

■ New Zealand is facing challenges at its border

The changing global travel environment raises challenges and issues that our current visa and border security frameworks are not well placed to respond to. There are several factors placing pressure on border facilitation and risk management:

- The numbers of people travelling between and through countries by air and sea for leisure, business and work purposes have grown considerably in recent decades and are forecast to continue to grow into the future
- Traveller backgrounds and routes are increasingly diverse, which is more demanding for risk assessment and management
- The public, the New Zealand government, and other countries have lowered their tolerance for immigration and security risk in recent years
- International borders are coming under increased pressure from international migration, both voluntary and from displaced persons, and this trend seems likely to continue
- Travellers increasingly expect to be able to interact with authorities digitally and to receive personalised and modern services.

New Zealand's current immigration policy settings are increasingly not fit for purpose, in the face of rising numbers of diverse travellers following more diverse routes. Specifically, immigration border settings need to change in order to ensure:

- **Faster and better facilitation for an increasing number of travellers:** to meet travellers' and carriers' expectations of a quicker facilitation experience (including not being turned around at check-in or at the border) and an expectation of being able to interact with authorities digitally to receive personalised and relevant services
- **More secure borders:** to provide assurance to New Zealand about the purposes and characteristics of intending foreign travellers, as well as closing the gaps in New Zealand border settings relating to the marine (cruise) pathway.

■ Lowering our security exposure

The primary purpose of border security checks is to prevent individuals who may pose a potential security risk – bad actors – entering New Zealand. This occurs in three ways:

- By checking passports and other travel documents against lists of known stolen or lost passports, to prevent fraudulently obtained documents being used to enter the country
- By checking biographical information against watchlists of people who are known or suspected to be a potential or actual security risk
- By profiling the behaviours of travellers to identify those that may be attempting to travel for reasons of drug smuggling, people trafficking or other illegal purposes

There are a number of different types of individuals that we wish to prevent travelling to New Zealand, including:

- Those who will engage in general criminal activity whilst in the country, such as fraud, theft or acts of violence
- Those who are attempting to smuggle drugs or other contraband into the country, or to engage in similar illegal activity whilst in New Zealand
- Those engaged in people trafficking or illegal immigration, who are attempting to enter the country for different purposes than permitted by their visa type
- Those who have extremist political, religious or other ideological leanings and who will engage or attempt to engage in acts of violence or terrorism.

Having information about the identity of travellers to New Zealand is key to being able to manage our security risks. And obtaining that information as early as possible enables informed decisions to be made in a timely way so that people are not turned away at the border, having travelled a long distance.

■ Reducing risks from the cruise industry

The cruise industry is experiencing rapid growth across the world, both in terms of number of passengers, and the number of routes being used. This growth is forecast to continue. Growth has outstripped the pace of New Zealand maritime border controls, which use the same low touch process for all cruise vessel passengers and crew.

Anyone who arrives on a cruise vessel and is not due to disembark permanently is deemed to hold a visa. Immigration New Zealand does not have the ability to refuse entry or cancel visas. It is also not possible to monitor anyone who enters New Zealand from a cruise vessel on a deemed visa, as Immigration New Zealand does not have visibility of their movements; only those disembarking permanently who have applied for a visa. Historically this amounts to approximately 15 per cent of cruise vessel travellers.

Cruise vessel travellers bypass checks on bona-fides, identity, character and health, as well as avoiding national security checks, checks against watchlists, alerts and warnings, and other border screening. Granting entry to individuals who would be inadmissible if they arrived by air presents a risk to the NZ community, and may create reputation risk for the NZ government both domestically and internationally.



The proposed Electronic Travel authority (ETA) is a step on the journey towards the Future Border Operating Model, which will deliver greater certainty of identity and risk profiling for travellers to New Zealand, as well as a more streamlined process for people with the correct approvals. ETA is a key component of the desire for both faster facilitation and more secure borders.

The ETA system will build on many of the systems and processes that have been developed by INZ, and will result in a significant step towards the Future Border Operating Model (FBOM). The interaction of the different ETA components and their contribution to a more streamlined process for travellers is shown at right.

The initial components of the ETA system will be activated on 1 October 2019, with further elements coming online on 1 October 2020. Some components – such as biometric checking – will be activated progressively, as some countries have yet to provide chip-based passports to their citizens and some consumer-side technology is not yet widely deployed.

A levy of \$9-\$12.50 per ETA is proposed, in line with earlier guidance. ETAs last for two years, so frequent visitors to New Zealand will not be unduly burdened. It is also proposed that the International Visitor Levy is implemented as part of the same technology deployment, in order to avoid costs and make the process as straightforward as possible for travellers.

The ETA process will be consistent for both air travellers and those arriving on cruise ships, thus improving border security.

Costs and benefits

The cost of the proposed investment is **\$9(2)(i)** with **\$9(2)(i)** and **\$9(2)(i)**. The primary expenditure items are IT systems and related business processes **\$9(2)(i)** and the education and engagement necessary to ensure 1.5 million international travellers a year are aware of the obligation to obtain an ETA **\$9(2)(i)**. The opex component of the project will be funded from Immigration NZ cashflow and cost recovery from ETA fees.

