

Passport and travel document fees

Cost Recovery Impact Statement

Agency Disclosure Statement

This Cost Recovery Impact Statement (CRIS) has been prepared by the Department of Internal Affairs (DIA). It provides an analysis of options for setting passport and travel document fees at full cost recovery levels. The passport service has historically operated on a cost recovery model and DIA has under Ministerial direction focused on two options to sustainably fund the passport service within full cost recovery settings:

- Incremental annual fees increases from 2019 to 2029; or
- Steeper increases in 2019 and 2022.

The proposed fees increases will provide third party funding for appropriations approved through the Budget process, under existing regulatory powers under the Passport (Fees) Regulations 2015. The need for the proposed fees increases are based on the passport services' forecast revenue and costs.

Forecast revenue from New Zealand passport and travel document fees is expected to trend upwards over time but fluctuate with five years of higher revenue compared to the next five of lower revenue, a ten year pattern that will continue for the foreseeable future. This pattern started from 2015, when the validity period of adult passports changed from five to ten years. This will result in fewer people renewing their passports from mid-2020 to mid-2025. An external statistician from the private sector provided the forecast demand, which assumes that there will be no further internal or external events that will significantly change demand for New Zealand passports.

DIA forecasts that costs to produce passports and travel documents will increase over time. This is based on the assumptions that:

- investments will need to be made to retain a world class passport service; and
- there will be general inflationary pressures, based on Treasury forecasts and expected remuneration increases.

DIA also expects to manage cost pressures through:

- reduced processing costs from greater use of digital channels and improved productivity; and
- a reduction in the price of travel document books following new contractual arrangements being finalised and put in place for the supply of these books from 2020.

DIA will continue to monitor the passport services' revenues and costs, and plans to undertake a further fees review in 2021 as part of a regular review cycle.

DIA has not undertaken public or stakeholder consultation as part of this process as the passport service is based on a cost recovery model and changes to that model are outside the scope of these proposals. Additionally, DIA is not proposing any changes to passport services. Therefore, the value of public or stakeholder consultation in this instance would be limited.

This CRIS was originally published on *[date to be confirmed]* following a review of passport and travel document fees.

Raj Krishnan
General Manager Policy

Executive summary

The passport service is funded on a cost recovery basis by charging applicants passport and travel document fees made under the Passport (Fees) Regulations 2015. The revenue from fees goes into the Passports Memorandum Account (PMA) managed by DIA.

DIA has reviewed passport and document fees and determined that revenue based on forecast passport demand will not cover projected costs, The Department forecasts the PMA to fall into a negative balance by June 2023, reaching a negative balance of \$111 million by the end of June 2029. This is because current fees were set below cost recovery levels when the validity of the adult passport was changed from five to ten years in 2015 due to the Government's decision at that time.

DIA proposes changes to passport and travel document fees to achieve a full cost recovery model. This would be achieved by addressing the projected PMA deficit without requiring funding from general taxation. The percentage increases of passport fees will be applied consistently across the different application types.

DIA has considered two options for fees increases to balance the PMA over the ten year period from 2019 to 2029:

- Option 1 - Incremental annual fees increases from 2019 to 2029; or
- Option 2 - Steeper increases in 2019 and 2022.

Option 1 is preferred as increasing fees incrementally would avoid the need to make a large increase in fees in any one year. This would provide greater transparency to the public about the upcoming increases to passport and travel document fees.

It is proposed that the first annual increase will take effect in early 2019 through an amendment to the Passport (Fees) Regulations 2015. Passports fees would then increase by approximately 1.68 per cent in early 2020 and 2021. Fees increases between 2022 and 2029 would be planned but the level of these increases would be subject to the next scheduled review in 2021.

Status quo

DIA provides passports and travel documents to New Zealanders to enable them to travel internationally. This includes passports, certificates of identity, emergency travel documents, and refugee travel documents. The provision of official travel documents is a core government function.

The passport service is funded on a cost recovery basis by charging applicants passport and travel document fees. The revenue from fees goes into the PMA managed by DIA. All passport and travel document services are managed through the PMA under a common cost structure, where cost recovery occurs across all these services. Memorandum accounts record the accumulated surplus or deficit arising from the provision of goods or services, and should trend towards zero over a reasonable period of time.

The authority to set passport and travel document fees is established under the Passports Act 1992 and the Passport (Fees) Regulations 2015. Current fees were set in 2015 when the validity of the adult passport changed from five to ten years. The fee for a ten year adult passport is \$180 (including GST) and the fee for a child is \$105 (including GST), pegged at approximately 58 per cent of the adult fee.¹ A full schedule of current passport and travel document fees is set out in **Appendix A**, which includes a range of fees for different services (e.g. priority applications).

Reviews of cost recovery charges

Passport and travel document fees were set below cost recovery levels in 2015

One driver to review passport and travel document fees is that the fees were set below cost recovery levels in 2015 due to the Government's decision at that time. DIA's analysis at the time stated that the adult passport fee would have needed to rise to \$274 including GST to balance the PMA at zero within ten years from that point. This was based on recovering production costs over ten years, which is the lifespan of most travel documents (this would have been the 2015 level for full cost recovery fees).

