

AUSTRALIAN CUSTOMS  
SERVICE



## Section 1: Overview, appropriations and budget measures summary

### OVERVIEW

The goal of the Australian Customs Service is to provide the nation with effective border management. In line with the Government's commitment to combat the importation and use of illicit drugs and the emerging trend in people smuggling, Customs protects Australia's interests by detecting, controlling and, where appropriate, preventing the entry and exit of individuals and goods that have the potential to adversely affect the safety or quality of life in Australia. To provide effective border management Customs aims to achieve this in a way that facilitates legitimate movements of goods and people into and out of Australia. In addition, Customs protects Australia's revenue base through the effective collection of revenue and the administration of certain Government industry schemes and trade measures.

In 2001-02 Customs will form an important part of the Government's defence against the introduction of Foot and Mouth Disease and other quarantine risks to Australia. Customs will also consolidate its efforts to use risk identification and assessment, and will enhance working relationships with other law enforcement and government agencies. These efforts will ensure that legitimate passengers and cargo move quickly through our borders while focussing on suspect people and goods. Customs will continue to improve its service delivery to industry through the re-engineering of its business processes for cargo management and will also commit itself to greater use of technology. Customs procedures will be streamlined through the development of system applications integrating electronic commerce, business principles and tax reform. Customs will continue its strategic role in the fight against illicit drugs. Under the Government's Tough on Drugs initiatives, resources will continue to be directed into technology to further improve Customs' capacity for drug detection at Australia's border.

### APPROPRIATIONS

The total appropriation for Customs in the 2001-02 Budget is \$723.638m. Table 1.1 shows appropriations (2001-02) and other revenue by outcome.

### ADMINISTERED CAPITAL AND DEPARTMENTAL EQUITY INJECTIONS AND LOANS

Customs will receive an equity injection of \$11.078m for marine vessel finance lease (\$4.386m), and purchase of assets for Australia's response to Foot and Mouth Disease and other quarantine risks (\$6.692m).

## Australian Customs Service — Appropriations 2001–02

Table 1.1: Appropriations and other revenue (\$'000)

Outcome	Departmental (price of outputs)					Administered				Total appropriations
	Revenue from government (appropriations)			Revenue from other sources	Price of outputs	Annual appropriations		Special approps	Total administered appropriations	
	Bill 1	Special approps	Total			Bill 1	Bill 2 (SPPs & NAOs)			
	(A)	(B)	(C=A+B)	(D)	(E=C+D)	(F)	(G)	(H)	(I=F+G+H)	(J=C+I)
Effective border management that, with minimal disruption to legitimate trade and travel, prevents illegal movement across the border, raises revenue and provides trade statistics	487,226	-	487,226 69.0%	218,456	705,682	260	-	225,074	225,334	712,560
<b>Total</b>	<b>487,226</b>	<b>-</b>	<b>487,226</b>	<b>218,456</b>	<b>705,682</b>	<b>260</b>	<b>-</b>	<b>225,074</b>	<b>225,334</b>	<b>712,560</b>
									Departmental capital (equity injections and loans)	11,078
									Administered capital	-
									<b>Total appropriations</b>	<b>723,638</b>

Note:

1. C1, E1 and I1 refer to information provided in Table 2.1.1.
2. Under the appropriation structure, Bill No. 2 includes Specific Purpose Payments (SPP's), New Agency Outcomes (NAO's), administered capital and departmental capital via departmental injections and loans.
3. Refer to Budgeted Departmental Statement of Financial Performance for application of agency revenue.
4. Revenue from other sources includes other revenue from government (eg resources free of charge) and revenue from other sources (eg sales of goods and services by agencies). Non-appropriated departmental and administered revenues are details in Appendix 1.
5. Estimated expenses from individual Special Appropriations are shown in Appendix 2.
6. Percentage figure in column C indicates the percentage contribution of Revenue from Government (Departmental Appropriations) to the Total Price of Outputs, by outcome.

## BUDGET MEASURES — AUSTRALIAN CUSTOMS SERVICE SUMMARY

Table 1.2: Summary of measures disclosed in the 2001–02 Budget

Measure	Outcome	Outputs affected	Appropriations Budget 2001–02 (\$'000)			Appropriations Forward Estimate 2002–03 (\$'000)			Appropriations Forward Estimate 2003–04 (\$'000)			Appropriations Forward Estimate 2004–05 (\$'000)		
			Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total
Australia's response to foot and mouth disease and other quarantine risks	1	1,2 & 4	-	53,700	53,700	-	56,541	56,541	-	59,441	59,441	-	62,510	62,510
<b>Total</b>			-	53,700	53,700	-	56,541	56,541	-	59,441	59,441	-	62,510	62,510

Note: Administered revenue measures are not attributed to agencies and are reported in Budget paper 2.

## Section 2: Outcomes and outputs information

### OUTCOMES AND OUTPUT GROUPS

The Australian Customs Service has one outcome:

*Effective border management that, with minimal disruption to legitimate trade and travel, prevents illegal movement across the border, raises revenue and provides trade statistics*

There are five outputs for Customs' outcome:

- Output 1: Facilitation of the legitimate movement of goods across the border, while intercepting prohibited and restricted imports and exports*
- Output 2: Facilitation of the legitimate movement of people across the border, while identifying illegal movements*
- Output 3: Civil maritime surveillance and response*
- Output 4: Administration of customs duty and indirect taxes, other border related revenue collections, and import/export taxes*
- Output 5: Anti-dumping and countervailing administration*

Financial and non-financial information is provided as follows:

