

Vote Customs

APPROPRIATION MINISTER(S): Minister of Customs (M21), Minister for COVID-19 Response (M103)

DEPARTMENT ADMINISTERING THE VOTE: New Zealand Customs Service (A3)

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	2021/22		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Departmental Output Expenses			
Border System Performance (M103) (A3) This appropriation is limited to policy and investment advice and the design and coordination of joint initiatives relating to the border system as a whole.	1,500	(50)	1,450
Goods Clearance and Enforcement (M21) (A3) This appropriation is limited to the provision of services relating to goods crossing borders, including trade compliance, and the protection of New Zealand through interventions, investigations and enforcement.	103,679	5,218	108,897
Revenue Collection and Other Services (M21) (A3) This appropriation is limited to the collection of Crown Revenue, the provision of Customs-related services to other government agencies and organisations, and the provision of advice and services to support Ministers to discharge their portfolio responsibilities relating to Customs.	39,588	272	39,860
Travellers Clearance and Enforcement (M21) (A3) This appropriation is limited to the provision of services relating to travellers crossing borders and the protection of New Zealand through interventions, investigations and enforcement.	90,234	(933)	89,301
Total Departmental Output Expenses	235,001	4,507	239,508
Departmental Other Expenses			
Software as a Service intangible asset derecognition (write-off) (M21) (A3) This appropriation is limited to the derecognition (write-off) of a previously capitalised or planned to be capitalised intangible asset, due to the accounting policy change regarding Software as a Service.	-	7,661	7,661
Total Departmental Other Expenses	-	7,661	7,661
Departmental Capital Expenditure			
New Zealand Customs Service - Capital Expenditure PLA (M21) (A3) 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.	21,054	104	21,158
Total Departmental Capital Expenditure	21,054	104	21,158
Non-Departmental Other Expenses			
Change in Doubtful Debt Provision (M21) (A3) Provisioning of Doubtful Debts on Customs Crown Revenue.	8,000	8,000	16,000
World Customs Organization (M21) (A3) New Zealand's contribution to the operating budget of the WCO.	80	-	80
Total Non-Departmental Other Expenses	8,080	8,000	16,080
Total Annual Appropriations and Forecast Permanent Appropriations	264,135	20,272	284,407

Multi-Year Appropriations

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
Departmental Output Expenses		
COVID-19 - Maritime Response (M21) (A3) This appropriation is limited to the provision of services relating to mitigating the risk of transmission of COVID-19 across the maritime border. Commences: 01 September 2020 Expires: 30 June 2023	Original Appropriation	44,020
	Adjustments to 2020/21	-
	Adjustments for 2021/22	41,550
	Adjusted Appropriation	85,570
	Actual to 2020/21 Year End	22,550
	Estimated Actual for 2021/22	31,470
	Estimate for 2022/23	31,550
	Estimated Appropriation Remaining	-
Traveller Declaration System Development (M103) (A3) This appropriation is limited to the development of policies, procedures and systems to assess travellers for risk, including health risk, when crossing the New Zealand border. Commences: 01 September 2021 Expires: 30 June 2025	Original Appropriation	42,300
	Adjustments to 2020/21	-
	Adjustments for 2021/22	-
	Adjusted Appropriation	42,300
	Actual to 2020/21 Year End	-
	Estimated Actual for 2021/22	16,800
	Estimate for 2022/23	25,500
	Estimated Appropriation Remaining	-

Total Annual Appropriations and Forecast Permanent Appropriations and Multi-Year Appropriations

	2021/22		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Total Annual Appropriations and Forecast Permanent Appropriations	264,135	20,272	284,407
Total Forecast MYA Departmental Output Expenses	21,863	26,407	48,270
Total Annual Appropriations and Forecast Permanent Appropriations and Multi-Year Appropriations	285,998	46,679	332,677

Capital Injection Authorisations

	2021/22		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
New Zealand Customs Service - Capital Injection (M21) (A3)	40,300	66,104	106,404

