



Industry Report: Border Processing Levy

2024 – 2025 Report on Performance



March 2025

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Te Kāwanatanga o Aotearoa
New Zealand Government

1. Introduction

The New Zealand Customs Service (Customs) and Biosecurity New Zealand – a business unit within the Ministry for Primary Industries – are responsible for providing secure border processes that facilitate legitimate international travel, while protecting New Zealand from biosecurity and other threats and risks posed by travellers (passengers and crew) as they cross the border.

Customs and Biosecurity New Zealand use border processing levies to recover the cost of screening travellers as they cross the border. This system ensures that levied travellers arriving and departing New Zealand cover the cost that their travel creates, rather than taxpayers having to meet the cost.

The 2024-2025 Report on Performance provides transparency and accountability over the levies Customs and Biosecurity New Zealand collect and how those funds are used to deliver border processing services. This joint report sets out the legislation that authorises the collection of the levies, what services the levies cover, the volume of travellers during the financial year, the revenue collected through the levies, and the costs of delivering border protection services.

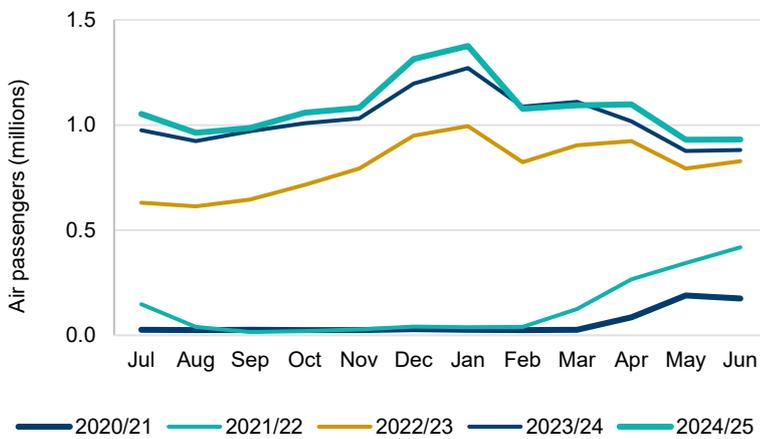
2. An overview of the 2024/25 financial year

Over 13.4 million passengers arrived and departed New Zealand between 1 July 2024 and 30 June 2025

Customs and Biosecurity New Zealand have a dual role in making sure passenger processing services are streamlined and efficient, while protecting New Zealand and our economy from threats and harm. This includes harm from smuggled goods, such as illicit drugs and tobacco, biosecurity threats that could see pests and diseases entering the country, and other harm caused through objectionable material, money laundering and financial crime.

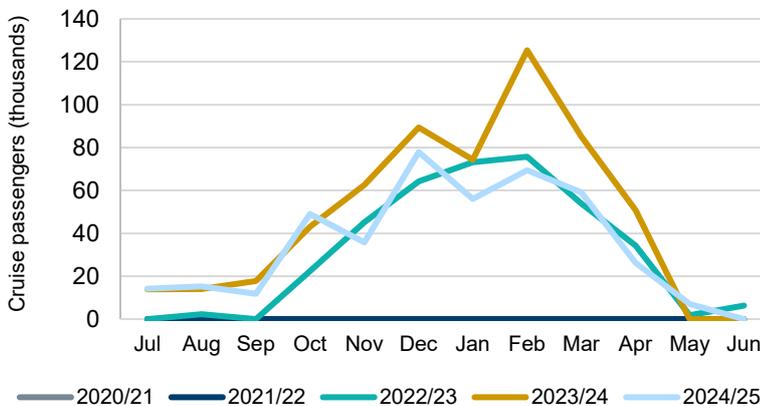
During 2024/25, commercial air passenger numbers continued to increase. Over 12.9 million arriving and departing air passengers were processed by Customs and Biosecurity New Zealand, a 5% increase on 2023/24 volumes.

Figure 1: Commercial air passengers (arriving and departing) per month



In addition, just over 420,000 passengers arrived or departed on cruise ships. During the 2024/25 summer cruise ship season, there were 845 port visits by cruise ships. Cruise ship passenger volumes decreased by 27% from the higher than usual 2023/24 season, which was the first full cruise season since the pandemic.

Figure 2: Cruise passengers (arriving and departing) per month



Note: There were no port visits from cruise ships during the 2020/21 and 2021/22 financial years due to pandemic travel restrictions.

International flights began from Hamilton and Dunedin Airports

Both Customs and Biosecurity New Zealand increased capacity to provide border screening services at Hamilton and Dunedin airports when international flights began in June 2025.



Photo courtesy of Reframed Media and Dunedin Airport

Customs and Biosecurity New Zealand worked with the airport companies and other agencies to make sure border screening systems were in place and fully tested before the first flights.

New screening equipment and infrastructure were required at Hamilton Airport as international flights last operated there in October 2012. Dunedin Airport, which stopped international flights in 2020, also required new equipment.

Passenger screening plays a critical role in protecting New Zealand

Customs and Biosecurity New Zealand risk assess all passengers to New Zealand, whether they arrive by air or sea. On arrival, passengers and their luggage are screened using a range of methods, including detector dogs, x-rays of baggage, screening by Customs officers and Biosecurity New Zealand Quarantine officers, and baggage searches. These assessments help to identify illicit and prohibited items before they enter our communities.

