

Vote Customs

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	2018/19		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Departmental Output Expenses			
Clearance and Enforcement Services Related to Craft (M21) 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.	10,530	(1,551)	8,979
Clearance and Enforcement Services Related to Goods (M21) 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.	85,926	4,053	89,979
Clearance and Enforcement Services Related to Passengers and Crew (M21) 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.	65,513	6,469	71,982
Information and Intelligence Services (M21) 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.	15,302	(2,071)	13,231
International Services and Ministerial Servicing (M21) 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.	10,493	199	10,692
Policy Advice (M21) 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	(1,482)	3,902
Revenue Collection (M21) 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.	10,085	235	10,320
Total Departmental Output Expenses	203,233	5,852	209,085
Departmental Capital Expenditure			
New Zealand Customs Service - Capital Expenditure PLA (M21) 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.	19,340	12,531	31,871
Total Departmental Capital Expenditure	19,340	12,531	31,871

	2018/19		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Titles and Scopes of Appropriations by Appropriation Type			
Non-Departmental Other Expenses			
Change in Doubtful Debt Provision (M21) Provisioning of Doubtful Debts on Customs Crown Revenue.	8,000	-	8,000
Provision of ACC-equivalent cover for New Zealand employees working overseas PLA (M21) 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
World Customs Organization (M21) New Zealand's contribution to the operating budget of the WCO.	60	20	80
Total Non-Departmental Other Expenses	8,060	25	8,085
Total Annual Appropriations and Forecast Permanent Appropriations	230,633	18,408	249,041

Capital Injection Authorisations

	2018/19		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
New Zealand Customs Service - Capital Injection (M21)	2,742	-	2,742

Supporting Information

Part 1 - Vote as a Whole

1.2 - Trends in the Vote

Summary of Financial Activity

	2018/19				
	Estimates \$000	Supplementary Estimates			Total \$000
		Departmental Transactions \$000	Non- Departmental Transactions \$000	Total Transactions \$000	
Appropriations					
Output Expenses	203,233	5,852	-	5,852	209,085
Benefits or Related Expenses	-	N/A	-	-	-
Borrowing Expenses	-	-	-	-	-
Other Expenses	8,060	-	25	25	8,085
Capital Expenditure	19,340	12,531	-	12,531	31,871
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	-	-	-
Total Appropriations	230,633	18,383	25	18,408	249,041
Crown Revenue and Capital Receipts					
Tax Revenue	14,687,000	N/A	708,000	708,000	15,395,000
Non-Tax Revenue	80	N/A	49	49	129
Capital Receipts	-	N/A	-	-	-
Total Crown Revenue and Capital Receipts	14,687,080	N/A	708,049	708,049	15,395,129

Part 2 - Details of Departmental Appropriations

2.1 - Departmental Output Expenses

Clearance and Enforcement Services Related to Craft (M21)

Scope of Appropriation

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.

Expenses and Revenue

	2018/19		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	10,530	(1,551)	8,979
Revenue from the Crown	10,421	(1,551)	8,870
Revenue from Others	109	-	109

Reasons for Change in Appropriation

This appropriation decreased by \$1.551 million to \$8.979 million for 2018/19 due to:

- a decrease of \$1.483 million through a fiscally neutral transfer to other appropriations to meet performance standards across all areas of responsibilities and to align the resource requirements with demand and activities
- a decrease of \$80,000 for an expense transfer to 2019/20 for the Drug Smuggling Networks Strategic Disruption initiative, and
- a decrease of \$15,000 for expense transfers across years for the Proceeds of Crime initiative.

The decrease is offset by:

- an increase of \$15,000 for an expense transfer from 2017/18 for the Assurance Programme initiative, and
- an increase of \$12,000 for expense transfers from 2017/18 for the Business Continuity Planning initiative and specialised training.

Clearance and Enforcement Services Related to Goods (M21)

Scope of Appropriation

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.

