



# Organisational Health and Capability

## Leadership and governance

Customs has a system to ensure efficient decision-making, effective business performance, and good governance. Our main governance body is the Customs Executive Board (CEB), comprising members of Customs' upper-level management. The CEB provides leadership by setting the strategic direction for Customs and driving our ongoing performance and sustainability. It also ensures we have an appropriate management and control environment in which to deliver on our functions now and into the future. The CEB members at 30 June 2019 were:

- Bill Perry, Acting Comptroller of Customs
- Murray Young, Acting Deputy Comptroller Operations
- Jacinda Funnell, Group Manager People and Capability
- Kevin Martin, Chief Financial Officer/Group Manager Finance, Strategy and Performance
- Michael Papesch, Group Manager Policy, Legal and Governance
- Mathew Black, Acting Chief Information Officer.

The CEB operated these committees in 2018/19:

- CEB Start-up – weekly meeting to share information, identify key events or activities over the next seven to 14 days, and determine any urgent issues or organisational directives
- Business Committee – focuses on decisions to help run the business including organisational performance, risk and policies
- Strategy Development Committee (renamed the Focus Committee from June 2019) – responsible for the development and delivery of organisational strategies (including *Rautaki Mana Ārai*) and providing direction on substantive matters impacting Customs now and into the future
- Finance Committee – oversees finances, financial performance, investments, and the health of our financial management and control systems
- Health, Safety and Wellbeing Governance Group – oversees health and safety performance, including monitoring critical risks from a governance perspective.

The CEB is also supported by a number of other bodies – both standing and project-related – to ensure effective performance and risk management, and to provide advice to the CEB.

## Managing risks

To achieve our strategic objectives and run our day-to-day business efficiently, we need to manage our risks actively and effectively. We aspire to a risk-aware culture where our people are encouraged and enabled to identify risks, and respond to them quickly and effectively. We regularly review our Risk Management Policy and processes to ensure they remain effective and aligned with relevant standards and international best practice.

We introduced an updated Risk Management Policy in September 2018. It sets out arrangements for ensuring active, reliable risk management throughout Customs, and reinforces that everyone must manage risk. The accompanying Risk Management Guidelines support the Policy's application and provide a practical process for staff to identify, assess, and respond to risks.

Customs' Assurance and Risk Committee is a key governance body. It provides advice to ensure Customs has an effective and comprehensive framework for corporate governance, and that significant risks are identified and mitigated. It comprises external members, including an independent Chair, while members of Customs' senior management attend meetings depending on the specific agenda items.

### Customs Assurance and Risk Committee Report For The Year Ended 30 June 2019

The Customs Assurance and Risk Committee (ARC) is an independently chaired body offering a strategic advisory function to the Comptroller.

Over the year, the appointment of existing external member Mark O'Connor to Chair occurred following the retirement of the current Chair. Customs and the ARC thanked outgoing Chair Geoff Vazey for his time and the invaluable experience and knowledge he brought to the Committee. Geoff provided organisational leadership and risk management over the eight-year period he was involved as a member and later as Chair. The Committee also appointed Dr Rosanne Hawarden as a new member to fill the vacancy created; Rosanne brings with her a wealth of experience across business and ICT technology, diversity and networking research as well as governance roles in several industries. She is the immediate past President of Governance NZ and a Fellow of many years standing.

A survey completed by ARC members and stakeholders to understand the effectiveness of the ARC produced a number of recommendations to the Comptroller on how the ARC could enhance its role within the Customs governance framework.

Feedback also suggested the timing was right to refresh the existing Charter. The approved revised Charter provided greater clarity on roles and functions, membership and operating arrangements and a name change to the Assurance and Risk Committee.

The ARC has continued its focus on offering thoughts and guidance on the status and management of many areas identified in the 2018 Report. Of note, it has also specifically advised on high priority areas such as:

- Joint Customs and other agency functions
- Financial processes and reporting
- Consideration of ownership and oversight of integrity related activities
- Post Customs and Excise Act Implementation review
- The Assurance Work Programme and related recommendations
- Customs strategy development
- Audit NZ report recommendations to the Comptroller
- People and Capability related matters, particularly health and safety
- Source to Shore, the Drug Smuggling Network Disruption Programme
- Cost Recovery review
- Contemporary audit and risk topics identified by the Auditor-General across the State Sector and communicated at the Audit Chairs Forum.

