



Biosecurity New Zealand

Ministry for Primary Industries
Manatū Ahu Matua



NEW ZEALAND
CUSTOMS SERVICE
TE MANA ĀRAI O AOTEAROA

Border Processing Levies

Report on Performance for the Year to 30 June 2024

January 2025



Te Kāwanatanga o Aotearoa
New Zealand Government



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1. Introduction

The New Zealand Customs Service (Customs) and Biosecurity New Zealand – a business unit within the Ministry for Primary Industries – are responsible for providing secure border processes that facilitate legitimate international travel, while protecting New Zealand from biosecurity and other threats and risks posed by travellers as they cross the border.

Since 1 January 2016, Customs and Biosecurity New Zealand have used border processing levies to recover the cost of screening travellers as they cross the border. This system ensures that levied travellers arriving and departing New Zealand cover the cost that their travel creates, rather than taxpayers having to meet the cost.

The Border Processing Levies annual report on performance aims to provide transparency and accountability over the levies Customs and Biosecurity New Zealand collect and how they are used. This joint report sets out the legislation that authorises the collection of the levies, what services the levies cover, the volume of travellers during the financial year, the revenue collected through the levies, and the costs of delivering border protection services.

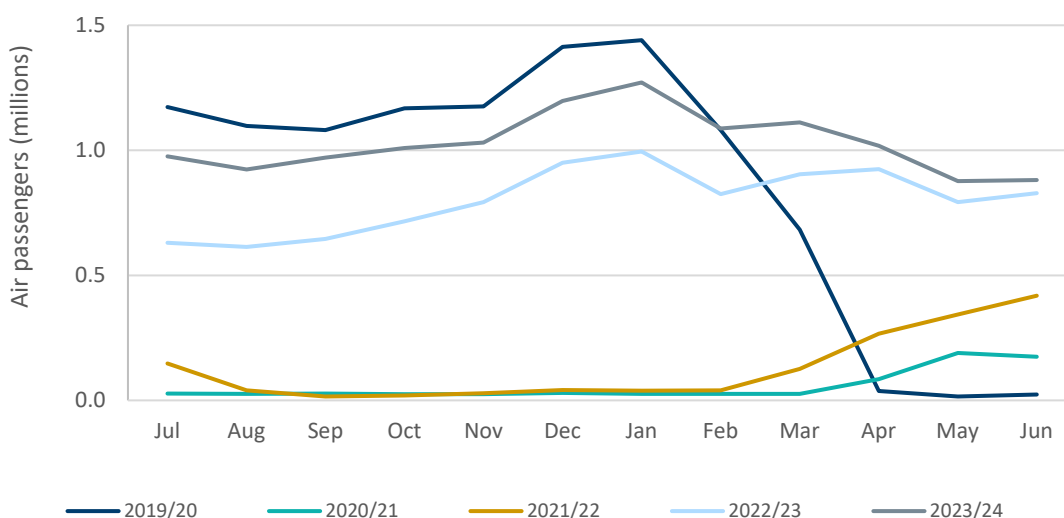
2. An overview of the 2023/24 financial year

Traveller volumes improve, but remain lower than pre-COVID levels

The number of commercial air passengers arriving and departing New Zealand have returned to around 90% of pre-COVID volumes. More than 12.3 million air passengers were processed as they crossed New Zealand's border in 2023/24.

The 2023/24 summer cruise season saw increased port visits and passenger numbers. During the season there were 1,102 port visits by cruise ships, with the arrival and departure of approximately 577,000 passengers. This compares with 866 port visits and 195,000 passengers in 2022/23. There are a range of factors that impact the number of cruise ships coming to New Zealand, including decisions by cruise operators on the most profitable routes.

Figure 1: Commercial air passengers (arriving and departing) per month



Passenger screening plays a critical role in protecting New Zealand

Customs and Biosecurity New Zealand risk assess all passengers to New Zealand, whether they arrive by air or sea. On arrival, passengers and their luggage are screened using a range of methods, including detector dogs, x-rays of baggage, screening by Customs and Biosecurity New Zealand officers, and baggage searches. These assessments help to identify illicit drugs and tobacco, biosecurity threats, and other prohibited items before they enter our communities.

During 2023/24, Customs saw an increase in attempts by passengers to smuggle illicit drugs across the border. This includes large seizures, such as the 63kg of methamphetamine and MDMA seized in a single day at Auckland airport through two separate seizures, and regular seizures of smaller amounts of drugs throughout the year.

Enhancing the integrity of the biosecurity system

Biosecurity New Zealand has strict rules and strong protections in place to prevent the establishment of pests and diseases entering the country and damaging our \$53.3 billion primary sector export industry. The biosecurity system has a number of measures in place to limit this risk through offshore audits, import standards and permits, border inspections, and post entry quarantine. All of this is supported and underpinned by assurance monitoring, intelligence assessments, diagnostics (labs), readiness, data and digital systems, policy advice, compensation, verification, compliance, and regulatory systems which support effective operations at the border.

This year, Biosecurity New Zealand focused on enhancing the integrity of the biosecurity system and delivered processing efficiencies with a number of new initiatives implemented. Biosecurity New Zealand invested in technical enhancements, implemented programmes of work that support efficient processing services and integrity at the border with increased verification, assurance, compliance, and surveillance activities.

