Investment objective three is to provide safe, secure and efficient clearance and enforcement services for passengers, crew and staff while keeping New Zealand safe

Existing arrangements	Airports (and to a lesser degree maritime ports) have complex operations where inbound and outbound delays can have nation-wide ripple effects. In 2019, 96% of arriving international air passengers exited Customs primary processing points within 45 minutes of arrival. This high and consistent performance prevents backlogs that can impact airlines' and airports' ability to turnaround flights. It also provides a positive first experience of New Zealand for tourists (traveller satisfaction score of 90% despite New Zealand's additional layers of biosecurity control)[1].
Business needs and benefits	Cabinet has agreed that there will be three risk-based and scalable entry pathways for inbound travellers that include vaccination, testing and isolation requirements in proportion to risk. Although precise delivery requirements have not been defined, there is an assumed requirement that as the number of flights increase, border processing times will not substantially increase.
	Delivering additional processing and checks while maintaining processing time will require end-to-end process improvement, with the goal of scaling and delivering *Reconnecting New Zealanders* outcomes, including economic, social and equity outcomes. Furthermore, process improvements, especially retiring physical arrival card, may have spillover benefits to border agencies wider outcomes.
Scope	This investment objective is effectively shared with the cross-agency Digital Border Programme - which considers the end-to-end traveller and seeks to improve the efficiency and effectiveness of the process. The scope of this project is limited to travellers' declarations and assessment - consequently the replacement of the paper arrivals card falls within scope of this project but not other aspects of the programme.
Specific risks, constraints & dependencies	● None noted.
KPI (potential - to be confirmed)	● Passenger, staff, airline and airport satisfaction ratings ● Processing times ● Health, security and safety performance

1 Source Customs Annual Report 2020

Significant strategic risks, issues and assumptions are incorporated into this business case

Matter	Impact on the project
Overarching risk profile – Overall, the risk rating of the project is High (Impact, Complexity, Approach).	As a high impact project of medium complexity, additional resourcing, management and assurance requirements have been put in place. This is described in the Management case.
Risk – The investment environment is highly dynamic. If Government or international requirements change mid-delivery, then project delivery may become disrupted, and delivery target changed.	In the Management Case we describe how Agile delivery approaches will support incremental benefit realisation and enable a dynamic delivery environment. The section also describes cross-agency governance that will keep the project aligned to the wider COVID-19 response.
Risk – The investment environment is highly dynamic. If Government or international requirements change post-delivery, then technology investment may be become redundant.	In the Strategic Case we identify that one Investment Objective aligns with the wider cross-agency Digital Border Programme. In the Economic Case we describe how the proposed investment in technology also supports longer-term goals of replacing paper-based arrivals documentation.
Issue – The investment environment is high profile with significant expectation gaps. When internal and externally-driven issues occur during the progressive rollout, stakeholder confidence needs to be maintained.	The Management Case includes dedicated public and key stakeholder engagement support in the resourcing requirements.
Issue – The project will rely on cross agency delivery with impact on wider partners (air lines, maritime operators, ports).	In the Commercial Case we describe how a project delivery partnership will support successful outcomes. This cascades into the delivery approach and funding.
Assumption – The MVP and future state service requirements are assumptions, with final requirements to be determined by Cabinet and the Ministry of Health.	The preferred options in the Economic Case are based on key assumptions made by officials. These assumptions are identified and major sensitivities documented. The Ministry of Health is schedule to report back on this in both August and September.

The management approach for risks, issues, assumptions and dependencies is documented in the management case.

Major constraints and dependencies have also required consideration

Matter	Impact on the project
Dependency – This is an enabling investment. The provision of dynamic, individual risk assessment is dependant on Ministry of Health developing the rules and determining that these are legally compliant.	Key delivery dependency that requires ongoing monitoring.
Dependency – Assessment of NZ returnees from Australia is accelerated by the issuing of standardised certification.	A parallel project led by the Ministry of Health on issuing vaccine and PDT certification is a key delivery dependency that requires ongoing monitoring.
Constraint – The proposed border system collects, stores and makes decisions based on personal information and will endure into a post COVID-19 emergency environment. At all stages in the investment lifecycle (pre- and post- COVID response), operations need to be secure, transparent, compliant, ethical, promote equality and meet the Crown's obligations under Te Tiriti o Waitangi.	Policy, legislative change and compliance requirements impact options assessment and the delivery approach described in the management case. Te Tiriti o Waitangi, domestic data and privacy laws, international privacy laws, and the ethics of algorithms and automated decision making all require specific focus.
Constraint – There is no current legal basis for enforcement prior to arrival (i.e. do not fly orders) on health grounds and to NZ Citizens.	Policy, legislative change and compliance requirements impact options assessment and the delivery approach described in the management case.
Constraint – Lack of international standards and highly fragmented (and analogue) data inputs. No international technology solution.	Requires investment in data ingestion and validation to deliver project requirements. This investment could potentially be made redundant should an international solution become available.
Constraint – Currently the market for policy, technology and project management staff is tight. Agencies are further constrained by security clearance requirements.	Impacts the resourcing model with impacts in the commercial case (suppliers and consultants vs contractors), costings, and scale-up assumptions in the delivery model.
Constraint – Although the Border Processing Levy and Immigration Levy could potentially fund some of the project and any ongoing operational expenditure, there are scope and process constraints.	Considered further in the financial case.

The management approach for risks, issues, assumptions and dependencies is documented in the management case.

Economic Case

There are specific delivery requirements relating to a launch in 2021

Depending on progress with current outbreaks, the Government may soon look to resume QFT. This would be a critical step in reopening New Zealand and give us further opportunity to test our approach and our systems, and ensure reconnection is successful and safe.

The following requirements and critical success factors / options assessment criteria have been identified for solutions delivered in 2021. Currently, they are assumptions rather than requirements set by Cabinet.

	Description
Meets service delivery requirements	• Reinstatement required by 31 October with 2 weeks notice. • 100% assessment of pre-departure test and vaccine status prior to departure and at the border. • Ability to manage paper based, non-standardised pre-departure test and vaccine confirmations. • Non-compliant travellers detected at the border are managed in accordance with public health requirements. • Process is compliant with all relevant legislation. • Any technology must be secure and resilient.
Additional considerations	• Solution leverages existing capabilities and systems. • Low impact on existing operations. • Provides enduring benefits beyond current delivery requirements. • Supplier capacity and capability. • Potential affordability. • Potential achievability.

Potential options for assessment span a fully manual solution at the border to a semi-integrated technology solution that is also enforced pre-departure

Option	Description
Fully manual process with enforcement at the border.	This a slight modification to the solution option that was in place prior to suspension of QFT with Australia, with checks to vaccine certificates and PDTs. Currently, the COVID-19 Public Health Response (Air Border) Order (No 2) 2020 only provides for assessment of travellers' PDTs not vaccines. Changes and exemptions require a legal instrument to enact.
Digital traveller declarations with manual assessment, enforced at the border	In this model, travellers upload their health information via an app or a website. The data is manually assessed by a back office team and clearance provided. The traveller presents evidence of approval and is processed accordingly. This solution leverages existing software capabilities.
Digital traveller declarations with manual assessment, primarily enforced pre-departure	This builds on the previous model except that the primary line of enforcement moves to pre-departure. Currently, the COVID-19 Public Health Response (Air Border) Order (No 2) 2020 only requires that the air carrier take reasonable steps to ensure that the person, when checking in for the flight, has evidence of PDT (or other evidence) compliance.
Digital traveller declarations with automated assessment, primarily enforced pre-departure	This builds on the previous model except with automation of declaration assessment.