Finally, a key note from the feedback of the survey recognised that there has been improved reporting, health and safety, integrity and risk practices and that the regular attendance of Customs Executive members at ARC meetings is providing a level of two-way conversation that has notably enhanced deliberations.

I would like to thank the ARC members and NZ Customs' senior management for the quality of the agenda content and their diligent input at the ARC meetings over the past 12 months.



**Mark O'Connor**

Chair, New Zealand Customs Service Assurance and Risk Committee

## Maintaining integrity

If we are to maintain our reputation and deliver on our mandate effectively, we must have public trust and confidence in Customs, especially as we rely on the vast majority of customers and others we interact with to comply voluntarily with our requirements. Our refreshed Customs Strategy, *Rautaki Mana Ārai* (discussed on page 5), has validated *We do what's right* as a key value fundamental to maintaining that trust and confidence. Our solid reputation depends on the way we act and the way we use our powers to protect and promote New Zealand across borders.

During 2018/19, we progressed our programme of initiatives to continue to safeguard integrity and prevent corruption. This included:

- facilitating workshops for Customs staff to promote integrity and speaking up about wrongdoing, raise awareness, and generate conversation
- reviewing and refining the disciplinary policy and procedures, our policy around using Customs systems and devices, and the policy on social media use
- revising the protected disclosures policy to ensure alignment with State Services Commission Speaking Up standards
- enhancing our personnel security vetting process and focusing on security policy development
- continuing to strengthen our networks with other key agencies and administrations on integrity, and security matters that contribute to the Government Protective Security Requirements.

We also undertook a pulse survey of staff to provide us with a view of how well we are doing in the integrity space. This found that 95 percent of staff know how to disclose a conflict of interest and 85 percent know how to report a concern about ethics and integrity. A number of verbatim comments emphasised the high level of integrity staff see in Customs. Ensuring our leaders consistently role-model the Customs values and do what's right is an area for focus and improvement.

## Code of Conduct

Our Code of Conduct sets out Customs' expected standards of behaviour, reflecting the four guiding principles in the State Services Commissioner's Standards of Integrity and Conduct: *fair, impartial, responsible, and trustworthy*. The Code applies to all our employees and those we engage as contractors and consultants.

Our Integrity Assessment Committee (IAC) is chaired by an external representative and provides an independent assessment of allegations of integrity breaches. The IAC provides a level of confidence (within Customs and externally) that appropriate action is taken and in a timely, managed way.

We take alleged breaches of integrity very seriously and manage them professionally. We do not tolerate any acts of corruption. In addition to the IAC, Customs has a Disciplinary Policy and procedures for addressing unacceptable behaviour.

The following table shows the outcomes of the investigations concluded in 2018/19 into allegations of unacceptable behaviour by Customs staff and contractors/consultants engaged by Customs.

Upheld	Not upheld	Withdrawn	Person left Customs*	Did not meet threshold for misconduct
14	3	0	1	5

\*The employee or contractor/consultant left Customs before the investigation was concluded

Where the threshold for misconduct was met, the types of unacceptable behaviour alleged are shown in the following table:

Type of unacceptable behaviour alleged	Upheld	Not upheld
Actions or behaviour which did (or had the potential to) bring Customs into disrepute	1	-
Inappropriate use of, or access to, Customs systems	2	-
Inappropriate behaviour at work	7	-
Knowingly making a false declaration/dishonesty	1	-
Inappropriate behaviour outside of work	-	1
Misuse of leave/attendance issue	1	-
Misuse of drugs	1	1
Failure to follow correct procedures	1	1

When misconduct occurs and it is determined that disciplinary measures are necessary, these measures are meant to be corrective rather than punitive. In some cases termination is justified and appropriate. The following table provides statistics on disciplinary action or sanctions in 2018/19.

