

Increased funding for tax, drugs work

In the Federal Budget, released on 9 May 2000, the Government announced that it would provide the Australian Customs Service with a 16 per cent increase in funding during 2000-2001.

The increase is mainly due to \$43m being provided to Customs for increased responsibilities associated with the Government's new tax system. The funding will provide Customs with the necessary resources to undertake a new function (the administration of the Tourist Refund Scheme) and will ensure that the necessary resources are available to meet the demands associated with Customs-related aspects of implementing the Government's GST, Luxury Car Tax and Wine Equalisation Tax.

Other significant increases in funding include:

- \$25.9m—The full year effect of providing funding for Coastwatch, the *Tough on Drugs* measures and Customs new marine fleet;
- \$3.7m—additional resources in recognition of the increase in passenger numbers;

- \$3.5m—funding for the Sydney Olympics; and
- additional funding to charter a vessel to transport suspected unlawful non-citizens from the point of interception to the mainland.

Offsetting these increases are savings, including:

- \$4.7m—due to the abolition of Wholesale Sales Tax and the resulting savings in supplier expenses;
- \$3.0m—in an 'Efficiency Dividend' that applies to all agencies; and
- \$2.5m—anticipation of savings flowing from competitive tendering and contracting.

This outcome is significant in a year where Customs output prices were reviewed jointly by Customs and the Department of Finance and Administration. The Output Pricing Review found that Customs provides good value for money, its output prices are reasonable and its services are typically of very high quality.

The Government agreed that the only specific reduction in funding for Customs should be a saving of \$2.5m in 2000-2001 and \$5m in the following years flowing from an increase in competitive tendering and contracting of services.

Customs staff numbers are expected to increase from 3,883 full time equivalents (FTE) in 1999-2000 to 4,354 FTE in 2000-2001 due to the increase in resourcing associated with tax reform and full crewing of Customs marine fleet.

Total resources (\$'000)

	Estimated Actual 1999-2000 (\$000)	Budget Estimate 2000-2001 (\$000)
Total price of departmental outputs (Total revenue from government and other sources)	573,564	645,702
Total estimated resourcing (Total price of outputs and administered expenses)	573,824	645,962
Average staffing level (number)	3,883	4,354