Sustained increase in the number of passengers being used as drug couriers

New Zealand's high prices and demand for drugs, particularly methamphetamine and cocaine, make us an attractive target for transnational, serious, and organised crime (TSOC) groups. TSOC groups often use young and vulnerable people as drug couriers to help shift their products. These people can face a lengthy sentence when caught.

During 2024/25, Customs officers identified both blatant attempts to smuggle large amounts of illicit drugs in passenger's luggage, and sophisticated concealment attempts. These include:

- a 19-year-old New Zealand man arrested in June 2025 after 13kg of methamphetamine and 2kg of cocaine was found in his luggage
- a 24-year-old United States national arrested in January 2025 after 31kg of methamphetamine was found in vacuum-sealed plastic packages inside wet towels, packed amongst her clothing
- a 59-year-old woman also arrested in January 2025 after a baggage search found clothing that was stiff to the touch and tested positive for methamphetamine which had been soaked into the fabric
- two Canadian nationals arrested in October 2024 after 10.5kg of methamphetamine was found concealed within the lining of suitcases connected to the passengers¹.



15kg of methamphetamine and cocaine found in the luggage of a 19-year-old New Zealander

¹ All drug seizure totals are preliminary figures based on initial weighing and recording of interceptions. These figures may change.

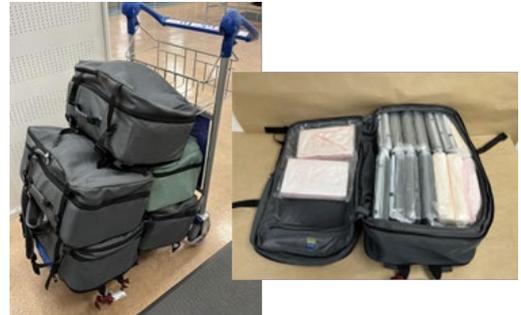
Rise in unaccompanied bags containing large quantities of illicit drugs

TSOC groups also target airport workers and people involved in the movement of goods around the world to add or remove baggage before it enters customs screening areas. This is known as the 'rip on/rip off' method. During 2024/25, Customs saw a sharp increase in drug seizures from unaccompanied baggage.

In February 2025, Customs officers found 101kg of cocaine in five unaccompanied bags arriving on a Hawaiian Airlines flight. This is one of the largest seizures of illicit drugs at a New Zealand airport.

In April 2025, Customs officers identified 90kg of methamphetamine in four abandoned bags across two flights in under 12 hours, and 68kg of methamphetamine and 1kg of cocaine was seized from two unaccompanied bags in May.

The rise in attempts to smuggle illicit drugs and other goods across the border has led to Customs increasing the number of staff and resources focused on identifying and disrupting smuggling attempts.



101kg of cocaine identified in unaccompanied bags in February 2025.

Enhancing the integrity of the biosecurity system

Biosecurity New Zealand has strict rules and strong protections in place to prevent the establishment of pests and diseases entering the country and damaging our \$59.9 billion primary sector export industry. The biosecurity system has a number of measures in place to limit this risk through offshore audits, import standards and permits, border inspections, and post entry quarantine. All of this is supported and underpinned by assurance monitoring, intelligence assessments, diagnostics (labs), readiness, data and digital systems, policy advice, response and compensation, verification, compliance, and regulatory systems which support effective operations at the border.

During the 2024/25 financial year, Biosecurity New Zealand invested in technical enhancements, implemented programmes of work that support efficient processing services and integrity at the border with increased verification, assurance, compliance, and surveillance activities.

Increasing uptake of the digital New Zealand Traveller Declaration

The New Zealand Traveller Declaration (NZTD) was introduced in July 2023. The new digital declaration allows travellers to complete their arrival documentation online, up to 24 hours prior to arrival in New Zealand. This means Customs, Biosecurity New Zealand, and Immigration New Zealand can complete risk assessments earlier and more efficiently in the traveller's journey. For travellers, completing a digital declaration helps them to be aware of New Zealand's border and biosecurity requirements before they depart, and reduces processing times on arrival.

The development and implementation of the NZTD was funded by the government. From 1 July 2024, the ongoing operating costs of the NZTD system are funded through the Border Processing Levy.

On 30 June 2024, 43.6% of arriving travellers completed a digital declaration. On 30 June 2025, this had risen to 67%, just below the target of 70%. During the summer cruise season, over 90% of cruise passengers made digital declarations, with some ships arriving with all passengers having completed their declaration online.

3. How levy rates are calculated, collected, and managed

Border Processing Levies are authorised through legislation

The levies are authorised by section 413 of the Customs and Excise Act 2018 and section 140AA of the Biosecurity Act 1993. The levies are given effect by the Customs and Excise (Border Processing Levy) Order 2015 and the Biosecurity (Border Processing Levy) Order 2015 (the levy orders). Customs levy order provides four different levy rates – two relating to arriving and departing cruise travellers, and two relating to arriving and departing non-cruise travellers. The Biosecurity levy order provides for two levy rates, one for arriving cruise travellers and one for non-cruise travellers. Some travellers are exempt from these levies as set out in Appendix 2.

Each levy order sets out the method for setting levy rates and uses the following formula:

an estimate of the border processing costs for the relevant levy period, adjusted as described below	divided by	an estimate of the number of travellers for the relevant levy period excluding exempt travellers
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The estimated border processing costs are adjusted to take account of:

- any estimated under or over-recovery of costs for the previous levy period
- any remaining under or over-recovery for the period before the previous levy period.

