

Regulatory Impact Statement: New Zealand Travel Declaration – Regulations to exempt persons from requirements to provide arrival information

Coversheet

Purpose of Document	
Decision sought:	This RIS informs final Cabinet decisions on who to exempt from requirements to provide Customs with arrival information. Regulations are required to make an exemption. This regulation-making power would be made through the Customs and Excise (Arrival Information) Amendment Bill, currently before Select Committee.
Advising agencies:	New Zealand Customs Service (Customs)
Proposing Ministers:	Minister of Customs
Date finalised:	8 March 2023
Problem Definition	
<p>The policy problem is to identify situations where it is not practical or necessary for people to provide Customs with arrival information, and an exemption is justified. Any exemption would be in addition to those already agreed by Cabinet.</p> <p>The aim is to ensure requirements to provide Customs with arrival information do not impose unnecessary costs that outweigh the benefits to border risk management for certain classes of travellers arriving in New Zealand.</p>	
Executive Summary	
<p>The Customs and Excise (Arrival Information) Amendment Bill (the Bill), currently before Select Committee will provide clearer arrival information obligations and support the digitisation of the paper arrival card.</p> <p>The New Zealand Traveller Declaration (NZTD) is a tool which will enable people travelling to New Zealand to comply with arrival information requirements digitally in advance of arrival.</p> <p>Cabinet has agreed that requirements to complete the Customs sections¹ of the NZTD will apply to all people arriving in New Zealand, except where:</p> <ul style="list-style-type: none"> a traveller who arrives in New Zealand after having been rescued at sea; a traveller who arrives in New Zealand wholly for the purpose of seeking temporary relief from stress of weather; and 	

¹ The NZTD is a joint-agency tool that enables border agencies to collect arrival information based on their own legislation. A declaration includes customs, immigration, and biosecurity border requirements.

- a traveller who arrives in New Zealand under a medical evacuation.

This approach recognises the policy rationale that all people arriving in New Zealand present some level of border risk, regardless of where they come from or the mode of arrival. The arrival information provided through the NZTD on those people can assist in assessing risk.

This RIS considers further circumstances where it is not justified for Customs to collect arrival information, as the costs or practicalities of collecting the arrival information outweigh the benefits. Our preferred options are that the following classes of travellers should also be exempt:

- **maritime crew on commercial cargo vessels** that do not permanently disembark, including crew that take shore leave (note this does not include commercial fishing vessels or cruise ships)
- **maritime passengers and crew on sovereign immunity vessels** that receive diplomatic clearance by the Ministry of Foreign Affairs and Trade (MFAT) that do not permanently disembark
- **air passengers who are transiting through New Zealand** and stay in the transit area of an airport.

Customs, in partnership with border agencies, undertook targeted consultation with maritime industry groups on the proposed exemption options. Industry groups signalled their overall support, noting an exemption for crew on commercial cargo vessels would be appropriate due to operational and supply chain implications.

The regulations which set out the exemptions will need to be in place before the Bill comes into force and the NZTD goes live (on 21 June 2023). Other border agencies will assess and make any changes to their own legislation to operationalise the NZTD, including exemptions.

Limitations and Constraints on Analysis

The timeframe for developing this analysis has been constrained by the commencement date of the Bill to come into force on 21 June 2023, and the need for regulations to be made and notified in the New Zealand Gazette before this date.

Consultation has been limited to maritime industry groups who will have a direct role in operationalising the NZTD. Customs, in partnership with the Ministry for Primary Industries (MPI), undertook targeted consultation on proposed exemption options agreed by the Minister of Customs in December 2022. Wider consultation was not feasible due to time and resource constraints.

Responsible Manager (completed by relevant manager)

Paula Strickson
Acting Manager Border Management and Protection
New Zealand Customs Service

8 March 2023

Quality Assurance (completed by QA panel)

Reviewing Agency: New Zealand Customs Service

Panel Assessment & Comment:

The New Zealand Customs Service RIA Panel has reviewed the RIS prepared by Customs, the “New Zealand Travel Declaration – Regulations to exempt persons from requirements to provide arrival information”.

The Panel consider that the information and analysis summarised in the RIS meets the quality assurance criteria. The Panel did note that consultation has been limited to maritime industry groups who will have a direct role in operationalising the NZTD. The public and other stakeholders have had opportunity to comment on the Customs and Excise (Arrival Information) Amendment Bill (the Bill), currently before Select Committee. The Bill proposes clearer arrival information obligations and support for the digitisation of the paper arrival card. Any relevant submissions were considered as part of the policy development for this RIS.

