



## New levy introduced by New Zealand Government

A Border Clearance Levy will be introduced by the New Zealand Government to fund the resourcing of border clearance activities to help keep New Zealand safe from harmful pests, people and dangerous substances.

Forecasts for increased traveller numbers mean more travellers and more risk for New Zealand.

By putting the levy in place from 1 January 2016, the funding allows border agencies, Ministry for Primary Industries (MPI) and

the New Zealand Customs Service (Customs) to manage the flex in border volume with adequate resourcing.

It is expected that by 2018/19 traveller numbers will increase to 13.3 million. This growth is expected to continue at around 3.5–4% per year.

This is good news for the travel industry and its customers because the levy will enable border agencies to maintain a high standard of border processing and manage the risks without affecting queuing time and customer services.

The Levy rate covers border clearance costs for arriving and departing passengers:

- Air and other – NZ\$21.58 including GST.
- Cruise – NZ\$26.23 including GST.
- The reason for the difference between the two levy rates is the costs of clearing cruise ships needs additional biosecurity risk assessments at each port.

Anyone purchasing tickets and paying in full before 1 January for travel in 2016 will not have to pay the levy.

Levy funding will also support clearance activities for craft and passengers (e.g. charter flights, yachts) arriving and departing at airports and seaports that are not designated as places of first arrival.



NEW ZEALAND  
**CUSTOMS SERVICE**  
TE MANA ARAI O AOTEAROA

**Ministry for Primary Industries**  
Manatū Ahu Matua



The levy will be fixed for 30 months with the first review in 2018.

Regulations are now being prepared to introduce the levy. You can find more information about the Border Clearance Levy on the MPI website.

## A quick fact check:

Consulted on	Design decision
<b>Levy Exemptions</b>	<p>Following consultation, the decision has been taken to exempt crew as this is consistent with international charging practices. The costs from these exemptions will be spread among other levy payers where this is appropriate or absorbed by the Crown.</p> <p>The exemptions are:</p> <ul style="list-style-type: none"><li>• children under two years;</li><li>• commercial passenger airline and cruise ship crew;</li><li>• mercantile crew and passengers;</li><li>• transit air passengers and crew;</li><li>• travellers arriving and departing for military, diplomatic, ceremonial, and government crisis, emergency and humanitarian work;</li><li>• people rescued at sea;</li><li>• Antarctic expeditions covered by treaty agreements.</li></ul>
<b>Levy rate</b>	<ul style="list-style-type: none"><li>• Air and other – NZ\$18.76 excluding GST.</li><li>• Cruise – NZ\$22.80 excluding GST.</li><li>• The reason for the difference between the two levy rates is the costs of clearing cruise ships needs additional biosecurity risk assessments at each port.</li><li>• The levy rate will be set for 30 months.</li><li>• At the end of 30 months MPI and Customs will update the rates based on expected demand and planned expenditure.</li></ul>
<b>Differentiation by transport mode or location</b>	<ul style="list-style-type: none"><li>• There will only be a differentiation between cruise and other modes.</li><li>• No differentiation by location.</li><li>• No differentiated rates for trans-Tasman passengers (The activities undertaken, and costs incurred, to clear trans-Tasman travellers are the same as for other travellers).</li></ul>
<b>Collection of the levy</b>	<ul style="list-style-type: none"><li>• The Levy will be collected by airlines and cruise operators when tickets are purchased and passed on to Customs.</li><li>• Customs will collect the levy for both agencies.</li><li>• Private aircraft and yachts arriving in New Zealand will pay Customs directly when they are cleared for entry and departure.</li></ul>
<b>Levy implementation</b>	<ul style="list-style-type: none"><li>• The levy will come into effect on 1 January 2016.</li><li>• Anyone purchasing tickets and paying in full before 1 January 2016 for travel over the next 12 months will not have to pay the levy.</li></ul>
<b>GST</b>	<ul style="list-style-type: none"><li>• The Border Clearance Levy is subject to GST at the standard rate of 15%.</li></ul>
<b>Impacts of levy on travel demand/tourism</b>	<ul style="list-style-type: none"><li>• There will be little overall impact on visitor numbers which are forecast to continue to increase by an average of 3.5–4% each year.</li><li>• Passenger volumes are forecast to increase to 13.3 million by 2018/19.</li></ul>
<b>Review of the operation of the levy and its level</b>	<ul style="list-style-type: none"><li>• The operation of the levy and its level will be reviewed before the end of 2018.</li></ul>