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# Compliance Update



## Message from the National Manager Compliance Assurance

This edition of the Compliance Update highlights some of the excellent results achieved by Customs and Border Protection in a number of areas including a major containment operation dealing with asbestos.

You will also find important information on a number of border risks including the importation of objectionable goods.

Compliance Assurance Branch has gone through a period of considerable change this year as we transferred staff and administration responsibility for excise equivalent goods warehouses to the Australian Taxation Office, along with the associated compliance functions. Additionally, we have continued to reshape our Branch to increase our efficiencies and improve our service delivery in an

increasingly tight fiscal environment. To achieve this we have moved to a differentiated risk model to create a greater alignment of resources to the areas of greatest risk.

I am also pleased to announce that the Compliance Monitoring Program in Brisbane was runner-up for the Best Practice in Federal Government Award category in the 2010 Institute of Public Administration Australia Queensland Public Sector Excellence Awards. This recognition is significant in how it demonstrates Customs and Border Protection's ability to create and implement a program that provides benefits for both the organisation and some of our key industry stakeholders, and represents a significant achievement of which we are justifiably proud.

I trust that you will find this issue of the Compliance Update informative and useful, and encourage you to provide feedback to ensure that we are highlighting the issues that will assist in your efforts to meet Customs and Border Protection requirements.

Craig Sommerville  
**National Manager**  
**Compliance Assurance Branch**

# Compliance Update

## Asbestos in imported goods manufactured outside Australia

Since March 2010, Customs and Border Protection has been actively targeting imported goods at risk of asbestos contamination.

**Asbestos has now been detected in a wide range of goods used in heavy industry including gaskets, jointing materials in flues, furnaces, ducts, pipe spools, flash vessels, valves, heating equipment and pressurised hoses. Asbestos has also been detected in packaging materials for these goods.**

To date, over 1000 imported items have been confirmed as containing asbestos. In some cases, items of equipment have contained numerous components containing asbestos.

### BORDER INTERVENTION

Where goods are suspected of containing asbestos, they may be detained at the border. Importers may be required to arrange and pay for the inspection of the goods by an independent, suitably qualified hygienist, or the relevant State/Territory work safety authority. Where an inspected good is suspected of being contaminated, the importer will also be required to arrange for removal of the item, testing, and if required, removal of the asbestos. In some circumstances, the goods may be seized as a prohibited import. Customs and Border Protection

has commenced formal investigation activity in respect of some recent imports, with warrants executed where necessary.

While Customs and Border Protection makes every effort to release goods as quickly as possible after arrival, importers should be aware that there may be delays in releasing goods suspected of containing asbestos.

### WHERE ARE THE CONTAMINATED GOODS COMING FROM?

To date, asbestos has primarily been detected in a range of pre-assembled or pre-manufactured goods sourced from South East Asia and Eastern bloc countries. However, importers should be aware that asbestos has also been found in goods shipped via other countries including Italy and New Zealand.

### WHAT CAN INDUSTRY DO TO ENSURE IMPORTED GOODS ARE FREE FROM CONTAMINATION?

Experience to date indicates that many importers have contracts with suppliers that require their goods to be free from asbestos. Unfortunately, Customs and Border Protection's experience is that certifications from overseas manufacturers and suppliers that goods are asbestos-free cannot always be relied upon.

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Importers of like goods from overseas should:

- ensure that contracts with overseas manufacturers and suppliers explicitly specify that all goods supplied (including temporary or replacement fittings such as transport gaskets, packaging and strapping or protective materials) are to be free from asbestos
- consider arranging for inspection and certification (by an appropriately independent and qualified hygienist) that the goods are asbestos-free, before they are exported to Australia.

This will assist Customs and Border Protection in clearing 'at risk' goods as quickly as possible, and reduce costs associated with shipments detained at the border.

## WHAT SHOULD I DO IF I THINK I MAY HAVE IMPORTED GOODS CONTAINING ASBESTOS?

Importers who suspect they may already have imported goods that contain asbestos should notify Customs and Border Protection on 1300 363 263, or via email to [community.protection@customs.gov.au](mailto:community.protection@customs.gov.au)

An Australian Customs Notice ([ACN 2010/45](#)) on the importation of asbestos or goods containing asbestos is available on the Customs and Border Protection [internet site](#).