There is no single solution that meets all requirements

Options assessed	Fully manual process with enforcement at the border	Digital traveller declarations with manual assessment, enforced at the border	Digital traveller declarations with manual assessment, primarily enforced pre-departure	Digital traveller declarations, automated assessment, primarily enforced pre-departure
Reinstatement of QFT with Australia required by October with 2 weeks notice	Yes	No - but can be delivered in 2021		Mid-2022
100% assessment of pre-departure test and vaccine status prior to departure and at the border	At border only, previous implementation averaged 30% assessment	At border only	No issues	
Ability to assess paper based, non-standardised pre-departure test and vaccine confirmations	Manual process limits ability to assess documentation with accuracy, decreasing with complexity			No issues
Process is compliant with all relevant legislation. Technology is secure and resilient. Non-compliant travellers managed in accordance with public health requirements	These requirements drive when a solution becomes available, no option is presented in which non-compliant services are launched.			
• Solution leverages existing capabilities and systems • Low impact on existing operations • Provides enduring benefits beyond current delivery requirements • Supplier capacity and capability • Potential affordability • Potential achievability	This solution has the lowest set-up costs and impact. It is achievable but can't scale to meet future requirements. There are no enduring benefits to investment. No additional issues noted.	The interim options have enduring benefits and are achievable, albeit not within the required timetables. There are no major deliverability concerns and costs are similar. To deliver a secure solution, New Zealand Electronic Travel Authority infrastructure will be leveraged.		This solution has the highest set-up costs and impact. It is achievable but can not be delivered in the required timeframes. There are enduring benefits to investment. No additional issues noted.

Given the nature of the requirements, the preferred immediate solution is driven by constraints

If reinstatement of QFT is required by October with 2 weeks notice, **then** the only option available is the manual processing solution (Option One). However, this option does not met a critical requirement (100% assessment).

If reinstatement isn't until the end of 2021, **then** the preferred launch option is Option Three - digital traveller declarations with manual assessment and primarily enforced pre-departure. This option is a desirable interim solution that would replace Option One as soon as it became available. Option Three is further described in the next two pages.

If reinstatement isn't until mid-2022, **then** a more integrated solution such as Option Four could be preferred. However, the development of Option Four could progress via Option Three, so there is no cost to focussing on Option Three.

Option Two (enforce only at border) is discarded as it does not deliver the benefits of Option Three (enforce both pre-departure and at Border) yet requires similar investment.

As these are interim steps, cost-benefit analysis has not been performed on each option. The preferred option has comparatively low cost (-$21 million) when compared to the potential benefits of safely opening-up travel with Australia.

Option Three, the desired launch state, blends technology and manual solutions to balance rapid delivery with the other requirements

In Option Three, travellers upload their health documents as part of a digital declaration (requires update to New Zealand Electronic Travel Authority platform), a new back office team manually approves the declaration, and this is presented at check-in and at the border. If there is an issue, the traveller is pointed to a contact centre. Enactment requires changes to the COVID-19 Public Health Response (Air Border) Order and additional investment in gates and readers at the border.
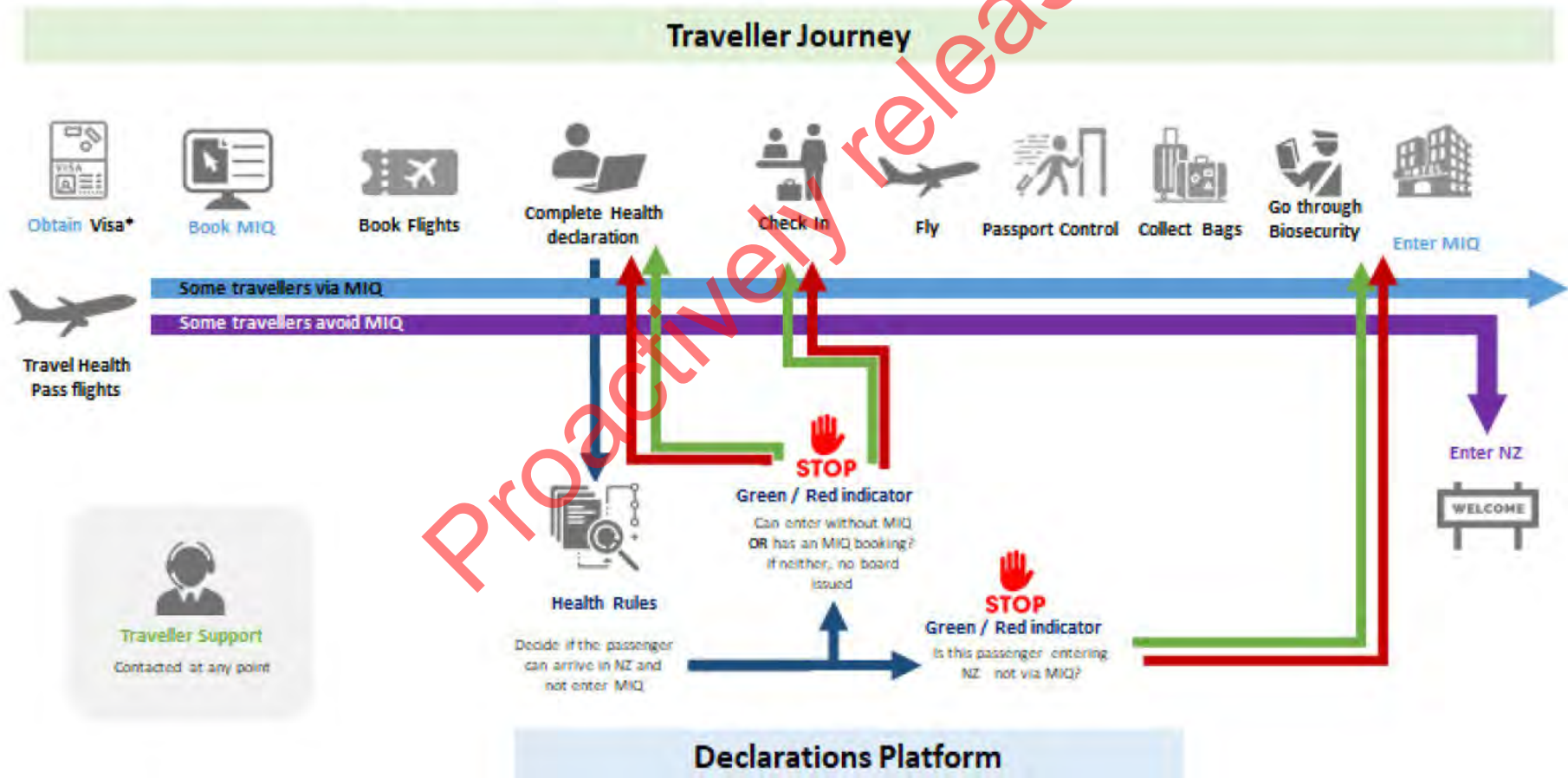
Future state requirements reflect a need for individual risk assessment and processing at scale

If we assume that New Zealand wishes to follow WHO recommendations, then there is an additional service requirement for the future state - the individual risk assessment is performed.

If we assume that COVID-19 will impact travel for several years and that it is desirable to have traveller numbers similar to pre-COVID levels, then two further requirements are added.

- Ability to operate the border at scale (despite there being additional check and channels when compared to pre-COVID operations).
- Ability to process documentation from many countries at scale.

	Description
Meets service delivery requirements	- Able to process a pre-COVID level of travellers at the border while providing safe, secure and efficient clearance and enforcement services. 100% full individual risk assessment based on rules supplied by the Ministry of Health. - Able to manage a wide range of documentation with multiple formats and languages. - Non-compliant travellers detected at the Border are managed in accordance with public health requirements. - Integration with Health and MIQ systems. - Process is compliant with all relevant legislation. - Any technology must be secure and resilient.
Additional considerations	- Solution leverages existing capabilities and systems. - Low impact on existing operations. - Provides enduring benefits beyond current delivery requirements. - Supplier capacity and capability. - Potential affordability. - Potential achievability.

The project team has identified that only one solution meets requirements. However, functionality will be flexibly added in phases and there will be investment delivery off-ramps and multiple interim delivery states.

Minimum Viable Product (option 3)

Machine reading

Individual risk assessment

Accessibility options

End-to-end process improvements towards preferred future state

In the MVP option previously described, travellers upload their health documents as part of a declaration.

The declaration is then manually approved and the traveller presents the approval at check-in and at the border.

This will require additional investment in displays and readers at the Border.

In the interim steps, the project team develop a flexible solution by:

- Adding machine reading to the front end to progressively digitise health information. Exceptions will continue to be manually processed by the back office team.

- Developing a rules-based individual risk assessment tool on Customs' existing Risk and Intelligence platform.

- Improving accessibility through potentially adding further channels.

Processing times at the border will be unsustainable at scale if travellers are juggling a physical Arrivals Card and their phones.

