

The Treasury

Budget 2016 Information Release

Release Document July 2016

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Key to sections of the Official Information Act 1982 under which information has been withheld.

Certain information in this document has been withheld under one or more of the following sections of the Official Information Act, as applicable:

| | | |
|-------------|--|--------------|
| [1] | to prevent prejudice to the security or defence of New Zealand or the international relations of the government | 6(a) |
| [4] | to prevent prejudice to the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial | 6(c) |
| [11] | to damage seriously the economy of New Zealand by disclosing prematurely decisions to change or continue government economic or financial policies relating to the entering into of overseas trade agreements. | 6(e)(vi) |
| [23] | to protect the privacy of natural persons, including deceased people | 9(2)(a) |
| [25] | to protect the commercial position of the person who supplied the information or who is the subject of the information | 9(2)(b)(ii) |
| [26] | to prevent prejudice to the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied | 9(2)(ba)(i) |
| [27] | to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information - would be likely otherwise to damage the public interest | 9(2)(ba)(ii) |
| [29] | to avoid prejudice to the substantial economic interests of New Zealand | 9(2)(d) |
| [31] | to maintain the current constitutional conventions protecting collective and individual ministerial responsibility | 9(2)(f)(ii) |
| [33] | to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials | 9(2)(f)(iv) |
| [34] | to maintain the effective conduct of public affairs through the free and frank expression of opinions | 9(2)(g)(i) |
| [36] | to maintain legal professional privilege | 9(2)(h) |
| [37] | to enable the Crown to carry out commercial activities without disadvantages or prejudice | 9(2)(i) |
| [38] | to enable the Crown to negotiate without disadvantage or prejudice | 9(2)(j) |
| [39] | to prevent the disclosure of official information for improper gain or improper advantage | 9(2)(k) |
| [s18(c)(i)] | that the making available of the information requested would be contrary to the provisions of a specified enactment | |
| [40] | Not in scope | |

Where information has been withheld, a numbered reference to the applicable section of the Official Information Act has been made, as listed above. For example, a [23] appearing where information has been withheld in a release document refers to section 9(2)(a).

In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) and section 18 of the Official Information Act.



Cabinet

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

2016 Budget Package: Vote Customs

On 25 April 2016, Cabinet:

- 1 **approved** the Budget initiatives for the above Vote for inclusion in the 2016 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) | | | | |
|------------------------|---|---------------------------|---------------|---------------|---------------|--------------------|
| | | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 & Outyears |
| 9235 | Improving the Efficiency and Effectiveness of the Border Sector | - | 9.564 | 8.036 | 5.681 | 5.681 |
| 9224 | Modernising and Transforming Customs Workforce | 0.784 | 4.758 | 4.758 | 4.758 | 4.758 |
| Total Operating | | 0.784 | 14.322 | 12.794 | 10.439 | 10.439 |

Capital Initiative (Impact on Debt)

| Initiative ID | Initiative Name | \$m - increase/(decrease) | | | | |
|----------------------|---|---------------------------|--------------|----------|----------|--------------------|
| | | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 & Outyears |
| 9235 | Improving the Efficiency and Effectiveness of the Border Sector | - | 1.520 | - | - | - |
| Total Capital | | - | 1.520 | - | - | - |

- 2 **approved** changes to appropriations and the capital injection to the administering department to implement the initiatives, as set out in the attached initiative documents;
- 3 **agreed** that the proposed changes to appropriations for 2015/16 above be included in the 2015/16 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;

- 4 **authorised** the Minister of Finance and the Appropriation Minister to approve jointly any technical adjustments to baselines necessary to remove any errors or inconsistencies identified while finalising the 2015/16 Supplementary Estimates, the 2016/17 Estimates and the fiscal forecasts;
- 5 **noted** that all communications relating to the 2016 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.

Michael Webster
Secretary of the Cabinet

Vote: Customs

Title: Improving the Efficiency and Effectiveness of the Border Sector.

Description: This funding will provide for a pilot of new processes for trusted travellers and traders at the border, increased resources to support the implementation of the new Customs and Excise Act, including better engagement with business, and increased sampling across Customs' border activities to improve the information base used for risk targeting.

