



Australian
BORDER FORCE

Goods Compliance Update

Spring 2022



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Customs Group Update

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

Welcome to the Spring 2022 edition of the Australian Border Force (ABF) Goods Compliance Update (GCU).

In 2022 we have continued to see an increase in trade and return to travel. This has provided the opportunity for the ABF to refocus on face to face engagement opportunities, including with industry and government partners, both domestically and internationally. We value these engagements to work collaboratively and thank industry for their participation and ongoing efforts. Working together we continue to look to achieve our mission of being a trusted partner and protect Australia's border, whilst enabling legitimate travel and trade.

In June, ABF Commissioner Michael Outram and I were honoured to represent Australia at the 139th/140th sessions of the World Customs Organization (WCO) Council in Brussels, Belgium. Our first feature article provides insight into the Commissioner's new role as the WCO Asia/Pacific Regional Vice-Chair. While in Brussels, I also attended the WCO Green Customs Global Conference. Our second feature article outlines the development of the ABF Green Customs framework.

Also in this edition, the Industry Engagement update provides details of the upcoming 2022 Home Affairs Industry Summit and this year's theme is *National Resilience*. Australian Trusted Trader also provides an overview of the fifth annual ATT Symposium. I was delighted to be able to attend the symposium in June, as this was the first in-person symposium since 2019. I had the opportunity to meet with ATT participants and participate in panel discussion on the future of international trade.



Our last feature article provides details of changes implemented earlier this year to disposal timeframes for unclaimed imported goods. This reform was in response to industry feedback to simplify and streamline our process for disposal of un-entered and abandoned goods. Changes were implemented in consultation with the Department of Agriculture, Fisheries and Forestry.

Further section updates and industry guidance provides insight into ABF compliance focus areas. I encourage industry members to take note of this information to ensure compliant behaviour.

I would also like to highlight the Border Watch program update which details a penalty applied to a person caught smuggling 7,000 litres of Korean alcohol. The article lists suspicious indicators to look out for and report to ABF through the program.

Lastly, we present the results of the Trade Compliance Program, covering the 2021/22 financial year and the first quarter of 2022/23.

We hope you enjoy this edition and encourage feedback and ideas to be submitted to the Goods Compliance mailbox.

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

Feature Articles

ABF Commissioner commences as WCO Asia/Pacific Regional Vice-Chair

On 1 July 2022, Australian Border Force (ABF) Commissioner and Comptroller-General of Customs, Michael Outram APM, commenced in the role of World Customs Organization (WCO) Asia/Pacific (A/P) Regional Vice-Chair, with ABF absorbing Secretariat functions in support of Commissioner Outram's two-year term. Commissioner Outram's role of A/P Regional Vice-Chair comes at a time where the global customs and trade environment is increasingly dynamic and continually evolving, with our state borders not only defining our national territory and jurisdiction, but also connecting us as an expansive international system. As the A/P's voice at WCO gatherings, including WCO Council meetings, Commissioner Outram's aim will be to advocate for the best interests of the 33 Member countries of the A/P region whilst driving a strategic, regional agenda developed exclusively by the Member Customs administrations of the A/P.

Commissioner Outram and the ABF are proud to represent the strategic interests of the A/P region and we look forward to making meaningful contributions to the **growth, security, unity** and **prosperity** of our diverse and special region. Our key areas of focus for the A/P over the next two years include: deepening Customs-to-industry engagement, primarily through the Public Sector Consultative Group A/P; supporting trade facilitation and security; enhancing compliance and enforcement processes; and promoting regional capacity building initiatives.



Image: Commissioner Outram participating in a handover ceremony with the outgoing Asia Pacific Regional Vice-Chair, Director-General Askolani of the Directorate-General of Customs and Excise of the Republic of Indonesia. (Source: ABF)

The ABF Green Customs Framework

In June 2022, Customs Group Manager (GM), Vanessa Holben PSM, attended the inaugural World Customs Organization (WCO) Green Customs Global Conference held in Brussels, Belgium. The conference aimed to raise awareness amongst customs administrations of the important role they played in protecting the environment through developing and implementing green trade policies.

In the role of the WCO Asia-Pacific Vice-Chair, the ABF has a responsibility and an opportunity to demonstrate to the WCO membership, and Australian industry stakeholders, its efforts to implement and further develop green trade policies and practices for environmental protection.

GM Holben initiated the development of the ABF Green Customs Framework to help guide green trade policy development and lay the foundation for new green initiatives to be explored. The Customs and Trade Policy Branch is the lead for Framework development, and has been undertaking extensive internal stakeholder engagement on the initial draft.

The ABF already has some well-established policies and procedures that demonstrate a commitment to the Government's sustainability objectives. The Framework is the Keystone that brings these together under four key Pillars:

PILLAR 1: Global customs partnerships and collaboration

PILLAR 2: Enforcement of environmental laws and Multilateral Environmental Agreements

PILLAR 3: Advancing green trade practices with industry stakeholders

PILLAR 4: Sustainable resources and practices

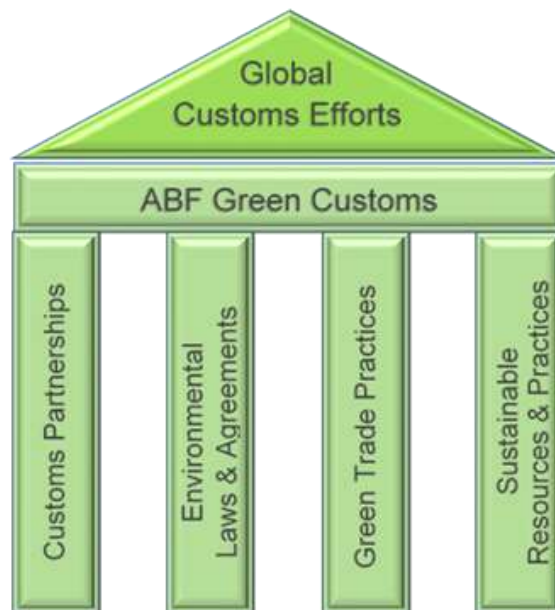


Image: Draft ABF Green Customs Framework Pillars (Source:ABF)

As the Framework progresses, the ABF will look to engage with key industry stakeholders to seek contributions and collaboration opportunities to develop and implement green and sustainable trade practice initiatives. The ABF Green Customs Framework will be an ongoing commitment that captures current and future green trade policies, initiatives and sustainable practices that contribute to protecting our environment and natural resources.

Reduced Disposal Timeframes for Unclaimed Imported Goods

On 1 July 2022, the Australian Border Force (ABF) introduced a shorter holding period for the disposal of imported goods that have not been claimed by the importer.

Operators holding goods that have not been entered for home consumption and are required to do so under the *Customs Act 1901* (Customs Act), may seek approval from the ABF to dispose of the goods once two calendar months has passed (starting from the second working day after importation).

Similarly, the ABF may give permission to dispose of goods abandoned at a customs place (for example, a wharf, airport, port or depot) after two calendar months from when the goods were found at the customs place. In some cases, permission to dispose of abandoned goods may be given within the two calendar month period.

The reform has been introduced in response to industry feedback for a simpler, more streamlined approach to un-entered and abandoned goods at the border. The ABF has implemented the changes in consultation with the Department of Agriculture, Fisheries and Forestry.

ABF Commissioner Michael Outram APM said the change would be a great benefit to operators of customs depots and warehouses, who often handle large quantities of unclaimed goods at the border.

"These goods are often abandoned due to commercial disputes, importer insolvency or because they can't get customs clearance. Rather than pay return shipping costs for the goods, the importer often walks away, leaving industry to handle their disposal," Commissioner Outram said.

"This is a common-sense reform that simplifies border processes and cuts costs for industry. Two months is ample time for an importer to claim their goods, while also reducing border and biosecurity risks to the community from uncleared goods."

For depot operators, the reduction in the timeframe will mean that almost all unclaimed imported goods can be disposed of without first having to remove the goods to a warehouse under section 77P of the *Customs Act*.

Consistent with existing arrangements, once the two-month period has passed, industry operators may be able to donate suitable goods to charity, sell the goods to recover their costs, or destroy, recycle or re-export the goods.



Image: ABF & industry (Source:ABF)

For further information about this change and how it may affect your business, please refer to [Australian Customs Notice \(ACN\) 2022/29](#) and [Disposing un-entered abandoned goods](#).

Industry Engagement Update

2022 Home Affairs Portfolio Industry Summit



A conversation on National Resilience between the Department of Home Affairs Portfolio and Industry.

The Home Affairs Portfolio's annual Industry Summit is its premier industry engagement event. Preparations are underway for the 2022 Home Affairs Portfolio Industry Summit with this year's event being held at the International Convention and Exhibition Centre (ICC) in Sydney on 16 November 2022(date?). This year's theme is *National Resilience*.

The Summit will bring together industry leaders, senior government executives, members of the diplomatic corps, academia and the community. The program of events includes Ministerial addresses, panel discussions, exhibitions and workshops that cover the breadth of the Portfolio's responsibilities. Further information can be found at [Industry Engagement Summit \(homeaffairs.gov.au\)](https://www.homeaffairs.gov.au/industry-engagement-summit)

Attendance at the 2022 Industry Summit is by invitation only.

Maintaining Communication with the ABF

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

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

Trade and Tariff Policy Update

Temporary Additional Customs Duty on Goods from Russia and Belarus

The temporary 35 per cent additional duty that applies to goods that are the produce or manufactured in Russia and Belarus will be extended to October 2023. The temporary higher rate of duty applies to all goods imported between 25 April 2022 and 24 October 2023, except for those goods that left for direct shipment to Australia before 25 April 2022 and that arrive after 25 April 2022.

In these cases, the goods must have commenced their journey to Australia from the place of manufacture or the warehouse in the country from which the goods were exported before 25 April 2022. In order to maintain their eligibility for this exemption from the additional duty, goods that commence their journey to Australia before 25 April 2022 cannot enter the commerce of another country before their arrival in Australia. The “direct shipment” exception does not apply to goods that are in a third country and did not commence their journey to Australia until after 25 April 2022, regardless of when they left Russia or Belarus.

