



Briefing

Implementation of pre-departure testing for all air passenger arrivals from Australia

Date due to MO: 09/07/2021
Commissioned

Action required by: For information

Security level: IN CONFIDENCE

BEB Report: 21/029

[agency] Report:

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

Copy to: QFT Ministers

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:

- | | | |
|---|------------------------------------|--|
| <input type="checkbox"/> Approved | <input type="checkbox"/> Decline | <input type="checkbox"/> Noted |
| <input type="checkbox"/> Needs change | <input type="checkbox"/> Seen | <input type="checkbox"/> Overtaken by events |
| <input type="checkbox"/> See Minister's Notes | <input type="checkbox"/> Withdrawn | |

Comment:

Implementation of PDT for all air passenger arrivals from Australia

Security level: IN CONFIDENCE **Date:** 09/07/2021

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

Purpose and key points

1. This report meets your request for a briefing on the resourcing and other 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.
2. Making PDT a standard condition of travel under QFT arrangements with Australia requires agencies and airlines to consider longer term assurance arrangements. This is different from the time-limited "surge capacity" that agencies have applied recently to flights from Melbourne requiring PDT.
3. Officials have engaged further with airlines to explore what might be possible. Airlines' advice continues to be that they are severely constrained in their ability to upscale compliance checks on a regular basis and that existing QFT requirements are already putting significant pressure on resources.
4. Agencies and airlines could work together to maximise coverage of pre-departure checks across airports within existing ALO and airline resources – drawing primarily on the flexibility of ALOs to be deployed to areas of highest risk.
5. If Ministers would like to pursue a higher level of pre-departure checks, the option of outsourcing pre-departure compliance checks to a third-party security provider could be considered. This would require funding options to be identified.
6. Immigration NZ advise that it would cost an additional \$2.6-2.8 million on a full year basis for 15 Airline Liaison Officers (ALO) in total to be deployed. ALOs are Crown funded. This would give enough ALO capability to establish an airport presence for 100% of QFT flights departing the top five Australian airports by passenger number, and provide sufficient capacity to service the minor airports. It would not enable the checking all passengers' PDT compliance pre-departure unless airlines up their efforts or other external contractors are employed.
7. On arrival in NZ, Customs can sustain for the short-term PDT spot-checks of up to 30 percent of all arriving passengers from Australia, and conduct short-term "surges" to spot-check up to 50% of arriving passengers without impacting on other areas of Customs' business. To sustain PDT check-rates at this level as "business as usual" would require an estimated 13 additional staff at a cost of about \$1.2 million per annum. This could be implemented fairly quickly.

8. For Customs to check the PDT of all arriving passengers from Australia as a standard condition of travel would require an estimated 67 additional staff at an annual cost of \$6.1-7.1 million. Passenger processing would take on average 1-4 minutes longer for each passenger as passengers would have to be processed manually and e-Gates would not operate.
9. The additional costs of a higher level of PDT compliance checking by Customs could be met completely or in part by fees charged on passengers. This would depend on the outcome of consultation being conducted by the Ministers of Customs and Primary Industries on cost recovery policy for passenger processing.
10. Officials are working on a Government online pre-departure declaration (i.e. Travel Health Pass) which would enable agencies to undertake digital assurance checks for all passengers.
11. Officials will provide further advice if Ministers wish to explore any of the options discussed in this paper.

Released under the Official Information Act 1982

Recommendations

We recommend you:		
a)	Note that making pre-departure testing a standard condition of travel under Quarantine Free Travel arrangements with Australia requires agencies and airlines to consider longer term assurance arrangements which have different resourcing implications from the time-limited "surge capacity" that agencies have applied recently to flights from Melbourne requiring PDT.	Yes / No
b)	Note that pre-departure checks on eligibility to travel, including PDT, are preferable as it means risk is kept off-shore, and current options for pre-departure checking are spot-checks by Airline Liaison Officers (ALOs) and airlines.	Yes/ No
c)	Note that Immigration NZ advise that the deployment of nine additional ALOs (15 deployed in total) would establish coverage for 100% of QFT flights departing the top five Australian airports by passenger number, and provide sufficient capacity to service the minor airports but that it would not enable checking of all passengers' PDT compliance pre-departure unless airlines up their efforts or other external contractors are employed. This would cost an additional \$2.6-2.8 million on a full year basis.	Yes/ No
d)	Agree that Immigration New Zealand submit a funding request to deploy an additional nine ALOs based at airports in Australia to assist with PDT compliance.	Yes/ No
e)	Note that airlines have continued to advise that they do not have the resources to sustain a higher level of pre-departure checks; and check-in staff are not well-placed to review lab reports and make compliance judgements.	Yes/ No
f)	Direct the Border Executive Board to report back by the end of July 2021 on the feasibility of using a third party service provider arrangement for pre-departure PDT checks, including estimated costs, funding options and a stand-up timeframe.	Yes/ No
g)	<p>Note that Customs advises that for travel from Australia:</p> <ul style="list-style-type: none"> • to check 30% of all arriving passengers for compliance with PDT requirements, 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 for compliance with PDT requirements would require an estimated 41 additional staff at an annual cost of \$3.7-4.2 million • to check all arriving passengers for compliance with PDT requirements would require an estimated 67 additional staff at an annual cost of \$6.1-7.1 million. 	Yes/ No