Expenses and Revenue

	2018/19		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	85,926	4,053	89,979
Revenue from the Crown	17,126	4,179	21,305
Revenue from Others	68,800	(126)	68,674

Reasons for Change in Appropriation

This appropriation increased by \$4.053 million to \$89.979 million for 2018/19 due to:

- an increase of \$2.832 million through a fiscally neutral transfer from other appropriations to meet performance standards across all areas of responsibilities and to align the resource requirements with demand and activities
- an increase of \$754,000 for the costs associated with the new valuation ruling revenue introduced in the new Customs and Excise Act
- an increase of \$233,000 for an expense transfer from 2017/18 for the Customs and Excise Act initiative
- an increase of \$224,000 for an expense transfer from 2017/18 for the Secure Trade Lane initiative
- an increase of \$154,000 for an expense transfer from 2017/18 for the Assurance Programme initiative
- an increase of \$93,000 for an expense transfer from 2017/18 for the non-intrusive inspection technology
- an increase of \$73,000 for expense transfers from 2017/18 for specialised training and analytical software, and
- an increase of \$67,000 for an expense transfer from 2017/18 for the Business Continuity Planning initiative.

The increase is partially offset by:

- a decrease of \$279,000 for an expense transfer to 2019/20 for the Drug Smuggling Networks Strategic Disruption initiative
- a decrease of \$79,000 for capital charge as a result of a capital transfer to the Ministry of Primary Industries for the Joint Border Management Systems initiative, and
- a decrease of \$19,000 for expense transfers across years for the Proceeds of Crime initiative.

Clearance and Enforcement Services Related to Passengers and Crew (M21)

Scope of Appropriation

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.

Expenses and Revenue

	2018/19		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	65,513	6,469	71,982
Revenue from the Crown	594	40	634
Revenue from Others	64,919	4,316	69,235

Reasons for Change in Appropriation

The appropriation increased by \$6.469 million to \$71.982 million for 2018/19 due to:

- an increase of \$4.966 million to manage increased volumes of passengers
- an increase of \$1.463 million through a fiscally neutral transfer from other appropriations to meet performance standards across all areas of responsibilities and to align the resource requirements with demand and activities
- an increase of \$92,000 for an expense transfer from 2017/18 for the Customs and Excise Act initiative
- an increase of \$66,000 for an expense transfer from 2017/18 for the Assurance Programme initiative
- an increase of \$53,000 for expense transfers from 2017/18 for specialised training, analytical software and X-Ray technology, and
- an increase of \$26,000 for an expense transfer from 2017/18 for the Business Continuity Planning initiative.

The increase is partially offset by:

- a decrease of \$192,000 for an expense transfer to 2019/20 for the Drug Smuggling Networks Strategic Disruption initiative, and
- a decrease of \$5,000 for expense transfers across years for the Proceeds of Crime initiative.

Memorandum Account

	2018/19		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Name of Memorandum Account			
Opening Balance at 1 July	11,550	5,803	17,353
Revenue	64,919	4,950	69,869
Expenses	(64,919)	(7,063)	(71,982)
Transfers and Adjustments			
Closing Balance at 30 June	11,550	3,690	15,240

Information and Intelligence Services (M21)*Scope of Appropriation*

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.

Expenses and Revenue

	2018/19		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	15,302	(2,071)	13,231
Revenue from the Crown	14,450	(2,071)	12,379
Revenue from Others	852	-	852

Reasons for Change in Appropriation

This appropriation has decreased by \$2.071 million to \$13.231 million for 2018/19 due to:

- a decrease of \$1.822 million through a fiscally neutral transfer to other appropriations to meet performance standards across all areas of responsibilities and to align the resource requirements with demand and activities
- a decrease of \$235,000 for expense transfers across years for the Proceeds of Crime initiative, and
- a decrease of \$73,000 for an expense transfer to 2019/20 across years for the Drug Smuggling Networks Strategic Disruption initiative.

The decrease is partially offset by:

- an increase of \$42,000 for expense transfers from 2017/18 for specialised training and analytical software, and
- an increase of \$17,000 for expense transfers from 2017/18 for the Customs and Excise Act initiative, the Assurance Programme initiative and the Business Continuity Planning initiative.

International Services and Ministerial Servicing (M21)

Scope of Appropriation

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.

Expenses and Revenue

	2018/19		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	10,493	199	10,692
Revenue from the Crown	8,502	199	8,701
Revenue from Others	1,991	-	1,991

Reasons for Change in Appropriation

This appropriation has increased by \$199,000 to \$10.692 million for 2018/19 due to:

- an increase of \$222,000 for an expense transfer from 2017/18 for the Pacific Programme initiative, and
- an increase of \$8,000 for expense transfers from 2017/18 for the Customs and Excise Act initiative, the Assurance Programme initiative and the Business Continuity Planning initiative.