Goods that are the produce or manufacture of Russia or Belarus will only be able to access concessional treatment under certain Schedule 4 concessional items. Please refer to the Australian Customs Notice for details on which concessional items can be claimed for these goods.

The increase in customs duty is in line with the increases imposed by the United Kingdom, Canada and the United States of America. This temporary measure is a response to Russia’s illegal invasion of Ukraine, supported by Belarus. Russia’s actions, supported by Belarus, violate Ukraine’s sovereignty and territorial integrity and undermine the rules-based international order. Australia is committed to upholding these principles, which are essential to international, regional and domestic stability and security.

Please refer to [Australian Customs Notice No. 2022/21](#) and [Australian Customs Notice No. 2022/45](#) for further information.

Further information is available on the [ABF Additional Duty Countries web page](#)

Free Trade Agreement Update

Both the India-Australia Economic Cooperation and Trade Agreement (IA-ECTA) and the Australia-United Kingdom Free Trade Agreement (AUKFTA) are before the Joint Standing Committee on Treaties (JSCOT). Bills to implement these agreements will be introduced into Parliament in the Spring 2022 sitting period.

Other agreements that entered into force in 2022 were:

- Regional Comprehensive Economic Partnership Agreement (RCEP) entered into force for Brunei, Cambodia, China, Japan, Laos, New Zealand, Singapore, Thailand, and Vietnam on 1 January 2020, for Korea on 1 February 2022 and Malaysia on 18 March 2022.
- Pacific Agreement on Closer Economic Relations (PACER) Plus entered into force for Tuvalu on 3 April 2022 and for Vanuatu on 11 October 2022.

Pacific Agreement on Closer Economic Relations (PACER) Plus entered into force for Vanuatu

The Pacific Agreement on Closer Economic Relations (PACER) Plus entered into force for Vanuatu on 11 October 2022.

The agreement previously entered into force for seven Parties and Australia on 13 December 2020. These were Cook Islands, Kiribati, New Zealand, Niue, Samoa, Solomon Islands and Tonga and for Tuvalu on 3 April 2022.

It will enter into force for the last outstanding signatory, Nauru, 60 days after notification that they have completed their domestic processes to ratify PACER Plus.

Please see Australian Customs Notice [No. 2022/43](#) for further information.

More information about PACER Plus, including the ABF guide *Pacific Agreement on Closer Economic Relations (PACER) Plus Rules of Origin* be found on the [ABF PACER Plus web page](#).

India-Australia Economic Cooperation and Trade Agreement and Australia-United Kingdom Free Trade Agreement

The IA-ECTA and A-UKFTA were referred to JSCOT on 1 August 2022. These agreements will be considered by JSCOT prior to reporting on those treaties. The committee is expected to release its reports for AUKFTA and IA-ECTA on 16 and 18 November 2022, respectively.

- More information about JSCOT's consideration of IA-ECTA can be found at: https://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Treaties/IA-ECTA
- More information about JSCOT's consideration of A-UKFTA can be found at: https://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Treaties/AUKFTA

Bills to amend the *Customs Act 1901* and the *Customs Tariff Act 1995* to implement each of the agreements were introduced into Parliament on 27 October 2022.

These bills are available on the Australian Parliament House website at:

- [Customs Amendment \(India-Australia Economic Cooperation and Trade Agreement Implementation\) Bill 2022](#)
- [Customs Tariff Amendment \(India-Australia Economic Cooperation and Trade Agreement Implementation\) Bill 2022](#)
- [Customs Amendment \(Australia-United Kingdom Free Trade Agreement Implementation\) Bill 2022](#)
- [Customs Tariff Amendment \(Australia-United Kingdom Free Trade Agreement Implementation\) Bill 2022](#)

The ABF will publish guidance material including Australian Customs Notices prior to entry into force for both agreements.

More information about the IA-ECTA can be found on the DFAT IA-ECTA website at: <https://www.dfat.gov.au/trade/agreements/negotiations/aifta/australia-india-comprehensive-economic-cooperation-agreement>

More information about the AUKFTA can be found on the DFAT AUKFTA website at: <https://www.dfat.gov.au/trade/agreements/not-yet-in-force/aukfta>

Trade Compliance Operational Update

Precious Metal Imports: ABF works with importers and brokers on the correct use of the “LPM” GST exemption code

During the 2021-2022 Financial Year, the ABF conducted both pre-clearance intervention activity and post transaction verification assessments looking at industry use of the LPM GST exemption code for precious metal imports.

The Australian Taxation Office (ATO) Goods and Services Tax Ruling [GSTR 2003/10](#) “Goods and Services Tax: What is ‘precious metal’ for the purposes of GST?” significantly clarifies this complex matter and provides guidance for use of the exemption.

During the compliance activities ABF found a number of importations for goods such as gold and silver powder, granules, chains, dore, foil, scrap and industrial items, where the LPM GST exemption had been incorrectly claimed. Exemption claims had also been lodged for metals other than gold, silver or platinum – such as rhodium and palladium – which are not permitted under GSTR2003/10.

The ABF has proactively worked with importers, brokers and agents over this period to help clarify and correct the practice of a wider and inappropriate use of the LPM GST exemption for precious metals. This has included assessment and guidance on the treatment of numismatic collectible coins and jewellery made of gold, silver or platinum.

For the purposes of the *GST Act 1999*, precious metals are covered under section 13-5 as follows:

Precious Metals

Under section 13-5 of the *GST Act*, you make a taxable importation if you import the goods for home consumption. However, the importation is not a taxable importation to the extent that it is a non-taxable importation.

An importation of precious metal will be a non-taxable importation if it would have been a supply that was GST-free or input tax if it had been a supply.

Unless the importations of precious metal meet the requirement below, they will be taxable importations.

GST – free supply

Under section 38-385 of the *GST Act*, the first supply of precious metals after its refining, or on behalf of the supplier will only be GST-free if the recipient of the supply is a dealer in precious metals.

As defined under section 195-1 of the *GST Act*, precious metal means:

- (a) Gold (in an investment form) of at least 99.5 per cent fineness; or
- (b) Silver (in an investment form) of at least 99.9 per cent fineness; or
- (c) Platinum (in an investment form) of at least 99 per cent fineness; or
- (d) Any other substance (in an investment form) specified in the regulations of a particular fineness specified in the regulations of at least 99.5 per cent fineness.

No regulations have been made to specify any other substance.

To be precious metal for the purposes of GST, the metal must therefore be gold, silver or platinum.

Investment Form

Precious metals must be in a form that is tradeable on the international bullion market. Precious metals in an investment form carry a mark or characteristic that guarantees its fineness and quality. An

investment/tradeable form may be a bar, wafer, or coin but must be in the form and character of the metal only. A tradeable form means the metal is in a form as traded at a spot price for the metal only. Granules do not carry marks and are not investment form. Some gold, silver or platinum coins are not precious metals (see ATO references to Collectable coins).

In Summary, to be eligible to claim the LPM GST exemption code:

1. Goods must be precious metals (gold, silver or platinum).
2. Precious metals must be in investment form (minted item with approved hallmarks). Collectable proof coins may or may not meet the investment form criteria, depending on the form and details of the goods imported.

The test for numismatic collectible coins is essentially the import value of the coins related to relevant spot price for gold, silver or platinum at the time of import. The ATO and ABF accept that there is some limited premium to the spot price in the trade of ‘investment form’ coins – such as kangaroos, maple leaves, golden eagles – representing reasonable dealer profit margins, transportation costs and the like. Where the coins character, collectability and/or rareness contribute significantly to value above the precious metal spot price it is not ‘investment form’ precious metal and the LPM GST exemption code may not be used.

Tradex Scheme Compliance

The ABF has conducted post transaction verification assessments during 2021/2022 for the possible misuse of the *TRADEX Scheme Act 1999*, for shipments belonging to owners/importers without TRADEX Orders. Over this time we have worked with brokers and importers to review their application of TRADEX to ensure the goods have been dealt with appropriately and in accordance with legislative requirements.

The TRADEX Scheme was launched in 2000 replacing the Tariff Export Concession Scheme. It is an ongoing mechanism providing upfront concession from Customs duty and GST for eligible imported goods that are to be subsequently exported within 12 months of the time of import.

The TRADEX Scheme is administered by the Department of Industry, Science, Energy and Resources (AusIndustry) and monitored by the ABF.

Eligibility

To be eligible, the importer must uphold the following criteria for the goods intended to import under their TRADEX Order.

They must import their nominated goods and then export them, either:

- In the same condition they imported them
- After they process or treat the goods
- After they incorporate them into other goods

The nominated goods must also be exported within 12 months after entry into Australia, unless the importer has obtained an approved extension of time.

The importer is required to have record-keeping and accounting systems that:

- Track the nominated goods from import through to export, even if a third party exports the goods
- Are in English, kept in Australia and retained for five years
- Allow them to comply with the *TRADEX Scheme Act 1999* (the Act) and TRADEX Scheme Regulations 2018

What goods are eligible?

The nominated goods are the imported goods specified in the importers application for a TRADEX Order and can be any goods, except those:

- Intended for sale in an establishment that offers for sale free of duties of Customs and other taxes
- That, if produced in Australia, would be subject to duties of excise (excise-equivalent goods). For example, most forms of alcohol, cigarettes and other tobacco products, a wide range of petroleum products

Applying

An individual or corporate entity based in Australia or overseas can apply.

To get the benefits of the TRADEX Scheme an importer must hold a TRADEX Order before the goods are imported. The TRADEX Order cannot be used for goods already received.

To apply for a TRADEX Order an importer:

- Read the Customer Information Guide and frequently asked questions
- Download and complete the application form from business.gov.au
- Adequately describe their goods
- Identify the Tariff Classification of their goods
- Submit their completed application for TRADEX Order form to tradex@industry.gov.au

TRADEX Orders do not expire however an importer can add additional goods to an order by applying for a variation to their TRADEX Order.