Protecting New Zealand from biosecurity threats

The brown marmorated stink bug is an agricultural, horticultural, and social pest. It feeds on more than 300 plant species and could decimate our fruit and vegetable industries if it became established in New Zealand. Biosecurity New Zealand intercepted 111 live brown marmorated stink bugs at the border during the 2023/24 season, demonstrating New Zealand's biosecurity system in action.

MPI is actively working to manage the risk posed by these bugs. Together with screening by biosecurity officers at the border, offshore treatment requirements and the vehicle auditing system in Japan have proved effective in containing this risk. There continues to be no evidence of any established brown marmorated stink bug population in New Zealand. Surveillance activities targeted at the stink bugs continue to evolve as innovations based on international research are incorporated.

Improving compliance with biofouling rules

MPI has worked closely with cruise companies to help them understand and comply with New Zealand's biofouling rules, which aim to reduce the spread of invasive marine species. New Zealand's biofouling rules are among the strongest in the world. Biofouling evidence is required for all cruise vessels prior to arrival in New Zealand Territorial Waters. There was high compliance

over the 2023/24 summer season. Of the 54 cruise vessels that visited New Zealand, 49 were compliant (90.7%).

Implementation of the digital New Zealand Traveller Declaration

Customs led the development and implementation of the New Zealand Traveller Declaration (NZTD) alongside the Ministry for Primary Industries, the Ministry of Business, Innovation, and Employment (Immigration New Zealand), and the Ministry of Health. The design and development of the NZTD was funded by the Government. The ongoing operating costs of the NZTD system will be covered by the Border Processing Levies from the 2024/25 financial year onwards.

Travellers arriving in New Zealand complete the NZTD to support risk assessment processes. NZTD collects travel, customs, immigration, and biosecurity information, allowing travellers to self-declare any goods that may pose a biosecurity or other risk to our communities.

During 2023/24, the NZTD was progressively rolled out to all travellers, starting with international airports from July 2023, expanding to include passengers and crew arriving by sea from December 2023, and cruise ship passengers and crew from March 2024. The NZTD allows travellers to complete their declaration prior to arrival in New Zealand. This helps to make sure they are aware of New Zealand's border and biosecurity requirements. It also allows border agencies to assess passenger and crew information earlier, helping to identify potential threats.

Delivering cost-effective and efficient services

Customs and Biosecurity New Zealand are committed to providing passenger processing services that are delivered cost-effectively and efficiently, while ensuring that border screening services manage the broad range of risks and threats to our border.

Customs faces a number of cost pressures in the coming years. Like all public service agencies, it has had to carefully review all expenditure and make changes to its workforce and structure to ensure services can be delivered in a financially sustainable way. During 2023/24, Customs carried out a line-by-line review of expenditure to identify options to reduce costs. This included an organisational change process in the first half of 2024 that reviewed and restructured existing roles to ensure the right capabilities are where they need to be, when they need to be there.

Biosecurity New Zealand continued to use a rotational model that provides the opportunity to move resources to support passenger clearance in times of peak demand. Investment by both Customs and Biosecurity New Zealand in new technology and resources, such as the NZTD and 3D Real Time Tomography x-ray technology (see page 12), strengthen border risk management systems, support efficient business processes, and make it easier for passengers to move through screening areas.

3. How levy rates are calculated, collected, and managed

Border Processing Levies are authorised through legislation

The levies are authorised by section 413 of the Customs and Excise Act 2018 and section 140AA of the Biosecurity Act 1993. The levies are given effect by the Customs and Excise (Border Processing Levy) Order 2015 and the Biosecurity (Border Processing Levy) Order 2015 (the levy orders). Customs levy order provides four levy rates, for arriving and departing cruise and non-cruise travellers. The Biosecurity levy order provides for two levy rates, for arriving cruise travellers and non-cruise travellers. Some travellers are exempt from these levies as set out in Appendix 2.

Each levy order sets out the method for setting levy rates and uses the following formula:

an estimate of the border processing costs for the relevant levy period, adjusted as described below	divided by	an estimate of the number of travellers for the relevant levy period excluding exempt travellers
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The estimated border processing costs are adjusted to take account of:

- any estimated under or over-recovery of costs for the previous levy period
- any remaining under or over-recovery for the period before the previous levy period.

The current levy period, applied during the 2023/24 financial year, began on 1 December 2021 and ended on 30 November 2024.

Airlines and cruise operators collect the levies from travellers through their tickets and pass it on to Customs and Biosecurity New Zealand. For travellers on other craft such as yachts, Customs and Biosecurity New Zealand collect the levies directly from the person in charge of the craft, or an agent of the owner or operator of the craft.

The levies recover the cost of activities carried out by Customs and Biosecurity New Zealand related to travellers. These activities are described in Appendix 1.

Cost recovery frameworks are based on guidance from the Treasury and Auditor-General guidance

Customs and Biosecurity New Zealand use cost recovery frameworks that are consistent with guidance published by the Treasury and the Office of the Auditor-General. The four key principles that guide our approach to cost recovery are:

- **Equity** – funding is sourced from those that use the services or generate the need for them
- **Efficiency** – high service standards delivered at a sustainable cost
- **Transparency** – only recover the costs of delivering the service
- **Justifiability** – information is clearly provided about funding decisions, including costs and charges.

