



Cabinet

CAB Min (08) 14/1(14)

Minute of Decision

Copy Number:

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2008 Budget Package: Vote Customs

On 14 April 2008 Cabinet:

1. **approved** the Budget initiatives for the above Vote for inclusion in the 2008 Budget package, as listed in the summary below and detailed in the attached initiative documents;

Summary of initiatives included in the attached initiative documents:

Operating Initiatives (Impact on Operating Balance)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
4883	Inter-Agency Resource Needs for Trade Agreements	-	0.485	-	-	-
4885	National Maritime Coordination Centre (NMCC) Staff and Information Systems	-	0.284	0.399	0.456	0.446
4896	Prevention of Service Failure - Remuneration and People Capability	-	2.086	2.086	2.086	2.086
4933	Customs' Border Management Systems Replacement Programme	-	0.720	-	-	-
4935	Scoping of Cross-Agency Border Management Trade Single Window	-	1.000	-	-	-
Total Operating		-	4.575	2.485	2.542	2.532

Capital Initiatives (Impact on Debt)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Total Capital		-	-	-	-	-

2. **agreed** to establish new appropriations where required to implement these initiatives, as described in the attached initiative documents;
3. **approved** the changes to appropriations and/or projected balances of net assets of the administering department (where applicable) to implement the initiatives, as set out in the attached initiative documents;
4. **approved** the additional recommendations to give effect to the initiatives, as set out in the attached initiative documents;

5. **agreed** that the proposed changes to appropriations and/or projected balances of net assets for 2007/08 above be included in the 2007/08 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;
6. **authorised** the Minister of Finance and the Vote Minister to approve jointly any technical adjustments to baselines necessary to remove any errors or inconsistencies identified while finalising the 2007/08 Supplementary Estimates, the 2008/09 Estimates and the fiscal forecasts;
7. **noted** that all communications relating to the 2008 Budget are co-ordinated by a Budget communications committee, and that any requests for early announcement will need to have both the written approval of the Minister of Finance and sign-off from the Prime Minister's office.

Secretary of the Cabinet

Reference: 2008 Budget package tabled
by the Minister of Finance

Distribution:

Prime Minister

Chief Executive, Department of the Prime Minister and Cabinet
Director PAG, DPMC

Minister of Finance

Secretary to the Treasury

Hon Jim Anderton

Associate Minister of Finance (Hon Trevor Mallard)

Minister of Customs

Comptroller of Customs

Controller and Auditor-General

Initiative No: 4883

Vote: Customs**Title:** Inter-Agency Resource Needs for Trade Agreements**Description:** To enable New Zealand's border management and assurance obligations resulting from the China and ASEAN Trade Agreements to be met.**Theme:** Economic Transformation**Theme Objective:** Globally competitive firms:
business internationalisation**Performance Information****Performance Text**

The provision of additional staff and systems to enable Customs obligations in respect of the China and ASEAN Free Trade agreements to be established and met in 2008/09 only. Specifically a system for approving and monitoring "authorised bodies" in respect of exports will be established, and the necessary trade assurance, verification and audit activities in respect of imports will be carried out.

Appropriation Changes

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12& Outyears
Operating Balance Impact	-	0.485	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	0.485	-	-	-

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12& Outyears
Departmental Output Expenses (General):					
Clearance of Import, Export and Excise Transactions (funded by Revenue Crown)	-	0.485	-	-	-
Total Operating	-	0.485	-	-	-
Total Capital	-	-	-	-	-

Initiative No: 4885

Vote: Customs**Title:** National Maritime Coordination Centre (NMCC) Staff and Information Systems**Description:** The NMCC will manage increased information and tasking from the P-3 Orion upgrade and increased naval patrol capacity from the Project Protector vessels programme.**Theme:** Economic Transformation**Theme Objective:** Globally competitive firms:
business internationalisation**Performance Information****Performance Text**

The additional staffing capacity will allow the NMCC to progressively provide enhanced services and for it to operate outside of normal business hours as required. An enhanced maritime intelligence system will also be developed and operated.

