

NEW ZEALAND CUSTOMS SERVICE



SEPTEMBER 2015



NEW ZEALAND
CUSTOMS SERVICE
TE MANA ĀRAI O AOTEAROA

PROTECTING NEW ZEALAND'S BORDER

COMPTROLLER'S MESSAGE



In 2013 you helped to develop a new vision for Customs as a world class border management agency by 2020, with the key challenge of making compliance easy to do and hard to avoid.

New Zealand's border is expanding in all directions, getting busier and more complex. Our strategic vision, Customs 2020, will ensure that we meet these changing demands at the border and prepare ourselves for the operating environment of the future.

Our focus is on high assurance and light touch. Our four strategic change areas:

- being intelligence-led
- modernising the border
- enhancing our services with a customer focus
- support development of our people and enhance our culture.

In 2014, staff feedback made it clear that we needed to do a better job about explaining Customs 2020 – we needed to make connections between our programmes, projects, and the dedicated work you do every day to protect and promote New Zealand. We needed to explain how the strategy is changing Customs in practical, tangible terms.

Vision to Reality outlines what the Customs 2020 vision means for you in real terms, and the roadmap shows how we will get to where we need to be. This resource gives insight into our change activities and describes the overarching framework of our change and transformation, what we need to do to deliver change; and how we expect these changes to have positive benefits for our people, our customers and our stakeholders.

The direction of Vision to Reality was co-developed with input from staff in the first half of 2015 – through workshops, and walk through spaces in

eight locations where teams discussed change scenarios, our balance of 'promote' with 'protect', and gave feedback. We also gained insight from outside Customs through interviews with industry and stakeholders.

Everyone at Customs has an important role to play in making our Customs 2020 strategy real, what is required to get there, and how we can apply it to our day-to-day work. Team leaders and managers will guide teams through the Vision to Reality resource, to explain what it means for your work group, and how you can contribute to achieving the vision.

I fully acknowledge that some aspects of Customs 2020 are still aspirational. We need to be agile to do what is achievable, and be opportunistic in responding to our changing operating environment in order to reach for aspirational goals. What is very real is our need to work together and to have strong leadership at every level. We must all be deliberate about working towards the strategy, and concentrate efforts to achieve the tasks we have set for ourselves. I encourage you to use this Customs 2020 Vision to Reality resource, and be part of achieving our Customs 2020 goals.

WHY CHANGE AT ALL?

Trends in the border environment are challenging our current capabilities. This will intensify in the future. Trends include:

- 1** **Government, community and industry expectations** about the ease and accessibility of trade and travel, a more diverse customer base and changing risks
- 2** **Growing volumes of travel and trade** (import and export), particularly from Asian economies
- 3** **Ever-increasing sophistication of transnational crime syndicates**
- 4** More **diverse and complex international supply chains**
- 5** **Growing pervasiveness of technology**, including the challenges of managing the digital border
- 6** **Workforce capability**, including our ability to attract and retain people who are capable of meeting our future challenges
- 7** **Constrained budgets and the need for Customs to manage within four year baselines**

Meeting changing pressures at the border requires a large transformational effort that will affect all areas of our business.

This includes fundamentally changing our models of service delivery, and how we manage trade, travel, compliance and enforcement.

WHAT IS CUSTOMS STRATEGY?

Customs Strategy is articulated in our purpose, challenge, focus, beliefs, spirit, and character.

OUR PURPOSE

WE ARE HERE TO PROTECT AND PROMOTE NEW ZEALAND THROUGH WORLD-CLASS BORDER MANAGEMENT

We protect New Zealand's border using world-class tools, people, and innovative approaches. We promote New Zealand by facilitating trade and welcoming visitors.

OUR CHALLENGE

MAKE COMPLIANCE EASY TO DO AND HARD TO AVOID

Our challenge is to maximise compliance by making it easy to understand the rules, and to work with us; and to make it hard for people to miss the rules or get around them.

OUR FOCUS

WE FOCUS ON ACHIEVING HIGH ASSURANCE WITH A LIGHT TOUCH

We will achieve a secure border by focusing on high-risk goods and passengers and avoid undue disruption to legitimate traders and travellers. When we identify non-compliance, we deal with it appropriately.

To deliver on the Vision, Customs is focused on addressing **Eleven Challenges** by 2020.

TO IMPROVE OUR SERVICES WE WILL:

1. Deliver 'Future Direction' and JBMS
2. Positively contribute to the Better Public Services transformation
3. Deliver efficient and effective revenue collection
4. Enhance customer experience, value and confidence
5. Increase our ability to identify risk, detect non-compliance and carry out enforcement.

THESE ARE SUPPORTED BY:

1. Create a great place to work where our people have a sense of belonging, and the capability and desire to meet our challenges
2. Build partnerships with key government, industry and international stakeholders
3. Ensure a modern regulatory framework that enables the future border environment
4. Maintain public trust and confidence in Customs
5. Continuously improve our processes to deliver better services
6. Maximise the sustainable use of resources within the context of increasing workloads and reducing baselines.

CUSTOMS BELIEFS, SPIRIT AND CHARACTER

Our beliefs:

- People are at the heart of what we do
- Compliance should be easy to do and hard to avoid
- Using information, innovation and technology to shape our future
- Intelligence-led, risk-based border management
- New Zealand Customs is a welcome home and a welcome here
- Partnership and collaboration add value and reduce risk
- Valuing diversity makes the organisation stronger



Our spirit:

Service Excellence

Our character:

Mana
Professional
Integrity
Enterprising
Agile
Belonging
Connected

ACHIEVING THE VISION: WHAT IS NEEDED AT A GLANCE

Vision

How we want to be working in the future

PROTECT AND PROMOTE NEW ZEALAND

OUR BELIEFS, OUR SPIRIT, OUR CHARACTER, OUR FOCUS

CHALLENGE: MAKE COMPLIANCE EASY TO DO AND HARD TO AVOID

Eleven Challenges

What Customs must address in order to create the 2020 vision

ELEVEN CHALLENGES

Delivery

Changes to achieve our objective and how we will work to address the Eleven Challenges

STREAM 1

BE INTELLIGENCE LED

We will harness better data and deepen the connection to the frontline to better manage border risk, increase our interception and revenue collection rate, while refining our intervention rate.

STREAM 2

MODERNISE THE BORDER

We will work with our partners to draw together regulation, information and processes enabling a clearer whole-of-border view and operation.

STREAM 3

ENHANCE SERVICES WITH A CUSTOMER FOCUS

We will create easier, more cost-effective and efficient experiences for travellers and traders who pose a low risk to NZ's revenue, safety or economy.

STREAM 4

SUPPORT DEVELOPMENT OF OUR PEOPLE AND ENHANCE OUR CULTURE

We will create a workforce environment that encourages diversity, agility and more efficient and effective mobilisation and increases the engagement of our people.

STRATEGIC SCORECARD: HOW WILL WE MEASURE PROGRESS?

If we are operating differently in the future:

Our insight into the people and organisations engaged in border and revenue transactions is increased.

We deliver increased assurance over cross border flows and the Crown revenue we collect.



Customs is a great place to work where people are representative of the community they serve, have a sense of belonging, and have the capability and engagement to meet our challenges, now and into the future.



