

Office of the Minister of Immigration

Chair, Cabinet Economic Development Committee

## Proposal to remove departure cards by November 2018

### Proposal

- 1 I seek agreement to remove the regulatory requirement for travellers departing New Zealand to complete departure cards by November 2018.

### Executive Summary

- 2 Immigration regulations require all travellers leaving New Zealand to complete departure cards. I consider the benefits of this requirement are outweighed by the costs because:
  - 2.1 it is inconsistent with the border sector vision to provide world-class facilitation for travellers,
  - 2.2 its original role in recording travel movements has been superseded by electronic systems, and
  - 2.3 alternative tourism and migration measures, as well as minor changes at the border, can meet the needs of most users of departure cards.
- 3 I propose to remove the departure cards by November 2018 on the basis that it would have the following benefits:
  - 3.1 improve the experience of all travellers departing New Zealand, enabling faster and smoother facilitation through airports ahead of the busy holiday period,
  - 3.2 enhance New Zealand's reputation and alignment with international practices, and
  - 3.3 enable modest efficiency gains for government.
- 4 There are two associated risks with departure card removal by November. However, I do not consider these risks justify delaying or preventing the proposal:
  - 4.1 Stats NZ has developed an alternative migration measure that is more accurate and robust than the current measure, as it is based on actual movements rather than passengers' stated intentions on the passenger movement cards. The alternative measure, however, is less timely and has a 17 month lag. To help address this, Stats NZ is developing a statistical model to provide a provisional estimate of migration. Because modelling is based on historical trends, however, it will not be able to pick up changes in departure trends accurately prior to the 17 month lag. However, the main tool for evaluating immigration policy changes is immigration administrative data, which immediately reflects policy changes.
  - 4.2 There will be some minor information loss as part of the proposal, and this will impact some users of the card (see Annex Two). While some mitigations will not be in place by November 2018, there are opportunities to mitigate some of these impacts in the future as required.

- 5 I have also considered digitisation of the departure card, which could help address the above risks. However, I consider this would miss the opportunity to remove 6.5 million touchpoints with travellers, and implementation costs would likely be unable to be covered by existing resources.

## Background

- 6 Immigration regulatory settings currently require most air travellers to complete a passenger movement card before crossing the New Zealand border. Of 13 million passenger movement cards completed each year by passengers, 6.5 million of these are departure cards completed by departing passengers. The current departure card is shown in Annex One.

*The purpose of the departure card has shifted over time from border management to statistics and compliance*

- 7 The departure card's role as a border management mechanism has significantly reduced over time. The initial and primary purpose of the departure card was to account for all departing passengers crossing the New Zealand border. However, electronic systems now capture passenger identity information and travel movement records. The departure card fulfils this border role only during rare system outages (about a total of 4 hours a year). The departure card advises passengers of their obligation to declare large sums of cash, however, it does not collect any border-related declarations, as the arrival card does.<sup>1</sup>
- 8 Departure card information is now primarily used for statistical purposes. Departure cards (and arrival cards) collect identity and additional traveller information that feeds into official tourism, population and economic statistics. The cards are the primary source for the current measure of permanent and long-term (PLT) migration<sup>2</sup>. These statistics inform policy decisions, central and local government planning, infrastructure planning, health funding allocations and tourism strategies.<sup>3</sup> Independent of the departure card removal project, Stats NZ has been reporting an alternative migration measure that does not require passenger movement cards since May 2017.
- 9 Departure card information is also occasionally used for compliance and law enforcement purposes to build profiles and locate persons of interest or support court cases.

*The current departure card process does not align with current government border priorities*

- 10 New Zealand border settings aim to strengthen New Zealand's economic and personal connections with the rest of the world, while protecting the safety of New Zealanders and our borders. As traveller numbers increase, government and industry stakeholders are investigating the use of technology to:

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<sup>1</sup>The arrival card has an essential border management role. For immigration purposes, the arrival card is the prescribed visa and/or entry permission application form (including character declaration) for non-New Zealanders who do not use e-Gate. Biosecurity and goods declarations are also provided by the arrival cards, which are used to screen for border risks and infringe passengers.