## Infringement Notice Scheme reminder

There were new offences introduced earlier this year directed at people who fail to meet their obligations to account for and keep safe goods subject to Customs control. This includes goods unloaded and stored at a Cargo Terminal Operator (wharf or airport) and goods held in a section 77G licensed depot or a section 79 licensed warehouse.

Some of these offences were included in the Infringement Notice Scheme (INS) and the INS guidelines were amended after extensive consultation with industry. The amended [INS guidelines](#) are available from the [Compliance web page](#) on the Customs and Border Protection internet site.

## FAILING TO ACCOUNT FOR GOODS AND KEEP GOODS SAFE

The new offences under the Customs Act 1901, are:

- Subsections 36(1) and (2) – two offences for failing to keep goods, which are subject to the control of Customs and Border Protection, safely;
- Subsections 36(4), (5), (6) and (7) – four offences for failing, if required by a Collector, to account for goods which are subject to the control of Customs and Border Protection.

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Section 37 specifies how a person, if requested, is to account for goods to the satisfaction of a Collector.

Some of these offences are strict liability and included in the INS which may be used in lieu of prosecution.

## ADMINISTRATIVE MORATORIUM

An administrative moratorium on the new offences means that offences committed prior to 1 July 2010 will not be pursued under the INS.

## FOR MORE INFORMATION

You will find more information on the new offences in [Australian Customs Notice 2010/24](#).

You can also contact the Customs and Border Protection Depot or Warehouse Compliance team in your area by emailing [compliance1@customs.gov.au](mailto:compliance1@customs.gov.au) or calling 1300 363 263.

## The Compliance Monitoring Program celebrates a milestone

On 1 July 2009, Compliance Assurance Branch implemented the Compliance Monitoring Program (CMP) to monitor risk and revenue leakage in the import declaration environment and reduce the imposition and cost of compliance for industry. Using Pre-Clearance Intervention or redline processing, the CMP (a national program based in Brisbane) replaced the Benchmark Audit Program.

The cargo reporting and export phase of the program commenced in January 2010. The accuracy of cargo reporting data is tested by verifying information declared in the cargo report associated with the import declarations randomly selected for CMP activity. We request various commercial documents, particularly air waybills or bills of lading, for verification.

In the export phase of the program, approximately 1000 export declaration lines are selected for the year. To ensure cargo continues to move efficiently in the export environment, Customs and Border Protection do not place holds on cargo.

# Compliance Update

The CMP was a finalist for the Best Practice in Federal Government category in the 2010 Institute of Public Administration Australia Queensland Public Sector Awards. The award recognises a team working in Federal Government which has delivered best practise and made a significant contribution to service delivery. Although CMP did not win the award, being a finalist was a proud moment for the officers who brought the CMP to life.

The CMP provides benefits to the organisation as well as industry stakeholders, and as we mark the first birthday of the program we are afforded an opportunity to consider some of the interesting insights into what the CMP is showing us.

The CMP has proved successful based on the hard work of Compliance Assurance staff and the cooperation of industry stakeholders in responding quickly to document requests. We are continually looking at improving compliance processes and as a result, the CMP is now a more refined product than when it first started on 1 July 2009.

## COMPARISON OF 2009/2010 AND 2010/2011

The total number of import declaration lines selected and checked for the first quarter in 2010/2011 was 1336, which is 1550 lines (or 53.7%) less than the first quarter in 2009/2010. This change in workload occurred to reflect the intention and design of the CMP, which is to select and check 6000 import declaration lines per year.

During the 2010/2011 first quarter, there has been an increase from the 2009/2010 first quarter of 1.6% in the Error Rate and 3.2% in the Significant Error Rate (where errors are considered material and Customs and Border Protection requires amendment.)

Given the large population of the samples from the two quarters, statistically, the increases in error rates between the two quarters are not significant.

We are currently developing a method to provide a more meaningful comparison of errors, based on increases measured against the implication of the error and the error margin of revenue leakage.