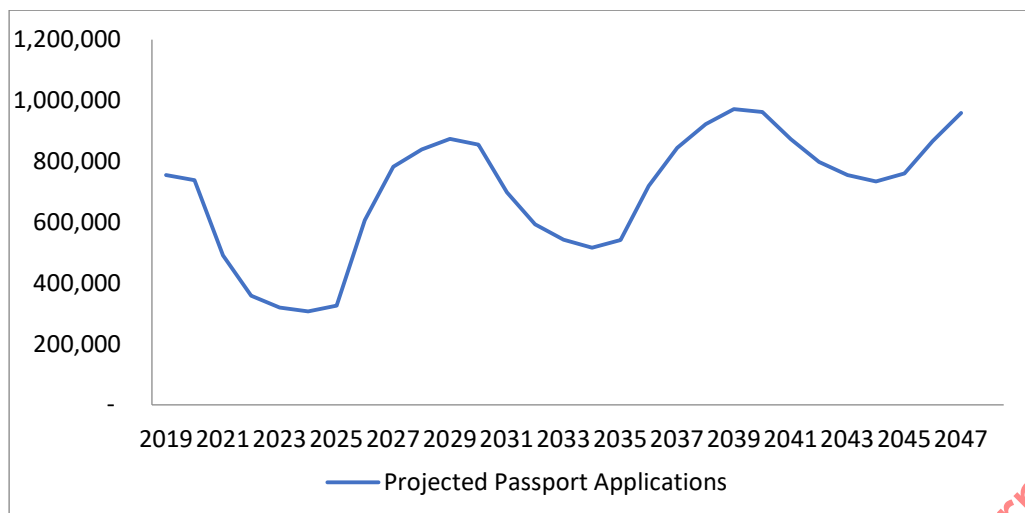
As a result of the changes in passport validity, passport fees increases were necessary to set fees at full cost recovery levels due to the impact on passport revenue. Fewer people are expected to renew their passport in the second half of the ten year period following the change in adult validity. This is because their passports will still be valid for another five years. During this period of lower demand, the passport services' revenue decreases but a high proportion of costs are fixed (such as IT systems) and do not change with passport volumes.

This pattern of higher passport demand for five years compared to the next five years of lower demand will continue for the foreseeable future. It would only normalise over the very long-term (with fluctuations in demand continuing beyond 2050), as shown in Figure 1.²

¹ The fee for an adult passport is \$156.52 excluding GST and the fee for a child passport is \$91.30 excluding GST.

² The figures for this graph and other graphs in this document are for financial years. For example, 2019 means the 2018/19 financial year.

Figure 1 - Projected long-term passport demand



The Department's fees review shows that fees increases are needed

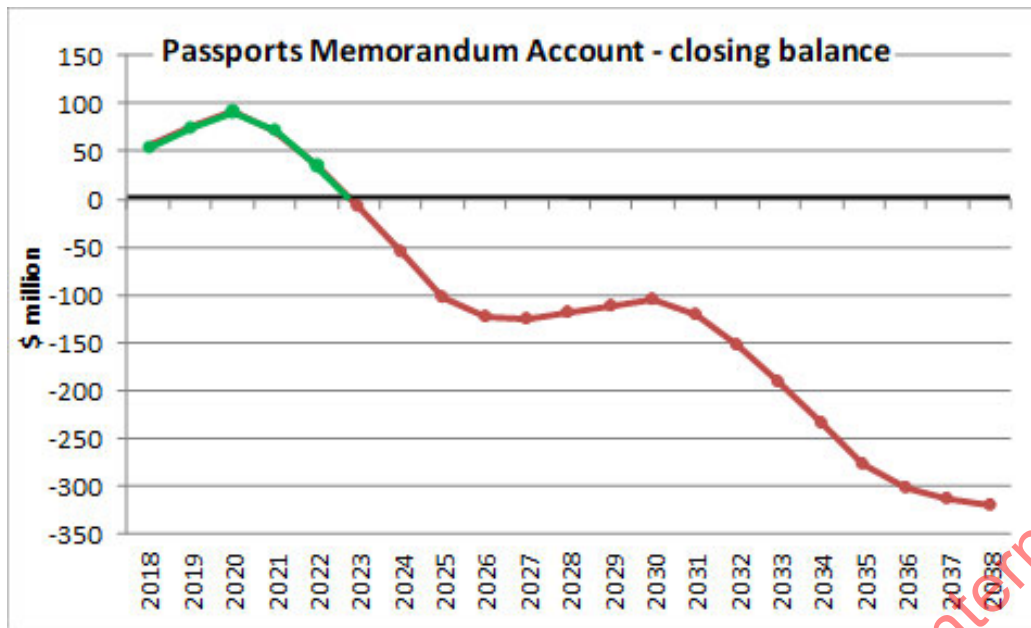
In 2015, DIA planned to review passport and travel document fees in 2018, which is in line with Treasury guidelines to regularly review fees set to recover costs. The review used a passports pricing model to determine what level of passport and travel document fees are necessary to balance the PMA over a ten year period (the lifespan of the adult passport, which is the most commonly issued travel document). The model incorporates projected costs and forecast passport demand. Forecast New Zealand passport demand is prepared and revised annually by a statistician from the private sector. These forecasts incorporate:

- New Zealand population statistics (including births, deaths and citizenship information); and
- New Zealanders' expected demand for passports based on historic activity and patterns of when people replace their passports.

The review found that current passport and travel document fees will not cover projected costs. DIA forecasts the PMA to fall into a negative balance by June 2023, reaching a negative balance of \$111 million by the end of June 2029. The review also found that fees will not need to rise as high as the analysis in 2015 showed. This is because the change in the validity of the adult passport from five to ten years resulted in more New Zealanders replacing their passports, which increased passport volumes and revenue.