PROACTIVELY RELEASED

Section 1: Diagnosing the policy problem

What is the context behind the policy problem and how is the status quo expected to develop?

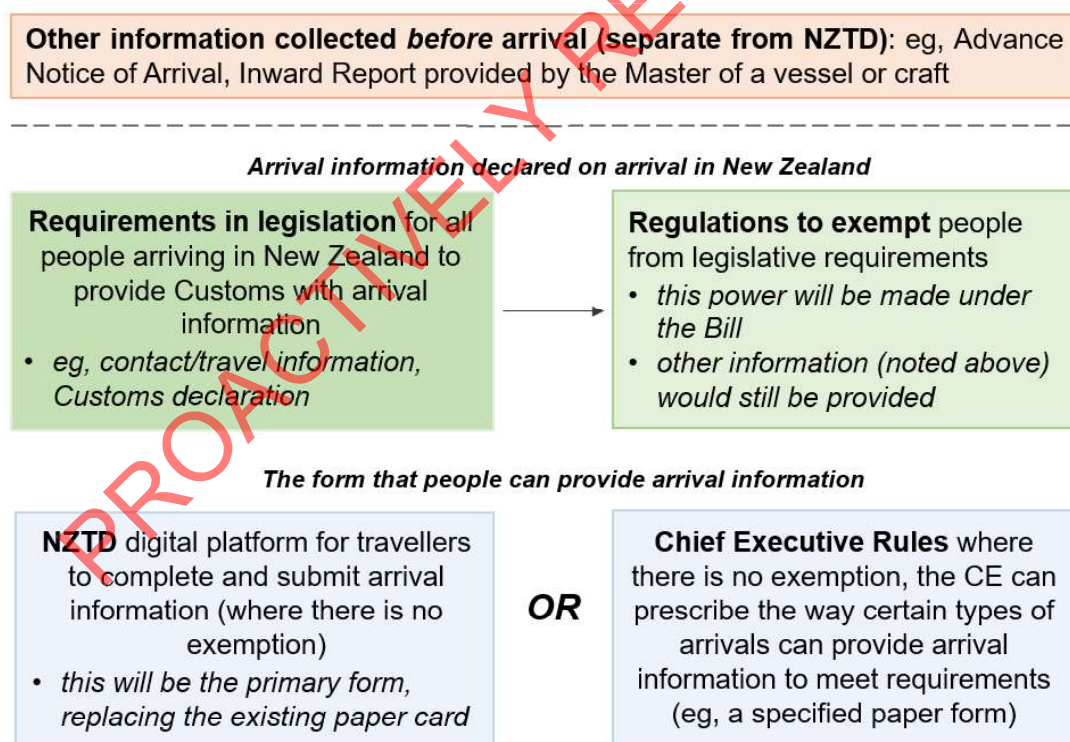
1. People arriving in New Zealand must complete the New Zealand Passenger Arrival Card (the paper arrival card). The arrival card is a joint agency form that includes questions relating to customs, immigration, and biosecurity border requirements. Obligations to provide Customs with arrival information are set out in the Customs and Excise Act 2018.
2. Customs also collects other types of information ahead of a traveller arriving in New Zealand to support border and risk management. This includes the Advance Notice of Arrival and Inward Report (which the Master of a vessel is required to provide), which provide names and passport numbers of travellers or information about the vessel or aircraft. In the context of this RIS, references to arrival information solely relate to the obligation in legislation for travellers to New Zealand to provide information required on the Customs' sections of the arrival card (ie where an exemption is proposed, these wider information measures would still be in place).
3. Currently there are a number of ways arrival information is provided and a declaration can be made. In some circumstances no arrival information is currently provided:
 - air passengers provide the required information through the paper arrival card
 - air transit passengers are not required to provide arrival information
 - air crew provide the required information through a simplified version of the paper arrival card (but still covers the biosecurity and Customs declarations)
 - maritime crew and passengers who permanently disembark provide arrival information – but there are different types of arrival cards depending on the vessel, or if it is a crew member or passenger
 - maritime crew and passengers who do not permanently disembark the vessel (including cruise ship passengers) do not currently provide arrival information.