These principles are used to ensure that the fees and levies are fair, proportionate, and are used appropriately.

Use of memorandum accounts to manage cost recovery

Revenue collected through the levies is managed through memorandum accounts to ensure that this funding is only used to provide the services required by the levy payer and cannot be used to subsidise activities performed elsewhere in Customs or Biosecurity New Zealand.

Memorandum accounts summarise financial information related to the provision of services covered by a levy. They include any accumulated surplus or deficit resulting from revenue and expenses not offset in any given period. Levy rates are set with the intention of returning the balance in the memorandum account to zero by the end of each levy period.

Any memorandum account surplus or deficit that exists at the end of a levy period needs to be considered when setting the future levy rates. Accordingly, a surplus or deficit in the memorandum accounts could result in lower or higher levy rates in the next levy period.

The movements of the memorandum accounts are reported annually through this performance report (see pages 15-16) and in the annual reports of each agency¹.

¹ The New Zealand Customs Service Annual Report for the 2023/24 financial year is available at <https://www.customs.govt.nz/globalassets/documents/corporate-documents/annual-report-2024-interactive-version.pdf>

Financial information relating to Biosecurity New Zealand is published in the Ministry for Primary Industries Annual Report available at <https://www.mpi.govt.nz/about-mpi/corporate-publications/annual-reports-of-the-ministry-for-primary-industries/>

4. Levy rates

Table 1 shows the levy rates applied during the 2023/24 financial year. These rates were approved by the Government in September 2021. The Comptroller of Customs and the Director-General of the Ministry for Primary Industries set the levy rates listed below for the period starting on 1 December 2021 and ending on 30 November 2024.

Table 1 – Border processing levy rates 2021 – 2024

Levy rates		Levy rates	
Non-cruise travellers		Cruise travellers	
Arrival - Customs	\$16.59	Arrival - Customs	\$11.48
Arrival - MPI	\$16.92	Arrival - MPI	\$10.58
Departure - Customs	\$4.52	Departure - Customs	\$4.55

Levy rates are shown exclusive of any applicable Goods and Services Tax (GST).

New levy rates applied from 1 December 2024

In September 2024, the Government approved changes to the levy caps to ensure that they will allow Customs to fully recover the estimated costs of screening and facilitation services. The Customs levies for the new levy period, 1 December 2024 to 30 June 2027, are lower for most travellers. This reflects the increased revenue generated through the levy now that traveller volumes have almost returned to pre-COVID levels.

Customs levy rate for arriving cruise passengers during the 2021-2024 levy period was not sufficient to cover costs. This includes the infrastructure, staff, and support mechanisms needed to support cruise passenger processing. Together with the increased costs to support the New Zealand Traveller Declaration system and the maritime supply chain security changes, this levy needs to be higher in the next levy period to recover the forecast costs.

The Biosecurity New Zealand levy rates have been retained at their current level and are expected to recover the costs incurred over the levy period.

The Comptroller of Customs and the Director-General of the Ministry for Primary Industries set the levy rates listed in Table 2 for the period starting on 1 December 2024 and ending on 30 June 2027.

Table 2 – Border processing levy rates 1 December 2024 – 30 June 2027

New rates		New rates	
Non-cruise travellers		Cruise travellers	
Arrival - Customs	\$13.04	Arrival - Customs	\$27.14
Arrival - MPI	\$16.92	Arrival - MPI	\$10.58
Departure - Customs	\$3.62	Departure - Customs	\$0.68

Levy rates are shown exclusive of any applicable Goods and Services Tax (GST).

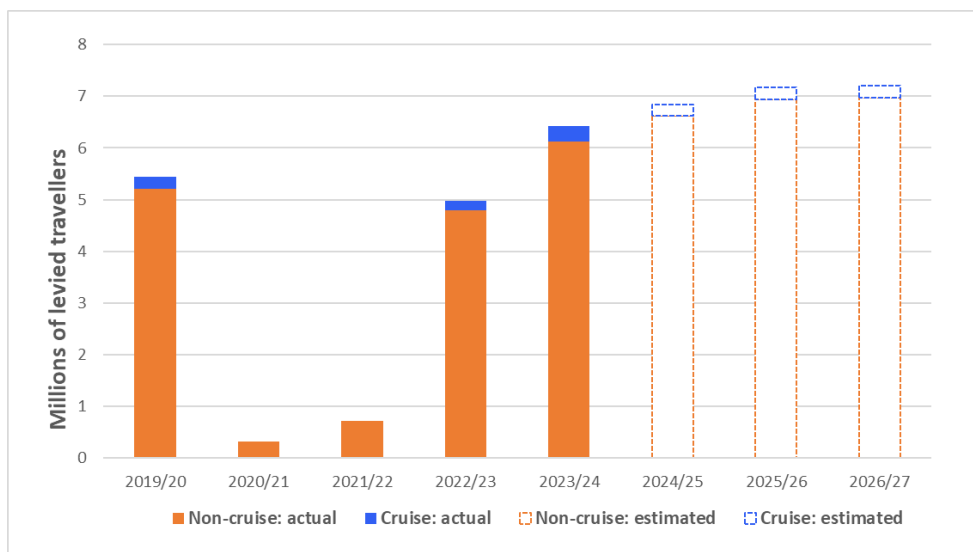
5. Traveller numbers

The estimated number of travellers is based on scenario modelling that was approved by the Border Executive Board² in June 2024 for border and transport agencies to use for planning purposes. The modelling is designed to reflect projected demand looking towards summer, the speed at which traveller numbers are recovering to pre-COVID levels, historical load factors, and external factors such as high fuel prices and continued high inflation.

