

Vote Customs

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

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	2024/25		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Departmental Output Expenses			
Border System Performance (M21) (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.	1,950	500	2,450
Total Departmental Output Expenses	1,950	500	2,450
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	-	21,054
Total Departmental Capital Expenditure	21,054	-	21,054
Non-Departmental Output Expenses			
Independent Advice to Ministers (M21) (A3) This appropriation is limited to independent advice and assurance, and related costs, to support decision-making by Ministers.	-	347	347
Total Non-Departmental Output Expenses	-	347	347
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
Multi-Category Expenses and Capital Expenditure			
Border Clearance and Risk Management MCA (M21) (A3) The single overarching purpose of this appropriation is to promote the smooth two-way flow of travellers and goods across the New Zealand and international borders.	293,099	(1,135)	291,964
Departmental Output Expenses			
Goods Clearance and Enforcement This category is limited to the provision of services related to goods crossing borders, including trade compliance, and the protection of New Zealand through interventions, investigations, and enforcement.	133,161	(609)	132,552
Revenue Collection and Other Services This category is limited to the collection of Crown revenue, the provision of Customs-related services, support and advice to other government agencies or organisations, including international Customs organisations, and the provision of advice and services to support Ministers to discharge their portfolio responsibilities relating to Customs.	39,405	(2,731)	36,674
Travellers Clearance and Enforcement This category is limited to the provision of services relating to travellers crossing borders and the protection of New Zealand through interventions, investigations, and enforcement.	120,533	2,205	122,738
Total Multi-Category Expenses and Capital Expenditure	293,099	(1,135)	291,964
Total Annual Appropriations and Forecast Permanent Appropriations	324,183	7,712	331,895

Multi-Year Appropriations

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
Departmental Output Expenses		
Traveller Declaration System Development (M21) (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 2026	Original Appropriation	42,300
	Adjustments to 2023/24	37,600
	Adjustments for 2024/25	-
	Adjusted Appropriation	79,900
	Actual to 2023/24 Year End	74,675
	Estimated Actual for 2024/25	-
	Estimate for 2025/26	5,225
	Estimated Appropriation Remaining	-

Capital Injection Authorisations

	2024/25		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
New Zealand Customs Service - Capital Injection (M21) (A3)	-	-	-

Supporting Information

Part 1 - Vote as a Whole

1.2 - Trends in the Vote

Summary of Financial Activity

	2024/25				
	Estimates \$000	Supplementary Estimates			Total \$000
		Departmental Transactions \$000	Non- Departmental Transactions \$000	Total Transactions \$000	
Appropriations					
Output Expenses	1,950	500	347	847	2,797
Benefits or Related Expenses	-	N/A	-	-	-
Borrowing Expenses	-	-	-	-	-
Other Expenses	8,080	-	8,000	8,000	16,080
Capital Expenditure	21,054	-	-	-	21,054
Intelligence and Security Department Expenses and Capital Expenditure	-	-	N/A	-	-
Multi-Category Expenses and Capital Expenditure (MCA)					
<i>Output Expenses</i>	293,099	(1,135)	-	(1,135)	291,964
<i>Other Expenses</i>	-	-	-	-	-
<i>Capital Expenditure</i>	-	N/A	-	-	-
Total Appropriations	324,183	(635)	8,347	7,712	331,895
Crown Revenue and Capital Receipts					
Tax Revenue	18,279,000	N/A	(470,000)	(470,000)	17,809,000
Non-Tax Revenue	13,880	N/A	-	-	13,880
Capital Receipts	-	N/A	-	-	-
Total Crown Revenue and Capital Receipts	18,292,880	N/A	(470,000)	(470,000)	17,822,880

Part 2 - Details of Departmental Appropriations

2.1 - Departmental Output Expenses

Border System Performance (M21) (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.

Expenses and Revenue

	2024/25		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	1,950	500	2,450
Revenue from the Crown	1,667	500	2,167
Revenue from Others	283	-	283

Reasons for Change in Appropriation

This appropriation increased by \$500,000 to \$2.450 million for 2024/25 due to a funding transfer from 2023/24 to ensure that sufficient funding existed for the current Border Executive Board work programme. The work programme responds to current issues as well as driving strategic system improvements.

