

Performance Information for Appropriations

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 1.1 - Overview of the Vote

The Minister of Customs is responsible for the efficient and timely collection of Crown revenue forecast to be \$9,785 million in the 2009/10 financial year.

The Minister of Customs is also responsible for the appropriations in the Vote for the 2009/10 financial year covering the following:

- a total of over \$8 million on policy advice
- a total of over \$4 million on intelligence and risk assessment services
- a total of over \$43 million on clearance of international passengers, crew and craft
- a total of over \$44 million on clearance of import, export and excise transactions
- a total of nearly \$2 million on technical advisory services
- a total of over \$3 million on revenue collection, accounting and debt management
- a total of nearly \$7 million on surveillance, search and containment
- a total of nearly \$1 million on National Maritime Co-ordination Centre
- a total of over \$10 million on investigations of offences
- a total of nearly \$1 million on prosecutions and civil proceedings.

Details of these appropriations are set out in Parts 2-6 below.

Part 1.2 - High-Level Objectives of the Vote

The New Zealand Customs Service (Customs) contributes to the Government's goal to deliver greater prosperity, security and opportunities to all New Zealanders.

Customs plays its part in delivering greater prosperity for New Zealanders through its role as one of the lead agencies facilitating international trade and travel - managing the risks associated with international trade and travel while not imposing undue cost or delay on legitimate trade and travel - and by collecting approximately 15% of total Crown revenue.

Customs is also a key participant in trade negotiations, providing specialist assistance to the Ministry of Foreign Affairs and Trade to ensure straightforward and consistent customs processes and minimal transaction costs for our exporters and trading partners.

Through its role at the border, Customs manages security and law enforcement risks arising from trans-national organised crime (which includes the importation of illicit drugs and precursor materials, and the trading of other illicit goods).

Customs is responsible for major elements of New Zealand's border infrastructure that are relied on by many other agencies to meet their objectives at the border, including the main border management system. Customs is leading a multi-agency effort to develop more integrated border processes, and to reduce regulatory and compliance demands on those using the border. This includes development of a new border management system to be used by border agencies.

Consistent with, and to deliver on, these Government outcomes, Customs has agreed three priorities with the Minister of Customs on which to focus in 2009/10. These are:

- advance integration of trans-Tasman border clearance
- develop and implement the Joint Border Management System and Trade Single Window (an electronic portal that provides an interface between industry and government agencies)
- increase interceptions of illicit drugs and precursor materials entering New Zealand.

The following table shows how the day-to-day delivery of Customs' Output Expenses, for which appropriations are sought, are linked and contribute to the Government's priorities and the Government outcomes relevant to Customs.

Contribution of Appropriations to Government Priorities and Outcomes

Appropriations	Government Priorities	Government Outcomes
Policy Advice. Clearance of International Passengers, Crew and Craft. Clearance of Import, Export and Excise Transactions.	Trans-Tasman facilitation. Develop and implement the Joint Border Management System and Trade Single Window. Increase interceptions of illicit drugs and precursor materials entering New Zealand.	Greater prosperity: <ul style="list-style-type: none"> • Grow the economy. • Reduce regulatory and compliance demands. • Pursue trade liberalisation and trade agreements. Greater security: <ul style="list-style-type: none"> • Make communities safer. • Clamp down on criminal gangs and the "P" trade. Greater opportunities: <ul style="list-style-type: none"> • Step up infrastructure investment
Intelligence and Risk Assessment Services. Revenue Collection, Accounting and Debt Management. Investigation of Offences. Prosecutions and Civil Proceedings.	Trans-Tasman facilitation. Increase interceptions of illicit drugs and precursor materials entering New Zealand.	Greater prosperity: <ul style="list-style-type: none"> • Grow the economy. Greater security: <ul style="list-style-type: none"> • Make communities safer. • Clamp down on criminal gangs and the "P" trade.
Surveillance, Search and Containment. National Maritime Coordination Centre.	Increase interceptions of illicit drugs and precursor materials entering New Zealand.	Greater security: <ul style="list-style-type: none"> • Make communities safer. • Clamp down on criminal gangs and the "P" trade.
Technical Advisory Services.	Trans-Tasman facilitation. Develop and implement the Joint Border Management System and Trade Single Window.	Greater prosperity: <ul style="list-style-type: none"> • Grow the economy. • Reduce regulatory and compliance demands.

