

RELEASED DOCUMENT

The attached document has been proactively released by the Border Executive Board on behalf of the Minister of Customs.

Paper prepared by: Hon Casey Costello, Minister of Customs

Date considered by Cabinet: Cabinet 28 October 2025

Economic Policy Committee 22 October 2025

Name of paper: Border Executive Board to operate as a sector leadership group

Cabinet Reference: CAB-25-MIN-0376

ECO-25-MIN-0168

Purpose of the paper: The paper sought agreement to change the Border Executive Board

from an interdepartmental executive board (IEB) under the Public Sector Act 2020 (the Act) to a sector leadership group with a Cabinet mandate and Ministerial oversight. The change comes into effect

from 1 January 2026.

The sector leadership group model is considered more appropriate for a sector that has embedded stronger arrangements to identify and address shared risks, issues, and opportunities across the border system and make it easier to work with industry. The level of entity compliance and participation in Parliamentary processes of an

IEB is now considered excessive.

Redactions: No part of the Cabinet paper has been redacted.

Information outside the scope of the proactive release has been

redacted from the Cabinet minute.

Supporting information: N/A.



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Office of the Minister of Customs

Cabinet Economic Policy Committee

Border Executive Board to operate as a sector leadership group

Proposal

This paper seeks agreement to change the Border Executive Board (BEB) from an interdepartmental executive board (IEB) under the Public Sector Act 2020 (the Act) to a sector leadership group with a Cabinet mandate and Ministerial oversight.

Relation to government priorities

The proposal relates to the Government's priority to deliver better public services. Strong management of New Zealand's border also contributes to economic growth, law and order, and national security.

Executive Summary

- The border sector plays a critical role for New Zealand through its contribution to the economy, health, security, and law and order. Border agencies have a long history of effective operational collaboration and work well together to meet Government objectives and respond to stakeholders.
- The establishment of the BEB in December 2020 aligned with the new IEB model in the Act and the commitment to joint working and assurance for a safer and smarter border, particularly in response to the COVID-19 pandemic. A safer border strengthens how threats are identified and managed to protect New Zealand, with a smarter border being intelligence-led, risk-based and technology enabled to support the movement of compliant people, goods, and craft.
- Through the IEB model, the BEB ensured health risk management was integrated into the border response and improvements to the border system were progressed.
- Border agencies need to retain a strong commitment to a safer and smarter border and working with other agencies tasked with growing the economy, maintaining law and order, and protecting New Zealand from a wide range of threats. However, the level of entity compliance and participation in Parliamentary processes of an IEB is now considered excessive.
- I propose that the BEB be disestablished as an IEB and continue to operate as a sector leadership group, with a Cabinet mandate and Ministerial oversight. This is a more appropriate model for a sector that has embedded stronger arrangements to identify and address shared risks, issues, and opportunities across the border system and make it easier to work with industry.

Background

- The border sector makes a critical contribution to New Zealand. Effective and efficient cross-border trade and travel facilitation is essential for economic growth. Government border agencies' effectiveness at enforcement and compliance protects New Zealand from significant threats such as pests, biosecurity and health hazards, illicit and prohibited goods, and unlawful immigration.
- Border agencies have traditionally worked well on operational matters, modernising border services for travellers and traders while protecting New Zealand. For example, since 2017, the New Zealand Trade Single Window (TSW) has operated as a joint system allowing importers and exporters to enter cargo and craft information. TSW is demonstrably better than most of New Zealand's trading partners' border trade systems.
- In 2020, Cabinet considered options for strengthening collaboration across the public sector which aligned with the introduction of the IEB model. This provided the opportunity to strengthen joint agency working and assurance relating to the border, particularly in response to the COVID-19 pandemic. It also helped address the challenge of working on matters wider than operational improvements, where the benefit is to a system rather than an individual agency.

An IEB is a formal way to collaborate with prescribed compliance and accountability

- An IEB is a group of Public Service Departments, brought together to work on complex matters that are best progressed by more than one department. IEBs are supported by a servicing department and usually also have dedicated staff, such as a secretariat team.
- An IEB is governed by some or all Chief Executives of the member agencies, who are jointly accountable for performance. Importantly, individual agencies remain responsible for delivery of their individual accountabilities under their respective legislation.
- 13 IEBs are classified as public service agencies under the Act and therefore have many of the same responsibilities as an individual public service chief executive. IEBs must also meet the requirements of government accountability, reporting, and Parliamentary processes.

