



Cabinet

CAB Min (07) 12/1(15)

Minute of Decision

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Minister of Customs

Copies to:

Prime Minister
Deputy Prime Minister
Minister of Finance
Hon Jim Anderton
Associate Minister of Finance
(Hon Trevor Mallard)
Controller and Auditor-General

2007 Budget Package: Vote Customs

On 19 April 2007, Cabinet:

1. **approved** the Budget initiatives for the above Vote for inclusion in the 2007 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)				
		2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
4338	Passenger Processing Facilities at Auckland International Airport	-	-	0.120	0.120	0.120
4458	Customs' People Capability	-	2.812	2.812	2.812	2.812
4461	Border Management Systems Upgrade Stage 1	-	2.741	1.185	1.185	1.185
Total Operating		-	5.553	4.117	4.117	4.117

Capital Initiatives (Impact on Debt)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
4338	Passenger Processing Facilities at Auckland International Airport	-	1.200	-	-	-
Total Capital		-	1.200	-	-	-

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 (where applicable) 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 2006/07 above be included in the 2006/07 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 2006/07 Supplementary Estimates, the 2007/08 Estimates and the fiscal forecasts;
7. **noted** that all communications relating to the 2007 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

References: CAB (07) 135, CAB (07) 135A

Vote: Customs

Title: Passenger Processing Facilities at Auckland International Airport

Description: Investment funding to assist Customs to meet forecast increased work load demands and operate effectively and efficiently at Auckland International Airport in the future.

Theme: Economic Transformation

Theme Objective: World-class Auckland

Performance Information

Performance Text

The provision of additional Customs' processing booths and the establishment of enhanced best practice monitoring and recording systems will provide Customs with the facilities for enhanced service delivery in 2008/09 and subsequent years.

Appropriation Changes

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Operating Balance Impact	-	-	0.120	0.120	0.120
Debt Impact	-	1.200	-	-	-
No Impact	-	-	0.090	0.090	0.090
Total	-	1.200	0.210	0.210	0.210

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Departmental Output Expenses (General): Clearance of International Passengers, Crew and Craft (funded by Revenue Crown)	-	-	0.210	0.210	0.210
Net Asset Schedule: Capital Investment	-	1.200	-	-	-
Total Operating	-	-	0.210	0.210	0.210
Total Capital	-	1.200	-	-	-

Initiative No: 4458

Vote: Customs**Title:** Customs' People Capability**Description:** Customs' people capacity to meet essential service work load demands and to maintain and enhance staff knowledge and capability.**Theme:** Economic Transformation**Theme Objective:** Firms' international links**Performance Information****Performance Text**

Service delivery standards maintained and enhanced in the short term with a focus on recruiting and training staff for the longer term being maintained. Customs turnover is kept below the average to enable the organisation to operate at over 91% of establishment throughout 2007/08 and build sustainable operating capacity beyond 2008. Customs will meet agreed and expected performance standards in 2007/08 including those relating to passenger processing, goods clearance and revenue collection.

Appropriation Changes

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Operating Balance Impact	-	2.812	2.812	2.812	2.812
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	2.812	2.812	2.812	2.812

Initiative No: 4458

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Departmental Output Expenses (General):					
Clearance of Import, Export and Excise Transactions (funded by Revenue Crown)	-	0.950	0.950	0.950	0.950
Clearance of International Passengers, Crew and Craft (funded by Revenue Crown)	-	1.120	1.120	1.120	1.120
Intelligence and Risk Assessment Services (funded by Revenue Crown)	-	0.124	0.124	0.124	0.124
Investigation of Offences (funded by Revenue Crown)	-	0.203	0.203	0.203	0.203
National Maritime Co-ordination Centre (funded by Revenue Crown)	-	0.006	0.006	0.006	0.006
Policy Advice (funded by Revenue Crown)	-	0.104	0.104	0.104	0.104
Prosecutions and Civil Proceedings (funded by Revenue Crown)	-	0.017	0.017	0.017	0.017
Revenue Collection, Accounting and Debt Management (funded by Revenue Crown)	-	0.086	0.086	0.086	0.086
Surveillance, Search and Containment (funded by Revenue Crown)	-	0.157	0.157	0.157	0.157
Technical Advisory Services (funded by Revenue Crown)	-	0.045	0.045	0.045	0.045
Total Operating	-	2.812	2.812	2.812	2.812
Total Capital	-	-	-	-	-

Initiative No: 4461

Vote: Customs**Title:** Border Management Systems Upgrade Stage 1**Description:** The development of a detailed business case to upgrade and enhance border management systems and extra staffing resource to maintain and support aging systems and to mitigate related risk.**Theme:** Economic Transformation**Theme Objective:** Firms' international links**Performance Information****Performance Text**

Development of Stage 1 ICT business case and Cabinet paper for CusMod II. Current systems maintained and supported to manage current and growing workload demands and to enable Customs to meet 2007/08 performance targets including those relating to passenger processing, goods clearance and revenue collection. Maintain the ability to collaborate effectively with other agencies on inter agency systems development projects.

Appropriation Changes

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11 & Outyears
Operating Balance Impact	-	2.741	1.185	1.185	1.185
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	2.741	1.185	1.185	1.185

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11 & Outyears
Departmental Output Expenses (General):					
Clearance of Import, Export and Excise Transactions (funded by Revenue Crown)	-	1.132	0.770	0.770	0.770
Clearance of International Passengers, Crew and Craft (funded by Revenue Crown)	-	0.609	0.415	0.415	0.415
Policy Advice (funded by Revenue Crown)	-	1.000	-	-	-
Total Operating	-	2.741	1.185	1.185	1.185
Total Capital	-	-	-	-	-