Using a TRADEX Order

If an importer meets the edibility requirements they will receive a written Notice of Decision. The notice will include:

- The TRADEX Order Holder Name
- The TRADEX Order number
- The Customs Importer Identifier (ABN/CCID)
- The instrument number to be used on Customs Import Declarations
- The date on which the TRADEX Order comes into force
- A description of the nominated goods and associated Tariff Chapter heading number/s that are covered by the TRADEX Order
- Conditions of Use for the TRADEX Order

The TRADEX Order is only valid for use with the Australian Business Number (ABN) or, where applicable, the Customs Client Identification Number (CCID) quoted in the importers application and registered with the Department of Home Affairs.

TRADEX Orders do not expire however an importer can apply to vary the nominated goods on their TRADEX Order.

There are 2 different methods of applying TRADEX.

- a) Applying Treatment Code 821 (this will remove duty and GST liability)
- b) Applying GST Exemption 421A (will remove only the GST liability)

When is Tradex Duty payable?

Tradex duty is the equivalent of the Customs duty an importer would have paid at the time of importation. Tradex duty becomes payable when something happens to the goods that is not consistent with the requirements of the TRADEX Scheme.

For example:

- If the goods are not exported within the required time period
- The goods are used or consumed in Australia in a way that is not permitted

In these circumstances the importer is required to calculate their Tradex duty liability and pay it to AusIndustry. Failure to pay Tradex duty within the required time is an offence under the Act. If an importer is liable for Tradex duty, other taxes, including GST may also become payable.

The Act provides a range of offences that support the operation of the TRADEX Scheme by attaching the possibility of criminal sanction to some kinds of non-compliance. Penalties may be applied in relation to offences under the Act.

Further information is available on Australian Government Business [Tradex Scheme](#) or by calling 13 28 46.

Suspected CITES object detected - Woolly Rhinoceros Skull

The ABF recently detected an import of a Woolly Rhinoceros Skull that was suspected of being a CITES object.

CITES is the Convention on International Trade in Endangered Species of Wild Fauna and Flora. Animal and plant species, and all products made from those species, listed in the appendices to the Convention on International Trade in Endangered Species of Wild Fauna and Flora.

CITES is an international agreement between governments that helps to ensure international trade does not threaten species with extinction. Australia is one of 183 parties to the convention.

There are more than 35,000 species (about 5,000 animals and 30,000 plants) listed under CITES. Species are placed into three appendices based on their conservation status and risk from trade.



In this case, commercial documents listed the goods imported as Woolly Rhinoceros Skull (scientific name *Coelodonta antiquitatis*). The Woolly Rhinoceros is an extinct species of rhinoceros that was common throughout Europe and Asia during the Pleistocene period with an estimated age of 40,000 years.

In the absence of appropriate permits or a pre-CITES certificate the object was seized by ABF.

To ensure import and export requirements are met on potential endangered species, the ABF recommends importers review requirements on the ABF website prior to exporting from origin and import into Australia at [Prohibited animals and plants \(abf.gov.au\)](https://www.abf.gov.au/Prohibited-animals-and-plants).

Image: Example Woolly Rhinoceros (Source: Wikipedia)

For further information about CITES or import and export permits visit the [Wildlife trade and the law - DCCEEW](#) on the Department of Climate Change, Energy, the Environment and Water website.

Counter-Proliferation Update

Mitigating delays and costs to export cargo movement

The ABF is committed to both facilitating trade and protecting our national interests at the border. To do so, we need to ensure that exporters are compliant with export control legislation. Goods that require additional scrutiny at the border are goods which have weapons of mass destruction or military utility, or dual-use goods (typically commercial goods, but can be used either as military components, or for the development or production of military systems or weapons of mass destruction). Additionally, who and where the goods are going to might require assessment and a permit from the relevant export regulators.

We recognise that delays at the border can harm economic competitiveness and incur storage costs. There are some simple steps you can take to help expedite border processes when exporting goods.

Table: Differences in import and export cargo environments

	Imports	Exports
Cargo reporting timeframes	All air cargo must be reported two hours before arrival All sea cargo must be reported 48 hours before arrival	No minimum export reporting timeframes
Prohibited Goods	Yes	Yes

To ensure timely and smooth exports – and to potentially minimise costs – it is recommended goods owners¹ and exporters follow these steps:

Apply for a permit or assessment

The best way to avoid a delay at the border is for goods owners and exporters to apply for a permit or assessment as soon as possible before lodging an Export Declaration through an export broker/freight forwarder. In Q1 FY 2021-22, Defence Export Controls (DEC) processed 78 per cent of non-sensitive applications within 15 days and 70 per cent of sensitive/complex applications with 35 days ([source](#)). The Australian Sanctions Office (ASO) generally process sanctions assessments within six to eight weeks, although you should allow for up to three months ([source](#)). Applying for permits or assessments is free.

Lodge export declarations early

Unlike imports, there are no minimum timeframes for export cargo reporting, which can save you time when it comes to export. An export declaration can be lodged up to six months in advance of the estimated export date. The earlier a reporting party lodges an export, the more likely border processing will be finalised before the export date.

Important Note: It is an offence under Section 114(7) of the *Customs Act 1901*, goods are considered to have been entered for export when an Export Declaration is lodged. All permits must have been granted by the permit issuing agency before an Export Declaration is lodged with the Australian Border Force.

¹ The goods owner is the common law owner of the exported good

Ensure export data is accurate

ABF requires that export data is accurate, and it is the responsibility of goods owners and reporting parties to ensure export declarations are completed correctly. The export data provided is used by the ABF to ensure that prohibited export goods are not exported without appropriate approval. If the data is incomplete or inaccurate, the ABF may hold the export until the correct information is provided.

For example, the ABF has detected errors involving the incorrect reporting of consignees. The consignee is the ultimate recipient of the goods that are being sent, whether or not the person ordered or paid for the goods. The consignee should not be a freight forwarder or bank.

Important Note: It is an offence under s 234(1)(d) of the *Customs Act* to knowingly or recklessly make a statement to an ABF officer (including through the lodgement of an export entry) that is false or misleading in a material particular, or to knowingly or recklessly omit from a statement made to an ABF officer any matter or thing without which the statement is misleading in a material particular.

Request to move goods under customs control

If the ABF refers your consignment to either DEC or the ASO for an assessment, goods owners may consider storing the cargo at a location with lower storage costs.

Important Note: It is an offence under the *Customs Act* to move, alter or interfere with goods under customs control where the movement, alteration or interference is not authorised under the *Customs Act*. This applies to goods that are at a cargo terminal operator (CTO) at a wharf or airport and for prescribed warehouse goods at a section 77G licensed depot. You can apply for permission to move the goods by lodging Form B959 through email to the nominated mailbox in the relevant region. The applicant must ensure the goods are held in their current location until a decision is made on the application.

Table: Nominated mailbox

Region	Email Address
NSW	NSW119Applications@abf.gov.au
NT	supplychainnc@abf.gov.au
Qld	mandexqld@abf.gov.au
SA	Sa119aaapplications@abf.gov.au
Launceston, Tas.	abf.launceston@abf.gov.au
Hobart, Tas.	ABF.hobart@abf.gov.au
Vic	redlineVic@abf.gov.au
WA	wa119applications@abf.gov.au

Australian Trusted Trader Update

Program Update

The Australian Trusted Trader (ATT) program is an initiative of the Australian Government, which was established by the *Customs Amendment (Australian Trusted Trader Programme) Act 2015* and administered by the ABF.

The program introduces a differentiated trust-based framework at the border for entities that can demonstrate a secure international supply chain and trade compliance standards. Entities who meet these standards and qualify for participation in the program are assessed as low-risk and benefit from streamlined customs processes.

As at 6 October 2022, the ATT program was actively managing 1131 entities, including 907 accredited Trusted Traders and 220 active applications. A further four entities had been offered Trusted Trader status. Since commencement of the ATT program, 27 entities have been refused ATT accreditation and 29 entities have had ATT accreditation cancelled.

In the spotlight – 2022 ATT Symposium In-Person

The fifth annual Australian Trusted Trader Symposium was held as an in-person event at the International Convention Centre, Sydney on 14 June 2022 following the virtual session held in March.

Participants came together for the first in-person ATT Symposium since 2019, to recognise and celebrate the program's collaborative approach to facilitating legitimate trade, strengthening supply chain security and detecting illicit trade activity.

Trusted Traders had the opportunity to hear from, and speak with, representatives from:

- ABF
- Department of Home Affairs
- Anti-Dumping Commission
- Simplified Trade System Implementation Taskforce
- Department of Agriculture, Fisheries and Forestry (DAFF)
- Australian Graduate School of Policing and Security, Charles Sturt University.

In his address ABF Commissioner, Michael Outram APM, said the ATT program was key to the ABF's commitment to countering criminal infiltration at the border. He reminded Trusted Traders that the relationships built between government and industry through the program 'continuously contribute to the ABF's holistic efforts to protect the Australian border and all Australian businesses against infiltration by criminal actors.'

Another highlight of the morning session focused on how Trusted Traders might strengthen their businesses' cyber resilience. Nishant Rao, A/g Director Digital Economy Resilience and Market Reform, delivered an exceptional session on practical resources and initiatives to strengthen cyber resilience in the economy.

The afternoon program offered a series of smaller educational and operational sessions, as well as informal conversation booths, which provided Trusted Traders with an opportunity to speak directly with subject matter experts on trade and border issues.

The day ended with an interactive panel discussion on preparing for the future of international trade. Each panellist was asked to describe the future of international trade from their perspective.

The symposium was considered a successful occasion for attendees to contribute to the future of trade and supply-chain integrity.



Image Caption: ATT Symposium Panel discussing how to prepare for the future of international trade—from left: Martin Moseley, Superintendent ATT Operations; Vanessa Holben, Deputy Comptroller-General Customs; Peter Timson, First Assistant Secretary, Enforcement and Compliance Division, DAFF; Christie Sawczuk, Acting Head STS Implementation Taskforce; and Dr Jamie Ferrill, from the Australian Graduate School of Policing and Security at Charles Sturt University. (Source: ABF)

ATT Program Benefit Update

Extension of the Origin Waiver Benefit

Australian Customs Notice (ACN) 2022/13 was published on 19 April 2022 to formally announce the extension of the Origin Waiver Benefit to include the Regional Comprehensive Economic Partnership (RCEP).