The current levy period began on 1 December 2024 and ends on 30 June 2027. Airlines and cruise operators collect the levies from travellers through their tickets and pass it on to Customs and Biosecurity New Zealand. For travellers on other craft such as yachts, Customs and Biosecurity New Zealand collect the levies directly from the person in charge of the craft, or an agent of the owner or operator of the craft.

The levies recover the cost of activities carried out by Customs and Biosecurity New Zealand related to travellers. These activities are described in Appendix 1.

Cost recovery frameworks are based on guidance from the Treasury and Auditor-General guidance

Customs and Biosecurity New Zealand use cost recovery frameworks that are consistent with guidance published by the Treasury and the Office of the Auditor-General. The four key principles that guide our approach to cost recovery are:

- **Equity** – funding is sourced from those that use the services or generate the need for them
- **Efficiency** – high service standards delivered at a sustainable cost
- **Transparency** – information is clearly provided about funding decisions, including costs and charges
- **Justifiability** – only recover the costs of delivering the service.

These principles ensure that fees and levies are fair, proportionate, and are appropriately applied.

Use of memorandum accounts to manage cost recovery

Revenue collected through the levies is managed through memorandum accounts to ensure that this funding is only used to provide the services required by the levy payer and cannot be used to subsidise activities performed elsewhere in Customs or Biosecurity New Zealand.

Memorandum accounts summarise financial information related to the provision of services covered by a levy. They include any accumulated surplus or deficit resulting from revenue and expenses not offset in any given period. Levy rates are set with the intention of returning the balance in the memorandum account to zero by the end of each levy period.

Any memorandum account surplus or deficit that exists at the end of a levy period needs to be considered when setting the future levy rates. Accordingly, a surplus or deficit in the memorandum accounts could result in lower or higher levy rates in the next levy period.

The movements of the memorandum accounts are reported annually through this performance report (see pages 18 and 19) and in the annual reports of each agency².

² The New Zealand Customs Service Annual Report for the 2024/25 financial year is available at <https://www.customs.govt.nz/media/f4gnteb1/new-zealand-customs-service-annual-report-2025-interactive.pdf>

Financial information relating to Biosecurity New Zealand is published in the Ministry for Primary Industries Annual Report available at <https://www.mpi.govt.nz/dmsdocument/70708-202425-Annual-report>

4. Levy rates

Table 1 shows the levy rates that applied across two different levy periods during the 2024/25 financial year (1 July 2024 to 30 June 2025). In September 2024, the Government approved new rates for the Border Processing Levy. The Comptroller of Customs and the Director-General of the Ministry for Primary Industries reviewed and set the levy rates for the period 1 December 2024 to 30 June 2027.

Table 1 – Border processing levy rates

Levy Rates 1 December 2021 – 30 November 2024	Levy Rates 1 December 2024 – 30 June 2027
Non-cruise travellers	Non-cruise travellers
Arrival - Customs \$16.59	Arrival - Customs \$13.04
Arrival - MPI \$16.92	Arrival - MPI \$16.92
Departure - Customs \$4.52	Departure - Customs \$3.62
Cruise travellers	Cruise travellers
Arrival - Customs \$11.48	Arrival - Customs \$27.14
Arrival - MPI \$10.58	Arrival - MPI \$10.58
Departure - Customs \$4.55	Departure - Customs \$0.68

Levy rates are shown exclusive of any applicable Goods and Services Tax (GST).

The MPI non-cruise passenger levy rate changes from \$16.92 to \$12.03 for the new levy period (1 Feb 2026–31 Jan 2028), as set out in Table 2.

Change in Customs' rates

In September 2024, the Government approved changes to the levy caps to ensure that they allow Customs and Biosecurity New Zealand to fully recover the estimated costs of screening and facilitation services.

The Customs levies for the new levy period, 1 December 2024 to 30 June 2027, are lower for most travellers. This reflects the increased revenue generated through the levy now that traveller volumes have almost returned to pre-COVID levels.

Customs levy rate for arriving cruise passengers during the 2021-2024 levy period was not sufficient to cover costs. This includes the infrastructure, staff, and support mechanisms needed to support cruise passenger processing. Together with the increased costs to support the New Zealand Traveller Declaration system and the maritime supply chain security changes, the levy for arriving cruise passengers increased to recover forecast costs.

New Biosecurity Non-cruise passenger levy rate from 1 February 2026

In December 2025, the Director-General of the Ministry for Primary Industries issued a Gazette notice to reduce the non-cruise passenger levy by circa 30 percent from \$16.92 to \$12.03 for a new levy period of 1 February 2026 to 31 January 2028. This is allowed under the Biosecurity (Border Processing Levy) Order 2015. This will reduce the memorandum account balance and cover Biosecurity costs for a two-year period until returning to \$15.28 in 2028/29.

The new levy rate reflects a revised expenditure profile included in the work programme section. It is forecast to fund increases in expenditure as relative risks have shifted from goods to passengers, inflationary pressures, enhanced biosecurity protection initiatives, and a range of new investments.

Table 2 – Biosecurity New Zealand Border processing levy rates

Arrival – MPI Levy Rates	1 December 2024 – 31 January 2026	1 February 2026 – 31 January 2028	1 February 2028 – 30 June 2029
Non-cruise travellers	\$16.92	\$12.03	\$15.28
Cruise travellers	\$10.58	\$10.58	\$10.58

Levy rates are shown exclusive of any applicable Goods and Services Tax (GST).

