

## Submission on the Passports Amendment Bill (No 2)

This submission is made for and on behalf of the 16,500+ supporters of NZ Ten-Year Passports.

**We support the intent of this bill, in particular Clause 8 and the proposed clauses 1a and 1b.**

### **Clause 8 Section 5 amended (Life of passport)**

(1) Replace section 5(1) with:

(1) Unless cancelled sooner under this Act,—

(a) every New Zealand passport issued to a person who is at least **16 years old is valid for 10 years from the date of issue:**

(b) every New Zealand passport issued to a person who is **less than 16 years old is valid for 5 years from the date of issue.**

(2) In section 5(1A)(a), replace “this section” with “section 8 of the Passports 5 Amendment Act (No 2) 2015”.

(3) In section 5(2), replace “Notwithstanding” (sic) with “Despite”.

### **We support this clause because:**

1. The International Civil Aviation Organization (2006) recommend that the life of a biometric passport be 10 years and that organisation requires nations to invest in appropriate infrastructure to support travel documents with validity periods of such duration.
2. All member countries of the Five Nations Passport Group (2011) issue 10-year passports, with the notable exception of New Zealand. The proposed change would bring New Zealand into line with our partner nations.
3. International evidence shows that there has been a move away from passports with a maximum validity of five years because of technological advancement. Over the past several years there has been a move by OECD countries to either return to, or adopt for the first time, 10-year biometric passports. For example China (2007) Canada and the Netherlands (2013), Brazil, Cambodia, Iceland, Saudi Arabia, St Vincent & The Geraldines (2014), have reported that they have moved from five to 10-years validity.
4. Over 54 per cent of sovereign nations now issue passports which have a validity of greater than five years, as compared to the 20% reported by the DIA in their report to the select committee on *Petition 2011/97 Petition of Kyle Lockwood* (Feb 2014)
5. The Minister of Internal Affairs has recommended to Cabinet that 10-year validity be reintroduced (Department of Internal Affairs 2015).
6. The Group of [Cabinet] Ministers with Power to Act decided that “the validity period for the adult passport be increased to ten years” (Cabinet Office 2015, p. 1).
7. There is cross-party support for the implementation of 10-year validity, as is evidenced in the Hansard of the House of Representatives (2015). For example, in addition to the Minister of Internal Affairs (representing United Future) the following parties showed support:
  - New Zealand National Party (Todd Barclay, Sarah Dowie, Brett Hudson, Ian McKelvie, Alfred Ngaro),
  - New Zealand First (Clayton Mitchell),
  - Green Party of Aotearoa New Zealand (Mojo Mathers, Denise Roche), and
  - New Zealand Labour Party (Ruth Dyson, Adrian Rurawhe, David Seymour, Poto Williams)
8. The application fee of \$180 for a passport with 10-year validity (an increase of 33.82% on the current five-year passport application fee) as announced by the Minister for Internal Affairs (Dunne 2015) will reduce the economic burden on New Zealand families and businesses over a ten year span. Moreover, the administrative burden and on-costs associated with travelling will be reduced as because of the increase in the ‘functional life’ by five years. Therefore, applicants will no longer have to apply for two passports at

\$134.50 each (total \$269) nor will they be forced to forfeit a combined 12 months validity (over the life of the two five-year documents).

As Spokesman, I represent the 16,500+ New Zealanders worldwide that form 'NZ Ten-Year Passports' an online organisation that does not charge membership fees nor seeks remuneration for its services, that broadly speaking, seeks that the Government make amendments to the *Passports Act 1992* in order to restore the validity of adult passports to ten years. Specifically we seek to:

1. Re-introduce passports of 10-year validity for applicants who are aged 16 years over immediately.
2. Retain five-year validity for applicants who have not attained 16 years of age,
3. Retain the current subsidy given to child passport applications
4. Improve document security by refreshing passport booklets more frequently
5. Introduce the option of a 'frequent traveller passport' with additional pages at a higher fee, (as is the case in Australia who have a 64 page option. It should also be noted that the US and the UK also offer passports applicants the option to apply for passports with additional pages).
6. Maintain the uniformity of application fees fee for online applications, regardless of location, while and retaining the zero-rated GST fee for passports for overseas-based applicants that meet the requirements under Section 11A of the *Goods and Services Act 1985*.

In preparing this submission we have considered the views expressed by our supporters and consulted the documents submitted in conjunction with the petition of Kyle Lockwood and associated written disclosures on the Parliament's website.

#### **We wish to make the following comments**

1. A seven-year passport validity period was raised as a possible alternative by Mr Murdoch in his security review report. We do not consider seven years to be viable position. As a 'mid-point' solution, it would likely involve price rises without sufficiently meeting public calls for a ten-year validity period. In addition, there are no comparable international examples.
2. When 10-year passports are reintroduced at the end of this year, New Zealand should introduce a new passport booklet design. Furthermore, we suggest that passport booklet's design should be continually refreshed at regular (perhaps five-year) intervals. Systematic revision would assist in reducing the risk of technology becoming outdated and the book being subject to attack, given it would only be in circulation for a maximum of 15 years, which is less than the 20-year international standard required by International Civil Aviation Organization (2006).
3. *We are concerned* by some clauses contained within the Bill, particularly Section 34(2)(c),(e) and (f) because they do not contain adequate safeguards to maintain the uniformity of the fees levied on applications for passports . Our particular concerns are discussed below and the clauses of the Bill highlighted in **bold blue** text.