PMA forecasts are subject to change as there are periodic updates to projected costs and revenue. However, DIA has a high level of confidence that revenue will rise and fall in line with the ongoing fluctuations in passport demand and that the PMA balance would continue to worsen if no changes are made to passport and travel document fees. If this happens DIA would not be able to continue to operate the passport service without Crown funding.

Figure 2 - Passport Memorandum Account projections under current fees settings



Cost Recovery Principles and Objectives

DIA proposes fees changes based on the outcomes of the 2018 fees review. The underlying principles that guide these fees proposals are based on the Office of the Auditor-General's *Charging fees for public sector goods and services* and the Treasury's *Guidelines for Setting Charges in the Public Sector*. A comparison of the current passport and travel document fees framework and the proposed fees changes to these principles are set out in Table 1 below.

Table 1 – Principles and objectives of fees proposals

#	Principle	Applicability to passport and travel document fees framework	Applicability to passport and travel document fees proposals
1.	Authority	The Passports Act 1992 and the Passport (Fees) Regulations 2015 provide the authority to set fee levels, and require payment of those fees.	The fees proposals would result in an amendment to the Passport (Fees) Regulations 2015, which would need to be approved by the Government.
2.	Effectiveness	The passport service has sufficient funding for a high quality passport service providing New Zealanders with passports that are internationally recognised as trusted and secure identity documents. This makes it easy for New Zealanders to travel internationally.	The fees proposals would ensure that DIA has sufficient funding to continue to provide a high quality passport service.
3.	Efficiency	Passport and travel document fees are not set higher than necessary. As part of this, the Department makes cost	The fees proposal supports efforts to improve the passport services' efficiency by incorporating planned cost

		savings where possible while still providing a high quality passport service.	savings in the passports area, including from reducing processing costs and improved productivity.
4.	Equity	The passport services' costs are fully recovered from fees for the provision of passport and travel document services. This reflects the private benefits to passport holders.	The fees proposals would avoid the need for taxpayers to fund the passport service through Crown funding.
5.	Transparency	DIA makes information readily available to the public showing how revenue from passport and travel document fees is used to provide the passport service.	DIA would clearly communicate to the public the rationale for the proposed fees changes. We anticipate this would focus on the need for sustainable funding to ensure New Zealand continues to have a high quality passport service. Additionally, we anticipate proactively releasing the Cabinet decisions on proposed changes to passport fees following enactment of the fees changes.
6.	Simplicity	DIA provides the public with readily available and easy to understand information about passport and travel document fees.	The level of passport and travel document fees will be set out in regulations. Additionally, fees changes will be publicly communicated and made available through the passport application process and DIA's website.
7.	Accountability	The PMA records the accumulated balance of surpluses and deficits that result from providing passport and travel document services.	The proposals' purpose is balance the PMA at zero by June 2029. This is to recover passport service costs over ten years, in line with the lifespan of most travel documents.

Policy Rationale for reviewing fees

Passports are funded on a cost recovery basis

The passport service funding has been based on the principle that passport and travel document applicants should pay the costs of the passport service. DIA charges passport and travel document fees which applicants pay in return for the provision of a passport or travel document.

The funding arrangement reflects that passports and travel documents are largely private goods.³ They are specific to the person they are generated for and are for their personal use. The main benefit of a passport is that it enables a person to travel internationally, as well as being a domestic identification document.

The fees vary for different types of applications. For example, applicants pay additional fees for priority applications and call out applications. The additional fees reflect the cost of issuing a passport within three days in the case of priority applications, and immediately in the case of call out applications. The higher fees for priority and call out applications are also used to encourage applicants to plan in advance when they apply for passport and travel documents. This is important to ensure that the passport service can manage application volumes and issue passport and travel documents within required timeframes.

Changes to fees are required to fully recover costs

The fees review seeks to uphold the full cost recovery principle in the existing fees regime in a transparent and accountable manner. This is also aimed to ensure the fees align with Treasury cost recovery guidelines where fees meet the average production costs over the lifespan of the document.

DIA proposes increases in fees to achieve a full cost recovery model by addressing the projected PMA deficit without requiring funding from general taxation. We consider that this is consistent with the objective of providing a high quality passport service funded by passport and travel document applicants.

The percentage increases of passport and travel document fees will be applied consistently across the different application types. DIA uses similar processes and resources to produce the range of passports and travel documents. Increasing all fees will ensure that the passport service as a whole has sufficient funding to operate on a full cost recovery basis. Increasing prices consistently will also ensure that fees continue to reflect the different costs and the processing time incentives associated with the different passport and travel document services.

A wide range of New Zealanders will be impacted by this change. In 2017/18 financial year, approximately 725,000 people applied for a passport. However, the passport service is focused on providing an efficient and effective service in which passport and travel document fees are not set higher than necessary to fully recover costs.

The level of the proposed fees and its cost components (cost recovery model)

Officials have focused on two options for fees increases

DIA considered a range of options for setting passport and travel document fees at full cost recovery levels, including a single increase in 2019. Under Ministerial direction, DIA has focused on two options for fees increases to balance the PMA over the ten year period from 2019 to 2029:

³ Passports and travel documents like many goods and services provided by the public sector are not purely private as they likely have a public good element. For passports and travel documents, the wider public also benefits from the passport or travel document providing official identification to help confirm who individuals are.

- Incremental annual fees increases from 2019 to 2029; or
- Steeper increases in 2019 and 2022.

In addition to increasing fees, both options would require significant repayable capital injections from the Crown. This is because the previous decision to set fees below cost recovery levels means that DIA will not have enough funds built up in the PMA to fund the passport service during periods of low passport demand and revenue. The repayable capital injections would be required between the 2023 to 2026 period of lower passport period. DIA would pay these back during the 2027 to 2029 period of higher passport demand.

