



Border Clearance Levy

Interim Cost Recovery Report

December 2015

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1 INTRODUCTION

1.1 PURPOSE

This Interim Cost Recovery Report provides further information on how the New Zealand Customs Service (Customs) and the Ministry for Primary Industries (MPI) are implementing the Border Clearance Levy (the Levy) for effect from 1 January 2016. The report:

- describes cost recovery arrangements for the Levy
- contains financial forecasts for the second half of the 2015/16 financial year and three forward years, and
- provides an initial framework for reporting on the Levy's financial and non-financial performance in the future.

This report and future reports are intended to be one of the ways in which MPI and Customs will ensure transparency and accountability for the performance of the Levy. It will be supplemented by regular meetings with key stakeholders to discuss Levy performance, and to consider further opportunities to work in co-operation.

MPI and Customs intend to update this report at regular intervals. The next report is scheduled for October 2016, and will include financial reporting and reporting on non-financial performance for the 2015/16 year (which includes the first six months of the Levy's operation). Subsequent annual reports will cover future financial years.

MPI is currently undertaking a First Principles Review of all its cost recovery arrangements, which includes work on improving transparency of service performance to industry. This cost recovery report will continue to evolve as the First Principles Review progresses and Levy stakeholders will continue to be engaged throughout the review.

1.2 DESCRIPTION OF COST RECOVERED ACTIVITIES

Customs and MPI are the border agencies that are primarily responsible for processing individuals (both passengers and crew) that arrive in New Zealand. Customs has primary responsibility for processing individuals departing from New Zealand. The Aviation Security Service (Avsec) has a separate responsibility for the security-screening of both international and domestic passengers when boarding aircraft.

MPI and Customs work together, along with other border agencies, to manage risk at the border, and to meet the Government's Business Growth Agenda Building Export Markets goal of the 'world's most efficient and cost effective border system'.

In the 2014/15 year MPI and Customs risk assessed and processed approximately 11.6 million arriving and departing air and sea travellers, including crew.

The Levy is intended to cover the following activities which are carried out by Customs and MPI at the border for the purposes of clearing travellers:

- Screening of travellers prior to their arrival or departure from New Zealand
- Processing of travellers and their baggage at designated places of first arrival
- Activities to verify the effectiveness of border processing to manage risk

2 POLICY AND STATUTORY AUTHORITY TO COST RECOVER

2.1 GOVERNMENT POLICY APPROVAL

In April 2015, the Government agreed to introduce the Levy to recover the costs incurred by MPI and Customs in delivering their respective functions in relation to people arriving and departing from New Zealand. This has been given effect through amendments to the Customs and Excise Act 1996 and the Biosecurity Act 1993.

To have effect, the Minister for Primary Industries and the Minister of Customs have issued Levy Orders prescribing key implementation details.

2.2 STATUTORY AUTHORITY TO CHARGE

The statutory authority for the Levy is provided under section 288B of the Customs and Excise Act 1996 and section 140AA of the Biosecurity Act 1993. Under this legislation, all individuals (unless exempted) that arrive or depart from New Zealand from 1 January 2016 are liable for the costs incurred by MPI and Customs in relation to the performance of functions relating to travellers and the goods in their possession or under their control.

The Levy Orders prescribing Levy rates and implementation details have now been made as:

- Biosecurity (Border Processing Levy) Order 2015
- Customs and Excise (Border Processing Levy) Order 2015

Rates for the 1 January 2016 to 30 June 2018 levy period were notified in the New Zealand Gazette on 19 November 2015, in accordance with the provisions of the respective orders.¹

The rates have been set in the Levy Orders for the first two and a half years (to 30 June 2018) in order to provide Levy payers, collectors, and other stakeholders with certainty on the levy rates payable, and to include the first full year of cost recovery (that is, 2017/18, after which the exemption for travellers who have fully paid before 1 January 2016 for travel during 2016 no longer applies, and Crown funding for this exemption drops away).

¹ Both notices were published in the 19 November 2015 Edition of the *New Zealand Gazette*, Notice 2015-go6798 (Customs) and 2015-go6800 (Biosecurity).