5. Traveller numbers

The estimated number of travellers is based on scenario modelling that was approved by the Border Executive Board³ in July 2025 for border and transport agencies to use for planning purposes. The modelling is designed to reflect projected demand looking towards summer, the speed at which traveller numbers are recovering to pre-COVID levels, historical load factors, and external factors such as high fuel prices and inflation.

Table 2 - Actual and forecast number of levied travellers (millions)

	2023/24 Actual	2024/25 Actual	2025/26 Forecast	2026/27 Forecast	2027/28 Forecast
Non-cruise					
Arrival	6.129	6.396	6.735	7.000	7.155
Departure	6.068	6.413	6.735	7.000	7.155
Cruise					
Arrival	0.287	0.218	0.172	0.177	0.186
Departure	0.285	0.237	0.172	0.177	0.186

³ The Border Executive Board (BEB) provides collective leadership and accountability for New Zealand's border, including management of risks relating to incoming and outgoing people, goods, and craft. The BEB is made up of the Chief Executives of the New Zealand Customs Service, Ministry for Primary Industries, Ministry of Business, Innovation, and Employment, Ministry of Health, Ministry of Transport, and the Ministry of Foreign Affairs and Trade.

6. New Zealand Customs Service Work Programme

Providing a streamlined experience for passengers and crew across borders

Customs aims to provide secure border processes that facilitate legitimate international travel and reduce associated risks and threats. Customs does this by ensuring:

- effective border screening processes manage risks to New Zealand
- border processing services are efficient, smart, and easy to use.

Addressing border threats related to transnational, serious and organised crime (TSOC)

Most passengers arriving in New Zealand come through Auckland International Airport, and the airlines operating out of Auckland serve a wide range of destinations. This means Auckland International Airport has specific border security challenges.

In September 2024, Customs established a small team at Auckland International Airport focused identifying and mitigating security risks. This team is particularly focused on the threat posed by people working at or around the airport, such as baggage handlers and ground crews, who are able to use their access to restricted areas to bypass Customs border screening systems. The new team received specialised training, including health and safety training that allows them to operate in more areas on the tarmac and have direct access to arriving aircraft.

The team has had an immediate impact. During the 2024/25 financial year, Customs seized over 700kg of illicit drugs at Auckland International Airport from both air freight and passenger services, a 145% increase from 2023/24.

Through Budget 2025, the Government is investing nearly \$35 million over the next four years to increase Customs' capacity to respond to the threat posed by TSOC groups. The initiative has three focus areas:

- targeting the threat posed by people who can use their access to restricted areas to remove illicit goods before they reach Customs screening areas
- increasing capacity to investigate low volume/high frequency drug smuggling
- funding to establish another overseas-based post from 2026/27, increasing Customs ability to intercept drugs before they reach New Zealand.

Combating maritime-based TSOC activity

Customs is increasing its presence at maritime ports around the country to respond to increased criminal activity in the maritime supply chain. This includes attempts to smuggle illicit drugs and other goods across the border through commercial shipments and by passengers or crew.

Funding to establish an expanded presence at maritime ports, as well as additional intelligence and investigative capacity was funded for two years through Budget 2023. From 2025/26 the ongoing costs will be met through the fees and levies Customs collects. The Border Processing Levy's portion of these costs has been built into the rates for the 2024-2027 levy period.

Using technology to improve risk assessments and reduce processing times for travellers

Most of the systems and processes passengers use to travel internationally are digital. New initiatives, such as the introduction of the digital New Zealand Traveller Declaration (NZTD), and established systems like eGates, let border agencies assess passenger and crew information earlier in their journeys helping to identify potential threats and reduce processing times on arrival.

During 2024/25, Customs implemented its Digital Uptake Strategy to boost the use of digital declarations through education campaigns and domestic promotions. This included engagement with the top six airlines operating on New Zealand routes to improve communications direct to travellers and airport-based promotion in all New Zealand airports. This work has seen the use of digital declarations increase from 43.6% on 30 June 2024, to 67.0% on 30 June 2025.

Expanding access to eGates

eGates are simple to use, reducing the time it takes people to move through passport screening areas and improving the travel experience for passengers. During 2024/25, Customs extended the ability for ePassport holders from an additional 26 countries and territories to use eGates when arriving or departing New Zealand.

ePassport holders from 48 countries and territories over the age of 10 can now use eGates. The expansion focused on extending eGate eligibility to all European Union states, and to 11 new visa waiver countries and territories as part of work with Immigration New Zealand for ePassport holders from all visa waiver countries to be able to use eGates.

During 2024/25, Customs and the Ministry for Primary Industries ran a joint procurement process to replace the current eGates (introduced in 2015), which are coming to the end of their useful life. A contract was signed with IDEMIA in July 2025 and the new eGates will be installed from 2026.

7. Biosecurity New Zealand Work Programme

Work Programme

Biosecurity New Zealand maintained effective biosecurity standards over the past year. There were 6.48 million non-cruise passengers screened at the border, with a compliance rate of 98.9%.

Resourcing and Processing Enhancements

Biosecurity New Zealand continues to invest in frontline services. This investment in frontline resources has supported efficient and effective passenger processing and provided the verification and assurance mechanisms required for border integrity.

