



# International cooperation for customs clearance and safety control at ports

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# Customs' business at a glance (2015/16 financial year)

## Travel

- » 12.8M arriving and departing travellers
- » 95.5% of arriving passengers cleared Customs within 45 mins
- » 0.6% of air travellers selected for further risk assessment at airports
- » 4.5M air passengers processed through SmartGate

## Trade

- » 8.3M import and 3.4M export transactions
- » 99.8% of compliant trade transactions processed within 30 mins
- » 46.0M mail items screened
- » 435,452 import sea containers and 594,564 export sea containers crossed the border

## Protection

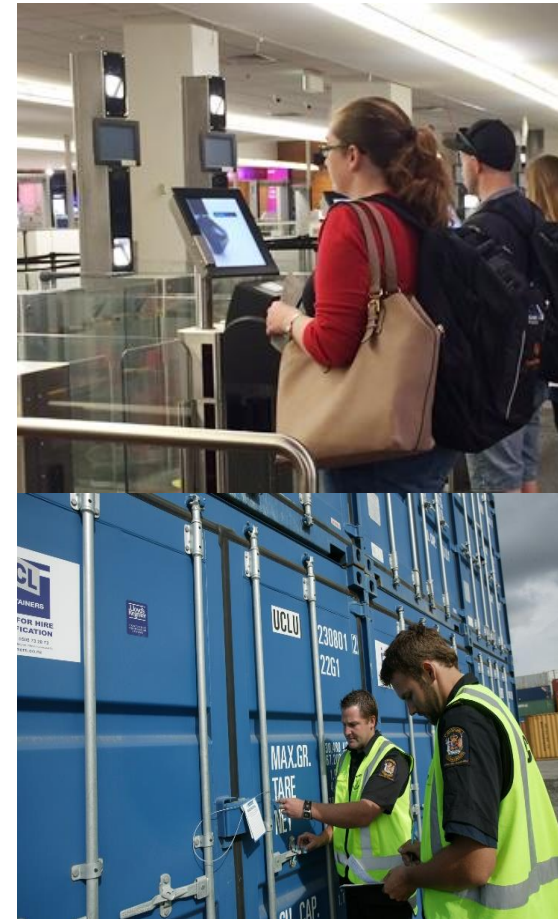
- » 292kg of methamphetamine and 1,153kg of precursors seized
- » 926 interceptions of over 2,200 weapons, firearms and parts of firearms
- » Equivalent of NZ\$4.9M undeclared or concealed cash detected by detector dogs
- » 112 interceptions of over 53,000 suspected Intellectual Property Rights-infringing goods

## Revenue

- » \$13.180 billion of Crown revenue collected:
  - \$8.46 billion GST
  - \$2.28 billion excise duty
  - \$2.44 billion duty on other imported goods
- » \$68.1M additional revenue owing identified through risk-based audit activity

# Challenges

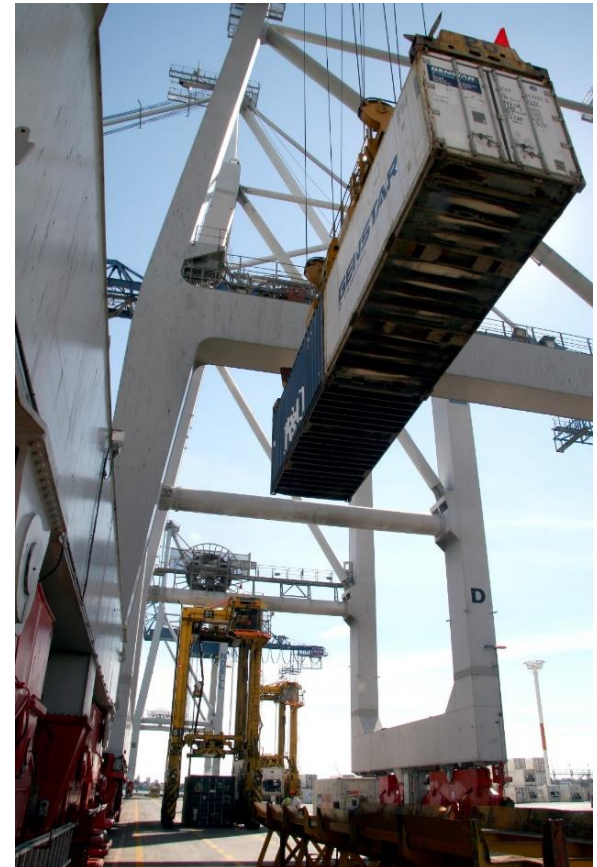
- » More complex risks
- » Heightened security environment
- » More sophisticated criminal networks
- » Volume growth
- » Customer expectations
- » Better public services – “strong, modern, innovative”
- » Sustainable funding and operating models