After this first 30 months period (from 1 July 2018), the Levy Orders provide for the Comptroller of Customs and the Director-General of MPI to set the rates for each Levy period, based on a calculation, and notify the new Levy rates in the Gazette. The calculation is:

- a. the estimated annual costs to be incurred by MPI/Customs (taking account of any under- or over-recovery in the preceding period), divided by:
- b. the estimated total number of travellers subject to the Levy in that period.

After the first 30 months, the Customs component will be set on a three year time horizon and is not expected to change year to year (unless there is sustained and material under- or over-recovery). The Biosecurity Act 1993, however, allows under- or over-recovery from only the preceding year to be carried forward. This means the biosecurity component of the Levy will be reviewed annually.

If there is an over-recovery of the biosecurity component in the first 30 months period, this can be carried forward and factored into the rates applying from 1 July 2018. However, if there is an under-recovery during this period, only that pertaining to the 12 months from 1 July 2017 to 30 June 2018 can be carried forward into the new rates. The length of the period for which under- and over-recovery can be carried forward is being considered as part of MPI's First Principles Review of cost recovery.

Both Customs and MPI will use memorandum accounts to manage fluctuations in Levy revenue and expenditure, and inflows and outflows will be monitored on a monthly basis. Customs expects to carry out a simple review each financial year to ensure that revenue and costing assumptions remain valid, and that the overall balance of the memorandum account is trending towards zero over the three year horizon. As MPI can only transfer surpluses or deficits into the next financial year, it will adjust its component annually to take into account over- or under-recovery from the preceding year.

3 DRAFT REPORTING FRAMEWORK FOR COST RECOVERY MODEL

3.1 DESCRIPTION OF COSTS

The three broad categories of cost are:

- Direct Costs - frontline operational costs, including those relating to border clearance staff (Quarantine Officers and Customs Officers), intelligence staff, and detector dogs.
- Operational Support Costs - costs of all operational support areas, including planning, scheduling, and operational management
- Corporate Support Costs - only the attributable corporate services costs that are allocated across the whole of Customs or MPI, including Finance, Legal, and HR.

The overall breakdown of costs across these three categories is shown in Figure 1.

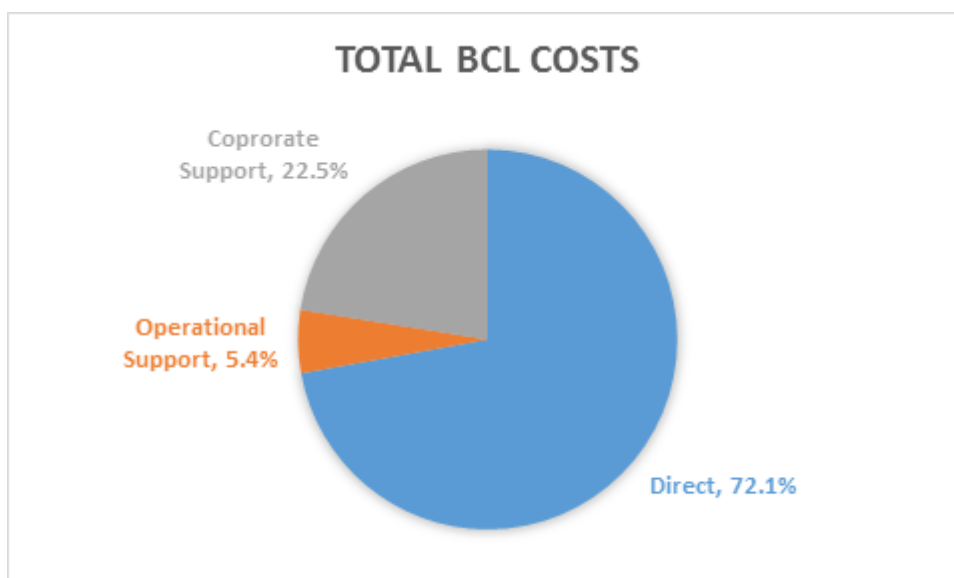


Figure 1. Total BCL costs by category

3.2 MAIN COST DRIVERS

The main cost drivers for both agencies are traveller volumes and the level of risk that they pose. The level of risk determines the nature of the risk management activities that must be undertaken to manage this risk. The higher the risk profile of travellers, the more x-rays, bag searches, and other higher cost activities must be undertaken. Risk is assumed to remain static in the cost recovery model.