This Trusted Trader benefit removes the requirement for ATT importers to obtain or present origin documentation, such as Certificates of Origin (CoO) or Declarations of Origin (DoO) upon the importation of goods, in order to claim preferential duty rates on goods meeting the rules of origin.

Trusted Traders are still required to adhere to the rules of origin requirements of RCEP, as well as comply with associated legislation and regulations, including maintaining records of evidence of eligibility and presenting documents when requested by the ABF for a period of up to five years.

For further information or details please refer to our website [Benefits of Being An Australian Trusted Trader \(abf.gov.au\)](https://abf.gov.au/benefits-of-being-an-australian-trusted-trader)

Customs Licensing Update

Customs Broker Licensing Continuing Professional Development Audits

The requirement to undertake Continuing Professional Development (CPD) is a condition of a customs broker licence as set out in Division 3 Part XI of the *Customs Act 1901 (the Act)*. The CPD scheme ensures licenced customs brokers' knowledge and understanding of changes affecting the industry remain up-to-date.

All licenced customs brokers must comply with CPD obligations regardless of whether they are an active customs broker or not. A licenced customs broker is required to undertake sufficient accredited CPD activity to accrue 30 CPD points each CPD year.

The Customs Licensing section conducted this year's audit for all individually licenced customs brokers by obtaining information from CPD providers. The audit identified 36 customs brokers suspected of not meeting their CPD obligations for the 2021/22 CPD year.

Each customs broker was contacted and required to provide evidence of meeting their CPD obligations. As a result of these requests:

- 10 customs brokers confirmed they had not met their CPD obligations and have been referred to the National Customs Brokers Licensing Advisory Committee (NCBLAC) for investigation and report
- 15 customs brokers surrendered their licences
- 11 customs brokers provided evidence of meeting their CPD obligations

An update on these matters will be provided in the next GCU.

Broker licensing statistics

As of 22 July 2022, there were 436 licenced customs brokerages, 1,601 licenced nominee customs brokers and 13 licenced sole traders.

During the 2021/22 financial year Customs Licensing finalised 55 customs broker licence applications, comprising of:

- 39 nominee licence applications, resulting in 24 new nominee customs broker licences being granted and 15 not being granted
- 15 corporate licence applications; resulting in 12 new corporate customs broker licences being granted and three not being granted
- One sole trader licence application was finalised and the applicant was successful in being granted a customs broker sole trader licence

Border Watch Update



BORDER WATCH

Help protect Australia's border

Man fined for smuggling 7,000 litres of Korean alcohol

A man was fined \$20,000 in the Perth Magistrates Court after pleading guilty to a separate alcohol smuggling offence under the *Customs Act*.

The Korean national was charged with one count of smuggling dutiable goods, after Australian Border Force (ABF) officers examined a sea container arriving at Fremantle Port concealing more than 7,000 litres, or 999 boxes of soju, a popular alcoholic drink in Korea.

The same sea container also contained 500 cartons of 100,000 cigarettes, which represented a total of \$123,095 of revenue defrauded to the Commonwealth, when customs duty and GST is calculated.

The maximum penalty for smuggling dutiable goods such as alcohol is a fine of five times the duty that would have been payable if the goods were declared for home consumption, which is more than \$500,000.

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

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

You can choose to make a report anonymously.

Help protect Australia's border

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

Become a Border Watch member

As a Border Watch member, you can help protect Australia's border. You know your local region, your customers and your regular visitors.

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

As a member, you can:

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

For more information or to report suspicious activity:

abf.gov.au/borderwatch

What to 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 an importer or client's behaviour recently changed?
- Is an importer or client insisting on the use of a tariff or exemption code that isn't applicable?
- Has an 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, despite concerns that the requirements aren't met?
- Is an importer providing only 'pro-forma' invoices that are not accepted as valid by the ABF?
- Is an importer or client reluctant to show exactly what the goods are?
- Has an importer or client asked for unusual amendments that result in a duty/GST refund after the goods have been delivered?
- Has an importer requested re-export or transshipment once the consignment has been held at the border?



Image: A man was charged after smuggling 7,000 litres of soju from Korea (Source: ABF)

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

Australian Customs Notices and Industry Guidance

Australian Customs Notices

The following table contains the ACNs that have been issued since the last GCU. Any numbers missing from the table below (such as 2021-33) 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
2022-18	Arms, flags and seals amendments to the Customs (Prohibited Imports) Regulations 1956 and the Customs Regulation 2015
2022-19	Application for Customs Broker Licences
2022-20	Cheese and Curd Quota Scheme – Allocations for 2022-2023
2022-21	New rates of customs duty for Russian and Belarusian goods
2022-22	Application for Customs Broker Licences
2022-23	Application for Customs Broker Licences
2022-24	Application for Customs Broker Licences
2022-25	Luxury car tax thresholds for 2022-23
2022-26	Application for Customs Broker Licences
2022-27	Commencement of phase 2 of the Recycling and Waste Reduction (Export–Waste Plastics) Rules 2021
2022-28	Tariff Concession – Item 57 – Revised
2022-29	New timeframes for the disposal of un-entered and abandoned goods
2022-30	Cargo reporting requirements for international mail and certain internal business documents
2022-31	Application for Customs Broker Licences
2022-32	Temporary duty reduction for goods from Ukraine
2022-33	Application for Customs Broker Licences
2022-34	Removal of customs duty on certain electric vehicles
2022-35	Indexation of customs duty rates on excise-equivalent goods on 1 August 2022
2022-36	Application for Customs Broker Licences
2022-37	Customs duty rates for tobacco and tobacco products - September 2022
2022-38	Sea Cargo Reporting Requirements and Inspection Arrangements (Replacing ACCA 2009/04 and ACCA 2012/18)
2022-39	Application for Customs Broker Licences
2022-40	Application for Customs Broker Licences
2022-41	Increase in rate of customs duty for certain fuels
2022-42	Converting the value of cryptocurrencies into Australia dollars when valuing goods at the border as required by the Customs Act 1901

2022-43	Customs (Pacific Agreement on Closer Economic Relations Plus-Entry into Force for Vanuatu) Notice 2022
2022-44	Application for Customs Broker Licenses
2022-45	Extension of the additional customs duty on Russian and Belarusian goods

Transfer Pricing for Related Party Transactions

Import transactions that occur between related parties need to adhere to the requirements of Section 161H of the *Customs Act 1901* (the Act). The requirement is that where the purchaser and vendor were at the time of the importation of the goods related, the relationship between the purchaser and the vendor did not influence the price of the goods. Importers demonstrate this by ensuring that the transactions between their related suppliers have occurred using the arm's length principle. This states that the price agreed in a transaction between the two related parties, must be the same as the price agreed in a comparable transaction between two unrelated parties.

To demonstrate this, importers will present to the ABF with one or more of the following points:

1. An Advanced Pricing Arrangement with the Australian Tax Office (ATO) and/or another taxation jurisdiction. Under this arrangement a rate of return that the company needs to achieve is determined by the relevant authority
2. A comparability study which determines a rate of return range using financial data obtained from comparable companies that operate in a similar industry to the tested party under the study
3. If importing comparable goods from unrelated parties, details regarding this transaction and how it compares to goods imported from its related party

In the majority of cases, the transactions that occur between the two related entities require adjustments to ensure that the required rate of return is achieved. Adjustments can result in a positive or negative change to the initial rate of return and typically occur at the end of the financial year and after goods are imported.

If importers are subject to transfer pricing adjustments, it is a requirement that these adjustments are reflected in import declaration amendments for the respective financial year. Failure to amend custom values in relation to transfer pricing adjustments, may result in penalties if the subject of an ABF audit.

Transfer pricing adjustments may be disclosed either through refund claims, Voluntary Disclosure submission or through a Valuation Advice submission. In some circumstances, related party transactions and/or transfer pricing adjustments may result in the relationship between the importer and supplier having an effect on the price of the imported goods. If this is the case, importers are required to look at other methods of valuation that are not transactional in nature. If doubt remains as to whether the transaction value method applies in these circumstances, importers are advised to submit a Valuation Advice to obtain a decision.

Valuation - valuation@abf.gov.au

Voluntary Disclosures – vdi@abf.gov.au

Determining Import Value for Customs Purposes

It has come to ABF's attention that there is some confusion around declaring the correct value of imported goods for customs purposes, in particular in considering if goods meet the Low Value Threshold.

A full import declaration is not required where imported goods are valued below \$1,000. Section 68(5) of the *Customs Act 1901* (the Act) requires that for this purpose the value shall be determined in accordance with Division 2 of Part VIII of the Act (commonly known as the customs valuation provisions).

The customs value is:

- The basis for calculating ad valorem customs duty
- Combined with other items, including customs duty, international transport and insurance costs and, where applicable, Wine Equalisation Tax, to produce the value of the taxable importation (which is used to calculate the Goods and Services Tax)
- Published by the Australian Bureau of Statistics to show trade to and from Australia
- Used in other economic reporting

Division 2 of Part VIII sets out the legislative requirements for determining the customs value in relation to a good into Australia for customs purposes. Where the term 'value' is referenced in ABF information materials in the context of importations, it means the 'customs value'.

Division 2 – sections 154 to 161L - gives effect to Australia's commitments under the World Trade Organization's Customs Valuation Agreement – the system used by major trading nations throughout the world. The Division describes the following valuation methods that are applied sequentially to determine the customs value of goods:

1. Transaction value
2. Identical goods value
3. Similar goods value
4. Deductive value (three methods)
5. Computed value
6. Fall-back value

The most common method for valuing any import is the 'transaction value', which is the price the importer actually paid or payable for the goods. A number of requirements, including that there is sufficient reliable information to determine the transaction value, that the price was not influenced by a relationship between the seller and buyer, and that there are no restrictions on the disposal of the goods must be met before the transaction value method can be used.