Formal warning <sup>32</sup>	Termination (with or without notice)
11	1

The termination related to the use of illegal drugs by an employee. Of the 11 formal warnings issued, one was classified as a final written warning and the remaining 10 were first written warnings. In the context of a workforce of over 1,300 employees, these numbers are not statistically significant, and have not increased year-on-year.

Customs records all this information, giving us the opportunity to identify issues, trends, and lessons, and enabling the CEB and our Assurance and Risk Committee to consider broader integrity, ethical, or cultural matters.

<sup>32</sup>A formal warning could also include one or a combination of the following: referral to Employee Assistance Programme or other professional assistance; removal of delegated powers; removal of privileges; transfer; demotion; non-eligibility for merit remuneration increase or one-off payment; change of reporting time or hours of work; or such other penalty decided by the Chief Executive.

## Privacy

Customs collects, receives, holds, and uses personal information to carry out our functions and duties. We aim to be a privacy-aware organisation that treats personal information with care, respect, and transparency to promote trust and confidence from customers, employees, and stakeholders. Our mission is to be ‘transparent to the public, trustworthy by design’.

Being privacy-aware requires that Customs is clear when we collect, use, enrich, disclose, and dispose of personal information. We regard compliance with the Privacy Act as a great responsibility, and we work hard to protect every individual’s personal information by embedding privacy protections and transparency into all of our activities. This is reflected in our Privacy Strategy, which was refreshed in 2018/19.

As part of our efforts to continue improving our transparency with the public around data use and privacy, we added a *Your Information* section to the Customs website (<https://www.customs.govt.nz/about-us/your-information/>). This discusses the types of information we collect and hold; how we use and what we do with information, including what we are doing to protect the privacy and safety of information; and how people can access their information.

Customs has a dedicated team managing privacy. The team is supported in its operational oversight and governance by a Privacy Working Group (comprising representatives from all areas of the business). Quarterly reports on notable actions and metrics are provided to the CEB.

In 2018/19 Customs looked into 33 privacy incidents, including near-misses, reported by staff. All these incidents were investigated and closed. This is an increase from 23 incidents in 2017/18. We consider this to be the result of greater privacy maturity at Customs and staff being further educated about the need to report incidents (including near-misses). In 2018/19 one complaint was referred from the Office of the Privacy Commissioner concerning our handling of information or our response to Privacy Act requests – this has also been investigated and closed.

During 2018/19, we undertook several initiatives to progress our privacy work programme. This included conducting two surveys – one to help inform our response to the Government Chief Privacy Officer’s Privacy Maturity Assessment Framework, and one to assist the Privacy team to assess Customs’ privacy confidence and capability. The results of these surveys were being analysed in early 2019/20 to identify our strengths and any areas for improvement. We also started work, which continued in 2019/20, on developing business-specific guidance around the collection, handling, and disclosure of personal information.

