



BRIEFING

Update on the progress of removing departure cards

Date:	9 March 2018	Priority:	High
Security classification:	In Confidence	Tracking number:	2394 17-18 MM1776

Action sought		
	Action sought	Deadline
Hon Iain Lees-Galloway Minister of Immigration	Direct officials to plan to remove departure cards in November 2018 Forward a copy of this paper to the Minister of Foreign Affairs, the Minister for Biosecurity, the Minister of Tourism, the Minister of Customs, and the Associate Minister of Immigration, for their information	19 March 2018
Hon James Shaw Minister of Statistics	Direct officials to plan to remove departure cards in November 2018	19 March 2018

Contact for telephone discussion (if required)				
Name	Position	Telephone		1st contact
David Paterson	Manager, Migration Trends, MBIE	s9(2)(a)		✓
Teresa Dickinson	Deputy Government Statistician / Deputy Chief Executive, Stats NZ		s9(2)(a)	
Peter Dolan	Senior Manager, Population Statistics, Stats NZ	s9(2)(a)		✓
Christine Hyndman	Principal Policy Advisor, Immigration Policy	s9(2)(a)		

The following departments/agencies have been consulted

Minister's office to complete:

- | | |
|---|--|
| <input type="checkbox"/> Approved | <input type="checkbox"/> Declined |
| <input type="checkbox"/> Noted | <input type="checkbox"/> Needs change |
| <input type="checkbox"/> Seen | <input type="checkbox"/> Overtaken by Events |
| <input type="checkbox"/> See Minister's Notes | <input type="checkbox"/> Withdrawn |

Comments



Update on the progress of removing departure cards

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Purpose

This paper asks Ministers to agree to jointly seek Cabinet agreement in August 2018 to the removal of paper-based passenger departure cards in November 2018, to note consequential changes to statistical reporting which will be developed, and to direct officials to develop an implementation plan to enable the cards' removal.

Summary

This paper builds on the approach described in the briefing *Update on the feasibility of removing departure cards* [1533 17-18], provided to the Minister of Immigration and the Minister of Statistics in December 2017 by Stats NZ and the Ministry of Business, Innovation and Employment (MBIE). It outlines Stats NZ's two-phase plan to replace the current statistical dependencies with a new model and the relevant changes to statistical reporting, and asks Ministers to direct officials to proceed towards card removal in November 2018.

The paper proposes a joint policy paper to Cabinet in August 2018, reflecting the Immigration interest (departure cards are Immigration forms, and prescribed in the Immigration (Visa, Entry Permission and Related Matters) Regulations 2010) and the Statistics interest (departure cards are used to generate a range of population and economic statistics). The Minister of Immigration would take responsibility for the subsequent regulatory amendments.

The Border Sector Governance Group will oversee the implementation of the change at the border, to ensure a smooth transition for travellers, airlines and ports. Officials will work with Ministers' offices to agree communications messages.

Recommended action

Stats NZ and MBIE recommend that you:

1. **note** that in December 2017 you directed officials from Stats NZ and MBIE to develop an implementation plan for removal of the departure card, and report back in early 2018

Noted

2. **note** that the Prime Minister was quoted on Friday 2 March 2018 that New Zealand is working on removing departure cards, and media have reported that this could take place by Christmas

Noted

3. **note** that Stats NZ has developed a two-phase plan for eliminating the statistical reliance on departure cards and has tested it, and is confident that
 - a. it is fit for purpose and manages identified risks

- b. it could be implemented in time for the cards' removal in November 2018, within existing baselines, and
- c. it will provide a sound basis for the third phase, of future digitisation of arrival information

Noted

- 4. **direct** officials to work towards the removal of paper-based passenger departure cards in November 2018, in coordination with other border sector agencies, carriers and ports, reporting to the Border Sector Governance Group