Part 1.3 - Trends in the Vote

Summary of Financial Activity

	2004/05	2005/06	2006/07	2007/08	2008/09		2009/10			2010/11	2011/12	2012/13
	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Budgeted \$000	Estimated Actual \$000	Departmental Transactions Budget \$000	Non- Departmental Transactions Budget \$000	Total Budget \$000	Estimated \$000	Estimated \$000	Estimated \$000
Appropriations												
Output Expenses	95,668	105,623	110,411	118,306	125,426	123,426	124,289	-	124,289	129,522	129,358	129,358
Benefits and Other Unrequited Expenses	-	-	-	-	-	-	N/A	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	38	-	52	536	2,063	2,063	-	2,088	2,088	2,088	2,088	2,088
Capital Expenditure	-	-	-	5,153	6,500	6,500	21,301	-	21,301	8,100	7,250	8,000
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	N/A	-	-	-	-
Total Appropriations	95,706	105,623	110,463	123,995	133,989	131,989	145,590	2,088	147,678	139,710	138,696	139,446
Crown Revenue and Capital Receipts												
Tax Revenue	7,565,000	8,395,111	8,870,885	9,255,680	9,608,000	9,608,000	N/A	9,785,000	9,785,000	10,148,000	10,710,000	11,354,000
Non-Tax Revenue	120	104	132	270	80	80	N/A	80	80	80	80	80
Capital Receipts	-	-	-	-	-	-	N/A	-	-	-	-	-
Total Crown Revenue and Capital Receipts	7,565,120	8,395,215	8,871,017	9,255,950	9,608,080	9,608,080	N/A	9,785,080	9,785,080	10,148,080	10,710,080	11,354,080

New Policy Initiatives

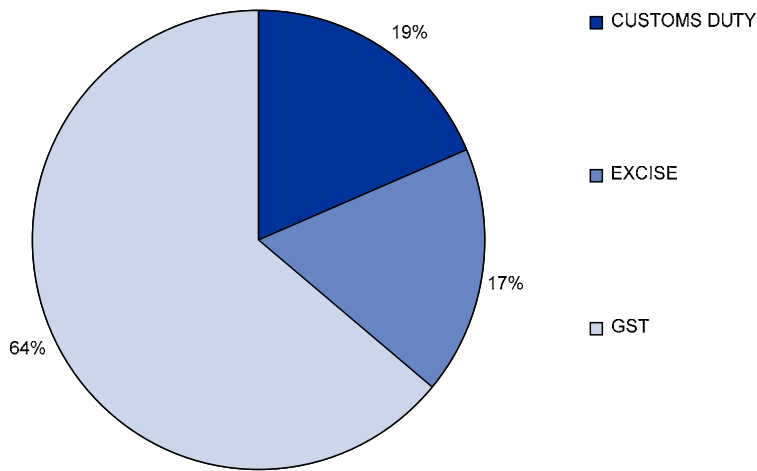
Policy Initiative	Appropriation	2008/09 Budgeted \$000	2009/10 Budget \$000	2010/11 Estimated \$000	2011/12 Estimated \$000	2012/13 Estimated \$000
Automated Passenger Clearance.	Clearance of International Passengers, Crew and Craft (M21) Departmental Output Expenses	-	1,854	4,375	4,375	4,375
	Departmental Capital Injection	-	7,511	-	-	-
Savings from rationalisation of support functions and rephasing expenditure across financial years.	Clearance of Import, Export and Excise Transactions (M21) Departmental Output Expenses	-	(881)	(46)	(46)	(46)
	Clearance of International Passengers, Crew and Craft (M21) Departmental Output Expenses	-	(1,353)	(455)	(455)	(455)
	Intelligence and Risk Assessment Services (M21) Departmental Output Expenses	-	(50)	(6)	(6)	(6)
	Investigation of Offences (M21) Departmental Output Expenses	-	(76)	(9)	(9)	(9)
	National Maritime Co-ordination Centre (M21) Departmental Output Expenses	-	(100)	-	-	-
	Policy Advice (M21) Departmental Output Expenses	-	(232)	(204)	(204)	(204)
	Prosecutions and Civil Proceedings (M21) Departmental Output Expenses	-	(6)	-	-	-
	Revenue Collection, Accounting and Debt Management (M21) Departmental Output Expenses	-	(34)	(4)	(4)	(4)
	Surveillance, Search and Containment (M21) Departmental Output Expenses	-	(67)	(8)	(8)	(8)
	Technical Advisory Services (M21) Departmental Output Expenses	-	(51)	(68)	(68)	(68)
Total Initiatives		-	6,515	3,575	3,575	3,575

Analysis of Significant Trends

Crown Revenue

Crown revenue is collected through customs duties and GST on imports and excise on alcoholic beverages, tobacco, and petroleum products. Figure 1 notes the proportion of collections by category of Crown revenue forecast to be collected in 2009/10.