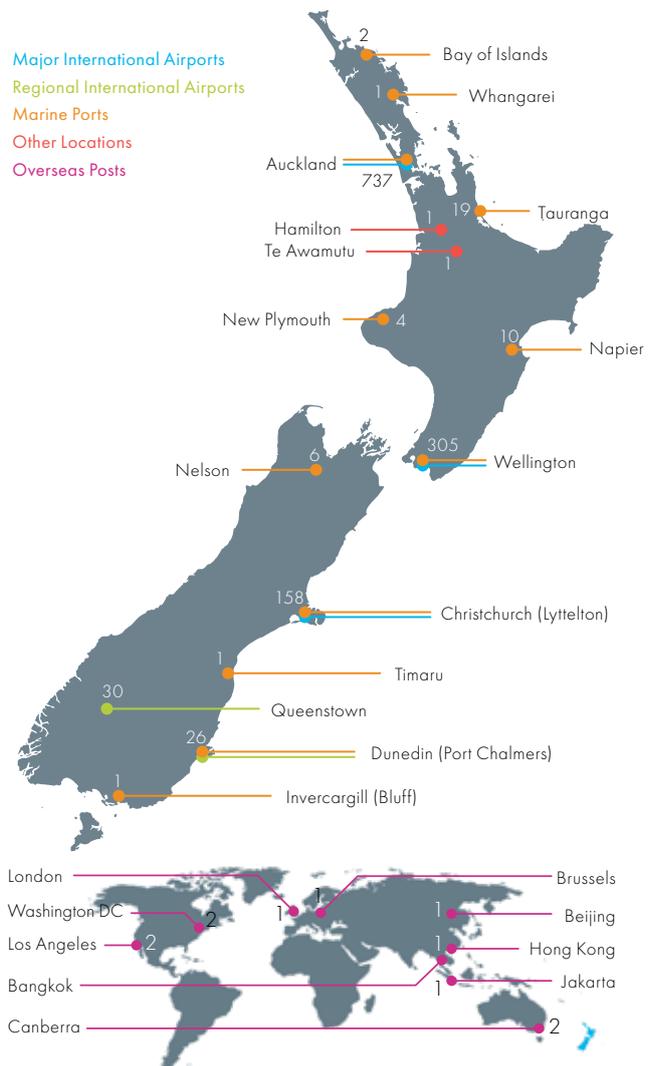
## People

He aha te mea nui o te ao? He tāngata, he tāngata, he tāngata. What is the most important thing in the world? It is people, it is people, it is people.

Our greatest asset is our people. Customs aims to provide a great place to work where our people feel valued and have a sense of belonging. We continue to invest in the skills and capabilities of our staff to help Customs be a customer-focused, agile organisation that can respond to the dynamic nature of the border environment and its current and future challenges and opportunities.

Due to the nature of the services we deliver, Customs staff are located around New Zealand, with most working in operational areas at ports and international airports. We also have people posted to other countries to support our work programme overseas (as discussed on pages 10 and 62).

### Location and staff numbers (as at 30 June 2019)



The overseas posts map does not include four staff engaged in administration roles at posts

## Workforce profile

Financial year	Headcount	Full-time equivalents (FTEs)	Average age (years)	Unplanned turnover	Total turnover	Average length of service (years)
2018/19	1,317	1,258.7	44.6	7.2%	9.5%	12.1
2017/18	1,287	1,230.3	44.1	7.3%	8.9%	12.0
2016/17	1,222	1,166.3	44.3	9.0%	12.3%	12.3
2015/16	1,135	1,078.4	44.7	9.4%	11.8%	13.6
2014/15	1,122	1,066.4	44.5	9.0%	13.3%	13.7

All information is as at 30 June – except turnover, which is annualised<sup>33</sup>

Staff retention remained high in 2018/19, as shown by the unplanned turnover rate and average length of service.

Customs has a constructive relationship with the three unions representing our staff – the Customs Officers Association, the Public Services Association, and E ū. We negotiated a new three-year, multi-union collective employment agreement that commenced on expiry of the existing agreement on 30 April 2019 (the agreement was accepted by a large majority of union members). We then offered an agreement to non-union members to maintain consistent terms and conditions for staff across Customs.

### Addressing the gender pay gap

Our aim is to eliminate the gender pay gap at Customs, with an immediate focus on reducing the gap by a third between 2018 and 2020. Eliminating the gap is part of our commitment to making sure that equality and inclusivity are a core part of our culture.

We monitor both the mean and median gender pay gap to provide a balanced overview of the pay gap at Customs.<sup>34</sup> Customs' mean gender pay gap at 30 June 2019 was 13.8 percent. This is a decrease from the gap as at 30 June 2018 of 14.6 percent but remains above the gap for the public sector of 12.2 percent as at 30 June 2018. Our median gender pay gap at 30 June 2019 was 14.8 percent, a decrease from the gap of 17.9 percent on 30 June 2018.

While the percentage of women in Customs increased slightly (by 0.3 percent to 48.1 percent) between 30 June 2018 and 30 June 2019, we are not yet seeing their representation increase consistently across all of our pay bands, particularly in leadership roles and the higher pay bands.

Customs' Gender Pay Action Plan 2018–2020, developed with our union partners, was launched in September 2018. It includes a range of strategies to affect the recruitment, promotion, career development, and pay processes for our staff.

We made good progress in implementing these actions in 2018/19 including:

- running specific development programmes for women such as speed mentoring events
- conducting initial like-for-like analyses across the managers and specialists pay bands (as these pay bands contribute the most to the gender pay gap), resulting in an update to some salaries for both men and women
- requiring recruitment selection panels to include at least one woman with responsibility for selection decisions, and that hiring managers take all reasonable steps to have at least 50 percent of their shortlists for positions be suitably-qualified female candidates.