To determine the transaction value the follow these steps:

STEP 1: Identify the import sales transaction

STEP 2: Establish price paid (allow deduction of eligible rebates)

STEP 3: Adjust price - legal deductions

STEP 4: Add any price related costs

STEP 5: Convert to Australian dollars any relevant amounts in a foreign currency. Transaction Value now = Customs Value

Please ensure all legal additions (including price related costs) are included when calculating the customs value including when considering if goods can be imported under the Low Value Threshold (LVT). This means that the value calculated using the transaction value or any other of the methods listed above must be under the \$1,000AUD threshold for the goods to qualify as LVT goods.

Price related costs can include product assist costs as defined in section 154 of the *Customs Act 1901*. These costs are incurred when an importer provides directly or indirectly goods, materials and certain

services, either free of charge or at a reduced cost to use in the production of the imported goods. These costs must be included in the customs value upon import. Examples of production assist costs include production materials, dyes, moulds and tools used during the manufacture of the imported goods.

Valuation of imported goods can be complex and importers are urged to seek advice from a customs broker or to contact the ABF for advice. Ensuring goods are correctly valued for importation ensures an accurate declaration is made to the ABF with appropriate duties and taxes applied.

Please note, making a false or misleading statement to the ABF, including providing the incorrect customs value of imported goods, is an offence under Section 243 of the Act, which may result in sanctions being applied including increased intervention, penalty under the Infringement Notice Scheme or prosecution.

Valuation guidance material is available on the ABF website [Requirements to import goods \(abf.gov.au\)](https://www.abf.gov.au/Requirements-to-import-goods).

Historical Country Codes

In response to recent world events (Russian military actions in Ukraine), and anticipation of potential sanctions to be applied by Australia against Russian trade, research was undertaken which identified the reporting of cargo against Country Code SU for the Union of Soviet Socialist Republic in the Integrated Cargo System (ICS). The dissolution of the Soviet Union (1988-1991) resulted in the end of its existence as a sovereign state replaced with fifteen (15) independent republics and the establishment of the Commonwealth of Independent States. With the dissolution of the Soviet Union the use of Country Code SU is no longer valid or accurate for cargo reporting purposes.

Country Codes

Country codes are short alphabetic or numeric geographical codes (geocodes) developed to represent countries and dependent areas, for use in data processing and communications. Several different systems have been developed to do this. The term country code frequently refers to ISO 3166-1 alpha-2 or international dialling codes, the E.164 country calling codes.

Origin Country – the two-digit Country Code for the country of origin determined for non-preferential purposes (e.g. trade statistics). Most Country Codes reflect the corresponding United Nations (UN) – International Standard Organisation (ISO) codes. Preference Origin Country – the two-digit Country Code for the relevant country or territory in which the goods originate for preferential tariff purposes. Integrated Cargo System

There are four (4) invalid / historical country codes that should no longer be used for cargo reporting purposes:

- a. SU – Soviet Union (valid code is RU – Russian Federation)
- b. DD – German Democratic Republic (valid code is DE – Germany)
- c. BU – Burma (valid code is MM – Myanmar)
- d. YD – Democratic Yemen (valid code is YE – Yemen)

Historical country codes have to be retained in the ICS for research purposes and in order for amendments to be made retrospectively. When Country Codes are updated, users are advised and it is expected they will accurately report and declare cargo based on these updates.

ABF may intervene on consignments with inaccurate historical country codes. Providing a false or misleading statement is an offence under section 243 of the *Customs Act*, therefore please ensure correct country codes are used when reporting and declaring cargo.

Asbestos Assurance

The ABF website asbestos information page and some of the embedded documents within have recently been updated. There are a vast range of resources available to assist industry and traders in understanding the Australian border controls for asbestos, requirements to assure ABF that asbestos containing goods are not unlawfully crossing the border and guidance on risk management for asbestos in supply chains.

The webpage outlines key points for importers, Licenced Customs Brokers and Freight Forwarders and provides an overview of the types of prohibited asbestos and examples of goods that might contain asbestos. A new section addresses the use of asbestos-free declarations, which should interest the broker community.

Importers are reminded that asbestos, and goods containing asbestos, are prohibited imports. The ABF must be assured that asbestos containing goods are not unlawfully crossing the border.

Importers need to:

- Know the structural content of the goods they are importing and if they are at risk for containing asbestos
- Pro-actively risk manage their supply chain and be prepared to provide documentary evidence to show their goods don't contain asbestos
- Familiarise themselves with the process of initiating representative sampling and accredited testing, should it be required for their goods.

There are factors that increase the risk of importing goods that contain asbestos. Enquiries should be made with suppliers outside Australia, before buying, about any use of asbestos or raw materials containing naturally occurring asbestos, at the point of manufacture.


Goods labelled as non-asbestos that are made in a factory that also produces asbestos containing goods are a risk and will receive intervention action at the border. The risks of cross contamination at the point of manufacture and the mixing of asbestos and non-asbestos goods, whether intentional or not, is increased when sourcing from such suppliers.

Do not assume that goods labelled "asbestos free" are free of asbestos, or that testing of goods undertaken overseas and certified "asbestos free" will always meet Australia's border requirements. In some countries, traders can lawfully label, or test and declare asbestos free, goods with an asbestos content below a certain threshold.

Importers should investigate, and where appropriate, apply:

- Contractual obligations with their suppliers that specify nil asbestos content
- Sampling and accredited testing for asbestos content before shipping the goods to Australia
- Regular risk assessment and quality assurance processes, that take into account:
 - What raw materials are used in the manufacture of the goods
 - Where manufacturers outside Australia source their raw materials
 - Identifying and minimising asbestos-risk activities at the point of manufacture, and
 - Third party sub-contractors supplying the manufacturer.

If the ABF suspects that goods arriving at the border contain asbestos, the goods are detained and examined. Documents that provide sufficient assurance must be given. The importer may need to arrange sampling by a 'competent person', for the purposes of testing and certification to ensure there is no presence of asbestos. The arrangement and cost of any independent inspection, testing and storage of the goods is



the responsibility of the importer/exporter in Australia. This is in line with section 186 of the *Customs Act 1901 (Customs Act)*.

If Australian importers can demonstrate their own supply chain assurance program they could avoid delays to the clearance of their goods at the border. Licenced Customs Brokers and Freight Forwarders are encouraged to make the information on this webpage known to their clientele for the sake of compliance at the border.

Further information is available at www.abf.gov.au/asbestos.

Home Affairs Visa Entitlement Verification Online Tool

The Visa Entitlement Verification Online (VEVO) tool on the Department of Home Affairs website allows visa holders, employers, education providers and other registered organisations the ability to check visa conditions.

The VEVO tool may provide an opportunity for supply chain businesses to check visa conditions for potential employees prior to employment to ensure they are compliant. VEVO provides information on current in-effect visas including:

- Visa type
- Expiry date
- Must not arrive after date
- Period of stay
- Visa conditions

Registration is required to use VEVO with further information provided at [VEVO \(homeaffairs.gov.au\)](http://vevo.homeaffairs.gov.au). Enquiries and questions on VEVO should be directed to the Department of Home Affairs [Contact Us](#). Reports of suspicious visa matters can be directed to [Border Watch](#).

Compliance program results

FY2021/22 and Quarter 1 2022/23 (JUL-SEP)



Note: Statistics were accurate at the time of extraction for the period 30 July 2022 to 10 October 2022. As data has been drawn from a dynamic source, figures provided may differ slightly in previous or future reporting.

Infringement Notice Scheme

Figure 1 - Number of Infringement Notice Scheme offences 1 July 2021 – 30 June 2022

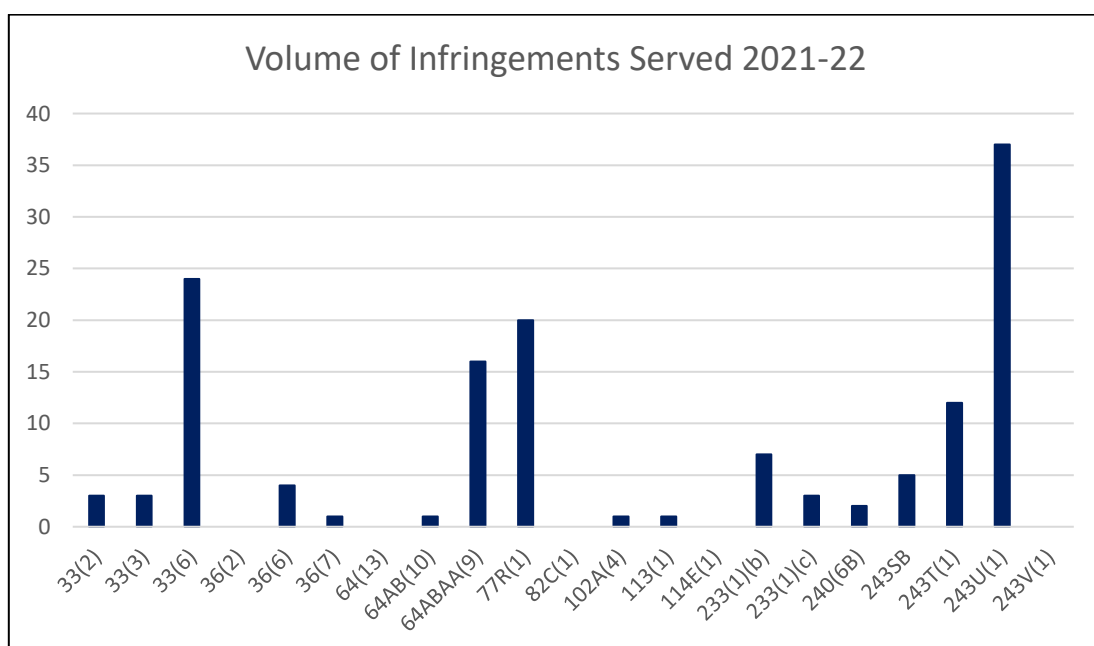


Figure 2 - Value of Infringement Notice Scheme offences 1 July 2021 – 30 June 2022