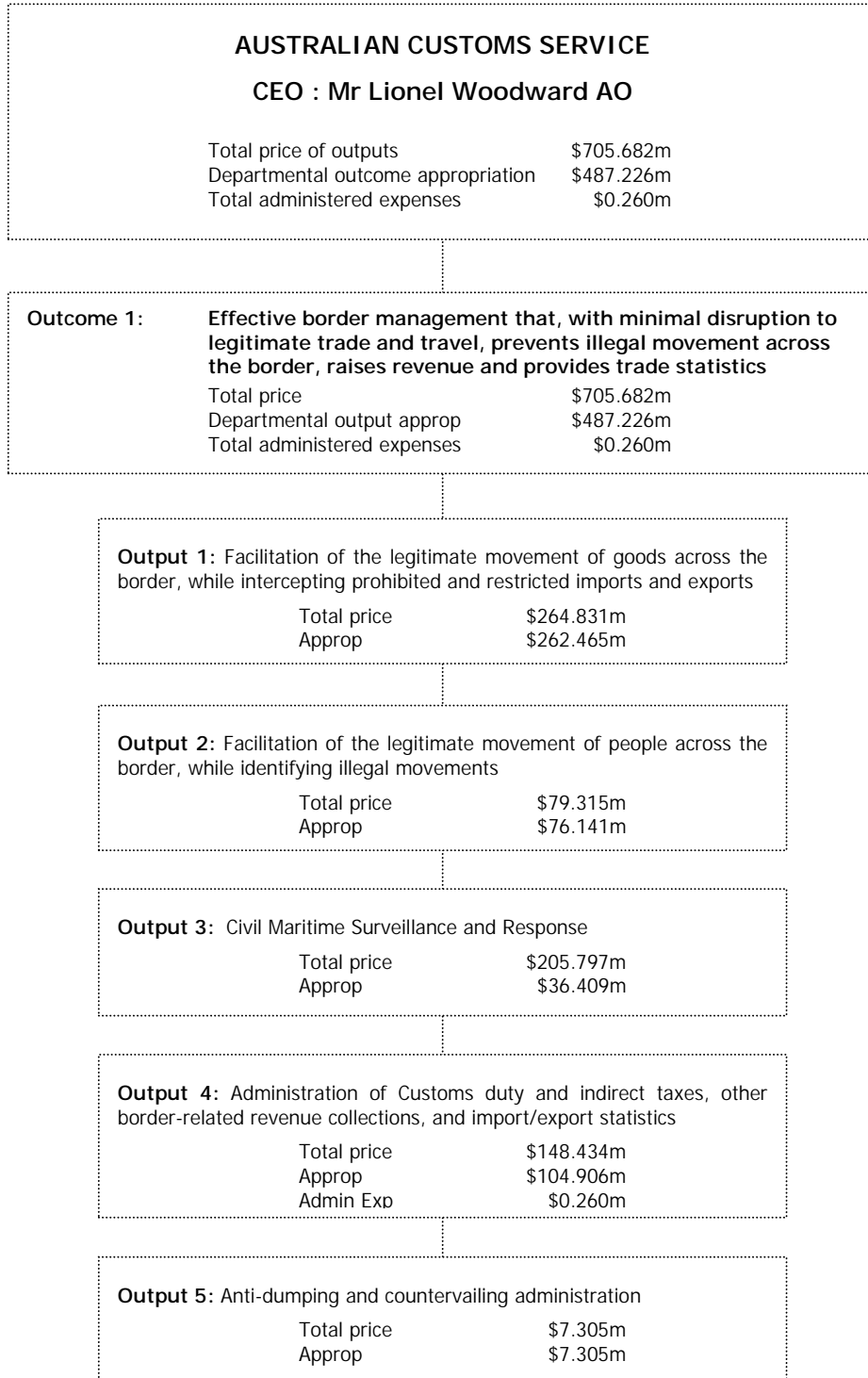
- Map 2.1 - details outcome and output resourcing and illustrates the relationship between the outcomes and contributing outputs.
- Table 2.1.1 - details financial information for outcome 1.
- Table 2.2.1 - details non-financial information for outcome 1.

### CHANGES TO OUTCOMES AND OUTPUTS

There have been no changes to the outcome and outputs structure for the Australian Customs Service.

However, the wording of output 3 has been amended to better reflect the services delivered by Customs. The use of the word 'civil' distinguishes Customs' surveillance and response activities from those provided by the Defence forces. The inclusion of 'maritime' is consistent with the description of such activities used by the Defence forces. This output has a maritime focus and the change more accurately reflects the role of Customs and Defence.

Map 2.1: Outcome and output groups



**OUTCOME 1 —EFFECTIVE BORDER MANAGEMENT THAT, WITH MINIMAL DISRUPTION TO LEGITIMATE TRADE AND TRAVEL, PREVENTS ILLEGAL MOVEMENT ACROSS THE BORDER, RAISES REVENUE AND PROVIDES TRADE STATISTICS**

**MEASURES AFFECTING OUTCOME 1**

The measures in the 2001–02 Budget for outcome 1 are:

- Australia's Response to Foot and Mouth Disease and Other Quarantine Risks – additional resourcing to increase efforts to prevent entry into Australia of Foot and Mouth Disease and other quarantine risks.

**Australia's Response to Foot and Mouth Disease and Other Quarantine Risks**

Customs will receive an additional \$60.392m in 2001–02 to enable closer examination of passengers, cargo and mail entering Australia to detect articles which might carry the Foot and Mouth Disease or other quarantine risks.

