

# *Vote Customs*

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APPROPRIATION MINISTER(S): Minister of Customs (M21)

APPROPRIATION ADMINISTRATOR: New Zealand Customs Service

RESPONSIBLE MINISTER FOR NEW ZEALAND CUSTOMS SERVICE: Minister of Customs

# Details of Appropriations and Capital Injections

## Annual Appropriations and Forecast Permanent Appropriations

Titles and Scopes of Appropriations by Appropriation Type	2019/20				Total Budget \$000
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Addition to the Supplementary Estimates Budget \$000	Cumulative Supplementary Estimates Budget \$000	
<b>Departmental Output Expenses</b>					
<b>Clearance and Enforcement Services Related to Craft (M21)</b> This appropriation is limited to the provision of services relating to craft arriving in and departing from New Zealand, including clearance of craft, and protection of New Zealand's interests through interventions, investigations and enforcement.	9,985	(31)	-	(31)	9,954
<b>Clearance and Enforcement Services Related to Goods (M21)</b> This appropriation is limited to the provision of services relating to goods crossing the border, including clearance of goods, assessment and audit of revenue, trade compliance and supply chain security assurance, and protection of New Zealand's interests through interventions, audits, investigations and enforcement.	90,981	555	-	555	91,536
<b>Clearance and Enforcement Services Related to Passengers and Crew (M21)</b> This appropriation is limited to the provision of services relating to passengers and crew crossing the border, including collecting information, clearance of people and their possessions, and protection of New Zealand's interests through interventions, investigations and enforcement.	78,327	2,212	-	2,212	80,539
<b>Information and Intelligence Services (M21)</b> This appropriation is limited to the provision of information, intelligence and risk assessment services to external clients, and the operation of the National Maritime Coordination Centre.	15,652	(1,565)	-	(1,565)	14,087
<b>International Services and Ministerial Servicing (M21)</b> This appropriation is limited to the provision of international services, obligations, and assistance, and the provision of services to Ministers to enable them to discharge their portfolio (other than policy decision-making) responsibilities.	10,259	1,024	-	1,024	11,283
<b>Policy Advice (M21)</b> This appropriation is limited to the provision of advice (including second opinion advice and contributions to policy advice led by other agencies) to support decision-making by Ministers on government policy matters.	5,384	(1,599)	-	(1,599)	3,785
<b>Revenue Collection (M21)</b> This appropriation is limited to the provision of services relating to receipt and processing of revenues owing to the Crown and other agencies, revenue assurance, credit and debt management.	10,373	360	-	360	10,733
<b>Total Departmental Output Expenses</b>	220,961	956	-	956	221,917

Titles and Scopes of Appropriations by Appropriation Type	2019/20				
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Addition to the Supplementary Estimates Budget \$000	Cumulative Supplementary Estimates Budget \$000	Total Budget \$000
<b>Departmental Capital Expenditure</b>					
<b>New Zealand Customs Service - Capital Expenditure PLA (M21)</b> 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.	12,655	19,346	-	19,346	32,001
<b>Total Departmental Capital Expenditure</b>	12,655	19,346	-	19,346	32,001
<b>Non-Departmental Other Expenses</b>					
<b>Change in Doubtful Debt Provision (M21)</b> Provisioning of Doubtful Debts on Customs Crown Revenue.	8,000	-	16,000	<b>16,000</b>	24,000
<b>Provision of ACC-equivalent cover for New Zealand employees working overseas PLA (M21)</b> This appropriation is limited to payments authorised by section 65ZG of the Public Finance Act 1989 under the indemnity given by the Minister of Finance under section 65ZD of that Act for the provision of ACC-equivalent cover New Zealand employees working overseas as specified in the indemnity.	5	-	-	-	5
<b>World Customs Organization (M21)</b> New Zealand's contribution to the operating budget of the WCO.	80	-	-	-	80
<b>Total Non-Departmental Other Expenses</b>	8,085	-	16,000	16,000	24,085
<b>Total Annual Appropriations and Forecast Permanent Appropriations</b>	241,701	20,302	16,000	36,302	278,003

## Capital Injection Authorisations

	2019/20				
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Addition to the Supplementary Estimates Budget \$000	Cumulative Supplementary Estimates Budget \$000	Total Budget \$000
New Zealand Customs Service - Capital Injection (M21)	2,603	2,742	30,000	32,742	35,345

# Supporting Information

## Part 1 - Vote as a Whole

### 1.2 - Trends in the Vote

#### Summary of Financial Activity

	2019/20				
	Estimates \$000	Cumulative Supplementary Estimates			Total \$000
		Departmental Transactions \$000	Non- Departmental Transactions \$000	Total Transactions \$000	
<b>Appropriations</b>					
Output Expenses	220,961	956	-	956	221,917
Benefits or Related Expenses	-	N/A	-	-	-
Borrowing Expenses	-	-	-	-	-
Other Expenses	8,085	-	16,000	16,000	24,085
Capital Expenditure	12,655	19,346	-	19,346	32,001
Intelligence and Security Department Expenses and Capital Expenditure	-	-	N/A	-	-
Multi-Category Expenses and Capital Expenditure (MCA)					
<i>Output Expenses</i>	-	-	-	-	-
<i>Other Expenses</i>	-	-	-	-	-
<i>Capital Expenditure</i>	-	N/A	-	-	-
<b>Total Appropriations</b>	<b>241,701</b>	<b>20,302</b>	<b>16,000</b>	<b>36,302</b>	<b>278,003</b>
<b>Crown Revenue and Capital Receipts</b>					
Tax Revenue	16,001,000	N/A	(906,000)	(906,000)	15,095,000
Non-Tax Revenue	642	N/A	8,307	8,307	8,949
Capital Receipts	-	N/A	-	-	-
<b>Total Crown Revenue and Capital Receipts</b>	<b>16,001,642</b>	<b>N/A</b>	<b>(897,693)</b>	<b>(897,693)</b>	<b>15,103,949</b>

## Part 2 - Details of Departmental Appropriations

### 2.3 - Departmental Capital Expenditure and Capital Injections

#### *Capital Injections and Movements in Departmental Net Assets*

##### **New Zealand Customs Service**

Details of Net Asset Schedule	2019/20 Main Estimates Projections \$000	2019/20 Supplementary Estimates Projections \$000	2019/20 Addition to the Supplementary Estimates Projections \$000	Explanation of Projected Movements in 2019/20
Opening Balance	164,767	152,477	145,796	Supplementary Estimates opening balance reflects the audited results as at 30 June 2019.
Capital Injections	2,603	5,345	35,345	Comprising \$30 million to meet a shortfall in forecast third party revenue due to COVID-19.
Capital Withdrawals	-	-	-	
Surplus to be Retained (Deficit Incurred)	(5,847)	(12,026)	(12,026)	
Other Movements	-	-	-	
<b>Closing Balance</b>	<b>161,523</b>	<b>145,796</b>	<b>169,115</b>	

## Part 3 - Details of Non-Departmental Appropriations

### 3.4 - Non-Departmental Other Expenses

#### Change in Doubtful Debt Provision (M21)

##### *Scope of Appropriation*

Provisioning of Doubtful Debts on Customs Crown Revenue.

##### *Reasons for Change in Appropriation*

This appropriation increased by \$16 million to \$24 million due to the impacts related to COVID-19 on businesses and their ability to settle amounts due for the payment of duty and GST.