



BRIEFING

Authorisation of internal funding allocation for implementation of Immigration New Zealand Biometric Capability Update

Date:	19 November 2021	Priority:	High
Security classification:	In Confidence	Tracking number:	2122-1880

Action sought

	Action sought	Deadline
Hon Kris Faafoi Minister of Immigration	Agree to the paper's recommendations. Refer the paper to the Minister of Finance	24 November 2021
Hon Grant Robertson Minister of Finance	Agree to the paper's recommendations	26 November 2021
Hon Phil Twyford Associate Minister of Immigration	Copy for your information	N/A

Contact for telephone discussion (if required)

Name	Position	Telephone	1st contact
Stephen Dunstan	General Manager, Enablement, Immigration New Zealand	s 9(2)(a)	✓
s 9(2)(a)			

The following departments/agencies have been consulted:

Treasury

Minister's office to complete:

☐ Approved

☐ Declined

☐ Noted

☐ Needs change

☐ Seen

☐ Overtaken by Events

☐ See Minister's Notes

☐ Withdrawn

Comments

BRIEFING

Authorisation of internal funding allocation for implementation of Immigration New Zealand's Biometric Capability Update

Date:	19 November 2021	Priority:	High
Security classification:	In Confidence	Tracking number:	2021-1880

Purpose

This paper seeks approval from joint Ministers (Finance and Immigration) to authorise internal capital funding allocation over 2021/22 and 2022/23 to update Immigration New Zealand's (INZ's) identity management system (whole of life project costs exceed \$20 million).

Recommended action

The Ministry of Business, Innovation and Employment (MBIE) recommends that you:

- a **Note** that identity resolution is critical to Immigration New Zealand visa application and risk management processes, and the Biometric Capability Update project (the project) will deliver a significant upgrade to the biometrics management, capture and matching solution that is the all-of-government source of identity information for non-New Zealanders.

Noted

- b **Note** that on 8 August 2019 MBIE approved a single stage business case to update the Immigration New Zealand strategic identity management system.

Noted

- c **Note** that this project maintains investment already made in the identity management system and will transition the current out-dated, complex and inflexible technology to be fit-for-purpose, up-to-date, secure, and supported.

Noted

- d **Note** that complexity identified during the design phase has required a revision of approach to deliver all outcomes defined in the business case. A revised approach has been developed with a supporting delivery plan and costings to reflect the implementation of the new solution. This has resulted in an extended timeframe to deliver, and increased cost. No contingency has been allowed for in the increased budget request. The project is committed to ensuring it delivers within this amount.

Noted

- e **Note** that the additional capital funding is available from the MBIE baseline funding.

Noted

- f **Note** that as the whole of life costs exceed MBIE's threshold of \$20 million, joint Ministerial approval is required. The whole of life cost is \$30.42 million.

Noted

- g **Note** that the investment will pay for itself in savings over its lifetime by decommissioning the old solution, and efficiency savings through reduced manual resolution of identities.

Noted

- h **Note** the project change request is attached as an appendix to this paper, and Treasury has been consulted and their feedback incorporated.

Noted

- i **Approve** MBIE to allocate from baseline funding capital of \$22.15 million over FY 2021/22 and 2022/23 to implement the revised identity management system solution.

Approved/Not approved

- j **Refer** this paper to the Minister of Finance for his approval.

Referred/Not referred

s 9(2)(a)



Stephen Dunstan
General Manager, Enablement
Immigration New Zealand, MBIE

19 / 11 / 2021


Hon Kris Faafoi
Minister of Immigration

23 / 11 / 2021


Hon Grant Robertson
Minister of Finance

28 / 11 / 2021

Implementation of INZ Biometric Capability Update: Identity Management system for visa application and risk management.

1. Identity resolution is critical to INZ visa application and risk management processes. The Biometric Capability Update project maintains the investment already made in the INZ identity management system by delivering key outcomes that lift the current out-dated, complex and inflexible technology platforms and matching algorithms, to ones that are fit-for-purpose, up-to-date, secure, and supported.
2. The business case was approved in August 2019 by MBIE's Business Change Board.
3. Unexpected levels of technical complexity have been revealed during the project design phase which has meant the original solution approach would not deliver all the outcomes defined within the business case and was therefore no longer viable. A revised solution approach has been developed which has resolved the challenges that were found and there is high confidence in the project now being able to deliver the business case outcomes.
4. The project delivery plan and costings have been revised to reflect the implementation of the new solution. This has resulted in an extended timeframe to deliver, and increased costs. The new solution pays for itself (depreciation and operating costs) from savings in operating expenditure by decommissioning the old expensive solution, and efficiency gains from needing to do fewer manual resolutions of identity matches.

Approval to draw-down additional funding is required

5. The required funding is available from MBIE baseline, from depreciated capital, and was approved by MBIE governance in October 2021. Draw-down of this funding is subject to the approval of joint Ministers (Finance and Immigration), as project whole of life costs now exceed \$20 million. This approval is now being sought.
6. MBIE has an Investor Confidence Rating of B. Given this rating, joint ministerial approval can be provided up to \$35 million whole of life cost for medium or low risk baseline-funded investments.

Next steps

7. Should joint Ministers approve the funding allocation, implementation of the revised delivery plan will commence.

Appendix One

Biometric Capability Update Change Request



AIDE MEMOIRE

Immigration New Zealand's Biometric Capability Update

Date:	9 December 2021	Priority:	Medium
Security classification:	In Confidence	Tracking number:	2122-1999

Information for Minister(s)

Hon Kris Faafoi
Minister of Immigration

Contact for telephone discussion (if required)

Name	Position	Telephone	1st contact
Stephen Dunstan	General Manager, Enablement, Immigration New Zealand	s 9(2)(a)	✓
	s 9(2)(a)	s 9(2)(a)	

The following departments/agencies have been consulted

Minister's office to complete:

- | | |
|---|--|
| ☐ Approved | ☐ Declined |
| ☐ Noted | ☐ Needs change |
| ☐ Seen | ☐ Overtaken by Events |
| ☐ See Minister's Notes | ☐ Withdrawn |

Comments



AIDE MEMOIRE

Immigration New Zealand's Biometric Capability Update

Date:	9 December 2021	Priority:	Medium
Security classification:	In Confidence	Tracking number:	2122-1999

Purpose

On 19 November 2021, officials provided you with a briefing seeking approval from joint Ministers (Finance and Immigration) to authorise internal funding to update Immigration New Zealand's (INZ's) identity management system.

This aide memoire provides you with further information on INZ's use of biometrics, and the Biometric Capability Update (BCU) project.

s 9(2)(a)



Stephen Dunstan
General Manager
Enablement
Immigration New Zealand
Ministry of Business, Innovation and Employment

9/12/2021

Immigration New Zealand's Biometric Capability Update

Biometrics

1. Biometrics are measurable physical characteristics that are unique to an individual, and are fundamental to the effective application of identity management standards and practices. From an INZ context, the purpose of identity management and the use of biometrics in particular, is key to increasing the level of knowledge about a person's identity to support effective and efficient decision-making while reducing the risk of identity fraud.
2. Identity information is divided into two groups:
 - Biographical: Name, Date of Birth, Gender
 - Biometric: Facial Images, Fingerprints.
3. Increased confidence in identity enables higher quality and faster immigration decision-making and services, improves our ability to protect New Zealand and our international partners from harm relating to the misrepresentation of identity, and reduces the risk of individuals concealing criminal histories.
4. INZ is recognised as the authoritative source of identity information on non-New Zealanders and New Zealand agencies are increasingly relying on government agencies to verify identities in order to determine eligibility for public services, maintain law enforcement and to deliver services that require high confidence identity verification.
5. An overview of identity processing is attached in Annex One.
6. The Identity Management Solution (IDme) provides INZ with the capability to be the authoritative source of identity information for all non-New Zealanders. It provides biographic and biometric related policies, tools and supporting processes. The core IDme management engine including biometric matching, workflow processes, reporting and integration architecture is out-dated, unnecessarily complex, and no longer deemed fit-for-purpose for the future needs of INZ.

Identity Processing

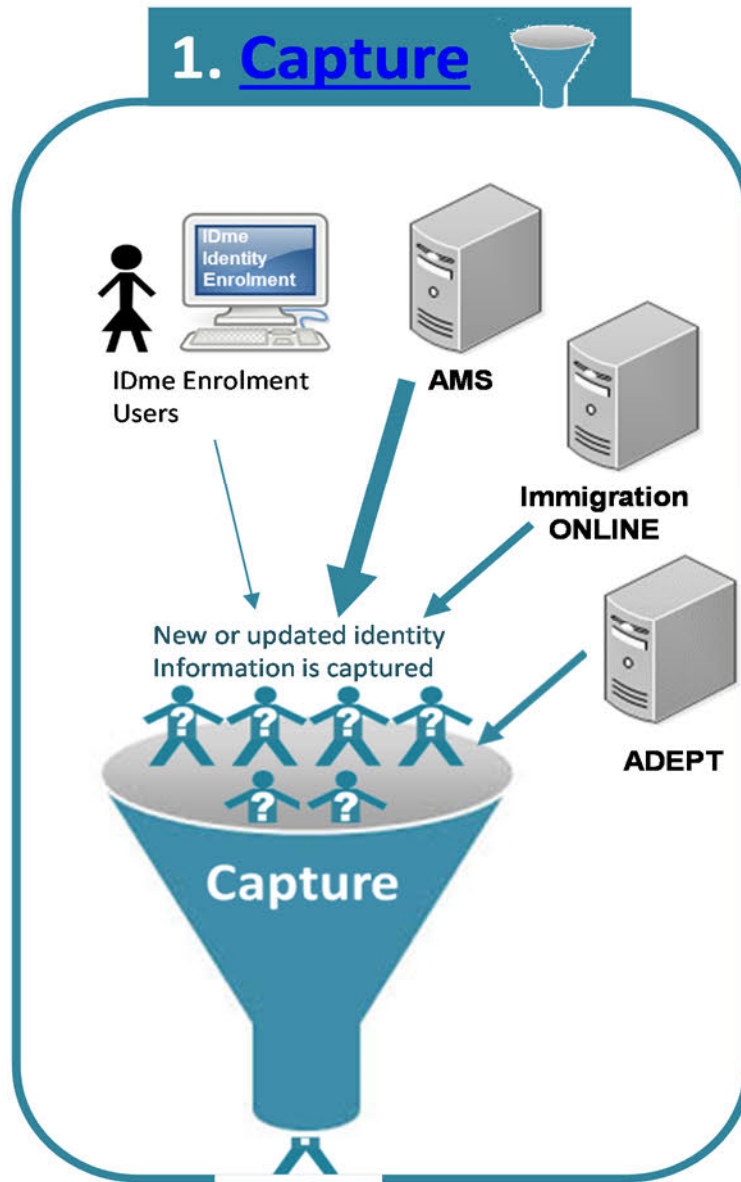
7. IDme plays a key role in anchoring the identities of all foreign nationals applying for either a visa or an Electronic Travel Authority (ETA) prior to travelling to New Zealand and approximately five million identities are stored by the IDme management engine.
8. IDme identities are accessed by Immigration compliance officers undertaking enforcement activities within the field using the Mobile Regulator application and the New Zealand Police can access identities through a mobile application and information sharing arrangement.
9. The ADEPT platform will introduce a mobile companion application that will allow applicants to provide INZ with an authenticated identity that has been accessed from an applicants e-chip enabled passport. The quality of the image and the associated biographical information enables quality data to be loaded into IDme. This supplements identity information provided by applicants through the ETA selfie functionality.

