



# Briefing

## Increasing compliance assurance over pre-departure testing for air passenger arrivals from Australia

**Date due to MO:** 20/07/2021      **Action required by:** 27/07/2021  
Commissioned

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**Security level:** ~~IN-CONFIDENCE~~      **BEB Report:** 21/033

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**To:** Hon Chris Hipkins, Minister for COVID-19 Response

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**Copy to:** QFT Ministers

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### Contact for telephone discussion

Name	Position	Telephone
Christine Stevenson	Chair of the Border Executive Board	s 9(2)(a) OIA

### Minister's office to complete:

- Approved
- Decline
- Noted
- Needs change
- Seen
- Overtaken by events
- See Minister's Notes
- Withdrawn

Comment:

# Increasing compliance assurance over PDT for air passenger arrivals from Australia

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**Security level:** IN CONFIDENCE      **Date:** 20/07/2021

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**To:** Hon Chris Hipkins, Minister for COVID-19 Response

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## Purpose and key points

1. This report meets your directive to submit a proposal to fund additional Immigration NZ Airline Liaison Officers (ALOs) to maximise coverage of pre-departure checks of PDT compliance within existing airline resources, and for additional resources to enable the New Zealand Customs Service (Customs) to check all arriving travellers for compliance.
2. The Ministry of Business, Innovation and Employment (which includes Immigration NZ) proposes that \$2.6 million in funding be provided for the 2021/22 financial year to enable nine additional ALOs to be deployed at Australian airports (bringing the total of ALOs deployed to 15). This would give enough ALO capability to establish an airport presence for all QFT flights departing the top five Australian airports by passenger number, and provide sufficient capacity to service the minor airports.
3. While this level of capability would enable ALO support to be provided over all trans-Tasman flights, it would not in itself enable the checking of all passengers' PDT compliance pre-departure. It would, however, increase the spot-check rate; provide more support to, and monitoring of, checks by airline staff; and provide an additional level of quality assurance over the pre-departure process. The additional capability will stop more non-compliant travellers from departing for New Zealand. All ALOs could be deployed by 6 September 2021.
4. Customs proposes that \$5.7 million in funding be provided for the 2021/22 financial year to enable a PDT compliance check to be conducted over all arriving travellers from Australia. This would allow up to 62 staff to be added to the pool of officers doing such checks.
5. It would take 3-4 months from the time the funding is made available until a 100% compliance check rate could be consistently achieved across NZ's four QFT airports. This is because it would take this long for the additional staff to be recruited, trained and fully deployed. In the intervening time, and recognising the importance of PDT compliance checks to the "keep it out" pillar of NZ's response to COVID-19, Customs (with the agreement of the Minister of Customs) will act immediately to increase its level of compliance checking through redeployments.
6. Ministry of Health officials have advised that the required funding is available for these services for 2021/22 in Vote: Health from appropriations under your Ministerial control. Funding of these services for 2022/23 and outyears would be considered through either

Budget 2022 or whatever process Government establishes to fund the ongoing COVID-19 response.

7. If you agree that these services are required, a memorandum to the Minister of Customs, the Minister of Immigration, and the Minister of Finance is attached for your approval. It asks the Ministers of Customs and Immigration to agree to deliver the services required (subject to the funding being provided); and for the Minister of Finance to agree the necessary fiscally neutral transfers among Votes.

Recommendations

We recommend you:		
a)	<b>Note</b> that on 9 July 2021 we reported to you on the resourcing and operational implications across agencies of making pre-departure testing mandatory for all air passenger arrivals into New Zealand from Australia, and that as an outcome you directed that a proposal be submitted to fund additional Airline Liaison Officers (ALO) to maximise coverage of pre-departure checks, and for the New Zealand Customs Service to check all such travellers on arrival in New Zealand (BEB 21/029 refers).	<input checked="" type="checkbox"/> Yes / <input type="checkbox"/> No
b)	<b>Agree</b> to fund, subject to the agreement of responsible Ministers, the deployment of additional Airline Liaison Officers to increase assurance over pre-departure compliance checks carried out by airlines, and additional Customs officers to increase compliance checking on arrival in New Zealand to 100% of all arriving passengers from Australia.	<input checked="" type="checkbox"/> Yes / <input type="checkbox"/> No
c)	<b>Obtain the Agreement</b> of the Minister of Immigration to Immigration NZ deploying nine additional Airline Liaison Officers at Australian airports (bringing the total deployed to 15) to raise the level of PDT compliance assurance prior to departure for New Zealand.	<input checked="" type="checkbox"/> Yes / <input type="checkbox"/> No
d)	<b>Note</b> that it will require \$2.6 million in additional funding for the 2021/22 financial year to deploy the nine new ALOs, and that all ALOs will be deployed by 6 September 2021.	<input checked="" type="checkbox"/> Yes / <input type="checkbox"/> No
e)	<b>Obtain the agreement</b> of the Minister of Customs to Customs deploying additional resources at New Zealand's four QFT airports so that all arriving passengers from Australia are checked for PDT compliance and enforcement action taken for non-compliance.	<input checked="" type="checkbox"/> Yes / <input type="checkbox"/> No
f)	<b>Note</b> that for Customs to check the PDT compliance of all arriving passengers from Australia would require up to 62 staff to be added to the pool of officers doing such checks, at a cost of \$5.7 million in the 2021/22 financial year.	<input checked="" type="checkbox"/> Yes / <input type="checkbox"/> No
g)	<b>Note</b> that Ministry of Health officials advise that funding is available in Vote: Health in appropriations under your Ministerial control to enable the delivery of these services in 2021/22.	<input checked="" type="checkbox"/> Yes / <input type="checkbox"/> No