DIA previously considered options for higher fees that would have balanced the PMA by mid-2026 (10 years after the adult passport validity change) and required lower levels of repayable capital injections. However, the fee levels under these options would have resulted in the PMA building up surpluses in the period following mid-2026 at levels inconsistent with fees set at cost recovery levels.

Option 1 – Incremental annual fees increases from 2019 to 2029

Under this option, passports and travel document fees would increase annually by approximately 1.68 per cent on average in early 2019, 2020, and 2021. Annual increases after 2021 would be subject to the next scheduled fees review in 2021. If fees are increased at approximately 1.68 per cent consistently between 2019 and 2029, then passport fees would have increased approximately 20 per cent over this period. This option would likely require repayable capital injections from the Crown of between \$79 million to \$96 million. The expected impact on adult and child fees is set out in Table 2 below.

Table 2 – Proposed changes to adult and child passport fees under option 1

Year(s)	Adult fee (excl GST)	Adult fee (incl GST)	Child fee (excl GST)	Child fee (incl GST)	Additional yearly revenue (from all fees increases and excl GST collected)
2019	\$159.13	\$183.00	\$93.04	\$107.00	\$0.67m
2020	\$161.74	\$186.00	\$94.78	\$109.00	\$2.60m
2021	\$164.35	\$189.00	\$95.65	\$110.00	\$2.90m
2022-2029	Planned annual increases of similar magnitude, with the level of the increases subject to the 2021 fees review				Dependent on level of fees increases and passport volumes

Option 2 – Two steeper increases in 2019 and 2022

The passport fees are proposed to increase by approximately 6.10 per cent in 2019. A second increase of approximately 6.10 per cent would be planned for 2022, subject to the next schedule fees review in 2021. No further increases would be required until after 2029, subject to future fees reviews. If fees are increased at these levels, then passport fees would have increased approximately 13 per cent by 2029. This option would likely require repayable capital injections from the Crown of between \$65 million to \$80 million. The expected impact on adult and child fees is set out in Table 3 below.

Table 3 – Proposed changes to adult and child passport fees under option 2

Year(s)	Adult fee (excl GST)	Adult fee (incl GST)	Child fee (excl GST)	Child fee (incl GST)	Additional yearly revenue (from all fees increases and excl GST collected)
2019	\$166.09	\$191.00	\$96.52	\$111.00	\$2.40m
2020	\$166.09	\$191.00	\$96.52	\$111.00	\$7.09m
2021	\$166.09	\$191.00	\$96.52	\$111.00	\$4.48m
2022-2029	\$176.52	\$203.00*	\$102.61	\$118.00*	Dependent on passport volumes

* The level of fees increases in 2022 would be subject to the 2021 fees review

Preferred option: option 1 – Annual fee increases beginning in 2019

Both options will:

- set passport and travel fees at full cost recovery by balancing the PMA at zero over ten years; and
- achieve the objectives of the proposed fees increases in Table 2 (authority/accountability, effectiveness, efficiency, equity, transparency and simplicity).
- are forecast to result in a surplus in the PMA after 2029, but the further out forecasts are the less certain we can be about their accuracy.

Option 2 would:

- achieve full recovery levels with fewer fees increases, but require steeper increases;
- have lower expected fees by 2029 compared to option 1 because the DIA would have higher fees during a period of high passport demand (between early 2019 and mid-2020), which would allow funds to be built up in the PMA;
- be easier to implement as fees would only have to be increased twice; and
- likely need to be enacted with minimal public notice to manage the risk of applicants changing when they apply to avoid steeper fees increases.

However, option 1 is preferred over option 2 because:

- incremental increases that are communicated to the public in advance would have greater transparency about upcoming increases to passport and travel document fees; and
- increasing fees annually over a ten year period, with the levels subject to fees reviews every three years, provides greater opportunity to ensure fees are set at full cost recovery levels based on updated forecasts for passport demand and costs.

The impact of both options on all passport and travel document fees is provided in **Appendix B**.

Fees increases are required to recover the costs of the passport service

The proposed fees increases are needed to fully recover the production costs of passports and travel documents over the ten year period. The costs to be recovered are:

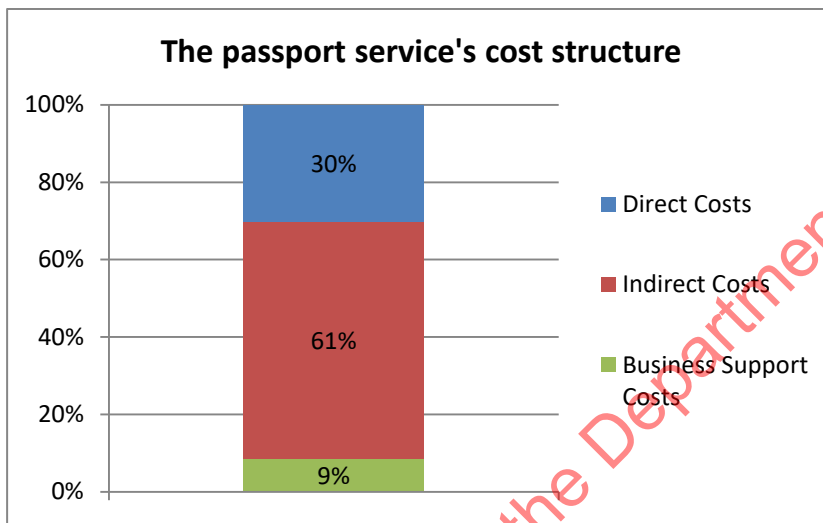
Direct costs: Passport books, staff and courier costs.