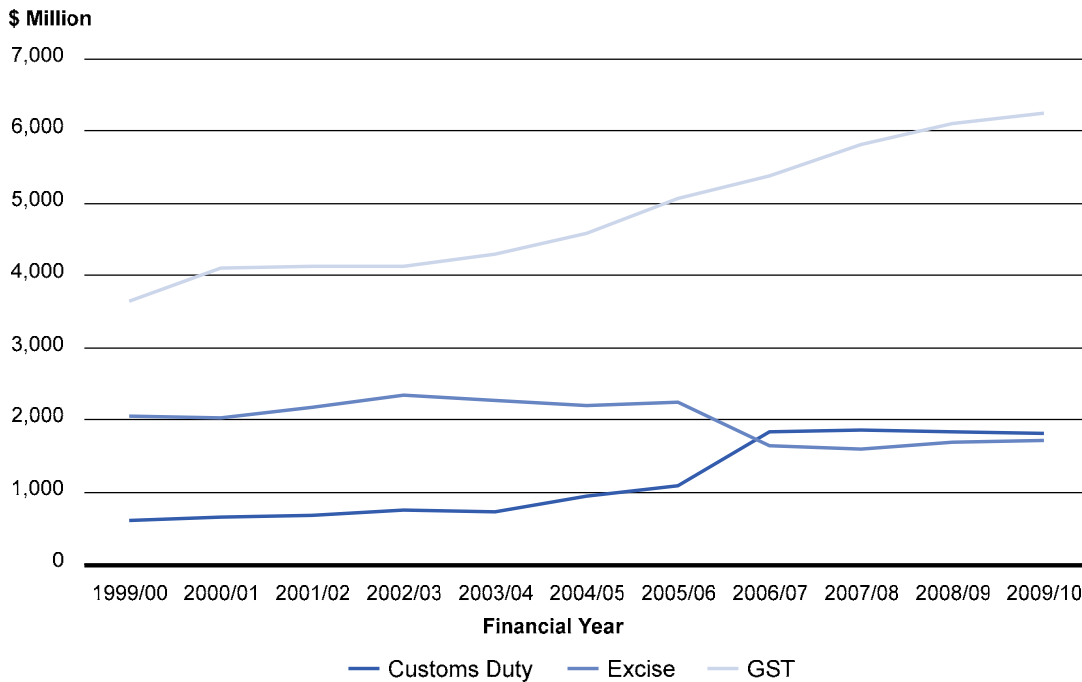
Figure 1 - 2009/10 Crown revenue by category



Source: New Zealand Customs Service

Figure 2 illustrates growth in Crown revenue collected by category.