By adding the requirements of other agencies (e.g. MPI, Statistics New Zealand) to the declaration platform, then the current Arrivals Card will be retired.

This will require additional investment in gates and readers at the Border.

The sequential changes are designed to reduce the number of touch points in the traveller journey while building scalability, accuracy and security through automation.

Phase 2 – High Level Journey
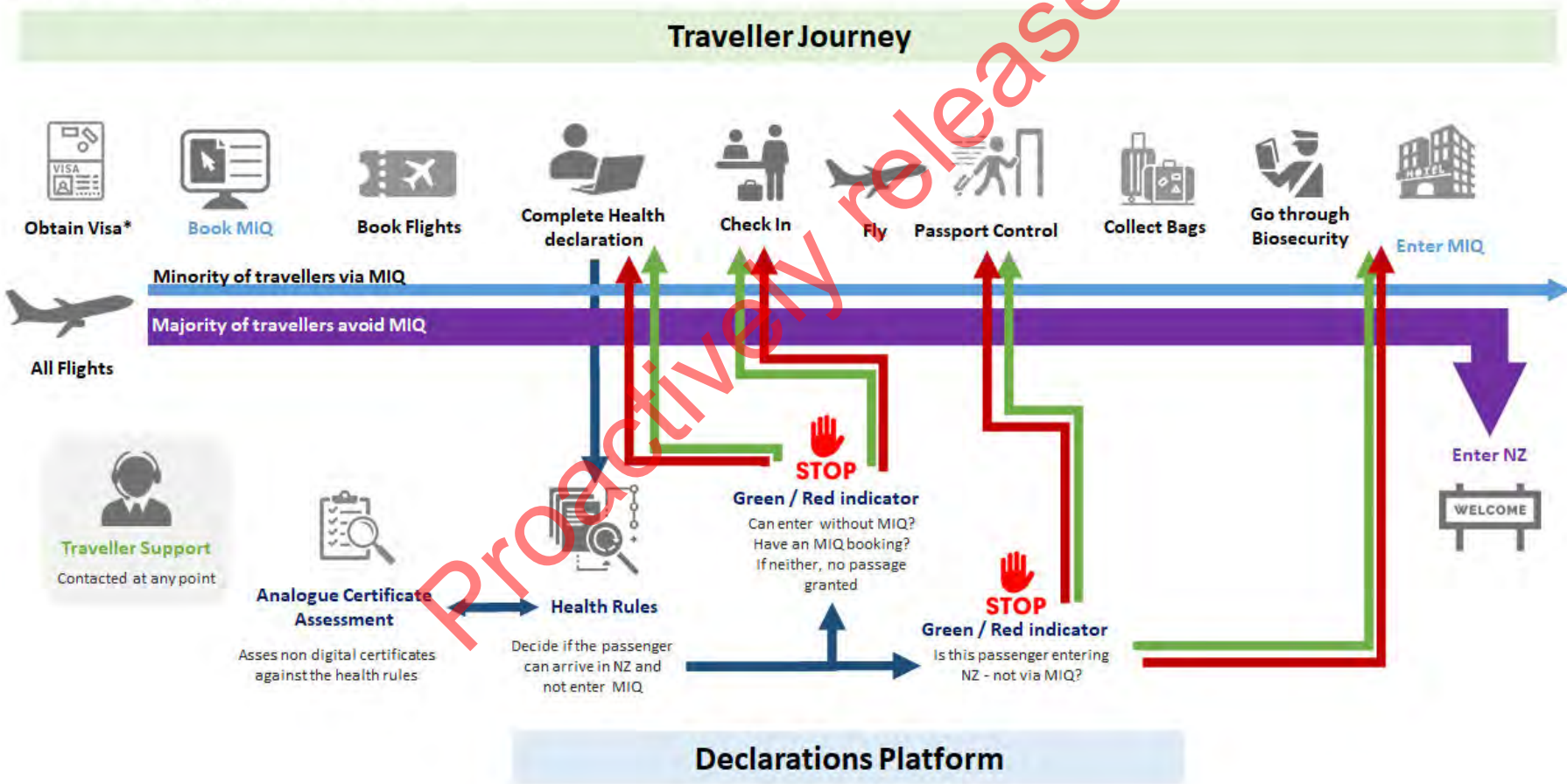
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As this in an enabling investment, this case does not quantify attributable *Reconnecting New Zealanders* benefits

Best practice requires that a full cost - benefit assessment of options be prepared. This has not been performed at this time due to the following reasons:
- there is substantial uncertainty in the timing and realisation of *Reconnecting New Zealanders* benefits
- the project is an enabling investment with benefits driven by other factors such as the rate of vaccination in New Zealand and the global COVID-19 situation
- the current decision required is driven by immediate delivery requirements - subsequent reportbacks can address this matter further.

However, potentially attributable benefits are identified below:

Economic benefits	Social benefits	Cost avoidance - health	Cost avoidance - MIQ
International tourism expenditure for the year ended March 2020 was $17.5 billion (20% total exports of goods and services).[1] International education generated at least $1.25 billion.[2] Other businesses seek to travel to secure sales and supply.	Reuniting families and enabling the travel of sick New Zealanders currently overseas has societal benefits. Increased supply of air travel and reduced need for MIQ should reduce the cost of travel, which supports equity outcomes.	ASB economists estimate that having Auckland at alert level 3 [3] and the rest of the country at alert level 2 costs the economy about $220 million per week - or 0.07 per cent of GDP. Should lock-down not succeed, health outcomes are impacted.	MIQ costs $3 million per day[4]. MIQ capacity of 4,500 rooms per fortnight [5] is a small fraction of the pre-COVID 5 million travellers per year.

1 Tourism satellite account, StatsNZ
2 NZIER, 2020. Report "Economic impact of universities: Updated contr bution to growth"
3 https://www.nzherald.co.nz/business/covid-19-coronavirus-how-much-the-lockdown-could-cost-new-zealand/MGB4DR3YCSRFRXYV4NMR45VUIQ/
4 CAB-20-SUB-0095
5 https://www.mbie.govt.nz/business-and-employment/economic-development/covid-19-data-resources/managed-isolation-and-quarantine-data/

Commercial Case

Proactively released

Customs will be the lead delivery agency, driving delivery across multiple agencies through a single task backlog and multi-agency governance groups

The two major partners, Customs and Immigration New Zealand are both part of the State sector and will act collectively with other border agencies (including the Ministry of Health) in the interests of New Zealand. However, they also have specific responsibilities and constraints that can limit co-delivery of a project - especially when there is substantial uncertainty in requirements and timelines.

On 6 August, officials considered partnership options and determined that a single project construct led by Customs will drive delivery.

Determinants

This is a high profile initiative in a fluid environment with a requirement to deliver at pace.

Success requires alignment across multiple dimensions (legal, operations and technology) and entities (Customs, Immigration New Zealand as well as Ministry of Health, Statistics New Zealand and MPI).

The investments will have enduring implication for agencies beyond the immediate requirements to manage COVID-19 and require design control.

Options and path forward

The preferred path forward is for Customs to be the lead partner, delivering to a single project backlog and supported by a single project director and dedicated resources. This will be governed by a multi-agency project steering group reporting to BEB.

Alternatives models considered were:
- Two separate projects (one per entity) . This was discarded because the risk of coordination failure was too high.
- INZ being a supplier to Customs. This was discarded because the project has enduring implications for INZ operations.

Implications of preferred partnership approach

- Finance management needs to be centrally controlled and reported on - this has implications for appropriation design and budget / contingency management.
- Project management overhead higher than similar projects to reflect the needs of the two agencies, Border Executive Board, DPMC and Ministers.
- Key entity-driven requirements, especially those relating to IT Security, are embedded in the project - i.e. Secure by Design.
- Potential implications for negotiating and managing contracts across two agencies.

Project resourcing will be primarily sourced from the contractor market

Customs is in the process of scaling-up non-technical resource (project managers, business analysts, communications) in anticipation of project approval. This has involved redeploying internal capability and securing key contract resource.

Further scale-up will require external resource sourced from the contractor and consultant market via secondary procurement under the All of Government (AoG) Recruitment Services and AoG Consultancy panels. There is also a need to backfill internal resource which will be achieved by secondments, fixed term appointments, and/or contract resources sourced via AoG panels.