We have increased the value we deliver through an integrated programme to modernise border legislation and technology and streamline border processes and services.



It is easy for our customers to understand and comply with their customs and revenue obligations.



What the future looks like if we've delivered on Customs 2020.

Customs 2020 will reshape our protection of the border.

Customs 2020 will reshape our promotion of trade and travel.

STRATEGIC SCORECARD: HOW WILL WE MEASURE PROGRESS?

Here's how we'll know we are succeeding:

- » Increased strike rate and yield of Customs' interventions
- » Increased assurance over border and revenue risk
- » Increased avoidance of harm to the community
- » Reduced intervention with compliant traders and travellers



- » Maintained or reduced time-to-clear
- » Increased proportion of transactions handled electronically
- » Maintained or enhanced international reputation
- » Reduced unit costs



- » Increased ease of compliance
- » Increased levels of compliance
- » Maintained or increased satisfaction with Customs' services
- » Increased trust in Customs
- » Reduced customer complaints



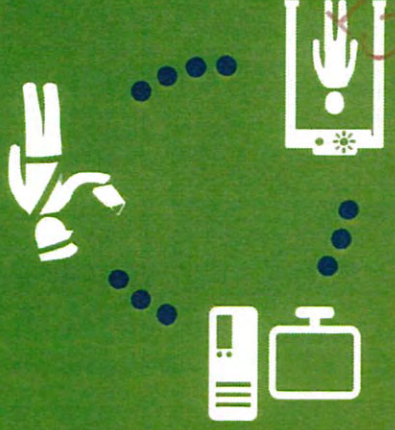
- » Increased number of training agreements
- » Improved ratings on leadership, and attitudes towards innovation and continuous improvement
- » Maintained or reduced staff turnover for those with less than four years' service
- » Increased awareness of diversity through use of multiple communication channels
- » Maintain tertiary status for workplace safety
- » Reduced lost time due to unplanned absences

What the future looks like if we've delivered on Customs 2020. Customs 2020 will reshape our protection of the border. Customs 2020 will reshape our promotion of trade and travel.

STREAM 1

BEING INTELLIGENCE-LED

- Improved analytics
- More integration of intelligence
- Stronger tradecraft skills
- Better data quality and scope



BE INTELLIGENCE-LED



The intelligence-led stream will deliver new:

- predictive analytics
- information flows
- skillsets
- business processes.

Delivery of intelligence-led will allow us to:

- harness our data to proactively improve our service
- better manage border risk
- increase our interception strike rate for risk goods and people
- enhance our revenue assurance and collection while refining our intervention rate.

Collaboration between all business areas will create a responsive, proactive and connected partnership environment.

In identifying high risk activity we enable the facilitation of compliant trade and travel that adds value to New Zealand's economy.

INTELLIGENCE-LED AT A GLANCE

What we're delivering

More data, pushed to Customs and delivered pre-departure



Enhanced analytics



New processes/ arrangements to leverage changes



Improved collection planning with a clear role for all staff in the intelligence cycle



More intelligence liaison activity



Enhanced training for Intel, investigations and frontline staff



Will result in

1 Enhanced risk management and increased disruption through:

» better collection planning

» strategically targeting our enforcement capabilities

2 A higher inspection strike rate

3 Fewer inspections of low risk cargo/ travellers

4 Increased proactive border activity targeting willful non compliance



Legitimate travellers
"It was easy clearing the border"



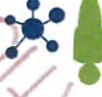
Legitimate traders
"My goods get examined less and spend less time on the wharf"



Customs frontline
"We do less inspections, know more about what we're looking for, and have higher strike rates"



Customs back-of-house
"We have more information and better tools to make strategic and tactical risk predictions"



Border partners
"We're more collaborative and aligned than ever"



NZ public
"We have real confidence in the security of New Zealand's border"

Key new experiences

INTELLIGENCE-LED DELIVERABLES

What we're delivering: Based on what is currently planned

- 1.1 New predictive analytics, (SPSS) and people capability to improve risk identification, assessment and enforcement action
- 1.2 New or more timely information availability (e.g. partner country data, API, PNR) enabling earlier assessment and clearance/intervention
- 1.3 New intelligence/risk-led operational processes to harness and feed better intelligence
- 1.4 A shared responsibility for the integrity of the intelligence cycle. Training for frontline staff on the importance of their role in the intelligence cycle to improve the quality of information into the system
- 1.5 New and changed roles in the back-of-house to enhance the systematic management of risk
- 1.6 Process improvements to the information flows between Intel / ITOC and the frontline to expedite and close the loop on information flows
- 1.7 Understanding of trade and goods supply chains is up to date and risks are mitigated by bespoke solutions
- 1.8 New risk assurance processes to validate risk assessments

INTELLIGENCE-LED DELIVERABLE TIMELINE

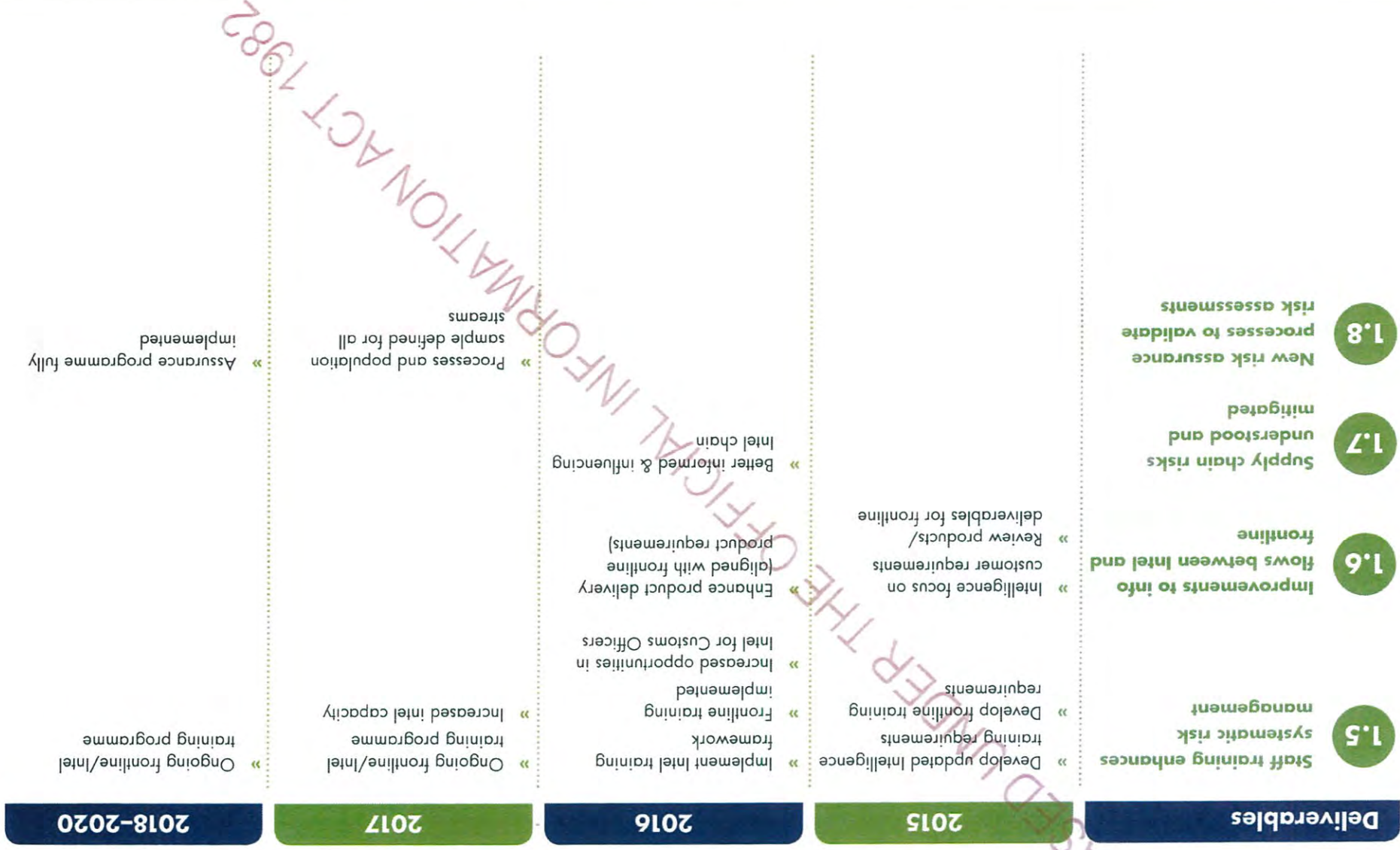
* Dates are indicative of the completion of this milestone