*Impact of Measure*

The funding will increase the ability of Customs to question passengers upon arrival, to select passengers for possible Customs Act offences and refer items of quarantine interest. Customs will also significantly increase baggage x-ray inspections and extend hours of operation at mail centres, in some cases moving to shift operations, and undertake more intensive scrutiny of cargo of interest plus document bags and small mail order packages.

**Discussion of resources for the Customs outcome**

Customs has an administered expense which contributes to the Customs outcome - Australia's contribution to the World Customs Organisation (\$0.260m in 2001–02).

The total price of Customs' outputs increased by \$62.708m in 2001–02. The main variation is a result of increased resources related to the Australia's response to Foot and Mouth and other quarantine risks (\$53.700m) affecting outputs 1, 2 and 4, and PAX Workload growth agreement (\$6.471m) affecting output 1.

## OUTCOME 1 - RESOURCING

Table 2.1.1 shows how the 2001–02 appropriations translate to total resourcing for Customs for outcome 1: revenue from government (appropriations), revenue from other sources and the total price of the outputs.

**Table 2.1.1: Total resources for outcome 1 (\$'000)**

	Estimated Actual 2000–01 (\$'000)	Budget Estimate 2001–02 (\$'000)
<b>ADMINISTERED APPROPRIATIONS</b>		
Word Customs Organisation contribution	260	260
<b>Total administered appropriations</b>	<b>260</b>	<b>260</b>
<b>DEPARTMENTAL APPROPRIATIONS</b>		
Output 1: Facilitation of the legitimate movement of goods across the border, while intercepting prohibited and restricted imports and exports	211,383	262,465
Output 2: Facilitation of the legitimate movement of people across the border, while identifying illegal movements	66,683	76,141
Output 3: Civil maritime surveillance and response	35,440	36,409
Output 4: Administration of Customs duty and indirect taxes, other border-related revenue collections, and import/export statistics	102,366	104,906
Output 5: Anti-dumping and countervailing administration	6,335	7,305
<b>Total revenue from government (appropriations) contributing to price of departmental outputs</b>	<b>422,207 65.6%</b>	<b>487,226 69.0%</b>
<b>REVENUE FROM OTHER SOURCES</b>		
Output 1: Facilitation of the legitimate movement of goods across the border, while intercepting prohibited and restricted imports and exports	2,502	2,366
Output 2: Facilitation of the legitimate movement of people across the border, while identifying illegal movements	3,252	3,174
Output 3: Civil Maritime Surveillance and Response	166,788	169,388
Output 4: Administration of Customs duty and indirect taxes, other border-related revenue collections, and import/export statistics	49,332	43,528
Output 5: Anti-dumping and countervailing administration	-	-
<b>Total revenue from other sources</b>	<b>221,874</b>	<b>218,456</b>
<b>Total price of departmental outputs</b> <i>(Total revenue from government and other sources)</i>	<b>644,081</b>	<b>705,682</b>
<b>Total estimated resourcing for outcome 1</b> <i>(Total price of outputs and administered expenses)</i>	<b>644,341</b>	<b>705,942</b>
<b>AVERAGE STAFFING LEVEL</b>	4,354	4,990

## **OUTCOME 1 — PERFORMANCE INFORMATION**

### **Output 1: Facilitation of the legitimate movement of goods across the border, while intercepting prohibited and restricted imports and exports**

In order to prevent the import or export of prohibited items, and to control the movement of restricted items this output covers the processing of goods across the border, including:

- risk assessment of vessels, aircraft, cargo, mail, air and sea passengers, and baggage;
- intelligence, targeting and search activities;
- surveillance of international airports, waterfronts and international mail centres; and
- land-based surveillance of the coastline, and aerial/marine surveillance and response for specific operations.

Prohibited and restricted items include illicit drugs, weapons, pornography, unsafe products, therapeutic goods, wildlife, quarantine items and intellectual property rights breaches.

This output also covers the investigation and prosecution of non-narcotic prohibited import and export offences.

### **Output 2: Facilitation of the legitimate movement of people across the border, while identifying illegal movements**

This output covers processing of passengers, crew and craft arriving and departing Australia by sea or air, including the identification of persons of interest consistent with immigration, health, family law and other law enforcement, and national security requirements.

Also covered in this output is aerial and marine surveillance/response for specific operations related to illegal movement of people across the border.

### **Output 3: Civil maritime surveillance and response**

This output covers the provision of air and marine based civil surveillance and response services to a number of Government agencies. The aim of the output is to detect, report and respond to potential or actual non-compliance with relevant laws in coastal and offshore regions. Specific surveillance and response operations related to prohibited imports or illegal people movements are covered under outputs 1 and 2.

#### **Output 4: Administration of Customs duty and indirect taxes, other border-related revenue collections, and import/export statistics**

In order to assess and collect Customs duties and indirect taxes this output covers processing of:

- all imported cargo and mail; and
- items entering Australia with passengers and crew.

Related activity covered under this output includes:

- tariff classification and valuation services related to Duty/Indirect Tax assessment;
- licensing;
- real time and post transaction compliance activity related to revenue protection and collection;
- the investigation of industry referrals;
- the administration of drawback, refund and concessional arrangements for importers and exporters; and
- investigations and prosecutions related to import fraud and Customs Duty evasion.

This output also includes:

- Customs revenue collections associated with craft movements, and collection of the Passenger Movement Charge;
- processing and compliance activity related to imported and exported goods, in order to collect and validate import and export statistics;
- development and implementation of the Customs' aspects of the Government's taxation reforms, including the GST, LCT, WET and the TRS;
- the assessment and collection of GST, LCT and WET;
- compliance activity associated with these taxes; and
- administration of the TRS.