# Productivity Commission

## International Freight Transport Services

- » NZ Customs efficient compared to international partners
- » Gains to be made in areas such as Customs processes
- » Customs risk-based border management appropriate
- » Joint Border Management System and Customs and Excise Act Review benefit traders



# Border modernisation

- » Reducing supply chain barriers
- » Making compliance easy to do and hard to avoid
- » Intelligence led enforcement
- » Partnerships
- » New legislation
- » Initiatives





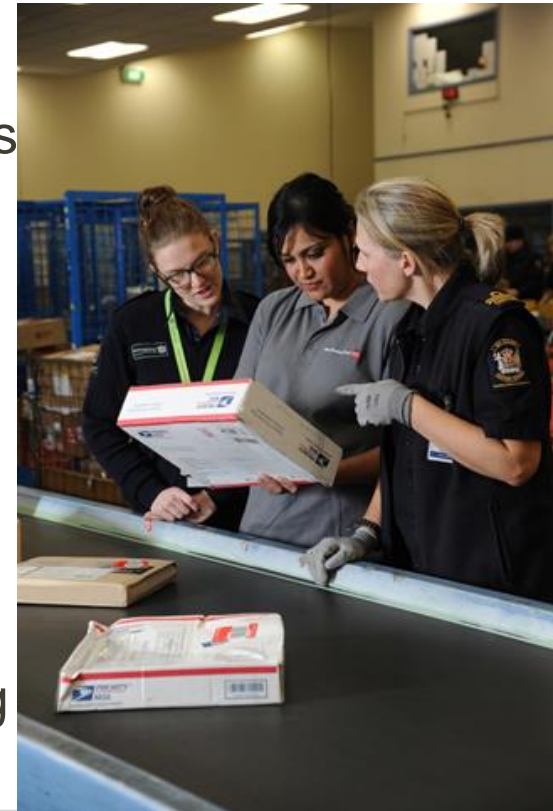
# Increasing secure exports and international arrangements

- » Enhance and expand Secure Exports Scheme
- » Align MRAs to Free Trade Agreements (FTAs)
- » Develop more Mutual Recognition Arrangements:
  - » China
  - » European Union



# FTA Business Outreach

- » Identifying exporters that don't appear to be benefiting from preferential tariff rates.
- » Visiting exporters around New Zealand to:
  - » help them understand free trade agreements
  - » ensure they are aware of preferences available
  - » help them understand the rules of origin relevant to their exports
  - » encourage good working relationships with their suppliers/importers
- » Next step - expand the scope of engagement from exporters to the broker, freight forwarding and certifying bodies.



# More secure exports and international arrangements

- » Enhance and expand Secure Exports Scheme
- » Align MRAs to Free Trade Agreements (FTAs)
- » Develop more Mutual Recognition Arrangements:
  - » China
  - » Australia





# New initiatives

## Secure trade lane with Australia

- » Separate trans-Tasman lane for authorised traders of low risk goods
- » Reduced costs and administrative burden
- » Enables import and export clearance at the same time
- » 2017 pilot



# New initiatives

## Trusted trader

- » Co-management of risk
- » Faster clearance
- » Joined up approach by agencies



# New legislation and technology

- » Customs and Excise Bill
- » Joint Border Management System



» Thank you