

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	2025/26		
	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	-	1,950
Total Departmental Output Expenses	1,950	-	1,950
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	(5,054)	16,000
Total Departmental Capital Expenditure	21,054	(5,054)	16,000
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.	193	82	275
Total Non-Departmental Output Expenses	193	82	275
Non-Departmental Other Expenses			
Change in Doubtful Debt Provision (M21) (A3) Provisioning of Doubtful Debts on Customs Crown Revenue.	16,000	-	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	16,080	-	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.	305,989	(4,266)	301,723
<i>Departmental Output Expenses</i>			
<i>Goods Clearance and Enforcement</i> 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.	131,198	(3,533)	127,665
<i>Revenue Collection and Other Services</i> 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.	41,254	(320)	40,934

	2025/26		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Titles and Scopes of Appropriations by Appropriation Type			
<i>Travellers Clearance and Enforcement</i> 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.	133,537	(413)	133,124
Total Multi-Category Expenses and Capital Expenditure	305,989	(4,266)	301,723
Total Annual Appropriations and Forecast Permanent Appropriations	345,266	(9,238)	336,028

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 Adjustments to 2024/25 Adjustments for 2025/26 Adjusted Appropriation Actual to 2024/25 Year End Estimated Actual for 2025/26 Estimate for 2026/27 Estimated Appropriation Remaining	42,300 37,600 - 79,900 74,675 5,225 - -

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

	2025/26		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Total Annual Appropriations and Forecast Permanent Appropriations	345,266	(9,238)	336,028
Total Forecast MYA Departmental Output Expenses	5,225	-	5,225
Total Annual Appropriations and Forecast Permanent Appropriations and Multi-Year Appropriations	350,491	(9,238)	341,253

Capital Injection Authorisations

	2025/26		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
New Zealand Customs Service - Capital Injection (M21) (A3)	550	1,000	1,550

Supporting Information

Part 1 - Vote as a Whole

1.2 - Trends in the Vote

Summary of Financial Activity

	2025/26				
	Estimates \$000	Supplementary Estimates			Total \$000
		Departmental Transactions \$000	Non- Departmental Transactions \$000	Total Transactions \$000	
Appropriations					
Output Expenses	7,368	-	82	82	7,450
Benefits or Related Expenses	-	N/A	-	-	-
Borrowing Expenses	-	-	-	-	-
Other Expenses	16,080	-	-	-	16,080
Capital Expenditure	21,054	(5,054)	-	(5,054)	16,000
Intelligence and Security Department Expenses and Capital Expenditure	-	-	N/A	-	-
Multi-Category Expenses and Capital Expenditure (MCA)					
<i>Output Expenses</i>	305,989	(4,266)	-	(4,266)	301,723
<i>Other Expenses</i>	-	-	-	-	-
<i>Capital Expenditure</i>	-	N/A	-	-	-
Total Appropriations	350,491	(9,320)	82	(9,238)	341,253
Crown Revenue and Capital Receipts					
Tax Revenue	18,466,000	N/A	(230,000)	(230,000)	18,236,000
Non-Tax Revenue	13,880	N/A	-	-	13,880
Capital Receipts	-	N/A	-	-	-
Total Crown Revenue and Capital Receipts	18,479,880	N/A	(230,000)	(230,000)	18,249,880

Part 2 - Details of Departmental Appropriations

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

	2025/26		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	17,439	(4,054)	13,385
Intangibles	3,615	(1,000)	2,615
Other	-	-	-
Total Appropriation	21,054	(5,054)	16,000

Reasons for Change in Appropriation

The decrease in this appropriation is due to the finalisation of the 2025/26 capital investment plan which was approved at a lower value than initially reflected in the 2025/26 Estimates.

Capital Injections and Movements in Departmental Net Assets

New Zealand Customs Service

Details of Net Asset Schedule	2025/26 Main Estimates Projections \$000	2025/26 Supplementary Estimates Projections \$000	Explanation of Projected Movements in 2025/26
Opening Balance	199,124	220,258	Supplementary Estimates opening balance reflects the audited results as at 30 June 2025.
Capital Injections	550	1,550	The increase of \$1 million is due to a capital injection funded by 2025/26 operational savings that will support investment in fuel resilience.
Capital Withdrawals	-	-	
Surplus to be Retained (Deficit Incurred)	(9,667)	(4,039)	The change in the deficit incurred reflects the forecast movements in the Border Processing Levy and Goods Clearance Fees memorandum accounts.
Other Movements	-	-	
Closing Balance	190,007	217,769	

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

	2025/26		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	193	82	275

Reasons for Change in Appropriation

The increase of \$82,000 in this appropriation is due to:

- the transfer of savings of \$62,000 from 2024/25 to support the ongoing work of the Ministerial Advisory Group on Transnational, Serious and Organised Crime in 2025/26
- the fiscally neutral transfer of \$20,000 from the Departmental Multi-Category Expenses and Capital Expenditure appropriation - Border Clearance and Risk Management to ensure there was sufficient funding for the Ministerial Advisory Group to complete their final report in 2025/26.