The BEB has provided joint leadership for the border system since January 2021

The BEB started on 11 January 2021 as the first IEB, without a review date. The member agencies are the New Zealand Customs Service (Customs), Ministry for Primary Industries (MPI), and the Ministries of Health, Transport, Foreign Affairs and Trade, and Business, Innovation and Employment (MBIE).

- The original Cabinet accountabilities [CBC-20-MIN-0099 refers] are summarised as:
 - 15.1 addressing gaps in the end-to-end border processes
 - 15.2 addressing future risks
 - 15.3 strategic border system improvements
 - 15.4 managing fiscal challenges.
- In 2023, Cabinet revisited the BEB accountabilities to reflect the evolution of the Government's response to COVID-19 and the role of supporting a positive user experience with the border system [DEV-23-MIN-0075].
- A significant achievement under the BEB is the New Zealand Traveller Declaration (NZTD) being successfully developed and implemented in 2023 as a digital platform for traveller arrival information through collaboration between MBIE, Customs, MPI, and the Ministry of Health. Importantly, this system also meets the wide range of information collection needs that other Government agencies have at the border.

Reason for Change

- Just as the border system needs to evolve to changing threats and opportunities, the collaboration and governance arrangements must also remain fit-for-purpose.
- The IEB model is useful where greater clarity on mandate is needed and where agencies do not have an effective existing mechanism for collaboration. The accountability from being an IEB ensured the Government's response to COVID-19 was effective and responsibility was shared across all BEB chief executives.
- I now consider the IEB operating model and requirements disproportionate to the BEB with:
 - 20.1 a small appropriation of \$1.95 million in 2024/25, club funded by member agencies
 - a coordination and system leader function with member agencies delivering border services
 - 20.3 no assets or critical systems owned. The NZTD is owned and run by Customs
 - 20.4 no employees, with appropriation administration, procurement, corporate support, and employment of the Secretariat team provided by Customs
 - 20.5 member agencies have widely varying size, scale and frequency of border functions but inaccurately are considered equal for accountability and participation in an IEB
 - 20.6 a Border Sector Strategy that requires additional development and reporting because the BEB, as an entity, must have its own strategic direction, measures and reporting to meet legislative requirements

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- 20.7 Crown entities with border interests, such as Civil Aviation Authority, Health New Zealand, and Maritime New Zealand being expected to participate but unable to have a formal leadership or accountability role as IEB membership is limited to Public Service departments.
- The BEB meets its requirements as an IEB, but the time and cost of compliance is disproportionate. This is a result of the prescription of requirements and involvement in Parliamentary processes, and the engagement required to maintain the expectation of joint accountability. For example:
 - 21.1 *strategic intentions* publishing a document, as a department must, every four years against specific and detailed guidance, with the same expectations of strategic indicators and formal measurement
 - 21.2 annual reports and audits publishing a document, as a department must, against specific and detailed guidance¹. Financial and appropriation information is audited
 - 21.3 Select Committee scrutiny contributing to Select Committee estimates and annual review scrutiny, with separate reporting required for annual reviews. Annual review scrutiny requires the BEB to answer the same questions as departments (200 questions for 2023/24) and to attend a hearing with the Committee.
 - 21.4 Parliamentary processes respond to parliamentary questions, Official Information Act, Royal Commissions of Inquiry, and other forms of scrutiny as a separate entity.
- These requirements require a larger Secretariat team than is actually necessary to support the core work and diverts resources away from the actual joint border work. The IEB legislative form of collaboration, accountability and compliance is no longer fit-for-purpose for the size and ongoing nature of joint border leadership and collaboration. The public service financial sustainability work also makes this an opportune time for a review as the proposed model would result in a significant reduction in operating cost and therefore reduce the contributions by member agencies.

Proposed Change

I consider that the BEB has made good progress and can continue to meet its purpose and accountabilities as a sector leadership group with Cabinet mandate and Ministerial oversight. Appendix 1 – 3 summarises the proposed arrangements and functional responsibilities of agencies, and accountability changes.

¹ The BEB has a waiver from the Minister of Finance under Section 45B of the Public Finance Act 1989 from the requirement to include financial statements which are instead included in the servicing Department's reporting. The BEB Annual Report is appended to Customs' Annual Report.