<sup>2</sup> People are currently classified as PLT arrivals if they have been living overseas for the last 12 months or more, and state they intend to live in New Zealand for the next 12 months or more. People are classified as PLT departures if they have been living in New Zealand for the last 12 months or more, and state they intend to live outside New Zealand for the next 12 months or more. Net PLT migration is calculated by subtracting PLT departures from PLT arrivals.

<sup>3</sup> The permanent and long term migration figure is one of the government's economic measurement tools, although it is not used in evaluating immigration policies due to the high proportion of movements being by people not subject to immigration policy( such as New Zealanders and Australians).

- 10.1 improve risk management at the border (such as the Electronic Travel Authority proposal to develop a pre-travel registration mechanism to better manage risks posed by visa-free travellers),
  - 10.2 streamline border processes (such as by the introduction of e-Gate), and
  - 10.3 improve the traveller experience.
- 11 As part of the Single Economic Market (SEM) agenda, New Zealand and Australia are working together on a “Seamless Border” work stream, which aims to reduce barriers at the Trans-Tasman border. The SEM agenda drives trans-Tasman economic integration to provide tangible benefits to trans-Tasman travellers and traders.
- 12 **s 6(b)(i)**  
[REDACTED] Australia removed departure cards in July 2017, **s 6(b)(i)**  
[REDACTED] At the Australia-New Zealand Leadership Forum 2018, the Prime Minister acknowledged calls for New Zealand to follow Australia by removing departure cards this year and indicated she would advance this. New Zealand officials are also in the early stages of exploring the potential to digitise the arrival card.

#### **Benefits of proposal to remove departure cards by November 2018**

- 13 I propose that Cabinet agrees to remove the regulatory requirement to complete departure cards by November 2018. This would have the following benefits:
- 13.1 improve the experience of all travellers departing New Zealand, enabling faster and smoother facilitation through airports ahead of the busy holiday period,
  - 13.2 enhance New Zealand’s reputation and alignment with international practices, and
  - 13.3 enable modest efficiency gains for government.
- 14 The traveller is the main beneficiary of departure card removal. Each card takes around one minute to complete. This can be a nuisance for travellers, and groups in particular, who already provide much of the departure card information electronically at multiple points in their journey. The removal of departure cards would overall remove 6.5 million government interactions with travellers, which collectively takes around 100,000 hours to complete each year.
- 15 The removal of departure cards would also have some reputational benefits for New Zealand. Media reporting following the Australia-New Zealand Leadership Forum 2018 was supportive of New Zealand removing departure cards, and has raised expectations that departure card removal will occur by Christmas. Tourism and travel stakeholders have long advocated that this requirement is outdated and an unnecessary burden on travellers, which damages New Zealand’s image. Few other countries have departure cards with the level of detail required by the New Zealand departure card. Some countries do not have departure cards at all (such as Canada and Australia) and others exempt nationals from completing them (such as India).
- 16 Departure card removal would enable modest efficiency gains across government. The Ministry of Business, Innovation and Employment (MBIE), the New Zealand Customs Service (Customs) and Stats NZ incur costs in printing, distributing, collecting, processing, storing and administering the cards throughout their lifecycle. Resources currently dedicated to departure cards could be re-deployed to other high priority activities. Implementation costs can all be managed within existing resources. The most significant implementation costs will be for Stats NZ, which is investing around \$1.5 to \$2 million from existing baseline to reduce its statistical reliance on departure cards. While related, these costs are not solely a direct

impact of the proposal as Stats NZ is intending to use the outcomes-based measure as the official measure of migration.

### **Departure card functions can be substituted and meet most user needs**

- 17 Departure card information and its functions can be replaced by alternative processes and statistical methodologies in a way that would meet the needs of most users.

#### *The departure card's border functions can be easily substituted by November 2018*

- 18 Customs has confirmed that it does not need the departure card to fulfil the departure card's current border functions:
- 18.1 Cash reporting obligations: Customs can inform passengers of their cash reporting requirement using appropriate signage in the departures area.
  - 18.2 System outage back-up: Departure cards are used to capture travel movements when Customs systems are down. Customs is currently working on some system enhancements to enable its officers to capture the required data in standalone mode while its systems are down, and expect to be able to implement the necessary changes in time for the removal of the departure card by November. If this is not possible, as a temporary solution, Customs would develop a manual form that can be used in the rare event of a system outage.
- 19 Neither of the above changes would raise any risks to border management or facilitation.