h)	<p>Note that PDT compliance check rates of over 50% or more of passengers on arrival in New Zealand means that eGates cannot be used for passenger processing and this adds between 1-4 minutes to passenger processing times with impacts on the end-to-end passenger processing by other border agencies and airports and airlines.</p>	<p>Yes/ No</p>
i)	<p>Agree that Customs submit a funding request to enable:</p> <ol style="list-style-type: none"> 1. the checking of 30% of all arriving passengers for compliance with PDT requirements, with periodic surges of up to a 50% check-rate <p>OR</p> <ol style="list-style-type: none"> 2. the checking of 50% of all arriving passengers for compliance with PDT requirements <p>OR</p> <ol style="list-style-type: none"> 3. the checking of all arriving passengers for compliance with PDT requirements. 	<p>Yes/ No</p> <p>Yes/ No</p> <p>Yes/ No</p>
j)	<p>Agree 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.</p>	<p>Yes / No</p>

s 9(2)(a) OIA

s 9(2)(a) OIA

Christine Stevenson
Chair of the Border Executive Board

Date: 9 July 2021

Hon Chris Hipkins
Minister for COVID-19 Response

Date:

Implementation of PDT for all air passenger arrivals from Australia

Background

12. This briefing provides advice on the resourcing and other 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.
13. The primary onus is on the passenger to comply with QFT requirements. Currently when PDT is applied within the QFT passengers must return a negative COVID-19 RT-PCR test within 72 hours prior to departure from Australia. Travellers are required to hold evidence (including lab results) throughout their journey. Layered assurance processes are designed to manage the risk to New Zealand.
14. Monitoring compliance and enforcement are primarily the responsibility of government agencies. Airlines, however, play an important supporting role.
15. There are two places where physical checks can take place:
 - Pre-boarding:** checks on eligibility to travel, including PDT, are preferable as it means risk is kept off-shore. Pre-boarding checks comprise a combination of airlines' pre-boarding checks and spot-checking by Airline Liaison Officers (ALOs). However, the Government's presence is limited offshore and airlines have limited resources to support compliance activity.
 - On arrival:** Assurance checking is supported as passengers arrive in New Zealand by eGate questions that identify (by self-reporting) any travellers who have been in locations of interest and by random sampling of PDT by New Zealand Customs Service (Customs) officers with enforcement action taken against any non-complying passengers.

Ensuring compliance with PDT – current arrangements, capabilities and constraints

Airlines

16. Airline systems, particularly at big airports, are set up in a way where in-person contact with airline staff at check-in is minimised. For Melbourne, airlines were asked to undertake spot checks of up to approximately 10% of passengers (the limit of what airlines had advised they could accommodate). Checks took place either before electronic check-in, or at the check-in counter where counter check-in was available. s9(2)(b)(ii) OIA
17. s9(2)(b)(ii) OIA

s9(2)(b)(ii) OIA
 [Redacted text block]

18. s9(2)(b)(ii) OIA
 [Redacted text block]

Airline Liaison Officers (ALOs)

19. As of 5 July 2021 there are six ALOs deployed to Australian airports: one in Sydney, two in Brisbane and three in Melbourne. Whilst the Airline Liaison Officers are posted to a home port they are a flexible resource that can be transferred between ports as the demand requires. 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.
20. ALOs are not capable of undertaking 100% of pre-departure PDT checks. ALOs are undertaking PDT spot checks of passengers as well as checking for completion of Nau Mai Ra, but their primary role is to support airlines to meet their obligations and ensure that QFT border controls are in place and operating effectively. ALOs provide valuable on the ground reporting that enables NZ agencies to respond quickly to problem solve emerging issues. Initial feedback from Melbourne Airport indicates that ALOs are capable of undertaking PDT checks on approximately 10% of passengers.
21. The following measures are also being taken to support passenger compliance with PDT:
 - clear and consistent communications to passengers, including test type and evidence requirements
 - information/number to call for information on testing sites in each location
 - a notice for airlines/ALOs to provide to passengers who do not meet PDT eligibility requirements.

Compliance checks upon arrival in New Zealand – NZ Customs Service

22. Air services from Australia arrive at Auckland, Wellington, Christchurch and Queenstown airports.
23. 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. At this level of PDT checking, eGates remain in operation to support efficient passenger processing.