We also participated in the flexible-work-by-default pilot initiative being run by the Gender Pay and Pay Equity Taskforce from the Ministry for Women and the State Services Commission. We conducted workshops in late 2018/19 to inform the development of flexible working options for Customs that we will focus on in 2019/20.

<sup>33</sup>The turnover figures are consistent with the turnover definitions supplied by the State Services Commission. Unplanned turnover includes resignations, retirements, dismissals and deaths, while total turnover includes planned turnover such as fixed-term contracts ending.

<sup>34</sup>The mean can be disproportionately influenced by a few very high or very low salary levels and large intakes of new staff.

## Embracing inclusion and diversity

We recognise that a diverse and inclusive culture and workplace makes Customs stronger. It helps our staff to feel safe, included, and valued, resulting in improved employee engagement and organisational performance. Having a workforce at all levels that reflects the community we serve also enables us to better understand and meet our customers' increasingly diverse needs.

Customs' ethnic diversity has been increasing in recent years (staff are able to self-identify three ethnicities):

Ethnicity	2015	2016	2017	2018	2019
NZ Māori	8.2%	8.9%	9.1%	9.5%	9.8%
NZ European/Pakeha	65.0%	65.8%	62.8%	62.6%	62.8%
Other European	16.9%	16.1%	15.3%	14.6%	14.8%
Pacific peoples	7.9%	7.8%	9.3%	10.4%	10.9%
Asian	11.5%	11.1%	14.0%	14.3%	16.0%
Other ethnic group	7.8%	7.0%	6.6%	6.4%	6.0%

Each year's information is at 30 June

The diversity is greater in our non-management staff and frontline – we recognise there remains an underrepresentation in leadership roles of women, Asian staff, and Pacific peoples.

Customs has an active Inclusion and Diversity Council, with members who offer varied experiences and perspectives. The Council developed an updated Inclusion and Diversity Strategy 2019–2021, launched to staff in early 2019/20. The Strategy focuses particularly on issues relating to gender equity and ethnic diversity.

We conducted a survey in August 2018 to understand staff views on diversity and inclusion at Customs. The results helped refine the focus areas and actions to be incorporated in the Strategy. In late 2018/19 the Inclusion and Diversity Council ran a 'Carers' survey' to better understand the impact of caring for others on Customs staff. The results will help Customs better target flexible working initiatives and other measures to ensure we support our people.

We have updated our recruitment processes to better enable us to attract and retain diverse staff. This includes promoting our commitment to inclusion and diversity in all job advertising and recruitment tools, and requiring unconscious bias training to be undertaken by all those involved in recruitment and selection.

The percentage of Customs staff who are Māori is below the percentage in New Zealand society. We are looking at increasing Māori representation at Customs so we more accurately reflect the community we serve. Part of our changes in recruitment processes is incorporating Te Reo in all attraction tools and increasing our presence in the Māori community.

We continue to encourage and support staff networks, as these help staff to feel included and supported, and offer benefits to Customs in building connections to the relevant community. Customs has a number of established and emerging networks: Māori, Pasifika, Asian, Rainbow, and Women's. During 2018/19 a process was established for allocating funding to support initiatives undertaken by networks.

## Learning and development

We recognise the importance of education and training in ensuring we have effective leadership and a workforce with the skills it needs now and in the future.

Our workforce plan has four areas of focus:

- sourcing and building new skills and capabilities
- building current capability pathways
- supporting the growth of inspiring leadership
- growing our culture.

Customs has an extensive learning and development programme, which includes technical training and leadership development. We have a flexible approach to training, combining traditional classroom-based and 'on-the-job' learning with online education. Our learning management system offers a wide range of learning content and resources, which can be tailored to meet the learning requirements of a particular role or work area.

The following table shows the mix of learning methods by Customs staff.