# Compliance Update

## COMPARISON OF 2009/2010 AND 2010/2011 STATISTICS

Imports activity	1 Jul – 30 Sep 2009	1 Jul – 30 Sep 2010	Difference
No of lines checked (a)	2,886	1,336	-1,550
No of lines detected to have error/s (b)	405	208	-197
Error rate = (b) / (a)	14.0%	15.6%	1.6%
No of lines amended (d)	226	147	-79
Significant error rate = (d) / (a)	7.8%	11.0%	3.2%
No of detections	447	250	-197

Cargo report errors	1 Jul – 30 Sept 2009	1 Jul – 30 Sep 2010	Difference
No of Lines Selected	NA	1,320	
No of Cargo Reports Detected to Have Error/s (a)	NA	52	
No of Cargo Reports Checked (b)	NA	1,202	
Error Rate = a / b	NA	4.3%	
No of Reports Amended (d)	NA	22	
Significant Error Rate = d / b	NA	1.8%	
Total No of Detections	NA	72	

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Export error rates	1 Jul – 30 Sep 2009	1 Jul – 30 Sep 2010	Difference
No of lines checked (a)	NA	247	
No of lines with detection/s (b)	NA	35	
Error rate = b/a	NA	14.2%	
No of lines amended ( c )	NA	30	
Significant error rate = c/a	NA	12.1%	
No of detections	NA	49	

The full CMP statistics can be found on page 16 so you can see common detections, which we hope will help you improve your compliance with Customs and Border Protection requirements.

## Importation of Objectionable Goods

Customs and Border Protection regularly detects importations of objectionable material, including child pornography. The importation of objectionable material is prohibited without permission under Regulation 4A of the *Customs (Prohibited Imports) Regulations 1956*.

### WHAT IS OBJECTIONABLE MATERIAL?

‘Objectionable’ covers a wide range of material, including sexualised violence, graphic degradation, depictions of bestiality, cruelty, harmful or disgusting fetishes and offensive fantasies. Objectionable material also includes terrorism related material and material which instructs in or incites drug use, crime or violence. It also includes child abuse material, and material that depicts adults as children under 18. It is illegal to bring child pornography into Australia.

Objectionable material may be contained in publications, films, computer games or computer generated images. Material is assessed in accordance with the National Classification Guidelines. The standard for determining what is objectionable mirrors the Refused Classification standard under the National Classification Code and the *Classification (Publications, Films and Computer Games) Act 1995*.

# Compliance Update

## WHAT HAPPENS IF YOU IMPORT OBJECTIONABLE MATERIAL?

Anyone bringing objectionable material into Australia may face significant fines and/or imprisonment, the seizure of the material, and any electronic or other media device containing the material. Individuals or companies cannot be given access to electronic devices after seizure to retrieve other legitimate material (such as critical business data).

A range of factors determine what action is taken against a person importing prohibited objectionable material, including the nature and volume of the material, the previous import history of the importer, and the seriousness of the offence. The purpose of the importation, such as an importation for commercial purposes, will also be taken into account. Measures can range from seizure of the goods to prosecution.

Penalties range from fines of up to \$110,000 for personal or non-commercial imports, to fines of up to \$110,000 and prison terms of up to 5 years for commercial imports of objectionable goods. Fines of up to \$275,000 and imprisonment for up to 10 years can apply for child pornography and child abuse material. Between 1 July 2009 and May 2010, 45 cases were prosecuted including 39 cases involving child pornography.

Commercial importations of objectionable goods are those involving either the import of 25 items or more, or goods imported for the purpose of selling, hiring or distributing the goods or exhibiting or displaying the goods in public.

Customs and Border Protection have been detecting and seizing objectionable material in both the Passenger and Cargo environments, particularly material that depicts adults as children under the age of 18. Customs and Border Protection have also identified that advertising material within an otherwise X18+ publication or bonus DVD's are often the reason that material is considered to be prohibited.

If you are entering goods on behalf of an importer and you suspect that the goods may include objectionable material, you should ask the importer to confirm that the goods are classified appropriately and indicate if they believe that objectionable material may be included. If the goods contain or you suspect may contain objectionable material you should enter the goods redline for assessment by Customs and Border Protection.

# Compliance Update

## Compliance Assurance National Client Model

The Compliance Assurance Branch is implementing a new business model, which moves us away from verifying compliance to identifying non-compliance of importers, exporters and service providers within the end-to-end cargo process and using appropriate treatments to deal with non-compliance.