Development of status quo

4. The NZTD, which Cabinet has agreed to implement, is a digital tool which enables border agencies to collect the required arrival information directly from people arriving in New Zealand. The NZTD will be a single platform for all travellers (air and maritime) to voluntarily complete their digital declaration in advance of arrival, with the intention being to replace the paper arrival cards and forms.
5. The NZTD will enable border agencies to provide targeted, educational information to travellers to help them comply with arrival information requirements and provide a seamless experience for travellers. It will also enable additional health-related (or other border risk) questions or requirements to be added in the future for managing any threats.
6. Work is ongoing to implement the NZTD on 21 June 2023 for all travellers (except for cruise ship passengers and crew, and New Zealand military vessels for whom the NZTD will be implemented on 31 October 2023).

7. In July 2022, Cabinet agreed that requirements to complete the Customs sections of the NZTD will apply to all people arriving in New Zealand [SWC-22-MIN-0127], except where:
 - a traveller who arrives in New Zealand after having been rescued at sea;
 - a traveller who arrives in New Zealand wholly for the purpose of seeking temporary relief from stress of weather; and
 - a traveller who arrives in New Zealand under a medical evacuation.
8. A timeline of Cabinet’s previous decisions relating to the NZTD is attached as Appendix 1 for reference.
9. The Bill, currently before Select Committee, will provide clearer arrival information obligations to assist Customs-related border management matters. The changes in the Bill will support the digitisation of the paper arrival card. The Bill is expected to commence on 21 June 2023 to align with the NZTD go-live date. Among other things, the Bill includes a power to make regulations to exempt persons from the requirement for people arriving in New Zealand to provide Customs with arrival information.
10. An overview of how information processes will operate is outlined diagram 1 below:

Diagram 1: Obligations in legislation to provide information and how this is collected



What is the policy problem and objective?

11. Following Cabinet’s decision in July 2022, we have undertaken further analysis and engaged with key industry stakeholders on whether any additional exemptions are justified. Through this process we have identified additional situations where it is not practical or necessary for people to provide Customs with arrival information. In some situations, or for some traveller classes, the requirement to provide arrival information will impose unnecessary costs that outweigh the benefits to border risk management of collecting that arrival information.

12. Therefore, the objective is to ensure the Customs arrival information requirements (sought through the NZTD) do not impose unnecessary costs that outweigh the benefits to border risk management of collecting that arrival information for classes of travellers at the border.

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Section 2: Deciding upon an option to address the policy problem

What criteria will be used to compare options to the status quo?

13. There are some situations where it will not be practical or necessary for Customs to collect arrival information from air or maritime travellers. We have used the following criteria to consider options where an exemption is justified:
- **benefits in managing border risk** – depending on vessel, traveller class, nature of travel and the customs' risks presented
 - **operational feasibility and cost** – on passengers, crew, commercial operators, and border agencies
 - **supply chain security** – impacts on vessels which provide goods that are critical to New Zealand's supply chain and the need to avoid potential delays at ports
 - **international obligations** – New Zealand's obligations and commitments under international law and protocols, such as the Maritime Labour Convention (MLC).²

What scope will options be considered within?

14. The options discussed below will be considered within Cabinet's previous decision that requirements to provide Customs with arrival information will apply to all arrivals into New Zealand unless exempt under certain emergency situations (outlined in paragraph 7).
15. The options are limited to the requirements for travellers to New Zealand to provide Customs with arrival information through the NZTD. Other border agencies will assess and make any changes to their own legislation to operationalise the NZTD, including exemptions.
16. Further, the Chief Executive of Customs can make rules governing a number of Customs' procedures and processes.³ This can include prescribing the way certain classes of arrivals can provide Customs with the required arrival information, which may not be through the NZTD. Eg air crew currently have a separate form prescribed to complete when they arrive at the border (compared to the paper arrival card for passengers) and we intend for this to remain the way air crew fulfil their arrival information obligations at this stage.

Options considered for maritime travellers

17. The options we have considered for maritime travellers are outlined below. Further analysis based on vessel and arrival classes are set out in Appendix 2. The counterfactual option is based on the future state and NZTD decisions made by Cabinet to date (rather than status quo practice with the paper arrival card).

² The MLC is an international treaty that sets out minimum standards to address the health, safety and welfare of seafarers. The MLC came into force in New Zealand in March 2017.

³ Empowered under section 421 of the Customs and Excise Act 2018.

Option One – Counterfactual (all maritime travellers)

18. This option assumes requirements to provide Customs with arrival information will apply to all maritime passengers and crew (excluding emergency circumstances where Cabinet has already agreed an exemption is justified).