Table 3 - Actual and forecast number of levied travellers

	2022/23 Actual (million)	2023/24 Actual (million)	2024/25 Forecast (million)	2025/26 Forecast (million)	2026/27 Forecast (million)
Non-cruise					
Arrival	4.793	6.129	6.617	6.945	6.978
Departure	4.690	6.068	6.617	6.945	6.978
Cruise					
Arrival	0.191	0.287	0.214	0.220	0.235
Departure	0.189	0.285	0.214	0.220	0.235

Figure 2 - Actual and forecast number of levied traveller arrivals



² In December 2020 Cabinet agreed to establish the Border Executive Board (BEB), an inter-departmental executive board under the Public Service Act 2020. The overall objective of the BEB is the collective leadership and accountability for New Zealand's border to protect New Zealand from current and future risks associated with incoming and outgoing people, goods, and craft. The BEB is made up of the Chief Executives of the six government departments with responsibility for border functions – the New Zealand Customs Service, Ministry for Primary Industries, Ministry of Business, Innovation, and Employment, Ministry of Health, Ministry of Transport, and the Ministry of Foreign Affairs and Trade.

6. New Zealand Customs Service

Work Programme

With over 12 million passengers and crew arriving and/or departing New Zealand each year, Customs focus is on ensuring it provides secure border processes that facilitate legitimate international travel while reducing associated threats.

Using technology to improve risk assessments and reduce processing times for travellers

Implementation of the New Zealand Traveller Declaration (NZTD)

The successful introduction of the NZTD for all passengers and crew was a key focus for Customs during 2023/24.

Passengers arriving in Wellington, Christchurch, and Queenstown airports were able to complete a digital declaration from July 2023, and passengers arriving into Auckland Airport from August 2023. Digital declarations were progressively rolled out to passengers and crew on marine vessels from December 2023.

By 28 March 2024 all passengers and crew arriving in New Zealand were able to complete a digital declaration. The NZTD system has improved data collection and analysis for border agencies improving the way agencies manage risk relating to travellers crossing the border.

Expanding access to eGates

During 2023/24, Customs expanded the number of passengers who can use eGates to move through passport screening areas. Passport holders from 22 different countries, around 80% of all passengers can now use eGates when entering New Zealand. This means that more low-risk air travellers are processed quickly through Customs screening, enabling a greater focus on those travellers who present a higher risk. The age of eligibility for using eGates was also lowered from 12-years to 10-years, allowing more family groups to use eGates.

Addressing congestion points

During 2023/24, border agencies, airlines, and industry partners worked together to address congestion at Auckland Airport. This included work to understand how quickly agencies were able to process passengers and advance planning to manage resourcing issues over the summer and school holiday peak periods. As a result of this work, demand was well managed during the summer period, with few reports of long wait times. Customs and other border agencies are working alongside Auckland International Airport Ltd to support redevelopment plans addressing congestion points. This should make it easier for passengers as they move through processing areas at the airport.

Effective border screening processes manage threats to New Zealand

Border screening processes help to make sure that arriving travellers do not bring goods that could cause harm to New Zealand. This includes illicit drugs and tobacco, weapons, the possession of objectionable material, money laundering, and goods used to commit crimes involving dishonesty (such as scams) or intellectual property breaches. As traveller numbers have increased, there has been a corresponding increase in attempts by passengers to smuggle drugs and other prohibited goods across the border.

Customs partners with international border and law enforcement agencies to improve border security through effective risk identification, information sharing, and collaboration on initiatives disrupting transnational organised crime and other criminal activity. Customs officers play a key role in identifying suspicious behaviour and detecting illicit drugs and other items carried by passengers.

Responding to increased threats to maritime supply chain security

Customs is increasing its presence at maritime ports around the country to respond to increased criminal activity in the maritime supply chain. This includes attempts to smuggle illicit drugs and other goods across the border through commercial shipments and by passengers or crew. Funding to establish an expanded presence at ports, as well as additional intelligence and investigative capacity has been provided for two years through Budget 2023. From 2025/26 the ongoing costs will be met through the fees and levies Customs collects. The Border Processing Levy's portion of these costs has been built into the rates for the 2024-2027 levy period.

As New Zealand remains an attractive market for organised crime groups, it is likely that attempts to smuggle prohibited goods across the border will continue. Customs continuously works to improve its screening processes and to work with national and international partners to understand global trends and changes to the risks and threats posed by travellers arriving by sea and air.

7. Biosecurity New Zealand

Work Programme

Biosecurity New Zealand maintained effective biosecurity standards over the past year. There were 6.1 million non-cruise passengers screened at the border, with a compliance rate of 98.7%. Cruise vessels achieved 90% compliance with New Zealand's biofouling rules in the 2023/24 summer season, up from 74.4% in 2022/23.

