

From the CEO

The 1999-2000 Federal Budget, released on 12 May 1999, includes a number of positive elements for the Australian Customs Service. The Government has continued its support for Customs drug initiatives with additional allocations for technology and staffing.

The extra workload for Customs in the lead-up to and during the 2000 Olympic Games and Paralympic Games has also been recognised. In addition there is extra funding to enable Customs to make necessary changes to implement its part of the Tax Reform Initiatives.

An additional \$35.4 million will be provided over four years to Customs as part of the Government's Tough on Drugs Strategy. This funding will be for new technology to allow quick and efficient scanning of containers, the creation of specialist search teams, and an additional marine crew to improve surveillance in the Torres Strait.

An additional \$6.52 million will be provided to cope with the people and goods entering Australia for the Olympic Games and Paralympic Games. The funding will cover extra Customs staff at Sydney International Airport during the games, and in the pre and post games periods. It will also cover electronic systems to cope with an increased volume of temporary imports, and an upgrade of the Customs Marine Centre in Sydney to provide secure moorings for Customs vessels during the games.

An additional \$23.5 million is being provided to fund Tax Reform Initiatives. The funding will cover implementation costs associated with the Tax Reform Package, such as changes to Customs working arrangements and systems, and communication with staff and clients.

Offsetting these increases are some adjustments relating to the Administrative Arrangement Orders (AAO) announced in October 1998. These included transfers of some staff to other agencies, such as the Australian Taxation Office. The overall effect will be a reduction of \$24.9 million.

Customs staffing is expected to decline slightly from an estimated average staffing level of around 4070 in 1998-99 to 3980 in 1999-00. This reduction is attributable to the full year effect of the AAO transfers, partially offset by increased staffing arising from new policy initiatives in this year's Budget.

The 1999-00 Budget is the first to be constructed on an accrual basis, under which it will contain funding from Government to cover, not only our normal cash expenditure during the year, but also a number of non-cash expenses such as depreciation and employee leave liabilities.

Lionel Woodward

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Australian Customs Service