Supporting Information

Part 1 - Vote as a Whole

1.2 - Trends in the Vote

Summary of Financial Activity

	2021/22				
	Estimates \$000	Supplementary Estimates			Total \$000
		Departmental Transactions \$000	Non- Departmental Transactions \$000	Total Transactions \$000	
Appropriations					
Output Expenses	256,864	30,914	-	30,914	287,778
Benefits or Related Expenses	-	N/A	-	-	-
Borrowing Expenses	-	-	-	-	-
Other Expenses	8,080	7,661	8,000	15,661	23,741
Capital Expenditure	21,054	104	-	104	21,158
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	285,998	38,679	8,000	46,679	332,677
Crown Revenue and Capital Receipts					
Tax Revenue	15,829,000	N/A	1,258,000	1,258,000	17,087,000
Non-Tax Revenue	8,772	N/A	2,408	2,408	11,180
Capital Receipts	-	N/A	-	-	-
Total Crown Revenue and Capital Receipts	15,837,772	N/A	1,260,408	1,260,408	17,098,180

Part 2 - Details of Departmental Appropriations

2.1 - Departmental Output Expenses

Border System Performance (M103) (A3)

Scope of Appropriation

This appropriation is limited to policy and investment advice and the design and coordination of joint initiatives relating to the border system as a whole.

How Performance will be Assessed and End of Year Reporting Requirements

Assessment of Performance	2021/22		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
The Border Executive Board work programme has initiatives that respond to risk and drive border system improvement	New measure for 2021/22	Achieved	Achieved
The Border Executive Board has a risk and assurance framework for the end-to-end border process with respect to COVID-19	Achieved	Discontinued measure	-
The Border Executive Board has applied the risk and assurance framework for the end-to-end border process with respect to COVID-19	Replacement measure	Achieved	Achieved

Reasons for Change in Appropriation

This appropriation decreased by \$50,000 to \$1.450 million for 2021/22 due to:

- a transfer of \$250,000 from 2021/22 to 2022/23 to ensure that sufficient funding exists next year to continue work on the Border System Strategy.

This decrease is partially offset by:

- an increase of \$200,000 transferred from 2020/21 to 2021/22 to complete work on an independent assurance review of maritime border measures.

COVID-19 - Maritime Response (M21) (A3)

Scope of Appropriation and Expenses

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
COVID-19 - Maritime Response (M21) (A3) This appropriation is limited to the provision of services relating to mitigating the risk of transmission of COVID-19 across the maritime border. Commences: 01 September 2020 Expires: 30 June 2023	Original Appropriation	44,020
	Adjustments to 2020/21	-
	Adjustments for 2021/22	41,550
	Adjusted Appropriation	85,570
	Actual to 2020/21 Year End	22,550
	Estimated Actual for 2021/22	31,470
	Estimate for 2022/23	31,550
Estimated Appropriation Remaining	-	

Revenue

	Budget \$000
Revenue from the Crown to end of 2022/23	85,570
Revenue from Others to end of 2022/23	-
Total Revenue	85,570

How Performance will be Assessed and End of Year Reporting Requirements

Assessment of Performance	2021/22		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Maximum number of instances of non-compliance (including PPE usage and social distancing) identified by Customs staff present at international maritime ports (see Note 1)	New measure for 2021/22	1,200	1,200
Percentage of identified non-compliance instances (see Note 1) at maritime ports that are met with an appropriate response by Customs	100%	Discontinued measure	-
Percentage of non-compliant instances (see Note 1) observed at the maritime border where Customs takes action to enforce compliance	Replacement measure	100%	100%

Note 1 - The majority of non-compliance is breaches of personal protective equipment (PPE) usage and social distancing requirements, however isolation and security breaches and other activity in violation of the Maritime Border Order is also captured by this measure.

Reasons for Change in Appropriation

This appropriation increased by \$41.550 million to \$85.570 million for 2021/22 due to:

- an increase of \$31.500 million to provide funding for the continuation of the of the Maritime Border Order from 1 July 2022 to 30 June 2023
- an increase of \$10 million to provide funding for the continuation of the Maritime Border Order from 31 December 2021 to 30 June 2022, and
- an increase of \$50,000 through a fiscally neutral transfer of capital charge funding from another departmental appropriation.