Agree / Disagree / Discuss

- 5. **direct** officials from Stats NZ and MBIE to prepare a report for joint ministerial signature for Cabinet consideration in August 2018, to seek agreement to the removal of paper-based departure cards in November 2018

Agree / Disagree / Discuss

- 6. **note** that the Minister of Immigration will subsequently take a paper seeking consequential regulatory amendment to Cabinet

Noted

- 7. **note** that the Border Sector Governance Group will oversee a range of papers which will be considered by border sector Ministers over coming months, which relate to border sector strategy issues and which will influence decisions on arrival card digitisation,

Noted

- 8. **note** that a new model of statistical reporting on permanent and long-term migration will be in production from November 2018

Noted

[Minister of Immigration]

- 9. **Forward** a copy of this paper to the Minister of Foreign Affairs, the Minister for Biosecurity, the Minister of Tourism, the Minister of Customs, and the Associate Minister of Immigration, for their information.

Agree / Disagree / Discuss

David Paterson
Manager, Migration Trends
 Research Evaluation and Analytics, MBIE
 Date: 9/3/2018

Teresa Dickinson
Deputy Government Statistician /
Deputy Chief Executive
 Stats NZ
 Date: 9/3/2018

Hon Iain Lees-Galloway
Minister of Immigration

Date: / /

Hon James Shaw
Minister of Statistics

Date: / /

Ministers have directed officials to develop a plan to remove departure cards

1. Passenger movement cards (arrival and departure cards) provide important information on migration and tourism, and contribute to broader measures, including population estimation for New Zealand, and Balance of Payments and Gross Domestic Product statistics. The collection of statistics on paper is however increasingly seen as old fashioned, imposing compliance costs on users and administrative costs on government agencies, and (in the case of passenger cards in particular) potentially negatively impacting on New Zealand's reputation.
2. Arrival cards also fulfil other roles (including, as Immigration forms, as visa and entry permission applications and declarations of good character and, for the New Zealand Customs Service and the Ministry of Primary Industries, as declarations of goods and potential signals of biosecurity risks), which are not easily substitutable.
3. Departure cards' primarily statistical focus means their removal is more straightforward, if suitable alternate methods for collecting departure card data are available. The Prime Minister was recently (Friday 2 March 2018) quoted as saying that the Australia New Zealand Leadership Forum had raised departure cards with her and that she was talking to Ministers about progressing their removal. Media have subsequently reported that this could take place by Christmas.
4. A briefing to the Ministers of Immigration and Statistics in December 2017 *Update on the feasibility of removing departure cards* [1533 17-18], advised that removal of departure cards would remove 6.5 million transactions between government and travellers, and that it was feasible to do so and retain accurate government statistics. It also noted that Australia had removed its departure cards in July 2017, and that the travel industry was keen that New Zealand do the same. Ministers directed officials from Stats NZ and MBIE to develop an implementation plan for removal of the departure card, and report back in early 2018.
5. Stats NZ's investigation into the feasibility of removing departure cards has identified a preferred two-phase approach, which builds on the approach described in the December briefing, and provides a foundation for a future third phase involving the digitisation of arrival information. It will enable the departure card to be removed in November 2018, before the next peak travel season.
6. This paper therefore:
 - a. outlines the Stats NZ plan to remove the statistical dependencies on paper-based passenger departure card, and seeks your agreement to its progression
 - b. notes the elements of the proposed border implementation plan, and
 - c. proposes that Ministers take a joint paper to Cabinet in August 2018, seeking agreement to the card's removal and the consequential changes to the Immigration (Visa, Entry Permission and Related Matters) Regulations 2010.

Stats NZ's planning focuses on ensuring the continuity and quality of statistical measures

7. The briefing to Ministers in December 2017 presented the outcomes of a feasibility study undertaken by Stats NZ, contracted by MBIE. It noted that 11 options for removal of the departure card had been identified, and the best (which was similar to that taken by Australia) would mean utilising Stats NZ's outcomes-based measure of migration in combination with a statistical model incorporating integrated administrative data. Ministers then agreed that Stats NZ would work to implement these alternative migration measures.