Option Two – Exempt crew on commercial cargo vessels who do not permanently disembark

19. This option proposes to exempt crew on commercial cargo vessels who do not permanently disembark. This would include crew who take shore leave.⁴ Crew make up the majority of travellers on commercial cargo vessels (some vessels may also include very small numbers of passengers). Passengers are not included within the scope of this option due to the very small volumes which are expected to be operationally feasible to manage. For the purpose of this option, commercial cargo vessels include ships such as container, livestock carrier, timber carrier and oil tankers which have a key role in the New Zealand supply chain.
20. Commercial cargo vessels arrive in New Zealand year-round with approximately 190 arriving every month. Commercial cargo vessels are estimated to comprise of 24,000 crew arrivals per year.
21. Internet access at sea is a significant barrier for commercial cargo vessels. Reflecting on recent experience with COVID-19 requirements – many people on board did not have their own devices on the ship and access to Wi-Fi was extremely limited. Instead, because of these barriers, the decision was made that the Master of the vessel would provide a list of crew members (similar to the Advance Notice of Arrival). Commercial cargo vessels would likely face similar practical and operational barriers in complying with NZTD requirements and the digital arrival card.
22. Commercial cargo crew are also likely to face language and cultural barriers (with the majority from China, India and the Philippines) which will make providing arrival information difficult. Many are also likely to have limited financial means which makes compliance and enforcement more challenging if individuals are not able to pay a fine. This may create further administrative burden for Customs staff if unpaid fines need to be processed with the Ministry of Justice.
23. New Zealand has obligations under the MLC to ensure seafarers have the ability to take shore leave to benefit their health and wellbeing. While commercial cargo crew are most likely to stay on the ship while in New Zealand, they will need to have access to shore leave for mental health and fatigue considerations (eg to go into town to buy food or essential items). There is a risk the NZTD requirements will create an additional barrier for commercial cargo crew who are staying on the vessel to access shore leave. New Zealand could be investigated by the International Labour Organisation under the MLC in the event shore leave is declined.
24. Industry groups noted in consultation that an exemption for crew on commercial cargo vessels would be appropriate due to operational and supply chain implications, and there would be limited operational implications or changes required for ports under this option.

⁴ Shore leave is defined separately from other 'day tripper' passengers (ie cruise passengers). Shore leave applies to commercial crew who are entitled to access shore leave under the Maritime Labour Convention.

Option Three – Exempt passengers and crew on sovereign immunity vessels who do not permanently disembark

25. This option proposes to exempt passengers and crew on sovereign immunity vessels that receive diplomatic clearance by MFAT (ie Antarctic Treaty or foreign military ships) who do not permanently disembark. s 9(2)(h)

How do the options compare?

Key:

- ++ much better than doing nothing / the counterfactual
- + better than doing nothing / the counterfactual
- 0 about the same as doing nothing / the counterfactual
- worse than doing nothing / the counterfactual
- much worse than doing nothing / the counterfactual

PROACTIVELY RELEASED

	Option One – Counterfactual (all maritime travellers)	Option Two – Exempt commercial cargo vessels	Option Three – Exempt sovereign immunity vessels
Benefits in managing border risk	0 This option would provide the most benefit in terms of managing border risk, as it captures everyone.	0 Commercial cargo vessels have a small number of passengers / crew. There are other mechanisms available to manage this border risk. Eg Customs would receive information from vessels via the Advance Notice of Arrival and Inward Report (information the Master of the craft is required to provide).	0 Sovereign vessels have a small number of passengers / crew. There are other mechanisms available to manage this border risk. Eg sovereign vessels receive separate diplomatic clearance by MFAT in line with our international obligations.
Operational feasibility and cost	• This would be the highest cost option requiring new processes and systems at seaports and on-board vessels (eg Wi-Fi capability and device kiosks), if all travellers were required to provide Customs with arrival information	+ Based on the learnings with COVID-19 requirements, many travellers on commercial cargo vessels faced particular operational challenges providing information, including: <ul style="list-style-type: none"> • limited internet access at sea or did not have their own devices on the ship • language and cultural barriers which may make completing the NZTD more difficult. 	+ Sovereign immunity vessels require diplomatic clearance to arrive in New Zealand. Once diplomatic clearance is granted by MFAT, those vessels are not subject to New Zealand's jurisdiction. Thus, compliance and enforcement would not be practicable for this group until they permanently disembark.
Supply chain security	• This may cause undue delays in port processing times and potentially disrupt supply chains.	+ Imposing requirements on commercial cargo vessels may be overly onerous or cause delays in port processing and the import and export of goods to and from New Zealand.	0 Not applicable.
International obligations	• Would impact on multiple international obligations if all travellers were required to provide Customs with arrival information.	+ New Zealand has obligations under the MLC to ensure seafarers have the ability to take shore leave to benefit their health and wellbeing. While commercial cargo crew are most likely to stay on the ship while in New Zealand, they will need to have access to shore leave for mental health and fatigue considerations. There is a risk that NZTD requirements may result in operators declining crew access to shore leave if they consider it is too onerous. New Zealand could be investigated by the International Labour Organisation under the MLC in the event that shore leave is declined	+ There are international obligations and protocols to consider s (6)(b) [REDACTED] There is limited ability for Customs to go on board sovereign immunity vessels in these circumstances, therefore, compliance and enforcement would not be practicable until they permanently disembark.