During 2024/25, new measures were introduced to support passenger clearance and to strengthen integrity at the border. This includes:

- hiring additional Quarantine officers to cover demand and additional airport services – including the opening of Dunedin and Hamilton Airports
- using a rotational staffing model to provide the opportunity to move resources to support airport and cruise passenger clearance in times of peak demand
- utilising Biosecurity hosts to support additional demand. These hosts successfully helped streamline passenger flow and improved the passenger experience
- continuing to support Express Risk Assessment
- additional risk assessment podiums and new search benches
- dedicated resource at Auckland International Airport to support mishandled baggage
- layout changes to streamline passenger flow
- wider express lanes supported by detector dog screening
- a refreshed 'declare or dispose' communication campaign, implemented from December 2024, to help inform passengers arriving in New Zealand on biosecurity requirements.

To improve the handling of baggage, Biosecurity New Zealand partnered with key stakeholders at Auckland Airport to ensure the operational process was appropriately resourced and streamlined where possible, while still maintaining effective biosecurity standards.

Hamilton and Dunedin Airport Opening

Hamilton and Dunedin Airports opened to regular international air services in June 2025. It was Hamilton Airport's first scheduled international service in 13 years, and Dunedin Airport celebrated the return of regular international flights for the first time since the pandemic. The openings were the result of months of planning and collaboration between the airport and border agencies, and the new services are expected to boost local tourism.

Biosecurity New Zealand continued to use a rotational model that provides the opportunity to move resources to support passenger clearance in times of peak demand which helped support the operation of new services at Hamilton and Dunedin Airport. To help manage the additional workload, three Quarantine officers relocated to Dunedin to join the five existing staff working at the airport.

The requirement for agencies to establish border and security services at Hamilton and Dunedin airports highlighted that the 2014 cost recovery legislation did not have the supporting regulations in place to recover establishment costs from airport operators. The Ministry for Primary Industries (MPI) led work for the supporting regulations to take effect in March 2025. The new regulations provide clarity for airports and agencies by having a schedule and nature of the establishment costs that can be recovered.

New Zealand Traveller Declaration

The New Zealand Traveller Declaration (NZTD) enhances the biosecurity system with improved traveller communication and information on border requirements and allows a more streamlined traveller journey at the border.

The New Zealand Traveller Declaration was used for its first full maritime season over summer 2024/25. Uptake was high at 90%, recognising how border agencies and the cruise industry worked successfully together, and that cruise customers were already familiar with digital services. Biosecurity Inspectors' primary focus is now on travellers with something to declare, while performance verification, based on Biosecurity New Zealand's Recognised Cruise Line Programme and random verification, provides the assurance remaining travellers are compliant. This has seen a significant improvement in cruise processing times for travellers and compliance has remained high.

The NZTD has continued to enable greater use of the express lane across airports and allows passenger eligibility to be quickly identified and for those posing low risk to be directed through the express lane, with detector dog verification screening at the end. There is ongoing work to drive NZTD digital uptake with partner agencies which includes passenger and airline communications. Opportunities to further enhance NZTD are also being explored. This includes the development of push notifications to support wayfinding and improve passenger experience.

Digital Border

Biosecurity New Zealand continues exploring enabling technologies and digital initiatives. The Digital Border Programme is modernising New Zealand's border, building a safer, smarter, and more agile system. It includes joint agency initiatives and builds on the successful implementation of the New Zealand Traveller Declaration to deliver further enhancements to the end-to-end border management system.

Future enhancements for the Digital Border programme may include the contactless processing for low-risk passengers, using biometric facial recognition technology integrated with the New Zealand Traveller Declaration. The benefits of digital border initiatives include strengthening the biosecurity system, supporting import and export requirements, improved traveller compliance with border requirements, streamlined traveller journey, enhanced risk management, effective communications, efficient business processes, and improved information and data management.

Surveillance

Biosecurity surveillance activities support the border to prevent the establishment of pests and unwanted organisms.

Targeted surveillance programmes (such as the exotic ant and Fruit Fly programmes) are designed to look for specific organisms in specified hosts or high-risk places such as Ports of First Arrival. Pathway surveillance programmes are designed to target high risk places to look for pests, diseases, and other risk organisms.

Surveillance efforts continue to evolve, incorporating international research innovations further and strengthening the biosecurity system. Biosecurity New Zealand responded to two detections of Oriental fruit fly when two single male fruit flies were found during regular surveillance in the Auckland suburbs of Birkdale and Papatoetoe early in 2025. An infestation of Oriental fruit fly (or other such pests across the border) would cause control costs, production losses, and some countries might stop accepting our exported produce.

Declare and Dispose Campaigns

Biosecurity New Zealand delivered targeted educational campaigns to help raise passenger awareness of the biosecurity risks of fresh produce, meat, brown marmorated stink bug and fruit fly. These campaigns helped reduce the number of biosecurity risk items being brought into the country by air and cruise passengers and supports the targeted surveillance programmes. A refreshed 'declare or dispose' communication campaign was implemented from December 2024 to help inform passengers arriving in New Zealand on biosecurity requirements. A new biosecurity inflight video is also being updated and will replace the existing video that is played prior to landing in New Zealand.

8. Financial information

Memorandum account balances

A memorandum account is used to manage the revenue collected through fees and levies and ensure it is only used to provide services required by the levy payer. A memorandum account allows for the fact that revenue and expenses may not necessarily equate in any given financial year. The balance is expected to trend to zero over the period of the levy – usually three years. This allows agencies to take a long-term perspective to fee setting and cost recovery.

Customs

Forecast revenue and expenditure levels in the following tables reflect the changes in levy rates from 1 December 2024 and the cost of all known recoverable activities through to June 2028. This includes increased inflation-related operating costs, as well as expanded services to Hamilton and Dunedin airports, and increased operational activity to respond to organised crime groups.