Scale-up is an early delivery risk – there is a desire to onboard the team at pace but high quality staffing is not readily available and is charging at a premium. This risk is magnified by Customs' requirements for security clearances and police checks.

At present, the intent is to source project resource and backfill from the contractor market. However, should circumstances change, Customs will consider alternative sourcing and procurement approaches.

Specialised project services which may not be available under AoG or Common Capability panels will be sourced in line with the agency's procurement policy and the Government Procurement Rules, including consideration of broader outcomes. Customs' standard contract templates will be used as a basis where feasible to ensure that the Customs specific security provisions are included.

To mitigate the complexity of multi-agency involvement, negotiation strategies will be developed for all significant supplier engagements to ensure that objectives and negotiation team membership and roles are clear.

The technology solution will also require ongoing maintenance, support, and contract and commercial governance, which the project will scope and ensure is in place. A level of ongoing customer enquiry channel (eg contact centre) availability and management will need to be implemented under the project and remain in place once the technology solution is delivered.

> **A full joint-agency procurement plan will be developed after the project is fully established and in advance of significant decision. Advice will be sought from the AoG function at MBIE. This will be a live document, updated to reflect each design decision.**
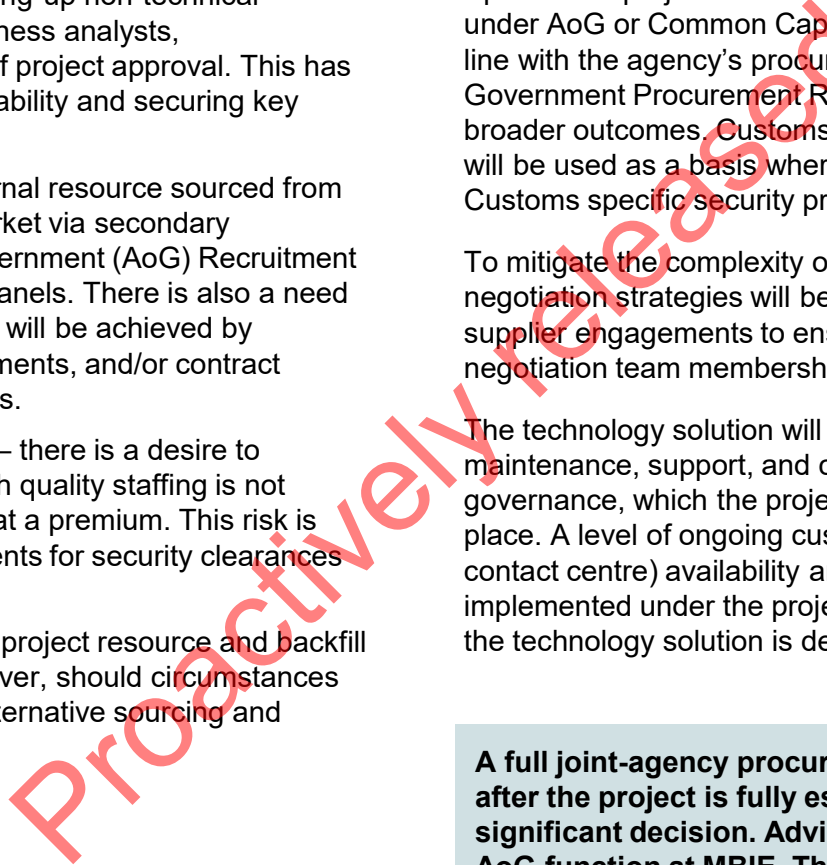
There are incumbent suppliers that will bring critical technology expertise

Immigration New Zealand

In the preferred solution, digital declarations will be developed using the Immigration New Zealand Electronic Travel Authority platform (NZeTA). Enhancements to this platform will require developer capability from existing key vendors.

Immigration New Zealand and MBIE already have a number of existing MSAs in place with Theta for development (extended to June 2022) and support (expires 30 September 2021 with negotiations underway).

Theta are a strategic partner with a detailed understanding of MBIE platforms and systems and have been commissioned to undertake some early discovery work to help inform the future solution.

Based on past performance delivering the NZeTA project, and an understanding of Theta's capabilities and capacities, Immigration New Zealand is comfortable that Theta has the ability to deliver the development requirements of this project, noting that a number of other incumbent suppliers will be engaged under Statement of Works.

Given the scale, risk and urgency of the work, Immigration New Zealand has determined that services will be procured under the existing MSA and there will be no requirement for open procurement (basis and approval).

Customs

In the preferred solution, risk assessment and officer facing systems will be powered by the Risk and Intelligence System and the Cusmod Border Management System.

To support its in house development capabilities, Customs has an incumbent DevOps service provider, Section6 Limited, which was sourced via an open RFP in 2020 for a 4 year term. Development of the R&I system was in scope for the RFP so the existing MSA can be used. Additional Statements of Work will be negotiated and executed under the MSA as the detailed project requirements emerge.

Customs also has a comprehensive IT Managed Services (ITMS) contract in place with Datacom (under an approved Exemption from Open Advertising) which can be utilised as required to support the project delivery.

Should additional physical infrastructure such as gates, passport readers and/or QR readers be required these will be sourced in line with the agency's procurement policy and the Government Procurement Rules.

Relationships with ports and travel providers will be impacted

Airlines, airports, maritime operators and ports do not have commercial agreements with Customs, Immigration New Zealand and the other border agencies - the relationship and requirements are defined by statute and supported by Memorandums of Understanding.

These entities are key delivery partners and successful border outcomes is driven by goodwill and partnership. Additionally, there are also operations that rely on carriers, specifically enforcement pre-departure which relies on both New Zealand legislation and the Terms and Conditions of carriage.

The project will promote deep relationships with these partner agencies, with initial focus on airlines and airports.

Management Case

The project delivery approach has been informed by the implementation of New Zealand Electronic Travel Authority and a trial of Digital Arrival Cards

Joint Border Management System

In 2011, Customs and the Ministry of Forestry and Agriculture (now MPI) began a joint delivery programme to modernise the management of goods and craft at the border. During 2017, Deloitte performed a 'lessons learned' review. Key cross cutting themes were:

- Spend time to properly establish the programme - understand what you're trying to deliver, plan, agree how progress will be measured and how the work will be controlled and assured.

- Practice open leadership & build trusted relationships as there will be bumps in the road.

- Get the right team - do not overstate core capability (internal and at delivery partners) and miss key delivery expertise.

- Use effective assurance - use independent, forward-looking and value-adding providers.

Digital Arrival Card

The Digital Arrival Card trial started in 2018 with the objective to prove the viability of an e-Arrival Declaration and identify how associated processes would need to be changed.

This trial was conducted at Auckland International Airport, with operational collaboration with MPI and INZ. The initial trial plan included five phases and growing to 10,000 arrivals. The trial was concluded in February 2020 at the end of phase three.

Key lessons learned are:
- The arrival card is part of a wider system with multiple participants and must meet all needs
- The solution must be designed and tested with a representative group of travellers
- The end to end journey must drive the design
- It is important to understand the impact and timing of running trials in the "real-world"
- Quality outcomes are more important than meeting milestones.

New Zealand Electronic Travel Authority

The New Zealand Electronic Travel Authority (NZeTA) was designed to ensure risk for individual visa waiver arrivals could be assessed prior to travel. The system was delivered over 18 months as a cloud centric platform that supported operational and legislative change on a global scale, with over 1.8M transactions successfully processed pre-Covid. Key lessons learned are:
- Modern architecture and design allows for component reuse, shared services and high availability.
- Investment in user design supports applicant experience enables high levels of compliance and excellent data quality.
- Configurable systems and business rules will support integration within existing process and allow for high levels of automation.
- The right partner can support global engagement planning and deliver high levels of change awareness.
- Iterative delivery approaches allow for improved functionality to be delivered in phases across a regulatory system.

Our delivery approach is also driven by the dynamic investment environment, fluid requirements, accelerated approvals process and requirement for immediate impact

A project delivery approach, supplied in draft as Appendix 5, will be submitted to the Project Steering Group for approval in September 2021. This management case summarises the approach and the impact of the dynamic investment environment, fluid requirements, accelerated approvals process and requirement for rapid deployment.

