

# VOTE *Customs*

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## Minister Portfolio Table

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Minister of Customs

# Customs

ADMINISTERING DEPARTMENT: New Zealand Customs Service

The Minister of Customs is the Responsible Minister for the New Zealand Customs Service

## Part B - Statement of Appropriations

### Summary of Financial Activity

	2006/07	2006/07 Appropriations to be Used				Total \$000
	Main Estimates \$000	By the Department Administering the Vote		For Non-Departmental Transactions		
		Annual \$000	Other \$000	Annual \$000	Other \$000	
<b>Appropriations</b>						
Output Expenses	109,912	110,952	-	-	-	110,952
Benefits and Other Unrequited Expenses	-	N/A	N/A	-	-	-
Borrowing Expenses	-	N/A	N/A	-	-	-
Other Expenses	44	-	-	552	-	552
Capital Expenditure	-	N/A	N/A	-	-	-
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	N/A	N/A	-
<b>Total Appropriations</b>	<b>109,956</b>	<b>110,952</b>	<b>-</b>	<b>552</b>	<b>-</b>	<b>111,504</b>
<b>Crown Revenue and Receipts</b>						
Tax Revenue	9,072,000	N/A	N/A	N/A	N/A	8,861,000
Non-Tax Revenue	20	N/A	N/A	N/A	N/A	80
Capital Receipts	-	N/A	N/A	N/A	N/A	-
<b>Total Crown Revenue and Receipts</b>	<b>9,072,020</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>8,861,080</b>

## Part B1 - Details of Appropriations

Appropriations	2006/07						Scope of and Reasons for Change in 2006/07 Appropriations
	Main Estimates		Supplementary Estimates		Cumulative Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
<b>Departmental Output Expenses (General)</b>							
Clearance of Import, Export and Excise Transactions (M21)	43,438	-	(1,625)	-	41,813	-	The provision of services relating to validation, checking, inspection, clearance and audit of import and export consignments and excise returns.
Clearance of International Passengers, Crew and Craft (M21)	35,590	-	257	-	35,847	-	The clearance of international passengers, crew and craft arriving in and departing from New Zealand.
Intelligence and Risk Assessment Services (M21)	4,496	-	(124)	-	4,372	-	The provision of intelligence and risk assessments that inform intervention strategies, including alerts for goods, people and craft.
Investigation of Offences (M21)	8,992	-	261	-	9,253	-	The proactive and reactive investigation of serious transnational crime, transnational crime and other border and revenue offences.
National Maritime Co- ordination Centre (M21)	-	-	424	-	424	-	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.  Reason for Change: This is a new appropriation. Refer to Part C1.
Policy Advice (M21)	5,270	-	2,106	-	7,376	-	The provision of policy advice and related services relating to border security, border management and Customs revenue.  Reason for Change: Additional funding for Growth and Innovation Framework and Pacific Security Fund and one off funding for Auckland airport passenger flow study.
Prosecutions and Civil Proceedings (M21)	851	-	(10)	-	841	-	The prosecution of offences and civil proceedings relating to the hearing of applications for the release of seized goods.
Revenue Collection, Accounting and Debt Management (M21)	2,755	-	148	-	2,903	-	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.
Surveillance, Search and Containment (M21)	6,572	-	(530)	-	6,042	-	The targeted surveillance, search and containment of risk craft, persons or goods.  Reason for Change: Funding for National Maritime Co-ordination Centre transferred to new output expense.
Technical Advisory Services (M21)	1,948	-	133	-	2,081	-	The provision of Customs rulings on tariff and excise classifications, concession interpretations, origin qualification and general advice to business.
<b>Total Departmental Output Expenses (General)</b>	109,912	-	1,040	-	110,952	-	

	2006/07						Scope of and Reasons for Change in 2006/07 Appropriations
	Main Estimates		Supplementary Estimates		Cumulative Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
Appropriations							
<b>Other Expenses to be Incurred by the Crown</b>							
Change in Doubtful Debt Provision (M21)	-	-	500	-	500	-	Provisioning of Doubtful Debts on Customs Crown Revenue.
World Customs Organisation (M21)	44	-	8	-	52	-	New Zealand's contribution to the operating budget of the WCO.
<b>Total Other Expenses to be Incurred by the Crown</b>	44	-	508	-	552	-	
<b>Total Appropriations</b>	109,956	-	1,548	-	111,504	-	

## Part C - Explanation of Appropriations for Output Expenses

### Part C1 - Departmental Output Expenses

#### *National Maritime Co-ordination Centre*

A new appropriation has been established for all National Maritime Co-ordination activities that were previously funded by eight government agencies.

Under this Output Class, the New Zealand Customs Service provides whole-of-government coordination services to maximise the efficient and effective use of Government's maritime patrol and surveillance assets, and related information, for civilian purposes. These services relate to New Zealand's sovereignty, safety, economic, environment and foreign policy interests in the maritime environment. The services are provided by the National Maritime Co-ordination Centre, an operationally independent unit within Customs.

## Part D - Explanation of Appropriations for Other Operating Flows

### **Part D3 - Other Expenses**

#### *Change in Doubtful Debt Provision*

During 2006/07 a new appropriation was established for the change in doubtful debt provision. The increase in provision is a result of a forecast increase in Crown Revenue.

## Part E - Explanation of Capital Flows

### Part E1 - Explanation of Movements in Departmental Net Asset Schedules

Details of Net Asset Schedule for New Zealand Customs Service	2006/07 Main Estimates Projections \$000	2006/07 Supplementary Estimates Projections \$000	Explanation of Projected Movements in 2006/07
Opening Balance	40,292	39,415	2006/07 Supplementary Estimates opening balance reflects the audited results as at 30 June 2006.
Capital Injections	-	536	A capital contribution of \$536,000 was received to implement a data matching arrangement for Student Loans.
Capital Withdrawals	-	-	
Surplus to be Retained (Deficit Incurred)	-	-	
Other Movements	-	-	
Closing Balance	40,292	39,951	



## Part F - Crown Revenue and Receipts

### Part F1 - Current and Capital Revenue and Capital Receipts

	2006/07			Description of 2006/07 Crown Revenue
	Main Estimates \$000	Supplementary Estimates \$000	Total Budgeted \$000	
<b>Tax Revenue</b>				
Customs Duty	1,773,000	(13,000)	1,760,000	Customs duty is duty to which imported goods are subject under the Tariff Act 1988.
Excise Duty	1,629,000	90,000	1,719,000	Excise duty is imposed under the Customs and Excise Act 1996 on alcohol products, tobacco and tobacco products and petroleum products.
Goods and Services Tax	5,670,000	(288,000)	5,382,000	GST is imposed on imported goods under sections 12 and 13 of the Goods and Services Tax Act 1985.
<b>Total Tax Revenue</b>	<b>9,072,000</b>	<b>(211,000)</b>	<b>8,861,000</b>	
<b>Non-Tax Revenue</b>				
Sale of Seized Goods	20	60	80	Proceeds from the disposal of goods forfeited to the Crown, to recover non-payment or short payment of duties or for other illegalities.
<b>Total Non-Tax Revenue</b>	<b>20</b>	<b>60</b>	<b>80</b>	
<b>Total Crown Revenue and Receipts</b>	<b>9,072,020</b>	<b>(210,940)</b>	<b>8,861,080</b>	