Biometric Capability Update

10. In 2016, INZ launched its identity and online visa application website solutions, commonly known as the Immigration Global Management System (IGMS). This solution allowed for the online capture of some visa applications, automated biographic and biometric matching, manual resolution of unresolved identities, and identity management while enabling the business to assess risk and make informed decisions about their clients, assured that their complete history with INZ is known and all identities have been checked against international watchlists.
11. s 6(a) 
12. With the accumulative need to make improvements to the system, an updated identity management solution will be delivered by the BCU project, implementing an upgraded IDme utilising state-of-the-art matching to improve accuracy and identity management tools.
13. The BCU project will address each of these needs and future capability by upgrading the versions of biometric matching and management platforms, simplifying the platform to reduce ongoing cost and improving flexibility and utility of the system in the process. This is a core capability for INZ's future protection in an environment where identity fraud, terrorism and other sources of harm are prevalent and increasingly diverse and sophisticated, and where the volume of identities from applications and border-crossings are expected to scale to or past pre-COVID-19 levels. This upgraded capability is crucial to achieving that future.
14. In August 2019, MBIE approved a business case to update the IDme system as part of its ongoing systems maintenance programme.
15. Unexpected levels of technical complexity have been revealed during the project design phase which means the original solution approach would not be able to deliver all the outcomes defined within the business case and was therefore no longer deemed suitable. A revised solution approach was developed which resolved the challenges that were found.
16. The project delivery plan and costings have been revised to reflect the implementation of the new solution and the impacts brought about by COVID-19. This has resulted in extended timeframes to deliver, and increased costs. The new solution pays for itself (depreciation and operating costs) from savings and operating expenditure by decommissioning the old expensive solution, and efficiency gains from significantly reduced manual intervention effort due to increased automated matching rates.
17. In late November 2021, your approval, along with approval from the Minister of Finance, was received to allow MBIE to allocate from baseline funding capital of \$22.15 million over 2021/22 and 2022/23 to implement the revised identity management system solution.
18. Officials are available to brief you further on the contents of this briefing if required, as well as run you through a demonstration of how INZ manages identities.

Annex One: Identity Processing Overview

1. Capture



IDENTITY PROCESSING OVERVIEW

Being able to determine a person's Identity is critical to Immigration New Zealand (INZ) visa processing and risk management processes, and is a core function for the immigration regulatory system.

The Identity Management system (IDme) holds and manages identity information to support these processes.

Identity information is divided into two groups;
Biographical – Name, Date of Birth, Gender etc, and
Biometric – Facial Images, Fingerprints

Information is captured through different channels and flows into the IDme Automated Matching Engine, which then matches the associated biographic and biometric information against all existing INZ identities that are held in the system.

A new INZ client applying:

- No identity match in IDme
- New Person record automatically created
- New Client record created

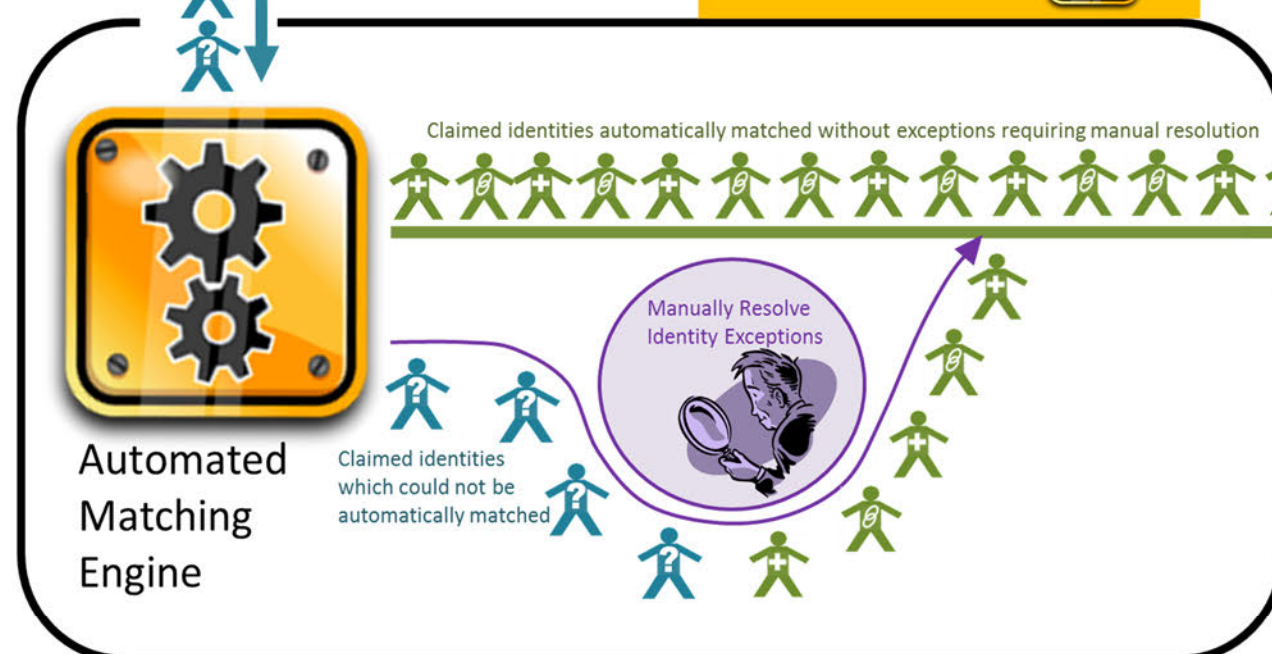
An existing INZ client applying:

- Identity match will be found
- Identity automatically linked to existing Person record
- Identity automatically linked to existing Client record

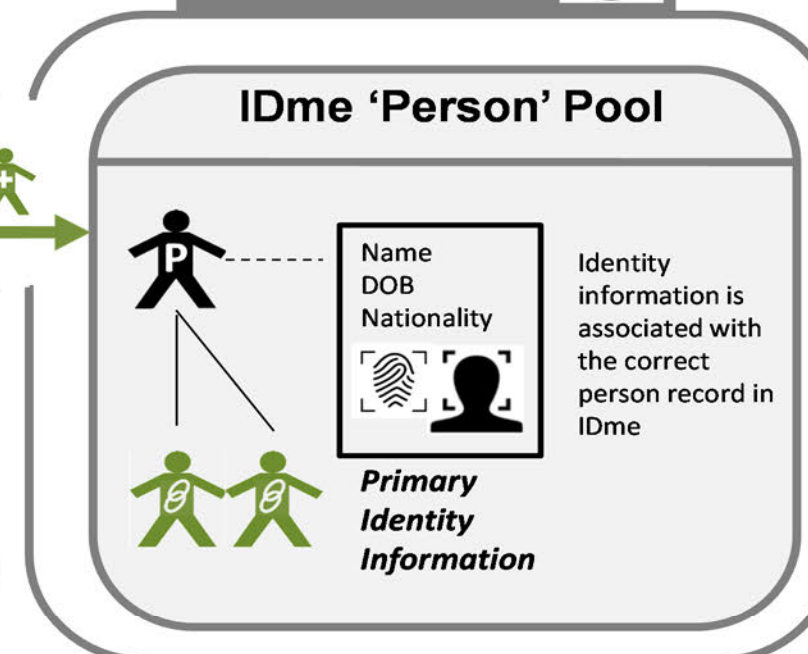
Identities which produce inconsistent match results; matches with more than one existing INZ client, or there is an indication of possible identity fraud, are *Managed* by referral for manual identity resolution.

Once *Capture*, *Match* and *Management* of the identity information is completed, the results are reflected back in AMS so they can be discovered by INZ staff.

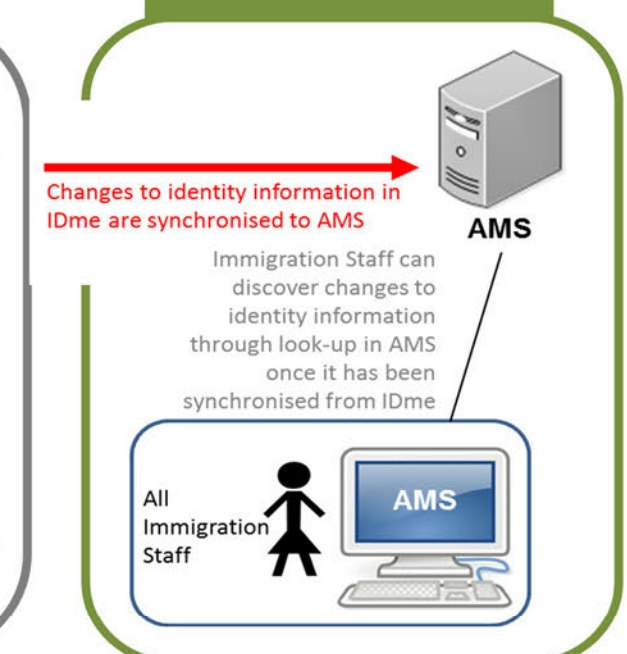
2. Match



3. Manage



4. Progress





BRIEFING

Draft Cabinet paper – Increase in whole of life costs for Immigration Biometrics Upgrade

Date:	18 August 2023	Priority:	High
Security classification:	In Confidence	Tracking number:	2324-0513

Action sought		
	Action sought	Deadline
Hon Andrew Little Minister of Immigration	Forward this briefing to the Minister of Finance	21 August 2023
Hon Rachel Brooking Associate Minister of Immigration	Copy for your information.	N/A

Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact

The following departments/agencies have been consulted
The Treasury were consulted in the development of this Paper.

Minister's office to complete:

☐ Approved

☐ Noted

☐ Seen

☐ See Minister's Notes

☐ Declined

☐ Needs change

☐ Overtaken by Events

☐ Withdrawn

Comments



BRIEFING

Draft Cabinet Paper – Increase in whole of life costs for Immigration Biometrics Upgrade

Date:	18 August 2023	Priority:	High
Security classification:	In Confidence	Tracking number:	2324-0513

Purpose

To provide you with a draft Cabinet Paper on the increase in whole of life costs for the Immigration Biometrics upgrade, for consultation with the Minister of Finance. Following consultation and any feedback, the Cabinet Paper could be considered by the Cabinet Economic Development Committee (DEV) on Wednesday, 30 August and Cabinet on Monday, 1 September. This would require lodgement by 10am on Thursday 24 August. Alternatively, the Paper could be considered at Cabinet Business Committee on Monday 4 September or Monday 18 September.