#### **Output 5: Anti-dumping and countervailing administration**

This output covers the investigation of dumping and countervailing complaints, the determination, implementation and review of appropriate measures. It also covers the provision of advice to industry and foreign governments, and maintenance of Australia's policy and legislative framework for anti-dumping and countervailing.

Table 2.2.1 provides information on the strategies chosen to deliver outcome 1, and shows the links between the outputs and the outcome.

Table 2.2.1 Performance information for outcome 1

<b>Effectiveness – overall achievement of the outcome</b>	
<i>Effectiveness Indicators</i>	<i>Measures</i>
Cargo Facilitation	Proportion of electronically lodged entries where an authority to deal is transmitted within 15 minutes of receipt of a complete and accurate entry  <i>Target:</i> 97%
Passenger Facilitation	National proportion of arriving international passengers processed through the entry control point within 30 minutes of joining the queue (standard agreed with Government is 95%)  <i>Target:</i> 95%
Trends in the number and weight of seizures	The number and weight of drug seizures, other detections of prohibited imports and exports and vessels cannot be estimated through any reliable statistical or other method but actual levels achieved will be reported in the Annual Report
Trends in number of detections and/or seizures of other prohibited imports and exports from international air passengers	
Undetected vessels subsequently found to have breached the Australian border	No target is set as appropriate but actual levels will be reported in the Annual Report
Customs Duty collected	<i>Target:</i> \$4,885m
Total Duty Forgone	<i>Target:</i> Tariff Concession \$390-410m Cheese and Curd Quota \$8.5m Drawbacks \$NA #
Revenue adjustments as a result of compliance activity	<i>Target:</i> Recoveries \$12m Refunds \$0.5m
Rates of appeal against decisions where the original decision by Customs is upheld	The number of appeals beyond 1998-99 cannot be estimated through any reliable statistical or other method but actual levels achieved will be reported in the Annual Report
<b>Performance information for administered items</b>	
World Customs Organisation – Contribution	N/A

Table 2.2.1 Performance information for outcome 1 (continued)

Performance information for departmental outputs	
Quality/Quantity	Target
<b>Output 1: Facilitation of the legitimate movement of goods across the border, while intercepting prohibited and restricted imports and exports</b>	
<i>Price:</i> \$264.831m	
<i>Quality:</i> Proportion of electronically lodged import entries where an authority to deal is transmitted within 15 minutes of receipt of a complete and accurate entry	97%
Electronic cargo systems – availability to Customs clients (availability against typical work day)	Air cargo automation - 99.7% Sea cargo automation -99.7%
Percentage of electronically reported consignments subject to electronic risk assessment for community protection purposes	100%
Weight and number of drug seizures by significance of offence	*
Weight of drug seizures by mode of importation	*
Number of detections and/or seizures of other prohibited imports	*
<i>Quantity:</i> Number of airway bills reported	4,158,500
Number of sea cargo manifest lines reported	1,382,900
Number of international Aircraft	122,300
Number of vessel arrivals	First Ports - 11,900 All Ports - 20,600
Number of overseas postal articles arriving	Parcels - 2,540,000 Letter Class and Other Article Bags - 1,540,000
Number of customs import entries lodged	Electronic – 2,640,000 Manual – 20,000
Number of export entries lodged	1,330,000
<b>Output 2: Facilitation of the legitimate movement of people across the border, while identifying illegal movements</b>	
<i>Price:</i> \$79.315m	
<i>Quality:</i> Proportion of arriving international air passengers processed through the Entry Control Point within 30 minutes	95%
Percentage of arriving passengers processed via advance passenger clearance processes	45%
Number of air passenger referrals to Immigration and Health	*
Number of suspected unlawful non-citizens (SUNCs) intercepted by sea (including ships crew)	*
<i>Quantity:</i> Number of international passengers	Arrivals – 9,183,532 Departures – 9,012,820
Number of international crew (arrivals plus departures)	1,047,000

Table 2.2.1 Performance information for outcome 1 (continued)

<i>(Departmental outputs continued)</i>	
<b>Output 3: Civil maritime surveillance and response</b>	
<i>Price:</i>	\$205.797m
<i>Quality:</i>	Number of aerial surveillance sightings of interest to Customs and client agencies *
	Number of apprehensions of Suspect Illegal Entry Vessels (SIEVs) *
	Number of apprehension of Foreign Fishing Vessels *
<i>Quantity:</i>	Aerial surveillance coverage: Square nautical miles patrolled 125,000,000
	Aerial Surveillance Flying Hours 20,000
	RAAF P3 Orion hours 250 hours
	Marine surveillance coverage – number of Fremantle Class Patrol Boat days 1800/annum
	Number of marine taskings requested by external clients 300
	Number of vessel sea days for Customs' ocean-going vessels greater than 12 metres 1,125
<b>Output 4: Administration of Customs duty and Indirect Taxes, other border-related revenue collections, and import/export statistics</b>	
<i>Price:</i>	\$148.434m
<i>Quality:</i>	Electronic systems availability to Customs clients (availability as a proportion of prime time) COMPILE, EDIFICE, EFT, JEMS and Reference - 99% Drawbacks, EXIT and TAPIN - 99.7%
	Proportion of total cargo entries subjected to revenue protection processes 100%
	Proportion of revenue (import and export related liabilities) covered by compliance activity 15%
	Proportion of drawback and refunds delivered in accordance with standards Drawbacks – 90% Refunds – 100%
	Proportion of concessional arrangements for importers and exporters delivered in accordance with standards 100%
	Average number of unacquitted export clearance numbers at the end of each month 1,500~
	Number of fraud/evasion cases adopted for prosecution 18 – 32
<i>Quantity:</i>	Number of customs import entries lodged 1,400,000
	Number of export entries lodged Electronic – 2,900,000 Manual – 17,000
	Number of air cargo screened free consignments 1,700,000