- A sector leadership group with a Cabinet mandate and Ministerial oversight will ensure member agencies and their Chief Executives remain committed to achieving the Government's priorities while retaining a longer-term stewardship role for the border sector. The Justice Sector Leadership Board has operated in this way successfully for many years.
- A coordination mechanism across relevant agencies remains appropriate because of the complementary functions carried out by agencies, common stakeholders (airports, ports, airlines, importers, and exporters) and use of shared systems.
- I propose retaining the intent of the 2023 accountabilities set by Cabinet [CAB 23-MIN-0168] with minor updates:
 - 26.1 gaps in end-to-end border processes are addressed, with health risk management integrated and the border ready to respond to significant events
 - 26.2 risks from people, goods, and craft arriving and departing the border are addressed and opportunities maximised where these are not already being managed by an existing agency or other government process
 - 26.3 identify and oversee strategic border system improvements including identifying where agencies could work together to progress challenges or opportunities, and where there are interdependencies
 - the border system is financially sustainable through cost recovery, having oversight of fiscal challenges
 - 26.5 leadership to facilitate a positive user experience with the border system.
- I also propose that factors that have made the BEB a success be retained.
 - 27.1 A small, dedicated secretariat team funded by agencies taking a system view of the border sector and providing support. Member agencies will have the discretion to jointly set the level of funding to meet the required outputs.
 - 27.2 Use of the BEB name the name is well known across industry and with other Government agencies. It is seen as a single point of contact for border matters and providing a cross-border view.
 - 27.3 Transparency of direction and performance replacing prescribed strategic and performance reporting with simplified documents reflecting Government and sector priorities, which are published online. Individual agency reports will continue to show their contribution to the border, as relevant to their strategic objectives.
 - 27.4 *Ministerial oversight and engagement* retaining a responsible Minister and engagement with other portfolios such customs, biosecurity immigration, health, trade, tourism, and transport.
 - 27.5 Working with border Crown entities adopting a sector leadership model will allow participation of Crown entities, who contribute regularly to the border and BEB.

- As I have outlined, collaboration and governance need to evolve to meet the needs of the border sector and expectations of the public sector. In proposing a sector leadership group, I also considered reverting to the chief executive Border Sector Governance Group model. However, I consider that model had previously been tested and will not deliver enough accountability to maintain momentum. I expect the governance arrangements will be regularly reviewed to ensure they remain fit- for-purpose.
- As with any change, there is a risk to momentum. This is mitigated by the intent of the BEB continuing and the work programme being set and supported by the BEB agencies. Retaining a Secretariat team will enable a smooth transition to a sector leadership group and maintain progress of work with border agencies.

Cost-of-living Implications

There are no cost-of-living implications.

Financial Implications

There are potential financial savings from this proposal that will be agreed by the agencies that fund the BEB and Secretariat team. The Border System Performance appropriation will continue with performance measures and reporting by Customs as the vote administrator unchanged.

Legislative Implications

An IEB can be disestablished through an Order in Council repealing the relevant provision of Schedule 2, Part 3 to the Public Sector Act 2020. The Ombudsmen Act 1975, Part 1B Schedule 1 would also require amendment to remove a reference to the BEB. I propose the BEB be disestablished from 1 January 2026.

Impact Analysis

Regulatory Impact Statement

33 A regulation impact assessment and statement is not required.

Climate Implications of Policy Assessment

A Climate Implications of Policy Assessment is not required as there are no climate proposals in this paper.

Population Implications

35 There are no population implications.

Human Rights

There are no human rights implications.

Use of external Resources

37 No external resources were used to prepare this paper.

Consultation

38 The member agencies of the BEB, Treasury, and the Public Service Commission were consulted. No issues were raised with the proposal. The Department of Prime Minister and Cabinet was informed.

Communications

39 The BEB and Treasury webpages will be updated to reflect the change from an interdepartmental executive board to a sector leadership group.

Proactive Release

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Control of the control of I intend to proactively release this paper, following Cabinet decisions, subject to 40

Recommendations

The Minister for Customs recommends that the Committee:

- note that the Border Executive Board started on 11 January 2021, as the first interdepartmental executive board established by Cabinet in December 2020 [CBC-20-MIN-0099 refers]
- 2 note that the formal accountability requirements and governance model of an interdepartmental executive board are no longer fit-for-purpose
- agree that the Border Executive Board be formally disestablished as an interdepartmental executive board with effect from 1 January 2026
- invite the Minister for the Public Service to instruct Parliamentary Counsel
 Office to draft Orders in Council to disestablish the Border Executive Board,
 with effect 1 January 2026 by removing the reference in Part 3 of Schedule 2 of
 the Public Service Act 2020 and Schedule 1B of the Ombudsman Act 1975
- agree that the Border Executive Board continue to operate as a sector leadership group with the mandate to coordinate the management of a safer and smarter New Zealand border, from 1 January 2026 as outlined in Appendix 1 and 2
- agree that the Minister of Customs remains the responsible Minister for the Border Executive Board
- agree that the responsible Minister and the Border Executive Board will update the strategic direction, priorities and objectives, and publish a revised terms of reference
- note that the New Zealand Customs Service will continue to provide servicing department support for the Border Executive Board.