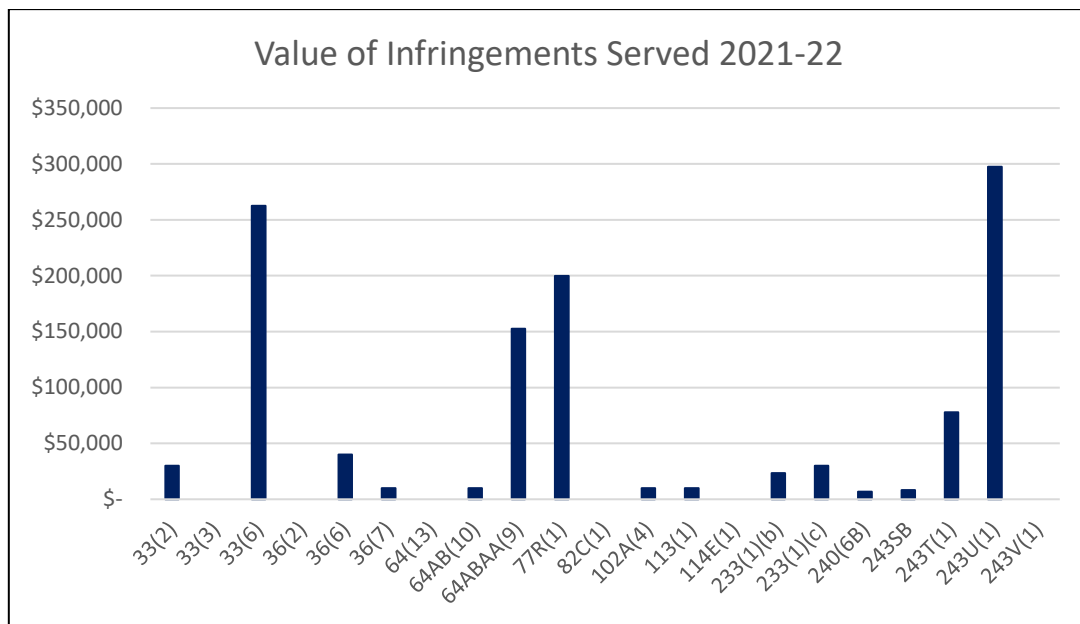


Figure 3 - Number of Infringement Notice Scheme offences FY2022/2023 Q1, 1 July 2022 – 30 September 2022

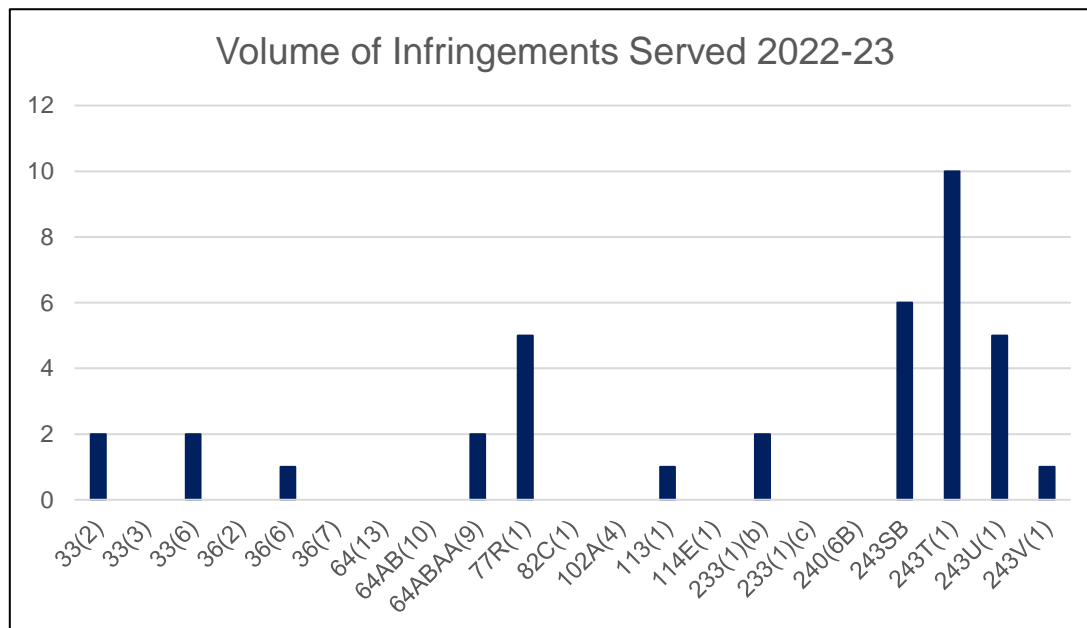


Figure 4 - Value of Infringement Notice Scheme offences FY2022/2023 Q1, 1 July 2022 – 30 September 2022

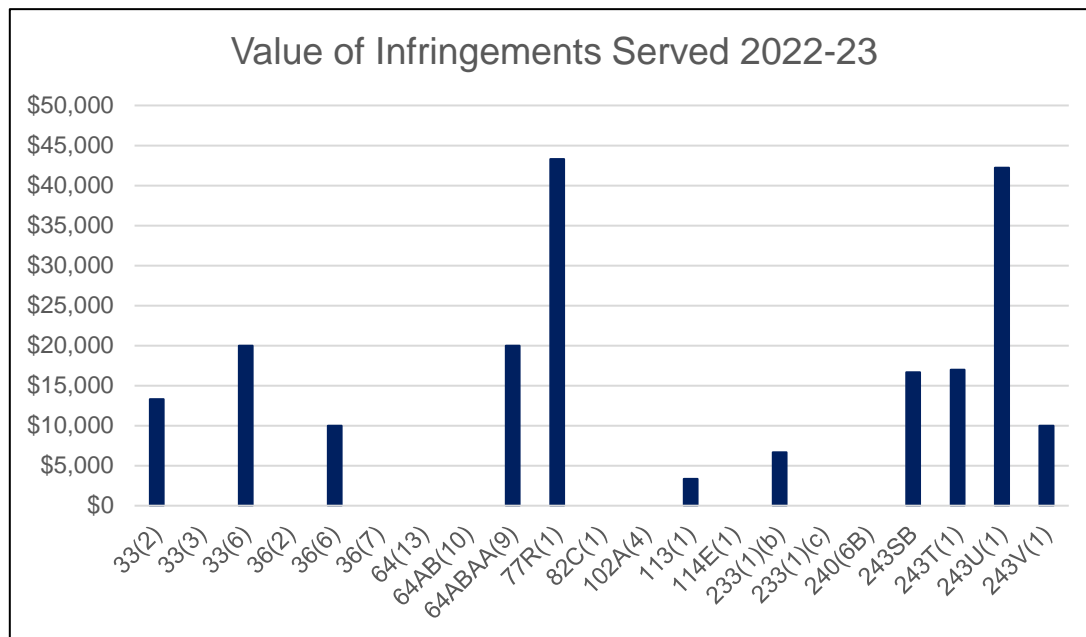


Table 1 - Infringement Notice Scheme offences

Offence	Description
33(2)	Moving, altering or interfering with goods subject to Customs control without authority
33(3)	Moving, altering or interfering with goods subject to Customs control without authority (by an employee)
33(6)	Directs another person to move, alter or interfering with goods subject to Customs control without authority
36(2)	Failure to keep goods safely
36(6)	Failure to account for goods
36(7)	Failure to deliver goods in accordance with an Authority to Deal and cannot account for goods
64(13)	Failure to meet reporting requirements for the impending arrival of a ship or aircraft
64AB(10)	Failure to meet reporting requirements for the report of cargo
64ABAA(9)	Failure to meet reporting requirements for outturn reports
77R(1)	Breach of conditions of depot licence
82C(1)	Breach of conditions of a warehouse licence
102A(4)	Failure of a holder of a warehouse licence to notify Customs of release or return of prescribed goods for export
113(1)	Failure to enter goods for export and loading/exporting without authority to deal
114E(1)	Sending goods to a wharf or airport for export without proper authority or reporting actions
233(1)(b)	Prohibited imports
233(1)(c)	Prohibited exports
240(6B)	Failure to keep a document if required so by an authorised officer
243SB	Failure to produce documents or records
243T(1)	False or misleading statements resulting in a loss of duty
243U(1)	False or misleading statements not resulting in a loss of duty
243V(1)	False or misleading statements in cargo reports or outturn reports

Revenue understatements – General

Table 2 - Value of revenue understatements identified from investigations and compliance activities, full financial year 2021/22 and comparison to 2020/21

Activity Type	FY2021/22	FY2020/21
Post Transaction Verification	\$38,026,938	\$69,288,150
Voluntary Disclosure	\$138,205,104	\$95,887,366
Pre Clearance Intervention	\$44,034,714	\$16,167,281
Compliance Monitoring Programme	\$629,569	\$463,286
National Refunds	\$13,864,181	\$6,908,601

Table 3 - Value of revenue understatements identified from investigations and compliance activities, July – September 2022 with comparison same period 2021 (Australian Dollars)

Activity Type	JUL – SEP 2022	JUL – SEP 2021
Post Transaction Verification	\$5,409,048	\$15,679,302
Voluntary Disclosure	\$65,436,304	\$54,422,398
Pre Clearance Intervention	\$5,673,737	\$3,424,111
Compliance Monitoring Programme	\$80,722	\$42,979
National Refunds	\$3,670,076	\$6,121,366

Revenue understatements – trade remedy measures

During the 2021/22 financial year, ABF completed 61 trade remedy measures verification activities, in comparison to 70 in 2020/21 and 54 in 2019/20. These activities ensure a level playing field in relation to the enforcement of trade remedy measures and primarily focused on:

- Aluminium Extrusions;
- Hollow Structural Sections;
- Steel Pallet Racking;
- A4 Copy Paper;
- Precision Pipe and Tube Steel;
- Electric Resistance Welded, Steel Pipes;
- Galvanised Steel Plates;
- Concrete Underlay;
- Deep Drawn Sinks; and
- Other Tubes, Pipes and Hollow Profiles.