Recommended action

The Ministry of Business, Innovation and Employment recommends that you:

- a **Note** that an upgrade of Immigration's Biometric platform is underway to improve the reliability of data and improve efficiency of the system.
Noted
- b **Note** that the whole of life costs of the programme has increased as a result of unforeseen technical complexity in the system, need for contractual variations and a number of delays.
Noted
- c **Note** that officials have revised the whole of life costs of the programme from \$30.42 million to \$45 million.
Noted
- d **Note** that as MBIE has an Investor Confidence Rating of B, Cabinet approval is required for any project with whole of life costs of more than \$35 million.
Noted
- e **Note** that a draft Cabinet Paper is attached at Annex One for your consultation with the Minister of Finance.
Noted

xxxx

Role

Digital, Data and Insights, MBIE

18/08/2023

Hon Andrew Little

Minister of Immigration

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Background

1. Immigration New Zealand's current biometric information management system is out-dated, results in accuracy issues in data and is no longer considered fit for purpose. A major upgrade of this system, the Biometric Capability Update (BCU) project was initiated in 2019. System upgrades through the BCU will improve the accuracy of biometric matching and reduce risk, enabling faster identity processing and lowering the number of cases that need manual intervention to resolve. This will increase efficiency, effectiveness and productivity.
2. In August 2019, the Ministry for Business, Innovation and Employment (MBIE) approved a Single Stage Business Case for the BCU project as part of its ongoing systems maintenance programme. The BCU is funded wholly through levy and third-party fee revenue from the immigration system.
3. In July, we briefed you on increased costs of the BCU as a result of unforeseen technical complexity, need for contractual variations and a number of delays [BR2223-4450 refers]. At that stage, we sought your approval to an increase in the budgeted whole of life costs of the update to \$30.42 million. This briefing also noted that further increases in whole of life costs would require Cabinet approval.

Further costs have been identified

4. Since July, more comprehensive work and forecasting has been carried out to reassess the full costs of the BCU, and these costs have been verified with the vendor. The revised whole of life costs of the BCU are \$45 million and the planned completion date is March 2024.
5. The BCU is funded wholly through levy and third-party fee revenue from the immigration system. *[text about funding detail and impacts on deficit]*
6. *[text about risk and mitigations depending on direction]*

Cabinet approval is required for the increased costs

7. As MBIE has an Investor Confidence Rating of B, Cabinet approval is required for any project with whole of life costs of more than \$35 million. A draft Cabinet Paper seeking this approval is attached as Appendix One.
8. Treasury has been consulted on the Paper and [feedback].

Next steps

9. Following consultation with the Minister of Finance and any feedback on the draft Cabinet Paper, the paper could be considered by the Cabinet Economic Development Committee (DEV) on Wednesday, 30 August and Cabinet on Monday, 1 September. This would require lodgement by 10am on Thursday 24 August.
10. Alternatively, the Paper could be considered at Cabinet Business Committee on Monday 4 September or Monday 18 September.

Annexes

Annex One: Draft Cabinet Paper

Annex One: Draft Cabinet Paper

Attached as a separate document.



BRIEFING

Immigration system operating environment

Date:	4 December 2023	Priority:	High
Security classification:	In Confidence	Tracking number:	2324-1101

Action sought		
	Action sought	Deadline
Hon Erica Stanford Minister of Immigration	Agree to recommendation	6 December 2023

Contact for telephone discussion (if required)				
Name	Position	Telephone		1st contact
Alison McDonald	Deputy Chief Executive – Immigration, Immigration New Zealand	s 9(2)(a)	9(2)(a) of the	✓
	s 9(2)(a)		N/A	

The following departments/agencies have been consulted
N/A

Minister's office to complete:

- ☐ Approved
☐ Noted
☐ Seen
☐ See Minister's Notes

- ☐ Declined
☐ Needs change
☐ Overtaken by Events
☐ Withdrawn

Comments

BRIEFING



Immigration system operating environment

Date:	4 December 2023	Priority:	High
Security classification:	In Confidence	Tracking number:	2324-1101

Purpose

This briefing provides background on the immigration system's operating model and environment and MBIE's operational response to the challenges and demands created by that environment. It summarises key initiatives for maintaining and enhancing Immigration New Zealand's (INZ's) operational efficiency and the quality of its regulatory functions and highlights the need to balance the delivery of these initiatives against other priorities for the immigration system and portfolio.

Executive summary

MBIE is the lead agency in the administration and operation of the immigration system. Its role spans visa processing, border control, compliance and investigations, refugee resettlement functions and engagement with users of the system.

The immigration operating environment is complex and dynamic, and requires trade-offs to balance risk, cost and efficiency. The closure and re-opening of the border after the COVID 19 pandemic, and the requirement to implement adjustments to policy settings concurrently created challenges for the system, some of which persist.

Despite volume pressures and the requirement to react quickly to emerging issues, with the border now fully open for over a year the processing of most visa categories and the associated applications is keeping up with demand. The timeliness for decision-making on applications is close to target for most products. There are, however, specific areas of the system which are under pressure. These include:

- application processing particularly in relation to visitor visas and applications for employer accreditation and job checks under the accredited employer work visa policy
- emerging immigration fraud and migrant exploitation
- cost pressures, particularly in relation to the provision of services to refugees and asylum seekers.

MBIE is responding to these pressures with a range of actions in the operational and compliance areas. These include:

- ensuring the INZ workforce is appropriately sized to deal with the volume of work
- periodic adjustments to processes via general instructions to focus visa processing, balancing facilitation and risk as appropriate
- post-decision verification on employers accredited under the Accredited Employer Work Visa framework
- ICT systems development to improve efficiency and quality, including the migration of visa products onto INZ's future processing platform, ADEPT
- addressing risk early and keeping risk offshore

- structural change within MBIE to build centres of expertise across the Ministry, enabling it to operate in a more integrated and effective way.

Some of these measures, particularly those related to ICT systems, are large. The formulation of priorities, policy options, sequencing and timing for policy change would ideally factor in this work as change capacity is limited.

Additional measures which would also assist MBIE to operate the immigration system more efficiently and effectively include the simplification of policy settings and processes and requiring temporary visa applicants to provide translations of non-English language supporting documents to bring New Zealand into line with our Migration 5 partners.

Officials are available to discuss the matters raised in this briefing with you at the meeting on MBIE's operation of the immigration regulatory system on 6 December 2023 at 3pm.

Recommended action

The Ministry of Business, Innovation and Employment recommends that you:

- Note** that you are meeting with MBIE officials to discuss MBIE's operation of the immigration system on Wednesday, 6 December at 3pm.

Noted

s 9(2)(a)

Alison McDonald
Deputy Secretary - Immigration
Immigration New Zealand, MBIE

4. / 12 / 2023

Hon Erica Stanford
Minister of Immigration

..... / /

Overview of immigration system objectives and functions

1. The immigration system regulates the entry and stay of foreign nationals in Aotearoa New Zealand to:
 - support the economy and the labour market with key skills and capital;
 - enable family reunification and maintain family ties;
 - contribute to meeting Aotearoa New Zealand's international and humanitarian commitments; and
 - support the security and integrity of Aotearoa New Zealand's borders.
2. The immigration system is administered by MBIE across four groups:
 - INZ - functions include visa processing, identity management, managing the border, keeping risk offshore, sector engagement and refugee and migrant services.
 - Te Whakatairanga Service Delivery (TWSD) - functions include managing customer interactions, compliance and investigations.
 - Labour, Science and Enterprise provides policy advice on immigration settings.
 - Digital, Data and Insights - functions include management of ICT platforms which allow applicants to submit visa applications online, visa applications to be processed, identities verified and information stored.
3. A high-level description of MBIE's operating model for the immigration system is at Annex One.
4. The immigration operating environment is complex and dynamic, and requires trade-offs to balance risk, cost and efficiency. The immigration system and regulatory framework demonstrated resilience and flexibility in its response to the unprecedented demands made on it during and since the COVID 19 pandemic. However, the closure and re-opening of the border and the requirement to implement adjustments to policy settings concurrently created challenges for the system, some of which persist.

Operating context – continuing to improve, but challenges remain

5. The border restrictions in place during the COVID 19 pandemic were lifted incrementally through the first half of 2022 and Aotearoa New Zealand fully reopened to international travellers on 31 July 2022. Since then, visa application volumes and non-New Zealand arrivals have increased rapidly in response to high labour demand and the recovery in visitor and international student numbers.
6. A key enabler for the re-opening has been INZ's new processing platform, ADEPT, which introduced the capacity to receive and efficiently process large volume spikes. It was developed and deployed at speed in the first half of 2022 to enable the implementation of the Accredited Employer Work Visa policy and to migrate other visa types from expensive legacy systems to one online platform. Visitor visas were migrated to ADEPT. Migration of further visa types was stopped to enable the new 2021 Resident Visa to be built in ADEPT to manage the significant volume of applications and bed in ADEPT functionality.
7. In the 2022/23 financial year, immigration officers made decisions on more than 930,000 visa applications, across all visa categories, (on average more than 77,000 each month). This highlights the need for INZ's visa processing operations to be as efficient as possible, balanced against the need to effectively manage risk.

8. In 2022/23 there were:

- 14,223 working holiday extensions approved
- 58,820 working holiday applications made (with 92 per cent approved)
- Nearly 550,000 visitor visa applications submitted (with more than 80 per cent approved)
- More than 1.7 million electronic travel authority requests (received with 99 per cent approved)
- More than 102,300 student applications received with 91,765 decided and 80 per cent approved.
- More than 54,000 job check applications received, and more than 47,800 approved (equating to more than 229,900 positions).
- More than 6.4 million arrivals into New Zealand
- More than 12.5 million movements at the New Zealand border
- More than 12,300 Recognised Seasonal Employer visa applications approved
- More than 27,000 accredited employers approved
- More than 100,500 Accredited Employer Work Visa (AEWV) applications received and around 92,000 AEWV applications approved.

9. Immigration's operating environment has been complicated by various domestic and international events that have required a rapid immigration response. These include various instances of immigration fraud and migrant exploitation, special immigration policies responding to the situations in Afghanistan and Ukraine, and the labour market needs stemming from Cyclone Gabrielle.

10. Despite volume pressures and the requirement to react quickly to emerging issues, with the border now fully open for over a year the processing of most visa categories and the associated applications is keeping up with demand. The timeliness for decision-making on applications is close to target for most products. Processing timeframes are in the main improving, particularly for student visas, some work visas and visitor visas (see table one).