Project feature	Dynamic investment environment & fluid requirements	Accelerated approval process	Rapid deployment
Issue	Interim and future state requirements not are known leaving uncertainty in the solution required.	Decision makers do not have the cost, achievability and compliance assurance that is normally required.	In order to meet expectations, the project can not proceed in the usual Agile linear approach.
Response	Some Agile delivery approaches (Kanban and Scrum) driving incremental benefits.	Clearly defined delivery stop-go points recognisable from the waterfall approach.	Parallel work streams with some work 'at-risk'.
Approach	The planned extensive backlog focuses beyond the Traveller Health Declaration System early features and towards the establishment of digital arrival card release cycles. This will result in a fundamental transformation of the experience within which an international passenger arrives into New Zealand.

The scale of and complexity of the backlog creates a heightened dependency on operational services and multiple agencies, which suggests a mixed delivery model. The proven reliability of joint Waterfall, Kanban and Scrum is intended to be used. | | |

Project delivery will be through three related tranches that will commence simultaneously. A separate project will focus on the manual solution that will be required on Day One

The Project has three main tranches that will commence simultaneously

Tranche	Purpose	Timeframes	Commentary	Tranche Duration
Pilot	To deliver the early, stretch goals associated with an interim digitally-enabled Travel Health Pass (THP) solution	August 2021 – April 2022	Digitally enabled Travel Health Pass MVP targeted for December 2021	9 months
Foundation	To provide surety and reliability of the Travel Health Pass (THP) product and establish regular releases	August 2021 – March 2023	Digital Travel Health Pass full product release targeted for June 2022	20 months
Enhancement	To enable the Digital Arrival Card as the next feature of the platform and retire the paper based solution	August 2021 – June 2023	Digital Arrival Card product release targeted for December 2022	23 months

A separate project with operational expertise will ensure that the Day One solution of manually checking each traveller's documentation at the border will be reinstated as required. This project is not a focus of this case as it is a short-term fix pending the launch of the pilot.

Each tranche will deliver increasingly sophisticated servcie

Journey Overview*
*This illustration is for communication purposes only and does NOT reflect detailed service design
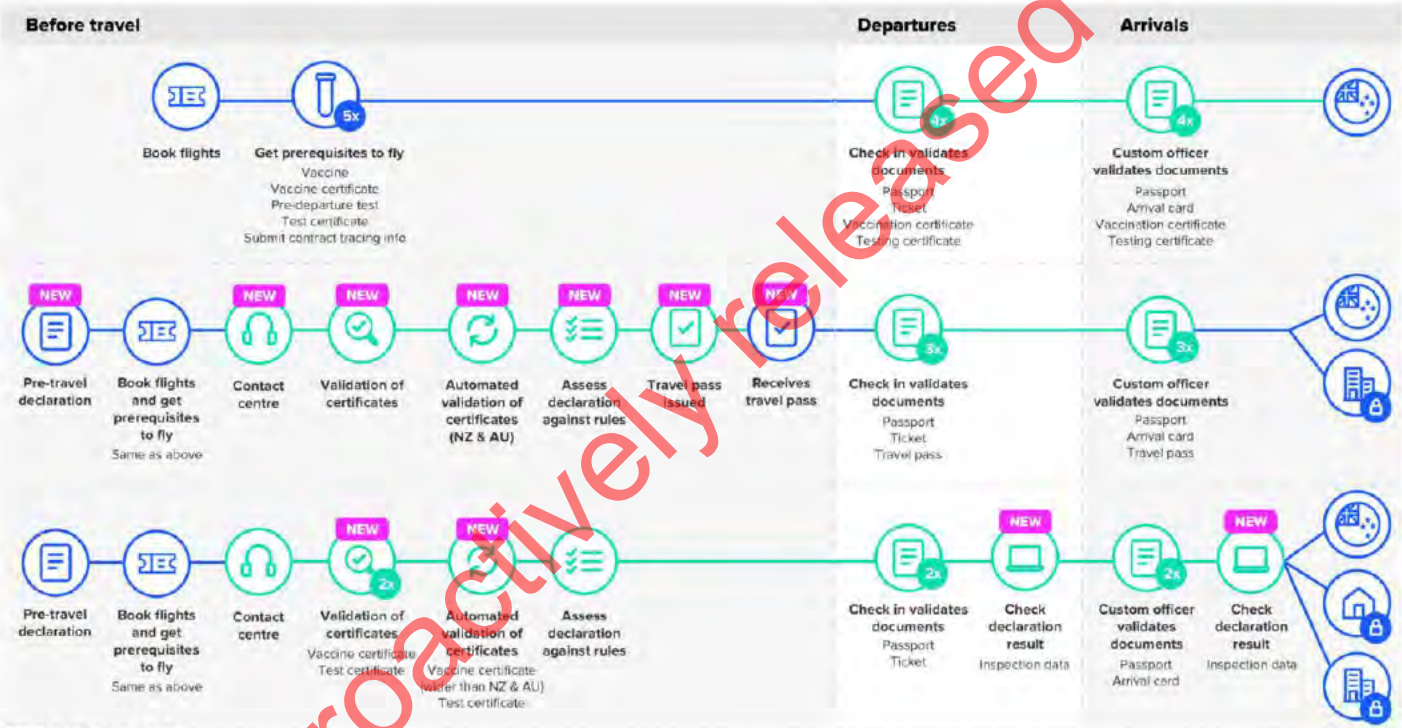
Key: ● Passenger ● Border Official

Current

Current state – NOT in scope of THP

Severely constrained passenger throughput

Manual verification will NOT detect all fraudulent documents

Pilot

Auto validation of NZ and AU Vax Certs

Travel Pass issued

Real time data feed to Health

Foundation

Integration with airlines and border processing

Travel Pass no longer required

Greater passenger processing capacity

Enhancement

Removal of paper Arrival Card

Enhanced data for Border Inspections

Support pre-COVID19 passenger volumes

s 9(2)(f)(iv) OIA

Investment will progressively move from tactical to strategic solutions

Pilot

Auto validation of NZ and AU Vax Certs

Travel Pass Issued

Real time data feed to Health

New Pre Departure Web App leveraging Immigration NZ Platform replacing Nau Mai Ra