Deliverables	2015	2016	2017	2018-2020
1.1 New predictive analytics » Trade analytics (simple) » Analytics and intelligence training	» Passenger analytics » Trade analytics – supply chain » Analytics and intelligence training	» Stronger connection to frontline enhancing quality of information being received » Improved collections plans	» Greater access to non-customs data-sets	» Jun 2019 with the implementation of JBMS
1.2 New or more timely information availability » Identify collection planning requirements » Identify new/improved data sources	» Update Intelligence Model » Screening of departing passengers » Development of an Enforcement Strategy	» More relevant information » Implement updated Intelligence Model » Enhancement of the Investigations operating model	» Review Intel Operating Model and performance measures » New advanced intel and analysis technology	
1.3 New intelligence/risk-led operational processes » Develop and initiate communications plan » Frontline training developed » Frontline liaison developed	» Ongoing communication/messaging with frontline » Frontline training implemented » Frontline liaison implemented » Development of senior analyst positions	» Leadership articulate, demonstrate and train staff in the relevance of the intelligence cycle and their role in it		
1.4 Shared responsibility for intelligence cycle				

Table continued over page...

INTELLIGENCE-LED DELIVERABLE TIMELINE

* Dates are indicative of the completion of this milestone



WHAT WILL BE DIFFERENT FOR: FRONTLINE CUSTOMS OFFICERS

These changes will create a number of new experiences for frontline Customs officers...

When this will happen...

Which deliverables will make this happen?

Deeper and broader skill sets through the removal of siloed working and a full focus on tradecraft, providing a much more robust talent pipeline for intelligence and investigations	Progressively from 2015 to mid 2017	1.4 Shared responsibility for intelligence cycle	1.6 Improvements to info flows between Intel and frontline	1.1 New predictive analytics	1.3 New intelligence/risk-led operational processes	1.3 New intelligence/risk-led operational processes	1.6 Improvements to info flows between Intel and frontline	1.3 New intelligence/risk-led operational processes	1.6 Improvements to info flows between Intel and frontline	1.3 New intelligence/risk-led operational processes	1.6 Improvements to info flows between Intel and frontline	1.4 Shared responsibility for intelligence cycle	1.4 Shared responsibility for intelligence cycle	1.3 New intelligence/risk-led operational processes	1.6 Improvements to info flows between Intel and frontline
Smaller work queue and a higher level of confidence in the risk presented by each item	2019														
Access to an Intel liaison capability to assist with complex risk assessments and be able to nominate suitable individuals from within frontline teams to work in intelligence in the future	2016	Progressively from mid 2016 to 2018													
More easily feed insights gained from operational work into the risk system, to make it increasingly responsive and effective															
Better appreciation of the intelligence function and cycle, making the work they do in this area more meaningful and ultimately improving quality	Mid 2016														
Will have a complete data set supported by two years of history leading to a better strike rate for frontline staff	Early 2018														

WHAT WILL BE DIFFERENT FOR: INTELLIGENCE STAFF

These changes will create a number of new experiences for frontline intelligence staff...

When this will happen...

Which deliverables will make this happen?

Will perform more pre-departure assessments

Intelligence and targeting roles will have a broader scope of data and information to use for managing risk and responding to risks

Will have better information flow & collection plans developed, harnessing information from all business areas in a collaborative and multi-disciplinary fashion

Will have a five-year intelligence training plan in place and be able to see career progression and personal development

Will have enhanced data analytics capability

From 2015

Progressively from 2016 to 2019

Mid 2016

Progressively from 2015 to mid 2019

Mid 2016

1.3 New intelligence/risk-led operational processes

1.1 New predictive analytics

1.2 New or more timely information availability

1.3 New intelligence/risk-led operational processes

1.7 Supply chain risks understood and mitigated

1.2 New or more timely information availability

1.3 New intelligence/risk-led operational processes

1.6 Improvements to info flows between Intel and frontline

1.5 Staff training enhances systematic risk management

1.1 New predictive analytics

WHAT'S DIFFERENT FOR STAFF FROM TODAY TO 2020

FRONTLINE CUSTOMS OFFICERS



“I actively contribute to a reliable information chain, which provides me with trustworthy and accurate information that I can use to inform and enable Customs enforcement activity.”

“I have an active role in contributing intelligence.”

Will have a deeper and broader skill set and a full focus on trade craft, providing a much more robust talent pipeline for intel and investigations

Will have an intelligence liaison on-site to assist with complex risk assessments

Will have a better appreciation of intelligence function and cycle; making work in this area more meaningful, and ultimately improving quality

Will have a smaller work queue and a higher level of confidence in the risk presented by each item

Will more easily feed insights into the risk system to make it more responsive and effective

Will have enhanced data analytics capability

Will perform more pre-departure assessments

Will have a five-year intelligence training plan in place and be able to see career progression and personal development

Will have better information flow & collection plans developed

Intelligence and targeting roles will have a broader scope of data to use for managing risk and responding to risks

INTELLIGENCE STAFF



“I have an established intelligence training plan as part of my career path, I know what training I will receive, how I will develop on the job and through coaching.”

“I am able to practise my tradecraft and use the information available to provide insights from data that creates useful intel for frontline staff.”

“I have a reputation for providing quality intel and intelligence. I can see how my contribution adds value and makes a difference every day.”

“I know the career path to a senior intelligence analyst and have the option to tailor my development plan to achieve it.”

STREAM 2

MODERNISE THE BORDER

- More whole-of-government operation
- More technology-enabled
- New legislation
- Increased partnership arrangements



MODERNISE THE BORDER



Our modernising of the border stream will deliver:

- a skilled workforce operating in closer co-operation and collaboration with stakeholders across the border sector
- modern, enabling legislation
- developing technology solutions to enable the delivery of world-class border management into the future.

