

# *Information Supporting the Supplementary Estimates*

## *Vote Customs*

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MINISTER(S) RESPONSIBLE FOR APPROPRIATIONS: Minister of Customs (M21)

ADMINISTERING DEPARTMENT: New Zealand Customs Service

MINISTER RESPONSIBLE FOR NEW ZEALAND CUSTOMS SERVICE: Minister of Customs

## Part 1 - Summary of the Vote

### Part 1.3 - Trends in the Vote

#### Summary of Financial Activity

	2008/09				
	Estimates \$000	Supplementary Estimates			Total \$000
		Departmental Transactions \$000	Non- Departmental Transactions \$000	Total Transactions \$000	
<b>Appropriations</b>					
Output Expenses	123,832	1,594	-	1,594	125,426
Benefits and Other Unrequited Expenses	-	N/A	-	-	-
Borrowing Expenses	-	-	-	-	-
Other Expenses	552	-	1,511	1,511	2,063
Capital Expenditure	9,905	(3,405)	-	(3,405)	6,500
Intelligence and Security Department Expenses and Capital Expenditure	-	-	N/A	-	-
<b>Total Appropriations</b>	<b>134,289</b>	<b>(1,811)</b>	<b>1,511</b>	<b>(300)</b>	<b>133,989</b>
<b>Crown Revenue and Capital Receipts</b>					
Tax Revenue	9,418,000	N/A	190,000	190,000	9,608,000
Non-Tax Revenue	80	N/A	-	-	80
Capital Receipts	-	N/A	-	-	-
<b>Total Crown Revenue and Capital Receipts</b>	<b>9,418,080</b>	<b>N/A</b>	<b>190,000</b>	<b>190,000</b>	<b>9,608,080</b>

## Part 2 - Details and Expected Performance for Output Expenses

### Part 2.1 - Departmental Output Expenses

#### **Clearance of Import, Export and Excise Transactions (M21)**

##### *Scope of Appropriation*

The provision of services relating to validation, checking, inspection, clearance and audit of import and export consignments and excise returns.

##### *Reasons for Change in Appropriation*

This appropriation will decrease by \$1.325 million to \$44.856 million. This decrease mainly recognises latest costing information and prioritised resource allocations within the New Zealand Customs to enable the Service to meet performance standards across all its areas of responsibilities.

#### **Clearance of International Passengers, Crew and Craft (M21)**

##### *Scope of Appropriation*

The clearance of international passengers, crew and craft arriving in and departing from New Zealand.

##### *Reasons for Change in Appropriation*

This appropriation will decrease by \$178,000 to \$41.365 million. This decrease mainly recognises latest costing information and prioritised resource allocations within the New Zealand Customs to enable the Service to meet performance standards across all its areas of responsibilities.

#### **Intelligence and Risk Assessment Services (M21)**

##### *Scope of Appropriation*

The provision of intelligence and risk assessments that inform intervention strategies, including alerts for goods, people and craft.

##### *Reasons for Change in Appropriation*

This appropriation will increase by \$124,000 to \$4.363 million. This increase mainly recognises latest costing information and prioritised resource allocations within the New Zealand Customs to enable the Service to meet performance standards across all its areas of responsibilities.

## Investigation of Offences (M21)

### *Scope of Appropriation*

The proactive and reactive investigation of serious transnational crime, transnational crime and other border and revenue offences.

### *Reasons for Change in Appropriation*

This appropriation will increase by \$849,000 to \$10.431 million. This increase mainly recognises latest costing information and prioritised resource allocations within the New Zealand Customs to enable the Service to meet performance standards across all its areas of responsibilities.

## National Maritime Co-ordination Centre (M21)

### *Scope of Appropriation*

Co-ordination services for civilian purposes that support the effective and efficient use of New Zealand's 'whole-of-government' maritime patrol and surveillance assets.

### *Reasons for Change in Appropriation*

This appropriation will decrease by \$74,000 to \$662,000. This decrease mainly recognises latest costing information and prioritised resource allocations within the New Zealand Customs to enable the Service to meet performance standards across all its areas of responsibilities.