Indirect costs: Technology costs, and all other passport production costs that are not directly linked to volumes.

Business support costs: Administration costs, including those related to shared services (e.g. HR, finance, legal etc)

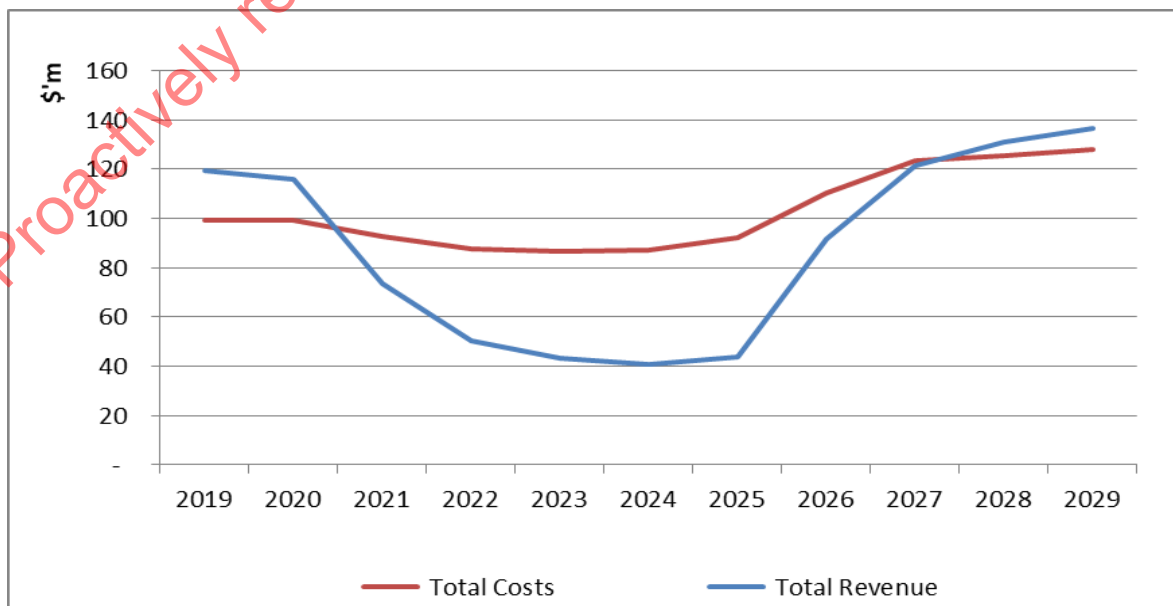
The breakdown of costs of the passport service is provided in Figure 3.

Figure 3 – Breakdown of the costs of the passport service



Under current settings, passport service costs are projected to decrease between 2020 and 2025 as a result of lower direct costs from reduced passport demand over this period. However, revenue from passport and travel documents fees is projected to decrease more significantly.

Figure 4 – The passport services revenue and costs under current settings



The projected costs take general inflationary pressures into account, as well as the factors listed below.

- *Investments required to maintain a world class passport system* - DIA needs to invest in technology assets to maintain a high quality passport service. Most investment will be made as part of Te Ara Manaaki, DIA's service transformation programme. A key upcoming investment for the passport service is procuring new Facial Recognition technology to support automated application processing and assist in the detection of fraudulent applications.
- *Expected cost savings* - DIA is on track to make cost savings of \$77.5 million within a ten year period (from 2015/26 to 2025/26). Te Ara Maanaki is expected to contribute \$57.5 million of these savings in reduced processing costs in the passport service from greater use of digital channels and improved productivity.

s9(2)(f)(iv)

DIA has not identified further significant savings that can be made while still providing a high quality passport service. Many aspects of passport service production costs are fixed, such as IT systems, and do not change with passport volumes. Changes to service delivery would only likely produce marginal savings and would risk reducing New Zealanders' satisfaction with the passport service.

The proposed fees increases allow DIA to meet costs over ten years

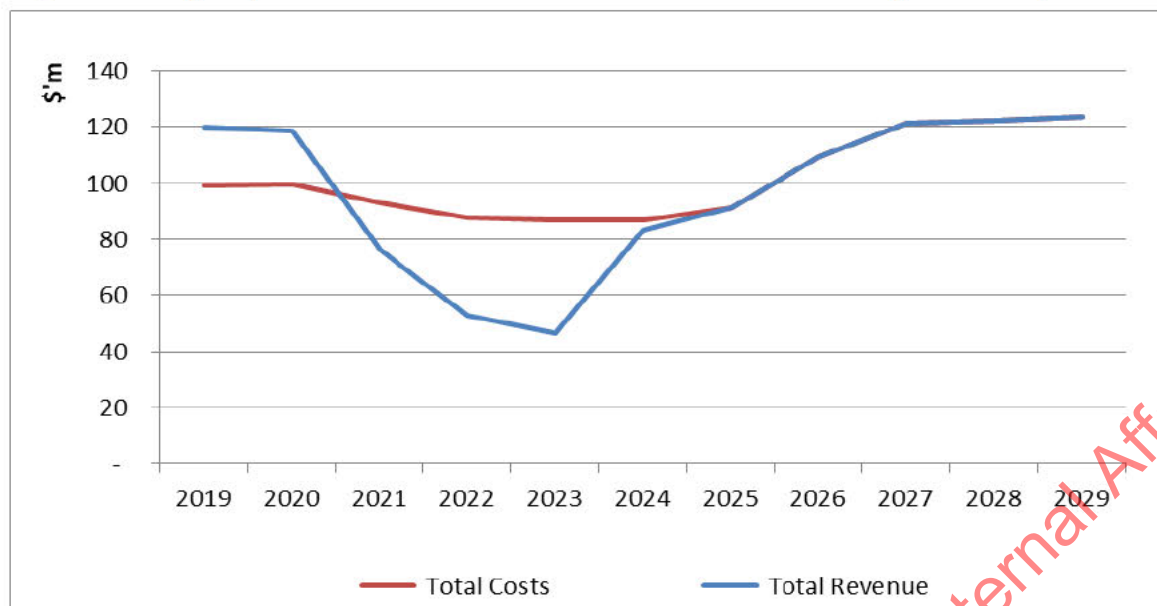
The proposed annual fees changes beginning in early 2019 would:

- increase revenue;
- delay the PMA going into deficit by approximately one year (by mid-2024); and
- allow the PMA to balance at zero by mid-2029.

Figure 5 below shows the impact of the proposed fees increases. From mid-2020 to mid-2023, costs exceeding revenue levels would be funded through the remaining positive balance in the PMA. As noted above, DIA would require repayable capital injections of \$79 million to \$96 million during the 2023 to 2026 period when total expenses are greater than revenue as shown in Figure 4.⁴ DIA would repay these capital injections during the 2027 to 2029 period, which is incorporated in the revenue line in Figure 5 and results in it equalling costs in these years.

⁴ Repayable capital injections of approximately \$38.8 million, \$42.6 million and \$5.8 million would be required in 2023, 2024 and 2025 respectively. The repayable capital injection ranges of \$79 million to \$96 million are accumulated total of these figures plus and minus 10 per cent.

Figure 5 - The passport services revenue and costs under current the preferred option



Impact analysis

The proposed annual fee increases beginning in 2019 will impact on all passport applications. In the 2017/18 year the volume of applications by types are as follows:

Country	Type of document	Adult		Child		Total
		First time	Renewal	First time	Renewal	
London	Callout		23			23
	Standard	488	11,620	1,516	1,189	14,813
	Urgent	39	1,756	189	92	2,076
	Total	527	13,399	1,705	1,281	16,912
New Zealand	Callout	29	476	30	95	630
	Standard	45,904	389,782	60,862	61,090	557,638
	Urgent	2810	27,461	3016	3,471	36,758
	Total	48,743	417,719	63,908	64,656	595,026
Sydney	Callout	3	89	8	12	112
	Standard	590	81,246	4,720	12,509	99,065
	Urgent	177	11,080	1,546	1,065	13,868
	Total	770	92,415	6,274	13,586	11,3045
Global	Total	50,040	523,533	71,887	79,523	724,983

Note – These figures exclude non-passport travel documents, which are a small proportion of what the passport service issues

We do not expect a material change in passport demand as a result of these proposed fees changes. Most people use their passports for travel, which typically involves more significant costs, and the costs are effectively spread over 10 years.

The impact may be greater on people who travel less frequently or use the passport or travel document for domestic identification purposes

The financial impact of the proposed fees increases may be higher for people who travel infrequently, as the cost of passports would be a higher proportion of travel costs. DIA has analysed how frequently people travel using New Zealand passports through recordings of arrivals and departures from New Zealand Customs on passports issued between 23 November 2009 and 20 November 2011. Given that these passports were all valid for five years and have since expired, below is a complete analysis of their use.

Holders of these passports used their passports at the New Zealand border an average of 8.6 times (this includes arrivals and departures, so an individual that went to Australia and returned to New Zealand would have used it twice). This average is impacted by high-use people (e.g. 12 people used their passport more than 300 times). Approximately half of passport holders used their passport six or less times, with:

- 16.66 per cent using their passport twice;
- 15.6 per cent using their passport four times; and
- 11.79 per cent using their passport six times.

Further information about how the New Zealand passport is used for travel may be available in the future as Statistics New Zealand plans to obtain greater information about New Zealanders' international travel patterns.

In addition, the impact of proposed fees increases may impact people more who do not use passports for travel, which was nearly 9 per cent of the passports analysed. Some of these individuals may use passports as photographic identification to access services as they cannot use other forms for identification, such as a drivers licence. This could include:

- people with certain disabilities;
- senior citizens; and
- people that have been through the corrections system.

DIA acknowledges the proposed fees increases may have a greater impact these individuals and people on lower incomes. DIA is focused on providing an efficient and effective passport service in which passport and travel document fees are not set higher than necessary to fully recover costs.

The New Zealand passport price is medium range internationally

New Zealand's current passports fees are medium range compared to our five nations partners,⁵ and two other western countries of comparable size. However, this comparison has limitations because:

- funding structures vary;
- the definition of cost recovery has different interpretations; and

⁵ The Five Nations Passport Group includes Australia, Canada, the United States, the United Kingdom and New Zealand.

- our five nation partners countries have greater populations so can take advantage of economies of scale for passports production.

Figure 6 – the price of passports in comparable jurisdictions (converted to NZD)



* \$182 covers the price of two five year validity passports in Finland. The prices for other countries are for ten year passports and the prices for all countries do not take into account the different income levels.

The next passport and travel document fees review will likely include further information about New Zealanders' travel patterns, and how New Zealand's passport fees compare internationally after the fees increases.