#### *Net migration can be measured without departure cards by November 2018*

- 20 Stats NZ has identified suitable alternative sources for most traveller information collected by the departure card, such as electronic records, integrated administrative data or the arrival card (see table in Annex Two). Using alternative information sources and statistical methodologies, Stats NZ can replace the current official tourism and migration measures (based on traveller intentions) with an outcomes-based measure similar to Australia's.<sup>4</sup>
- 21 The new outcomes-based measure is considered more robust and accurate than the current measure as it is based on actual movements rather than passengers' stated intentions on the passenger movement cards. This addresses concerns arising from inconsistencies between actual traveller behaviour and the intentions they state at their border crossing.<sup>5</sup> Stats NZ is already reporting this outcomes-based migration measure in parallel to the current intentions-based official PLT migration measure.
- 22 The new outcomes-based measure, however, is less timely and has a 17 month lag. To address this, Stats NZ is developing a prototype statistical model to provide a provisional estimate of migration. There is a risk that the model will initially produce estimates with larger variability than the current measure, potentially impacting the quality of timely migrant departure and net migration estimates. Stats NZ is mitigating this risk by using proven development methodologies, engaging stakeholders, considering the frequency of release, a strong focus on system testing and regular revisions. The accuracy of the model is also expected to improve over time, as Stats NZ continues work to make the model more robust.

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<sup>4</sup> The outcomes-based measure will classify a migrant departure by calculating whether a traveller stays outside of New Zealand for more than 12 of the 16 subsequent months after departure. See: [Defining migrants using travel histories and the '12/16-month rule'](#) for detail on this outcomes-based measure.

<sup>5</sup> The difference between traveller intentions and outcomes may be due to changes in circumstances including inability to realise their goals in settling in, misunderstanding the questions on the cards and incorrectly reporting their intention, or deciding to extend their visa. See: [Outcomes versus intentions: Measuring migration based on travel histories](#) for more detail on the differences between the measures.

- 23 Because modelling is based on historical trends, however, it will not be able to pick up changes in departure trends accurately prior to the 17 month lag. However, the main tool for evaluating immigration policy changes is immigration administrative data, which immediately reflects policy changes.
- 24 Stats NZ is confident that together these alternatives will deliver an acceptable replacement for official tourism, migration and population measures. Stats NZ is engaging with key stakeholders to ensure changes, particularly the potential for revisions of provisional estimates, are understood by users and needs are met.

*The impact of some information loss does not justify the retention of the departure card*

- 25 While alternatives have been identified for all departure card information, some information will be not replaced by November 2018. The resulting information loss will affect some statistics and compliance users of the card (see table in Annex Two).
- 26 I consider the overall impacts on users to be minor, and do not warrant retaining the departure card or delaying its removal because:
- 26.1 *for migrant departure information*, most user needs will be met by the Stats NZ alternative statistics, as well as immigration administrative data available. There will be some category loss that can be eventually addressed – such as migrant departure occupation and next country of residence. New Zealand residential address, important to identify migrant departures by region, is scheduled to be addressed more quickly by March 2019.
- 26.2 *for short-term departure information*, most tourism user needs will be met by alternative statistics. Some tourism and airline data stakeholders have indicated the partial loss of main purpose of travel information is not satisfactory to them, as they use it to identify tourist departures for market research and airline route planning/capacity allocations. I consider it sufficient for the recovery of this information to be addressed when the arrival card is next amended.
- 26.3 *for compliance information*, most user needs will continue to be met by the arrival card. The departure card information is used occasionally to help build profiles or locate persons of interest and to support court cases. The departure card's lower compliance value is reflected by its request rate: 1522 arrival cards as compared to 469 departure cards were requested by compliance users from a total of 13 million passenger movement cards in 2017.

