

Information Supporting the Supplementary Estimates

Vote Customs

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

	2009/10				
	Estimates \$000	Supplementary Estimates			Total \$000
		Departmental Transactions \$000	Non- Departmental Transactions \$000	Total Transactions \$000	
Appropriations					
Output Expenses	124,289	2,770	-	2,770	127,059
Benefits and Other Unrequited Expenses	-	N/A	-	-	-
Borrowing Expenses	-	-	-	-	-
Other Expenses	2,088	-	-	-	2,088
Capital Expenditure	21,301	(3,852)	-	(3,852)	17,449
Intelligence and Security Department Expenses and Capital Expenditure	-	-	N/A	-	-
Total Appropriations	147,678	(1,082)	-	(1,082)	146,596
Crown Revenue and Capital Receipts					
Tax Revenue	9,785,000	N/A	(843,000)	(843,000)	8,942,000
Non-Tax Revenue	80	N/A	-	-	80
Capital Receipts	-	N/A	-	-	-
Total Crown Revenue and Capital Receipts	9,785,080	N/A	(843,000)	(843,000)	8,942,080

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.

Expenses and Revenue

	2009/10		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	44,497	71	44,568
Revenue from Crown	6,758	773	7,531
Revenue from Other	37,739	(702)	37,037

Reasons for Change in Appropriation

This appropriation will increase by \$71,000 to \$44.568 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.

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.

Expenses and Revenue

	2009/10		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	43,313	(784)	42,529
Revenue from Crown	42,389	(1,547)	40,842
Revenue from Other	924	763	1,687

Reasons for Change in Appropriation

This appropriation will decrease by \$784,000 to \$42.529 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.

Expenses and Revenue

	2009/10		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	4,214	176	4,390
Revenue from Crown	4,114	224	4,338
Revenue from Other	100	(48)	52

Reasons for Change in Appropriation

This appropriation will increase by \$176,000 to \$4.390 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.

Expenses and Revenue

	2009/10		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	10,324	(1)	10,323
Revenue from Crown	10,042	8	10,050
Revenue from Other	282	(9)	273

Reasons for Change in Appropriation

This appropriation will decrease by \$1,000 to \$10.323 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.

Output Performance Measures and Standards

Performance Measures	2009/10		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Serious offences will be investigated to significantly reduce the potential harm to New Zealand.	<p>At least 90% of drug investigation cases where an interception of a Class A Controlled Drug or significant community-harm occurred or is suspected to occur will identify offenders.</p> <p>At least 95% of offenders in cases of Class A Controlled Drug or significant community-harm interceptions will be placed before the courts, where Customs has a mandate to prosecute.</p> <p>At least 90% of investigation cases of revenue and goods clearance offences will identify offenders.</p> <p>At least 95% of offenders in cases of revenue and goods clearance offences will be placed before the courts, where Customs has a mandate to prosecute.</p> <p>At least 90% of investigation cases of harm-related commodities will identify offenders.</p> <p>At least 95% of offenders in cases of harm-related commodities will be placed before the courts, where Customs has a mandate to prosecute.</p>	<p>At least 90% of drug investigation cases where an interception of a Class A Controlled Drug or significant community-harm occurred or is suspected to occur will identify suspects.</p> <p>At least 95% of offenders in cases of Class A Controlled Drug or significant community-harm interceptions will be placed before the courts, where Customs has a mandate to prosecute.</p> <p>At least 90% of investigation cases of revenue and goods clearance offences, where an offence has been established to have occurred, will identify suspects.</p> <p>At least 95% of offenders in cases of revenue and goods clearance offences will be placed before the courts, where Customs has a mandate to prosecute.</p> <p>At least 90% of investigation cases of harm-related commodities, where an offence has been established to have occurred, will identify suspects.</p> <p>At least 95% of offenders in cases of harm-related commodities will be placed before the courts, where Customs has a mandate to prosecute.</p>	<p>At least 90% of drug investigation cases where an interception of a Class A Controlled Drug or significant community-harm occurred or is suspected to occur will identify suspects.</p> <p>At least 95% of offenders in cases of Class A Controlled Drug or significant community-harm interceptions will be placed before the courts, where Customs has a mandate to prosecute.</p> <p>At least 90% of investigation cases of revenue and goods clearance offences, where an offence has been established to have occurred, will identify suspects.</p> <p>At least 95% of offenders in cases of revenue and goods clearance offences will be placed before the courts, where Customs has a mandate to prosecute.</p> <p>At least 90% of investigation cases of harm-related commodities, where an offence has been established to have occurred, will identify suspects.</p> <p>At least 95% of offenders in cases of harm-related commodities will be placed before the courts, where Customs has a mandate to prosecute.</p>