Table one: Processing timeframes and volumes as at for the month to 8 November 2023

Product Type	Average number of weekdays to decision from submission	90% Completed In (weekdays)	Total completed in past month
Employer Accreditation	28	42	848
Job Check	34	46	2167
Accredited Employer Work Visas	16	65	3922
Active Investor Plus Visas	128	203	6
Family Resident visas	122	346	792
Family temporary visas	103	127	337
Green List	28	85	494
Skilled Migrant Category	102.5	240	494
Student Visas	23	47	3177
Visitor Visas	10	36	45042
Work visas - Other	10	25	1451
Working Holiday Scheme Visas	3	35	5235

Specific areas that are under pressure

Processing pressures on visitor visas and AEWV applications

11. While visa processing is currently broadly keeping up with demand, the processing of visitor visas and AEWV applications is under pressure.
12. A streamlined processing approach was in place for AEWV at launch in May 2022 to facilitate the workforce New Zealand needed as the border restrictions were lifted. Processing timeframes for employer accreditation and job check applications have, however, increased significantly since a review of operational settings in August 2023 after emerging migrant exploitation and abuse came to light. The review resulted in further tightening to risk settings to better manage the risk that was presenting, requiring immigration officers to carry out much more manual assessment.
13. At that time, swift action in response to the immigration harm that had emerged was necessary and a decision was made to rebalance settings between speed and higher risk mitigation. Resourcing could not immediately be adjusted to account for the change in risk settings due to pressures elsewhere in the system at the time.
14. A plan is in place to improve processing timeliness. In early October additional staff were moved to employer accreditation and job check processing. A review of current settings is underway and finding the balance between processing efficiency and risk mitigation will be central to this review.
15. Visitor visa application volumes have increased sharply in 2023 with record volumes of applications received in each of the six months to the end of September (see figure one below). These applications are highly seasonal, and with the re-opening of China's border, visitor visa volumes for the remainder of 2023 are forecast to be more than double the same period in 2022. This will place pressure on the timeliness of decisions, some of which can be managed through the use of general instructions to immigration officers (see below), continued system enhancements as well as continued growth of experience in our processing workforce. However, the emergence of additional risk factors has necessitated amendments to general instructions to require additional verification, which will have a flow-on impact on decision timeliness.

Figure one: Visitor visa applications submitted Nov 2016 to Sept 2023



16. A summer plan for visitor visa processing will be activated as required, including the provision of a surge capacity from other areas within INZ if needed.

17. An additional risk results from the absence of a translation requirement for non-English language supporting documents, an approach which is not aligned with other countries. This would become particularly problematic should a change in risk profile require fuller verification of documents in larger numbers of visitor visas applications from China. This is discussed in more detail below.

Emerging immigration fraud and migrant exploitation

18. Emerging instances of immigration fraud and migrant exploitation, particularly those relating to work visa holders, has also placed pressure on MBIE's Crown-funded compliance and investigations functions.
19. Between 1 July 2022 and 31 October 2023, MBIE received a total of 8,263 complaints through the National Prioritisation Process (NPP)¹, with 1,322 related to accredited employers. These 1,322 complaints were referred to MBIE's Compliance (201), Investigations (339), and the Migrant Exploitation teams (782).
20. There are 230² active investigations involving accredited employers. As at 3 November 2023, 92 accredited employers have had their accreditation revoked and 21 are currently suspended. A separate briefing will provide you with a full overview of this issue and steps underway to address migrant exploitation.

Cost pressures relating to the provision of services to refugees and asylum seekers

21. There are broad cost pressures across the immigration system, and you will be provided with advice on cost drivers and options to address these. There are, however, some acute cost pressures present in the services provided to refugees and migrants.
22. Refugee and protection claim numbers have significantly increased, exceeding pre-pandemic levels. Claims are averaging 182 per month for this financial year as at the end of October 2023 (compared with an average of around 42 monthly claims in 2018/2019). This is equivalent to an annual rate of 2,184 claims per year compared with approximately 500 claims in each of 2018/19 and 2019/20 (which is the number of claims the current level of funding provides for). There were 1,382 claims on hand on 31 October 2023 and, without an increase in resource managing new claims, these on hand claims will take up to three years to process.
23. In 2022, the Refugee Quota Programme received an additional \$4.2m from Budget 22 which will reduce to \$2.7m from 1 July 2024. This additional funding was to meet cost pressures related to COVID 19 and other external pressures (for example, the cost of airfares for travel to New Zealand and housing pressures). These costs have not returned to pre-pandemic levels. Due to further pressures and expected shortfalls resulting from an outyears drop in funding (approximately \$3m drop in appropriation from 1 July 2024), the Refugee Quota Programme will not be able to deliver on the current 1,500 places under the Refugee Quota and 600 places under the Refugee Family Support Category without additional funding.
24. There are additional cost pressures for 2024/25 in relation to INZ's Welcoming Communities programme to enable INZ to meet contractual requirements for the councils that have joined the programme. These pressures have arisen from pandemic related delays in expanding the programme to additional councils. Welcoming Communities is funded from the immigration levy and there is insufficient levy funding remaining to meet contractual commitments. Funding would need to be reprioritised to meet these costs absent alternative funding options, such as a fee and levy review or funding through the 2024 Budget. The cost to meet contractual requirements for councils for 2024/25 is \$1.050m.

¹ The MBIE National Prioritisation Process (NPP) team assesses information relating to immigration and other regulatory non-compliance for INZ. NPP assess allegations that come into the immigration, and employment system from a variety of sources including INZ Verification and Compliance and Crime Stoppers.

² The investigations cover 191 employers as there are some duplicates in cases.

25. There are also forecast cost pressures for 2023/24 of \$1.4m relating to work underway that supports interpreters to become accredited by the National Accreditation Authority for Translators and Interpreters (NAATI). This is the standard required for all interpreters working in the public sector from 1 July 2024.
26. The standards and certification framework is being implemented later than originally planned due to delays that have arisen as a result of:
- Covid-19 restrictions, which impacted on stakeholder engagement, setting up additional course providers and providing flexibility in course delivery
 - interpreters' delayed access to the modules and testing due to tertiary training institutions timeframes, and much greater than expected uptake of testing by NAATI which cannot all be delivered by 1 July 2024.

MBIE response to operating environment challenges

INZ workforce response

27. The move to onshore visa processing during the pandemic, the post-pandemic border reopening and the need to deliver the previous government's large immigration policy reform agenda (including new work visa settings and the 2021 Resident Visa policy under which over 200,000 people have been granted residence) has necessitated an increase in INZ's onshore workforce. Onshore staffing has increased from 1,720 to 2,251 full-time equivalent positions (FTEs) in the three years to 30 September 2023. Overall staffing at INZ (including offshore staff) increased by around 250 FTEs over the same period (see annex two for an overview of INZ's workforce FTE numbers over time since the border re-opening). FTEs associated with visa processing are largely third party funded.

Use of general instructions in visa processing to respond to emerging risk

28. General instructions are directions that the Chief Executive of MBIE and Deputy Secretary of INZ can give to staff about the manner of processing applications and/or the order applications must be processed in. The power to give a general instruction is set out at s26 of the Immigration Act 2009. INZ relies on general instructions to provide direction to immigration officers on processing requirements in order to balance competing priorities of timeliness of visa processing and risk management.
29. A general instruction, to expedite processing of certain applications based on risk level, has been in place for visitor visa applications since September 2022. This has been adjusted periodically to address emerging risks and issues. This has enabled INZ to maintain timeliness standards for visitor visas in the face of increasing application volumes.
30. General instructions have also been used for the processing of employer accreditation and job check applications to expedite the processing of applications under the new AEWV framework and facilitate the entry of workers into Aotearoa New Zealand to meet high demand for labour following the border re-opening. These have since been tightened to ensure greater up-front scrutiny as risk factors for certain types of employers have been identified.

Accredited Employer Risk Monitoring and Review (AERMR) system

31. In order to effectively manage volume pressures when the AEWV was launched in mid-2022, employer declarations were accepted largely at face value with a system of post-decision monitoring and review implemented to manage compliance. The AERMR system, checks employer obligations after they have successfully obtained accreditation under the AEWV policy. It provides a means of continuing to monitor employer behaviour and adherence to

immigration instructions. A number of measures, including enhancements to pre-decision risk management capabilities, have been implemented in response to the risks observed.

32. As part of the AERMR programme which commenced in February 2023, INZ committed to undertaking checks on 16 per cent of employers accredited in the first year of their accreditation (23 May 2022 to 22 May 2023), who had hired migrant workers who have arrived in New Zealand. INZ expects to complete checks on 16 per cent of those employers by the end of January 2024 in line with year one of the AERMR programme. Immigration Officers are also able to refer cases to the AERMR team for review where they identify risks.
33. Where risks or potential risks are identified, verification officers complete more in-depth reviews of documents provided by the accredited employer and visa holder, request information from other agencies and, if necessary, verify offshore documents. If the desk-based activity identifies risk or possible risk, further information will be requested via phone and/or email. If deemed appropriate, INZ will undertake a site-based activity to this employer.

INZ's remaining offshore footprint is largely focused on risk

34. INZ's remaining offshore footprint is comprised of visa processing offices located in Nadi, Apia and Nuku'alofa. INZ also has staff working offshore who deal with risk mitigation with the objective of managing risk offshore, both as part of visa processing and at the offshore border, verification of information provided in support of visa applications and the prevention of irregular migration, as follows:
 - Risk and verification staff located in Bangkok, Beijing, Dubai, London, New Delhi, the Pacific and Washington DC.
 - Staff dealing with border-related risks (a Border Liaison Manager and Airline Liaison Officers) located in Sydney, Nadi, Singapore, Dubai and Los Angeles.
 - A network of Irregular Migration Liaison Officers based in Bangkok, Sri Lanka, Jakarta and Kuala Lumpur.
35. As part of its regulatory stewardship function, INZ is currently undertaking work towards an annual review of its risk and verification network to ensure it is situated in the right offshore locations to address any emerging risks and continue to effectively manage and keep risk offshore. This work will consider the potential push factors and risk indicators in different markets (for example, poor economic performance or political instability) as well as the volume of visa applications.

Recent changes to MBIE structure to create Centres of Expertise

36. Structural changes MBIE introduced in July 2023 were in part to build centres of expertise across the Ministry, enabling it to operate in a more integrated and effective way. As part of this change, INZ's compliance and investigations functions were moved to MBIE's TWSD group, to become part of a centre of expertise for all onshore compliance, enforcement and investigations.
37. INZ's Digital Channels team was also moved into a centre of expertise for digital engagement within TWSD. ICT and intelligence services for INZ are centrally managed within MBIE Digital, Data and Insights.

ICT work underway to improve INZ efficiency and decision quality and manage risk

Visa product migration onto ADEPT

38. ADEPT is INZ's visa application submission and processing platform of the future. Currently, visitor visas, Accredited Employer Work Visas and associated employer related applications are submitted and processed using ADEPT. Most 2021 Resident Visa applications were also

submitted and processed on the new platform. The need to deploy ADEPT at pace to meet the border re-opening timeframes in 2022 meant that the system was not operating optimally until recently. However, significant effort has been put into embedding and stabilising the new platform so that additional visa products can now be migrated onto it.

39. A sequencing and delivery plan (including funding) is being completed in order to migrate other visa products from INZ's legacy systems onto ADEPT. These products include student visas, Permanent Resident Visas, Recognised Seasonal Employer work visa, Working Holiday Visas and other work, visitor and resident visa categories not already on ADEPT. A business case for the complete migration will be developed in the coming months.
40. End state success for the ADEPT programme of work will include:
 - Having receipt, management, and processing of visa applications all occurring within the ADEPT platform.
 - Existing legacy platforms removed as options for submission of visa applications.

Why is this necessary?