Passenger and crew volumes are based on forecast volumes as outlined in Section 3.3.

Traveller facilitation is also a driver of cost. Other things being equal, faster facilitation of travellers requires more resources which will cost more for a given level of risk management. The service model is assumed to remain static.

3.3 VOLUME FORECASTS

The demand for border clearance services is linked to volume forecasts. Forecast models are administered by Customs and incorporate the inputs as set out below.

Commercial air passengers

Forecasts are based on the growth rates:

- The Ministry of Business Innovation Employment's Tourism Forecasts²

² <http://www.mbie.govt.nz/info-services/sectors-industries/tourism/tourism-research-data/international-tourism-forecasts>

- The Ministry of Transport projections for New Zealand travellers (using the low growth scenario)³

Cruise passengers

Forecasts are based on Cruise New Zealand forecasts for 2015/16 and 2016/17⁴, with an 8% growth rate in future years.

Other travellers

No change to current volumes is assumed.

Table 1. Forecast travellers subject to the Levy

		2015/16	2016/17	2017/18	2018/19
Commercial air	Arrivals	5,541,218	5,766,908	5,992,690	6,222,632
	Departures	5,486,983	5,711,515	5,935,095	6,162,819
Cruise	Arrivals	186,234	201,000	217,000	235,000
	Departures	187,000	202,092	218,339	235,166
Other Marine & Air	Arrivals	2,800	2,800	2,800	2,800
	Departures	2,700	2,700	2,700	2,700
Total	Arrivals	5,730,252	5,970,708	6,212,490	6,460,432
	Departures	5,676,683	5,916,307	6,156,134	6,400,685
	Total	11,406,935	11,887,015	12,368,624	12,861,117

3.4 DIRECT COSTS

Direct costs components are:

- Personnel – including personnel (frontline and intelligence staff), contracts, and detector dog handler costs
- Equipment and IT – including X-ray equipment, Smartgates, other equipment and IT & communication costs
- Accommodation – direct operational property costs
- Other direct operating costs – including consumable materials and supply costs, financial, legal and other fees, and other operating costs

Direct costs are allocated based on the assessed effort of activity directly related to the delivery of border clearance services. The breakdown of direct costs is shown in Figure 2.

³ <http://www.transport.govt.nz/research/othertransportresearch/transport-demand-modelling/>

⁴ <http://cruisenz.com.nz/data/>

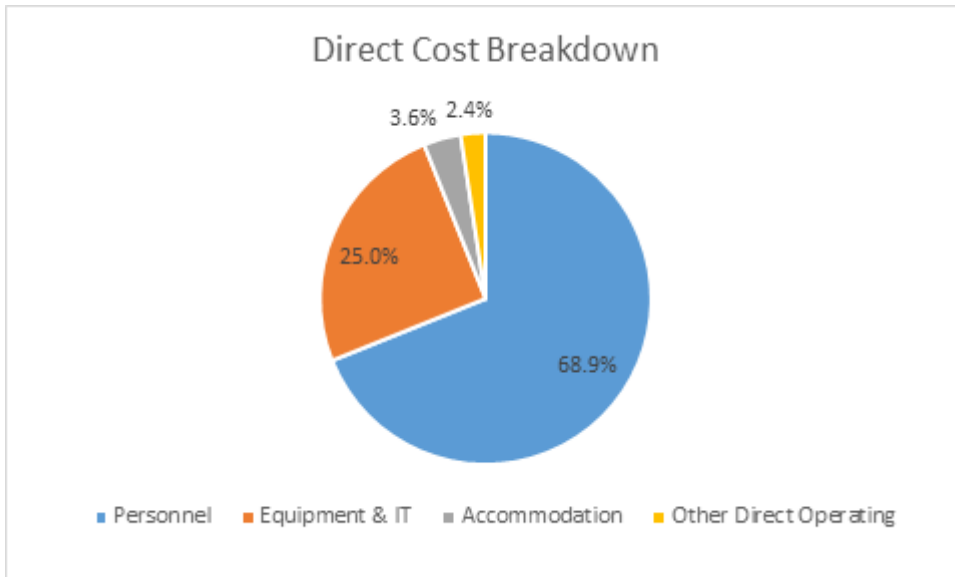


Figure 2. Direct costs by category

3.5 INDIRECT COSTS

Indirect costs comprise Operational Support Costs and Corporate Support Costs.