Authorised for lodgement

Hon Casey Costello Minister of Customs

Appendix 1: Summary of Proposed Member Agency Functions as a Sector Leadership Group

	Border Executive Boa	nrd		
Sector leadership	Coordinate the management of a safer and smarter New Zealand border. • Address gaps in border processes. • Ensure risks are addressed. • Make strategic improvements. • The border system is financially sustainable through cost recovery. • Facilitate a positive user experience with the border system.			
	New Zealand Customs Service		Ministry for Primary Industries	
Permanent member - Core	 Risk-informed assessment, inspection, and clearance of travellers, goods, and craft. Revenue collection. Disruption of illicit/illegal goods and organised crime. Trade facilitation and assistance. 		 Biosecurity system leadership (off-shore, border, and domestic). Trade facilitation and policy advice. Risk-informed assessment, inspection, and clearance of travellers, goods, and craft for biosecurity protection. Approval and oversight of transitional/containment facilities. 	
	 Ministry of Business, Innovation and Employment Verify eligibility to enter New Zealand. Disruption of people smuggling and trafficking. 		 Ministry of Transport Policy advice. System leadership and stewardship. Crown entity governance. 	
Member - subject based / relevance	Ministry of Health Ensuring appropriate legislative and policy settings to enable: surveillance of, and response to, health threats at the border implementation of routine border health controls implementation of the International Health Regulations 2005.		 Ministry of Foreign Affairs and Trade Upholding New Zealand's international obligations relating to the border. Deploying funding to strengthen partner countries' border capacity. 	
	Health New Zealand	Civil Aviation	Authority	Maritime New Zealand
Participant – subject based / relevance	 Delivering health services. Member of the Integrated Targeting and Operations Centre 	passenger, n and baggage d Targeting Regulatory av		 Regulatory maritime activity. Health and safety at ports.
	New Zealand Police	New Zealand Defence Force	Importers a exporters	Airports and maritime ports
Partners	•	Industry associations	Airlines and cruise oper	d • Travellers

Appendix 2: Summary of the Border Executive Board as a Sector Leadership Group

Purpose

The Border Executive Board will operate as a sector leadership group from 1 January 2026 to coordinate the management of a safer and smarter New Zealand border.

Membership

Permanent member - core

- New Zealand Customs Service
- Ministry for Primary Industries
- Ministry of Business, Innovation and Employment
- Ministry of Transport

Member - when appropriate/issue specific

- Ministry of Health
- Ministry of Foreign Affairs and Trade

Participant – when appropriate/relevant

- Health New Zealand
- Civil Aviation Authority
- Maritime New Zealand

Governance

The governance board will consist of the Chief Executives of the:

- New Zealand Customs Service (Chair, the Comptroller of Customs)
- Ministry for Primary Industries
- Ministry of Business, Innovation and Employment
- Ministry of Transport.

All Chief Executives will be invited to attend when setting the direction and reviewing performance of the BEB. Agencies, and chief executives, will continue to be invited to attend meetings for relevant topics.

Ministerial engagement and accountability

The Minister of Customs is the responsible minister for the BEB. The BEB will confirm the strategic direction and priorities and provide progress reports to the responsible Minister. Other portfolio Ministers will be engaged with as appropriate.

Secretariat support

The BEB will be supported by a small Secretariat team, employed by the New Zealand Customs Service as the servicing department. The Secretariat will be funded by the four permanent core member departments. The level of funding will be determined by the agencies to meet agreed outputs of the BEB.

The Secretariat team will take a whole-of-border view. Activity will include governance support, coordination and reporting, and programme management as needed.

Servicing department

The New Zealand Customs Service will support the BEB. The Secretariat team will continue to be employees of Customs.

Delivery

The member agencies will work together to set and progress the strategic direction and annual priorities of the BEB. Member agencies will deliver their border functions with their Chief Executive's retaining responsibility for their individual agency performance and accountability to their Minister/s and Parliament.