Through this we will deliver increased efficiency and security of New Zealand's trade supply chains and passenger movements, while improving our cost-efficiency and effectiveness.

The results will be improved customer and staff experiences by:

- increasing customer self-service
- reducing costs and clearance times for legitimate traders and travellers
- better informing and supporting exporters
- providing staff with the tools and support needed to operate in a modern border environment
- freeing up staff time to work on higher-risk areas.

BORDER MODERNISATION AT A GLANCE

What we're delivering

Modern, future-proof information systems, including implementation of JBMS for goods and trade



Modern, enabling, fit-for-purpose legislation



Automating low-risk high-volume passenger processing



Creating a secure and enabling border environment where Customs is mobile in every sense, effective, and efficient



An agile operational workforce able to work effectively with constrained funding



Exploration of a Trusted Trader model



Support for exporters to realise the benefit of Free Trade Agreements



Will result in

1 Fewer inspections of low risk cargo/travellers

2 Increased self-service by customers

3 Reduced cost for passengers, traders

4 More focus on higher risk passengers and goods

5 Better informed exporters

6 Easily understood legislation



Legitimate travellers

"I love how straightforward it is getting through Customs"

Legitimate traders

"Our dealings with Customs are consistent which saves me time and money"

Customs frontline

"I spend more time dealing with people who might bring harm to New Zealand"

Customs back-of-house

"We can utilise our resources far more effectively"

Border partners

"When I ask questions of Customs officers they have the answers on-hand"

NZ public

"We have faith that Customs will continue to do a great job"

Key new experiences

BORDER MODERNISATION DELIVERABLES

What we're delivering:
Based on what is currently planned

2.1 JBMS Trade Single Window fully implemented

2.2 R&I implemented

2.3 NZ border agencies have aligned, streamlined and seamless whole-of border approach

2.4 Smartgate will be upgraded and 55% of travellers pre-cleared and processed through Automated Passenger Processing by 2018

2.5 Customs has modern legislation that is enabling, fit for purpose and future proof

2.6 Officers have mobile tools and the support to operate in a modern border environment

2.7 Exporters have the information and support needed to realise the benefit of FTA's & negotiate new FTA's

2.8 Financial Review

2.9 Operations Transformation Programme - Right sizing the workforce, enriching roles, standardising process and centralising planning and support

Aspirational deliverables:
What we are seeking to explore and achieve in the future

2.10 Single point of clearance for goods from trusted countries, trusted traders and trusted travellers

Define an approach and framework by 2016

2.11 Streamline the collection of excise, duty, GST, and excise equivalent duty at the border (subject to decision of the C&E Act review)

Scope of work understood by late 2015

2.12 Streamline the collection of duty and GST on low-value goods crossing the border (online purchased physical goods, de minimis)

Scope of work understood by late 2015 or early 2016

2.13 Trusted trader scheme
Define a Trusted Trader Model
Validation/assurance of Trusted Trader Model

Define an approach and framework by 2016

BORDER MODERNISATION DELIVERABLE TIMELINE

* Dates are indicative of the completion of this milestone

Deliverables	2015	2016	2017	2018-2020
2.1 JBMS TSW fully implemented	» JBMS R8, TSW	» JBMS R10, TSW delivered » WC03 data model » mandatory for all reports » except ICR » Client self credit management	» WC03 data model » mandatory for ICR » Ongoing system enhancement	» Expanded R&I targeting capability » Border sector information hub
2.2 R&I implemented	» Improved Nexus capability to support data analysis	» JBMS R10, R&I delivered » R&I pax	» Ongoing R&I targeting enhancement	» Expanded R&I targeting capability
2.3 Streamlined whole-of-border approach	» Border Information Systems » Blueprint » Future border management system strategy	» Inter-agency instant messaging	» NZBN implemented	» Border sector information hub
2.4 55% of pax processed through automated passenger processing	» Business case for funding Next Gen automated pax processing » First phase of Next Gen gates implemented » SG 40% of total pax	» Next Gen automated pax processing implemented » 70% of Aus/NZ pax » Departure Card automated or removed	» 55% of all pax (6.6m travellers) processed via SG (2018/19)	» 55% of all pax (6.6m travellers) processed via SG (2018/19)
2.5 Modern, enabling legislation	» Customs & Excise Act cabinet decisions	» Bill introduced to the House	» New act passed	» Implementation commences

Table continued over page...

BORDER MODERNISATION DELIVERABLE TIMELINE

* Dates are indicative of the completion of this milestone

Deliverables	2015	2016	2017	2018-2020
2.6 Officers supported by modern operational tools	» Mobility technology platforms developed	» Mobility technology rolled out » Content and case management tools » ITOC tools	» CusMod usability enhanced » Mobilisation of business processes » Customer information system	» Mobilisation of business processes » Upgrade desktop technology
2.7 Exporters realise benefit of FTAs	» Outreach programme to NZ exporters (analysis phase Sep 15) » New trade position in Indonesia (Oct 15)	» Joint Electronic Verification System (JEVS) » Outreach programme to NZ exporters (implementation phase) » Upgrade of NZ-China FTA (negotiations concluded) » Customs Cooperative Agreement with the European Union	» Mutual Recognition Agreement with China (negotiations concluded 2018)	
2.8 Financial Review	» Revenue and savings options defined			
2.9 Operations Transformation Programme	» Negotiation and agreement on workforce changes » Rostering and workforce tool procurement » Process changes implemented	» Agreed workforce changes implemented » Rostering and Workforce tool implemented » Training and tools to support workforce implemented	» Workforce Model review / Benefits measured	

WHAT WILL BE DIFFERENT FOR: TRAVELLERS AND TRADERS

These changes will create a number of new experiences for traders, travellers and intermediaries

Travellers and traders who do the right thing will be more likely to clear the border with less physical intervention. We will still require customers to undertake actions to clear the border but these will be simpler

Travellers and traders who do the wrong thing will be more likely to be subject to an in-depth investigation or enforcement action. Customs will have a higher strike-rate and illegitimate travellers or traders will be more likely to be stopped

Traders with a known history of compliance who register for the Trusted Trader programme will only experience interventions relating to coverage and campaigns

More streamlined, effective and efficient revenue collection processes will enable clear and consistent interactions

Right person, right place, right time

When this will happen...

Mid 2016

Early 2017

Aspirational (by 2020)

Aspirational (by 2020)

Which deliverables will make this happen?

JBMS TSW fully implemented

JBMS R&I implemented

Streamlined whole-of-border approach

55% of intl. pax. processed through APP

JBMS R&I implemented

Streamlined whole-of-border approach

55% of intl. pax. processed through APP

Trusted Trader scheme

Single point of clearance

Exporters realise benefit of FTAs

Streamline collection of excise/duty/GST/excise equivalent duty at the border

Streamline collection of duty and GST on low value goods

OTP contributes to all of the above

WHAT WILL BE DIFFERENT FOR: CUSTOMS STAFF

These changes will create a number of new ways of working and day-to-day experiences for staff.