Table 4 - Value of revenue understatements identified from trade remedy investigations and compliance activities financial year 2021/22 and comparison to 2020/21 (Australian Dollars)

Trade Remedy Understatements	FY 2021-2022	FY 2020-2021
Customs Duty	\$274,170	\$41,656
Dumping Duty	\$5,214,261	\$2,358,116
Countervailing Duty	\$1,861,854	\$352,738
GST	\$909,333	\$471,312
Total	\$8,259,618	\$3,223,822

Duty Refunds

Table 5 - Administration of Refunds financial year 2021/22 with comparison to 2020/21

Description	FY2021/22	FY2020/21
Number of refunds Lodged	104,249	104,317
Value of refunds lodged	\$276,353,341	\$247,839,795
Number of approved refunds	102,852	102,712
Value of approved refunds	\$252,896,915	\$231,336,375
Number of refunds rejected (non-compliant)	590	636
Value of refunds rejected (non-compliant)	\$10,914,855	\$5,704,710

Table 6 - Administration of Refunds July – Sep 2022 with comparison to the same period 2021

Description	JUL - SEP 2022	JUL - SEP2021
Number of refunds lodged	22,927	27,824
Value of refunds lodged	\$64,834,268	\$84,179,653
Number of approved refunds	23,041	28,108
Value of approved refunds	\$56,960,173	\$71,360,295
Number of refunds rejected (non-compliant)	155	164
Value of refunds rejected (non-compliant)	\$3,195,866	\$4,678,324

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

Duty Drawbacks

Table 7 - Administration of Duty Drawbacks financial year 2021/22 with comparison to 2020/21

Description	FY2021/22	FY2020/21
Drawbacks Lodged	1,927	2,191
Value of Drawbacks Lodged AUD	\$601,594,538	\$533,915,489
Total Drawbacks Paid	1,858	2,108
Total Drawbacks paid AUD	\$573,426,494	\$533,292,773
Drawbacks Rejected	33	31
Value of Drawbacks Rejected	\$660,123	\$29,887,572

Table 8 - Administration of Duty Drawbacks (number) July – Sep 2022 with comparison to the same period 2021

Description	JUL – SEP 2022	JUL – SEP 2021
Drawbacks Lodged	453	556
Value of Drawbacks Lodged AUD	\$83,413,103	\$138,822,197
Total Drawbacks Paid	457	539
Total Drawbacks paid AUD	\$123,446,461	\$166,528,889
Drawbacks Rejected	4	11
Value of Drawbacks Rejected	\$167,396	\$177,736

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.

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 9 - CMP import declaration results FY 2021/22 with comparison to 2020/21

Description	FY2021/22	FY2020/21
No. of lines checked	6,223	6,190
No. of lines detected to have errors	1,377	1252
Error Rate	22.1%	20.2%
No. of Detections	1,796	1600

Table 10 - CMP import declaration results Jul – Sep 2022 with comparison to same period 2021

Description	JUL – SEP 2022	JUL – SEP 2021
No. of lines checked	1,556	1,551
No. of lines detected to have errors	354	301
Error Rate	22.8%	20.7%
No. of Detections	452	482

Table 11 - Most common errors on import declaration lines (CMP)

Description	FY2021/22	FY2020/21
Incorrect Delivery Address	206	171
Val - Valuation Date	194	220
Other	157	125
Val - Price (Invoice Total)	146	111
Tariff Classification	124	125
Val - Invoice Terms	120	182
Val - Related Transaction	108	106
Goods Description	92	37
Gross Weight	64	74
Tariff Concession or Other Concession Other	64	61

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

Export declarations

Table 12 - CMP export declaration results FY 2021/22 with comparison to 2020/21

Description	FY2021/22	FY2020/21
No. of lines checked	604	774
No. of lines detected to have errors	224	260
Error Rate	37.1%	33.6%
No. of Detections	365	472

Table 13 - CMP export declaration results Jul – Sep 2022 with comparison to same period 2021

Description	JUL – SEP 2022	JUL – SEP 2021
No. of lines checked	125	176
No. of lines detected to have errors	44	65
Error Rate	35.2%	38.3%
No. of Detections	63	104

Table 14 - Most common errors on export declaration lines (CMP)

Description	FY2021/22	FY2020/21
FOB Value	94	151
Gross Weight	59	72
Net Quantity	48	56
AHECC - Misclassification	37	33
Origin	26	36
FOB Currency	20	32
Other Export Data Inaccuracy	19	36
Consignee Name	15	11
FOB Terms	12	3
AHECC - Multi-Lines	8	13

Cargo reporting

Table 15 – CMP Cargo report results FY 2021/22 with comparison to 2020/21

Description	FY2021/22	JUL – SEP 2021
No. of lines checked	6,223	6,190
No. of lines detected to have errors	362	204
Error Rate	5.82%	3.30%
No. of Detections	402	229

Table 16 – CMP Cargo report results Jul – Sep 2022 with comparison to same period 2021

Description	JUL - SEP 2022	JUL – SEP 2021
No. of lines checked	1,556	1,551
No. of lines detected to have errors	93	89
Error Rate	5.98%	5.82%
No. of Detections	104	103

Table 17 - Most common errors on cargo reports (CMP)

Description	FY2021/22	FY2020/21
Consignee Incorrect	78	61
Cargo Report Data Inaccuracy (Other)	77	46
Goods Description	66	6
Port of Destination	63	13
Consignor Incorrect	46	36
Gross Weight	34	21
Declared Value	15	11
Origin Port of Loading	10	26
Bill Number	6	5
Country of Origin	6	0

Around the Regions

Northern Territory

Recently the ABF worked in conjunction with industry and other government departments to enable the clearance of multiple containers and trailers into the Gove district port. The clearance related to the National Aeronautics and Space Administration (NASA) project in Nhulunbuy Township, on the Gove Peninsula, in north-east Arnhem Land.

The goods arrived on a direct international vessel into Gove port which is not a regular occurrence in this area. The Gove Peninsula is approximately 600 kilometres from Darwin. Nhulunbuy Township is the main centre of the peninsula. ABF has a District Office in the area, however due to the large scale clearance requirements ABF Supply Chain officers from Darwin were brought in to assist Gove ABF officers.



ABF worked closely with NASA, the Department of Agriculture Fisheries and Forestry, and both local and interstate Freight Forwarders and Brokers to enable the clearance of 17 containers and seven trailers in total. Rio Tinto who lease the area also went above and beyond for the staff on the ground and even supplied our officers with some shelter.



Feedback was received from the Freight Forwarders and NASA that the ABF team on site were professional, organised and a credit to ABF. This is great recognition of our ability to work in close co-operation with industry to enable facilitation of trade and clearance of large scale shipments into a district port.

Images: ABF and Industry Members Gove NASA Project Import (Source: ABF)

In the news

July 2022

Three charged after meth and cocaine worth more than \$150 million seized

Detectives have charged three men following a joint investigation into the alleged importation into Sydney of methamphetamine and cocaine worth more than \$150 million.

In June this year, detectives from the State Crime Command's Organised Crime Squad, in partnership with Australian Federal Police (AFP) and the NSW Crime Commission (NSWCC), established Strike Force Wullamulla to investigate the importation of illicit drugs into NSW.

Acting on information from US Customs & Border Protection (CBP) and with the assistance of Australian Border Force (ABF), officers targeted a shipment which arrived in Sydney from the United States last month.

During a subsequent deconstruction, it was found to contain 230kg of methamphetamine and 1.2kg of cocaine concealed within machinery.

The drugs have a combined estimated potential street value of more than \$150 million.

Strike Force Wullamulla investigators, with assistance from AFP and ABF, subsequently conducted a controlled delivery to a Prestons business on Saturday, 2 July 2022.

Later that day, two men – aged 21 and 22 – were arrested as they allegedly attempted to access the consignment with an angle grinder.

They were taken to Merrylands Police Station and charged with possess commercial quantity suspect illegal import border control drug and possess marketable quantity suspect import border-controlled drug.

Both men were refused bail and appeared at Parramatta Bail Court the following day, where they were formally refused bail to reappear at the same court on Thursday, 25 August 2022.

Following further inquiries, strike force detectives – with the assistance of Public Order Riot Squad (PORS) – executed a search warrant at a hotel in Cabramatta and a business in Prestons from 2pm on Thursday, 7 July 2022.

During subsequent searches, police located and seized electronics, cash, and other items relevant to investigations for forensic analysis

A 41-year-old man was arrested at the hotel and taken to Fairfield Police Station, where he was charged with import commercial quantity of border-controlled drug and import marketable quantity of border-controlled drug.

The man was refused bail and appeared at Fairfield Local Court on Friday, 8 July 2022.

Organised Crime Squad Commander, Detective Superintendent Rob Critchlow, said the import was intercepted as a result of robust police work spanning both hemispheres.

"Our relationships with law enforcement partners both here and overseas means we can easily identify and dismantle these types of syndicates regardless of where the drugs originated," Det Supt Critchlow said.

"We'll continue to work closely and slash the profits of those involved in organised criminal activity, putting those responsible before a court and preventing these harmful drugs from reaching our borders."

AFP Acting Superintendent Morgen Blunden said the AFP and its partners would continue to pursue organised crime groups and disrupt their illegal activities at every level.

"The AFP is committed to protecting the community from harmful drugs and working closely with its law enforcement partners to stop the tide of methamphetamine and cocaine coming into Australia," Det-Acting Superintendent Blunden said.

ABF Acting Commander Elke West emphasised the importance of inter-agency cooperation in combatting importations of border-controlled drugs such as cocaine and methamphetamine.

"The ABF will continue to support and work collaboratively with all law enforcement agencies in Australia and offshore. These arrests demonstrate that strong partnerships can effectively prevent and disrupt organised crime syndicates attempting to import illicit substances into Australia," Acting Commander West said.

Man jailed over huge illicit tobacco importation scheme

A member of a large criminal network importing tobacco into Australia has been sentenced to three and a half years in prison following an Australian Border Force (ABF) investigation.

On 26 November 2019, ABF officers launched Operation Kalondra after 427,800 illicit cigarettes were found hidden in an air cargo consignment bound for Victoria.

The ABF investigation revealed a syndicate was operating in Melbourne and receiving millions of illegal cigarettes from China.