New manual testing certificate verification system in Azure

New automatic vaccine certificate system in Azure

Assessment of declaration against Health Rules

Travel Pass Issued as PDF sent by email

Contact Centre leveraging existing border capabilities

Travel Pass Validator as additional features on existing mobile application

Information publishing with Health

Foundation

Integration with airlines and border processing

Travel Pass no longer required

Greater passenger processing capacity

New Mobile Application for Pre Departure Submission

Machine reading for automated certificate verification

Individual Health Risk Assessment on Border Risk and Intelligence platform

Integration with Border Passenger Processing systems

Integration with Check-In systems

Investment in Passenger Control systems as required

Information publishing with MIQ

Enhancement

Removal of paper Arrival Card

Enhanced data for Border Inspections

Support pre-COVID19 passenger volumes

s 9(2)(f)(iv) OIA

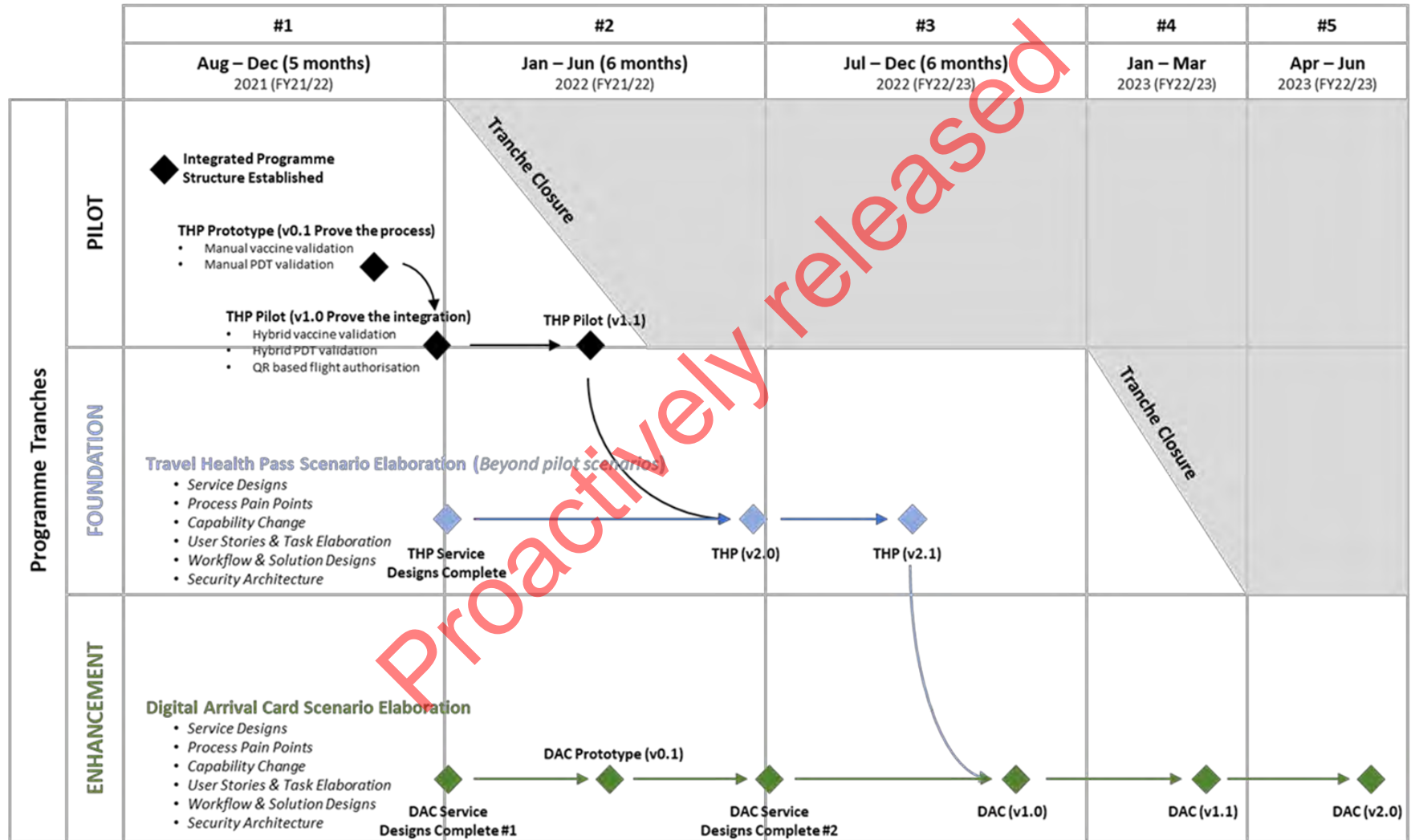# There will be three key investment off-ramps spread over the next 18 months when decision makers consider whether to continue or reposition the project

The off-ramp decisions will be made by the Border Executive Board and will be supported by enhanced planning, costings and assurance

	Decision point 1	Decision point 2	Decision point 3
When?	Around October 2021.	Around March 2022.	Around Sept 2022.
What solution will be in place?	A fully manual process.	Basic validation of trans-Tasman health documentation. Not scalable.	Fully integrated individual risk assessment, not fully scalable.
What will be asked?	Whether to proceed to a partial technology solution.	Whether to proceed to an integrated individual risk assessment	Whether to scale to solutions that support 5m travellers per year
What evidence will be in place?	Updated planning, assurance on achievability, costings and compliance.	Updated planning, assurance on achievability, costings and compliance.	Updated planning, assurance on achievability, costings and compliance.
Who will make the decisions?	Border Executive Board.	Border Executive Board.	Border Executive Board.

Other major mid-project decisions relate to go-live decisions. These decisions will be made within the usual project management structure supported by a delivery confidence and assurance framework (under development).

Delivery will be spread across three agencies and have representation from each on the steering group

Detail on the resourcing model is contained in the financial pack (Appendix 7) and details of the management rituals and tools are in Appendix 5.

Steering group decision-making members include:
- Deputy Chief Executive of Finance, Technology and Infrastructure, Customs.
- General Manager, Enablement, Immigration New Zealand.
- Principal Policy Analyst, Covid-19 Policy System Strategy and Policy, Ministry of Health.
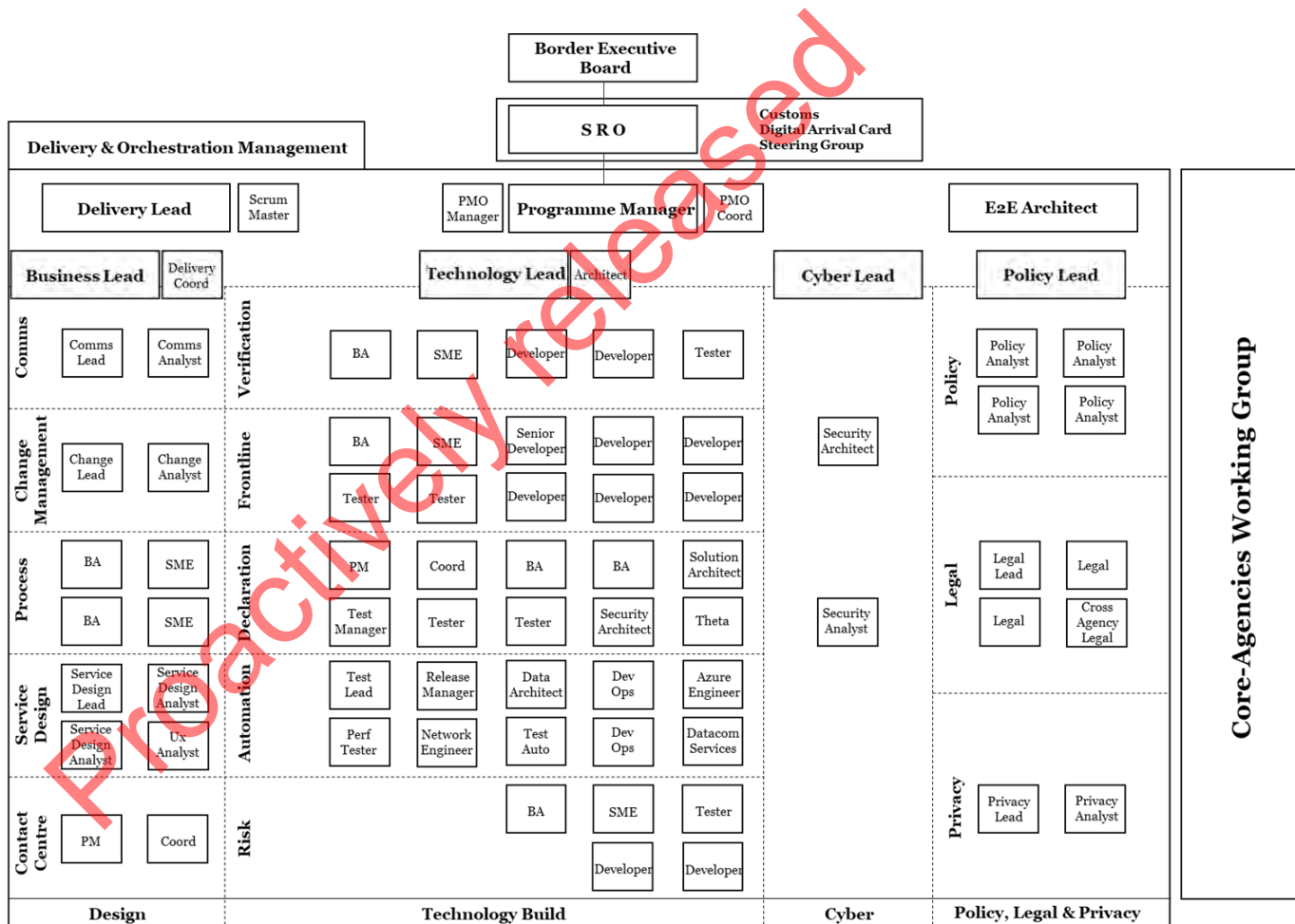
Provisional roles, responsibilities and routines have been prepared but are subject to Border Executive Board approval

Role	Responsibilities	Delegations	Structures
Border Executive Board	Overall governance and accountability - strategic direction, guidance and issue resolution. Advises Ministers.	Yet to be determined and approved by BEB and agency leadership. Delegations will consider: ● Scope change (contingency) ● Budgets (contingency) ● Contractual commitment ● Payments.	Meet monthly
Deputy Secretary Immigration Chief Executive, Customs	Member of Border Executive Board Responsibilities for entity performance - including Health, Safety & Security.		Routine entity reporting (eg EPMO)
Steering group	Provides guidance and governance to the project team. Responsible for 'steering' on requirements, decision-making, and issue resolution. Monitors performance against delivery and budgetary targets. A delivery enabler and assurance commissioner.		Meet fortnightly
Senior responsible official	Key decision-maker. Deploys delegated authority to ensure that the project achieves its objectives, providing advice and guidance to managers as necessary. Provide confidence to stakeholders.		Sprint reporting
Project Director	To continually assess needs, identify emerging requirements, and develop cohesive teams that improve the operating model and culture of the delivery engagement. To positively enable productivity and build morale, and find solutions to conflicts and strengthen partnerships.		Sprint reporting Daily stand-ups

In addition to the the primary governance and management lines, there are additional reporting and control linkages with DPMC and within each agency.