The memorandum account is forecast to move into deficit from 2026/27 due to higher service costs and lower than expected revenue as the volume of travellers has been lower than forecast in the December 2024 levy calculations.

Table 3 – Customs memorandum account balances

	2023/24 Actual (\$m)	2024/25 Actual (\$m)	2025/26 Forecast (\$m)	2026/27 Forecast (\$m)	2027/28 Forecast (\$m)
Non-cruise arrival					
Opening balance	(30.763)	8.209	11.188	(2.006)	(15.033)
Revenue	102.686	95.705	88.310	91.774	93.793
Cost	(63.714)	(92.726)	(101.504)	(104.800)	(107.331)
Closing balance	8.209	11.188	(2.006)	(15.032)	(28.571)
Non-cruise departure					
Opening balance	(9.774)	(3.170)	0.688	2.626	2.845
Revenue	27.576	25.772	24.497	25.459	26.019
Cost	(20.972)	(21.914)	(22.559)	(25.240)	(25.850)
Closing balance	(3.170)	0.688	2.626	2.845	3.014
Cruise arrival					
Opening balance	0.732	0.548	1.003	0.195	(0.736)
Revenue	3.686	5.870	4.700	4.840	5.074
Cost	(3.870)	(5.415)	(5.508)	(5.771)	(5.910)
Closing balance	0.548	1.003	0.195	(0.736)	(1.572)
Cruise departure					
Opening balance	0.504	1.076	0.512	0.011	(0.960)
Revenue	1.312	0.403	0.122	0.126	0.132
Cost	(0.741)	(0.967)	(0.623)	(1.097)	(1.123)
Closing balance	1.076	0.512	0.011	(0.960)	(1.951)
Total closing balance	6.663	13.391	0.826	(13.882)	(29.081)

Biosecurity New Zealand

The temporary reduction in the Biosecurity New Zealand non-cruise passenger levy rate from 1 February 2026 to 31 January 2028 will reduce revenue over the two-year period. Increased expenditure over the same period will be funded through drawing down the existing memorandum account balance. This ensures Biosecurity New Zealand can continue to invest in digital border technologies, smarter processing, new x-ray systems, and enhanced protection initiatives, while maintaining fair and transparent cost recovery.

Table 4 - Biosecurity New Zealand memorandum account balances

	2023/24	2024/25	2025/26	2026/27	2027/28
	Actual (\$m)	Actual (\$m)	Forecast (\$m)	Forecast (\$m)	Forecast (\$m)
Non-cruise					
Opening balance	(18.881)	18.179	56.219	67.137	43.687
Revenue	103.923	108.427	101.347	84.212	95.157
Cost	(66.862)	(70.387)	(90.429)	(107.662)	(99.145)
Closing balance	18.179	56.219	67.137	43.687	39.699
Cruise					
Opening balance	-	-	(0.312)	(0.064)	(0.060)
Revenue	3.057	2.307	1.822	1.876	1.967
Cost	(3.057)	(2.619)	(1.574)	(1.872)	(1.725)
Closing balance	-	(0.312)	(0.064)	(0.060)	0.182
Crown funding (used to fund exempt travellers)					
Opening balance	-	-	-	-	-
Revenue	0.592	0.592	0.592	0.592	0.592
Cost	(0.592)	(0.592)	(0.592)	(0.592)	(0.592)
Closing balance	-	-	-	-	-
Total closing balance	18.179	55.907	67.073	43.627	39.881

Levy revenue

Levy-related revenue increased in 2024/25 as the overall number of travellers increased. Forecast levy revenue includes the levy rate changes from 1 December 2024.

Table 5 - Customs Border Processing Levy related revenue

	2023/24 Actual (\$m)	2024/25 Actual (\$m)	2025/26 Forecast (\$m)	2026/27 Forecast (\$m)	2027/28 Forecast (\$m)
Non-cruise					
Arrival	102.686	95.705	88.310	91.774	93.793
Departure	27.576	25.772	24.497	25.459	26.019
Total non-cruise	130.262	121.477	112.807	117.233	119.812
Cruise					
Arrival	3.686	5.870	4.700	4.840	5.074
Departure	1.311	0.403	0.122	0.126	0.132
Total cruise	4.997	6.273	4.822	4.966	5.206
Total levy revenue	135.259	127.750	117.629	122.199	125.018

Table 6 - Biosecurity New Zealand Border Processing Levy related revenue

	2023/24 Actual (\$m)	2024/25 Actual (\$m)	2025/26 Forecast (\$m)	2026/27 Forecast (\$m)	2027/28 Forecast (\$m)
Non-cruise	103.923	108.427	101.347	84.212	95.157
Cruise	3.057	2.307	1.822	1.876	1.967
Crown	0.592	0.592	0.592	0.592	0.592
Total revenue	107.572	111.326	103.761	86.680	97.716

Border processing costs

Expenditure on passenger processing services rose in 2024/25 due to increased traveller volumes, ongoing operating costs for the New Zealand Traveller Declaration system, and the need to respond to the sharp rise in drug smuggling and other TSOC activity at airports and ports.