Type of training session	2016/17	2017/18	2018/19
Blended	919	4,770	4,517
eLearning	2,288	3,440	8,336
Classroom	5,176	6,003	4,685
<b>Total</b>	<b>8,383</b>	<b>14,213</b>	<b>17,538</b>

## Health, safety, and wellbeing

Customs continues to engage with our staff and management to promote a culture of safe work practices. We remain committed to ensuring best practice is followed at every stage of our operations with health, safety, and wellbeing at the forefront. We also take all reasonably practicable steps to prevent harm to any contractors or members of the public as a consequence of our operations.

Management and staff have responsibilities under our health and safety policy and procedures. We continue to improve our practices and are focused on driving engagement and capability from the ground up. Customs progressed four main streams of activity over 2018/19: risk management, engagement, wellbeing, and assurance.

Wellbeing initiatives have included early awareness, early intervention methods for mental health, and return-to-work wrap-around services. Leader development has also been a key element of this approach.

We had a total of 136 accidents reported in 2018/19, most of a minor nature – a decrease from 149 in 2017/18.

Customs monitors lost productivity due to accidents (at work and outside work) and sickness. The significant majority of productivity lost<sup>35</sup> as a result of accidents is due to non-work accidents – lost productivity from work-related accidents was at 0.06 percent in 2018/19 (relating to 10 employees).

### Lost productivity due to accidents and sickness



We had 108 preventive reports of near misses and hazards in 2018/19. These are important indicators of what could injure or seriously harm our people if not addressed and of safety awareness among staff. This is a substantial increase on the total of 74 reports for 2017/18, signalling a stronger culture and acceptance of prevention.

### Random drug and alcohol testing programme

Customs' Drug and Alcohol Testing Policy was updated (following consultation with unions) from 1 November 2018 to introduce random drug and alcohol testing for staff in designated safety-sensitive roles. A total of 134 staff from across all work areas and ranks was tested in 2018/19. There were four non-negative tests, all of which were explained by medication declared by the staff members concerned. Of all samples, 20 percent were subject to testing for an extended suite of drugs; there was one positive test, again explained by declared medication.

<sup>35</sup>The lost productivity percentages in the graph are the number of leave hours taken as a percentage of the maximum number of FTE hours that could have been worked in the financial year. Accidents are those recognised as an accident by ACC.

## Supporting the Crown-Māori relationship

Customs is committed to meeting our obligations under the Treaty of Waitangi and advancing Crown-Māori relations. We work to ensure that our policies and actions reflect the interests of Māori, whether as Customs staff or our customers. To help further build our relationships with iwi and Māori businesses, and in recognition of the importance of the Treaty of Waitangi, we incorporated the Treaty principles of kotahitanga (partnership), kaitiakitanga (protection), and manaakitanga (participation) into our new strategy, *Rautaki Mana Ārai* (discussed on page 5). In 2018/19 we updated the Customs Māori Strategy: *Te Pou Tokomanawa Māori o Te Mana Ārai* with a focus on building Māori cultural capability.

## Financial sustainability

Revenue from cost recovery helps Customs maintain a sustainable financial position. It ensures we are able to respond to increasing demands on our resources to efficiently process steadily growing trade and travel volumes while continuing to manage the associated risks.

Customs is reviewing fees for clearing imported and exported goods, as current fees no longer accurately reflect the actual cost of clearing goods. In 2018/19 we developed a robust policy framework for cost recovery (based on accepted charging guidelines issued by the Treasury and the Office of the Auditor-General). The framework supports decisions about when cost recovery is appropriate, who should be charged, the types of costs that should be recovered, and how charges should be designed and managed. Customs also adopted an Activity Based Costing (ABC) methodology that has given us a better understanding of the actual cost of undertaking our activities, and the costs to be recovered.

Before final policy decisions to be made in 2019/20, we undertook public consultation in August 2019 on the proposed changes to goods clearance fees to better understand the impact of those changes on businesses and individuals.

This work is a step towards implementing full cost recovery of our relevant border clearance activities. We aim to fully align the funding of clearing imported and exported goods with our cost recovery framework over time. Customs already recovers the costs of processing travellers at the border from the users of those services through the Border Clearance Levy.

