Accurate export information a necessity

The requirement for industry to provide timely and accurate cargo information is a key component of Cargo Management Re-engineering (CMR) and one of the major tasks facing the Australian Customs Service.

Export statistics are necessary for a number of important reasons. They are used to compile Australia's balance of payment figures determining interest and exchange rates and nationally and internationally in forecasting, monitoring and managing monetary, fiscal and trade policy.

The statistics are also used by the private sector to monitor and assess market share and trading patterns. Australian and overseas investors use them to conduct market research and identify business opportunities.

For Customs purposes, export data, like import information, has become increasingly important for risk assessing outwards cargo, ensuring compliance with border controls, and identifying revenue evasion and fraud.

Customs can only do this with a high level of data integrity. However, nationwide audit exercises by Customs have indicated that over half of all export clearance numbers (ECNs) (relied on for accurate statistics) contain at least one error.

ECNs are used by service providers such as customs brokers, air express couriers and freight forwarders and by exporters themselves to identify status of cargo, for example whether it is cleared for export. Customs ECN processing system EXIT generated an estimated 1.3 million ECNs during the 1999-2000 financial year.

The high error rate by service providers and exporters when inputting ECNs has prompted Customs to focus additional resources on improving their accuracy.

A new initiative - the establishment of Customs National Export Strategy Team (NEST) - will be working actively with industry with the aim of improving export data integrity.

In the short term, the team is focussing on a number of strategies that apply equally to service providers and exporters. These strategies include making written contact and identifying specific data errors. The team will ensure that companies are provided with the necessary information to correct the identified errors.

Over the next few months the team will be focussing on issues related to the correct reporting of ABN numbers, free on board values, unit values and country destinations.

The strategies are aimed at assisting the export industry to understand their reporting obligations.

Among errors detected during recent audits was one concerning a textile, clothing and footwear category exporter who exports only t-shirts. Of 52 ECNs submitted by a service provider on behalf of the company, all contained significant errors about the free on board value of the goods and 49 contained inaccurate goods classifications under the Australian Harmonised Export Commodity Classification Code. The inaccurate classifications included books, fabric, gloves and printing equipment; in fact, everything except clothing. A second example, found during an audit of another service provider, concerned a shipment of 2 232 thongs with a given value of $64 022 000, which makes for some very expensive footwear. Coincidentally, the classification code for thongs is 64022000, which explained the mistake.

By working closely with industry Customs National Export Strategy team is aiming to develop quality export information for use by the government and industry sectors.