Goods Clearance and Enforcement (M21) (A3)

Scope of Appropriation

This appropriation is limited to the provision of services relating to goods crossing borders, including trade compliance, and the protection of New Zealand through interventions, investigations and enforcement.

Expenses and Revenue

	2021/22		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	103,679	5,218	108,897
Revenue from the Crown	54,414	(7,525)	46,889
Revenue from Others	58,035	8,639	66,674

How Performance will be Assessed and End of Year Reporting Requirements

	2021/22		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Assessment of Performance			
Minimum percentage of trade transactions (other than those referred for compliance checks) processed (including assessment against business rules and intelligence alerts) within 30 minutes (of an estimated 15 million-16 million import transactions, 5.5 million-6.5 million export transactions, and 6,500-7,500 excise returns)	98%	Discontinued measure	-
Minimum percentage of trade transactions (other than those referred for compliance checks) processed (including assessment against business rules and intelligence alerts) within 30 minutes	Replacement measure	98%	98%
Minimum number of new companies that have formally entered Customs' Authorised Economic Operator (Secure Exports Scheme) programme	16	12	12
Number of import mail items (estimated 15 million-25 million items) subject to risk-based physical examination	8,000-12,000	Discontinued measure	-
Number of import mail items subject to risk-based physical examination	Replacement measure	8,000-12,000	8,000-12,000
Minimum result rate of physically examined mail items (estimated 8,000-12,000 items)	30%	Discontinued measure	-
Minimum result rate of physically examined mail items	Replacement measure	30%	30%
Minimum number of import trade (estimated 1.2 million - 1.8 million import entries and 13.8 million-14.2 million ECIs) entries that are subject to risk-based physical examination	100,000-150,000	Discontinued measure	-
Minimum number of import trade entries that are subject to risk-based physical examination	Replacement measure	20,000-30,000	20,000-30,000
Minimum number of random interventions of import trade conducted (under Customs' Assurance programme) (see Note 2)	6,270	Discontinued measure	-
Minimum number of import transactions selected for random intervention (under Customs' Assurance programme) (see Note 2)	Replacement measure	6,270	6,270

Note 2 - Customs' Assurance programme conducts randomised compliance checks of imported goods crossing the border. The standard of 6,270 interventions is the minimum sample required for the assurance model to provide a valid representation of the population. These interventions include random sampling of fast freight, mail, and air and sea cargo (import entries and electronic cargo information (ECI) consignments).

Comment - Measures have been amended by removing the volume estimates from the wording of the output performance measures. These estimates were provided as contextual information only and are not part of measuring the performance of the output. Information on volumes will be included in Customs' Annual Report where it provides useful additional context.

Reasons for Change in Appropriation

This appropriation increased by \$5.218 million for 2021/22 due to:

- an increase of \$6.111 million through a fiscally neutral transfer between departmental appropriations to reflect the application of a more accurate methodology for the allocation of costs between appropriations, and
- an increase of \$107,000 from the Proceeds of Crime Fund to support the purchase of equipment for the detection and identification of controlled substances at the border.

This increase is partially offset by the transfer of \$1 million from 2021/22 to 2022/23 to ensure that sufficient funding is available next year for the work of the Border Executive Board.

Memorandum Account

	2021/22		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Name of Memorandum Account			
Opening Balance at 1 July	-	-	
Revenue	44,671	13,381	58,052
Expenses	(44,671)	(8,715)	(53,386)
Transfers and Adjustments	-	-	-
Closing Balance at 30 June	-	4,666	4,666

Revenue Collection and Other Services (M21) (A3)

Scope of Appropriation

This appropriation is limited to the collection of Crown Revenue, the provision of Customs-related services to other government agencies and organisations, and the provision of advice and services to support Ministers to discharge their portfolio responsibilities relating to Customs.

