Destination	24	32
Declared Value	8	28
Gross Weight	28	23
Goods Description	5	18
Origin Port of Loading	9	17
Bill Number	6	5
Container Number	3	4

GCU next issue and contact information

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 GCU@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.



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