Table 2.2.1 Performance information for outcome 1 (continued)

<i>(Departmental outputs continued)</i>	
Number of requests for licences	Warehouse - New - 40 – 50 - Renewals - 500-560 Brokers - New - 50-100 - Renewals - 2000 - 2500
Number of external appeals against decisions	Granting of TCO - 5-10 Eligibility for 4 <sup>th</sup> Schedule By-law - 1 – 6
Number of drawback applications	N/A#
Number of refund applications	20,000
Number of fraud/evasion cases adopted for investigation	85 – 110
Tourist Refund Scheme	
- Refund claims processed within 15 minutes	95%
- Mail back claims processed within 30 days	99%
<b>Output 5: Anti-dumping and countervailing administration</b>	
<i>Price:</i> \$7.305m	
<i>Quality:</i> Proportion of anti-dumping/countervailing cases and reviews completed within 155 days	100%
<i>Quantity:</i> Number of anti-dumping/countervailing	
- New cases	#
- Reviews initiated	
- Cases terminated	
- Cases withdrawn	
- Cases rejected	
- Appeals to the Federal Court	

\* Performance targets cannot be estimated through any reliable statistical or other method. Actual Results will be reported in the Annual Report.

~ The cut off point for Idle ECN's has been revised from \$2,000 to \$10,000

# Workloads against these measures cannot be anticipated as they are dependent on international trends/economic circumstances beyond Customs' control. Actual figures will be provided in the Annual Report.

# A forecast for this measure is not currently possible owing to changes in business practices flowing from ACIS and Tradex.

Table 2.2.1 above lists the performance information that Customs will use to assess the level of achievement of the Customs' outcome during 2001-02. The table also shows the efficiency of the outputs in contributing to the Customs' outcome. Information shown is both quantitative and qualitative. Targets for effectiveness, where they are appropriate, have been included as they are applicable and appropriate for performance information for the Customs outcome. In some instances target performance, such as for drug seizures and air passenger referrals to immigration and health, etc, cannot be estimated through any reliable statistical or other method. Where

possible actual performance for such indicators will be published in the Annual Report.

## EVALUATIONS

Customs undertakes a number of evaluation activities including internal audits, internal and external surveys, and regular review of performance information. Results are published in the Annual Report, whole of government reports, formal survey reports and in Customs statistical bulletin called *Customs Figures*.

The internal audit program will include performance audits, which examine internal outcomes and inputs, as well as the regular compliance audits. In addition there is provision for evaluations specifically requested by management each year. Audits planned for 2001-02 include reviews of ACS administration of anti-dumping arrangements, cargo management and detection, and prevention of unauthorised entrants.

As part of the Customs National Survey Program, the organisation undertakes a program of external evaluation and review. The program includes surveys of passengers, industry clients and staff; organisational self-assessment against the Australian Business Excellence Framework; and collection and analysis of complaints and compliments data. Customs also participates in international benchmarking programs as an additional means of evaluating performance against specific areas of the business.

Customs also evaluates its performance on an ongoing basis through analysis of performance information articulated in the Corporate Plan. This includes the reporting of critical performance measures in a monthly Executive Management Report.

## COMPETITIVE TENDERING AND CONTRACTING

Government policy on competitive tendering and contracting requires Customs to market test relevant activities and services, starting with corporate services. Customs commenced a market testing program for corporate services during 2000–01, with emphasis on transactional and processing functions. The program, which will continue through 2001–02, covers the sourcing and distribution of staff uniforms and corporate clothing, office services including records management and mail services, human resource services including payroll processing and financial services including accounts payment.

Customs is continuing to carefully assess opportunities to use competitive tendering and contracting in other areas to support its business objectives. A market test commenced during 2000–01 for the unpacking and repacking of containerised cargo. This is labouring work that supports the more specialised Customs examination function. Market testing follows successful trials using contractors for this work in several locations.

Decisions on the outcome of the first market tests (uniforms and container unpack/repack) are expected early in 2001–02.

Customs also conducted a competitive tendering and contracting process for a range of recruitment services during 2000–01. This arises from new initiatives to improve market reach and applicant selection, particularly for base level and specialist recruitment. It also arises from the closure during 2000 of Recruitment Services Australia who had previously provided some recruitment services to Customs. Implementation of outcomes from this tender process is expected to commence by the end of 2000–01.

## Section 3: Budgeted Financial Statements

Table 3.1: Budgeted Departmental Statement of Financial Performance  
for the period ended 30 June