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

	2024/25		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	9,004	5,573	14,577
Intangibles	12,050	(5,573)	6,477
Other	-	-	-
Total Appropriation	21,054	-	21,054

Capital Injections and Movements in Departmental Net Assets

New Zealand Customs Service

Details of Net Asset Schedule	2024/25 Main Estimates Projections \$000	2024/25 Supplementary Estimates Projections \$000	Explanation of Projected Movements in 2024/25
Opening Balance	195,978	216,620	Supplementary Estimates opening balance reflects the audited results as at 30 June 2024.
Capital Injections	-	-	
Capital Withdrawals	-	-	
Surplus to be Retained (Deficit Incurred)	5,074	(17,496)	The deficit incurred reflects the forecast movements in the memorandum accounts for Border Processing Levy and Goods Clearance Fees.
Other Movements	-	-	
Closing Balance	201,052	199,124	

Part 3 - Details of Non-Departmental Appropriations

3.1 - Non-Departmental Output Expenses

Independent Advice to Ministers (M21) (A3)

Scope of Appropriation

This appropriation is limited to independent advice and assurance, and related costs, to support decision-making by Ministers.

Expenses

	2024/25		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	347	347

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the provision of independent advice to the Minister of Customs to address the growing threat of Transnational and Serious Organised Crime.

How Performance will be Assessed and End of Year Reporting Requirements

An exemption was granted under s15D(2)(b)(iii) of the Public Finance Act 1989 as the appropriation is one from which resources will be provided to a person or an entity other than a department, a functional chief executive, an Office of Parliament, or a Crown entity and the amount of this annual appropriation for a non-departmental output expense is less than \$5 million.

Reasons for Change in Appropriation

This appropriation was created in 2024/25 with funding of \$347,000 to fund a Ministerial Advisory Group on Transnational and Serious Organised Crime. Funding for the Group was provided from the Proceeds of Crime Fund.

3.4 - Non-Departmental Other Expenses

Change in Doubtful Debt Provision (M21) (A3)

Scope of Appropriation

Provisioning of Doubtful Debts on Customs Crown Revenue.

How Performance will be Assessed and End of Year Reporting Requirements

	2024/25		
Assessment of Performance	Estimates Standard	Supplementary Estimates Standard	Total Standard
Debt write-offs as a percentage of total Crown revenue collected (see Explanation 1)	0.08% or less	Measure removed	-

Explanation - removed performance measure

Explanation 1 - An exemption was granted under s15D(2)(b)(i) of the Public Finance Act 1989 as the appropriation is one from which resources will be provided to a person or an entity other than a department, a functional chief executive, an Office of Parliament, or a Crown entity, and key performance information relevant to this appropriation is otherwise readily available to the House of Representatives.

Reasons for Change in Appropriation

This appropriation increased by \$8 million to \$16 million for 2024/25 to allow for the provisioning of debt write-offs relating to large illicit tobacco seizures.

World Customs Organization (M21) (A3)

Scope of Appropriation

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

How Performance will be Assessed and End of Year Reporting Requirements

	2024/25		
Assessment of Performance	Estimates Standard	Supplementary Estimates Standard	Total Standard
New Zealand's contribution to the operating budget of the WCO paid by the due date (see Explanation 1)	Achieved	Measure removed	-

Explanation - removed performance measure

Explanation 1 - An exemption was granted under s15D(2)(b)(iii) of the Public Finance Act 1989 as the appropriation is one from which resources will be provided to a person or an entity other than a department, a functional chief executive, an Office of Parliament, or a Crown entity and the amount of this annual appropriation for non-departmental output expense is less than \$5 million.

Part 4 - Details of Multi-Category Expenses and Capital Expenditure

4 - Multi-Category Expenses and Capital Expenditure

Border Clearance and Risk Management (M21) (A3)

Overarching Purpose Statement

The single overarching purpose of this appropriation is to promote the smooth two-way flow of travellers and goods across the New Zealand and international borders.