Expenses and Revenue

	2021/22		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	39,588	272	39,860
Revenue from the Crown	29,486	9,118	38,604
Revenue from Others	10,102	(8,846)	1,256

How Performance will be Assessed and End of Year Reporting Requirements

Assessment of Performance	2021/22		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Minimum percentage of investigations (see Note 1), related to fraud, financial crime and tax evasion, where prosecution is initiated (see Note 2)	75%	Discontinued measure	-
Minimum percentage of investigations (see Note 1), related to fraud, financial crime or tax evasion, where prosecution is initiated (see Note 2)	Replacement measure	75%	75%
Minimum percentage of draft replies to ministerial correspondence (estimated between 40-70 items) that are provided within 20 working days or as agreed with the Minister (see Note 3)	95%	Discontinued measure	-
Minimum percentage of draft replies to ministerial correspondence that are provided within 20 working days or as agreed with the Minister (see Note 3)	Replacement measure	95%	95%
Percentage of draft responses to parliamentary questions (estimated between 50-80 items) that are provided to the Minister's office so that answers can meet the timeframe set in Parliamentary Standing Orders	100%	Discontinued measure	-
Percentage of draft responses to parliamentary questions that are provided to the Minister's office so that answers can meet the timeframe set in Parliamentary Standing Orders	Replacement measure	100%	100%

Note 1 - 'Investigations' refers to investigations completed by the Customs Investigations Unit. This measure excludes actions taken by other units within Customs (for example the Frontline Investigations Team) or in relation to Intellectual Property Rights.

Note 2 - 'Prosecution initiated' refers to a closed high priority investigation where an offence has been committed, and an offender has been identified and placed before the Courts by Customs or any other agency.

Note 3 - For the purposes of this measure, 'working day' means a working day as defined in the Official Information Act 1982.

Comment - Measures have been amended by removing the volume estimates from the wording of the output performance measures. These estimates were provided as contextual information only and are not part of measuring the performance of the output. Information on volumes will be included in Customs' Annual Report where it provides useful additional context.

Reasons for Change in Appropriation

This appropriation increased by \$272,000 to \$39.860 million for 2021/22 due to a fiscally neutral transfer from other departmental appropriations to reflect the application of a more accurate methodology for the allocation of costs between appropriations.

Traveller Declaration System Development (M103) (A3)

Scope of Appropriation and Expenses

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
Traveller Declaration System Development (M103) (A3) This appropriation is limited to the development of policies, procedures and systems to assess travellers for risk, including health risk, when crossing the New Zealand border. Commences: 01 September 2021 Expires: 30 June 2025	Original Appropriation	42,300
	Adjustments to 2020/21	-
	Adjustments for 2021/22	-
	Adjusted Appropriation	42,300
	Actual to 2020/21 Year End	-
	Estimated Actual for 2021/22	16,800
	Estimate for 2022/23	25,500
	Estimated Appropriation Remaining	-

Revenue

	Budget \$000
Revenue from the Crown to end of 2022/23	42,300
Revenue from Others to end of 2022/23	-
Total Revenue	42,300

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the delivery of the New Zealand Traveller Declaration system. This will be achieved through the implementation of a digital system to allow all passengers to make digital declarations, enable individual risk assessment prior to travel, and ensure border risk is managed appropriately to protect all New Zealanders.

How Performance will be Assessed and End of Year Reporting Requirements

Assessment of Performance	2021/22		Total Standard
	Estimates Standard	Supplementary Estimates Standard	
Conduct a minimum of two pilots, with samples of arriving air travellers, to test the New Zealand Traveller Declaration system (tranche 1) usability and operation (see Note 1)	New measure for 2021/22	Achieved	Achieved
Implement an initial technology solution to enable digital processing of arriving air travellers' health documentation - New Zealand Traveller Declaration tranche 1 only (see Note 2)	New measure for 2021/22	Achieved	Achieved

Note 1 - The New Zealand Traveller Declaration is intended to be implemented in three tranches. The first tranche combines digital authentication and manual checking of documents. Additional digital functionality will be added in subsequent tranches.

Note 2 - This measure relates to tranche 1 of the New Zealand Traveller Declaration system only. Health documentation includes a traveller health declaration, pre-departure test documentation, and vaccination certification (relating to COVID-19).