Figure 2 - Crown Revenue Collections by Category 1999/2000 - 2009/10



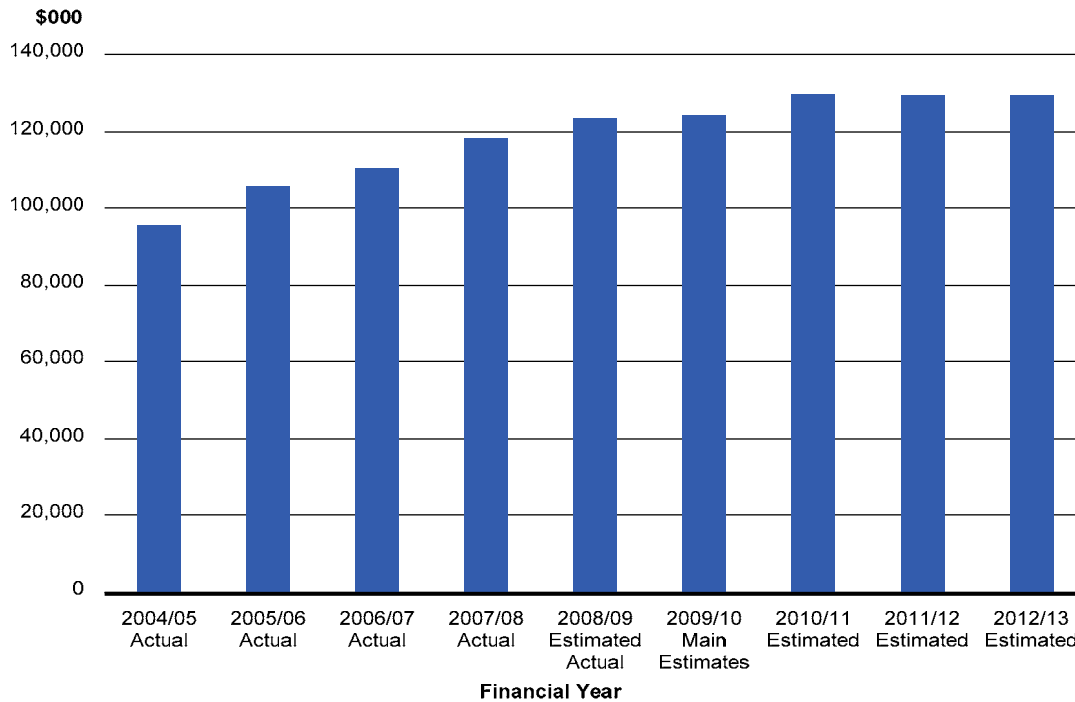
Source: New Zealand Customs Service

Departmental Output Expenses

Annual appropriations for the purchase of departmental outputs are expected to decrease by \$1.137 million for 2009/10 compared with 2008/09. The net change in the total appropriation is primarily as a result of \$2.850 million of savings identified as a result of the Value for Money line-by-line review exercise and the discontinuation of one-off funding provided in 08/09 for border management systems scoping and new trade agreements projects. This is offset by an increase in funding of \$1.854 million to commence the implementation of automated passenger processing technology.

Trends in comparative actual and estimated expenses for Output Expense appropriations under this Vote are shown in Figure 3 below.

Figure 3 - Trends in total actual and estimated output expenses



Source: New Zealand Customs Service

The increase in output expenses in 2010/11 and future years is primarily as a result of the implementation of automated passenger processing technology.

Part 2 - Details and Expected Performance for Output Expenses

Part 2.1 - Departmental Output Expenses

Intended Impacts, Outcomes and Objectives

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
<p>Outcome: Protection</p> <p>New Zealand is protected, at the border, from the entry, or exit, of people, craft, or goods, and Māori taonga and other treasured items, where the entry or exit may pose a material risk to our national interests.</p>	<ul style="list-style-type: none"> • Policy Advice. • Intelligence and Risk Assessment Services. • Clearance of International Passengers, Crew and Craft. • Clearance of Import, Export and Excise Transactions. • Revenue Collection, Accounting and Debt Management. • Surveillance, Search and Containment. • Investigation of Offences. • Prosecutions and Civil Proceedings. • National Maritime Coordination Centre.
<p>Outcome: Facilitation</p> <p>New Zealand's economic, social, environmental, and cultural interests are sustained and enhanced by facilitating the flow of legitimate trade, travel, and goods, and Māori taonga and other treasured items, across the border.</p>	<ul style="list-style-type: none"> • Policy Advice. • Intelligence and Risk Assessment Services. • Clearance of International Passengers, Crew and Craft. • Clearance of Import, Export and Excise Transactions. • Technical Advisory Services.
<p>Outcome: Revenue</p> <p>Due Customs revenue is collected to support Government social, economic and fiscal objectives.</p>	<ul style="list-style-type: none"> • Policy Advice. • Intelligence and Risk Assessment Services. • Clearance of Import, Export and Excise Transactions. • Revenue Collection, Accounting & Debt Management. • Prosecutions and Civil Proceedings. • Technical Advisory Services.

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

	2008/09		2009/10
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	44,856	44,100	44,497
Revenue from Crown	7,453	7,453	6,758
Revenue from Other	37,403	33,903	37,739

Output Performance Measures and Standards

Performance Measures	2008/09		2009/10
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Trade transactions (estimated between 3.9-4.8 million import transactions and 2.8-3.1 million export transactions) are processed.	N/A	N/A	<p>100% trade transactions risk assessed.</p> <p>95% trade transactions (other than those referred for compliance checks) processed (including assessment against business rules and intelligence alerts) within 30 minutes.</p> <p>95% of import transactions are deemed compliant and proceed without further interventions.</p> <p>99% of export transactions are deemed compliant and proceed without further interventions.</p> <p>40%-50% of container exports to USA represented by Secure Exports Scheme (SES) partners.</p>
Mail items (estimated between 65-68 million) are processed	N/A	N/A	<p>310,000-370,000 mail items are referred for compliance checks.</p> <p>10%-14% mail compliance checks resulting in enforcement consequences.</p>
Trade Compliance programmes for imports, exports and excise are in place and operating as planned.	N/A	N/A	<p>At least \$15 million additional revenue.</p> <p>Secure Exports Scheme continues to comply with the requirements of the Supply Chain Security Arrangement with USA.</p> <p>4,800-5,300 excise returns validated.</p> <p>1,000-1,100 field audit activities.</p> <p>20,000-40,000 transactional audit activities.</p>

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2008/09 Budgeted \$000	2009/10 Budget \$000	2010/11 Estimated \$000	2011/12 Estimated \$000	2012/13 Estimated \$000
Savings from rationalisation of support functions and rephasing expenditure across financial years.	2009/10	-	(881)	(46)	(46)	(46)
Inter-Agency Resource Needs for Trade Agreements.	2008/09	485	-	-	-	-
Customs Wellington Head Office Relocation and Modernisation.	2007/08	932	932	932	932	932
Customs Border Management Systems Replacement Programme.	2007/08	770	770	770	770	770
Establishment of a Customs Position in Washington DC.	2005/06	466	466	466	466	466
Remuneration and organisational development.	2005/06	3,836	3,836	3,836	3,836	3,836
Customs' Cargo X-Ray Capability.	2004/05	17,364	17,364	17,364	17,364	17,364

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

	2008/09		2009/10
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	41,365	40,800	43,313
Revenue from Crown	40,011	40,011	42,389
Revenue from Other	1,354	1,354	924

Reasons for Change in Appropriation

The increase in the appropriation is largely due to additional funding for the implementation of automated passenger processing technology.