Consultation

DIA has consulted with the following agencies on the fees proposals: the Treasury, the Department of the Prime Minister and Cabinet (Policy Advisory Group), the Ministry of Foreign Affairs, the Ministry of Business, Innovation and Employment (Immigration New Zealand), the New Zealand Customs Service, the Ministry of Social Development, the Office for Seniors, the Office of Disability Issues, and Oranga Tamariki–Ministry for Children.

DIA has not undertaken public or stakeholder consultation as part of this process as the passport service is based on a cost recovery model and changes to that model are outside scope of these proposals. Additionally, DIA is not proposing any changes to passport services. Therefore, public or stakeholder consultation in this instance would have limited value.

The proposed passport and travel document fees increases will be communicated to the public in advance of them coming into force. For some past fees changes, DIA sought approval to notify the changes as close to the commencement date as possible to manage significant numbers of people applying based on fees levels. We do not consider this necessary if fees are being increased incrementally.

Conclusions and recommendations

DIA proposes to increase passport and travel document fees to set them to full cost recovery levels and balance the PMA at zero by June 2029. Under the preferred option, passport and travel document fees would be increased annually from early 2019. Incremental fees increases would avoid the need to make a large increase in fees in any one year, and would therefore provide transparency about upcoming increases.

The proposals give effect to the cost recovery principle and provide an equitable, transparent, and efficient way for DIA to continue to provide a high standard passport service. DIA plans to review passport fees every three years to ensure that they are set at full cost recovery levels.

Implementation plan

It is proposed that the first annual increase will take effect in early 2019 through an amendment to the Passport (Fees) Regulations 2015. Passports fees would then increase by approximately 1.68 per cent in early 2020 and 2021. Future annual increases until 2029 would be planned.

As the changes apply to levels of existing fees only, implementation is straightforward. DIA has determined the cost for each fees change is approximately \$63,000.

DIA will publish information on its website and notify groups that commonly interact with people applying for a passport, such as travel agents.

Monitoring and evaluation and Review

DIA is committed to monitoring the impact of the changes in passport fees in terms of its ability to cover the costs required to provide a high standard passport service. DIA plans to review passport fees in 2021 using a comparable process to the 2018 fees review. Any increases in 2022 and afterwards will be subject to this review and future reviews that DIA plans to conduct every three years.

Version control

Other version	Date	Link
Version 1	9 October 2018	25NDV553QQ6N-481458593-200
Version 2	10 October 2018	25NDV553QQ6N-481458593-197

Appendix A: Current fees schedule (all figures are in \$NZD)

Applications lodged online (online applications from outside New Zealand do not attract GST)

Description	Fee (GST Exclusive)	Fee (GST Inclusive)
For the issue of an adult passport	\$156.52	\$180.00
For the issue of an child passport	\$91.30	\$105.00

Applications lodged in a passport office in New Zealand

Description	Fee (GST Exclusive)	Fee (GST Inclusive)
For the issue of an adult passport	\$156.52	\$180.00
For the issue of an child passport	\$91.30	\$105.00
For the issue of a replacement passport on the surrender, before its expiry, of an emergency travel document	No fee	No fee
For the issue of an certificate of identity	\$91.30	\$105.00
For the issue of a refugee travel document	\$91.30	\$105.00

Applications being lodged in a passports office in London or Sydney

Description	Fee (GST Exclusive)
For the issue of an adult passport	\$229.00
For the issue of an child passport	\$134.00
For the issue of a replacement passport on the surrender, before its expiry, of an emergency travel document	No fee

Applications to New Zealand overseas mission

Description	Fee (GST Exclusive)
For the issue of an emergency travel document	\$500.00

Additional Fees (online applications from outside New Zealand do not attract GST)

Item	Description	Fee (GST Exclusive)	Fee (GST Inclusive)
Priority fee	An application for the issue of a passport or certificate of identity being lodged in a passports office in New Zealand or online	\$156.52	\$180.00
	An application for the issue of a passport or certificate of identity being lodged in a passports office in London or Sydney	\$229.00	-
Call out fee	An application for the issue of a passport or certificate of identity being lodged in a passports office in New Zealand	\$478.26	\$550.00
	An application for the issue of a passport or certificate of identity being lodged in a passports office in London or Sydney	\$650.00	-
Handling fee	For a New Zealand overseas mission to forward an application for a passport to a passports office in New Zealand, London or Sydney	\$50.00	-

Proactively released by the Department of Internal Affairs

Appendix B: Fees changes under the proposed options between 2019 to 2029 (all figures are in \$NZD)

Applications lodged online (online applications from outside New Zealand do not attract GST)

Application type	Current Fee (GST Exclusive)	Current Fee (GST Inclusive)	Option 1 Incremental annual fees increases beginning in 2019 Fee (GST inclusive)	Option 2 Steeper increases in 2019 and 2022 Fee (GST inclusive)
Adult passport	\$156.52	\$180.00	2019 - \$183 2020 - \$186 2021 - \$189 2022-2028* 2029 - \$216**	2019 - \$191 2020 - \$191 2021 - \$191 2022-2028 - \$203*** 2029 - \$203
Child passport	\$91.30	\$105.00	2019 - \$107 2020 - \$109 2021 - \$110 2022-2028* 2029 - \$126**	2019 - \$111 2020 - \$111 2021 - \$111 2022-2028 - \$118*** 2029 - \$118

* There would be planned annual increases of similar magnitude to the increases between 2019 and 2021, with the level of the increases subject to the 2021 fees review

** This would be the fee in 2029 under option 1 if annual percentages increases are consistent in the 2022 to 2029 period with the 2019 to 2021 period