**Other options were considered and ruled out**

- 27 In my review of the departure card, I considered a range of options and concluded that the removal of the cards by November 2018 best meets government's objectives to:
- 27.1 improve the traveller facilitation and experiences ahead of a busy holiday period,
- 27.2 enhance New Zealand's image and align with international practices,
- 27.3 minimise disruption on departure card information users, and
- 27.4 manage implementation and future costs within existing resources.
- 28 The alternative options below better prevent disruption on departure card information users, but either miss or delay the opportunity to improve the traveller experience and enhance New Zealand's image, or do not manage implementation and future costs within existing resources:
- 28.1 **Maintain status quo (keep the card)**

This option would retain all of the information that would be lost by departure card removal and the costs can be managed within existing baselines. However, the travelling public and tourism industry expect that departure card removal will occur, and there would be reputational implications if it did not. It also misses an opportunity to streamline border processes and remove 6.5 million interactions with travellers.

## 28.2 Digitise the departure card

The only advantage of this option would be that it would retain most of the information that would be lost by departure card removal. A digital departure card in the form of a mobile app could modernise the departure process, but it would have high implementation costs and misses an opportunity to remove interactions with travellers at the border. New Zealand's image could be improved, but there is a risk that the public and industry would question why we are out of step with Australia.

## 28.3 Remove the paper-based departure card only after "main purpose of travel" information is able to be recovered by an amended or digital arrival card

This option may potentially retain the "main purpose of travel" information used for tourism market research purposes. However, this option would delay the benefits of departure card removal beyond November 2018. The delay may raise questions from members of the public and industry stakeholders who expect the removal of the departure card in the near future.

## Consultation

- 29 The following departments have been consulted: Stats NZ, the New Zealand Customs Service, Treasury, Ministry for Primary Industries, Ministry of Foreign Affairs and Trade, Ministry of Transport, New Zealand Police, Ministry of Justice, Ministry of Social Development, Inland Revenue, the Government Communications Bureau and New Zealand Security Intelligence Service.

## Financial Implications

- 30 Overall, the proposal will result in modest efficiency gains across government and for travellers.
- 31 Customs expect low implementation costs and some efficiency gains as a result of the proposal. Costs associated for Customs are currently being funded through the Border Clearance Levy and consequently have no impact on Crown funding:
- 31.1 **Current and future ongoing costs:** Customs currently spends around 4 FTE of personnel time per year to handle departure cards at the border. Personnel time released by the removal of departure cards will be redeployed to other tasks.
- 31.2 **Implementation costs:** Customs will need to put up new signage to meet anti-money laundering obligations, which are estimated to cost around \$11,000. The costs of IT enhancements to capture movements when its computer systems are down are yet to be fully costed.
- 32 Stats NZ expect higher implementation costs and modest efficiency gains as a result of the proposal. Costs will be met from existing baselines:
- 32.1 **Current and future ongoing costs:** Stats NZ currently prints, distributes and processes all passenger movement cards. The net cost to Stats NZ for this activity is likely to reduce by \$100,000 as a result of departure card removal (from around

\$800,000 to \$700,000 per year). More substantial savings would be expected in the case of arrival card digitisation.

32.2 **Implementation costs:** Stat NZ is investing \$1.5 to \$2 million over two years from existing baselines to remove its statistical reliance on the departure card. While related, these costs are not solely a direct impact of the proposal as Stats NZ was intending to use the new measure as the official measure of migration.

33 MBIE expects no implementation costs and modest efficiency gains as a result of this proposal. Costs will be met from existing baselines.

33.1 **Current and future ongoing costs:** MBIE contributes to Stats NZ printing, distribution and processing costs, and also stores and administers departure cards after processing. The proposal will result in a small efficiency gain as storage and personnel time would be re-deployed to higher priorities activities, and the contribution to Stats NZ (additional to net costs to Stats NZ outlined above) would likely reduce by \$43,000 (from \$499,000 to around \$456,000).

### Human Rights

34 This proposal is consistent with the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993.

### Legislative Implications

35 Regulatory changes will be required. All departing passengers are required, under section 119(1)(c) of the Immigration Act 2009, to "provide such information and complete such documentation as may be prescribed".

36 Regulation 31 of the Immigration (Visa, Entry Permission, and Related Matters) Regulations 2010 prescribes that, if not exempt, each person leaving New Zealand must complete the approved form and provide it to an immigration officer or an automated electronic system, together with specified identification documentation. The departure card is the approved form. It is proposed that the regulatory requirement to complete the approved form is removed, while retaining requirements to present identification documentation.

37 Changes to regulations to implement the proposal will be presented to Cabinet Legislation Committee by late September 2018.