	Note	Estimated Actual 2000-01 \$'000	Budget Estimate 2001-02 \$'000	Forward Estimate 2002-03 \$'000	Forward Estimate 2003-04 \$'000	Forward Estimate 2004-05 \$'000
<b>Revenues from ordinary activities</b>						
Revenue from government	1	422,207	487,226	493,983	503,619	521,930
Sales of goods and services		81,282	76,422	76,774	77,286	78,677
Interest		1,638	579	579	579	579
RRFOC		138,954	141,455	144,001	146,593	149,232
<b>Total revenues from ordinary activities</b>		<b>644,081</b>	<b>705,682</b>	<b>715,337</b>	<b>728,077</b>	<b>750,418</b>
<b>Expenses from ordinary activities (excluding borrowing costs expense)</b>						
Employees	2	256,586	307,576	310,097	317,495	325,367
Suppliers	3	340,096	353,499	362,618	366,872	382,046
Depreciation and amortisation		25,087	26,311	24,242	25,739	26,187
Net losses from sales of assets		1,770	3,066	2,035	1,372	-
Other		38	38	38	38	38
<b>Total expenses from ordinary activities (excluding borrowing costs expense)</b>		<b>623,577</b>	<b>690,490</b>	<b>699,030</b>	<b>711,516</b>	<b>733,638</b>
Borrowing cost expense		996	1,135	847	557	246
<b>Net surplus or (deficit) from ordinary activities</b>		<b>19,508</b>	<b>14,057</b>	<b>15,460</b>	<b>16,003</b>	<b>16,534</b>
Gain or loss on extraordinary items		-	-	-	-	-
<b>Net surplus or (deficit)</b>		<b>19,508</b>	<b>14,057</b>	<b>15,460</b>	<b>16,003</b>	<b>16,534</b>
Capital use charge		(11,747)	(13,237)	(14,575)	(15,120)	(15,645)
<b>Net surplus or (deficit) after capital use charge</b>		<b>7,761</b>	<b>820</b>	<b>885</b>	<b>883</b>	<b>889</b>

**Table 3.2: Budgeted Departmental Statement of Financial Position  
as at 30 June**

	Estimated Actual 2000-01 \$'000	Budget Estimate 2001-02 \$'000	Forward Estimate 2002-03 \$'000	Forward Estimate 2003-04 \$'000	Forward Estimate 2004-05 \$'000
Note					
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash	24,715	57,015	82,967	102,761	104,841
Receivables	12,962	12,950	12,976	12,970	12,970
<b>Total financial assets</b>	<b>37,677</b>	<b>69,965</b>	<b>95,943</b>	<b>115,731</b>	<b>117,811</b>
<b>Non-financial assets</b>					
Land and buildings	12,299	12,912	13,590	14,266	14,266
Infrastructure, plant and equipment	4 137,899	129,680	116,753	103,529	124,618
Inventories	2,084	2,084	2,084	2,084	2,084
Intangibles	5 17,510	9,250	3,249	3,295	3,295
Other	27,623	26,000	26,000	26,000	4,000
<b>Total non-financial assets</b>	<b>197,415</b>	<b>179,926</b>	<b>161,676</b>	<b>149,174</b>	<b>148,263</b>
<b>Total assets</b>	<b>235,092</b>	<b>249,891</b>	<b>257,619</b>	<b>264,905</b>	<b>266,074</b>
<b>LIABILITIES</b>					
<b>Debt</b>					
Leases	21,586	17,323	12,770	7,928	2,775
<b>Total debt</b>	<b>21,586</b>	<b>17,323</b>	<b>12,770</b>	<b>7,928</b>	<b>2,775</b>
<b>Provisions and payables</b>					
Employees	77,994	85,114	92,362	99,741	101,536
Suppliers	6,603	6,647	6,674	6,667	6,667
Other	529	529	529	529	529
<b>Total provisions and payables</b>	<b>85,126</b>	<b>92,290</b>	<b>99,565</b>	<b>106,937</b>	<b>108,732</b>
<b>Total liabilities</b>	<b>106,712</b>	<b>109,613</b>	<b>112,335</b>	<b>114,865</b>	<b>111,507</b>
<b>EQUITY</b>					
Capital	73,185	84,263	88,384	92,256	95,894
Reserves	20,300	19,533	19,024	18,681	18,681
Accumulated surpluses or deficits	34,895	36,482	37,876	39,102	39,991
<b>Total equity</b>	<b>128,380</b>	<b>140,278</b>	<b>145,284</b>	<b>150,040</b>	<b>154,567</b>
<b>Current liabilities</b>	<b>26,994</b>	<b>28,752</b>	<b>30,517</b>	<b>32,297</b>	<b>30,278</b>
<b>Non-current liabilities</b>	<b>79,718</b>	<b>80,861</b>	<b>81,818</b>	<b>82,568</b>	<b>81,229</b>
<b>Current assets</b>	<b>45,384</b>	<b>75,138</b>	<b>100,205</b>	<b>119,081</b>	<b>120,250</b>
<b>Non-current assets</b>	<b>189,708</b>	<b>168,061</b>	<b>150,722</b>	<b>139,131</b>	<b>139,131</b>