Customs officers will do less administrative checking of passengers, cargo and small craft, and instead focus on higher-value trade/craft activities with an emphasis on those who pose a higher risk. Administrative work will be managed by a more appropriately geared resource

Will spend less time on low-risk low-value interventions

The right person at the right place with the right information and tools at the right time

Will make more seizures at the border through better interventions and targeting

Staff will have enriched roles, opportunities for experience across the operation will quickly deepen skills and staff will have more options for career development

When this will happen...

Progressively from 2015 to mid 2019

Mid 2019

Progressively from 2016

2020

Progressively from 2015

Which deliverables will make this happen?

2.4 55% of intl. pax. processed through APP
2.5 Modern, enabling legislation
2.6 Officers supported by modern operational tools
4.3 Internal mechanisms support flexibility

2.1 JBMS TSW fully implemented
2.2 R&I implemented
2.4 55% of intl. pax. processed through APP

2.1 JBMS TSW fully implemented
2.2 R&I implemented
2.6 Officers supported by modern operational tools

2.1 JBMS TSW fully implemented
2.2 R&I implemented
2.6 Officers supported by modern operational tools

2.9 OTP contributes to all of the above

WHAT'S DIFFERENT FOR STAFF & CUSTOMERS FROM TODAY TO 2020

TRAVELLERS & TRADERS



"I am able to quickly pass through security checks at the border using SmartGate meaning I can get on with my holidays."

"I know the border is safe because I can see Customs officers checking bags and talking to people."

"Trader: I can self-service and am provided with clear and easy to follow instructions and guides that make using TSW simple and straight forward."

Travellers and traders who do the right thing will be more likely to clear the border with less physical intervention. Actions required of customers to clear the border will be simpler.

Travellers and traders who do the wrong thing will be more likely to be subject to an in-depth investigation or enforcement action. Illegitimate travellers or traders will be more likely to be stopped

Traders with a known history of compliance who register for the Trusted Trader programme will only experience interventions relating to coverage and campaigns

More streamlined, effective and efficient revenue collection processes will enable clear and consistent interactions

Will have access to Customs' systems and information in the field

Customs officers will do less administrative checking of passengers, cargo and small craft, and instead focus on higher-value tradecraft activities with an emphasis on those who pose a higher risk. Administrative work will be managed by a more appropriately geared resource

Will spend less time on low-risk low-value interventions and will have a much broader and deeper skill set

Will make more seizures at border through better interventions and targeting



CUSTOMS STAFF

"I have the time and opportunity to exercise my Customs nous when appropriate."

"I am able to focus on profiling and enforcement activities because I know that technology and intelligence have identified customers of interest and screened out the low risk ones."

STREAM 3



ENHANCE SERVICES WITH
A CUSTOMER FOCUS



ENHANCE SERVICES WITH A CUSTOMER FOCUS



Enhancing services with a customer focus will deliver:

- continuously improved service experiences for traders and travellers
- reduced compliance burdens for our customers, while ensuring our requirements are still met
- work with processes that are “better for business”
- help New Zealanders transact with government easily in a digital environment.

To achieve this, we will know our customers better, what they want and need, how they prefer to transact with us, and involve them in designing services that affect them – including tailoring services where we have assurance of low risk. We will know how to make it easy for them to comply, and hard to avoid complying.

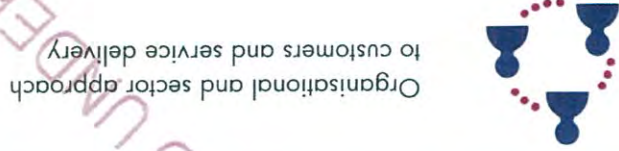
Results will be improved customer experience by:

- delivering better value
- higher levels of customer confidence
- higher levels of compliance.

Improved voluntary compliance will allow us to focus more on where non-compliance occurs and improve the effectiveness of our enforcement activity.

CUSTOMER FOCUS AT A GLANCE

What we're delivering



Organisational and sector approach to customers and service delivery



Comprehensive understanding of, and insight into customer needs, expectations, behaviour and compliance intent



Co-design of services



Enhanced relationships with customers

Will result in

1 Services that deliver better customer experience and value

2 Customers find it easy to understand both what they're entitled to and what they need to do to comply with the rules

3 Higher levels of voluntary compliance and trust, to inform more tailored services

4 Agencies joining up to provide easily accessible and seamless services

5 Deeper capability enabling officers to identify and focus on non-compliance

Key new experiences



Legitimate travellers
"It's quick and easy dealing with government at the border"



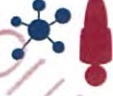
Legitimate traders
"They help me understand what I can and can't do, and ask about the services I need so they can get it right first time"



Customs frontline
"I love that I don't have to mess around dealing with people who haven't done anything wrong"



Customs back-of-house
"We can make better decisions about the services we provide"



Border partners
"We all benefit from each others' knowledge"



NZ public
"It's quick and easy for people doing the right thing, and those who're not are getting caught" – it's good value for me as a taxpayer

CUSTOMER FOCUS DELIVERABLES

What we're delivering: Based on what is currently planned

3.1 Services put the **customer at the centre** so it's easy for customers to understand both what they're entitled to and what they need to do to comply with the rules, compliance is easy to do and hard to avoid, and service delivery is **joined-up across border agencies**

3.2 Our **compliance approach is practised consistently** by our people – a comprehensive understanding of our customers, their needs, expectations, behaviour and compliance intent informs our interventions - and **our customers are clear** about the way we work

3.3 **Channels** for interaction and services are prioritised by agency need, customer understanding, and what's feasible technologically – and we have evidence we have the right mix

3.4 Our services are continuously improved to ensure **trust, value, and costs and benefits** are aligned to customers' compliance levels

Delivery in the short to medium term will be focused on:

- » Customer experience and process improvements at airports
- » Opportunities from JBMS and, in particular, Trade Single Window
- » Agreed priorities from the customer and channel strategy and roadmap – including segmentation and supporting improvements to forms, website and outreach to traders
- » Extending continuous improvement, with a focus on the customer and user
- » Supporting our people - building our knowledge and capability

CUSTOMER FOCUS DELIVERABLE TIMELINE

* Dates are indicative of the completion of this milestone

Deliverables	2015	2016	2017	2018-2020
3.1 Customer at the centre – Customs services and joined-up delivery across sector	» Sector priorities for putting customer at the centre, reflecting Better Public Services outcomes, are agreed » Introduction of Customs/Avsec single flow departure processing in Auckland	» Better for Business (R9) informs the design and delivery of new services » Easy digital transactions with government (R10) informs the design and delivery of new services » Introduction of Customs/Avsec single flow departure processing in Wellington » Improved arrivals process at Auckland International Airport is included in airport redevelopment » New Zealand Business Number is implemented	» 70% of New Zealand and Australian passport holders use automated passenger processing on arrival to, and departure from, New Zealand » 55% of all travellers use automated passenger processing on arrival to, and departure from, New Zealand » Sector approach to improving arrivals process at airports other than Auckland	» 55% of all travellers use automated passenger processing on arrival to, and departure from, New Zealand » Sector approach to improving arrivals process at airports other than Auckland