### Regulatory Impact Analysis

38 The Regulatory Quality Team at the Treasury has determined that the regulatory decisions sought in this paper are exempt from the requirement to provide a Regulatory Impact Assessment as they are likely to have minor impacts on businesses, individuals and not-for-profits.

### Publicity

39 The potential removal of the departure card by Christmas this year has been highlighted in the media and was broadly welcomed by stakeholders and commenting members of the public.

40 I recommend that the decision to remove departure cards is announced jointly by the Minister of Customs and I soon after Cabinet decisions are made. This will allow users of departure cards to prepare for their removal by November 2018 (in line with what has been reported).

41 I intend to proactively release this Cabinet paper after the announcement is made.

## Recommendations

The Minister of Immigration recommends that Cabinet:

- 1 **Note** that the immigration regulatory requirement to complete departure cards is a current immigration regulatory requirement,
- 2 **Note** that the benefits of this requirement are outweighed by the costs because:
  - 2.1 it is inconsistent with the border sector vision to provide world-class facilitation for travellers,
  - 2.2 its original role in recording travel movements has been superseded by electronic systems, and
  - 2.3 alternative tourism and migration measures, as well as minor changes at the border, can meet the needs of most departure card users,
- 3 **Note** that removal of departure cards would have the following benefits:
  - 3.1 improve the experience of all travellers departing New Zealand, enabling faster and smoother facilitation through airports ahead of the busy holiday period,
  - 3.2 enhance New Zealand's reputation and alignment with international practices, and
  - 3.3 enable modest efficiency gains for government.
- 4 **Agree** to remove the regulatory requirement for travellers to complete departure cards by November 2018,
- 5 **Note** some information collected by the departure card cannot be readily replaced affecting some tourism and labour market research as well as compliance users, but these impacts are minor,
- 6 **Invite** the Minister of Immigration to submit drafting instructions to the Parliamentary Counsel Office to amend the Immigration (Visa, Entry Permission, and Related Matters) Regulations 2010 to enable the removal of departure cards,
- 7 **Authorise** the Minister of Immigration to make decisions on any minor or technical matters, consistent with the policy proposals in this paper, that may arise during the drafting process,
- 8 **Invite** the Minister of Immigration and Minister of Customs to jointly announce the decision to remove departure cards following Cabinet's consideration of this paper, and
- 9 **Note** that I intend to proactively release this Cabinet paper as part of this announcement.

Authorised for lodgement

Hon Iain Lees-Galloway

Minister of Immigration



## Annex One: The current departure card

### New Zealand Passenger Departure Card

Please read the instructions and legal information on the other side of this card.

**1** Flight number or name of ship

**2** Departure date  day  month  year  20

**3** Nationality as shown on passport

**4** Passport number

**5** Date of birth  day  month  year

**6** Are you, or until today were you, living, working, or studying in New Zealand for 12 months or more?

yes → go to **7**

no → go to **13**

**7** How long will you be away from New Zealand?

years  months  days  or  permanently

**8** Which country will you spend the most time in while overseas?

**9** What is the main purpose of your trip?

visiting friends/relatives  business

holiday/vacation  conference/convention

education  other

**10** What is your occupation?

**11** What country were you born in?

**12** Please give your residential or contact address in New Zealand.

**13**  Tick here to declare that you have:

- read and understood the statements on the back of this card
- given information that is true, correct, and complete.

End of questions – no signature needed.

W1290018\_Departure card - Final June 2013.indd 1 4/06/2013 10:24:59 AM

June 2013

Completing this departure card is a legal requirement for passengers leaving New Zealand.  
False or misleading declarations may lead to penalties.

### How to fill in this card

- a departure card must be completed for all passengers, including children
- please answer in English
- use a blue or black pen
- print in capital letters, like this: N E W Z E A L A N D
- mark answers like this:

### Cash reporting

If you are carrying, on your person or in your baggage, NZ\$10,000 or more in cash, or foreign equivalent, you must report this to a Customs officer when you are completing passport formalities on departure from New Zealand.

Cash means physical currency, bearer negotiable instruments (BNI), or both. BNI means any of – bills of exchange, cheques, promissory notes, bearer bonds, traveller's cheques, money orders, postal orders, or similar orders, or any other instrument prescribed by regulations under the Anti-Money Laundering and Countering Financing of Terrorism Act 2009.