**Table 3.3: Budgeted Departmental Statement of Cash Flows  
for the period ended 30 June**

	Estimated Actual 2000-01 \$'000	Budget Estimate 2001-02 \$'000	Forward Estimate 2002-03 \$'000	Forward Estimate 2003-04 \$'000	Forward Estimate 2004-05 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations for outputs	422,207	487,226	493,983	503,619	521,930
Sales of goods and services	81,579	76,434	76,748	77,292	78,677
Interest	1,638	579	579	579	579
<b>Total cash received</b>	<b>505,424</b>	<b>564,239</b>	<b>571,310</b>	<b>581,490</b>	<b>601,186</b>
<b>Cash used</b>					
Employees	254,239	300,456	302,849	310,116	323,572
Suppliers	221,895	210,377	218,590	220,286	232,814
Interest	38	38	38	38	38
<b>Total cash used</b>	<b>476,172</b>	<b>510,871</b>	<b>521,477</b>	<b>530,440</b>	<b>556,424</b>
<b>Net cash from operating activities</b>	<b>29,252</b>	<b>53,368</b>	<b>49,833</b>	<b>51,050</b>	<b>44,762</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	-	-	-	-	-
<b>Total cash received</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	57,317	12,445	6,961	5,719	16,272
Other	12,874	1,066	1,066	8,891	9,004
<b>Total cash used</b>	<b>70,191</b>	<b>13,511</b>	<b>8,027</b>	<b>14,610</b>	<b>25,276</b>
<b>Net cash from investing activities</b>	<b>(70,191)</b>	<b>(13,511)</b>	<b>(8,027)</b>	<b>(14,610)</b>	<b>(25,276)</b>
<b>FINANCIAL ACTIVITIES</b>					
<b>Cash received</b>					
Capital injection	14,012	11,078	4,121	3,872	3,638
<b>Total cash received</b>	<b>14,012</b>	<b>11,078</b>	<b>4,121</b>	<b>3,872</b>	<b>3,638</b>
<b>Cash used</b>					
Repayments of debt	-	5,398	5,400	5,399	5,399
Capital use and dividends paid	10,952	13,237	14,575	15,120	15,645
<b>Total cash used</b>	<b>10,952</b>	<b>18,635</b>	<b>19,975</b>	<b>20,519</b>	<b>21,044</b>
<b>Net cash from financing activities</b>	<b>3,060</b>	<b>(7,557)</b>	<b>(15,854)</b>	<b>(16,647)</b>	<b>(17,406)</b>
<b>Net increase in cash held</b>	<b>(37,879)</b>	<b>32,300</b>	<b>25,952</b>	<b>19,793</b>	<b>2,080</b>
Cash at the beginning of the reporting period	62,594	24,715	57,015	82,967	102,761
<b>Cash at the end of the reporting period</b>	<b>24,715</b>	<b>57,015</b>	<b>82,967</b>	<b>102,761</b>	<b>104,841</b>

Table 3.4: Departmental Capital Budget Statement

	Estimated Actual 2000-01 \$'000	Budget Estimate 2001-02 \$'000	Forward Estimate 2002-03 \$'000	Forward Estimate 2003-04 \$'000	Forward Estimate 2004-05 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Total equity injections	4,668	11,078	4,121	3,872	3,638
Total loans	-	-	-	-	-
<b>Represented by:</b>					
Purchase of non-current assets	-	6,692	-	-	-
Other	4,668	4,386	4,121	3,872	3,638
Total	4,668	11,078	4,121	3,872	3,638
<b>PURCHASE OF NON-CURRENT ASSETS</b>					
Funded by capital appropriations	-	6,692	-	-	-
Funded internally by departmental resources	108,480	6,819	8,027	14,610	47,276
Total	108,480	13,511	8,027	14,610	47,276

Table 3.5: Departmental Non-financial Assets — Summary of Movement (Budget Year 2001–02)

	Land	Buildings	Total land and buildings	Other infrastructure plant and equipment	Total infrastructure plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>GROSS VALUE</b>							
<i>As at 1 July 2001 (opening)</i>	4,078	8,875	12 953	163,636	163,636	30,018	206,607
Additions	-	820	820	11,625	11,625	1,066	6819
Disposals	-	-	-	(5,502)	(5 502)	-	(5,502)
Other movements	-	-	-	-	-	-	-
<i>As at 30 June 2002 (closing)</i>	4,078	9,695	13 773	169,759	169,759	31,084	207,924
<b>ACCUMULATED DEPRECIATION</b>							
<i>As at 1 July 2001 (opening)</i>	-	654	654	25,737	25,737	12,508	38,899
Disposals	-	-	-	(2,436)	(2,436)	-	(2,436)
Charge for the reporting period	-	207	207	16,778	16,778	9,326	26,311
Other movements	-	-	-	-	-	-	-
<i>As at 30 June 2002 (closing)</i>	-	861	861	40,079	40,079	21,834	62,774
<b>Net book value as at 30 June 2002 (closing book value)</b>	4,078	8,834	12,912	129,680	129,680	9,250	151,842
<b>Net book value as at 1 July 2001 (opening book value)</b>	4,078	8,221	12,299	137,899	137,899	17,510	167,708
<b>TOTAL ADDITIONS</b>							
Self funded	-	820	820	4,933	4,933	1,066	6,819
Appropriations	-	-	-	6,692	6,692	-	6,692
<b>Total</b>	-	820	820	11,625	11,625	1,066	13,511

**Table 3.6: Note of Budgeted Administered Financial Performance  
for the period ended 30 June**

	Estimated Actual 2000–01 \$'000	Budget Estimate 2001–02 \$'000	Forward Estimate 2002–03 \$'000	Forward Estimate 2003–04 \$'000	Forward Estimate 2004–05 \$'000
<b>REVENUES</b>					
<b>Taxation</b>					
Customs Duty	4,675,000	4,885,000	5,285,000	5,760,000	6,255,000
<b>Total taxation</b>	4,675,000	4,885,000	5,285,000	5,760,000	6,255,000
<b>Non-taxation</b>					
Sales of goods and services	330,029	429,833	446,050	452,472	452,465
Other sources of non-taxation revenues	866	728	763	777	791
<b>Total non-taxation</b>	330,895	430,561	446,813	453,249	453,256
<b>Total revenues administered on behalf of the Government</b>	5,005,895	5,315,561	5,731,813	6,213,249	6,708,256
<b>EXPENSES</b>					
Suppliers	260	260	260	260	260
<b>Total expenses administered on behalf of the Government</b>	260	260	260	260	260
Extraordinary items	-	-	-	-	-