The interventions in the biosecurity system included international requirements for treatment of risk goods, border inspections, digital enhancements, and surveillance activities to prevent the establishment of pests and unwanted organisms (such as the Brown Marmorated Stink Bug and Fruit Fly). The focus of this year's work programme was to deliver initiatives that provide effective risk management at the border and further strengthen the biosecurity system.

Resourcing for a changing world

Biosecurity New Zealand continues to invest in the capability of its people. The use of a rotational staffing model provides the opportunity to move resources to support airport and cruise passenger clearance in times of peak demand.

Biosecurity New Zealand also established the Biosecurity Compliance Inspectorate to strengthen the ability to respond to and investigate breaches of biosecurity system legislation.

This investment in frontline resources has supported efficient and effective passenger processing and provided the verification and assurance mechanisms required for border integrity.

Digital Border

Biosecurity New Zealand continues exploring enabling technologies and digital initiatives towards a Digital Border. The benefits of digital border initiatives include strengthening the biosecurity system, supporting import and export requirements, improved traveller compliance with border requirements, streamlined traveller journey, enhanced risk management, effective communications, efficient business processes and improved information and data management.

The New Zealand Traveller Declaration (NZTD) enhances the biosecurity system with improved traveller communication and information on border requirements and allows a more streamlined traveller journey at the border.

The use of the 3D Real Time Tomography x-ray technology in Auckland International Airport has been trialled and is now being used to support processing of high-volume food parcels. This technology reduces the need to send the parcels straight to full search.

Process Enhancements

During 2023/24, new measures were introduced to support passenger clearance and to strengthen integrity at the border. This includes:

- Trialling the use of Biosecurity hosts
- Hiring additional quarantine officers
- Express risk assessment
- Dedicated resource at Auckland Airport to support mishandled baggage
- Layout changes in Christchurch Airport to streamline passenger flow.

Biosecurity hosts were employed to support additional demand over the summer passenger peak period. These hosts successfully helped streamline passenger flow and improved the passenger experience. The success of this initiative meant it was extended further to support other peak demands during the financial year.

New quarantine officers were employed to build capacity and capability. In 2023, 95 new officers started nationwide (70 in Auckland, 11 in Wellington, 10 in Christchurch and four in Queenstown). Between January and June 2024, a further 63 officers were recruited, and another cohort started in August.

Following a successful trial in May 2023, dedicated lanes at Auckland Airport were established to process low-risk New Zealand and Australian passport holders, with assurance measures in place to maintain border integrity. The NZTD has enabled greater use of the express lane as it has allowed passenger eligibility to be quickly identified and directed through the express lane with a detector dog verification screening at the end.

NZTD also provided Biosecurity New Zealand an opportunity to enhance cruise passenger processing in Auckland. Inspectors' primary focus is now on travellers with something to declare, while performance verification, based on Biosecurity New Zealand's Recognised Cruise Line Programme and random verification provides the assurance remaining travellers are compliant. This has seen a significant improvement in cruise processing times for travellers and compliance has remained high.

To improve the handling of baggage, Biosecurity New Zealand partnered with key stakeholders at Auckland Airport to ensure the operational process was appropriately resourced and streamlined where possible, while still maintaining effective biosecurity standards.

Surveillance

Biosecurity surveillance activities support the border to prevent the establishment of pests and unwanted organisms. The related surveillance activities include surveillance programmes, diagnostics, and incursion investigation activities at the border and high-risk places to prevent slippage of pests and diseases through the maritime, cargo and air border pathways.

Targeted surveillance programmes (such as the Brown Marmorated Stink Bug and Fruit Fly programmes) are designed to look for specific organisms in specified hosts or high-risk places such as Ports of First Arrival. Pathway surveillance programmes are designed to target high risk places to look for pests, diseases, and other risk organisms.

General surveillance also enables reporting of pests, diseases and risk organisms that have slipped through border processing activities to the exotic pests and disease hotline (0800 80 99 66) and the on-line form.

Declare and Dispose Campaigns

Biosecurity New Zealand delivered targeted educational campaigns to help raise passenger awareness of the biosecurity risks of fresh produce, meat, brown marmorated stink bug and fruit fly. These campaigns helped reduce the number of biosecurity risk items being brought into the country by air and cruise passengers and supports the targeted surveillance programmes.

8. Financial information

Memorandum account balances

A memorandum account is used to manage the revenue collected through fees and levies and ensure it is only used to provide services required by the levy payer. A memorandum account allows for the fact that revenue and expenses may not necessarily equate in any given financial year. The balance is expected to trend to zero over the period of the levy – usually three years. This allows agencies to take a long-term perspective to fee setting and cost recovery.

The memorandum accounts have been in deficit for the last few years due to the impact of border closures during the COVID-19 pandemic. As traveller numbers recovered, most accounts returned to surplus in 2023/24.

Forecast revenue and expenditure levels in the following tables reflect the changes in levy rates from 1 December 2024 and the cost of all known recoverable activities through to June 2027.