If anyone you are responsible for, who is travelling with you, has cash to that value, you must report this to the Customs officer also.

It is an offence to fail to report as instructed here.

### Information statement

Information collected on this form and during the departure process is required to administer border security laws of New Zealand. Its collection is authorised by legislation.

The information will be disclosed to agencies administering these areas and those agencies authorised to receive it under New Zealand law for data matching, enforcement, and compliance purposes. Once collected, the Statistics Act 1975 allows for the information to be used for statistical purposes by Statistics New Zealand.

The Privacy Act 1993 and the Official Information Act 1982 apply to this information. If you have any questions please contact:

<b>NZ Customs Service</b>	<b>Immigration NZ</b>
☎ 0800 428 786	☎ 0508 558 855
✉ feedback@customs.govt.nz	✉ INZdepartures@mbie.govt.nz
✉ PO Box 2218, Wellington	✉ PO Box 3705, Wellington

Give this completed card to a Customs officer before boarding.

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## Annex Two: summary of alternative sources for information departure card information and impact on users

Traveller type	Information captured	Alternate source of information?	In place by Nov 2018?	Impact on statistics users	Impact on compliance users
All travellers, including overseas visitors	Flight number	Yes - electronic records are currently used as the primary source.	Yes	No impact.	No impact.
	Passport number				
	Departure date				
	Nationality on passport				
	Date of birth				
	Have you lived, worked or studied in NZ for 12 months more?	Yes - currently able to link travel histories.	Yes	No impact.	No impact.
NZ-resident migrant departure	Length of intended absence	Yes - <ul style="list-style-type: none"> <li>Traveller intentions replaced by actual length of absence (measured over a period of 16 months).</li> <li>Statistical model will provide provisional estimates before end of 16 month period.</li> </ul>	Yes	<ul style="list-style-type: none"> <li>Will benefit from more robust and accurate historical net migration data 17 months after reference period.</li> <li>Will need to adjust to net migration provisional estimates being revised over time, but will benefit from increased transparency about uncertainties in data.</li> </ul>	Will no longer be able to check intended date of return for persons of interest.
	Country of next residence	Yes - data exchange with partners may be possible.	No	Potential gap in ability to identify where New Zealand residents are leaving permanently to.	Will no longer be able to check intended location for persons of interest.
	Occupation	Yes - better quality information could be sourced from integrated data (for example, by combining	No	Likely to experience gap in ability to determine occupations of migrant departures, though the low quality of the	Will lose contextual information about persons of interest.

		Census and qualifications data with migration data).		current data limits use.	
	Country of birth	Yes - captured in passport data	Yes	No significant impact.	May still be able to access this, depending on information sharing agreements.
	Residential area in New Zealand	Yes - an integrated data alternative is being investigated.	No – but expected by March 2019.	Will eventually be able to see migrant departures by region, possibly in greater detail than at present. However, alternative may not be as timely.	Will no longer be able to check address prior to departure for persons of interest.
NZ-resident short-term departure	Length of intended absence	Yes - <ul style="list-style-type: none"> <li>• Arrival card captures time away from NZ upon return.</li> <li>• New measure will also measure actual length of absence (measured over a period of 16 months).</li> <li>• Statistical model will provide provisional estimates before end of 16 month period.</li> </ul>	Yes	No significant impact.	Will no longer be able to check intended date of return for persons of interest.
	Country of main destination	Yes - currently captured by arrival card upon return.	Yes	No significant impact.	Will delay access to destination for persons of interest.
	Main purpose of trip: <ul style="list-style-type: none"> <li>• visiting friends/relatives</li> <li>• holiday/vacation</li> <li>• education</li> <li>• business</li> <li>• conference/convention</li> <li>• other</li> </ul>	Yes – partially as: <ul style="list-style-type: none"> <li>• ‘Education’, ‘business’ and ‘other’ travel captured on arrival card.</li> <li>• An amended arrival card could recover lost categories, but not by November 2018.</li> </ul>	No	Tourism stakeholders have indicated they will lose the ability to identify tourist departures, impacting tourism research and strategy as well as airline route planning/capacity allocations.	Loss of contextual information about persons of interest.

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