<p>Overall assessment</p>	<p>Option One – Counterfactual (all maritime travellers)</p> <p>•</p> <p>Although this option would provide the most benefit for managing border risk, it would have significant operational impacts for processing and compliance.</p>	<p>Option Two – Exempt commercial cargo vessels</p> <p>+</p> <p>This option maintains Customs' ability to manage border risk while not imposing unnecessary or impractical operational costs. Further, this option maintains our international obligations and ensures supply chain security by minimising disruption at ports for processing commercial cargo vessels.</p>	<p>Option Three – Exempt sovereign immunity vessels</p> <p>+</p> <p>This option maintains Customs' ability to manage border risk while not undermining existing practices and international protocols.</p>
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PROACTIVELY REFLECT

What option is likely to best address the problem, meet the policy objectives, and deliver the highest net benefits?

26. Option two and three have identified two classes of maritime travellers where an exemption is justified as it would not be practical or necessary for people arriving in New Zealand to provide Customs with arrival information.
27. Although Customs would collect a smaller range of arrival information from these travellers (through the NZTD), there are other operational measures available to Customs to collect some information from these traveller classes.⁵ We consider the preferred options would not significantly negatively impact Customs' ability to manage border risk, while maintaining our international obligations and ensuring supply chain security through minimising disruption at ports for processing commercial cargo vessels.
28. For these reasons, option two and three are identified as the preferred options.

What are the marginal costs and benefits of the preferred options?

29. There are no additional monetary costs of the preferred options compared to the counterfactual (ie requirements to provide arrival information would apply to all people arriving in New Zealand). Customs would collect arrival information from a slightly smaller cohort of travellers through the proposed exempt groups.
30. The key benefits from the preferred options are that:
 - the increase in risk is low and Customs is able to adequately manage the risk through other means
 - requirements would be feasible to enforce
 - there would be minimal disruption at ports and impacts on supply chains
 - New Zealand would maintain its obligations under international treaties and protocols.
31. These costs and benefits have been informed through conversations with operational staff and port company representatives. Given the range and scale of ports across New Zealand, and the different sizes and capabilities of operators, it is difficult to monetise these costs.
32. Cabinet has already agreed to fund the development of the NZTD system. The Crown set aside the COVID-19 Traveller Health Declaration System Tagged Operating Contingency to cover NZTD ongoing operations, including operating funding to allow for the deployment of the fully operational NZTD in the maritime space.
33. Cabinet also agreed the first full introductory year (2023/24) of NZTD operations would be met by the Crown, with the ongoing operating costs of NZTD met by fee paying travellers from 1 July 2024 [DEV-22-MIN-0301].

⁵ For example, Customs would receive information from commercial vessels via the Advance Notice of Arrival and Inward Report that the Master of the craft is required to provide.

What options are being considered for air travellers?

Option One – Counterfactual (all air travellers)

34. This option assumes requirements to provide Customs with arrival information will apply to all air passengers and crew (excluding emergency circumstances where Cabinet has already agreed an exemption is justified).

Option Two – Exempt air transit passengers

35. If someone passes through New Zealand on their way to another country and does not plan to enter New Zealand, they are considered a transit passenger. A transit passenger can only travel through Auckland International Airport where they must stay in the secure transit area of the airport or on board the aircraft.
36. This option replicates the existing exemption provision in regulations for the paper arrival card. The only exemption grounds for air travellers is for those in transit (ie they are not required to obtain entry permission into New Zealand). This approach was taken when the NZTD first launched in March 2022.
37. It is not justified to collect this information from transit passengers given the lower level of risk as they are contained in a secure area of the airport.
38. There is support for this option from industry as this mirrors the existing practice with the paper arrival card. This means passengers are already familiar with their obligations and no new processes will need to be established.