h)	<b>Sign</b> the attached memorandum to the Minister of Customs, the Minister of Immigration, and the Minister of Finance that requests that: <ul style="list-style-type: none"><li>the Ministers of Customs and Immigration agree to deliver the services required;</li><li>the Minister of Finance to agree the necessary fiscally neutral transfers among Votes.</li></ul>	<input checked="" type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>No</b>
i)	<b>Agree</b> that this briefing is proactively released in September 2021, with any appropriate redaction where information would have been withheld under the Official Information Act 1982.	<input checked="" type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>No</b>

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Christine Stevenson  
**Chair of the Border Executive Board**

Date: 20/7/21

s 9(2)(a) OIA

Hon Chris Hipkins  
**Minister for COVID-19 Response**

Date: 20/7/2021

Released under the Official Information Act 1982

# Increasing compliance assurance over PDT for air passenger arrivals from Australia

## Background

8. On 9 July 2021 we reported to you on the resourcing and operational implications across agencies of making pre-departure testing (PDT) mandatory for all air passenger arrivals into New Zealand under Quarantine Free Travel (QFT) arrangements with Australia (BEB 21/029 refers).
9. As an outcome you directed that a proposal be submitted to fund additional Airline Liaison Officers (ALO) to maximise coverage of pre-departure checks within existing airline resources, and additional resources to enable the New Zealand Customs Service (Customs) to check all arriving travellers for compliance.

## Proposal to fund additional Airline Liaison Officers

10. The Ministry of Business, Innovation and Employment (which includes Immigration NZ) proposes that \$2.4 million in funding be provided for the 2021/22 financial year to enable nine additional ALOs to be deployed at Australian airports (bringing the total of ALOs deployed to 15).
11. The Ministry of Business, Innovation and Employment advises that it would cost an estimated \$2.6 million in 2022/23, rising to \$2.9 million by 2024/25, to maintain this level of ALO capability on an ongoing basis. Non-remuneration costs associated with ALO deployment include airfares, accommodation, meal allowances and uniforms. ALOs are Crown funded.
12. Having 15 ALOs deployed in total will give enough capability to establish an airport presence for all QFT flights departing the top five Australian airports by passenger number, and provide sufficient capacity to service the minor airports (ie outside the top five) on a fly in – fly out basis as the situation requires. This will include training airline staff and monitoring compliance with their PDT checking obligations (including if this is outsourced to a third-party provider) and otherwise confirming that correct QFT assurance processes are operating. Traditionally the three busiest airports for QFT flight volumes are Sydney, Melbourne and Brisbane, followed by Gold Coast and Perth. Hobart, Adelaide, Sunshine Coast, Cairns and Norfolk Island also operate QFT flights but at much lower volumes.
13. While this level of capability would enable ALO support to be provided over all trans-Tasman flights emanating from the five busiest airports, it would not in itself enable the checking of all passengers' PDT compliances pre-departure. It would, however, increase the spot-check rate (currently 10% of all departing passengers); provide more support to checks by airline staff; and provide an additional level of quality assurance over the pre-departure process. ALOs also provide valuable on the ground reporting that enables NZ agencies to respond quickly to emerging issues. The additional capability will stop more non-compliant travellers from departing for New Zealand.