Indirect costs are allocated based on the number of direct Full Time Equivalent (FTE) employees delivering border clearance services, on the basis of the relationship between the indirect cost and the direct FTE.

Corporate support costs comprise:

- HR
- Finance/Legal
- Accommodation
- IT Applications
- Other – including Communications & Strategy

The breakdown of corporate support costs is shown in Figure 3.

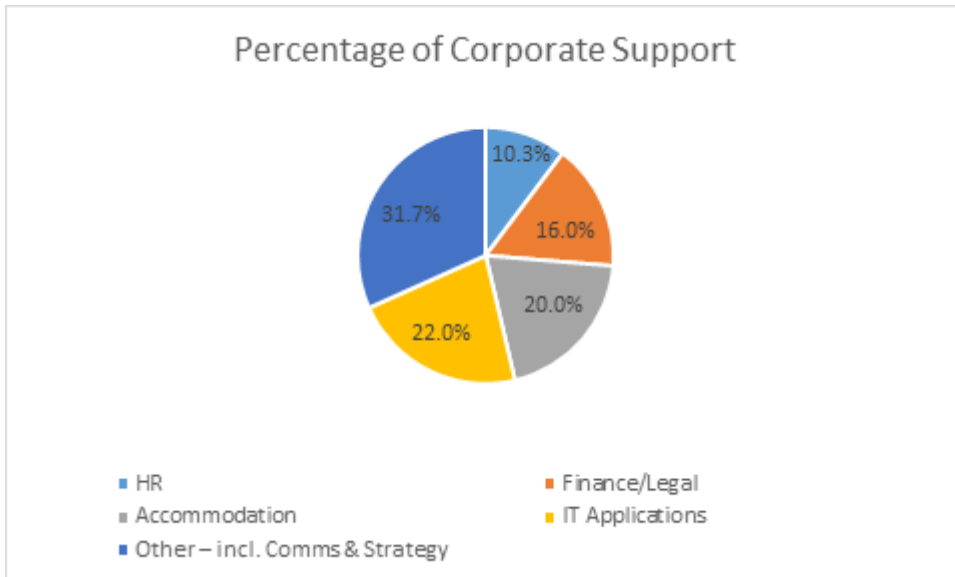


Figure 3. Corporate support costs by category

Indirect costs are allocated based on best practice cost recovery principles. Each agency differs in the precise way they allocate indirect costs, due to underlying differences in their operating models and cost structures.

The way indirect costs are allocated is also audited each year, and meets requirements set by Treasury.

3.6 BREAKDOWN OF COSTS

Table 2 sets out a breakdown of costs by component for the three main pathways (commercial passenger airline, cruise ship, and other craft).