How do the options compare?

Key:

- ++ much better than doing nothing / the counterfactual
- + better than doing nothing / the counterfactual
- 0 about the same as doing nothing / the counterfactual
- worse than doing nothing / the counterfactual
- much worse than doing nothing / the counterfactual

	Option One – Counterfactual (all travellers)	Option Two – Exempt transit passengers
Benefits in managing border risk	0	0 This option is unlikely to create further border risk as transit passengers remain in a secure area of the airport while waiting for their connecting flight.
Operational feasibility and cost	- This option would require establishing operational practices to collect and process transit passengers, without the transit passenger passing through the primary line.	+ This option would not require a shift in existing operational processes and procedures.
Supply chain security	0 Not applicable	0 Not applicable

	Option One – Counterfactual (all travellers)	Option Two – Exempt transit passengers
International obligations	0 Not applicable	0 Not applicable
Overall assessment	- There is minimal benefit in requiring transit passengers to complete arrival information. If progressed, additional operational processes and systems would need to be implemented.	+ Transit passengers do not pose a high border risk. This option replicates the existing exemption in place for the paper arrival card.

What option is likely to best address the problem, meet the policy objectives, and deliver the highest net benefits?

- 39. Option two will best meet the policy objective and deliver the highest net benefits compared with the counterfactual.
- 40. The air border presents limited operational challenges in comparison with the maritime border. Passengers either permanently disembark the aircraft or remain in the secure transit area of the airport where they present a low risk. Processes at the air border, especially around managing risk and processing travellers, are well-embedded and standardised. Everyone disembarks the plane at the airport and proceeds through border security checks unless they are transiting to another country. This enables border staff to effectively manage risk and efficiently process arrivals.
- 41. There are no benefits gained from requiring transit air passengers to provide Customs with arrival information that would outweigh the costs of doing so. Option two replicates the existing the exemption in place for the paper arrival card at the air border. The Ministry of Business, Innovation and Employment (MBIE) noted their support for option two in agency consultation and anticipate the tourism industry, especially aviation stakeholders, will also be supportive of this option.

What are the marginal costs and benefits of the option?

- 42. There are no marginal costs or benefits of the preferred option (option two) as this option replicates existing practice with the paper arrival card. The costs and benefits are expected to remain the same and we do not anticipate additional impacts on air transit passengers or operational staff.

Section 3: Delivering an option

How will the new arrangements be implemented?

43. Regulations will need to be made to provide for these proposed exemptions. After the regulations are drafted, authorisation will be sought from Cabinet for the regulations to be submitted to the Executive Council. The regulations are then notified in the New Zealand Gazette 28-days before coming into effect.
44. The regulations will need to be in place before the Bill comes into force and the NZTD goes live on 21 June 2023.
45. Customs will be engaging with maritime industry groups from late March to early June 2023 to inform the operational and service design of the NZTD. This will also provide an opportunity to communicate the exemptions agreed by Cabinet to industry and enable operators to prepare for implementation.
46. Customs will continue to lead the development and deployment of the NZTD in collaboration with other border agencies including MBIE, MPI and the Ministry of Health. A Steering Committee with representatives from these agencies is in place to govern and ensure successful delivery of the NZTD outputs, objectives and outcomes.
47. Prior to implementation, the NZTD Programme will undertake pilots of the NZTD with different classes of air and maritime travellers and vessels. This will allow for initial feedback from travellers and industry groups to improve the operation of the NZTD ahead of go-live.

How will the new arrangements be monitored, evaluated, and reviewed?

48. Following implementation, the NZTD exemption settings will be monitored and reviewed as part of the wider NZTD review process. This will ensure the grounds for exemptions are appropriate and fit-for-purpose. There will be an ongoing programme of improvement and development for the NZTD which will require reviewing the amended legislation for the NZTD.
49. Customs currently reports on its performance against its output measures and standards in its Annual Report. *Traveller Declaration System Development* is one of six appropriations included in the Annual Report for performance and monitoring. In 2021/22, two performance measures relating to the key outputs of Tranche 1 (piloting and delivery of the initial technology solution) were measured. For 2022/23 these have been replaced by performance measures relating to the delivery of the system for processing arriving air and maritime travellers' digital declarations.
50. Customs will aim to report appropriate performance measures on the ongoing operation of the NZTD following go-live and as the NZTD is established into business-as-usual operations within Customs. Output performance measures relating to the uptake and operation of the digital system are proposed for 2023/24 and will be reported in the Customs Annual Report 2024.