8. Significant statistical work is needed to enable the successful removal of paper-based departure cards. Stats NZ is therefore undertaking a two-phased approach to minimise risks and costs. This approach takes into account already-agreed upcoming changes to how migration statistics are measured and delivered. Phase one will do away with the formal statistical dependency on the departure cards by 1 November, in time for the cards' removal later that month, and Phase two will develop a longitudinal travel history database (see Annex one for more detail).
9. Stats NZ's planning for departure card removal envisages a third phase (digitisation of arrival card information). In addition to meeting modernisation objectives, digitisation would enable the delivery of maximum efficiencies and therefore cost savings for Stats NZ. While this has been scoped at a high level, actual decisions will be dependent upon future technology investment decisions led by the government's border strategy objectives, taking into account factors such as the proposed Electronic Travel Authority and New Zealand's aims around interoperability with peer countries, such as Australia. The Border Sector Governance Group, which is responsible for border sector strategy development, will oversee the provision of a range of papers which relate to these issues to border sector Ministers over coming months.

The risks and costs can be managed within existing resources

10. At present, Stats NZ estimates the cost of this project to be \$1.3 million over two years, which can be funded within the Stats NZ baseline. As noted above, the departure card project alone will not deliver operational savings for Stats NZ, as the model's efficiencies will be maximised once arrival information is digitised.
11. The departure card project has two critical dependencies, which are the development of a sound statistical model and some system development. The work will be undertaken relatively quickly, which means that there will be limited time to conduct testing of the statistical model and to incorporate customer feedback. Stats NZ notes the risk that the model could initially produce inaccurate measures of migration, with potentially large revisions between provisional and final estimates and some negative impacts on users. This risk will be mitigated through the use of proven development methodologies, an engagement plan focused on ensuring that stakeholders understand the process and the potential pitfalls, and regular revisions as the database fills.
12. The relatively short implementation time for the delivery of the new IT systems also raises risks, including from disruption to the supply of data, or errors in the data. Stats NZ plans to mitigate these risks by implementing a minimum viable product, with a strong focus on system testing as the solution is developed and implemented.

Border agencies will separately plan for the smooth removal of the card

13. The removal of paper-based departure cards has relatively small but positive operational implications for border agencies (particularly the New Zealand Customs Service, which is responsible for ensuring that travellers complete them, and for collecting and collating them, but also Immigration New Zealand, which pays for their courier charges and stores them for six months). Stats NZ and border agencies are jointly responsible for their printing.
14. Border sector agencies, overseen by the Border Sector Governance Group, will work with airports and carriers to ensure that the removal of the cards goes smoothly. This will include ensuring that all of the changes which need to be made are identified and progressed.
15. Aspects to be considered include physical and process changes by airports or agencies at the border, contracts with printers, couriers and storage facilities, and updates to relevant websites and to the Immigration Operational Manual. The New

Zealand Customs Service will consider in particular how New Zealand will continue to meet our anti-money laundering obligations¹.

16. Stats NZ and border agencies will jointly identify stakeholders and develop engagement and announcement planning. Ministers may wish to consider when announcements should be made (potentially after the relevant Cabinet decisions, planned for August) and how they would wish to address likely media interest and requests for information. Officials will work with Ministers' offices to agree communications messages. These could include:
 - *As the Prime Minister has announced, New Zealand is working on removing departure cards. This [is currently planned to / will] take place before the peak travel season starts in December.*
 - *A range of important statistics currently depend on departure cards. The focus of Stats NZ's work is on firstly testing and refining alternate sources of information and secondly improving how we use that information, including updating how we officially measure migration.*
 - *The introduction of those improved statistical measures of migration will enhance this project and better aligns our approach with Australia.*