*** The level of fees increases in 2022 would be subject to the 2021 fees review

Applications lodged in a passport office in New Zealand

Application type	Current Fee (GST Exclusive)	Current Fee (GST Inclusive)	Option 1 Incremental annual fees increases beginning in 2019 Fee (GST inclusive)	Option 2 Steeper increases in 2019 and 2022 Fee (GST inclusive)
Adult passport	\$156.52	\$180.00	2019 - \$183 2020 - \$186 2021 - \$189 2022-2028* 2029 - \$216**	2019 - \$191 2020 - \$191 2021 - \$191 2022-2028 - \$203*** 2029 - \$203
Child passport	\$91.30	\$105.00	2019 - \$107 2020 - \$109 2021 - \$110 2022-2028* 2029 - \$126**	2019 - \$111 2020 - \$111 2021 - \$111 2022-2028 - \$118*** 2029 - \$118
Certificate of identity	\$91.30	\$105.00	2019 - \$107 2020 - \$109 2021 - \$110 2022-2028* 2029 - \$126**	2019 - \$111 2020 - \$111 2021 - \$111 2022-2028 - \$118*** 2029 - \$118
Refugee travel document	\$91.30	\$105.00	2019 - \$107 2020 - \$109 2021 - \$110 2022-2028* 2029 - \$126**	2019 - \$111 2020 - \$111 2021 - \$111 2022-2028 - \$118*** 2029 - \$118

* There would be planned annual increases of similar magnitude to the increases between 2019 and 2021, with the level of the increases subject to the 2021 fees review

** This would be the fee in 2029 under option 1 if annual percentages increases are consistent in the 2022 to 2029 period with the 2019 to 2021 period

*** The level of fees increases in 2022 would be subject to the 2021 fees review

Applications lodged in passports office in London or Sydney

Application type	Current Fee (GST Exclusive)	Option 1 Incremental annual fees increases beginning in 2019 Fee (GST Exclusive)	Option 2 Steeper increases in 2019 and 2022 Fee (GST Exclusive)
Adult passport	\$229.00	2019 - \$233 2020 - \$237 2021 - \$241 2022-2028* 2029 - \$275**	2019 - \$243 2020 - \$243 2021 - \$243 2022-2028 - \$258*** 2029 - \$258
Child passport	\$134.00	2019 - \$136 2020 - \$139 2021 - \$141 2022-2028* 2029 - \$161**	2019 - \$142 2020 - \$142 2021 - \$142 2022-2028 - \$151*** 2029 - \$151

* There would be planned annual increases of similar magnitude to the increases between 2019 and 2021, with the level of the increases subject to the 2021 fees review

** This would be the fee in 2029 under option 1 if annual percentages increases are consistent in the 2022 to 2029 period with the 2019 to 2021 period

*** The level of fees increases in 2022 would be subject to the 2021 fees review

Applications to New Zealand overseas mission

Application type	Current Fee (GST Exclusive)	Option 1 Incremental annual fees increases beginning in 2019 Fee (GST Exclusive)	Option 2 Steeper increases in 2019 and 2022 Fee (GST Exclusive)
Emergency travel document	\$500.00	2019 - \$508 2020 - \$517 2021 - \$526 2022-2028* 2029 - \$600**	2019 - \$530 2020 - \$530 2021 - \$530 2022-2028 - \$563*** 2029 - \$563

* There would be planned annual increases of similar magnitude to the increases between 2019 and 2021, with the level of the increases subject to the 2021 fees review

** This would be the fee in 2029 under option 1 if annual percentages increases are consistent in the 2022 to 2029 period with the 2019 to 2021 period

*** The level of fees increases in 2022 would be subject to the 2021 fees review

Additional Fees (online applications from outside New Zealand do not attract GST)

Item	Lodgement place	Current Fee (GST Exclusive)	Current Fee (GST Inclusive)	Option 1 Incremental annual fees increases beginning in 2019	Option 2 Steeper increases in 2019 and 2022
Priority fee	New Zealand or online	\$156.52	\$180.00	2019 - \$183 2020 - \$186 2021 - \$189 2022-2028* 2029 - \$216** (GST Inclusive)	2019 - \$191 2020 - \$191 2021 - \$191 2022 - \$203*** 2029 - \$203 (GST Inclusive)
	London or Sydney	\$229.00	-	2019 - \$233 2020 - \$237 2021 - \$241 2022-2028* 2029 - \$275** (GST Exclusive)	2019 - \$243 2020 - \$243 2021 - \$243 2022-2028 - \$258*** 2029 - \$258 (GST Exclusive)
Call out fee	New Zealand	\$478.26	\$550.00	2019 - \$559 2020 - \$567 2021 - \$578 2022 - 2028* 2029 - \$660** (GST Inclusive)	2019 - \$584 2020 - \$584 2021 - \$584 2022-2028 - \$619*** 2029 - \$619 (GST Inclusive)
	London or Sydney	\$650.00	-	2019 - \$661 2020 - \$672 2021 - \$683 2022-2028* 2029 - \$780** (GST Exclusive)	2019 - \$690 2020 - \$690 2021 - \$690 2022-2028 - \$732*** 2029 - \$732 (GST Exclusive)
Handling fee	NZ overseas mission	\$50		No change	No change

*There would be planned annual increases of similar magnitude to the increases between 2019 and 2021, with the level of the increases subject to the 2021 fees review

** This would be the fee in 2029 under option 1 if annual percentages increases are consistent in the 2022 to 2029 period with the 2019 to 2021 period

*** The level of fees increases in 2022 would be subject to the 2021 fees review