

28 November 2018

Bruce Arnold
Director
Cost Recovery - Corporate Branch
Ministry for Primary Industries
PO Box 2526
Wellington

By email – costrecovery@mpi.govt.nz

Tēnā koe Bruce,

Re: Review of Border Clearance Levy – Biosecurity NZ

Thank you for the opportunity to comment on the proposed increase to the Biosecurity NZ component of the Border Clearance Levy (BCL). In undertaking our review we have spoken to industry stakeholders including NZ Cruise Association and BARNZ. This letter represents the views of Tourism Industry Aotearoa and may not necessarily represent the views of individual members.

We note the following in regards to the Review:

- The review is for the Biosecurity NZ component of the BCL only, and therefore relates to arriving passengers only.
- The Biosecurity NZ component for non-cruise passengers will increase by 17%, from \$7.30 to \$8.56 (excl. GST). The cruise component will decrease by 29%, from \$5.34 to \$3.81.
- This is the second review of the Biosecurity NZ component since the levy was introduced on 1/1/2016. This review period of two years (2019-2021) will result in future reviews being aligned with the 3-year review period for the Customs NZ component of the BCL.
- Forecast total expenditure increases by Biosecurity NZ are \$0.69m (1.1%) in 2018/19 to \$61.35m, and \$1.92m (3.1%) in 2019/20 to \$63.27m. The forecast closing balance of the Memorandum Account for Biosecurity NZ in June 2020 is -\$0.07m.

Our Feedback

Increases in fees and levies are typically of concern to TIA and while we anticipate the negative impacts of this review to be low we do hold some concerns particularly around the consultation process. Industry participants met recently with Biosecurity NZ to discuss the review and supporting work programme. Attendees were presented with the review decisions at the meeting. Good practice would be to provide this information well in advance of any meeting to allow sufficient preparation to inform discussions. This is not a new issue. In a letter to MPI in March 2018 we noted our frustrations at the lack of consultation and engagement when reviews are being undertaken.

We welcome the information on Expenditure Breakdown for 2016/17 and 2017/18. We are somewhat frustrated, however, there is no breakdown of forecast expenditure for the out-years to 2020/21. It would be reasonable to expect a higher level of transparency on how the increased fees that visitors are paying will be utilised. Can you please advise if these forecasts are able to be provided.

We are pleased to see that decisions made are cognisant of the importance of maintaining and improving the visitor experience. In addition to improved screening, the investment in new x-ray technology will hopefully lead to faster processing times by Biosecurity NZ. We do note a potential risk in the shift on cruise ships from in-transit inspection to the performance driven assurance model, to be undertaken at the port of first arrival, and encourage management to be mindful of any potential for delays in off-boarding.

In summary, TIA acknowledges the efforts of Biosecurity NZ to manage costs and improve processes for the visitor while ensuring that border security remains the priority. A strong system that reduces biosecurity risks and stops pests and diseases at the border is of major importance to the tourism industry. We would welcome improvements in future review processes through earlier engagement with industry representatives including the provision of relevant information well in advance of any meetings.

Ngā mihi

A handwritten signature in black ink, appearing to read 'C. Roberts', written in a cursive style.

Chris Roberts
Chief Executive
Tourism Industry Aotearoa