Appendix 1 – Timeline of previous decisions

1. In September 2021, Cabinet agreed to fund the development of the NZTD (previously referred to as the traveller health declaration system) to operationalise the medium risk pathway⁶ into New Zealand [CAB-MIN-0305 refers].
2. The NZTD is being implemented in three tranches.⁷ The policy and administrative settings for Tranche 1 of the NZTD were agreed by Cabinet in November 2021 [CBC-21-MIN-0178 refers].
3. Funding and development of the remaining functionality and enhancements for Tranche 2 and Tranche 3 of the NZTD were agreed in March 2022 [SWC-22-MIN-0050 refers].
4. In March 2022, the NZTD was first implemented for all air travellers. The NZTD proved to be a useful tool to enable and support safely re-opening our border and managing COVID-19 related risks. The NZTD, at that stage, did not include the questions on the arrival card, so this requirement still had to be met through the paper arrival card.
5. In July 2022, Cabinet agreed to the policy, legal, and privacy decisions to implement Tranche 3 of the NZTD (the enduring framework post-COVID-19 legislation) [SWC-22-MIN-0127]. This included decisions that requirements to complete and submit the Customs sections of the NZTD will apply to all people arriving in New Zealand unless exempt by regulations, and to make new regulations to exempt people from requirements in certain emergency situations.
6. The operation of the NZTD was paused from 20 October 2022 as a result of Cabinet decisions to remove requirements for air travellers to provide information for contact tracing purposes [CAB-22-MIN-0443].
7. In December 2022, Cabinet agreed to provide funding in the 2023/24 year for costs associated with the operation of the NZTD, development of port infrastructure and additional airport support to industry partners and travellers [DEV-22-MIN-0301].

⁶ The medium risk pathway was one of the three potential pathways outlined in the *Reconnecting New Zealanders* work, and was proposed as a way for New Zealand residents and citizens to enter New Zealand without having to enter through a Managed Isolation and Quarantine facility.

⁷ Tranche 1 – establishment of a digital system to enable air travellers to share health information in advance of travel to support the opening up of the border; Tranche 2 – system improvements such as integration with other systems; Tranche 3 – scaling capacity to support pre-COVID air and maritime passenger volumes and adding other declarations.

Appendix 2 – Further analysis of exemptions for maritime traveller classes

Traveller Class	Considerations	Overall assessment
<p>Commercial (cargo)</p> <p>Crew staying with vessel, including taking shore leave</p>	<ul style="list-style-type: none"> • May have prior knowledge and familiarity with port security and processes • Greater digital barriers, technology is significantly limited (experience with COVID-19 requirements) • Greater cultural and language barriers (majority from China, India and the Philippines) • Supply chain considerations and potential for creating delays in port processing • Potential issues with compliance and enforceability • NZ would also need to facilitate crew welfare obligations under the MLC 	<p>Exemption</p> <p>Given the complex operating environment for these vessels and lessons learned from COVID-19 (ie the ability for commercial operators to comply with requirements), an exemption may be considered for commercial cargo crew who do not permanently disembark the vessel including those who take shore leave.</p> <p>NZTD requirements would not be operationally feasible in practice and there would be issues with enforcement and compliance. Considering the low volumes of commercial cargo crew, other tools could be used to manage potential border risk in these circumstances.</p>
<p>Crew permanently disembarking</p> <p>Passengers</p>	<ul style="list-style-type: none"> • As above, with potentially higher risk as would have opportunity to bring off larger items of luggage if permanently disembarking • There are very low volumes of crew permanently disembarking the vessel and passengers • Expected to be operationally feasible to manage potential risk with lower volumes 	<p>No exemption</p>
<p>Commercial (fishing)</p> <p>Crew staying with vessel</p> <p>Crew permanently disembarking</p> <p>Passengers</p>	<ul style="list-style-type: none"> • Currently all crew and any passengers are processed by Customs when arriving in New Zealand and are treated as if they are permanently disembarking. Therefore, all travellers on commercial fishing vessels are viewed as arriving/immigrating into New Zealand • Commercial fishing vessels do not face the same limited infrastructure or access to internet compared with commercial cargo vessels. Therefore, compliance with the requirements is expected to be feasible and would align with existing practice. 	<p>No exemption</p> <p>An exemption is not justified for crew and passengers on commercial fishing vessels. Customs already processes all travellers on fishing vessels upon arrival at a New Zealand port and compliance with the arrival information requirements is expected to be feasible.</p>