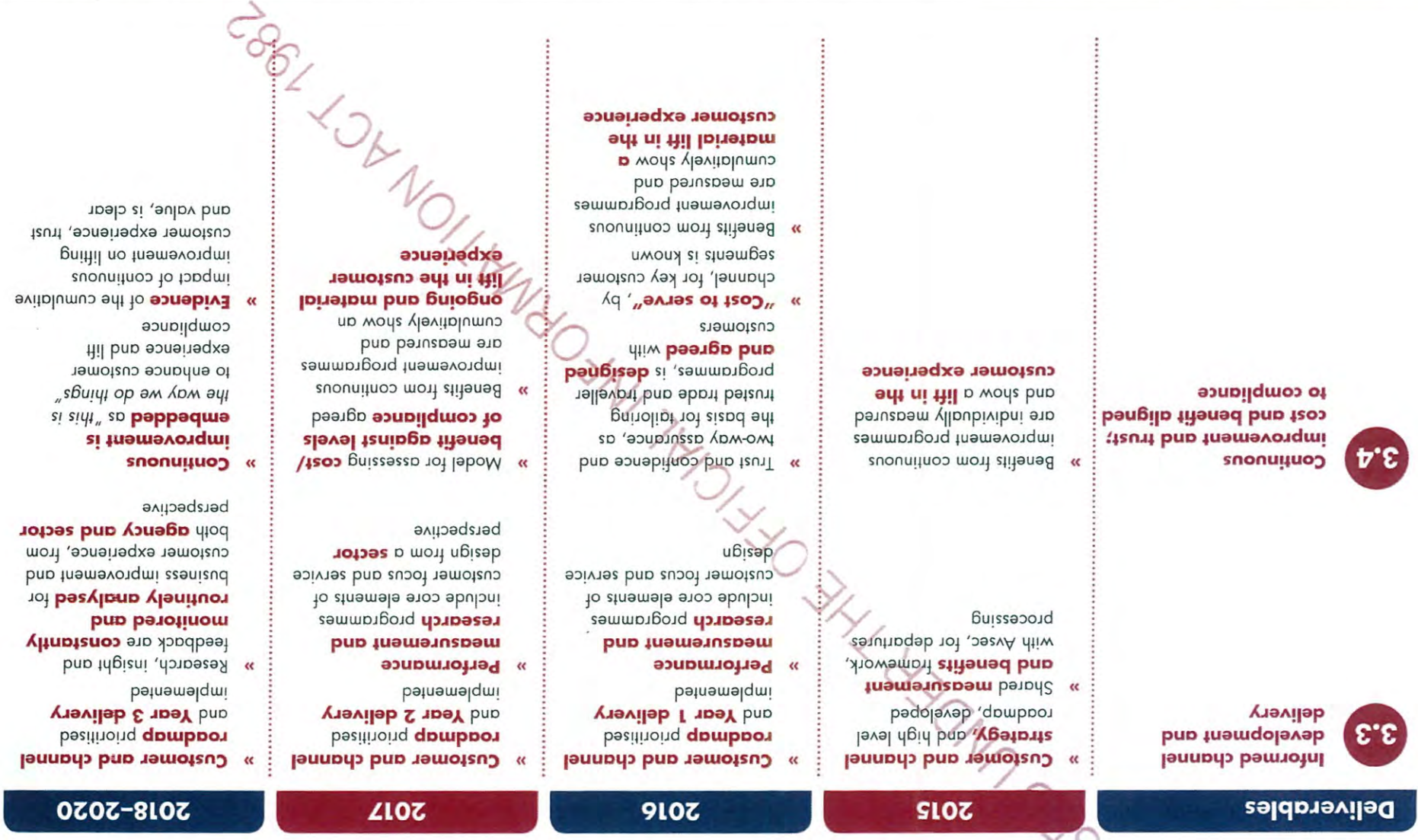
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* Dates are indicative of the completion of this milestone

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CUSTOMER FOCUS DELIVERABLE TIMELINE

* Dates are indicative of the completion of this milestone



WHAT WILL BE DIFFERENT FOR: CUSTOMERS

These changes will create a number of new ways of working and day-to-day experiences for customers.

Services will be designed in collaboration and partnership with service users, industry and border partners

Customers will be clear about our compliance expectations and can easily access and understand the information they need to see what services we offer, how we do things, what they're entitled to, and what they need to do to comply with the rules

Travellers and traders will have an understanding of the service standards they can expect from Customs, and what they need to do to participate successfully

Customers who are consistently compliant will experience service benefits tailored to our level of trust, confidence and assurance about their low-risk status

2015 onwards

2016 onwards

Early 2016

2018 onwards

When this will happen...

Which deliverables will make this happen?

3.1 Customer at the centre – Customs joined up across sector

3.3 Informed channel development and delivery

3.2 Compliance approach is practised consistently

3.2 Compliance approach is practised consistently

3.4 Continuous improvement and trust. Costs and benefits aligned to compliance

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3.4 Continuous improvement and trust. Costs and benefits aligned to compliance

3.1 Customer at the centre – Customs joined up across sector

3.2 Compliance approach is practised consistently

3.4 Continuous improvement and trust. Costs and benefits aligned to compliance

WHAT WILL BE DIFFERENT FOR: STAFF

These changes will create a number of new ways of working and day-to-day experiences for staff.

Designing services and improvements, in collaboration and partnership with users, industry and border partners, will be understood as "the way we do things"

As Customs officers and law enforcement professionals, we will be empowered to think 'customer first' and we will know, understand and consistently balance our customer and compliance approaches. Our core skills training will be updated with new courses in customer service and profiling skills, this will improve the quality of our intervention decisions

We will reduce waste, unnecessary processes and spend less time on, or automate, low risk-low value interventions

Rolling out service standards and standardising systems nationally will provide better guidance, result in more certainty and consistency for our customers and improve their service experience

When this will happen...

Progressively from 2016

Progressively from 2016

Progressively from 2015

Progressively from mid 2016

Which deliverables will make this happen?