**Table 3.7: Note of Budgeted Administered Financial Position  
as at 30 June**

	Estimated Actual 2000–01 \$'000	Budget Estimate 2001–02 \$'000	Forward Estimate 2002–03 \$'000	Forward Estimate 2003–04 \$'000	Forward Estimate 2004–05 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash	-	-	-	-	-
Receivables	87,896	87,896	87,896	87,896	87,896
<b>Total financial assets</b>	<b>87,896</b>	<b>87,896</b>	<b>87,896</b>	<b>87,896</b>	<b>87,896</b>
<b>Non-financial assets</b>					
Other	361	361	361	361	361
<b>Total non-financial assets</b>	<b>361</b>	<b>361</b>	<b>361</b>	<b>361</b>	<b>361</b>
<b>Total assets administered on behalf of the Government</b>	<b>88,257</b>	<b>88,257</b>	<b>88,257</b>	<b>88,257</b>	<b>88,257</b>
<b>LIABILITIES</b>					
<b>Debt</b>					
Other	-	-	-	-	-
<b>Total debt</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Provisions and payables</b>					
Other	31,326	31,326	31,326	31,326	31,326
<b>Total provisions and payables</b>	<b>31,326</b>	<b>31,326</b>	<b>31,326</b>	<b>31,326</b>	<b>31,326</b>
<b>Total liabilities administered on behalf of the Government</b>	<b>31,326</b>	<b>31,326</b>	<b>31,326</b>	<b>31,326</b>	<b>31,326</b>
<b>Current liabilities</b>	<b>31,326</b>	<b>31,326</b>	<b>31,326</b>	<b>31,326</b>	<b>31,326</b>
<b>Non-current liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Current assets</b>	<b>87,896</b>	<b>87,896</b>	<b>87,896</b>	<b>87,896</b>	<b>87,896</b>
<b>Non-current assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Table 3.8: Note of Budgeted Administered Cash Flows  
for the period ended 30 June**

	Estimated Actual 2000–01 \$'000	Budget Estimate 2001–02 \$'000	Forward Estimate 2002–03 \$'000	Forward Estimate 2003–04 \$'000	Forward Estimate 2004–05 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Customs Duty	4,682,371	4,885,000	5,285,000	5,760,000	6,255,000
Sale of goods and services	326,674	430,561	446,813	453,249	453,256
Appropriations	219,631	225,334	230,061	234,887	239,814
<b>Total cash received</b>	<b>5,228,676</b>	<b>5,540,895</b>	<b>5,961,874</b>	<b>6,448,136</b>	<b>6,948,070</b>
<b>Cash used</b>					
Suppliers	608	260	260	260	260
Cash to Official Public Account	5,228,533	5,540,635	5,961,614	6,447,876	6,947,810
<b>Total cash used</b>	<b>5,229,141</b>	<b>5,540,895</b>	<b>5,961,874</b>	<b>6,448,136</b>	<b>6,948,070</b>
<b>Net cash from operating activities</b>	<b>(465)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase in cash held</b>	<b>(465)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash at the beginning of the reporting period	465	-	-	-	-
<b>Cash at the end of the reporting period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## NOTES TO THE FINANCIAL STATEMENTS

### Departmental

1. The net increase in appropriation for 2000–01 is due to Australia's response to Foot and Mouth disease and other quarantine risks, the PAX workload growth agreement, parameter adjustments and recalculation of the Capital Use Charge.
2. Employee expenses increased significantly due to the implementation of resources to prevent entry into Australia of Foot and Mouth and other quarantine risks (\$38.784), and the PAX Workload Growth Agreement (\$6.471m).
3. Supplier expenses increased due to the implementation of resources to prevent entry into Australia of Foot and Mouth and other quarantine risks.
4. Refer to Asset Movement Summary, Table 3.5.
5. Refer to Asset Movement Summary, Table 3.5.

### Cross agency overview

In 2001–02 Customs will have cross agency arrangements with the ATO, DIMA, and the Australian Quarantine and Inspection Service (AQIS).

In addition to the existing arrangement with the ATO for the provision of information technology services related to the Diesel Fuel Rebate Scheme (DFRS), Customs has now entered into an arrangement with the ATO, as part of the introduction of ANTS, to administer the TRS and provide a range of services related to the GST, WET and LCT on imported and exported goods.

Customs also provides a contribution to AQIS controls through screening and examination procedures for passengers and air cargo plus postal articles which will be increased as a result of new measures to combat foot and mouth disease and other quarantine risks. Investigation and prosecution of quarantine offences by passengers is handled by Customs. Customs also provides to AQIS a collection service for AQIS cost recovery charges imposed on all House Airway Bills and cargo reports.

### Resourcing

Resourcing for these cross agency arrangements is provided through the government appropriation to the ATO, DIMA and AQIS. The resources required for the provision of these services in 2001–02 will be \$64.112m.

### Performance against outcomes and outputs

Refer to Table 2.2.

## Appendix 1

## Non-Appropriation Departmental and Administered Revenue

	Estimated Revenue 2000-01 \$'000	Estimated Revenue 2001-02 \$'000
<b>DEPARTMENTAL REVENUE</b>		
Resources received free of charge	138,954	141,455
Sales of goods and services	81,282	76,422
Interest	1,638	579
<b>Total Estimated Departmental Revenue</b>	<b>221,874</b>	<b>218,456</b>
<b>ADMINISTERED REVENUE</b>		
Customs Duty	4,675,000	4,885,000
Sales of goods and services	330,029	429,833
Other sources of non-taxation revenue	866	728
<b>Total Estimated Administered Revenue</b>	<b>5,005,895</b>	<b>5,315,561</b>
<b>Total Estimated Revenue</b>	<b>5,227,769</b>	<b>5,534,017</b>

## Appendix 2

## Estimates of Expenses from Special Appropriations

	Estimated Expenses 2000-01 \$'000	Estimated Expenses 2001-02 \$'000
Customs Duty rebate	219,371	225,074
<b>Total Estimated Expenses</b>	<b>219,371</b>	<b>225,074</b>