14. If funding is confirmed by the beginning of August, four additional ALOs can be deployed to Australia by 19 August, and all can be deployed by 6 September 2021. This is subject to Australian authorities and airports granting formal permission to individual ALOs to be stationed at the airports, but cooperation to date means that officials do not anticipate problems. Resourcing for the deployment will be balanced across both the border branch and the remainder of INZ to minimise the impact on any specific areas. Immigration NZ Border management is confident that core border operations functions should remain unaffected.

### **Proposal to fund an increase in compliance checks upon arrival in New Zealand – NZ Customs Service**

15. Air services from Australia arrive at Auckland, Wellington, Christchurch and Queenstown airports.
16. With its existing staff resources at each airport, and without impacting on other areas of Customs' business, Customs can sustain for the short-term PDT spot-checks of up to 30 percent of all arriving passengers from Australia. Customs can also conduct short-term "surges" to spot-check up to 50% of arriving passengers depending on staff availability, and flight loadings and scheduling at each airport.
17. Customs proposes that \$5.7 million in funding be provided for the 2021/22 financial year to enable a PDT compliance check to be conducted over all travellers arriving from Australia. This funding would enable up to 62 staff to be added to the pool of officers doing such checks, and would mean that other key border protection activities such as cargo inspections (eg looking for illicit drugs and firearms), investigations, and revenue assurance functions would not be impacted.
18. The estimated annual cost of Customs maintaining a 100% PDT compliance check over all arriving passengers is \$5.7-6.1 million. Non-remuneration costs associated with deploying Customs officers including accommodation, allowances and uniforms have been included.
19. The estimate of the additional staff required is based on assumptions about passenger volumes and flight arrival patterns at each airport, and expected non-compliance levels. These assumptions, while based on past data from immediately prior to travel pauses being applied, are uncertain going forward given the recent experience of traveller and airline responses to travel pauses and changed requirements on travel from Australia. However, the additional staff capability would also allow flexibility to apply on-arrival PDT checking for travel other than from Australia, or other COVID-19 related response work, should this be required.
20. It would take 3-4 months from the time the funding is made available until a 100% compliance check rate could be consistently achieved across all of NZ's international airports. This is because it would take this long for the additional staff to be recruited, trained and fully deployed.
21. In the intervening time, and recognising the importance of PDT compliance checks to the "keep it out" pillar of NZ's response to COVID-19, Customs (with the agreement of the Minister of Customs) will act immediately to increase its level of compliance checking through redeployments.

22.

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Therefore to balance the overall risk to New Zealand's border, Customs cannot commit to achieving a 100% compliance check rate for PDT during that period. The increased funding requested will enable Customs to act quickly to minimise this risk through recruitment and training and enable it to progressively ramp-up to achieve the desired 100% PDT compliance check.

23.

The estimated annual costs and staffing requirements of compliance check rates of less than 100% of arriving travellers are:

- to sustain a compliance check-rate of 30% of all passengers, with periodic surges of up to a 50% check-rate would require an estimated 13 additional staff at a cost of about \$1.2 million per annum.
- to check **50% of all arriving passengers** would require an estimated 37 additional staff at an annual cost of \$3.6-4.1 million.
- to check **75% of all arriving passengers** would require an estimated 54 additional staff at an annual cost of \$5.2-6.1 million.

24.

As previously advised any lifting of the level of compliance checking on arrival in NZ to above 50% of arriving passengers requires eGates to close which would add 1-4 minutes to processing times per passenger for manual processing. This would have impacts on the end-to-end passenger processing of other border agencies and airports and airlines, especially when multiple flights arrive at the same time. This impact will be progressively addressed in other work streams associated with improving passenger processing efficiency and reopening the border.

## Funding

25.

Ministry of Health officials advise that the required funding for these services for 2021/22 is available from Vote: Health in appropriations under your Ministerial control. Treasury has been consulted.

26.

Funding of these services for 2022/23 and outyears would be considered through either Budget 2022 or whatever process Government establishes to fund the ongoing COVID-19 response.

27.

This paper proposes the Crown funds Customs' cost of additional checking of pre-departure tests for 2021/22 only. For future years, we suggest funding those checks, along with any other measures needed to manage COVID-19 risks related to travellers, in the same way as for all other Customs border processing costs for protecting New Zealand from risks posed by travellers. Customs and the Ministry for Primary Industries have recently consulted on options for recovering those costs and are preparing advice for Ministers to consider.

## Next Steps

28.

If you agree to proceed, then the Ministers of Immigration and Customs would be required to agree the delivery of the services, and the Minister of Finance would be required to agree to make the necessary fiscally neutral transfers among Votes.

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29. A memorandum from you to these Ministers is attached for your signature, if you agree.

ENDS.

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