24. To sustain PDT check-rates at the above level or higher on a permanent or "business as usual" basis would require additional staff and funding.

25. s 6(c) OIA
[Redacted text]

Resourcing and operational implications of requiring all passengers to NZ from Australia to undergo PDT

Airlines

26. s9(2)(b)(ii) OIA
[Redacted text]

27. In the immediate term, we consider that agencies and airlines could work together to understand the best way of maximising coverage of pre-departure checks across airports within existing ALO and airline resources. This would take into account the operating conditions at each airport and what could be achieved, taking into account factors such as flight frequency, whether check-in was primarily by electronic kiosk or face-to-face at the counter, airport space – and importantly the public health risk level. This would not achieve 100% pre-departure compliance checks, but would give flexibility to direct ALO resources to areas of highest risk.

Third-party personnel

28. An option raised by airlines for increasing the level of pre-departure checks is the option of outsourcing to a third-party provider. Security personnel would likely be the most appropriate – and readily available – sector to provide this service.¹ There is a precedent for this – security personnel were used for vetting last year when the first wave of COVID restrictions was introduced. Funding would need to be identified to enable this. Officials could report-back further on the feasibility of using a third party service provider arrangement for pre-departure PDT checks, including estimated costs, funding options and a stand-up timeframe by the end of July 2021.

Airline Liaison Officers (ALOs)

29. Immigration NZ advise that it would cost an additional \$2.6-2.8 million on a full year basis for 15 ALOs in total to be deployed. ALOs are Crown funded. This would give

¹ The option of outsourcing to e.g. a nursing provider, as is done elsewhere, was raised but is not considered appropriate as it's an expensive, in-demand, over-qualified resource.

enough ALO capability to establish an airport presence for 100% of 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 required e.g. to train the airline staff and confirm correct QFT assurance processes were operating.

30. 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 all passengers' PDT compliance pre-departure unless airlines up their efforts or other third party personnel are employed.

Increase compliance checks on arrival in New Zealand – NZ Customs Service

31. For Customs to sustain a compliance check-rate of 30% of all passengers, with periodic surges of up to a 50% check-rate, as business as usual would require an estimated 13 additional staff at a cost of about \$1.2 million per annum. This could be implemented fairly quickly as Customs is currently in a recruitment round and some of those staff could be allocated to airport PDT work and the additional funding used to add to the recruitment pool to replace those officers.
32. Customs officers currently conduct the PDT spot-checks in NZ. The proposal above is to add to the pool of officers doing such checks. Customs believes this is the appropriate response (in comparison, for example, to a temporary workforce recruited specifically for the task) if PDT checking on arrival in NZ is to become long-term feature of COVID-19 risk management as NZ reconnects with the world. Looking to the future there are likely be a range of risk management activities required at the border and which will also require enforcement and sanction capability that fully trained Customs officers are best placed to provide.
33. 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 between 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.
34. The 50% threshold to close e-Gates has been selected as the most viable threshold to facilitate travellers who self-declare their eligibility, and to enable selection and processing of passengers to undertake a manual compliance check (having been initially processed by the eGate). When assurance thresholds are above 50%, it is more efficient to conduct PDT compliance checks at one point in conjunction with identify verification in comparison to the alternative of passengers first queuing at eGates for identity verification and then subsequently joining another queue for PDT compliance checking.
35. The cost and staffing implications of maintaining PDT compliance checks over arriving passengers from Australia on an ongoing basis are:
- for Customs to check **50% of all arriving passengers** would require an estimated 41 additional staff at an annual cost of \$3.7-4.2 million.
 - for Customs to check **75% of all arriving passengers** would require an estimated 59 additional staff at an annual cost of \$5.3-6.3 million.

- for Customs to check **all arriving passengers** would require an estimated 67 additional staff at an annual cost of \$6.1-7.1 million.
36. It would take 3-4 months for the staff to be recruited, trained and fully deployed for any of the above options. Some or all of the cost of the additional officers required for PDT compliance could be met by cost recovery fees. The Ministers of Customs and Primary Industries are currently consulting over options to recover the costs of passenger processing. If as an outcome of this consultation it is decided to recover all or a proportion of passenger processing costs by way of fees on passengers, then the costs of PDT compliance checks by Customs would be included in the passenger processing costs to be recovered.
37. The staff estimates are 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 quite uncertain going forward given the recent experience of traveller and airline responses to the 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 should this be required.

Application of technology to PDT in the future

38. Officials are working on a Government online pre-departure declaration (i.e. Travel Health Pass) which would enable agencies to undertake digital assurance checks for all passengers. This project is the subject of separate advice to Ministers.

Next steps

39. If Ministers wish to further explore any of the options set out in this brief officials will provide advice as directed.

ENDS.