41. Using multiple channels to receive and process visa applications is complex and inefficient. It requires multiple vendors to support and maintain INZ systems, greatly increasing ongoing costs, and requires staff to be either trained in the use of multiple systems or restricted to processing specific visa types. INZ's ability to move work around locations is, while possible, limited.
42. ADEPT improves efficiency by enabling simple processes to be automated and provides the capability to automate decision-making where appropriate. In addition, it allows a shift from case-based processing, where an immigration officer undertakes all processing steps for an application, to more specialised task-based processing. This specialisation improves processing efficiency and quality. It will also provide a more friendly user interface which makes it easier for customers to apply and allows applicants to get status updates on applications.
43. Once all visa products are on ADEPT, the capability the platform offers can also be leveraged to improve the timeliness of functions which rely on third parties (such as national security checks) by allowing for greater automation.
44. The overall impact of having all visa products on ADEPT will be improved efficiency, including for other departments and agencies, improved decision quality and consistency, as well as enabling volume surges to be managed more cost effectively and without upscaling resourcing or a degradation in service standards.

Implications – trade-offs may be necessary

45. The visa product migration on to ADEPT is a major programme of work expected to take several years. The amount of effort required is significant and the concurrent development of new visa products or substantial changes to existing visas would delay delivery and drive costs upward. The formulation of priorities, policy options, sequencing and timing for policy change would ideally factor in this work as change capacity is limited. You have received a separate briefing on advancing your immigration priorities which provides an opportunity to discuss this in more detail.

INZ website redevelopment

46. INZ is in the process of redeveloping its three current websites (covering visa application, as well as attraction and settlement of skilled migrants) into a single website to serve as the source of information for INZ audiences and deliver significant efficiencies to MBIE. The new website will make it easier for customers to find the information they need, improve the

quality of applications we receive, reduce pre-application call demand to our ICC, reduce complaints and improve compliance. The new website is currently scheduled to be deployed in late 2024.

Biometric Capability Update (BCU) project

47. The BCU project will deliver a significant update to the existing INZ biometrics management, capture and matching solution which is used as the authoritative source of identities for non-New Zealanders both within INZ and across government. When completed, the update will improve efficiency through higher levels of automation and lower the number of cases which need manual intervention to resolve which will have a positive impact in visa processing. It is also providing upgraded equipment to be used by front line staff for enrolment (capture of biometrics) including for offshore refugee missions.
48. The project is under some cost pressure due to the complexity of the system and options for its completion are currently being considered. You will be briefed separately on next steps for the project shortly.

s 6(a)

Other options to enhance efficiency should be considered

Simplification

51. Simplifying policy settings and processes will make it easier for customers to engage with the immigration system and easier for our staff to process applications. It is critical to improving the efficiency with which INZ is able to make visa decisions. It also enables greater automation of processes and potentially decision-making.
52. Additional automation in our visa processing system (where this is supported by robust risk rules) will deliver more efficient decision making and enable staff to focus their efforts on applications which potentially pose the most risk to the immigration system.
53. You may wish to consider the advantages of simplification when making policy design decisions and ways to best achieve your desired outcomes from immigration.

Translations of non-English language supporting documents

54. Prior to a change to immigration instructions in 2012, English language translations of supporting documentation was required with all temporary visa applications. Currently, however, English language translations of supporting documents are only required for medical information and police certificates. The closure of most offshore visa processing offices has meant that INZ's capability to assess foreign language supporting documents, particularly those in Mandarin, has significantly decreased. Not having translated supporting documents is inefficient and likely to cause ongoing issues with decision timeliness as visa volumes increase.
55. Requiring English language translations of non-English language supporting documents is standard across our Migration 5 partners and would improve INZ's visa processing efficiency

by reducing additional information requests and removing delays associated with the need to undertake translations of documents in-house. It would also enable INZ to manage document verification more efficiently should it become necessary to increase scrutiny for significant volumes of visa applications from non-English language markets. In addition, it would provide clarity and certainty to applicants with respect to INZ's up-front requirements. More detailed advice on this issue will be provided in due course.

Next steps

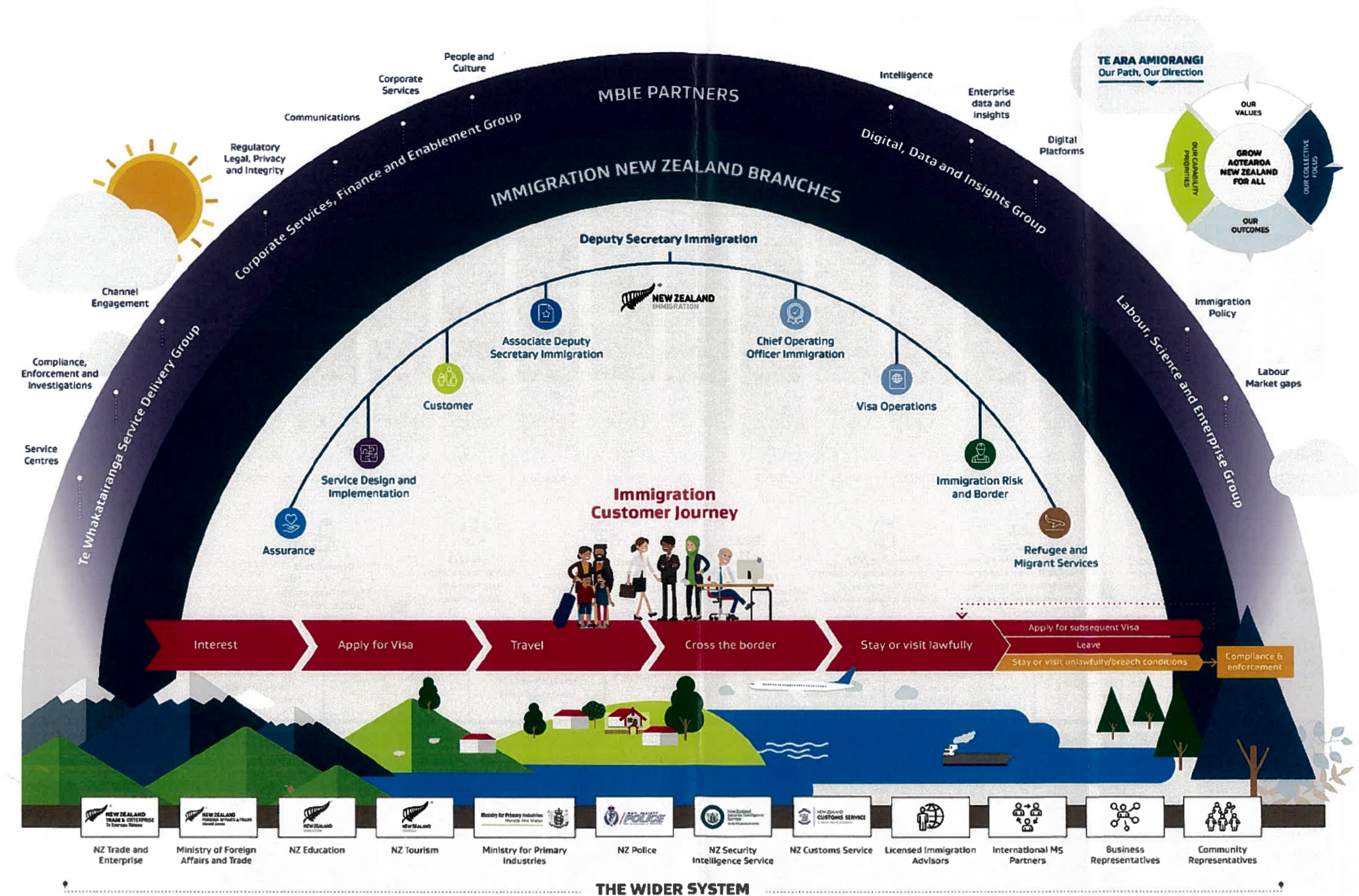
56. Officials are available to discuss the matters raised in this briefing with you at the meeting on MBIE's operation of the immigration regulatory system scheduled for 6 December 2023 at 3pm.

Annexes

Annex One: High level overview of immigration operating model

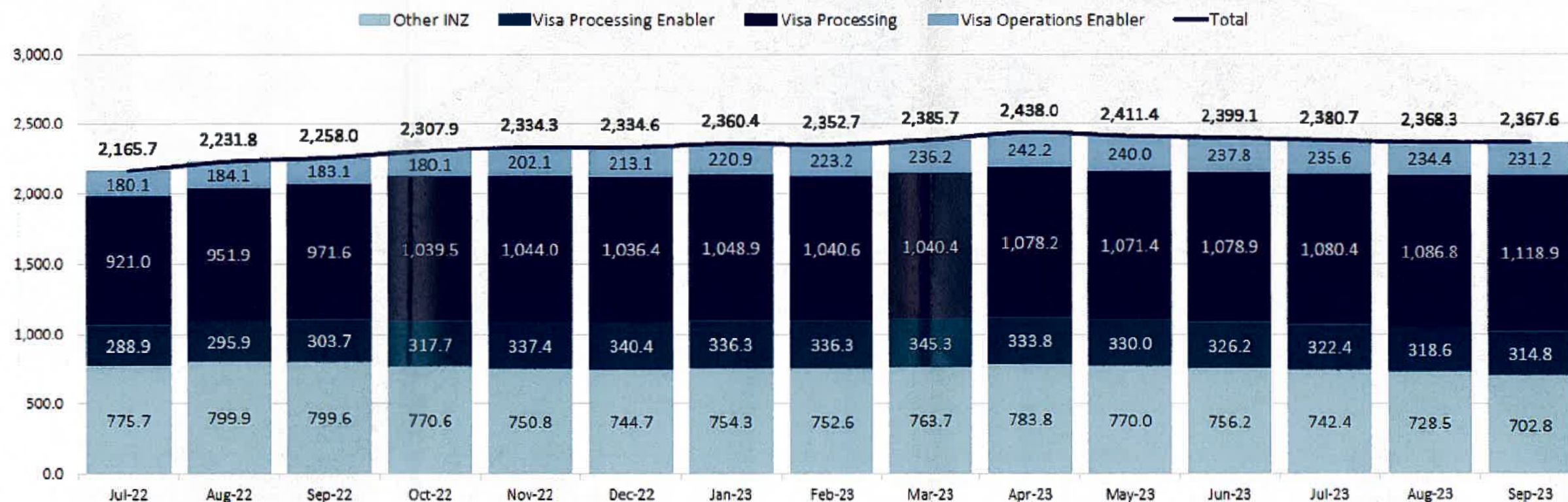
Annex Two: INZ FTE workforce and major delivery milestones following border re-opening

Annex One: Overview of operating model for immigration



Annex Two: INZ FTE workforce and major delivery milestones following border re-opening

Workforce Size (FTE) July 2022 - September 2023



	WORKING HOLIDAY	VISITOR	STUDENT	EMPLOYER ACCREDITATION	WORK	BORDER	RSE
2022 REOPENING	14,223 WHS extension – 100% approved 58,820 WHS 92% approved	- More than 548,725 visitor visa applications received with more than 80% approved - More than 1,706,338 NZeTA requests received with more than 99% approved	- More than 102,336 applications have been received and 91,765 decided 80% approved, (7.6% declined)	28,428 employers have applied so far, with 27,645 approved - New Policy, processed using new technology and automation	- More than 54,159 job check applications received, with 47,831 approved. This equates to 229,964 positions approved - More than 100,593 Accredited Employer Work Visa applications received, with 91,850 approved	- More than 6,404,388 arrivals into NZ - More than 12,597,409 movements at the border	- More than 21,378 RSE visas approved - The RSE (Recognised Seasonal Employer) cap increased to 19,000 this year allowing more workers to enter New Zealand to fill this critical work area

Immigration New Zealand (INZ) Workforce Summary Definitions

Visa Processing	Visa Processing Enabler	Visa Operations Enabler	Other INZ
Front line fee funded visa processing roles including the Immigration Officers, Business Immigration Specialists and the Support Officer workforce.	Front line enabler roles that directly support visa processing including Technical Advisors, Practice Leads, Immigration Managers, Visa Operations Managers and Head of Operations.	Roles outside of the Visa Operations branch that enable visa processing including Identity Resolvers, Identity Team Leaders, Verification Officers, Verification Managers and all roles within Identity and Risk and Verification.	Non visa processing roles that are indirectly impacted or drive the visa processing workforce including Border, Allocation and Support, Business Operations, Business Performance, Business Support, Change and Capability, Complaints, Enhanced Visa Operations, Governance, Immigration Enabling, Immigration Health, Information and Education, International Strategy, Investigations, Irregular Migration and Trafficking In Persons, Maori Partnerships and Capability, Officer of the COO, Online Services, Operational Policy, Pacific, Quality and Assurance, Refugee and Migrant Support, Refugee Quota, Refugee Status, Resolutions and Business Management, Risk and Assurance, Sector Strategy, and Striking the Balance.