End of Year Performance Reporting

Performance information for this appropriation will be reported by the New Zealand Customs Service in its Annual Report.

Reasons for Change in Appropriation

The appropriation increased by \$42.300 million for 2021/22 due to funding received for the development of the New Zealand Traveller Declaration system.

Travellers Clearance and Enforcement (M21) (A3)

Scope of Appropriation

This appropriation is limited to the provision of services relating to travellers crossing borders and the protection of New Zealand through interventions, investigations and enforcement.

Expenses and Revenue

	2021/22		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	90,234	(933)	89,301
Revenue from the Crown	5,638	2,964	8,602
Revenue from Others	8,148	(3,220)	4,928

How Performance will be Assessed and End of Year Reporting Requirements

	2021/22		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Assessment of Performance			
Percentage of arriving commercial marine craft assessed as high risk or requiring administrative process (estimated 400-500 commercial craft) that are subject to planned interaction while in a New Zealand port (see Note 1)	100%	Discontinued measure	-
Percentage of arriving commercial marine craft assessed as high risk or requiring administrative process that are subject to planned interaction while in a New Zealand port (see Note 1)	Replacement measure	100%	100%
Minimum percentage of all arriving commercial marine craft that are not assessed as high risk that will be subject to Customs secondary interaction (see Note 2)	5%	Measure removed	-

Assessment of Performance	2021/22		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Minimum percentage of arriving small craft (estimated 150-250 small craft) subject to Customs secondary interaction (see Note 2)	10%	Discontinued measure	-
Minimum percentage of arriving small craft subject to Customs secondary interaction (see Note 2)	Replacement measure	30%	30%
Minimum percentage of arriving international air passengers and crew (estimated 150,000-250,000 passengers and crew) not requiring intervention after risk assessment (see Note 3)	98%	Discontinued measure	-
Minimum percentage of arriving international air passengers and crew not requiring intervention after risk assessment (see Note 3)	Replacement measure	98%	98%
Minimum number of random interventions of travellers conducted (under Customs' Assurance programme) (see Note 5)	2,000	Measure removed	-
Minimum percentage of pre-departure test documentation assessed (see Note 8) for arriving international air travellers who are subject to pre-departure testing	New measure for 2021/22	85%	85%
Minimum percentage of arriving international air travellers who are compliant with pre-departure testing requirements	New measure for 2021/22	95%	95%

Note 1 - Planned interaction will be required for all craft showing a high (Priority 1) risk, craft visiting New Zealand for the first time, craft where information is incomplete, and craft where a visit is needed to complete an administrative process (such as immigration or bonding ships stores).

Note 2 - Secondary interaction means any interaction undertaken over and above the initial boarding and clearance function and may range from talking to the crew to a full rummage. The outputs maintain high levels of compliance, and act as a check on risk assessments.

Note 3 - 'Intervention' means action by the New Zealand Customs Service to carry out further risk assessment. This may include, but is not limited to, further questioning, interview, or baggage search. This excludes passengers who interact with Customs because they voluntarily seek out Customs' help or declare items.

Note 5 - Customs' Assurance programme conducts randomised compliance checks of travellers crossing the border. The standard of 2,000 interventions is the minimum sample required for the assurance model to provide a valid representation of the population. These interventions include random sampling of arriving international air passengers.

Note 8 - Customs officers check pre-departure test (PDT) documentation to ensure compliance with the legislated requirements. This includes, but is not limited to, manual verification that traveller details included on PDT documentation are accurate, the correct documentation has been provided, and (to the best of the officer's ability) the documentation is genuine. The Ministry of Health is responsible for setting the pre-departure testing health rules and legislative requirements.

Comment - Measures have been amended by removing the volume estimates from the wording of the output performance measures. These estimates were provided as contextual information only and are not part of measuring the performance of the output. Information on volumes will be included in Customs' Annual Report where it provides useful additional context.

Reasons for Change in Appropriation

This appropriation decreased by \$933,000 to \$89.301 million for 2021/22 due to:

- a decrease of \$6.383 million through a fiscally neutral transfer between departmental appropriations to reflect the application of a more accurate methodology for the allocation of costs between appropriations, and
- a decrease of \$3.250 million through a reduction in capital charge funding following the use of capital funding to write off the Border Clearance Levy Memorandum Account deficit as at 30 June 2021.