## Modernising border management systems

We are undertaking a programme to modernise our border management systems to improve their stability and resilience, and be more responsive to new ways of working. The new tools will support us to increase the mobility of our workforce, take advantage of advances in passenger processing and intelligence processing technology, and enhance services for other agencies.

We completed the first phase of the programme in 2018/19. This included migrating CusMod, our core border operational system, onto an all-of-government 'Platform as a Service' infrastructure in May 2019. This modern technology foundation enables the subsequent delivery of new functionality to border management systems more efficiently and reliably than the previous technology and tools.

We also delivered a standard, future-proofed gateway (an Application Programming Interface (API) Gateway) for different applications across our systems to interface with each other, and delivered the first set of modern tools for developing, testing, and deploying new applications.

Customs continues to look to introduce better tools for our frontline staff. We completed a mobile application for capturing the results of cargo inspections, using the new API Gateway, that went live in August 2019. We plan over the rest of 2019/20 to develop mobile apps for capturing mail and passenger inspections, and the detention or seizure of goods. This will enable our officers to access information, and complete activity reports, more easily, especially when out of the office on the job – improving efficiency and data quality.

## Asset performance indicators

### Asset portfolios

Assets have been grouped into the following asset portfolios for reporting:

- Property – buildings for office accommodation in our main centres
- Information Communication and Technology (ICT) – computer hardware and software relied on for facilitating trade and travel, collecting revenue, and managing the associated risks.

Other assets have been excluded for reporting due to their lesser significance (criticality) to delivering our core services.

### Asset performance

#### Property asset performance measures

The following measures relate to the Auckland, Wellington, and Christchurch Customhouses.

Measure	Indicator	2017/18 Target	2017/18 Actual	2018/19 Target	2018/19 Actual
m <sup>2</sup> per office person	Utilisation	≤16.00m <sup>2</sup>	17.95m <sup>2</sup>	≤16.00m <sup>2</sup>	16.20m <sup>2</sup>
Building services, and other infrastructural services, provide a safe and comfortable environment for staff	Functionality	5 <sup>36</sup>	4.3	5	4.3
New Building Standard (NBS) rating is acceptable to the agency	Condition	5	4.3	5	4.3

<sup>36</sup>Ratings are on a scale of 0 (never meets the criteria) to 5 (consistently meets the criteria). All ratings were conducted by an agency independent of Customs.

### ICT asset performance measures

The following measures relate to Customs' key ICT systems.<sup>37</sup> The measures are used in our Asset Management Plans and were agreed at the executive level.

Measure	Indicator	2017/18 Target	2017/18 Actual	2018/19 Target	2018/19 Actual
Percentage of time systems available	Availability	100%	99.4%	100%	99.5%
Percentage of priority one (P1) incidents resolved within agreed support and maintenance service levels	Functionality	100%	86.4%	100%	52.2%
Percentage of ICT assets fully supported by vendor	Condition	100%	60.0%	100%	60.0%
Percentage of commercial air passengers using eGate	Utilisation	N/A	53.7%	>55%	58.1%
Percentage of revenue collected electronically	Utilisation	>95%	99.4%	>95%	99.5%
Percentage of trade lodgements processed electronically	Utilisation	N/A	97.2%	97%	97.0%
Alerts in border management system	Utilisation	N/A	185,649	N/A	182,598

#### Explanation for variances from 2018/19 standard

**Availability:** if planned outages are excluded, availability was 99.8 percent. Planned outages are scheduled for times that have the minimum possible impact on business operations (including least disruption to our customers).

**Functionality:** 11 of 23 P1 incidents were not resolved within agreed support levels. However, most of these incidents resulted in reduced technical service rather than complete outages, and system availability remained high. Customs suffered two significant system outages; these resulted in four of the P1 incidents not resolved within agreed support levels. We are working with our suppliers to address the issues identified.

**Condition:** our FMIS is no longer fully supported and work is underway with a view to commence replacement of the system during 2019/20. Nexus is also no longer fully supported and is being upgraded to address this. While both systems remain fully functional, their unsupported status presents risk to business continuity in the event of failure.

<sup>37</sup>Joint Border Management System/Trade Single Window (TSW); CusMod border management system; Nexus data warehouse; eGate for passenger processing; Financial Management Information System (FMIS).