Further, Compliance Assurance will be assessing the overall risk of a client and dealing with them from a national point of view rather than a state-by-state, transaction-by-transaction approach, which currently occurs. This approach is currently under development. More information will be available in the next Compliance Update after we have consulted with a number of major national clients on our intended approach.

## Excise equivalent goods administration update

Excise equivalent goods (EEGs) are imported alcohol, tobacco and fuel that, if produced or manufactured in Australia, would be subject to excise duty. On 1 July 2010 the responsibility for the administration of EEGs that are warehoused moved from Customs and Border Protection to the Australian Taxation Office (ATO).

There has been no change to legislation and the ATO has responsibility for the administration of EEGs under delegation from Customs and Border Protection.

A [quick reference guide](#) is available to help you work out which agency to contact in relation to EEGs.

### LICENSING

You will continue to deal with Customs and Border Protection if you have / wish to apply for a warehouse licence for a duty free store, providore or flight catering bond or a warehouse licence in which you do / will not store EEGs. See [Licensing](#) for further information.

# Compliance Update

With the exception of businesses in the duty free, catering bond and providore industries, you should apply to the ATO for a warehouse licence if you:

- intend to store EEGs in a warehouse, or
- are an operator of one or more warehouses and at least one of your warehouses deals with EEGs.

Further information is available on [www.ato.gov.au/excise](http://www.ato.gov.au/excise) or contact the ATO on 1300 137 290 (option 4) between 8.00am and 6.00pm, Monday to Friday.

## IMPORTER OR OWNER OF WAREHOUSED EEGS

With the exception of businesses in the duty free, catering bond and providore industries, if you are an importer or owner of EEGs that are warehoused you will deal with the ATO if you need to:

- apply for a weekly / periodic settlement permission
- apply for a movement permission to move your goods (EEGs or other goods) from an ATO administered warehouse, and
- seek remissions of duty on warehoused EEGs or other goods stored in an ATO administered warehouse.

The ATO is also responsible for managing risk and carrying out compliance activities associated with warehoused EEGs.

Further information is available on [www.ato.gov.au/excise](http://www.ato.gov.au/excise) or contact the ATO on 1300 137 290 (option 4) between 8.00am and 6.00pm, Monday to Friday

## DUTY FREE, CATERING BOND AND PROVIDORE INDUSTRIES

You will continue to deal with Customs and Border Protection in relation to:

- your Customs warehouse licence
- applying to move goods from your warehouse
- seeking remissions of duty on warehoused EEGs or non-EEGs, and
- existing Customs and Border Protection requirements for your business.

Customs and Border Protection is also still responsible for managing risk and carrying out compliance activities. If you also have an excise licence, you will continue to deal with the ATO on any excise only matters.

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If your supplier is moving goods from an ATO administered warehouse, they will need to contact the ATO for a movement permission. If your supplier is moving goods from a Customs and Border Protection administered warehouse, they will need to contact Customs and Border Protection.

## NON-EEG WAREHOUSES

Where a warehouse is a designated non-EEG premises, the warehouse licence will specifically state that the goods that may be stored in the warehouse excludes EEGs.

Where a Customs and Border Protection administered warehouse wishes to store EEGs on an incidental / one-off basis, the licence holder will be required to apply to Customs and Border Protection Warehouse Licensing ([licensing@customs.gov.au](mailto:licensing@customs.gov.au)) for each separate instance.

## Compliance statistics 2010/2011

### SUMMARY OF CMP FINDINGS

The following sections provide a breakdown of CMP findings to 30 September 2010.

Causes of the errors are being further analysed to identify potential compliance improvement strategies as a part of the ongoing Customs and Border Protection compliance program.

### CMP IMPORTS

A total of 250 errors were detected in the first quarter of 2010/2011. Four error types represented greater than 10% of all errors: Tariff Classification, 53 errors (21.2%); Invoice Terms, 42 errors (16.8%); Currency, 35 errors (14.0%); and Related Transaction Indicator, 30 errors (12.0%).

### Tariff Classification

Of the 53 errors detected, 12 errors (37.7%) had revenue implications resulting in:

- Duty understated \$2,238.59
- Duty overstated \$452.63
- Deferred GST understated \$1,168.65

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- Deferred GST overstated \$1,447.70
- Collected GST understated \$177.89
- Collected GST overstated \$448.28.