Table 7 – Customs border processing costs

	2023/24 Actual (\$m)	2024/25 Actual (\$m)	2025/26 Forecast (\$m)	2026/27 Forecast (\$m)	2027/28 Forecast (\$m)
Non-cruise					
Arrival	63.714	92.726	101.504	104.800	107.331
Departure	20.972	21.914	22.559	25.240	25.850
Total non-cruise	84.686	114.640	124.063	130.040	133.181
Cruise					
Arrival	3.87	5.415	5.508	5.771	5.910
Departure	0.741	0.967	0.623	1.097	1.123
Total cruise	4.611	6.382	6.131	6.868	7.033
Total cost	89.297	121.022	130.194	136.908	140.214

^[1] Customs' border processing costs related to each class of levied traveller excludes the costs to process exempted travellers.

^[2] A new levy period and rates began on 1 December 2024.

Table 8 – Biosecurity New Zealand border processing costs

	2023/24 Actual (\$m)	2024/25 Actual (\$m)	2025/26 Forecast (\$m)	2026/27 Forecast (\$m)	2027/28 Forecast (\$m)
Non-cruise	66.862	70.387	90.429	107.662	99.145
Cruise	3.057	2.619	1.574	1.872	1.725
Crown	0.592	0.592	0.592	0.592	0.592
Total cost	70.511	73.598	92.595	110.126	101.462

Expenditure per levied traveller

The revenue collected through the levies enable Customs and Biosecurity New Zealand to manage border risks while also streamlining travellers' interaction at the border. These tables show the breakdown of costs per levied traveller.

Table 9 – Customs expenditure per levied traveller

	2023/24 Actual	2024/25 Actual	2025/26 Forecast	2026/27 Forecast	2027/28 Forecast
Non-cruise					
Arrival	\$10.40	\$14.50	\$15.07	\$14.97	\$15.00
Departure	\$3.46	\$3.42	\$3.35	\$3.61	\$3.61
Cruise					
Arrival	\$13.48	\$24.88	\$31.99	\$32.54	\$31.78
Departure	\$2.60	\$4.07	\$3.62	\$6.19	\$6.04

Table 10 – Biosecurity New Zealand expenditure per levied traveller

	2023/24 Actual	2024/25 Actual	2025/26 Forecast	2026/27 Forecast	2027/28 Forecast
Non-cruise	\$10.91	\$10.98	\$13.43	\$15.38	\$13.86
Cruise	\$10.58	\$12.01	\$9.14	\$10.56	\$9.28

9. Performance information

Customs non-financial performance measures

Customs monitors the performance of border processing services against 11 output performance measures. These measures provide an annual assessment of how well we have delivered our services – what we did with the funding we received.

The measures are reviewed and set each year through the government's Budget process. The measures for the 2024/25 financial year are set out in the Estimates of Appropriations 2024/25 and the Supplementary Estimates of Appropriations 2024/25 documents.

[Vote Customs - External Sector - Estimates of Appropriations 2024/25 | The Treasury New Zealand](#)

[Vote Customs - Supplementary Estimates of Appropriations 2024/25 | The Treasury New Zealand](#)

More detail on Customs performance measures is set out in the New Zealand Customs Service Annual Report 2025 in the Travel section (pages 56-65).

Table 11 – Customs non-financial performance measures relating to traveller clearance and enforcement activities

Measure	2023/24	2024/25	2024/25	2025/26
	Actual	Standard	Actual	Standard
Air Travel				
OC2.01 - Percentage of arriving international air passengers and crew not requiring intervention after risk assessment	99.6%	98%	98.0%	Measure removed
<i>Facilitation is an outcome of well targeted and considered enforcement. As part of Customs review process, this measure has been removed for the 2025/26 financial year as it does not provide any additional performance information than the measure below on the percentage of passengers selected for further risk assessment.</i>				
OC2.02 - Percentage of arriving international air passengers and crew who are selected for further risk assessment at Customs' secondary areas	0.4%	1% - 3%	2.0%	1% - 3%
<i>In 2023/24, Customs reviewed data and processes related to passenger referral data. As a result, we implemented changes to ensure that we captured and reported all referrals for further risk assessment which required an adjustment from the previous standard range of 0.4-0.7%</i>				
OC2.03 - Result rate of secondary searches of arriving international air passengers and crew	8.4%	6% - 10%	8.4%	6% - 10%
OC2.04 - Number of arriving air and sea passengers selected for random interventions (under Customs' Assurance programme)	2,458	2,150	2,378	2,150