Cabinet will be asked to approve the removal and the consequential changes to regulations

17. Departing passengers are required, under s.119(1)(c) of the Immigration Act 2009, to "provide such information and complete such documentation as may be prescribed" and under Regulation 31 of the Immigration (Visa, Entry Permission, and Related Matters) Regulations 2010, if not exempt, to complete the approved form and provide it to an immigration officer. The removal of paper-based departure cards therefore requires an amendment to the Regulations.
18. Officials propose that Ministers jointly take a policy paper to Cabinet in August 2018 to gain formal agreement to the removal of the requirement to fill out a departure card, from the identified date in November 2018.
19. It would ask Ministers to note a range of items, including the impacts on agencies with regard to process changes and any savings, how New Zealand's money laundering prevention obligations will be met, and links to other projects, such as the digitisation of arrival cards and any relevant other border-related work. Depending upon the progress of other work underway, it might also seek agreement to minor changes in the regulations around arrivals, to better match travellers' reporting obligations with new technology.
20. Finally, the paper would invite the Minister of Immigration to issue drafting instructions for the regulation changes to Parliamentary Counsel Office. The Minister would then take a Cabinet paper and the amendment regulations to the Cabinet Legislation Committee in September 2018 for approval and recommendation to the Governor-General for Royal Assent.

Annex

Annex one: Detail of Phases one and two

¹ These obligations require that travellers are aware that they must declare any money in excess of \$10,000 that they are carrying. That advice is at present set out on passenger movement cards.

Annex one: Detail of Phases one and two

Phase one will remove statistical dependency on the departure cards

A key element to removing the departure cards is the introduction of a new set of migration measures that do not rely on data currently collected from the departure card. Stats NZ has already developed the outcomes based measure centred on the '12/16 month rule'², which tracks actual departures and arrivals using passport data and creates an experimental ad hoc travel history for passengers.

As the 12/16 rule is based on actual movements, it is a more accurate measure than the current Permanent and Long Term (PLT) migration measure, which is based on stated intentions at the point that people enter and leave New Zealand. As these are forecasts of their future travel plans, they can change without notice. For accurate estimation of migration, linked travel histories and a historical record of migrant status are vital. In Phase two, Stats NZ will develop a system that automates the linking and travel history.

However, the 12/16 rule is also less timely, as it has a 17 month lag. To address the change from "intentions stated up to 12 months in advance" to "actual movements up to 17 months in arrears", Stats NZ is enhancing its prototype statistical model that provides a provisional estimate of future migration, to take the place of the current traveller intention-based reporting. It will incorporate and use additional integrated administrative data to round out the model and provide more insights on New Zealand's departing travellers.

The first experimental release of this series will be published in May 2018.

Phase two will develop a longitudinal travel history database

For accurate estimation of migration, linked travel histories and a historical record of migrant status are vital. In Phase two, Stats NZ will develop a database that does the linking and travel history estimation in an automated and systematic manner.

This will enable continued improvements in the modelling approach, to more accurately estimate the migrant movements in the lagged period (the 16 months of missing data with the outcomes based method). These developments are critical to the long term success of the new measure. Phase two is estimated to take one year for delivery and implementation.

Electronic collection of arrival information will be the third phase

Stats NZ is also proposing a third project phase, based on an assumption that arrival information will be captured digitally in the near future. The costs of work which will result in the digitisation of arrival information are not included in this proposal, and are not part of this project.

To ingest, process, and produce statistics using digitised arrival information Stats NZ systems must be future-proofed, and the methodology prepared for the change in arrival information. Phase three will prepare the database and data ingestion processes to receive and process the new digital arrival information. This is a key requirement in successfully removing the physical arrival cards, while maintaining the quality of statistics required for vital decision making.

s 9(2)(f)(iv)

² Under the 12/16 rule, travellers are classified as long term arrivals if they have spent at least 12 of the previous 16 months in New Zealand.