Appropriation Changes

| | Sm - increase/(decrease) | | | | |
|--------------------------|--------------------------|---------------|--------------|--------------|--------------------|
| | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 & Outyears |
| Operating Balance Impact | - | 9.564 | 8.036 | 5.681 | 5.681 |
| Debt Impact | - | 1.520 | - | - | - |
| No Impact | - | - | - | - | - |
| Total | - | 11.084 | 8.036 | 5.681 | 5.681 |

Initiative No: 9235

| | \$m - increase/(decrease) | | | | |
|--|---------------------------|--------------|--------------|--------------|--------------------|
| | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 & Outyears |
| Departmental Output Expenses: | | | | | |
| Clearance and Enforcement Services Related to Craft (funded by revenue Crown) | - | 0.454 | 0.389 | 0.371 | 0.371 |
| Clearance and Enforcement Services Related to Goods (funded by revenue Crown) | - | 4.868 | 4.468 | 2.902 | 2.902 |
| Clearance and Enforcement Services Related to Passengers and Crew (funded by revenue Crown) | - | 2.164 | 1.675 | 1.111 | 1.111 |
| Information and Intelligence Services (funded by revenue Crown) | - | 0.081 | 0.024 | 0.006 | 0.006 |
| International Services and Ministerial Servicing (funded by revenue Crown) | - | 0.073 | 0.021 | 0.005 | 0.005 |
| Policy Advice (funded by revenue Crown) | - | 0.325 | 0.154 | 0.003 | 0.003 |
| Revenue Collection (funded by revenue Crown) | - | 1.599 | 1.305 | 1.283 | 1.283 |
| Capital Injection: | | | | | |
| New Zealand Customs Service - Capital Injection | - | 1.520 | - | - | - |
| Total Operating | - | 9.564 | 8.036 | 5.681 | 5.681 |
| Total Capital | - | 1.520 | - | - | - |

Additional recommendations

- 6 **noted** that funding for this initiative is also provided through Vote Primary Industries as reflected in initiative 9323, 'Border Sector: Improving the Efficiency and Effectiveness' [CAB-16-MIN-0189.33];
- 7 **noted** that there is an additional impact of \$0.162 million on Immigration Services within Vote Labour Market, as a result of this initiative, but that this cost will be met within existing baselines.

Vote: Customs

Title: Modernising and Transforming Customs Workforce

Description: This funding will enable Customs to reshape, build and retain its operational workforce to manage future demand from increased volumes and changing risk profiles of trade and travellers crossing New Zealand's border, restructuring remuneration to support these changes.

Appropriation Changes

| | \$m - increase/(decrease) | | | | |
|--------------------------|---------------------------|--------------|--------------|--------------|--------------------|
| | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 & Outyears |
| Operating Balance Impact | 0.784 | 4.758 | 4.758 | 4.758 | 4.758 |
| Debt Impact | - | - | - | - | - |
| No Impact | - | - | - | - | - |
| Total | 0.784 | 4.758 | 4.758 | 4.758 | 4.758 |

| | \$m - increase/(decrease) | | | | |
|--|---------------------------|--------------|--------------|--------------|--------------------|
| | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 & Outyears |
| Departmental Output Expenses: | | | | | |
| Clearance and Enforcement Services Related to Craft (funded by revenue Crown) | 0.139 | 0.841 | 0.841 | 0.841 | 0.841 |
| Information and Intelligence Services (funded by revenue Crown) | 0.142 | 0.863 | 0.863 | 0.863 | 0.863 |
| International Services and Ministerial Servicing (funded by revenue Crown) | 0.206 | 1.250 | 1.250 | 1.250 | 1.250 |
| Policy Advice (funded by revenue Crown) | 0.133 | 0.808 | 0.808 | 0.808 | 0.808 |
| Revenue Collection (funded by revenue Crown) | 0.164 | 0.996 | 0.996 | 0.996 | 0.996 |
| Total Operating | 0.784 | 4.758 | 4.758 | 4.758 | 4.758 |
| Total Capital | - | - | - | - | - |