Appendix 3: Summary of key changes

Current arrangements as an IEB	Proposed change to sector leadership board		
Order in Council			
Established as part of New Zealand's defence against COVID-19 and other risks. Intended to help coordinate the management of New Zealand's borders, for example, by assisting the	Revoke the Order in Council by disestablishing the Border Executive Board as an interdepartmental executive board.		
 relevant departments to: remove gaps in border processes ensure that future risks from people, goods and craft arriving at the borders are 	Retain the intent to coordinate the management of a safer and smarter New Zealand border and Cabinet accountabilities.		
addressedmake strategic improvement to border system.	6		
Membership – agencies			
Six public service agencies: Customs, MPI, Transport, Health, MFAT, MBIE.	Split into core members (Customs, MPI, MBIE, Transport), and members when appropriate (Health, MFAT). Invite the 3 border Crown entities to participate on relevant topics: Health New Zealand, Civil Aviation Authority (includes Aviation Security), Maritime New Zealand.		
Membership – governance board			
Chief Executives of the six member agencies: New Zealand Customs Service Ministry for Primary Industries Ministry of Business, Innovation and Employment Ministry of Transport Ministry of Health Ministry of Foreign Affairs and Trade.	 Change to include Chief Executives of core members: New Zealand Customs Service Ministry for Primary Industries Ministry of Business, Innovation and Employment Ministry of Transport. Invite other member chief executives to attend when setting the direction and reviewing performance of the BEB. Agencies, and chief executives, will continue to be invited to meetings for topics of interest. 		
Parliamentary and Government Accountability			
Strategic Intentions	Requirement removed. Set direction with responsible Minister and publish on the BEB webpages. This could include a revised strategic direction summary document.		
Annual Reports	Requirement removed. Annual progress update to responsible Minister for each financial year and published on BEB webpages.		
Border Sector Strategy	Repurpose for setting the direction and priorities of the Border Executive Board.		
Scrutiny by Select Committee	Estimates – contribute as needed to Vote Customs. Annual Review – requirement removed.		
Parliamentary questions	Requirement removed. Continue to be included in Customs' responses as appropriate, e.g. employment.		
Official Information Act	No change. Respond as needed.		





Cabinet Economic Policy Committee

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Border Executive Board: Proposal to Operate as a Sector Leadership Group

Portfolio Customs

On 22 October 2025, the Cabinet Economic Policy Committee:

- noted that the Border Executive Board commenced on 11 January 2021, as the first interdepartmental executive board established by Cabinet, in December 2020 [CBC-20-MIN-0099];
- 2 **noted** that the Border Executive Board's formal accountability requirements and governance model of an interdepartmental executive board are no longer fit-for-purpose;
- agreed that the Border Executive Board be formally disestablished as an interdepartmental executive board with effect from 1 January 2026;
- 4 **invited** the Minister for the Public Service to issue drafting instructions to the Parliamentary Counsel Office for Orders in Council to disestablish the Border Executive Board, with effect 1 January 2026 by removing the reference in Part 3 of Schedule 2 of the Public Service Act 2020 and Schedule 1B of the Ombudsman Act 1975;
- agreed that the Border Executive Board continue to operate as a sector leadership group with the mandate to coordinate the management of a safer and smarter New Zealand border, from L January 2026, as outlined in Appendix 1 and 2 to the paper under ECO-25-SUB-0168;
- **agreed** that the Minister of Customs remains the responsible Minister for the Border Executive Board:
- agreed that the responsible Minister and the Border Executive Board will update the strategic direction, priorities and objectives, and publish a revised terms of reference;
- 8 **noted** that the New Zealand Customs Service will continue to provide servicing department support for the Border Executive Board.

Rachel Clarke Committee Secretary

Present: (see over)

Present:

Hon David Seymour

Hon Chris Bishop (Chair)

Hon Simeon Brown

Hon Brooke van Velden

Hon Louise Upston

Hon Todd McClay

Hon Tama Potaka

Hon Casey Costello

Hon Penny Simmonds

Hon Nicola Grigg

Hon Mark Patterson

Hon James Meager

Hon Scott Simpson

Simon Court MP

Officials present from:

Office of the Prime Minister Officials Committee for ECO



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Cabinet

Minute of Decision

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Report of the Cabinet Economic Policy Committee: Period Ended 24 October 2025

On 28 October 2025, Cabinet made the following decisions on the work of the Cabinet Economic Policy Committee for the period ended 24 October 2025:

CONFIRMED ECO-25-MIN-0168 **Border Executive Board: Proposal to Operate** as a Sector Leadership Group Portfolio: Customs

Rachel Hayward Secretary of the Cabinet

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