## Policy Advice (M21)

### *Scope of Appropriation*

The provision of policy advice and related services relating to border security, border management and Customs revenue.

### *Reasons for Change in Appropriation*

This appropriation will increase by \$2.068 million to \$10.801 million. This increase recognises latest costing information and prioritised resource allocations within the New Zealand Customs to enable the Service to meet performance standards across all its areas of responsibilities. This includes resources allocated by both Customs and the Ministry of Agriculture and Forestry to progress the Joint Border Management System business case. It also includes additional funding for advancing Free Trade Agreements and assisting other Customs administrations including those in the Pacific.

## Prosecutions and Civil Proceedings (M21)

### *Scope of Appropriation*

The prosecution of offences and civil proceedings relating to the hearing of applications for the release of seized goods.

*Reasons for Change in Appropriation*

This appropriation will decrease by \$221,000 to \$707,000. This decrease mainly recognises latest costing information and prioritised resource allocations within the New Zealand Customs to enable the Service to meet performance standards across all its areas of responsibilities.

**Revenue Collection, Accounting and Debt Management (M21)***Scope of Appropriation*

The provision of services relating to receipt and processing of revenues owing from import tariffs, goods and services tax and excise-equivalent duties on imported goods and excise duty on domestically manufactured fuel, tobacco and alcohol products.

*Reasons for Change in Appropriation*

This appropriation will increase by \$31,000 to \$3.282 million. This increase mainly recognises latest costing information and prioritised resource allocations within the New Zealand Customs to enable the Service to meet performance standards across all its areas of responsibilities.

**Surveillance, Search and Containment (M21)***Scope of Appropriation*

The targeted surveillance, search and containment of risk craft, persons or goods.

*Reasons for Change in Appropriation*

This appropriation will increase by \$344,000 to \$7.116 million. This increase mainly recognises latest costing information and prioritised resource allocations within the New Zealand Customs to enable the Service to meet performance standards across all its areas of responsibilities.

**Technical Advisory Services (M21)***Scope of Appropriation*

The provision of Customs rulings on tariff and excise classifications, concession interpretations, origin qualification and general advice to business.

*Reasons for Change in Appropriation*

This appropriation will decrease by \$24,000 to \$1.843 million. This decrease mainly recognises latest costing information and prioritised resource allocations within the New Zealand Customs to enable the Service to meet performance standards across all its areas of responsibilities.

## Part 5 - Details and Expected Results for Other Expenses

### Part 5.2 - Non-Departmental Other Expenses

#### **Change in Doubtful Debt Provision (M21)**

##### *Scope of Appropriation*

Provisioning of Doubtful Debts on Customs Crown Revenue.

##### *Reasons for Change in Appropriation*

This increase of \$1.500 million to \$2 million is to cover contingencies in doubtful debt provisioning generated as a result of increased Crown Revenue activities and changing economic conditions.

#### **World Customs Organisation (M21)**

##### *Scope of Appropriation*

New Zealand's contribution to the operating budget of the WCO.

##### *Reasons for Change in Appropriation*

This increase of \$11,000 to \$63,000 is as a result of the expenditure in this appropriation being paid in a foreign currency and subject to unavoidable exchange rate movements.

## Part 6 - Details and Expected Results for Capital Expenditure

### Part 6.1 - Departmental Capital Expenditure

#### New Zealand Customs Service - Capital Expenditure PLA (M21)

##### *Scope of Appropriation*

This appropriation is limited to the purchase or development of assets by and for the use of the New Zealand Customs Service, as authorised by section 24(1) of the Public Finance Act 1989.

##### *Capital Expenditure*

	2008/09		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	7,090	(1,990)	5,100
Intangibles	2,815	(1,415)	1,400
Other	-	-	-
<b>Total Appropriation</b>	<b>9,905</b>	<b>(3,405)</b>	<b>6,500</b>

##### *Reasons for Change in Appropriation*

This decrease of \$3.405 million to \$6.500 million mainly recognises the timing of the New Zealand Customs Service's capital expenditure programme with some approved and planned capital projects being completed in or deferred to 2009/10.