AIDE MEMOIRE

Biometric Capability Update Programme Update

Date:	10 May 2024	Priority:	Medium
Security classification:	In Confidence	Tracking number:	2324-3372

Information for Ministers

Hon Erica Stanford

Minister of Immigration

Contact for telephone discussion (if required)

Name	Position	Telephone	1st contact
Michael Alp	General Manager Immigration Risk and Border (Acting)	s 9(2)(a)	✓
	s 9(2)(a)	s 9(2)(a)	

The following departments/agencies have been consulted

Minister's office to complete:

☐ Approved

☐ Noted

☐ Seen

☐ See Minister's Notes

☐ Declined

☐ Needs change

☐ Overtaken by Events

☐ Withdrawn

Comments

AIDE MEMOIRE



Biometric Capability Update Programme Update

Date:	10 May 2024	Priority:	Medium
Security classification:	In Confidence	Tracking number:	2324-3372

Purpose

This Aide Memoire provides a summary of the latest Independent Quality Assurance (IQA) report on the Biometric Capability Update (BCU) project, which was finalised on 9 May 2024. We will provide you with more detailed advice on the management response to the recommendations in the IQA in the next two weeks.

s 9(2)(a)

Michael Alp, General Manager, Immigration Risk and Border (Acting)
10 May 2024

Background

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9. In addition to the IQA report, MBIE also commissioned EY to provide a BCU independent project review.
10. On 9 May 2024 EY took MBIE Chief Executive Carolyn Tremain through its draft findings. EY is intending to present their findings to you in the week commencing 13 May 2024.
11. Key findings from the EY report include:
 - a. The business case and strategic rationale for the BCU Project remains valid and will deliver critical capability for national security.
 - b. Areas to address and recommendations are consistent with the new IQA report.
 - c. The test execution cadence in SIT is behind the optimum levels to ensure completion of all test scripts and any defect remediations. This means the project is unlikely to meet the test exit criteria and some defects may need to be taken into production.
 - d. Given the BCU Project is close to completion, the project should continue, but with increased executive attention on key risk areas.
12. We will provide you with further advice on the steps that MBIE is taking to respond to the IQA in the next two weeks. However, MBIE has already taken a series of immediate actions to respond to the recommendations in the IQA as set out below.

Additional Governance and Reporting

13. As noted in our previous Aide Memoire [2324-2793], we strengthened project governance through two additional groups. The first was a senior Steering Group which is made up of three MBIE General Managers and senior project staff, along with senior project staff from NEC as well as their Biometrics General Manager (for Australia and New Zealand), as well as NEC's New Zealand Chief Executive. The second was MBIE's Delivery Governance Board, which consists of two Deputy Secretaries, five MBIE General Managers and several senior technical staff.
14. Since our previous meeting on 2 April 2024, three additional changes have been made:
 - a. Carolyn Tremain will be meeting with the Chief Executive of NEC New Zealand to ensure all outstanding matters are being resolved on a timely basis. The first meeting takes place on 10 May 2024
 - b. I have been appointed as the General Manager Immigration Risk and Border on an acting basis to ensure continuity across the project and having a senior resource that can also be across the elements that affect the business directly.
 - c. Carolyn Tremain, Alison McDonald (Deputy Secretary, INZ), Greg Patchell (Deputy Secretary, Digital, Data and Insights) and myself (as Acting Business Owner) will also be meeting weekly with the NEC Chief Executive to ensure that issues are being appropriately escalated and resolved.
15. We will also be enhancing project reporting so that it is clearer how the project is tracking and the extent to which it is tracking to key milestones. We will provide a summary of this enhanced reporting to you within the next fortnight.

Additional Resources

16. The IQA report has made a recommendation of additional testing resources which will give the project 3.8 to 4.8 additional full time equivalent resources for the next 2-3 months, and enable

expediting the completion of Priority 2 test cases and the execution of Priority 3 test cases to ensure we understand all potential outstanding defects and their impact on the business.

17. As of 9 May 2024, the test scripts are at the following levels:
 - a. Priority 1 - 96% completed
 - b. Priority 2 - 50 % completed
 - c. Priority 3 – 25% completed
18. The resolution rate of the NEC side is behind schedule.
19. There are two types of bugs. Those that have been found by MBIE in our System Integration Test (SIT) environment and those found by NEC in their System Test (ST) environment.
20. Earlier this year, NEC confirmed that they would fix 15 defects a fortnight. At a subsequent meeting with NEC, forward projections have shown that only 10 defect remediations can be delivered for each BCU release cycle. Release cycles for the BCU project are currently received from the vendor on a fortnightly basis.
21. NEC have not met this target and on average NEC have fixed 8 MBIE defects per fortnight.
22. By means of history, below is a summary of releases and number of defects resolved (further work still needs to be completed on the breakdown of MBIE defects resolved in each release versus NEC defects.)
 - a. Build 1.0.16 number of defects planned is 17, 12 delivered (6 MBIE, 6 NEC).
 - b. Build 1.0.15 had 16 defects planned, 14 delivered. (3 back with NEC)
 - c. Build 1.0.14 had 10 defects planned, 4 delivered.
 - d. Build 1.0.13 had 12 defects planned, 12 delivered.
 - e. Build 1.0.12 had 9 defects planned, 6 delivered.
 - f. Build 1.0.11 had 16 defects planned, 11 delivered.
23. Progress of defect remediation will be the key focus of Carolyn Tremain’s weekly meeting with NEC Chief Executive.

Business Readiness

24. It is crucial that the technical solution provided by the BCU can be implemented by the business – this is a key recommendation from the IQA and from EY. All business group branches within MBIE that will be impacted by the programme have been identified, along with the high-level change impacts and who the respective change champions will be in each team.
25. The BCU platform is not a customer facing platform with only a small team of internal users considered the key users. This limits the risk if there are post go-live issues. Business Champions have been identified and early familiarisation activities have already commenced to assist with upskilling and training.
26. Business readiness activities will continue to be worked through in detail and further progress will be reported in future updates to you.

Conclusion

27. While the IQA rating has increased to “possible”, MBIE does not under-estimate the work that needs to be done for the project to meet its go-live milestones. In the 9 May Weekly Report we indicated that we may be seeking Cabinet approval for increasing project Whole of Life Costs (WOLC) in June. However, MBIE will *not* be seeking your approval to submit a Cabinet Paper

to increase WOLC *until* we have further confidence in the project's delivery status. We will provide you with advice on possible timing in future reports.



AIDE MEMOIRE

Biometric Capability Upgrade Programme Update

Date:	14 June 2023	Priority:	Medium
Security classification:	In Confidence	Tracking number:	2324-3847

Information for Ministers
Hon Erica Stanford Minister of Immigration

Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact
Michael Alp	General Manager Immigration Risk and Border (Acting)	s 9(2)(a)	✓
	s 9(2)(a)	s 9(2)(a)	

The following departments/agencies have been consulted

Minister's office to complete:

☐ Approved

☐ Declined

☐ Noted

☐ Needs change

☐ Seen

☐ Overtaken by Events

☐ See Minister's Notes

☐ Withdrawn

Comments

AIDE MEMOIRE

Biometric Capability Upgrade Programme Update

Date:	14 June 2024	Priority:	Medium
Security classification:	In Confidence	Tracking number:	2324-3847

Purpose

This Aide Memoire provides an update on the status of the Biometric Capability Upgrade (BCU) programme along with progress on the recommendations of the recent Independent Quality Assurance (IQA) and EY assurance reviews.

s 9(2)(a)

Michael Alp
General Manager, Immigration Risk and Border (Acting)
14 June 2024

Background

1. s 6(c) [REDACTED]
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8. The table below shows progress against the key recommendations from EY:

Recommendation	Notes
MBIE SIT (System Integration Testing) Execution	SIT execution expected to be completed on schedule, execution rate has increased to level recommended by EY. The number of "Not Run" test cases has now reduced to slightly over 600. However, this pace is now slowing down, as there are over 400 blocked and failed test cases which are largely held up by system defects.
NEC Defect Resolution Rate	NEC's rate of defect fixing needs to increase its rate of remediation in order to meet the go live dates. MBIE will need to review any unresolved defects to determine what mitigations could be made and what may be acceptable and not acceptable in order to go live. Security defect fixes (and some functionality like Security Incident and Event Management) are not going to be available until mid-September leaving little time for MBIE assessment. We are working with NEC to try and bring this date forward.
Business Impact-Workarounds	Greater business involvement, including Chief Executive and Deputy Chief Executives in weekly meetings Workshops underway with Identity team business SMEs to review current defects The business & project team have reviewed all current outstanding defects. . However, impact cannot be fully understood until successful SIT exit.
Business Change & Readiness	The Change Plan and Comms plans (external and internal) have been approved and are now out for consultation. The Change Navigator tool has progressed well as also the transition plan (for go live weekend). Business personnel are well engaged with the Change Lead. Change Lead, and other resources are now fully engaged. Documentation, service transition. Early Life Support which are important aspects of Operational Readiness are being finalised but are currently behind schedule.
INZ & NEC Expectations	Weekly joint executive reports being prepared, with weekly meetings between MBIE and NEC executive to align expectations Working towards the same Go Live date, defect resolution rate, some dates such as resolution of security defects, and commercials still being finalised.
Commercials	Discussions underway on Master Services Agreement, End User Licence Agreement, variation to the IPE Statement of Work (SoW) and BCU SoW. Agreement reached to rollover current commercial arrangements until final commercial positions confirmed
Funding	Whole of Life cost still tracking under financial authorisation level, with Cabinet paper seeking approval to be scheduled and a date agreed.