Output Performance Measures and Standards

Performance Measures	2008/09		2009/10
	Budgeted Standard	Estimated Actual Standard	Budget Standard
All international travellers (estimated between 9.6-10 million) are risk assessed.	N/A	N/A	100% arriving international travellers are risk assessed.
All compliant international travellers are facilitated within agreed time standards.	N/A	N/A	<p>A minimum of 90% of arriving international air passengers exit Customs Primary processing points within 45 minutes of arrival.</p> <p>A minimum of 98% of arriving international air passengers exit Customs Primary processing points within 60 minutes of arrival.</p> <p>98% or more of arriving international air passengers are deemed compliant and facilitated without further interventions.</p>
All international air and marine passengers identified as risks are subject to interventions.	N/A	N/A	<p>At least 99.9% of air and marine passengers subject to an alert are processed in accordance with the alert instruction.</p> <p>1.1%-1.5% of arriving international air passengers selected for risk assessment at Customs' secondary areas.</p> <p>30%-40% of arriving international air passengers selected for further risk assessment subsequently subject to a full or partial baggage examination.</p> <p>20%-30% of interventions resulting from further risk assessment result in an enforcement consequence.</p>
Commercial marine craft arriving and departing (estimated between 4,950-5,250) are processed.	100% of arriving commercial marine craft boarded at first port of arrival in New Zealand.	100%	100% of commercial marine craft arriving are boarded at first port of arrival.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2008/09 Budgeted \$000	2009/10 Budget \$000	2010/11 Estimated \$000	2011/12 Estimated \$000	2012/13 Estimated \$000
Savings from rationalisation of support functions and rephasing expenditure across financial years.	2009/10	-	(1,353)	(455)	(455)	(455)
Automated Passenger Clearance.	2009/10	-	1,854	4,375	4,375	4,375
Passenger Processing Facilities at Auckland International Airport.	2008/09	210	210	210	210	210
Customs Border Management Systems Replacement Programme.	2007/08	415	415	415	415	415
Customs Wellington Head Office Relocation and Modernisation.	2007/08	640	640	640	640	640
Remuneration and organisational development.	2005/06	5,454	5,454	5,454	5,454	5,454
Enhanced border security capability for the New Zealand Customs Service in the air and marine environments.	2004/05	6,667	6,667	6,667	6,667	6,667
Enhancing Customs and Immigration systems integration.	2004/05	178	178	178	178	178
Funding to Relieve Congestion at Auckland and Christchurch Airports.	2004/05	4,800	4,800	4,800	4,800	4,800

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

	2008/09		2009/10
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	4,363	4,285	4,214
Revenue from Crown	4,277	4,277	4,114
Revenue from Other	86	86	100

Output Performance Measures and Standards

Performance Measures	2008/09		2009/10
	Budgeted Standard	Estimated Actual Standard	Budget Standard
External clients' satisfaction with intelligence and risk products (estimated between 1,700-1,900) disseminated by Customs.	80% minimum external national and international clients satisfied.	Annual survey not yet completed.	At least 80% of external clients satisfied.
External clients' satisfaction with Customs' management of alerts created by the other agencies (estimated between 18,000-22,000).	N/A	N/A	At least 80% of external clients satisfied.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2008/09 Budgeted \$000	2009/10 Budget \$000	2010/11 Estimated \$000	2011/12 Estimated \$000	2012/13 Estimated \$000
Savings from rationalisation of support functions and rephasing expenditure across financial years.	2009/10	-	(50)	(6)	(6)	(6)
Customs Wellington Head Office Relocation and Modernisation.	2007/08	96	96	96	96	96
Implementing a Data Match for Student Loans.	2006/07	98	98	98	98	98
Remuneration and organisational development.	2005/06	567	567	567	567	567

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

	2008/09		2009/10
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	10,431	10,200	10,324
Revenue from Crown	10,102	10,102	10,042
Revenue from Other	329	329	282

Output Performance Measures and Standards

Performance Measures	2008/09		2009/10
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Investigation cases are commenced (estimated between 1,400-2,000) and finalised.	A minimum of 90% of investigation cases finalised within 12 months of commencement.	85%	An estimated minimum 75% of investigation cases finalised within 12 months of commencement.
Serious offences will be investigated to significantly reduce the potential harm to New Zealand.	N/A	N/A	<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>