3.1 Customer at the centre – Customs joined up across sector

3.2 Compliance approach is practised consistently

3.3 Informed channel development and delivery

3.4 Continuous improvement and trust. Costs and benefits aligned to compliance

3.2 Compliance approach is practised consistently

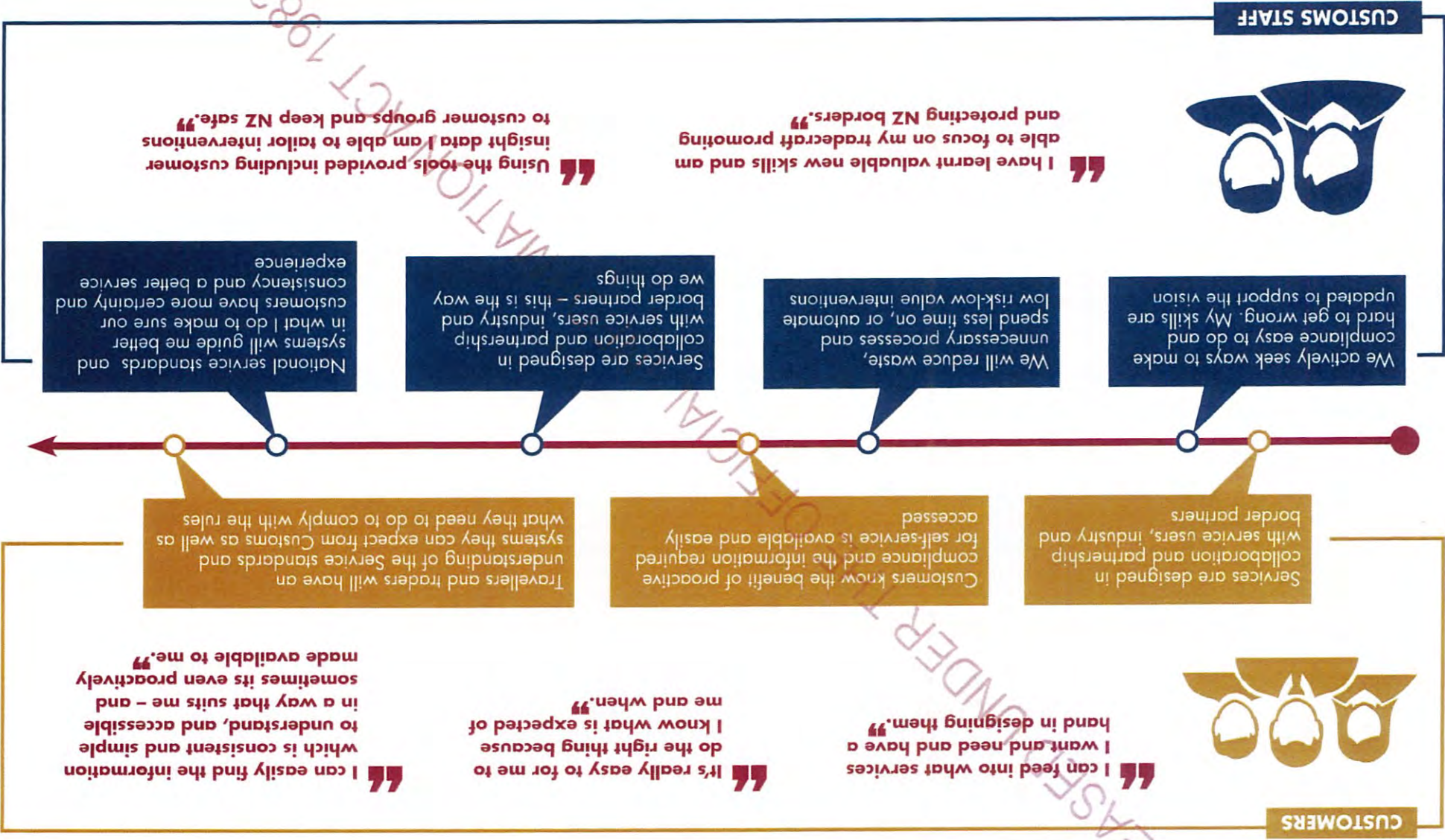
3.4 Continuous improvement and trust. Costs and benefits aligned to compliance

3.4 Continuous improvement and trust. Costs and benefits aligned to compliance

3.2 Compliance approach is practised consistently

3.4 Continuous improvement and trust. Costs and benefits aligned to compliance

WHAT'S DIFFERENT FOR STAFF & CUSTOMERS FROM TODAY TO 2020



SUPPORT DEVELOPMENT OF OUR PEOPLE AND ENHANCE OUR CULTURE



- Workforce transformation
- New rostering arrangements
- Increased staff mobility





We need to equip our people to meet the demands of the future – this requires more diversity, flexibility, and agility in our workforce environment.

Supporting development of our people, and enhancing our culture will deliver on the promise that Customs is a great place to work.

We will see results through improved staff capability and engagement to meet current and future operating intentions, enhanced leadership development, a focus on innovation and continuous improvement, and a shared commitment to health, safety and wellbeing.

PEOPLE & CULTURE AT A GLANCE

What we're delivering

Constructive, enabling, safe and rewarding employment environment



Support to the change agenda



New capabilities - via the OTP, R&I, customer focus, profiling, facilitation, tradecraft



Skilled leaders and managers



Linked career and development pathways



Collaboration with agencies



Will result in

1 Sustainable, capable, flexible engaged, healthy and safe workforce

2 Successful leadership through change

3 Continual

professional

development of the

required capability

and skillsets in our

people

4 A culture of

innovation and

continuous

improvement



Legitimate travellers
"Customs understand my situation"



Legitimate traders
"Customs want to work with me and value what I have to say"



Customs frontline
"I can see a pathway to develop my skills here"



Customs back-of-house
"I'm challenged every day and create so many benefits for NZ"



Border partners
"Customs people are skilled and knowledgeable"



NZ public
"NZ Customs is world class"

Key new experiences

PEOPLE & CULTURE

What we're delivering: Based on what is currently planned

4.1

Placing value on contribution and skills & paying accordingly

4.2

Flexible, agile and diverse workforce (staff working across the business to better connect with the customer base; adoption of flexible mindset; mix of systems and skills)

4.3

Internal supporting mechanisms which support flexibility, change, safety, integrity and diversity which are responsive to future environments (contracts; policies; procedures)

4.4

Learning culture (creating personal responsibility for development which is self-driven)

4.5

Updated career development paths (supporting networks for movement, balancing internal development and external hiring) and increasing specialist skill retention through providing pathways for technical progression

4.6

Courageous leadership (more diversity, thought and practice, while owning change)

4.7

Maximising partnership and collaboration with other agencies

PEOPLE & CULTURE DELIVERABLE TIMELINE

* Dates are indicative of the completion of this milestone

Deliverables	2015	2016	2017	2018-2020
4.1 Contributor and skills valued/rewarded	» Placing value on contribution, improvement and innovation, and skills » Establish Remuneration working party	» More equitable, transparent R&M, more dollar value (subject to funding and central govt. approvals)	» Rotation of skills across areas actively managed at appropriate rates » Leaders actively seek diversity in their groups	» Diversity reflected in leadership teams
4.2 Flexible, diverse and agile workforce	» Staff movements initially across BOP's (OTP) » Develop workforce and training strategy in support of the Intelligence Framework » IS review and skills development	» Staff movement, initially across OP's groups by Jun-16 » New I&E capability » Flexible, harmonised Ops teams, in enriched roles (OTP)	» Infrastructure barriers to diversity and inclusion removed » D&I initiatives evaluated » Mature suite of leading and lag indicators of H&S risks » Enhanced networking with other agencies and administrations on integrity	» Support to the 2020 change team
4.3 Internal mechanisms support flexibility, change, safety, integrity and diversity	» EPMU agreement in place » Workforce changes agreed and contracts simplified (OTP) » Unconscious bias modules delivered, policies audited. » Preparation for H&S Act changes » Diversity and Inclusion (D&I) Strategy implemented » Ethics and integrity scenario based staff discussions » Change management skills and advice developed and provided to the 2020 change team and project leads	» MUCAs agreements in place » Revised recruiting processes to support OTP changes » Performance management system revised » All performance objectives include a H&S focus » Return to work programme introduced » Rostering tools introduced » Develop and implement Fraud Control and Anti-corruption plan » Change skills continued in support of the 2020 change team	» Infrastructure barriers to diversity and inclusion removed » D&I initiatives evaluated » Mature suite of leading and lag indicators of H&S risks » Enhanced networking with other agencies and administrations on integrity » Support to the 2020 change team	» Diversity reflected in leadership teams