	Traveller Class	Considerations	Overall assessment
Cruise ships	<p>Passenger staying with vessel (including day trippers who get off and go back onto ship)</p> <p>Passenger permanently disembarking</p>	<ul style="list-style-type: none"> • Currently 'unknown' risk – potential to smuggle illicit goods into NZ when visiting multiple ports especially bringing off larger items of luggage when permanently disembarking • Currently limited engagement with border staff unless permanently disembarking • May require additional processes at seaports to manage large volumes of arrivals (risk of potential disruption and delays) • Commercial operators may need time to update practices and processes (such as Wi-Fi on board) 	<p>No exemption</p> <p>An exemption is not justified for cruise ship passengers and crew in light of the potential Customs risk posed, and the ability for cruise ship operators to provide access to internet and communicate requirements to passengers (noting some operators will need to build capability over time).</p> <p>There are operational challenges to facilitate large volumes of arrivals. There will be a phased approach for NZTD requirements for cruise arrivals to be implemented from 31 October 2023 to allow time to develop appropriate processes.</p>
	<p>Crew staying with vessel</p> <p>Crew permanently disembarking</p>	<ul style="list-style-type: none"> • May pose higher risk than passengers as more familiar with port security and processes (making multiple trips per year). Crew permanently disembarking may bring off larger items of luggage • Modest crew volumes. Expected to have better access to Wi-Fi (not paying cost) and devices on ship, mostly English speaking 	
	<p>Super yacht passengers</p>	<ul style="list-style-type: none"> • Currently no visibility of who enters NZ or if/when they depart • May present risk of smuggling drugs • Potential for weapons or luxury items to be on board vessel • Expected to have adequate access to internet/digital devices and will not encounter barriers 	<p>No exemption</p> <p>Given recreational vessels present a high risk for maritime drug smuggling, and there are lower volumes of travellers, there are no justified grounds for an exemption.</p>
Small craft	<p>Small craft passengers</p>	<ul style="list-style-type: none"> • High risk for maritime drug smuggling (based on current Customs intelligence) • May have varying levels of technology and access to internet • Customs officers have the ability to board vessels to assist processing and avoid potential digital barriers 	
	<p>Crew on shore leave</p>	<ul style="list-style-type: none"> • As above, but have potential to bring off larger items of luggage • Existing processes can manage volumes 	
	<p>Crew permanently disembarking</p>	<ul style="list-style-type: none"> • The MLC would not apply to recreational crew in most instances • Crew permanently disembarking can bring off larger items of luggage 	

	Traveller Class	Considerations	Overall assessment
Specialist	Passengers and crew on science and research vessels	<ul style="list-style-type: none"> • Not likely to present a significant border risk • More likely to have access to internet and devices than commercial vessels such as bulk cargo carriers 	<p>No exemption</p> <p>An exemption is not justified for passengers and crew on science and research vessels (such as cable laying or exploration) as they likely have capability to meet requirements.</p>
	New Zealand Defence Force (NZDF) vessels	<ul style="list-style-type: none"> • Not likely to present a significant customs or immigration risk • Existing MOU in place between agencies to facilitate declaration • NZDF advise there is no impetus to change the arrival requirements and personnel should be subject to the same treatment as NZ citizens • Likely to have established processes and systems to complete requirements 	<p>No exemption</p> <p>NZDF personnel should not be exempt from requirements due to existing arrangements with Customs to process travellers and the intention for NZDF personnel to be subject to the same requirements as citizens.</p>
	Sovereign immunity vessels	<ul style="list-style-type: none"> • Unknown border risk – but have low volumes leaving vessel • Vessels would be cleared by MFAT in line with diplomatic obligations, people who do not disembark the vessel would have sovereign immunity • Limited ability for Customs to get on board vessel, compliance and enforcement would not be practicable • Potential internet access and technology barriers (eg vessel arriving in New Zealand from Antarctica) 	<p>Exemption for people not permanently disembarking</p> <p>Sovereign immunity would still apply while a person remains on the vessel. An exemption is justified for people on sovereign immunity vessels who do not disembark.</p>

Note that passengers and crew on vessels that have already been processed at the first port of arrival in New Zealand, and subsequently leave the 12 nautical mile territorial sea limit but do not visit a foreign port, are not required to provide Customs with arrival information again on return to New Zealand.