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2008/09 Budgeted \$000	2009/10 Budget \$000	2010/11 Estimated \$000	2011/12 Estimated \$000	2012/13 Estimated \$000
Savings from rationalisation of support functions and rephasing expenditure across financial years.	2009/10	-	(76)	(9)	(9)	(9)
Customs Wellington Head Office Relocation and Modernisation.	2007/08	206	206	206	206	206
Remuneration and organisational development.	2005/06	929	929	929	929	929

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

	2008/09		2009/10
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	662	600	755
Revenue from Crown	651	651	755
Revenue from Other	11	11	-

Reasons for Change in Appropriation

The increase in the appropriation is due to the 2008 budget initiative relating to National Maritime Coordination Centre (NMCC) Staff and Information Systems.

Output Performance Measures and Standards

Performance Measures	2008/09		2009/10
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Available patrol and surveillance assets are allocated to meet civilian demand.	N/A	N/A	100% civilian demand met where assets are available.
Satisfaction of requesting agencies and assets providers with National Maritime Coordination Centre's coordination of tasking.	A minimum of 90% satisfaction in relation to responsiveness, transparency, and prioritisation.	Annual survey not yet completed.	At least 90% satisfaction in relation to responsiveness, transparency, and prioritisation.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2008/09 Budgeted \$000	2009/10 Budget \$000	2010/11 Estimated \$000	2011/12 Estimated \$000	2012/13 Estimated \$000
Savings from rationalisation of support functions and rephasing expenditure across financial years.	2009/10	-	(100)	-	-	-
National Maritime Coordination Centre (NMCC) Staff and Information Systems.	2008/09	284	399	456	446	446
Customs' People Capability.	2007/08	6	6	6	6	6

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

	2008/09		2009/10
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	10,801	10,600	8,292
Revenue from Crown	9,157	9,157	7,419
Revenue from Other	1,644	1,644	873

Reasons for Change in Appropriation

The decrease in the appropriation is largely due to savings as a result of the value for money line-by-line review exercise, discontinuation of one-off funding in 2008/09 for Stage 1 and Stage 2 JBMS Business case and implementation of Free Trade Agreement and updated costing allocations.

Output Performance Measures and Standards

Performance Measures	2008/09		2009/10
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Policy advice is provided to the Minister on: <ul style="list-style-type: none"> • proposed changes to the Customs and Excise Act 1996 • policy proposals from other agencies impacting on border and revenue management • Budget matters • improved facilitation at airports • proposed Free Trade Agreements or changes to Free Trade Agreements • World Customs Organisation proposals • bilateral customs agreements • international customs capacity building and other matters as agreed with or directed by the Minister. 	N/A	N/A	Policy work programme and international work programme are advanced as agreed or subsequently amended by agreement between the Minister and Chief Executive during the year. Compliance with Customs' quality standards for policy advice and international work programme (as set out in the Conditions of Use), as assessed by the Minister, meets and sometimes exceeds expectations. Policy papers assessed by external reviewer (NZIER) maintain or better a median score of 7.5 out of 10.
Draft replies to ministerial correspondence are provided within agreed timeframes from time of receipt by Customs.	90% draft replies to ministerial correspondence will be provided to the Minister within 20 working days from the time of receipt by Customs or as agreed with the Minister.	97.4%	90% draft replies to ministerial correspondence will be provided to the Minister within 20 working days from the time of receipt by Customs or as agreed with the Minister.
	100% draft replies to ministerial correspondence will be provided to the Minister within 30 working days from the time of receipt by Customs or as agreed with the Minister.	100%	100% draft replies to ministerial correspondence will be provided to the Minister within 30 working days from the time of receipt by Customs or as agreed with the Minister.

Conditions on Use of Appropriation

Reference	Conditions
Dimensions for quality for policy advice	
Purpose	The objective for the advice is clearly stated; it answers issues raised by the Minister and demonstrates a clear understanding of the desired outcome(s) of the Government and/or the Minister.
Problem definition	Any policy problem, including the underlying causes, size and materiality of issues, is identified and supported by data or other evidence.