Early project goals, spanning all three tranches, are well defined

As establishment requires many simultaneous activities to take place, Increment 1 (Aug 2021 to Dec 2021) will be a single delivery increment operating across 5 monthly sub-increments across all three programme tranches. Breaking Increment 1 into sub-increments allows the programme to set success criteria to be achieved by the end of each month to ensure that the aggregated outcome of delivery is on track.

1.1 Make the Case	1.2 Build the Team	1.3 Clear the Path	1.4 Embed the Cadence	1.5 Prove the Delivery
August	September	October	November	December
Management & Approach • Delivery approach • Integrated team structure • Governance model agreed • Ceremonies in place	**Management & Approach** • Reporting in place • PMO in place • Control assets populated • Delivery ceremonies in place	**Management & Approach** • Foundation & Enhancement scopes agreed • Workstream briefs finalised • First design sprints complete	**Management & Approach** • Internal IQA • High level Digital Arrival Architecture in place • Programme constraints set	**Management & Approach** • Christmas / New Year slow down mitigated
Mobilisation • Resource planning • Capability based resourcing approach • Communication cascade • Business case drafting	**Mobilisation** • Funding approved • Partners and suppliers commercially engaged • Delivery hub established • Relationship forums in place • Sprint members identified	**Mobilisation** • Pilot tranche fully populated • Roles & responsibilities clear • Other tranches' resources secured	**Mobilisation** • Programme fully resourced across all tranches • Majority colocation in place	**Mobilisation** • Ways of working understood
MVP • User-stories and process development • HL Solution scope agreed • Task elaboration and allocation	**MVP** • Solution architecture design • Solution detailed design • Scrum team established and operating • Prototype build commences	**MVP** • Operational changes and implications confirmed • Prototype testing commences • Integration testing commences	**MVP** • Prototype unit and integration testing complete • security reviews complete • E2E service simulation	**MVP** • Security acceptance • Digital MVP Release • Operational changes applied

Detailed risk identification, assessment and control processes will be implemented as part of normal project control. In the interim, management are monitoring headline risks and dependencies

Title	Risk	RAG	Management approach	Own	RAG
Alignment to delivery approach	If all agencies and related programmes are not aligned on what is being delivered and when and how (a blended Agile approach), then the project will not be able to deliver the MVP and the full end-to-end solution, resulting in an extension of the manual process and restricting scalability.	R	1.Multi-agency governance at Steering Group and BEB levels 2.Host kick-off session across key agencies and programmes to align on what the project is delivering, the delivery approach and responsibilities across the end-to-end solution. 3.Engage willingness of contributing agencies to provide dedicated resources to the project to ensure delivery integration.	SM MB MB	A
Availability of critical resources	If the project is unable to recruit and onboard critical resources at pace, then delivery of key activities will be delayed, resulting in an extension of the manual process and restricting scalability.	A	1. Critical resources have been identified and recruitment is underway. 2.Regular reporting to Steering Group and the BEB on resourcing needs and status; escalation as and when required.	MB MB	A
Operations changes	If the end-to-end operational changes are not well defined and managed, then operations could come under significant strain trying to operationalise the travel health pass and the customer experience will be impacted, resulting in a mixed manual/digital MIQ-free channel and restricting scalability.	A	1.Elaborate end-to-end user stories and change impacts. Engage early with Operations to understand and implement the required changes.	MB	A
Legislative changes	If the need for legislative changes is not defined and implemented in time, then the solution will not be viable as there will not be any legal standing to enable enforcement of the conditions of travel, resulting in the inability to provide secure and safe travel that meets the expectations of the MVP.	R	1.Engage early with Policy and Legal teams to agree timeframes and milestones to implement changes to align with operationalisation of the solution.	MB	A
Privacy and security	If the appropriate security/privacy considerations and controls are not implemented, then the project may not be able to deploy the solution, resulting in an extension of the manual process and restricting scalability.	R	1.Engage early with Policy and Legal team to agree requirements and risks. 2.Actively looking to recruit Cyber and Security Lead to embed security by design principles. 3.Regular engagement and consultation with the Data Ethics Advisory Group and GCDO.	MB MB MB	A

Detailed risk identification, assessment and control processes will be implemented as part of normal project control. In the interim, management are monitoring headline risks and dependencies - continued

Title	Risk	RAG	Management approach	Own	RAG
Benefits & assurance	If appropriate benefits and assurance planning does not occur, then it may be difficult to monitor performance and address issues in a timely manner, resulting in the inability to course correct.	A	1.Set up and embed benefits and assurance frameworks with regular report backs to Steering, BEB, Treasury, GCDO and other central agencies.	MB	G
Dynamic requirement	If requirements change (for example due to a change in strategy of in the nature of COVID-19), then there is a risk of the system at that point being under- or over-specified for the situation.	R	1.Designate system flexibility and future usability as key design principle and use Agile delivery methods to incrementally add features. 2.Use multi-agency Steering Group and BEB to ensure joint understanding of environment.	MB SM	A
High profile environment	If expectations of delivery timetables, teething problems, and initial queues at the border are not managed, then the project may become the subject of undue attention.	A	1.Secure specialist stakeholder engagement resource. 2.Leverage and align with DPMC *Reconnecting New Zealanders* stakeholder management capability.	MB TBC	G
Low risk pilot	If the trial of New Zealanders travelling to low-risk destinations and self-isolating on return is delayed, then project requirements may be less clearly defined.	G	This is a minor dependency as the pilot is scheduled for completion early in this project's lifecycle.	-	G
NZ health certification	If the Ministry of Health's project to provide digital certification data is delayed, then automation of inbound health declaration (this project) will be limited.	A	1.Review the Ministry of Health's project reporting and adapt this project's delivery prioritisation accordingly.	MB	A
MIQ	If MIQ require a replacement for MIAS, then there may be pressure to expand the scope of this project, putting project goals at risk.	G	1.Clear messaging and separation of projects at a governance level. 2.MIA integration is in scope of this project.	SM	G
Procure	If the project procures large pieces of work without an open, contestable process, then the best outcome may not be achieved for New Zealand (as well as there being an opportunity cost of reviews).	A	1. Active early engagement with in-house and AoG expertise. 2. Careful separation of tactical vs long-term solutions.	MB/ DC	G

Change management, benefits management, risk management, business continuity, and evaluation plans are under development

Management focus	Action
Change management	Service design work just underway will inform change impact assessment and stakeholder management plans. A comms lead and additional service design capability joined the project team during the week commencing 16 August.
Benefits management	Service design is a key project driver - using a genuine comprehension of the purpose of the service, the demand for the service and the ability of the service provider to deliver that service to focus the project on service benefits rather than internal considerations.

Once the operating model is defined, queue modelling and prototyping can be used to determine expected passenger processing times at each interim state and support a benefits-led prioritisation framework. |
Te Tiriti o Waitangi	It is likely the development of the system will engage with Maori/Crown relationship issues and/or Te Tiriti issues (e.g. data sovereignty and biometrics). These will need to be considered and accommodated as the work progresses, including and identifying appropriate engagement with Maori.
Risk management	Detailed risk workshops scheduled for week commencing 23 August.
Business continuity	A first iteration of the Business Continuity plan was completed on 13 August. The document has specific focus on assessing how team would operate in a COVID-19 lock-down and if vaccinations are required. Actions relating to this live document will be added to the Backlog.
Assurance and evaluation	A full assurance and evaluation plan will be developed as part of project initiation. An indicative plan on a page is provided as Appendix 6.