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PEOPLE & CULTURE DELIVERABLE TIMELINE

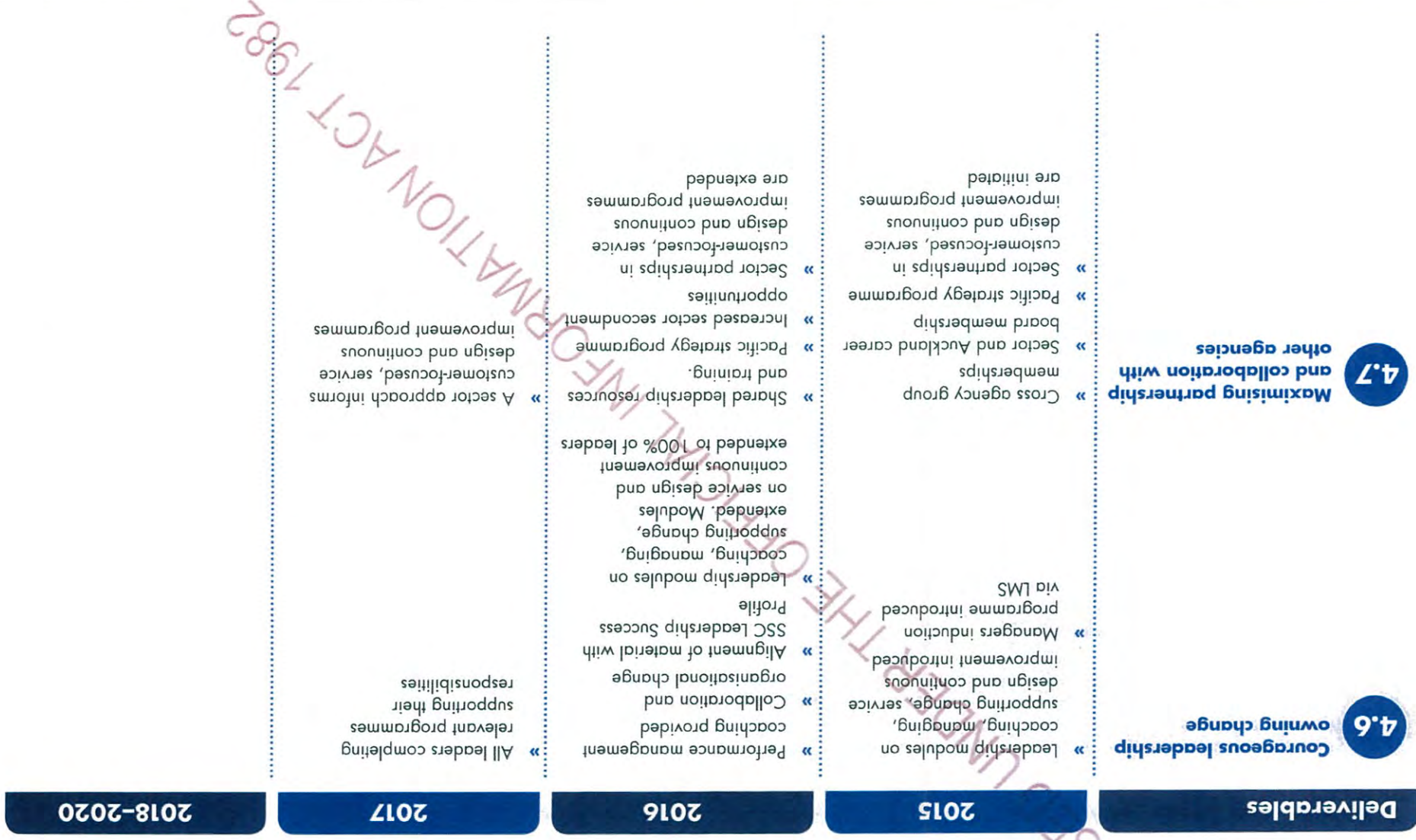
* Dates are indicative of the completion of this milestone

Deliverables	2015	2016	2017	2018-2020
4.4 Self-driven learning culture	» Staff find opportunities to learn using LMS » Learners feel empowered and better equipped to carry out roles » 'Learning by doing' improvement started	» Increase in capability of staff » Self-driven development embedded » Innovative technical and leadership modules included in LMS » 'Learning by doing' improvement established	» Broaden delivery mediums for learning; phones, tablets » 'Learning by doing' improvement established	
4.5 Updated career development paths	» Revised paths confirmed » 360 degree feedback programme progressed » Assessment centre processes reviewed to support OTP outcomes	» Implementation » Staff from OTP fully in place in new roles » Individual Development plans implemented for all leaders » Every staff member can create their career development path	» New roles set up following OTP considered for rotation	

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PEOPLE & CULTURE DELIVERABLE TIMELINE

* Dates are indicative of the completion of this milestone



WHAT WILL BE DIFFERENT FOR: CUSTOMERS

These changes will create a number of new experiences for customers.

Customers appreciate the improved face to face skills through having more capable staff as a result of better or more detailed training and development; either technical or people (through diversity)

When this will happen...

Progressively from 2015

Which deliverables will make this happen?

4.1

Placing value on contribution and skills & paying accordingly

4.2

Self-driven learning culture

WHAT WILL BE DIFFERENT FOR: STAFF

These changes will create a number of new ways of working and day-to-day experiences for staff.

When this will happen...

Which deliverables will make this happen?

Online LMS with defined career paths and links to personal self development are made easy and encouraged

Redefined job expectations allow greater levels of accountability, more responsiveness and greater flexibility

Refined remuneration rating criteria and defined scale of excellence for assessment

Staff are active participants in ensuring they and their colleagues feel supported, safe and understand the changes in their work environment

Progressively from late 2015

Dec 2015 through 2016

Mid 2016

Progressively from 2015 to mid 2017

4.4 Self-driven learning culture

4.5 Updated career development path

4.3 Internal mechanisms support flexibility

4.1 Contribution and skills valued/rewarded

4.3 Internal mechanisms support flexibility

4.5 Updated career development path

4.3 Internal mechanisms support flexibility

4.7 Maximising partnership and collaboration

WHAT'S DIFFERENT FOR STAFF & CUSTOMERS FROM TODAY TO 2020

CUSTOMERS



“Potential employee: I am keen to join Customs and keep the border safe for New Zealanders.”

Customers appreciate the improved face to face skills through having more capable staff as a result of better or more detailed training and development; either technical or people (through diversity)

“Customer: The Customs officer I dealt with was clearly informed and able to help me with my enquiry in a pleasant manner.”

CUSTOMS STAFF



“My role meets my expectations.”

“Team Leader: I am empowered to make decisions which meet business needs and balance individual development needs.”

“I know what the scale of excellence looks like and how I will be assessed against this.”

“Team member: I have an established development plan and I am given opportunities to grow my skills every day.”

“I can see how the work I do adds value to Customs and grows my skills.”

“I work safely and my wellbeing is being protected.”

Refined remuneration rating criteria and defined scale of excellence for assessment

Redefined job expectations allow greater accountability more responsiveness and greater flexibility

Staff are active participants in ensuring they feel supported and safe at work

Online LMS with defined career paths and links to personal development plans