Table 2. Cost breakdown estimates for 2015/16 – 2018/19

Year	Customs		MPI	Total	Customs		MPI	Total	Customs		MPI	Total	Customs		MPI	Total
	Arrivals	Departure			Arrivals	Departure			Arrivals	Departure			Arrivals	Departure		
	2015/16 (\$m)				2016/17 (\$m)				2017/18 (\$m)				2018/19 (\$m)			
Commercial air																
Direct	29.991	11.663	32.019	73.673	33.285	12.970	33.174	79.429	34.376	13.422	34.348	82.146	34.553	13.512	35.558	83.623
Operational Support	0.964	0.375	4.111	5.450	0.983	0.382	4.259	5.625	1.003	0.390	4.410	5.803	1.023	0.398	4.565	5.986
Corporate Support	9.126	3.549	10.238	22.914	9.309	3.620	10.607	23.536	9.495	3.693	10.983	24.171	9.685	3.766	11.370	24.821
Total	40.081	15.587	46.368	102.036	43.577	16.973	48.041	108.590	44.874	17.504	49.741	112.120	45.261	17.676	51.492	114.430
Cruise																
Direct	1.145	0.446	1.659	3.249	1.169	0.455	1.557	3.180	1.192	0.464	1.456	3.112	1.513	0.589	2.228	4.330
Operational Support	0.045	0.017	0.213	0.275	0.045	0.018	0.200	0.263	0.046	0.018	0.187	0.251	0.047	0.018	0.286	0.352
Corporate Support	0.422	0.164	0.530	1.117	0.431	0.168	0.498	1.096	0.439	0.171	0.466	1.076	0.448	0.174	0.713	1.335
Total	1.612	0.627	2.402	4.641	1.645	0.640	2.254	4.539	1.678	0.653	2.109	4.440	2.009	0.782	3.227	6.017
Other																
Direct	0.129	0.050	0.033	0.212	0.131	0.051	0.034	0.217	0.134	0.052	0.035	0.221	0.137	0.053	0.037	0.226
Operational Support	0.000	0.000	0.004	0.005	0.001	0.000	0.004	0.005	0.001	0.000	0.005	0.005	0.001	0.000	0.005	0.005
Corporate Support	0.005	0.002	0.011	0.017	0.005	0.002	0.011	0.018	0.005	0.002	0.011	0.018	0.005	0.002	0.012	0.019
Total	0.134	0.052	0.048	0.234	0.137	0.053	0.049	0.239	0.139	0.054	0.051	0.245	0.142	0.055	0.053	0.250
Crown																
Cruise Cap	0.297	0.116	0.504	0.917	0.297	0.116	0.756	1.169	0.297	0.116	1.009	1.422	-	-	-	-
Mercantile	0.429	0.166	0.618	1.213	0.429	0.166	0.641	1.236	0.429	0.166	0.663	1.258	0.429	0.166	0.687	1.282
Total Crown	0.726	0.282	1.122	2.130	0.726	0.282	1.397	2.405	0.726	0.282	1.672	2.680	0.429	0.166	0.687	1.282
GRAND TOTAL	42.553	16.549	49.940	109.042	46.085	17.948	51.741	115.774	47.418	18.493	53.573	119.484	47.840	18.680	55.459	121.979

3.7 ACTIVITIES FUNDED FROM OTHER SOURCES

The activities funded by the Levy will be part funded by the Crown for the first 30 months cycle. There are two components to this Crown funding:

- Meeting the levy contributions of passengers that have fully paid for their tickets for 2016 travel before 1 January 2016. This is a temporary transitional arrangement that will cease from the start of the 2017 calendar year.
- Crown funding to cap the rate paid by cruise ship passengers – this will remain in place until 1 July 2018.

The costs of additional functionality at the border that is required by other Government agencies will not be borne by Levy payers (e.g. information matching for student loan holders leaving the country for Inland Revenue). These costs will be recovered from the agency requesting it.

Additional services provided by Customs or MPI will remain subject to separate cost recovery arrangements.

3.8 CALCULATION OF LEVY RATES

The rates in Table 3 are calculated by dividing costs by the number of traveller movements to arrive at the per traveller rates.

Expenditure projections are based on a combination of 2014/15 costs, and out-year budgets, which include some additional costs for general annual wages and business pressures.

Traveller volumes have been taken from Customs base data, adjusted for relevant exemptions, and projected using forecast volumes as noted above. MPI used actual 2014/15 traveller volumes (in line with the one year time horizon for the memorandum account). Customs arrival and departure volumes are forecast volumes averaged over 3.5 years.