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

	2025/26		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	305,989	(4,266)	301,723
Departmental Output Expenses			
Goods Clearance and Enforcement	131,198	(3,533)	127,665
Revenue Collection and Other Services	41,254	(320)	40,934
Travellers Clearance and Enforcement	133,537	(413)	133,124
Funding for Departmental Output Expenses			
Revenue from the Crown	98,813	(8,498)	90,315
Goods Clearance and Enforcement	54,242	(6,908)	47,334
Revenue Collection and Other Services	39,836	(839)	38,997
Travellers Clearance and Enforcement	4,735	(751)	3,984

	2025/26		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Revenue from Others	197,509	9,860	207,369
Goods Clearance and Enforcement	78,933	8,768	87,701
Revenue Collection and Other Services	1,494	519	2,013
Travellers Clearance and Enforcement	117,082	573	117,655

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

	2025/26		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Assessment of Performance			
Departmental Output Expenses			
Goods Clearance and Enforcement			
<i>Clearance, compliance, and risk management</i>			
Number of import mail items subject to risk-based physical examination (see Explanation 1)	8,000 - 12,000	Measure removed	-
Result rate of physically examined mail items (see Explanation 1)	30%	Measure removed	-

Explanation - removed performance measure

Explanation 1 - Historic mail measures and standards no longer reflect operational practice. The measures will be replaced with mail processing information in the 2026 Annual Report.

Reasons for Change in Appropriation

This appropriation decreased by \$4.266 million to \$301.723 million for 2025/26 mainly due 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 \$3.533 million to \$127.665 million due to the:

- fiscally neutral transfer of \$1.391 million to another category in this appropriation to realign funding to match Customs work programme
- transfer of \$1.042 million from 2025/26 to future years to address cost pressures
- transfer of \$500,000 from 2025/26 to 2026/27 to support the accelerated recruitment of additional staff to help address the threat posed by Transnational, Serious and Organised Crime
- conversion of \$400,000 of 2025/26 savings from operational funding to capital funding to support investment in fuel resilience
- transfer of \$200,000 from 2025/26 to 2026/27 to support the updating and rationalisation of Customs officer uniforms.

Revenue Collection and Other Services

This category decreased by \$320,000 to \$40.934 million due to the:

- transfer of \$519,000 from 2025/26 to future years to address cost pressures
- conversion of \$200,000 of 2025/26 savings from operational funding to capital funding to support investment in fuel resilience
- transfer of \$100,000 from 2025/26 to 2026/27 to support the updating and rationalisation of Customs officer uniforms
- fiscally neutral transfer of \$20,000 to the Non-Departmental Output Expense appropriation - Independent Advice to Ministers to ensure there was sufficient funding for the Ministerial Advisory Group to complete their final report in 2025/26.

The decrease was partially offset by funding of \$519,000 received from the Ministry of Foreign Affairs and Trade to provide customs related support for Tonga and Southeast Asian nations.

Travellers Clearance and Enforcement

This category decreased by \$413,000 to \$133.124 million due to the:

- transfer of \$1.042 million from 2025/26 to future years to address cost pressures
- transfer of \$500,000 from 2025/26 to 2026/27 to support the accelerated recruitment of additional staff to help address the threat posed by Transnational, Serious and Organised Crime
- conversion of \$400,000 of 2025/26 savings from operational funding to capital funding to support investment in fuel resilience
- transfer of \$200,000 from 2025/26 to 2026/27 to support the updating and rationalisation of Customs officer uniforms.

The decrease was partially offset by:

- the fiscally neutral transfer of \$1.391 million from another category in this appropriation to realign funding to match Customs work programme
- funding of \$338,000 being received from the Ministry for Primary Industries to complete work on the New Zealand Traveller Declaration system on their behalf.

Memorandum Account

	2025/26		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Goods Clearance Fees			
Opening Balance at 1 July	(6,820)	2,397	(4,424)
Revenue	70,948	2,466	73,414
Expenses	(68,601)	723	(67,878)
Transfers and Adjustments	-	-	-
Closing Balance at 30 June	(4,473)	5,585	1,112

	2025/26		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Border Processing Levy			
Opening Balance at 1 July	9,002	4,389	13,391
Revenue	117,082	1,638	118,720
Expenses	(133,619)	6,845	(126,774)
Transfers and Adjustments	-	-	-
Closing Balance at 30 June	(7,534)	12,871	5,337