Between November 2019 and March 2021, ABF officers intercepted and seized five consignments containing illegal tobacco.

They were addressed to various people and companies suspected of being under the control of a Chinese National in Victoria.

ABF detections linked to the syndicate include an estimated 3,920,600 cigarettes and 8,195kg of loose leaf tobacco, worth \$17,609,818 in revenue evaded.

On 4 September 2020, ABF Regional Investigations officers arrested the Chinese National. He was subsequently charged with multiple offences linked to importing illicit tobacco.

During the course of the investigation, ABF officers executed search warrants in Bundoora and Reservoir and seized \$183,000 along with other evidence linked to the importation of illegal tobacco.

On 18 July 2022, the man was sentenced to three years and six months at the County Court of Victoria, with a non-parole period of two years and three months.

The \$183,000 was forfeited to the Commonwealth as proceeds of crime.

ABF Acting Superintendent Jessica Fensling said the sentence sends a strong message to those who are attempted to become involved in the illicit tobacco trade.

"There is a common misconception that engaging in the illicit tobacco trade is a victimless crime, but that is wrong," Acting Superintendent Fensling said.

"Buying illicit tobacco is a crime. It funds organised criminal syndicates and allows them to undertake other serious criminal activities that harm Australian society.

"It also takes away potential income from genuine retailers, sometimes small family-run businesses, who abide by the law and are supporters of their local community."

The penalties for smuggling tobacco are severe and can include up to 10 years' imprisonment and/or a fine of up to five times the amount of duty evaded.

Anyone with information about the importation and export of illicit tobacco or cigarettes should contact Border Watch. By reporting suspicious activities, you help protect Australia's border and the community. Information can be provided anonymously.

August 2022

Man charged after allegedly hiding pseudoephedrine in wedding photos

A Treeby man has been arrested and charged by Australian Border Force (ABF) after allegedly attempting to smuggle more than four kilos of pseudoephedrine into Australia hidden in wedding photo frames.

A total of 4.89kg of pseudoephedrine was intercepted by ABF officers in Victoria in a package marked 'wedding photos' from India with a residential delivery address in Western Australia.

ABF investigators in Perth then substituted the drug with an inert, harmless substance and delivered the wedding photos to the intended recipient.

The man was charged by ABF Investigations WA with one count of importing a commercial quantity of a border controlled precursor following the execution of a Customs Act search warrant at his Treeby residence. Electronic devices and a quantity of cash were also seized.

ABF Assistant Commissioner West, Emma Johnson said pseudoephedrine was the main precursor drug to manufacture methamphetamine and the man's arrest should serve as a warning.

"ABF officers take their role of stopping the illegal importation of dangerous precursor drugs very seriously, as methamphetamine is causing significant harm in our community," Assistant Commissioner Johnson said.

The investigation was part of a Serious and Organised Crime Coordination Committee (SOCCC) initiative to reduce the impact of High Risk and Emerging Drugs (HRED) and precursors in Australia.

The man appeared in the Magistrates Court of Western Australia, he was granted bail to appear at a later date. The maximum penalty for importing a border controlled precursor is 25 years imprisonment.

Members of the community with information about the importation of illicit drugs and precursors can contact Border Watch. By reporting suspicious activities, you help protect Australia's border. Information can be provided anonymously.

September 2022

Printed firearms found on Kangaroo Island

South Australian Police Serious Firearm Crime Investigation Section and Australian Border Force searched a property on Kangaroo Island, locating a 3D printer with several homemade firearms.

Police also found a number of homemade prohibited weapons, ammunition and a book containing instructions to manufacture explosives.

A 24-year-old Kangaroo Island man was arrested for serious firearms offences including manufacture of firearms, possess prescribed firearms, possess ammunition without licence, insecure ammunition, possess prohibited weapons and possess instructions for making explosive device.

ABF Acting Border Force Superintendent. Tom Williams said that his officers continue to remain vigilant of illegal firearm activity to ensure criminal actors do not get the opportunity to endanger members of the community.

“The ABF works tirelessly in protecting the community by targeting those seeking to create or import illicit firearms through advanced analytical techniques and technology,” said Superintendent Williams.

“We work closely with our partner agencies to disrupt criminals seeking to obtain illegal firearms and firearm parts which can potentially harm the Australian community.”

The man has been bailed to appear in the Kingscote Court on 21 November 2022.

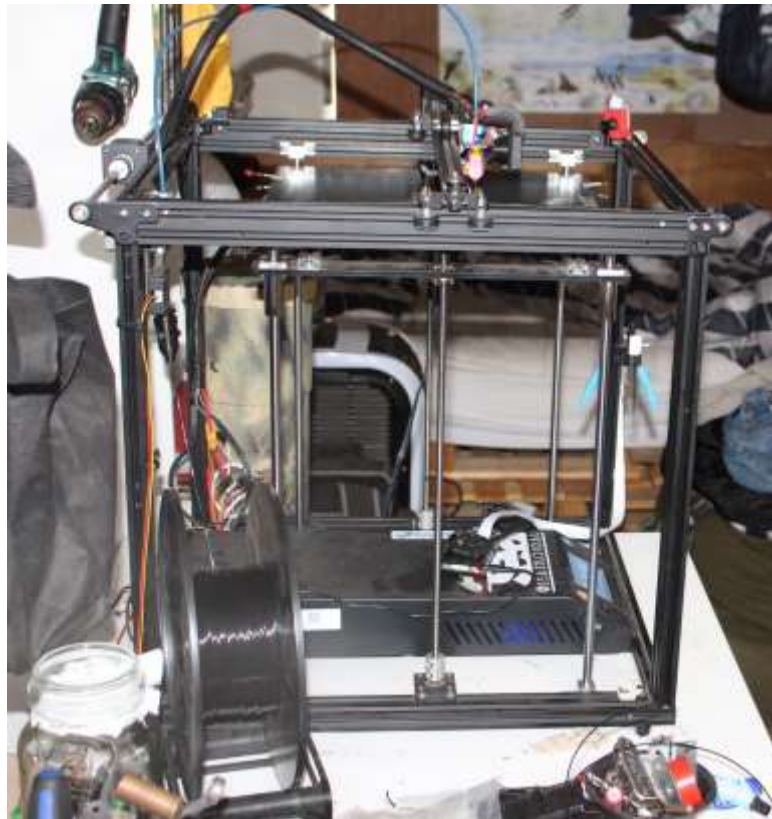


Image: 3D Printer (Source:ABF)

GCU Next Issue & Contact Information

Continuing Professional Development GCU Point Update

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

Web Links

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

Contact Information

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

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

Glossary

ABF	Australian Border Force
ACM	Asbestos Containing Material
ACN	Australian Customs Notice
AEO	Authorised Economic Operator
AFP	Australian Federal Police
AHKFTA	Australia-Hong Kong Free Trade Agreement
APC	Agriculture Processing Charge
APL	Agriculture Processing Levy (Charge)
APM	Australian Police Medal
APVMA	Australian Pesticides and Veterinary Medicines Authority
ARN	Australian GST registration number
ASA	Australian Space Agency
ASEAN	Association of Southeast Asian Nations
ASO	Australian Sanctions Office
ATO	Australian Taxation Office
ATS	Automotive Transformation Scheme
ATT	Australian Trusted Trader
AUKFTA	Australia United Kingdom Free Trade Agreement
CBD	Cannabidiol
ChAFTA	China Australia Free Trade Agreement
CITES	The Convention on International Trade in Endangered Species
COAG	Council of Australian Governments
COO	Certificate of Origin
CMP	Compliance Monitoring Program

CP	Counter Proliferation
CPD	Continuing Professional Development
CPQ	Community Protection Questions
CPTPP	Comprehensive and Progressive Agreement for Trans-Pacific Partnership
CRN	Consolidation Reference Number
DDU	Detector Dog Unit
DEC	Defence Export Controls
DFAT	Department of Foreign Affairs and Trade
DIBP	Department of Immigration and Border Protection (2015-2017)
DOO	Declaration of Origin
DSGL	Defence and Strategic Goods List
ECA	Export Control Assessment
EDN	Export Declaration Number
EEG	Excise Equivalent Goods
EFT	Electronic Funds Transfer
FID	Full Import Declaration
FTA	Free Trade Agreement
GCU	Goods Compliance Update
GST	Goods and Services Tax
Harmonized System	Harmonized Commodity Description and Coding System
IA-CEPA	Indonesia Australia Comprehensive Economic Partnership Agreement
IAG	Industry Advisory Group
IGL	Intergovernmental Ledger
ICS	Integrated Cargo System
IDM	Illustrative descriptive material
IFCBAA	International Forwarders and Customs Brokers Association of Australia

IMDA	The Infocomm Media Development Authority of Singapore
IPC	Import Processing Charge
IPRE	Intellectual Property Rights Enforcement
ITTF	Illicit Tobacco Task Force
INS	Infringement Notice Scheme
JAXA	Japanese Aerospace Exploration Agency
JSCOT	Joint Standing Committee on Treaties
LCL	Less than Container Load
LCT	Luxury Car Tax
MRA	Mutual Assistance Arrangement
NCBLAC	National Customs Brokers Licensing Advisory Committee
NGA	National Gallery of Australia
OCG	Organised Crime Group
ODC	Office of Drug Control
PACER	Pacific Agreement on Closer Economic Relations
PAFTA	Peru-Australia Free Trade Agreement
PCI	Pre-Clearance Intervention
PSM	Public Service Medal
PSR	Product Specific Rules
RCEP	Regional Comprehensive Economic Partnership
SAC	Self-Assessed Clearance
SAFE Framework	SAFE Framework of Standards to Secure and Facilitate Global Trade
STS	Simplified Trade System
TCCU	Thermal Controlled Container Units
TGA	Therapeutic Goods Administration
TLF	Tariff list file



UAVs	Unmanned Aerial Vehicles
UK	United Kingdom of Great Britain and Northern Ireland
UNSC	United Nations Security Council
WET	Wine Equalisation Tax
WCO	World Customs Organization
WMD	Weapons of Mass Destruction