The increase is offset by:

- a decrease of \$11,000 through a fiscally neutral transfer to other appropriations to meet performance standards across all areas of responsibilities and to align the resource requirements with demand and activities, and
- a decrease of \$20,000 for expense transfers to 2019/20 for the Drug Smuggling Networks Strategic Disruption initiative.

Policy Advice (M21)

Scope of Appropriation

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.

Expenses and Revenue

	2018/19		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	5,384	(1,482)	3,902
Revenue from the Crown	5,349	(1,482)	3,867
Revenue from Others	35	-	35

Reasons for Change in Appropriation

This appropriation has decreased by \$1.482 million to \$3.902 million for 2018/19 due to:

- a decrease of \$1.295 million through a fiscally neutral transfer to other appropriations to meet performance standards across all areas of responsibilities and to align the resource requirements with demand and activities
- a decrease of \$208,000 for expense transfers across years for the Secure Trade Lane initiative, and
- a decrease of \$7,000 for an expense transfer to 2019/20 for the Drug Smuggling Networks Strategic Disruption initiative.

The decrease is partially offset by an increase of \$28,000 for expense transfers from 2017/18 for the Customs and Excise Act initiative, the Assurance Programme initiative and the Business Continuity Planning initiative.

Revenue Collection (M21)

Scope of Appropriation

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.

Expenses and Revenue

	2018/19		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	10,085	235	10,320
Revenue from the Crown	9,447	235	9,682
Revenue from Others	638	-	638

Reasons for Change in Appropriation

This appropriation has increased by \$235,000 to \$10.320 million for 2018/19 due to:

- an increase of \$81,000 through a fiscally neutral transfer from other appropriations to meet performance standards across all areas of responsibilities and to align the resource requirements with demand and activities.
- an increase of \$71,000 for an expense transfer from 2017/18 for the Customs and Excise Act initiative
- an increase of \$52,000 for an expense transfer from 2017/18 for the Assurance Programme initiative
- an increase of \$23,000 for expense transfers from 2017/18 for specialised training and X-Ray Technology, and
- an increase of \$21,000 for an expense transfer from 2017/18 for the Business Continuity Planning initiative.

The increase is offset by:

- a decrease of \$13,000 for an expense transfer to 2019/20 for the Drug Smuggling Networks Strategic Disruption initiative.

2.3 - Departmental Capital Expenditure and Capital Injections

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

	2018/19		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	7,440	4,655	12,095
Intangibles	11,900	7,876	19,776
Other	-	-	-
Total Appropriation	19,340	12,531	31,871

Reasons for Change in Appropriation

This appropriation has increased by \$12.531 million to \$31.871 million for 2018/19 due to an increase in the following projects of:

- \$2.500 million for Risk and Intelligence software development
- \$5.300 million for Non-intrusive equipment
- \$1.400 million for the refresh of computer software and hardware equipment, and
- \$3.300 million for Border Management Systems upgrade

Capital Injections and Movements in Departmental Net Assets

New Zealand Customs Service

Details of Net Asset Schedule	2018/19 Main Estimates Projections \$000	2018/19 Supplementary Estimates Projections \$000	Explanation of Projected Movements in 2018/19
Opening Balance	163,244	166,786	Supplementary Estimates opening balance reflects the audited results as at 30 June 2018.
Capital Injections	2,742	2,742	
Capital Withdrawals	-	(2,648)	
Surplus to be Retained (Deficit Incurred)	-	(2,113)	
Other Movements	-	-	
Closing Balance	165,986	164,767	

Part 3 - Details of Non-Departmental Appropriations

3.4 - Non-Departmental Other Expenses

Provision of ACC-equivalent cover for New Zealand employees working overseas PLA (M21)

Scope of Appropriation

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.

Expenses

	2018/19		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	5	5

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the provision of ACC-equivalent cover for New Zealand employees of the New Zealand Customs Service working overseas.

How Performance will be Assessed and End of Year Reporting Requirements

An exemption was granted under section 15D(2)(b)(ii) of the Public Finance Act 1989 as any performance information is not likely to be informative.

Reasons for Change in Appropriation

This is a new appropriation added to Vote Customs in 2018/19, to provide ACC-equivalent cover for New Zealand employees of the New Zealand Customs Service working overseas.

World Customs Organization (M21)

Scope of Appropriation

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

Expenses

	2018/19		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	60	20	80

Reasons for Change in Appropriation

This appropriation has increased by \$20,000 to \$80,000 for 2018/19 due to an increase to provide for currency changes.