Reference	Conditions
Context	There is a clear and logical statement of the issue or problem and why it necessitates Ministerial action.
Logic	An appropriate analytical framework is used. The assumptions behind the advice are explicit and the argument is logical and supported by facts.
Accuracy	All facts are present and accurate. The facts are based on reliable research, evaluation findings or other appropriate information. Known gaps that could significantly affect the conclusions are identified and the range of uncertainty is stated.
Options	A range of options is presented that provides clearly differentiated choices and these are rigorously evaluated against the analytical framework. Costs, benefits, consequences and risks/opportunities of the options are assessed as part of the analysis. Reasons are given in cases when it is not appropriate to use a range of options.
Recommendations	Recommendations are clear, logical and action-oriented and can stand alone from the rest of the advice. They are sufficient to enable a decision to be made on the proposal or to move to the next decision/action point.
Consultation	Thorough and timely consultation has been carried out with other government departments and interested parties. Their views, including objections, are incorporated as appropriate.
Practicality	Issues of implementation, technical feasibility, practicality and timing are considered. The advice accurately identifies political, legislative, compliance, transitional, legal, machinery of government, or other issues or risks that require management.
Communication	Guidance is provided on how communications arising from decisions on the advice should be handled. This includes identifying which key stakeholders should be informed and how.
Presentation	Material is presented to suit the audience and: <ul style="list-style-type: none"> • is concise and structured in a way that assists others to understand the purpose of the advice, key features of the information, analysis and recommendations, and their key implications • uses appropriate language and style • uses empirical evidence • avoids clichés and technical jargon (or where the latter is not possible, it is used appropriately for the audience) • is consistent with departmental and Cabinet Office presentation requirements.

Note - Not all aspects of the standards may apply to specific pieces of policy advice, given considerations of urgency or the particular nature of the advice to be provided.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2008/09 Budgeted \$000	2009/10 Budget \$000	2010/11 Estimated \$000	2011/12 Estimated \$000	2012/13 Estimated \$000
Savings from rationalisation of support functions and rephasing expenditure across financial years.	2009/10	-	(232)	(204)	(204)	(204)
Scoping of Cross-Agency Border Management Trade Single Window.	2008/09	1,000	-	-	-	-
Customs' Border Management Systems Replacement Programme.	2007/08	720	-	-	-	-
Customs Wellington Head Office Relocation and Modernisation.	2007/08	242	242	242	242	242
Remuneration and organisational development.	2005/06	434	434	434	434	434
Customs' Cargo X-Ray Capability.	2004/05	100	100	100	100	100
Growth and Innovation Framework (GIF).	2004/05	750	750	750	750	750

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

	2008/09		2009/10
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	707	701	744
Revenue from Crown	695	695	727
Revenue from Other	12	12	17

Output Performance Measures and Standards

Performance Measures	2008/09		2009/10
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Decisions on prosecutions and other resolutions are taken in accordance with professional standards.	N/A	N/A	All prosecutions are conducted in accordance with the Solicitor-General's guidelines for prosecutions. Other resolutions are administered in accordance with legal requirements and relevant professional guidelines.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2008/09 Budgeted \$000	2009/10 Budget \$000	2010/11 Estimated \$000	2011/12 Estimated \$000	2012/13 Estimated \$000
Savings from rationalisation of support functions and rephasing expenditure across financial years.	2009/10	-	(6)	-	-	-
Customs Wellington Head Office Relocation and Modernisation.	2007/08	19	19	19	19	19
Remuneration and organisational development.	2005/06	81	81	81	81	81

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

	2008/09		2009/10
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	3,282	3,250	3,352
Revenue from Crown	3,018	3,018	3,071
Revenue from Other	264	264	281

Output Performance Measures and Standards

Performance Measures	2008/09		2009/10
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Revenue collected on behalf of the Crown.	\$9,418 million	\$9,608 million	\$9,785 million, as advised by Treasury.
Revenue collected for other agencies.	\$335 - \$350 million (for 5 agencies)	\$340 million	\$335 - \$350 million, as advised by agencies involved.
Revenue collected efficiently and with minimum compliance costs.	N/A	N/A	Over 95% collected electronically. Over 98% revenue collected on due date. Over 8,000 clients that meet credit criteria have access to the deferred payment scheme.
The integrity of the revenue collection system is maintained in a cost-effective manner.	N/A	N/A	Value of aged debt and dishonours collected is at least \$6 million or over 8 times the cost of operating the Customs National Credit Control Unit. Debt write-offs as % total revenue collected in that year is no more than 0.02%. 95% of debt over 3 months old is reviewed at least 4 times a year.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2008/09 Budgeted \$000	2009/10 Budget \$000	2010/11 Estimated \$000	2011/12 Estimated \$000	2012/13 Estimated \$000
Savings from rationalisation of support functions and rephasing expenditure across financial years.	2009/10	-	(34)	(4)	(4)	(4)
Customs Wellington Head Office Relocation and Modernisation.	2007/08	87	87	87	87	87
Remuneration and organisational development.	2005/06	403	403	403	403	403
Customs' Cargo X-Ray Capability.	2004/05	94	94	94	94	94

Surveillance, Search and Containment (M21)