Any variations in deferred GST are reconciled when the importers lodge their business activity statement with the Australian Taxation Office. The net effect on revenue was duty understated by \$1,785.96 and collected GST overstated by \$270.39.

The import declaration amendments made were:

- The tariff classification for 17 lines were re-classified to a different chapter in the Customs Tariff
- 12 lines were split into two or more tariff classifications
- 24 lines were re-classified to within the same chapter.

## Invoice Terms

Of the 42 errors detected, 19 errors (45.2%) had revenue implications but the error or margin in terms of revenue leakage is insignificant with the established pattern being overstating duty and GST, particularly deferred GST:

- Duty overstated \$350.56

- Deferred GST understated \$707.42
- Deferred GST overstated \$81,711.51
- Collected GST overstated \$113.29.

The net effect on revenue is duty overstated by \$350.56 and collected GST overstated by \$113.29.

## Currency

Of the 35 errors detected, four errors (11.4%) had revenue implications. These four errors are attributable to three individual brokers and one freight forwarder.

These four errors resulted in:

- Duty overstated \$3,023.12 (two lines, \$398.13 and \$2,624.99)
- Deferred GST understated \$796.58 (one line)
- Deferred GST overstated \$258,788.00 (one line)
- Collected GST overstated \$17,471.74 (two lines, \$495.32 and \$16,976.42).

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Of the 35 errors, 29 (82.9%) were attributable to an individual service provider. All of these 29 errors had no revenue implication. These errors occur because the software used by the service provider defaults the currency field to AUD (Australian Dollars) and on checking the valuation date and the applicable currency exchange rate, the declared Customs Value (CVal) is verified to match the invoice.

## **Related Transaction Indicator**

It was found that 100% of the detections related to the indicator entered as 'unrelated transaction' (UT) when documents indicated that it should be 'related transaction' (RT).

Discussion with the Customs Brokers revealed that most of their software is programmed to have this indicator defaulted to UT. If the person preparing the import declaration is not particularly mindful, the indicator is often left as it is.

The number of errors detected over the current quarter are 13, 11 and 6 for the month of July, August and September 2010 respectively, which indicates a continuing improvement in the accuracy in the related transaction indicator.

## **CARGO REPORTING DATA ACCURACY**

72 errors were detected in the quarter. Significant errors were:

- Consignor address 19 (26.4%)
- Consignor name 12 (16.7%)
- Consignee address 9 (12.5%)
- Consignee name 9 (12.5%).

Improving accuracy in these fields will significantly assist Customs and Border Protection in carrying out its roles in protecting the border.

Note that in the early stages of monitoring cargo report accuracy, Customs and Border Protection had been contacting brokers to discuss concerns with cargo reports. We acknowledge that this had caused problems, as the broker is not always the reporting party, and as such, we have altered checking procedures. Where problems arise, the Compliance Monitoring Team will contact the responsible reporting party.

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## EXPORTS

### FOB Value & FOB Terms

The majority of the errors made were due to either incorrect data entry or some exporters' (in particular, exporters of fresh fruits and vegetables) lack of understanding of what FOB means and being cost orientated, they often erroneously report their costs as the FOB value.

For the September quarter, there were 49 errors detected. Of these, 19 (38.8%) were found to be attributed to FOB value and five (10.2%) to FOB terms. Of these 24 lines:

- 11 had the FOB values understated. The amount understated ranged from \$464.00 to \$270,369.00.
- 13 lines had the FOB values overstated. The amount overstated ranged from \$121.00 to \$43,293.00.

### Net Quantity

The majority of the errors occurred in Chapter 2 (meat), Chapter 3 (seafood) and Chapter 8 (fruits) of the Customs Tariff. It is noted that the actual quantity is often not known until the consignments are actually loaded for export.

## AHECC Classification

Of the five errors detected, three were re-classified to within the same chapter, one to a different chapter and one was required to be split into two or more AHECC classifications.