Table 3. Calculation of Levy rates

Charge component		Estimated volumes of travellers	Planned costs	Base year for cost calculation	Rate (GST excl.) Revenue/volume
Biosecurity					
Air and other		5.305 m	\$44.5 m	2014/15 only	\$8.38
Cruise		163,300	\$2.8 m	2014/15 only	\$17.04
Customs					
Air and other -	Arrivals	5.771m	\$42.935m	Averaged over 3.5 years	\$7.45
	Departures	5.717 m	\$16.697m	Averaged over 3.5 years	\$2.93

Cruise	Arrivals	202,500	\$2.008m	Averaged over 3.5 years	\$9.93
	Departures	202,000	\$0.781m	Averaged over 3.5 years	\$3.88
Total		Arrivals	Departures	Total (round trip)	GST incl.
Air and other		\$15.83	\$2.93	\$18.76	\$21.57
Cruise (if not capped)		\$26.97	\$3.88	\$30.85	\$35.48

Capping of Levy rates for cruise ship passengers at \$22.80

The Government agreed to cap the amount for cruise ship passengers at the maximum rate consulted on: \$22.80 plus GST. This cap will last until the end of the initial 30 months Levy period.

Updating Levy rates

These Levy rates have been set for a two-and-a-half year period (30 months). Towards the end of this period, Customs and MPI will update expenditure and volume forecasts to determine whether the rates should be reset. Rates may be set within the maxima set prescribed in the Levy Orders (see Table 4).

Table 4. Maximum Levy rates

	MPI	Customs		Total
		Arrive	Depart	
Air and other	\$8.80	\$7.80	\$3.10	\$19.70
Cruise	\$17.90	\$10.40	\$4.10	\$32.40

Any decisions to reset rates will be undertaken in discussion with stakeholders.

Treatment of exemptions

There are two classes of exempt travellers:

- levy funded travellers: the costs of these travellers are met through the Levy
- non-levy funded travellers: the costs of these travellers are met from alternative sources.

Table 5. Exempt travellers

Levy funded travellers
(a) a traveller under the age of 2 years:
(b) a traveller who arrives in, or departs, New Zealand on an international aircraft otherwise than as a passenger:
(c) a traveller who arrives in, or departs, New Zealand on a cruise ship otherwise than as a

passenger:

- (d) a traveller who—
 - (i) arrives in New Zealand on an aircraft; and
 - (ii) is not required to report to a Customs officer at an arrival hall because the traveller is in transit to a place outside New Zealand:
- (e) a traveller who, having arrived in New Zealand as referred to in paragraph (d), departs New Zealand on an aircraft for the place outside New Zealand without having been required to enter a departure hall:

Non-levy funded travellers

- (f) a traveller who arrives in, or departs, New Zealand on any of the following:
 - (i) a craft being operated by the New Zealand Defence Force or the defence forces of any Government other than that of New Zealand;
 - (ii) a craft being used wholly for diplomatic or ceremonial purposes of any Government;
 - (iii) a craft being used wholly for the purposes of a mission being carried out or organised by any Government that is a humanitarian mission or a mission in response to an emergency or a crisis;
 - (iv) a craft being used for the purposes of an official expedition of a Contracting Party⁵;
 - (v) a non-passenger commercial craft;
- (g) a traveller who arrives in New Zealand after having been rescued at sea:
- (h) a traveller who arrives in New Zealand wholly for the purpose of seeking temporary relief from stress of weather:
- (i) a traveller who, having arrived in New Zealand as referred to in paragraph (h), departs New Zealand as soon as is reasonably practicable:
- (j) a traveller who departs New Zealand on a craft on a journey—
 - (i) that is not intended to go beyond the exclusive economic zone; and
 - (ii) that is not intended to include a meeting with any craft or persons entering the exclusive economic zone from a point outside New Zealand:
- (k) a traveller who arrives in New Zealand on a craft—
 - (i) that has returned to New Zealand after a journey that did not extend beyond the exclusive economic zone; and
 - (ii) that did not meet during that journey with any other craft or persons entering the exclusive economic zone from a point outside New Zealand:
- (l) a traveller who arrives in, or departs, New Zealand before 1 January 2017 on an international aircraft as a passenger being carried on a ticket that was purchased, and fully paid for, before 1 January 2016:
- (m) a traveller who arrives in, or departs, New Zealand before 1 January 2017 on a cruise ship as a passenger on an international cruise and whose place on the cruise was purchased, and fully paid for, before 1 January 2016.