Other Pre-Go-Live Deliverables	Security Certification & Accreditation is on the critical path - 3 NEC "Must Have" cyber fixes have been provided, 6 "Must Have" fixes are only expected to be received by MBIE in mid-September, while there is no e.t.a. yet for other required "Should Have, fast follower" fixes. Other activities - business change preparation (except manual workarounds), Privacy Impact Assessment, System Operations Manual, Training, Comms are on track. MBIE Cyber are working to complete security testing in late September/early October prior to accreditation based on a Remediation Action Plan.
Contingency	Further work required to determine contingency requirements if October Go Live date cannot be met and discussed in our next update.

9. Appendix 1 provides a detailed summary of the recommendations.

Governance and Reporting

10. Since our last Aide Memoire to you of 10 May 2024 a weekly executive meeting has been put in place with NEC.
11. This meeting is attended by Carolyn Tremain, Alison McDonald (Deputy Secretary, INZ), Greg Patchell (Deputy Secretary, Digital, Data and Insights), Michael Alp(Acting Business Owner), [NAME]NEC New Zealand Chief Executive) and s 9(2)(a) (EY in capacity as advisor to MBIE) to ensure that issues are being appropriately escalated and resolved.
12. The Project Steering Group also meets on a fortnightly basis to work across deeper operational issues, and we have also co-located the BCU project teams together in one physical location.

Project Defect Focus Areas

13. We have been tracking the main defect focus areas. There are 82 defects in focus for immediate remediation out of 103.
14. Overall, in total there are currently 205 open defects, 157 which sit with NEC.
15. Progress is updated each week and discussion is had at the weekly Executive meeting. The defect remediation rate remains a concern in order to go live at the proposed dates of late October 2024
16. MBIE has asked NEC to look at what additional resources could be provided to increase the defect remediation rate, which may include overtime or weekend work. NEC will report back to MBIE in the week commencing 17 June 2024.

Business Readiness

17. Good progress has been made in respect of business readiness with this stream being led out of the INZ Planning Team.
18. Business planning is out for consultation with affected business groups including internal and external communication plans.

Conclusion

19. Whilst significant work has been undertaken across each stream of the project, MBIE does not under-estimate the remaining work that needs to be done for the project to meet its go-live milestones. As noted in our previous update to you, MBIE will only seek your approval to submit a Cabinet Paper to increase Whole of Life Costs beyond the current \$35 million total when we have further confidence in the project's delivery status. We will provide you with advice on possible timing in our next report.

Appendix 1 – Detailed Summary of Recommendations

		Critical Priority	Actions taken/ Comments	Traceability
1		SIT Test Execution		
	1	Increase Test Analyst resources Increase the MBIE Test Analysts and free up the non-test resources	Additional Test Analysts onboarded 13 May; total capacity now close to 9 FTE. Further resources being looked at. Test Manager (s 9(2)(a)) started 20 May Performance Testing - Test Analyst being resourced; meanwhile, another Performance Test Engineer is engaged in performance testing review; start of Performance Testing likely to slip a few days	EY p8 #1 IQA Rec 3.8.1
	2	Ensure SIT Exit Criteria clearly understood by all vendors Re-iterate the SIT exit criteria to all parties	SIT exit criteria planned to be published to all parties w/o 11 June. This is likely to be based on a pragmatic assessment of number of Severity Defects likely to remain outstanding at the SIT Exit stage.	IQA Rec 3.13.1
	3	Active governance of weekly pace of test execution	Weekly executive meetings (MBIE CE, Immigration-DCE, DDI-DCE commenced) w/o 13 May	EY p8#1
	4	Increase Test execution rate	Daily run rate increased above the required run rate, weekly moving average is > 300 (EY recommended 300-350) from w/o 27 May; However, defects are now hampering SIT execution with 400+ blocked & failed test cases	IQA rec 3.13
	5	End to End demo to business users	SIT feedback session held with Identity Services business testers 29/05/24 Reviewing whether a further demo needs to be scheduled after successful SIT exit before BAT- for Business Owner and key INZ business representatives	IQA Rec 3.16
	6	Confirm SIT Completion Date	Confirmed as 8/07/2024	IQA Rec 3.14
	7	Confirm the plan to complete P4 test script execution	To be scheduled after successful SIT exit and good progress in UAT, based on resource availability. There are only 135 priority 4 scripts, about 2-3 days of work, which may be able to be fitted in during down time awaiting resolution of blocked issues.	IQA 3.13.2
2		Defect Resolution Rate		EY p8 #2
	1	Increase defect resolution rate significantly	Defect resolution rate needs to be increased in order to meet go-live date.	IQA Rec 3.15
	2	Active governance of weekly pace of defects identified & resolution	Executive meetings commenced weekly (w/o 13 May) with MBIE CE; Defect resolution rate being discussed	EY p8#1

	3	Ensure there is business agreement of defect resolution and SIT exit	A detailed review of all outstanding defects has been undertaken with Business Owner & Business team; there is a clear understanding of workarounds required, as well as "Must Fix" NEC defects that have no workarounds	IQA Rec 3.15.2
3		Business Workarounds & impact		EY p8 #3
	1	Greater business ownership - testing, defects, workarounds, impact Increase senior INZ involvement	(i) Executive meetings commenced w/o 13 May weekly with MBIE CE (ii) DCE-Immigration attending weekly executive meetings (iii) Workshops with business owner/Identity team held w/o 4 Jun; defects, prioritisation & workarounds reviewed 11 Jun; the business & project team have reviewed all current outstanding defects. We have taken a pragmatic approach, and the business has compromised considerably. We believe we can live with about 60% of outstanding defects with the workarounds (though some mean increased manual effort, processing times). s 9(2)(g)(i) [REDACTED] [REDACTED] [REDACTED] [REDACTED] Overall the picture is better than we had feared. Each outstanding high severity defect has a business/operational consequence defined.	IQA Rec 3.1
	2	Complete change impact assessment on INZ	Change impacts for IPE and BCU , as well as for the outage have been documented. A Change Navigator intranet page has been set up which identifies change impacts, key stakeholders, timelines, documentation, etc.	EY p8#3.2
	3	Product quality - Number & severity of outstanding defects at Go Live	There is a good understanding from business about current outstanding defects; To be determined after SIT exit 8 July	
	4	Business SMEs involved in testing	Business SMEs started 20 May, 3 SMEs from Identity team involved in reviewing defects	IQA Rec 3.10
	5	Ensure Business As Usual is maintained	Impacts for outage during transition have been validated with users and workaround have been/ will be tested in cutover to UAT. Planning Team are focussed on these.	IQA Rec 3.10.2
4		Focus on business change & business readiness		EY p8 #4

	1	Project Managers to proactively manage business change activities	(i) Change Lead is back in the BCU team. 2 BAs focussed on business change (ii) Change and Comms plans have all been previously prepared and approved/endorsed. Approved by Business Owner week on 31 May, being reviewed by Steering Committee for endorsement. (iii) BC workstream liaising with business around Business Acceptance testing arrangements.	
5		Expectation misalignment		EY p8 #5
	1	(i) Get common understanding between [MBIE] Project team, NEC re delivery status, including Go Live date (ii) Update the MBIE and NEC Project Status Report Milestones to reflect the current delivery path milestones	Joint reporting for weekly executive meeting instituted w/o 13 May, showing a common understanding of SIT execution & defect resolution. Report includes joint view of delivery status, with areas where there are differing views called out Joint report includes consistent view of testing status	IQA Rec 3.3.1
	2	More comprehensive project status reporting to reflect delivery status	Now reported weekly for executive meeting	IQA Rec 3.3.3
	3	Confirm all vendors have committed to key milestones including Go Live date Gain commitment from all vendors for the updated delivery plan	Updated key milestones which have been approved by DGB will be circulated by Delivery Lead to all vendors w/o 11 June	IQA Rec 3.2
	4	Baseline project schedule with achievable milestones including non-IT Ensure start/end baseline, forecast and actual dates are shown in the MBIE status report	Milestones being agreed for baselining, expected to be agreed week of 11 June	IQA Rec 3.6 IQA Rec 3.3.2
	5	MBIE status reports to show milestones, baseline/actuals/forecast start & finish dates for key milestones	MBIE Project Schedule to be updated with key milestones agreed above, plus start/end baseline, forecast & actual dates	IQA Rec 3.3.2
6		Commercial & Contractual		EY p9 #1
	1	Renegotiate MSA - user licensing, L3 operational support with NEC	Discussions underway on Master Services Agreement, End User Licence Agreement, variation to the IPE Statement of Work (SoW) and BCU SoW. Agreement reached to rollover current commercial arrangements until final commercial positions confirmed	

	2	Contract Datacom for L1 & L2 operational support	Workshop held with Datacom Datacom have concerns about being able to provide L2 support - governance meetings required being scheduled	
	3	Manage Change Requests tightly	New process requires sponsor to approve any new proposed change request before it progresses to impact assessment. Any vendor change requests are only approved based on availability of contingency funding.	IQA Rec 3.17
	4	Determine ongoing continuous improvement approach.	To be finalised as part of funding requirements in Cabinet paper. It is anticipated that there will be a window for emergency hot fixes or security patches between Go Live and the Christmas change freeze, with any new post-Go-Live release planned for February 2025 or later, after the busy travel period.	IQA Rec 3.18
7		Funding		EY p9 #2
	1	Funding required for backlog of functionality post-Go Live	Finance & Investment Committee has endorsed change request (CR06), and funding availability for next financial year.	
	2	Contingency if Go Live delayed beyond October	Further work required to determine contingency requirements if October Go Live date is missed; expected to be included in Cabinet paper.	EY p9 #4
	3	Review contingency allowed in CR06	Some contingency utilised through vendor change requests. Whole of Life cost still tracking under Cabinet authorisation level, with Cabinet paper seeking approval scheduled for end-July for increased Whole of Life costs.	IQA Rec 3.7
8		Operational Readiness		EY p9 #3
	1	Include readiness activities in project schedule	Change Management milestones have been provided to project.	
	2	Assign resources & commence readiness activities	Change Management activities have been recommenced since the Change Lead returned to the project on 14 April. Change Team engaging with Planning Team (COO) and Principal Transitions Advisor (DDI) around impacts and readiness including ORR, nearing the end of the 'Announce' Comms phase with several Comms to all INZ (wider) both about the project and the system outage having been provided. Change Lead currently arranging and preparing for Business Acceptance testing.	IQA Rec 3.11