## CMP IMPORT DECLARATIONS DATA ACCURACY MONITORING ACTIVITIES OUTCOME

### CMP Imports – error rate and number of detections made

Imports activity	Sep-10	YTD
No of lines checked (a)	410	1,336
No of lines detected to have error/s (b)	56	208
Error rate = (b) / (a)	13.7%	15.6%
No of lines amended (d)	38	147
Significant error rate = (d) / (a)	9.3%	11.0%
No of detections	66	250

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## CMP imports – detection types

Import detection types	Sep-10	YTD No. %	
Invoice terms	19	42	16.8%
Related transaction	6	30	12.0%
Valuation date	2	18	7.2%
Overseas freight	0	2	0.8%
Foreign inland freight	0	1	0.4%
Price	3	12	4.8%
Overseas insurance	0	0	0.0%
Other deductions	1	1	0.4%
Other addition	1	2	0.8%
Outside packaging	0	0	0.0%
Relevant transaction	0	3	1.2%
Royalties	0	0	0.0%
VOTI – GST	2	4	1.6%
Discounts	0	1	0.4%
Tariff classification	10	53	21.2%
Origin	0	11	4.4%

Preference	0	0	0.0%
Incorrect supplier identified	1	10	4.0%
Tariff concession or other concession other	1	7	2.8%
Quantity	3	12	4.8%
Incorrect owner identified	1	7	2.8%
Import goods not declared when required	0	0	0.0%
GST exemption code	1	1	0.4%
FTA concessions	0	0	0.0%
Non-declaration of imported goods	1	1	0.4%
Transport and/or insurance	0	0	0.0%
Incorrect GST deferral outcome	0	0	0.0%
Other:	16	38	15.2%
– Currency	15	35	
– Goods description	1	2	
– Weight	0	0	
– Valuation method	0	1	
– Bill of lading	0	0	
– Gross weight	0	0	

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- Invoice total	0	0	
- Importer's ABN	0	0	
- Port of discharge	0	0	
- Australian inland freight	0	0	
- Landing charges	0	0	
- Stat code	0	0	
- Vehicle importation authority	0	0	
- Package count	0	0	
- Importer's trading name not stated	0	0	
<b>Total detections</b>	<b>66</b>	<b>250</b>	<b>100.0%</b>

## CMP – CARGO REPORTING DATA ACCURACY MONITORING ACTIVITIES

### CMP, cargo reporting – error rate by lines and number of detections made

Cargo report errors	Sep-10	YTD
No of Lines Selected	410	1,320
No of Cargo Reports Detected to Have Error/s (a)	22	52
No of Cargo Reports Checked (b)	371	1,202
Error Rate = a / b	5.9%	4.3%
No of Cargo Report Amended (d)	10	22
Significant Error Rate = d / b	2.7%	1.8%
<b>Total No of Detections</b>	<b>36</b>	<b>72</b>

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## CMP, cargo report – detection types

Cargo report detection types	Sep-10	YTD	
		No.	%
Air way bill no	1	1	1.4%
Ocean bill no	2	2	2.8%
House bill no	3	5	6.9%
Arrival date	2	2	2.8%
Air waybill origin port code		0	0.0%
Sea bill of lading origin port code		0	0.0%
Original port of loading	1	1	1.4%
Port of destination		0	0.0%
Country of origin of goods		3	4.2%
Consignor name	4	9	12.5%
Consignor address	9	19	26.4%
Consignee name	7	9	12.5%
Consignee address	6	12	16.7%
Goods description		2	2.8%
Gross weight	1	5	6.9%
Declared value of goods		0	0.0%

Currency code		1	1.4%
Sea – container no		1	1.4%
<b>Total number of detections</b>	<b>36</b>	<b>72</b>	<b>100.0%</b>

## CMP EXPORT DATA ACCURACY MONITORING

### CMP export – error rate and the number of detections made

Export error rates	Sep 10	YTD
No of lines checked (a)	80	247
No of lines with detection/s (b)	11	35
Error rate = b/a	13.8%	14.2%
No of lines amended ( c )	10	30
Significant error rate = c/a	12.5%	12.1%
<b>No of detections</b>	<b>16</b>	<b>49</b>

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## CMP export – detection type

Detection types	Sep 10	YTD	
		No	%
FOB terms	1	5	10.2%
FOB currency		2	4.1%
FOB value	3	19	38.8%
AHECC classification	4	5	10.2%
AHECC multi-lines (should be split)	2	3	6.1%
AHECC – other	1	1	2.0%
Permits – not obtained		0	0.0%
Permits – other	1	4	8.2%
Net quantity	2	8	16.3%
Destination		0	0.0%
Origin	1	1	2.0%
Owner name		0	0.0%
Consignee name	1	1	2.0%
<b>Total no of detections</b>	<b>16</b>	<b>49</b>	<b>100.0%</b>

## THE INFRINGEMENT NOTICE SCHEME

All figures in the following tables are from 1 July 2010 to 28 September 2010.