Table 4 – Customs memorandum account balances

	2022/23 Actual (\$m)	2023/24 Actual (\$m)	2024/25 Forecast (\$m)	2025/26 Forecast (\$m)	2026/27 Forecast (\$m)
Non-cruise arrival					
Opening balance	(49.170)	(30.763)	8.209	13.973	7.820
Revenue	79.577	102.686	99.722	90.999	91.429
Cost	(61.170)	(63.714)	(93.958)	(97.152)	(100.260)
Closing balance	(30.763)	8.209	13.973	7.820	(1.011)
Non-cruise departure					
Opening balance	(13.113)	(9.774)	(3.170)	(0.371)	0.343
Revenue	21.176	27.576	26.588	25.311	25.431
Cost	(17.838)	(20.972)	(23.789)	(24.597)	(25.384)
Closing balance	(9.774)	(3.170)	(0.371)	0.343	0.389
Cruise arrival					
Opening balance	1.073	0.732	0.548	0.707	0.237
Revenue	2.196	3.686	6.414	5.999	6.406
Cost	(2.536)	(3.870)	(6.256)	(6.469)	(6.676)
Closing balance	0.732	0.548	0.707	0.237	(0.033)
Cruise departure					
Opening balance	0.225	0.504	1.076	0.887	0.446
Revenue	0.860	1.312	0.386	0.155	0.165
Cost	(0.580)	(0.741)	(0.575)	(0.595)	(0.614)
Closing balance	0.504	1.076	0.887	0.446	(0.003)
Total closing balance	(39.300)	6.663	15.196	8.846	(0.657)

Table 5 - Biosecurity New Zealand memorandum account balances

	2022/23	2023/24	2024/25	2025/26	2026/27
	Actual (\$m)	Actual (\$m)	Forecast (\$m)	Forecast (\$m)	Forecast (\$m)
Non-cruise					
Opening balance	(40.646)	(18.881)	18.180	24.589	14.494
Revenue	81.232	103.923	111.984	117.530	118.087
Cost	(59.467)	(66.862)	(105.575)	(127.625)	(132.187)
Closing balance	(18.881)	18.180	24.589	14.494	0.394
Cruise					
Opening balance	-	-	-	-	-
Revenue	1.915	3.057	2.267	2.328	2.487
Cost	(1.915)	(3.057)	(2.267)	(2.328)	(2.487)
Closing balance	-	-	-	-	-
Crown funding (used to fund exempt travellers)					
Opening balance	-	-	-	-	-
Revenue	0.592	0.592	0.592	0.592	0.592
Cost	(0.592)	(0.592)	(0.592)	(0.592)	(0.592)
Closing balance	-	-	-	-	-
Total closing balance	(18.881)	18.179	24.589	14.494	0.394

Levy revenue

Levy related revenue increased in 2023/24 as the number of travellers continued to increase. Forecast levy revenue includes the levy rate changes from 1 December 2024.

Table 6 - Customs Border Processing Levy related revenue

	2022/23 Actual (\$m)	2023/24 Actual (\$m)	2024/25 Forecast (\$m)	2025/26 Forecast (\$m)	2026/27 Forecast (\$m)
Non-cruise					
Arrival	79.577	102.686	99.722	90.999	91.429
Departure	21.176	27.576	26.588	25.311	25.431
Total non-cruise	100.753	130.262	126.310	116.311	116.860
Cruise					
Arrival	2.196	3.686	6.414	5.999	6.406
Departure	0.860	1.311	0.386	0.155	0.165
Total cruise	3.056	4.997	6.800	6.153	6.571
Total levy revenue	103.809	135.260	133.110	122.464	123.431

Table 7 - Biosecurity New Zealand Border Processing Levy related revenue

	2022/23 Actual (\$m)	2023/24 Actual (\$m)	2024/25 Estimate (\$m)	2025/26 Estimate (\$m)	2026/27 Forecast (\$m)
Non-cruise	81.232	103.923	111.984	117.530	118.087
Cruise	1.915	3.057	2.267	2.328	2.487
Crown	0.592	0.592	0.592	0.592	0.592
Total revenue	83.739	107.572	114.843	120.450	121.166

Border processing costs

Expenditure on passenger processing services rose in 2023/24 due to increased traveller volumes, particularly for cruise passengers, as well as increased salary costs, and general inflation. Expenditure is forecast to increase further in the 2024/25 financial year due to the recovery of ongoing NZTD costs (see below).

Table 8 – Customs border processing costs

	2022/23	2023/24	2024/25	2025/26	2026/27
	Actual	Actual	Forecast	Forecast	Forecast
	(\$m)	(\$m)	(\$m)	(\$m)	(\$m)
Non-cruise					
Arrival	61.170	63.714	93.958	97.152	100.260
Departure	17.838	20.972	23.789	24.597	25.384
Total non-cruise	79.008	84.686	117.747	121.749	125.644
Cruise					
Arrival	2.536	3.870	6.256	6.469	6.676
Departure	0.580	0.741	0.575	0.595	0.614
Total cruise	3.116	4.611	6.831	7.064	7.290
Total cost	82.124	89.297	124.578	128.813	132.934

^[1] Customs' border processing costs related to each class of levied traveller excludes the costs to process exempted travellers.

^[2] A new levy period and rates began on 1 December 2024.