⁵ **Contracting Party** has the meaning given by section 7(1) of the Antarctica (Environmental Protection) Act 1994; **official expedition**, in relation to a Contracting Party, has the meaning given by section 7(1) of the Antarctica (Environmental Protection) Act 1994.

4 VARIATIONS TO COST RECOVERY MODEL ESTIMATES

4.1 CHANGES IN TRAVEL DEMAND

Substantial variance from forecast volumes will result in under- or over-recovery. This volume change can trigger stepwise cost decreases or increases over time, such as additional equipment (e.g. x-rays) and/or additional shifts for smaller ports and ports that are not ports of first arrival.

Mitigation

Managing through use of a memorandum account. Regular monitoring and strengthening forecasting through regular engagement with stakeholders.

4.2 CHANGES IN RISK PROFILES

This could be the result of changes in overseas circumstances (e.g. heightened risk of fruit fly incursions), or more travellers with a low understanding of New Zealand requirements. These lead to an increased risk profile which results in increased volumes of bag searches, x-rays and other, higher cost interventions.

Mitigation

Initiatives aimed at reducing the risk profile of passengers are undertaken to better manage the border e.g. social marketing to improve biosecurity awareness and lower the risk profile of arriving passengers.

4.3 CHANGES IN SERVICE DEMAND

Changes in scheduled services at existing airports may have cost implications for Customs and MPI. Scheduled air services may be established at new airports which will require Customs and MPI to establish a presence.

Mitigation

Active and open engagement with airlines to enable Customs and MPI to plan and respond to changes in schedules. Regulations under the Airports (Cost Recovery for Processing of International Travellers) Act 2014 are being developed. These will support the cost recovery of any costs not covered by the Levy at new and restarting international airports.

5 STAKEHOLDER ENGAGEMENT

5.1 RECENT ENGAGEMENT

Stakeholders were consulted from 16 June to 28 July 2015 on the proposed approach to implementing the Levy. During the consultation period, Customs and MPI officials met with representatives from 45 separate companies and industry groups. This included:

- eight international airlines, as well as the Board of Airline Representatives of New Zealand (BARNZ)
- the New Zealand Airports Association, as well as seven airports

- the Tourism Industry Association of New Zealand, Travel Agents Association of New Zealand, Tourism Export Council, Holiday Parks Association, Motels Association, Regional Tourism Associations NZ, NZ Māori Tourism, Bay of Plenty Tourism
- Cruise New Zealand, the Cruise Line International Association, Carnival Australia, Royal Caribbean Cruises
- shipping agents, Customs Brokers and Freight Forwarders Federation of New Zealand (CBAFF) and two ports
- yachting and small craft representatives including NZ Marine, the Island Cruising Association and luxury yacht agents
- primary industry representatives from Kiwifruit Vine Health, Horticulture NZ, Pipfruit NZ and Federated Farmers

In total 33 submissions were received from consultation. Of these:

- five were in full support; these were primarily from the primary industries
- five sought different arrangements in their areas
- 23 opposed the introduction of the Levy; these submitters represent those industries most affected by the Levy (airlines, cruise lines and the tourism industry)

Some concerns expressed in consultation were addressed in final policy decisions. This includes, for example:

- making commercial air and cruise ship crew exempt from the Levy
- exempting mercantile crew and passengers

Submitters sought transparency and accountability for managing the Levy from Customs and MPI. This report is one part of meeting that expectation.

5.2 FUTURE ENGAGEMENT OPPORTUNITIES

Customs and MPI will organise regular briefings with:

- international airlines
- cruise lines
- representatives of other air and maritime craft operators e.g. agents for private jets
- tourism industry
- primary industry representatives

The purpose of these engagements will be to:

- provide an update on revenue and expenditure
- discuss the financial and non-financial performance of the Levy
- respond to any queries in relation to the Levy or other matters of concern for stakeholders
- raise any issues of concern or interest.

The timing and scheduling of these meetings will be determined in discussion with each group, and are expected to occur at least once annually.

Other stakeholders may wish to invite Customs and MPI officials to provide similar briefings.