Financial Case

Proactively released

The project has a cost of $207.8 million over 5 years

Funding sought ($ million)	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	5yr total
Total project delivery capital expenditure	42.0	13.6	-	-	-	55.6
Total project delivery operating expenditure	12.7	15.9	-	-	-	28.6
On-going business operating expenditure (excluding depreciation)	7.0	24.8	16.0	16.5	17.1	81.4
Subtotal	**61.7**	**54.2**	**16.0**	**16.5**	**17.1**	**165.6**
Depreciation	2.4	5.9	6.6	6.6	4.1	25.7
Capital Charge	1.5	2.7	2.8	2.8	2.8	12.5
Total Costs	**65.7**	**62.8**	**25.4**	**26.0**	**23.9**	**203.8**

- The Whole of Life cost of the project is calculated as $264.3 million - based on all costs (excluding depreciation and capital charge), a 15 year asset life and discounting.

- The whole of life cost exceeds $203.8 million because they included ongoing operating costs of $18.3 million per year for 15 years. However, these costs are discretionary so the calculation is conservative.

- No analysis of the impact on agencies' financial statements is being prepared at this time.

- Additional detail is provided in Appendix 7.

A flat 30% contingency has been applied to project costs

Costing process and assurance

Costings were separately developed by Customs and Immigration New Zealand teams and then jointly reviewed to identify gaps and duplications. The process leveraged internal expertise and experience of implementing Immigration's New Zealand Electronic Travel Authority system in 2019.

A Quantified Risk Assessment has been commissioned on these early project costs and will be provided to central agencies when available.

Contingency and scope

In determining the cost of the project and contingency levels, two key risks have been excluded:
- Accelerated delivery of the project/increase in MVP requirement, noting meeting increased expectations would require additional manual processing and would have wider service delivery implications.
- Major enduring cross-agency operating model transformation required to deliver complex channel management.

Noting constraints in scope above, a flat 30% contingency has been applied to project costings provided by the project teams. Release of project contingency will be controlled by the Border Executive Board.

Key assumptions

- WOLC is assessed as the 5 years to June 2026.
- Capability is fully deployed. All resourcing will be externally sourced and/or internal capability backfilled.
- The 62 additional Customs officers and 9 Airline Liaison Officers already funded will be required for another two years.
- 30 additional contact staff required for 24/7 service.
- Customs will depreciate assets over 15 years. Immigration New Zealand will depreciate assets over 4 years.

Further assumptions are detailed in Appendix 7

The project is not readily fundable from the Border Processing Levy or Immigration Levy

Border Processing Levy

Every traveller who arrives in, or departs from, New Zealand is potentially liable to pay a levy in relation to the costs incurred by Customs in carrying out its functions under the Customs and Excise Act 2018[1].

Elements of the proposed investment and ongoing operating expense are *potentially* within the scope of the Levy. Further work will be required to quantify these costs.

Should activity be found to be within the scope of the Border Processing Levy, a formal consultation process will need to be followed (and one has just been completed for the next Levy period). [2]

Given uncertainties on what activity can be funded through the Border Processing Levy, the barriers to timely access, the cost uncertainties noted in previous pages, and the wider benefit of investment to the taxpayer, we propose that the Crown agree to fund the investment, subject to further analysis.

Immigration Levy

One of the purposes of the Immigration Levy is to fund, or contribute to the funding of the infrastructure required for, and the operation of, the immigration system, including establishing and verifying the identity of persons, managing risk to the integrity of the immigration system, managing immigration risk to the safety and security of New Zealand, and managing compliance with the immigration system[3].

Given that the proposed investment is primarily aimed at managing health risk and manages the movement of New Zealand citizens as well as non-citizens, the proposed investment is considered to fall outside of the scope of the Levy.

1 Section 413 of the Customs and Excise Act 2018.
2 Customs and Excise (Border Processing Levy) Order 2015.
3 Section 399 of the Immigration Act 2009.

Partner agencies have worked with Treasury and recommend that new multi-year appropriations are established

It is desirable to have transparency and certainty in funding. However, in seeking funding early in the project cycle, this is not fully achievable.

Partner agencies have worked with the Treasury to determine a funding model that reflects current circumstances, including:

- Uncertainty on the timing and quantum of investment and enduring operational expenditure.
- Uncertainty on the split of capital and operating project costs.
- Uncertainty of the project resourcing split (e.g. project and communications staff) between agencies.
- Constraints in scope in existing appropriations; for example, limiting the ability of Immigration New Zealand to provide services to New Zealand citizens.
- A desire to have a single responsible Minister, preferably the Minister for COVID-19 Response.

The project seeks to establish two new Departmental Output Expense multi-year appropriations to run from 1 September 2021 to 30 June 2024.

Vote	Appropriation Minister	Title	Type	Scope
Vote Customs	Minister for COVID-19 Response	Traveller Declaration System Development	Departmental Output Expense	This appropriation is limited to the development of policies, procedures and systems to risk assess travellers, including the assessment of health risk, when crossing the New Zealand border.
Vote Labour Market	Minister for COVID-19 Response	Digital Border Support Services	Departmental Output Expense	This appropriation is limited to the provision of digital border support services to departments and other State sector organisations.

The project seeks $75 million appropriated to deliver Tranches One and part of Two

The project seeks a $42.1 million of capital injections to resource capital expenditure in Tranches 1 and 2.

The project seeks $23.7 million of funding to resource the project team to deliver Tranches One and Two (to December 2022) and delivery early works for Tranche Three. Appropriated project operating costs will be provided to Customs with other agencies accessing funding through 'Administration in Use' arrangements. Depreciation and capital charge funding for Customs and Immigration New Zealand will be directly appropriated.

The project seeks $9.2 million appropriated to extend funding to July 2021 for the additional Customs officers and airline liaison officers required to deliver the process. Funding for 2021/22 is already in place.

Project capital injection	$m – increase/(decrease)	
	2021/22	**2022/23**
Vote Customs **Minister of Customs** New Zealand Customs Service - Capital Injection	31.000	-
Vote Business, Science and Innovation **Minister for Economic Development** Ministry of Business, Innovation and Employment – Capital Injection	11.100	-

Project operating funding	$m – increase/(decrease)	
	2021/22 to 2022/23	**2023/24 and outyears**
Vote Customs **Minister for COVID-19 Response** Traveller Declaration System Development - MYA	16.800	-
Vote Labour Market **Minister for COVID-19 Response** Digital Border Support Services - MYA	6.900	-

Operating funding	$m – increase/(decrease)	
	2021/22	**2022/23**
Vote Customs **Minister of Customs** **Departmental Output Expenses:** Travellers Clearance and Enforcement (funded by revenue Crown)	-	6.400
Vote Labour Market **Minister of Immigration** **Multi-Category Expenses and Capital Expenditure:** Immigration Services MCA **Departmental Output Expenses:** Integrity and Security of the New Zealand Immigration System (funded by revenue Crown)	-	2.800

The project seeks a further $128.8 million as tagged Budget contingency to complete Tranche Two, deliver Tranche Three and ongoing operations

Given the uncertainties in Tranche Two and Three requirements, the cost of ongoing service delivery, and the applicability of Levy funding, the project seeks a tagged Budget contingency of $115.2 million of operating funding and $13.6 million of capital funding.

Release of these funds would be subject to the successful delivery of Tranche One and partial delivery of Tranche Two as well as appropriate report-backs (to be determined with Ministers).

We anticipate that the COVID-19 – Traveller Declaration System Tagged Operating Contingency and the COVID-19 – Traveller Declaration System Tagged Capital Contingency will expire on 30 June 2023.

Project capital and operating funding	$m – increase/(decrease)		
	2021/22	**2022/23**	**2023/24 and outyears**
Vote Customs Minister for COVID-19 Response			
COVID-19 – Traveller Declaration System Tagged Operating Contingency	-	40.000	75.200
COVID-19 – Traveller Declaration System Tagged Capital Contingency	-	13.600	-
Total		**53.600**	**75.200**