This decrease is partially offset by:

- an increase of \$5.700 million due to the receipt of funding to support the checking of pre-departure COVID-19 tests at airports, and
- an increase of \$3 million due to the receipt of funding to support airlines transition to an increased Border Processing Levy that was introduced on 1 December 2021.

Memorandum Account

	2021/22		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Name of Memorandum Account			
Opening Balance at 1 July	-	-	-
Revenue	8,148	(3,220)	4,928
Expenses	(90,234)	9,535	(80,699)
Transfers and Adjustments	-	-	-
Closing Balance at 30 June	(82,086)	6,315	(75,771)

2.2 - Departmental Other Expenses

Software as a Service intangible asset derecognition (write-off) (M21) (A3)

Scope of Appropriation

This appropriation is limited to the derecognition (write-off) of a previously capitalised or planned to be capitalised intangible asset, due to the accounting policy change regarding Software as a Service.

Expenses

	2021/22		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	7,661	7,661

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve compliance with an accounting policy change that de-recognises (writes-off) previously capitalised intangible assets regarding Software as a Service.

How Performance will be Assessed and End of Year Reporting Requirements

Performance for this appropriation will be assessed through the performance information for Departmental Output Expenses in this Vote.

End of Year Performance Reporting

Performance information for this appropriation will be reported by the New Zealand Customs Service in its Annual Report.

Reasons for Change in Appropriation

This appropriation was established with an expenditure limit of \$7.661 million to record the derecognition (or write-off) of previously capitalised intangible assets due to an accounting policy change regarding Software as a Service.

2.3 - Departmental Capital Expenditure and Capital Injections

New Zealand Customs Service - Capital Expenditure PLA (M21) (A3)

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

	2021/22		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	9,004	-	9,004
Intangibles	12,050	-	12,050
Other	-	104	104
Total Appropriation	21,054	104	21,158

Reasons for Change in Appropriation

This appropriation increased by \$104,000 to \$21.158 million for 2021/22 due to the purchase of equipment, funded by the Proceeds of Crime Fund, for the detection and identification of controlled substances at the border.

Capital Injections and Movements in Departmental Net Assets

New Zealand Customs Service

Details of Net Asset Schedule	2021/22 Main Estimates Projections \$000	2021/22 Supplementary Estimates Projections \$000	Explanation of Projected Movements in 2021/22
Opening Balance	140,132	160,848	Supplementary Estimates opening balance reflects the audited results as at 30 June 2021.
Capital Injections	40,300	106,404	The majority of the capital injections received during 2021/22 relates to funding received by Customs to address cash flow issues in response to COVID-19 reductions in third party revenue (\$35 million) and for the development of the New Zealand Traveller Declaration system (\$31 million).
Capital Withdrawals	-	(3,100)	The capital withdrawal during 2021/22 relates to the return of excess funding received for the development of the New Zealand Traveller Declaration system.
Surplus to be Retained (Deficit Incurred)	(67,678)	(71,105)	The increase in the deficit incurred reflects lower than expected third party revenue earned through the Border Processing Levy due to ongoing COVID-19 related border restrictions.
Other Movements	-	(7,661)	The other movements balance is the derecognition (or write-off) of previously capitalised intangible assets due to an accounting policy change regarding Software as a Service.
Closing Balance	112,754	185,386	

Part 3 - Details of Non-Departmental Appropriations

3.4 - Non-Departmental Other Expenses

Change in Doubtful Debt Provision (M21) (A3)

Scope of Appropriation

Provisioning of Doubtful Debts on Customs Crown Revenue.
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Expenses

	2021/22		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	8,000	8,000	16,000

Reasons for Change in Appropriation

This appropriation increased by \$8 million to \$16 million for 2021/22 due to receiving additional funding for the provision of doubtful debt linked to disruptions caused by COVID-19 on businesses and their ability to pay any duties or GST owed.