Appropriation Changes

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12& Outyears
Operating Balance Impact	-	0.284	0.399	0.456	0.446
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	0.284	0.399	0.456	0.446

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12& Outyears
Departmental Output Expenses (General): National Maritime Co-ordination Centre (funded by Revenue Crown)	-	0.284	0.399	0.456	0.446
Total Operating	-	0.284	0.399	0.456	0.446
Total Capital	-	-	-	-	-

Initiative No: 4896

Vote: Customs**Title:** Prevention of Service Failure - Remuneration and People Capability**Description:** Remuneration funding to enable essential work load demands to be met.**Theme:** Economic Transformation**Theme Objective:** Globally competitive firms:
business internationalisation**Performance Information****Performance Text**

Maintaining prioritised and agreed service levels where there are projected work load volume increases and where the Customs Collective Employment Agreement expires at 30 June 2008.

Appropriation Changes

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12& Outyears
Operating Balance Impact	-	2.086	2.086	2.086	2.086
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	2.086	2.086	2.086	2.086

Initiative No: 4896

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Departmental Output Expenses (General):					
Clearance of International Passengers, Crew and Craft (funded by Revenue Crown)	-	1.339	1.339	1.339	1.339
Intelligence and Risk Assessment Services (funded by Revenue Crown)	-	0.115	0.115	0.115	0.115
Investigation of Offences (funded by Revenue Crown)	-	0.211	0.211	0.211	0.211
Policy Advice (funded by Revenue Crown)	-	0.128	0.128	0.128	0.128
Prosecutions and Civil Proceedings (funded by Revenue Crown)	-	0.018	0.018	0.018	0.018
Revenue Collection, Accounting and Debt Management (funded by Revenue Crown)	-	0.098	0.098	0.098	0.098
Surveillance, Search and Containment (funded by Revenue Crown)	-	0.177	0.177	0.177	0.177
Total Operating	-	2.086	2.086	2.086	2.086
Total Capital	-	-	-	-	-

Vote: Customs

Title: Customs' Border Management Systems Replacement Programme

Description: The development of a Stage II business case to upgrade and enhance Customs' border management systems.

Theme: Economic Transformation

Theme Objective: Globally competitive firms:
business internationalisation

Performance Information

Performance Text

Development of Stage II ICT business case for Customs' Border Management Systems Replacement Programme in the first half of the 2008/09 financial year.

Appropriation Changes

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12& Outyears
Operating Balance Impact	-	0.720	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	0.720	-	-	-

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12& Outyears
Departmental Output Expenses (General):					
Policy Advice (funded by Revenue Crown)	-	0.720	-	-	-
Total Operating	-	0.720	-	-	-
Total Capital	-	-	-	-	-

Additional Recommendation

noted that, subject to progress with and agreement to the Stage I ICT business case, the Stage II business case for Customs' Border Management Systems will be submitted to the appropriate Cabinet committee for consideration by 31 December 2008.

Initiative No: 4935**Vote:** Customs**Title:** Scoping of Cross-Agency Border Management Trade Single Window**Description:** Funding to scope the development and implementation of the Trade Single Window concept at the New Zealand border.**Theme:** Economic Transformation**Theme Objective:** Globally competitive firms:
business internationalisation**Performance Information****Performance Text**

The services that will be provided to industry as part of the Trade Single Window concept will be confirmed through supply chain analysis and process mapping. A Stage I ICT joint agency business case will be developed for Cabinet consideration prior to Budget 2009. The business case will include a co-ordinated cross agency implementation plan and the costs, benefits, time frames of the preferred go-forward option or options.

Appropriation Changes

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12& Outyears
Operating Balance Impact	-	1.000	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	1.000	-	-	-

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12& Outyears
Departmental Output Expenses (General):					
Policy Advice (funded by Revenue Crown)	-	1.000	-	-	-
Total Operating	-	1.000	-	-	-
Total Capital	-	-	-	-	-

Additional Recommendation

noted that Customs, on behalf of border agencies, will submit a Stage I ICT business case for the Single Window concept for consideration by the appropriate Cabinet committee by 31 December 2008.