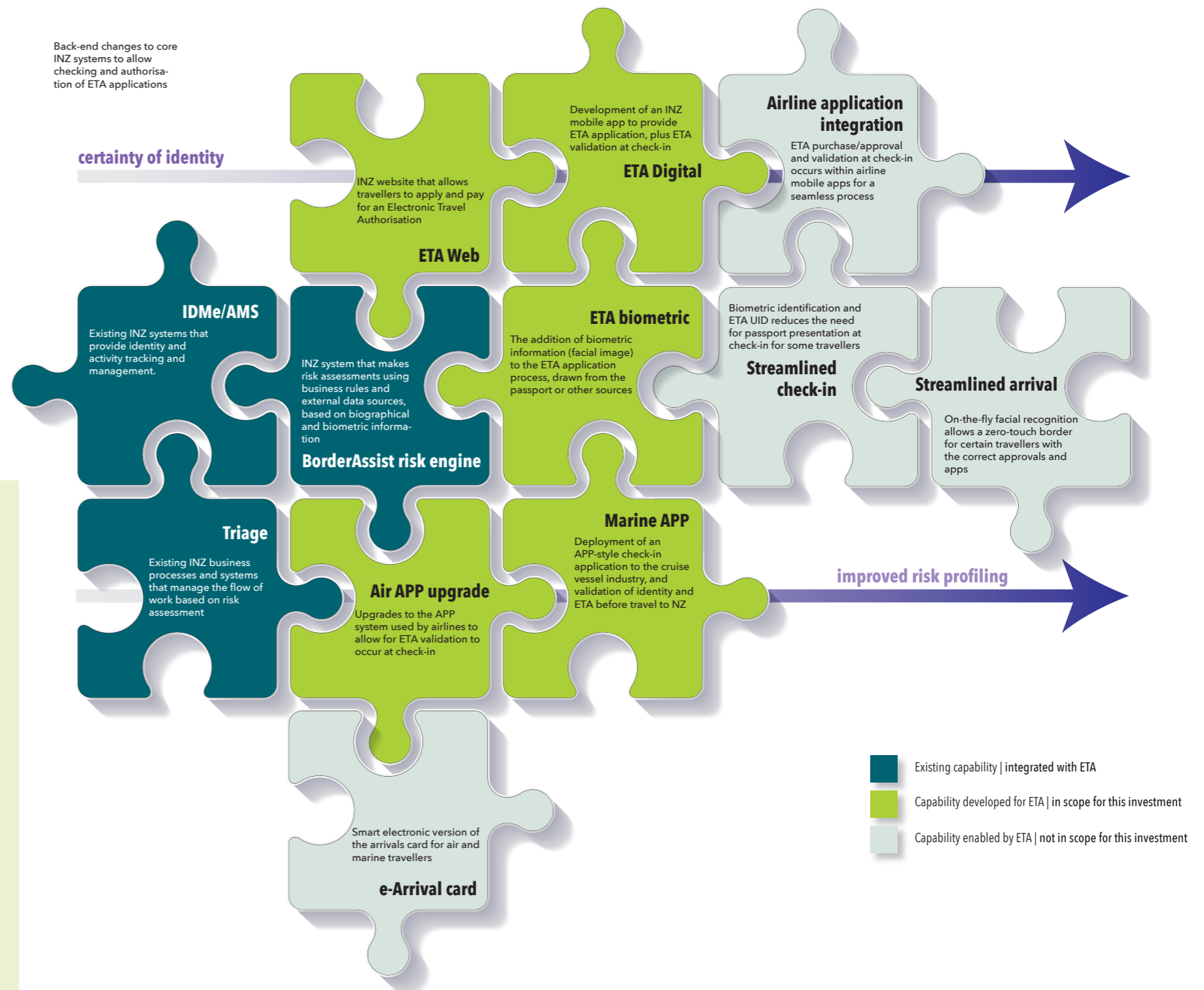
Implementing an ETA will provide a much greater level of offshore risk management, which will reduce the number of people who are stopped at airline check in or at the border.

Implementation of the International Visitor Levy alongside ETA allows for rationalisation of IT investment as well as a smoother transaction process for travellers. Implementing the ETA and IVL together avoids costs of \$1m.

The primary benefits of ETA come from improvements in security at New Zealand's borders. Around 1.5 million travellers per year will be subject to improved checking, using biographical and biometric information. This assessment process will use the INZ BorderAssist risk engine, which is a component of the Risk & Intelligence strategy being led by NZ Customs.

Implementation of the ETA system will also bring New Zealand into line with other nations. Similar systems are in place in Australia, the US and Canada. The system will also close the current border security gap presented by the marine cruise industry.

Back-end changes to core INZ systems to allow checking and authorisation of ETA applications



The importance of partnerships

While INZ has the capabilities to implement the biographical and biometric components of the ETA system, many of the benefits of a streamlined check-in and arrivals process for travellers will only occur once other organisations agree to update their processes and systems. This will include the airline and cruise vessel industries, as well as the border sector agencies (Customs and MPI in particular). This will necessitate high-quality consultation and relationship management on behalf of INZ to ensure strong alignment and commitment to the goal of a more efficient border.