In addition, relevant stakeholder groups will be consulted:

- before the Director-General of MPI and the Comptroller of Customs make a decision to reset levy rates – at either the end of the existing Levy period, or during the Levy period
- on substantive investment decisions that will have a material impact on future expenditure (e.g. further investment in automated border processing)

6 FORECAST FINANCIAL ESTIMATES

Table 6. Forecast financial projections for Customs

\$m	2015/16 Budget	2016/17 Forecast	2017/18 Forecast	2018/19 Forecast
Expenses	59.102	64.033	65.911	66.520
Revenue				
Crown	45.999	17.106	-	-
Levy	14.839	46.396	64.368	66.936
Total Revenue	60.838	63.502	64.368	66.936
Balance	1.736	- 0.531	- 1.543	0.416
Cumulative balance	1.736	1.206	- 0.337	0.079

Table 7. Forecast financial projections for MPI

\$m	2015/16 Budget	2016/17 Forecast	2017/18 Forecast	2018/19 Forecast
Expenses	49.940	51.741	53.573	55.459
Revenue				
Crown	37.964	14.025	1.601	
Levy	11.976	37.716	52.469	55.509
Total Revenue	49.940	51.741	54.070	55.509
Balance	0.000	0.000	0.497	0.050
Cumulative balance	0.000	0.000	0.497	0.547

7 PROPOSED REPORTING ON NON-FINANCIAL PERFORMANCE

MPI and Customs have undertaken work on possible additional non-financial performance measures for the Levy. New measures that both agencies have developed and are currently working to implement are shown in italics below (subject to final confirmation of target levels).

Performance against the measures will be reported on an annual basis, for each financial year.

Where possible, MPI and Customs will look to further develop these non-financial measures in the three broad areas of risk management (compliance and enforcement), traveller experience, and cost effectiveness/efficiency, and across the commercial airline and cruise ship pathways. This may include joint MPI/Customs measures in the future, and/or measures for other craft. Any further measures will be included in future iterations of this report.

Table 8. Non-financial performance measures

Measure	Performance target
Customs	
% of international air passengers who rate their experience of immigration processing as being good or very good	Equal to or more than 85% of those surveyed
% of international air passengers satisfied or very satisfied that Customs processes passengers quickly and conveniently	Equal to or more than 77% of those surveyed
% of arriving international air passengers who exit Customs primary processing points within 45 minutes of arrival	Equal to or more than 90%
<i>New: % of air passengers and cruise passengers subject to an alert processed in accordance with alert instructions</i>	<i>TBC</i>
MPI	
% of international air passengers that comply with biosecurity requirements by the time they leave the airport	Equal to or more than 98.5%
<i>New: % of cost recovered external stakeholders that rate overall service as 4 (out of 5) or higher</i>	<i>Equal to or more than 80%</i>
<i>New: % of cruise ship passengers (and companies) that comply with biosecurity requirements</i>	<i>TBC (implementation expected from 1 July 2016; first reporting for 2016/17 year)</i>
<i>New: % of craft interventions that were resourced appropriately based on MPI's risk profile</i>	<i>100%</i>
<i>New: All cargo and passengers who have an alert are appropriately intervened</i>	<i>100%</i>
<i>New: % of stakeholders aware of biosecurity requirements</i>	<i>TBC (implementation expected from 1 July 2016; first reporting for 2016/17 year)</i>

8 KEY FORWARD DATES AND EVENTS

Date	Event
December 2015	Initial Cost Recovery Report on Border Clearance Levy: providing more detailed information on costs and an initial framework for future reporting on financial and non-financial performance
1 January 2016	Border Clearance Levy implemented
October 2016	Report will be updated for the first six months of operation (the 2015/16 year)
1 July 2017	End of first full financial year: review of costing and revenue assumptions
October 2017	Report will be updated for 2016/17
Early 2018	Review of the operation of the Border Clearance Levy – to inform how rates should be set from 1 July 2018.
1 July 2018	End of 30 month period (2.5 years). Rates may be reset to reflect changes in revenue and expenditure within the parameters set in the Levy Orders
October 2018	Report will be updated for 2017/18
1 July 2019	End of first full three year cycle. Rates may be reset based on updated revenue and expenditure planning.