Scope of Appropriation

Departmental Output Expenses

Goods Clearance and Enforcement

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

Revenue Collection and Other Services

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

Travellers Clearance and Enforcement

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

Expenses, Revenue and Capital Expenditure

	2024/25		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	293,099	(1,135)	291,964
Departmental Output Expenses			
Goods Clearance and Enforcement	133,161	(609)	132,552
Revenue Collection and Other Services	39,405	(2,731)	36,674
Travellers Clearance and Enforcement	120,533	2,205	122,738
Funding for Departmental Output Expenses			
Revenue from the Crown	96,164	(3,200)	92,964
Goods Clearance and Enforcement	55,951	(609)	55,342
Revenue Collection and Other Services	38,118	(2,731)	35,387
Travellers Clearance and Enforcement	2,095	140	2,235
Revenue from Others	202,009	(20,505)	181,504
Goods Clearance and Enforcement	57,884	(1,873)	56,011
Revenue Collection and Other Services	1,363	-	1,363
Travellers Clearance and Enforcement	142,762	(18,632)	124,130

What is Intended to be Achieved with each Category and How Performance will be Assessed

Assessment of Performance	2024/25		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Departmental Output Expenses			
Goods Clearance and Enforcement			
Number of companies that have joined or been revalidated through Customs' Authorised Economic Operator (Secure Exports Scheme) programme (Measure and standard adjusted)	12	88 - 120	100 - 120
Number of import trade entries that are subject to risk-based physical examination (Standard adjusted)	20,000 - 30,000	(2,000 - 8,000)	18,000 - 22,000
Revenue Collection and Other Services			
Debt write-offs related to legitimate trade as a percentage of total Crown revenue collected (Measure and standard adjusted)	0.08% or less	(0.02%)	0.06% or less
Number of risk-based trade compliance audit activities undertaken (Standard adjusted)	200 - 300	550	750 - 850
Assessment of the quality of a sample of the agency's policy advice papers: b) Score of papers (Standard adjusted)	100% above 3, 25% above 4	100% 3 or above, 25% 4 or above	100% 3 or above, 25% 4 or above
Travellers Clearance and Enforcement			
Percentage of arriving international air passengers and crew who are selected for further risk assessment at Customs' secondary areas (Standard adjusted)	0.4% - 0.7%	0.6% - 2.3%	1% - 3%
Percentage of arriving commercial marine craft assessed as high risk that are subject to planned interaction while in a New Zealand port (Measure adjusted)	100%	-	100%

Reasons for Change in Appropriation

This appropriation decreased by \$1.135 million to \$291.964 million for 2024/25 due mainly to funding being transferred to future years to address critical cost pressures. Detail of funding movements at a category level are set out below.

Goods Clearance and Enforcement

This category decreased by \$609,000 to \$132.552 million due to:

- the transfer of \$1.500 million to future years to address cost pressures.

The decrease was partially offset by:

- the transfer of \$891,000 from other categories within this appropriation to realign funding to match Customs 2024/25 work programme.

Revenue Collection and Other Services

This category decreased by \$2.731 million to \$36.674 million due to:

- the transfer of \$2.331 million to other categories within this appropriation to realign funding to match Customs 2024/25 work programme, and
- the transfer of \$400,000 to future years to address cost pressures.

Travellers Clearance and Enforcement

This category increased by \$2.205 million to \$122.738 million due to:

- additional funding of \$2.065 million received to establish services to process international travellers at Hamilton and Dunedin airports
- the transfer of \$1.440 million from other categories within this appropriation to realign funding to match Customs 2024/25 work programme.

The increase was partially offset by:

- the transfer of \$1.300 million to future years to address cost pressures.

Memorandum Account

	2024/25		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Goods Clearance Fees			
Opening Balance at 1 July	(9,769)	1,127	(8,642)
Revenue	49,899	(1,873)	48,026
Expenses	(58,858)	3,371	(55,487)
Transfers and Adjustments	5,324	3,959	9,283
Closing Balance at 30 June	(13,401)	6,581	(6,820)

	2024/25		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Border Processing Levy			
Opening Balance at 1 July	8,535	(1,873)	6,662
Revenue	142,763	(18,917)	123,846
Expenses	(128,204)	3,155	(125,049)
Transfers and Adjustments	7,212	(3,669)	3,543
Closing Balance at 30 June	30,305	(21,303)	9,002