Table 9 – Biosecurity New Zealand border processing costs

	2022/23	2023/24	2024/25	2025/26	2026/27
	Actual	Actual	Forecast	Forecast	Forecast
	(\$m)	(\$m)	(\$m)	(\$m)	(\$m)
Non-cruise	59.467	66.862	105.575	127.625	132.187
Cruise	1.915	3.057	2.267	2.328	2.487
Crown	0.592	0.592	0.592	0.592	0.592
Total expenditure	61.974	70.511	108.434	130.545	135.266

Recovery of New Zealand Traveller Declaration costs

The Crown funded all costs related to the development and implementation of the NZTD through to 30 June 2024. From 1 July 2024 onwards, all NZTD operating costs will be recovered from travellers through Border Processing Levies.

The majority of these costs will be recovered through the Customs Border Processing Levy. Customs, Biosecurity New Zealand, and Immigration New Zealand all collect data using the NZTD,

but Customs incurs the cost of operating and maintaining the core system and the NZTD Contact Centre on behalf of the three agencies.

Agency specific costs for the processing of data collected by the NZTD will be funded separately by each agency. Biosecurity New Zealand will recover these costs through its Border Processing Levy.

Expenditure per levied traveller

The revenue collected through the levies enable Customs and Biosecurity New Zealand to manage border risks while also streamlining travellers' interaction at the border. These tables show the break down of costs per levied traveller. Expenditure is expected to increase from 2024/25 onwards due to the addition of operating costs for the NZTD system, maritime supply chain security, and other investments in technology, compliance, and surveillance activities.

Table 10 – Customs expenditure per levied traveller

	2022/23	2023/24	2024/25	2025/26	2026/27
	Actual	Actual	Forecast	Forecast	Forecast
Non-cruise					
Arrival	\$12.76	\$10.40	\$14.20	\$13.99	\$14.37
Departure	\$3.80	\$3.46	\$3.59	\$3.54	\$3.64
Cruise					
Arrival	\$13.26	\$13.48	\$29.20	\$29.40	\$28.40
Departure	\$3.07	\$2.60	\$2.69	\$2.70	\$2.61

Table 11 – Biosecurity New Zealand expenditure per levied traveller

	2022/23	2023/24	2024/25	2025/26	2026/27
	Actual	Actual	Forecast	Forecast	Forecast
Non-cruise	\$12.40	\$10.91	\$15.95	\$18.38	\$18.94
Cruise	\$10.58	\$10.58	\$10.58	\$10.58	\$10.58

9. Performance information

Customs non-financial performance measures

Customs monitors the performance of border processing services against eight output measures. All eight measures were achieved in 2023/24. More detail is set out in the New Zealand Customs Service Annual Report 2024 for the appropriation, *Travellers clearance and enforcement*.

Table 12 – Customs non-financial performance measures

2022/23 Actual	Measure	2023/24		2024/25 Standard
		Standard	Actual	
Sea				
100%	Percentage of arriving commercial marine craft assessed as high risk or requiring administrative process that are subject to planned interaction while in a New Zealand port	100%	100%	100%
2%	Percentage of all arriving commercial marine craft that are not assessed as high risk that will be subject to Customs secondary interaction	5%	6.6%	5%
16.9%	Percentage of arriving small craft subject to Customs secondary interaction	20%	34.9%	20%
Air				
99.5%	Percentage of arriving international air passengers and crew not requiring intervention after risk assessment	98%	99.6%	98%
0.5%	Percentage of arriving international air passengers and crew who are selected for further risk assessment at Customs' secondary areas	0.4%– 0.7%	0.4%	0.4%– 0.7%
10.5%	Result rate of secondary searches of arriving international air passengers and crew	6.0%– 10.0%	8.4%	6.0%– 10.0%
1,001	Number of arriving air passengers selected for random interventions (under Customs' Assurance programme)	2,150	2,458	2,150
Investigations and enforcement				
Amended measure	Percentage of investigations, related to travellers and their possessions, where prosecution is initiated	75%	95%	75%

Customs also monitors the implementation of the New Zealand Traveller Declaration through two measures. In 2023/24, Customs met one measure and did not meet the second as set out below. More information is set out in the New Zealand Customs Service Annual Report 2024 for the *Traveller Declaration System Development* appropriation.

Table 13 – New Zealand Traveller Declaration measures

2022/23		2023/24		2024/25
Actual	Measure	Standard	Actual	Standard
New measure	Percentage of arriving travellers who complete their arrival declaration online	45%	43.6%	70%
	<p>Not achieved – The NZTD had a phased roll out starting in July 2023, supported by an awareness campaign and promotion ramping up to a global education campaign in October 2023. Digital uptake has progressively increased as a result of ongoing engagement initiatives with air and maritime industry partners as well as promotional and communications activity. Digital uptake did not quite reach the target on 30 June 2024, falling short by 252 passengers (an equivalent of one smaller aircraft). We continue to focus on our digital uptake strategy and are on track to achieve 70% uptake by December 2024. This target aligns with both Ministerial Priorities and Customs’ priority of increasing the use of digital services.</p>			
New measure	Percentage of arriving travellers who need to seek help from the contact centre in order to complete their arrival declaration	3% or less	0.7%	3% or less

Biosecurity New Zealand non-financial performance measures

More details about how Biosecurity New Zealand monitors the performance is set out in the Ministry for Primary Industries Annual Report 2023/24 for the multi-category appropriation, *Biosecurity: Border and Domestic Biosecurity Risk Management*, under the *Border Biosecurity Monitoring and Clearance* category.