#### **34 Section 40 replaced (Regulations)**

*Replace section 40 with:*

#### **40 Regulations**

- (2) **Any fees set under subsection (1) may differ depending on—**
- (a) *the time at which the application is lodged:*
  - (b) *the type of travel document:*
  - (c) ***whether the application is lodged in New Zealand or overseas:***
  - (d) *whether the application is for—*
    - (i) *a new travel document; or*
    - (ii) ***a replacement for a lost or stolen travel document:***
  - (e) ***in the case of an application lodged overseas, the overseas place where the application is lodged:***
  - (f) ***the manner in which the application is lodged, for example, whether the application is lodged in paper form or electronically via an Internet site maintained by or on behalf of the Secretary:***
  - (g) *whether the applicant is, or is not, under the age of 16 years.*

**Sec 40(2)(f)** Over the past few years, the Government have actively encouraged the population to interact with their agencies and departments by electronic means. Indeed the Government are hopeful that "70% of New Zealanders' most common transactions with government will be completed in a digital

environment by 2017” (Key & English 2014). Ministerial press releases (Dunne 2014; Tremain 2012a, 2012b) reinforce this view as the DIA have given a discount, of sorts, to adult applicants that apply online, while at the same time reducing the labour costs incurred by the Department. The labour cost reduction is achieved by requiring applicants to enter their details into the passport system and upload their own photograph. Prior to the introduction of online applications, this process was executed by a DIA staff member. Moreover, evidence given at Government Administration Select Committee hearings by representatives of the Department affirmed that only a small percentage of online renewal applications received human intervention and checking at the Passport Office. Thus, the differentiation of paper v online application is not a significant issue. It is, however significant when used in operation with other subsections such as Sec 40(2)(c) and (e).

4. The purpose of **Sec 40(2)(c) and (e)** are questionable and create ambiguity. Section 11A of the *Goods and Services Tax Act 1985* provides for zero-rating of services (of which the provision of passports are classified for GST purposes) from a place outside New Zealand to another place outside New Zealand and from a place in New Zealand to a place outside New Zealand. This covers documents produced in New Zealand and sent to destinations abroad, and documents produced at the London and Sydney Offices to any destination around the world excluding New Zealand. The zero-rating is justified and monitored by the DIA charging applicants who require documents to be delivered outside of Australia, New Zealand and the United Kingdom regardless of the method of application mandatory courier fee in addition to the standard application fee. For applications that indicate delivery within Australia and the United Kingdom the fee is included in the application fee and the method of delivery is trackable local post.

Presumably the only benefit of this Sec 40(2)(c) and (e), for the Government, is to charge a higher price than that levied on applications lodged in, and mailed to an address within, New Zealand and thus provides a mechanism to partially recoup any capital injection provided by the Government to subsidise application fees. Our supporters find Sec 40(2)(e) particularly offensive as it opens the legislative door for the Government and to be able to price-discriminate in countries where there are large bodies of the New Zealand citizenry (for example in Australia/UK/USA) or where the foreign country’s currency is worth more than the New Zealand Dollar.

We do recognise, however, that where DIA staff are required to assess paper applications at the London and Sydney offices in relation to applications for first-time, child, replacement of lost or stolen documents, or where applicants have changed their name since the issue of their last passport that labour costs may be higher than in New Zealand, however, under current legislative regulations the Government have deliberately retained a high fee to discourage paper applications as is evident in their series of Regulatory Impact Statements.

5. It is our understanding from discussing the matter with DIA staff that passports issued online and processed through DIAWLG may actually be printed and distributed from three different locations where New Zealanders form a high percentage of the population – namely, Wellington in New Zealand, Sydney Australia, and London in the United Kingdom. We further understand that the ‘outpost’ offices also process New Zealand based applications lodged online during busy periods leaving Wellington-based staff to concentrate on printing booklets for approved applications. Therefore the argument for fee-discrimination is somewhat undermined given the Department is using staff in strategically placed time-zones to ensure a 24-hour service availability and economies of production.
6. We ask that the Government retain uniform worldwide application fee and the zero-rating for GST where applicants are meet the requirements under Section 11A of the the *Goods and Services Act 1985*. Our supporters also feel it is unfair that the Government engages in the practice of multiple-dipping when charging courier fees for multiple applications received at the same time. An example of this is a family group, where a courier fee is charged for each passport booklet sent. Passport booklets are lightweight and we feel it would be fair if the Passports Office were to charge a single courier fee for say up to 10 passport booklets. Courierring fees are not currently regulated directly by regulation or legislation and their imposition is a policy position of the DIA.

## Recommendations

- The Government reintroduce passports of 10-year validity for applicants who are aged 16 years over immediately.
- Retain five-year validity for applicants who have not attained 16 years of age,
- Retain the current subsidy given to child passport applications
- Refresh passport booklets at 5 year intervals
- Introduce the option of a 'frequent traveller passport' with additional pages at a higher fee, and
- Charge a uniform fee for online applications, regardless of location, while and retaining the zero-rated GST fee for passports for overseas-based applicants that meet the requirements under Section 11A of the *Goods and Services Act 1985*.
- Charge a uniform courier fee for up to 10 passport booklets

## References

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[SUBMISSION ENDS]