Scope of Appropriation

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

Expenses and Revenue

	2008/09		2009/10
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	7,116	7,090	6,947
Revenue from Crown	6,949	6,949	6,810
Revenue from Other	167	167	137

Output Performance Measures and Standards

Performance Measures	2008/09		2009/10
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Arriving vessels are risk assessed.	N/A	N/A	<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>

Performance Measures	2008/09		2009/10
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Routine patrol and surveillance is carried out.	N/A	N/A	At least 80% of planned patrol and surveillance days are completed. Patrols and surveillance are carried out in accordance with the patrol and surveillance plans for each location.
Event readiness exercises (estimated between 5-10) are subject to agreed plans and/or guidelines and debriefed with agencies involved.	Yes	Yes	100% of event readiness exercises subject to agreed plans or guidelines and debriefed.
Operational support is provided to external agencies.	N/A	N/A	At least 6 multi-agency targeted operations undertaken.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2008/09 Budgeted \$000	2009/10 Budget \$000	2010/11 Estimated \$000	2011/12 Estimated \$000	2012/13 Estimated \$000
Savings from rationalisation of support functions and rephasing expenditure across financial years.	2009/10	-	(67)	(8)	(8)	(8)
Customs Wellington Head Office Relocation and Modernisation.	2007/08	95	95	95	95	95
Remuneration and organisational development.	2005/06	823	823	823	823	823

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

	2008/09		2009/10
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	1,843	1,800	1,851
Revenue from Crown	161	161	215
Revenue from Other	1,682	1,682	1,636

Output Performance Measures and Standards

Performance Measures	2008/09		2009/10
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Classification and concession rulings made (estimated between 200-300) are issued within time standards.	A minimum of 90% of classification and concession rulings will be issued within 20 working days of lodgement of all necessary information.	96.9%	At least 90% of classification and concession rulings will be issued within 20 working days of lodgement of all necessary information.
Rulings given and not appealed or taken to appeal and sustained.	N/A	N/A	A minimum of 95%
Number of calls responded to by the National Call Centre.	99,900-123,000	99,800	99,900-123,000
Availability of public information.	A minimum of 99% availability on a 24 hours a day, 7 days a week basis of the Customs' 0800 telephone number and the Customs' website.	99.9%	At least 99% availability on a 24 hours a day, 7 days a week basis of the Customs' 0800 telephone number and the Customs' website.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2008/09 Budgeted \$000	2009/10 Budget \$000	2010/11 Estimated \$000	2011/12 Estimated \$000	2012/13 Estimated \$000
Savings from rationalisation of support functions and rephasing expenditure across financial years.	2009/10	-	(51)	(68)	(68)	(68)
Customs Wellington Head Office Relocation and Modernisation.	2007/08	61	61	61	61	61
Remuneration and organisational development.	2005/06	184	184	184	184	184

Part 5 - Details and Expected Results for Other Expenses

Part 5.2 - Non-Departmental Other Expenses

Intended Impacts, Outcomes and Objectives

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
Objective: To manage debts owed to the Crown and to minimise the impact on Crown Revenue of debts owed to the Crown.	Change in Doubtful Debt Provision.
Objective: To meet international obligations and participate in, and contribute to, the international customs community.	World Customs Organisation.

Change in Doubtful Debt Provision (M21)

Scope of Appropriation

Provisioning of Doubtful Debts on Customs Crown Revenue.
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Expenses

	2008/09		2009/10
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	2,000	200	2,000

World Customs Organisation (M21)

Scope of Appropriation

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

	2008/09		2009/10
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	63	63	88

Reporting Mechanisms

Appropriation	Reporting Mechanism
Change in Doubtful Debt Provision.	Annual Report of New Zealand Customs Service.
World Customs Organisation.	Annual Report of New Zealand Customs Service.

The above table indicates the mechanisms to be used for reporting actual performance for each non-departmental other expenses appropriation.

Part 6 - Details and Expected Results for Capital Expenditure

Part 6.1 - Departmental Capital Expenditure

Intended Impacts, Outcomes and Objectives

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
Objective: To maintain and upgrade capability through the maintenance and replacement of assets.	New Zealand Customs Service - Capital Expenditure PLA.

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		2009/10
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	5,100	5,100	17,413
Intangibles	1,400	1,400	3,888
Other	-	-	-
Total Appropriation	6,500	6,500	21,301

Reasons for Change in Appropriation

The 2009/10 budgeted capital expenditure includes \$7.300 million for upgrades of accommodation and passenger processing infrastructure along with the routine replacement and upgrade of plant and equipment. It is expected that \$6.500 million will be committed to enable the fit-out of the Wellington Customhouse to be advanced. The move to the new building is scheduled for 2010/11. A further \$7.500 million is allocated to the development and installation of automated Trans-Tasman passenger systems.