INS – Infringement Notices served

DWL – Delegate Warning Letter

NDWL – Non-Delegate Warning Letter

## FALSE AND MISLEADING STATEMENT RELATED OFFENCES

Offence	Description	INS	DWL	NDWL
243T(1)	False or misleading statements resulting in a loss of duty	2	7	8
243U(1)	False or misleading statements not resulting in a loss of duty	0	1	0
243V(1)	False or misleading statements in a cargo report or outturn report	0	0	0

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## MOVEMENT OF GOODS RELATED OFFENCES

Offence	Description	INS	DWL	NDWL
33(2), (3) & (6)	Moving altering or interfering with goods subject to Customs control without authority	13	3	9
36(2), (6) & (7)	Failure to keep goods safely or failure to account for goods	0	0	0

## CARGO REPORTING AND ARRIVAL RELATED OFFENCES

Offence	Description	INS	DWL	NDWL
64(13)	Failure to meet reporting requirements for the impending arrival of a ship or aircraft	0	0	0
64AA(10)	Failure to meet reporting requirements for the arrival of a ship or aircraft	0	0	1
64AB(10)	Failure to meet reporting requirements for the report of cargo	0	0	0
64ABAA(9)	Failure to meet reporting requirements for outturn reports	0	0	5

## CARGO CONTROL AND ACCOUNTING

For the 2010-2011 financial year 11.3% of licensed premises (warehouses and depots) have been visited and subject to compliance activity.

## Compliance terminology

AWB	Air Waybill
CLEAR status (depots)	A cargo status in the ICS that allows cargo to be delivered into home consumption from a depot
CP	Continuing Permission – allows a permission owner to move goods between nominated warehouses on a continuing basis
CTO	Cargo Terminal Operator (can be Air or Sea)
DCL	Deconsolidation or “unpack” at a depot
DWA	Delivery Without Authority – when underbond goods are delivered into home consumption without being authorised by the Customs Act (s33 <i>Customs Act 1901</i> )
EDI	Electronic Data Interchange
FAK	Freight of all kinds
FCL	Full container load
FCX	Full container multiple suppliers
FOB	Free On Board
HAWB	House Air Waybill
HBOL	House Bill of Lading
LCL	Less than container load
Licensed depot	A depot licensed under s77G of the <i>Customs Act 1901</i>

# Compliance Update

Licensed warehouse	A warehouse licensed under s79 of the <i>Customs Act 1901</i>
MWA	Movement Without Authority – when underbond goods are moved to another licensed place or CTO – the goods are still under Customs control – without the movement being authorised by the Customs Act (s33 <i>Customs Act 1901</i> )
OBOL	Ocean Bill of Lading
STP	Single Transaction Permission – application must be made to Customs and Border Protection to move goods between nominated warehouses on a one-off basis (one movement per application)
UBM	Underbond movement
UBMR	Underbond movement request
Underbond movement	A movement of cargo subject to the control of Customs that moves on a permission granted under s71E of the <i>Customs Act 1901</i>

## Find us on the internet

If you are looking for more information on compliance-related issues, or want to access previous editions of the Compliance Update, you can now find all the information you need in one convenient location.

From the Customs and Border Protection internet site menu, click on 'import export' and then select 'complying with Customs and Border Protection'.

You can also follow this link or type this URL into the address bar on your internet browser: <http://www.customs.gov.au/site/page4271.asp>

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## **Tell us what you think...**

Your valuable feedback helps us make sure we are providing you with useful and relevant information.

You can contact us with compliance-related feedback and queries by phoning 1300 363 263 or emailing us at [compliance1@customs.gov.au](mailto:compliance1@customs.gov.au)