Measure	2023/24	2024/25	2024/25	2025/26
	Actual	Standard	Actual	Standard
Sea Travel				
OC2.05 - Percentage of arriving commercial marine craft assessed as high risk that are subject to planned interaction while in a New Zealand port	100%	100%	100%	100%
For 2024/25, this measure was amended to be limited to planned interactions with high-risk maritime vessels to reflect the mandate and focus of Customs' Maritime Group – to develop a deeper understanding of the threats and vulnerabilities within New Zealand's maritime supply chain, increase intelligence and investigative capability, and provide new operational capacity at major ports.				
OC2.06 - Percentage of all arriving commercial marine craft that are not assessed as high risk that will be subject to Customs secondary interaction	6.6%	5%	13.2%	10%
<i>To align with the focus on the security of the maritime supply chain, Customs reviewed its processes and expectations of interactions with maritime vessels. As a result, the standard for this measure was increased to 10% from 2025/26.</i>				
OC2.07 - Percentage of arriving small craft subject to Customs secondary interaction	34.9%	20%	54.3%	50%
<i>The review of interactions with maritime vessels as discussed above also resulted in an increase to the standard for this measure to 50% from 2025/26.</i>				
Traveller Declaration System				
OC2.08 - Percentage of arriving travellers who complete their arrival declaration online	43.6%	70%	67.0%	70%
Uptake of digital declarations continues to increase since the roll out of NZTD in July 2023. We did not quite reach and maintain the target over the course of the financial year. On Tuesday, 31 December 2024 we reached 58.1% uptake. Then on Monday, 30 June 2025 we reached 67.0%, falling short by 547 passengers. See previous section for promotion initiatives.				
OC2.09 - Percentage of arriving travellers who completed their digital arrival declaration in under 30 minutes	-	90%	98.2%	Measure replaced
In 2024/25, Customs made significant improvements to collection and analysis of data from the New Zealand Traveller Declaration. This assisted in the development of a measure for 2025/26 that is more meaningful about the quality-of-service, ensuring the NZTD does not place undue time burden on travellers – the average time taken to complete a digital arrival declaration is 10 minutes or less.				
OC2.10 - Percentage of arriving travellers who need to seek help from the contact centre in order to complete their arrival declaration	0.7%	3% or less	0.4%	3% or less
Investigations and enforcement				
OC2.11 - Percentage of investigations, related to travellers and their possessions, where a punitive or harm reduction action is achieved	95%	75%	91.7%	80%
Customs' 2024/25 annual review of measures concluded that assessment of investigative performance is appropriately determined through achieving punitive or harm reduction action. The standards for each of the three types of investigations were considered according to Customs' ability to identify the offence and offender which is necessary to achieve these outcomes. The standard for this measure will be increased to 80% from 2025/26.				

Biosecurity New Zealand non-financial performance measures

More details about how Biosecurity New Zealand monitors the performance is set out in the Ministry for Primary Industries Annual Report 2023/24 for the multi-category appropriation, *Biosecurity: Border and Domestic Biosecurity Risk Management*, under the *Border Biosecurity Monitoring and Clearance* category.

Table 13 – Biosecurity New Zealand non-financial performance measure

2023/24 Actual	Measure	2024/25		2025/26
		Standard	Actual	Standard
98.7%	Percentage of international air travellers that comply with biosecurity requirements on leaving the airport	> 98.5%	98.9%	> 98.5%



Appendix 1: Border processing activities

Customs and Biosecurity New Zealand’s border processing costs that can be recovered by the levies are limited to costs related to relevant travellers and their baggage and other relevant goods. Table 1 describes the types of activities that give rise to these costs.

Appendix 1 Table 1 - Illustrative list of border processing activities

Customs	Biosecurity New Zealand
<p>Pre-border risk assessment and related activities</p> <ul style="list-style-type: none"> liaising with other government agencies about protecting against border risks related to travellers patrolling the coastline gathering intelligence on incoming travellers modelling and analysis of information processing electronic data related to travellers identifying travellers of interest. 	<p>Pre-border risk assessment and related activities</p> <ul style="list-style-type: none"> screening for targeted interventions and identifying travellers of biosecurity interest. <p>Pre-border processing travellers and their goods</p> <ul style="list-style-type: none"> en-route biosecurity processing where possible. <p>Planning</p> <ul style="list-style-type: none"> co-ordinating resourcing and tasking of border activities.
<p>Pre-border advice and engagement</p> <ul style="list-style-type: none"> providing advice to travellers liaising with industry, including planning and problem solving in relation to processing travellers. 	<p>Pre-border advice and engagement</p> <ul style="list-style-type: none"> managing craft applications for arrival at non-approved Places of First Arrival.
<p>At-border processing travellers and their goods</p> <ul style="list-style-type: none"> primary processing (manual and via eGate): validating identity, completing immigration processes, identifying travellers of interest, including questioning and using detector dogs secondary processing: interacting with travellers of interest, including questioning, x-ray and searching Search passenger craft, including using detector dogs. 	<p>At-border processing travellers and their goods</p> <ul style="list-style-type: none"> assessing arrival documentation against biosecurity requirements verifying compliance to biosecurity requirements of travellers using intervention tools, e.g., communications, searches, detector dogs, x-ray Collecting information related to pathways and effectiveness of interventions.
<p>Investigations and compliance</p> <ul style="list-style-type: none"> disrupting illegal activity before travellers of interest arrive in New Zealand monitoring travellers of interest after they have completed at-border processing carrying out investigations resulting in enforcement action dealing with goods seized from travellers. 	<p>Investigations and compliance</p> <ul style="list-style-type: none"> reviewing and managing high-risk travellers verifying the process for disposing of goods seized from travellers investigating non-compliance compliance monitoring and analysis to measure performance of pathways.

Appendix 2: Travellers exempt from paying the levies

Tables 1 and 2 show the two kinds of travellers exempt from paying levies under Customs' levy order. Similar exemptions apply under the Biosecurity levy order.

Appendix 2 Table 1 - Levy-funded exempt 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
 - (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.

Appendix 2 Table 2 - Non-levy funded exempt travellers

- (b) 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 Party
 - (v) a non-passenger commercial craft
- (c) a traveller who arrives in New Zealand after having been rescued at sea
- (d) a traveller who arrives in New Zealand wholly for the purpose of seeking temporary relief from stress of weather
- (e) a traveller who, having arrived in New Zealand as referred to in paragraph (d), departs New Zealand as soon as is reasonably practicable
- (f) a traveller who departs New Zealand on a craft on a journey—
 - (i) that is not intended to go beyond the exclusive economic zone
 - (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
- (g) 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
 - (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.