Table 14 – Biosecurity New Zealand non-financial performance measure

2022/23		2023/24		2024/25
Actual	Measure	Standard	Actual	Standard
98.8%	Percentage of international air travellers that comply with biosecurity requirements on leaving the airport	> 98.5%	98.7%	> 98.5%



Appendix 1: Border processing activities

Customs and Biosecurity New Zealand’s border processing costs that can be recovered by the levies are limited to costs related to relevant travellers and their baggage and other relevant goods. Table 1 describes the types of activities that give rise to these costs.

Appendix 1 Table 1 - Illustrative list of border processing activities

Customs	Biosecurity New Zealand
<p>Pre-border risk assessment and related activities</p> <ul style="list-style-type: none"> liaising with other government agencies about protecting against border risks related to travellers patrolling the coastline gathering intelligence on incoming travellers modelling and analysis of information processing electronic data related to travellers identifying travellers of interest. 	<p>Pre-border risk assessment and related activities</p> <ul style="list-style-type: none"> screening for targeted interventions and identifying travellers of biosecurity interest. <p>Pre-border processing travellers and their goods</p> <ul style="list-style-type: none"> en-route biosecurity processing where possible. <p>Planning</p> <ul style="list-style-type: none"> co-ordinating resourcing and tasking of border activities.
<p>Pre-border advice and engagement</p> <ul style="list-style-type: none"> providing advice to travellers liaising with industry, including planning and problem solving in relation to processing travellers. 	<p>Pre-border advice and engagement</p> <ul style="list-style-type: none"> managing craft applications for arrival at non-approved Places of First Arrival.
<p>At-border processing travellers and their goods</p> <ul style="list-style-type: none"> primary processing (manual and via eGate): validating identity, completing health-related and immigration processes, identifying travellers of interest, including questioning and using detector dogs secondary processing: interacting with travellers of interest, including questioning, x-ray and searching Search passenger craft, including using detector dogs. 	<p>At-border processing travellers and their goods</p> <ul style="list-style-type: none"> assessing arrival documentation against biosecurity requirements verifying compliance to biosecurity requirements of travellers using intervention tools, e.g., communications, searches, detector dogs, x-ray Collecting information related to pathways and effectiveness of interventions.
<p>Investigations and compliance</p> <ul style="list-style-type: none"> disrupting illegal activity before travellers of interest arrive in New Zealand monitoring travellers of interest after they have completed at-border processing carrying out investigations resulting in enforcement action dealing with goods seized from travellers. 	<p>Investigations and compliance</p> <ul style="list-style-type: none"> reviewing and managing high-risk travellers verifying the process for disposing of goods seized from travellers investigating non-compliance compliance monitoring and analysis to measure performance of pathways.

Appendix 2: Travellers exempt from paying the levies

Tables 1 and 2 show the two kinds of travellers exempt from paying levies under Customs' levy order. Similar exemptions apply under the Biosecurity levy order.

Appendix 2 Table 1 - Levy-funded exempt travellers

- (a) a traveller under the age of 2 years
- (b) a traveller who arrives in, or departs, New Zealand on an international aircraft otherwise than as a passenger
- (c) a traveller who arrives in, or departs, New Zealand on a cruise ship otherwise than as a passenger
- (d) a traveller who –
 - (i) arrives in New Zealand on an aircraft
 - (ii) is not required to report to a Customs officer at an arrival hall because the traveller is in transit to a place outside New Zealand
- (e) a traveller who, having arrived in New Zealand as referred to in paragraph (d), departs New Zealand on an aircraft for the place outside New Zealand without having been required to enter a departure hall.

Appendix 2 Table 2 - Non-levy funded exempt travellers

- (b) a traveller who arrives in, or departs, New Zealand on any of the following:
 - (i) a craft being operated by the New Zealand Defence Force or the defence forces of any Government other than that of New Zealand
 - (ii) a craft being used wholly for diplomatic or ceremonial purposes of any Government
 - (iii) a craft being used wholly for the purposes of a mission being carried out or organised by any Government that is a humanitarian mission or a mission in response to an emergency or a crisis
 - (iv) a craft being used for the purposes of an official expedition of a Contracting Party
 - (v) a non-passenger commercial craft
- (c) a traveller who arrives in New Zealand after having been rescued at sea
- (d) a traveller who arrives in New Zealand wholly for the purpose of seeking temporary relief from stress of weather
- (e) a traveller who, having arrived in New Zealand as referred to in paragraph (h), departs New Zealand as soon as is reasonably practicable
- (f) a traveller who departs New Zealand on a craft on a journey—
 - (i) that is not intended to go beyond the exclusive economic zone
 - (ii) that is not intended to include a meeting with any craft or persons entering the exclusive economic zone from a point outside New Zealand
- (g) a traveller who arrives in New Zealand on a craft—
 - (i) that has returned to New Zealand after a journey that did not extend beyond the exclusive economic zone
 - (ii) that did not meet during that journey with any other craft or persons entering the exclusive economic zone from a point outside New Zealand.