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.

Expenses and Revenue

	2009/10		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	755	(33)	722
Revenue from Crown	755	(42)	713
Revenue from Other	-	9	9

Reasons for Change in Appropriation

This appropriation will decrease by \$33,000 to \$722,000. 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.

Expenses and Revenue

	2009/10		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	8,292	2,777	11,069
Revenue from Crown	7,419	2,189	9,608
Revenue from Other	873	588	1,461

Reasons for Change in Appropriation

This appropriation will increase by \$2.777 million to \$11.069 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.

Expenses and Revenue

	2009/10		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	744	350	1,094
Revenue from Crown	727	357	1,084
Revenue from Other	17	(7)	10

Reasons for Change in Appropriation

This appropriation will increase by \$350,000 to \$1.094 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. This includes increased prosecution activity and cost as a result of the success of increased interceptions of drugs and other contraband.

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.

Expenses and Revenue

	2009/10		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	3,352	268	3,620
Revenue from Crown	3,071	275	3,346
Revenue from Other	281	(7)	274

Reasons for Change in Appropriation

This appropriation will increase by \$268,000 to \$3.620 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.

Output Performance Measures and Standards

Performance Measures	2009/10		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Revenue collected on behalf of the Crown.	\$9,785 million, as advised by Treasury	\$8,942 million, as advised by Treasury	\$8,942 million, as advised by Treasury

Surveillance, Search and Containment (M21)

Scope of Appropriation

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

Expenses and Revenue

	2009/10		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	6,947	53	7,000
Revenue from Crown	6,810	50	6,860
Revenue from Other	137	3	140

Reasons for Change in Appropriation

This appropriation will increase by \$53,000 to \$7 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.

Output Performance Measures and Standards

Performance Measures	2009/10		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Arriving vessels are risk assessed.	<p>100% of arriving vessels are risk assessed.</p> <p>At least 95% of vessels risk assessed as high or very high will be targeted.</p> <p>At least 5% of all arriving commercial vessels will be targeted.</p> <p>At least 80% of targeted responses carried out in accordance with the intelligence-directed recommendations based on level of risk.</p> <p>135-165 operational responses completed.</p>	<p>100% of arriving vessels are risk assessed.</p> <p>At least 95% of vessels risk assessed as high or very high will be targeted.</p> <p>At least 5% of arriving commercial vessels will be targeted.</p> <p>At least 80% of targeted responses carried out in accordance with the intelligence-directed recommendations based on level of risk.</p> <p>40-50 operational responses completed.</p>	<p>100% of arriving vessels are risk assessed.</p> <p>At least 95% of vessels risk assessed as high or very high will be targeted.</p> <p>At least 5% of arriving commercial vessels will be targeted.</p> <p>At least 80% of targeted responses carried out in accordance with the intelligence-directed recommendations based on level of risk.</p> <p>40-50 operational responses completed.</p>

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.

Expenses and Revenue

	2009/10		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	1,851	(107)	1,744
Revenue from Crown	215	(139)	76
Revenue from Other	1,636	32	1,668

Reasons for Change in Appropriation

This appropriation will decrease by \$107,000 to \$1.744 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 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

	2009/10		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	17,413	(1,467)	15,946
Intangibles	3,888	(2,385)	1,503
Other	-	-	-
Total Appropriation	21,301	(3,852)	17,449

Reasons for Change in Appropriation

This decrease of \$3.852 million to \$17.449 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 2010/11.