	3	Training design & delivery	Training Needs Analysis & Training Design completed, however need to be reviewed following user/business acceptance testing, given large number of defects and consequent workarounds expected Confirmation of training resource sought and provided	IQA Rec 3.11
	4	Privacy Impact Assessment	The project has prepared 2 PIAs, from IPE and IDme perspectives. The PIAs are complete and OPC has provided an informal review with some feedback that has been incorporated where applicable. The project PIAs feed into the overarching INZ PIA but are not expected to be made publicly available, any updates would be shown in the INZ PIA. The overarching INZ PIA is outside of the BCU project scope.	IQA Rec 3.11
	5	Security certification & accreditation	There are a large number of "must have" security defects outstanding, NEC have indicated a further delay and target date of 13 September to deliver, based on this Cyber Security team have indicated that certification before Go Live is unlikely, Accreditation only based on a Remediation Action Plan (to be agreed with NEC) is planned. 3 delivered but not tested, other 6 escalated	IQA Rec 3.11
	6	Communications (internal & external)	Internal and External Comms plans (previously approved) now updated and discussed with Business Owner 30 May . Subsequent updated made with view to sending to Steering group 11 June . System transition (outage) Comms plan discussed and work on this has started. The planning team are will lead this as they are now onboarded and will liaise with Comms. Transition Planning SharePoint site created. Planning team will coordinate the work for an outage plan.	IQA Rec 3.12.1
	7	Complete Support & Operations Manual (SOM)	SOM being drafted, and expected to be ready for approval in accordance with schedule	IQA Rec 3.11
9		Resourcing		
	1	Dedicated Test Manager Review the need to a Release Manager or Test Manager	Test Manager started 20 May	IQA Rec 3.8.2
	2	Renewal of contracts expiring in June 2024	Resource requests raised to extend contracts through to December, expected to be approved in time for renewal.	IQA Rec 3.9

10		Delivery & Management controls		
	1	Finalise BCU Alerting & Monitoring Requirements	Requirements were previously signed off (Version 1, approved documents), and are being validated in detail (V1.1 markup); testing will be completed by the end of UAT as planned.	IQA Rec 3.4
	2	Consolidate project documents	To be undertaken after critical actions in the two reviews are completed	IQA Rec 3.5
	3	Complete Change Management Plan	Change Management Plan updated (previously endorsed). Combined IPE & BCU Change Plan approved by Business Owner on 31 May. Updated with feedback for discussion 5 June prior to circulating to the 11 June Steering Group.	IQA Rec 3.12.2
	4	Commence Business Change activities	Business change activities have commenced with active involvement from Business Owner, Change Lead, Planning team and other resources.	IQA Rec 3.12.3
	5	Ensure continued PSG commitment and oversight of delivery and achievement of the milestones	Internal PSG continues to meet fortnightly	IQA Rec 3.3
10		Post Go Live Activities	Planning for these will be addressed post-SIT exit, as the team is currently focussed on critical path items.	EY p9#3 IQA Rec 3.11
	1	Incidents - priority/severity, volume, business impact		
	2	Ongoing operational impacts		
	3	Ongoing contract management, service level agreements		
	4	Impact of manual workarounds on business		
	5	Review and advance other key deliverables needed for Go Live to support MVP		
11		Benefits Management		IQA Rec 3.19
	1	Finalise & approve Benefits Realisation Plan	Change Request CR006 updated the new benefits plan	



AIDE MEMOIRE

Biometric Capability Upgrade Programme Update

Date:	30 August 2024	Priority:	Medium
Security classification:	In Confidence	Tracking number:	2425-0987

Information for Ministers

Hon Erica Stanford

Minister of Immigration

Contact for telephone discussion (if required)

Name	Position	Telephone	1st contact
Michael Alp	General Manager Immigration Risk and Border (Acting)	s 9(2)(a)	✓
s 9(2)(a)	s 9(2)(a)	s 9(2)(a)	

The following departments/agencies have been consulted

Minister's office to complete:

☐ Approved

☐ Declined

☐ Noted

☐ Needs change

☐ Seen

☐ Overtaken by Events

☐ See Minister's Notes

☐ Withdrawn

Comments

AIDE MEMOIRE



**MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT**
HĪKINA WHAKATUTUKI

Biometric Capability Upgrade Programme Update

Date:	30 August 2024	Priority:	Medium
Security classification:	In Confidence	Tracking number:	2425-0987

Purpose

This Aide Memoire provides an update on the status of the Biometric Capability Upgrade (BCU) project as INZ progresses to determining whether the solution goes live in the 2024 calendar year or in the first quarter of the 2025 calendar year.

s 9(2)(a)

Michael Alp
General Manager, Immigration Risk and Border (Acting)
30 August 2024

Background

1. The BCU is a project to deliver a significant upgrade of Immigration New Zealand's (INZ's) identity management, capture, and matching solution. Updating INZ's capability is crucial to allowing MBIE to better manage fraud and immigration risk, meet national security requirements and international partner agreements.
2. INZ continues to carry security exposures due to a legacy platform component not being compatible with a core MBIE security software.
3. The technical components of the programme are scheduled to be completed in the last quarter of the 2024 calendar year with a forecast go live date of late 2024.

Overall Programme Update

4. To go live in the 2024 calendar year, the following components need to be completed:
 - a. **Technical readiness** – this has been the predominant component of our reporting to date. Given the complexities of the system, a significant volume of testing has been required to ensure the Ministry's requirements can be met. This testing continues to surface defects that require remediation to allow testing to advance and to finalise the system.
 - b. **Business readiness** – for the team to adapt to the new system, plans need to be put into place for any manual work arounds during the initial go-live period, have increased staffing over the peak visa season and allow for any additional volume increases due to the recent increases in fees and levies, which go live 1 October 2024. In addition, business training and communication activities that have been planned, will need to be implemented.
 - c. **Commercial agreements** – a full set of new agreements are being put in place for the whole programme of work. This includes a new Master Services Agreement, an End User License Agreement, BCU Statement of Work and an In Person Enrolment (IPE) Statement of Work. Each document has its own set of complexities, and they are being negotiated through our MBIE Commercial team.
5. Each of the three areas above still have work needing to be completed prior to going live this year. We would rate each of these areas "amber" and the likelihood "possible", down from "probable" since our last full update.
6. Additional detail on these areas is provided in this Aide Memoire.
7. A go / no go decision to go live this calendar year will be deferred to mid-September, after the next release from the lead vendor, from the previous date of 31 August 2024.

Technical Readiness

8. Good progress has been made with technical readiness since the previous update, with an overall increase in the average number of defects resolved per fortnightly release.
9. Notwithstanding this, the release from the lead vendor on 29 August 2024 had a lower-than-expected number of defect resolutions (31 versus 40). Additionally, there have also been 18 new defects raised over the same period.
10. Based on current forecasting, at the end of September 2024, there would be 14 remaining defects that must be resolved before the solution can be finalised.

11. Additional work is being undertaken to consider how many of these remaining defects can be closed out if go live proceeded this calendar year, and what remediations could be undertaken during the “code freeze / brown out” period that could be released post go-live.
12. The total defects required to be remediated by the go-live date were based on a minimal viable product basis, and a final risk-based decision will need to be made by mid-September 2024 as to whether there are any further workarounds or sufficient mitigations.

Business Readiness

13. Good progress has also been made with overall business readiness preparation, including cross vendor collaboration between NEC and Datacom for business-as-usual transition and operational support.
14. Communication plans have been prepared and consulted with key stakeholders. Learning resources and artefacts are currently being built and a clear plan is in place for ‘just in time’ training of impacted teams within MBIE. Development of Standard Operating Procedures and user manuals is in a mature state.
15. A robust plan to manage the system transition period, which will include some systems outages, during the go live weekend has been developed.
16. The Identity Services teams are well advanced in their business acceptance testing and have provided positive feedback on the new system. Further business acceptance testing with other impacted teams will continue in the coming weeks.
17. There has been some delay in developing the business rules and biometric thresholds within the new system, which are critical to have in place for go live. This is due to the later start date of the UAT environment becoming available. However, MBIE has a dedicated s 9(2)(a) resource undertaking this work currently, with a target completion in early October 2024.
18. Additional resourcing of up to 20 identity resolvers may be needed post go live and over the peak summer period to process manual resolution tasks for visa and NZeTA applications. This is due to the number of system workarounds that will be required if we go live in 2024, pending resolution of some defects post go live. People will be utilised from other parts of MBIE to perform this work, and MBIE will backfill those roles as appropriate. This will be for a period of up to six months to allow for sufficient training and ‘bedding in’ of the new system.

Commercial Readiness

19. Completion of the commercial documentation has been slower than expected. This has been largely driven by the re-work of a new Master Services Agreement to avoid having more detailed individual statements of work in the future.
20. MBIE Commercial and NEC Commercial are working constructively together and the In Person Enrolment Statement of Work and End User License Agreements are nearing completion.
21. MBIE and NEC are completing a page turn on the remaining documents over the next week to ensure that there is an agreed approach for all remaining outstanding areas.
22. An escalation path is in place to resolve any commercial areas that become contentious.
23. The commercial areas that will require the most amount of negotiation time between the parties will be indemnities, liabilities, code source, location of data (offshoring of data) and pricing. All commercial documents are expected to be completed between mid to late September.
24. s 9(2)(b)(ii)

25. As of 30 August 2024, the forecasted Whole of Life Cost (WOLC) remains under the approved \$35m. If the project go live is deferred to next year, completion of the project within the approved WOLC is possible, however, all costs will need to be managed very tightly and no unexpected significant costs can arise. Remaining contingences would be used within the \$35m threshold.

Assurance Progress

26. Work has continued against the recommendations in the IQA report completed by s9(2)(a) [REDACTED] and the EY Project Review Report.
27. Internal traffic light status on the recommendations is either green or amber. The one current exception is the NEC defect resolution rate which we have rated as red, and this will be the biggest contributor to the go / no go live decision for this calendar year. The weekly defect rates have been provided to you in the weekly Minister's report.

Conclusion

28. Whilst significant work has been undertaken across each stream of the project, MBIE does not underestimate the tight balance of the remaining work still required to go live this calendar year, given the overall amber rating.
29. Significant efforts are being made right across MBIE to support this programme up until mid-September 2024 when a decision will be made whether to go live this calendar year or not. This decision will be informed by the technical readiness of the solution, business readiness and the risk to the Immigration system during a peak processing time, including any surge in application volumes due to the recent fees and levies increases.



AIDE MEMOIRE

Biometric Capability Update Programme Update

Date:	2 October 2024	Priority:	Medium
Security classification:	In Confidence	Tracking number:	REQ-0004060

Information for Ministers
Hon Erica Stanford Minister of Immigration

Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact
Michael Alp	General Manager Immigration Risk and Border (Acting)	s 9(2)(a)	✓
	s 9(2)(a)	s 9(2)(a)	

The following departments/agencies have been consulted

Minister's office to complete:

- | | |
|---|--|
| ☐ Approved | ☐ Declined |
| ☐ Noted | ☐ Needs change |
| ☐ Seen | ☐ Overtaken by Events |
| ☐ See Minister's Notes | ☐ Withdrawn |

Comments

AIDE MEMOIRE

Biometric Capability Update Programme Update

Date:	2 October 2024	Priority:	Medium
Security classification:	In Confidence	Tracking number:	REQ-0004060

Purpose

This Aide Memoire provides an update on the status of the Biometric Capability Update (BCU). It notes that the technical components of the project will be completed by the end of this calendar year, however the “Go Live” date will be postponed to April 2025 (to avoid making changes during the peak season for visa activity).

s 9(2)(a)

Michael Alp
General Manager, Immigration Risk and Border (Acting)
27 September 2024

Background

1. The BCU is a project to deliver a significant upgrade of Immigration New Zealand's (INZ's) identity management, capture, and matching solution. Updating INZ's capability is crucial to allowing MBIE to better manage fraud and immigration risk, meet national security requirements and international partner agreements.
2. INZ continues to carry security exposures due to a legacy platform component not being compatible with a core MBIE security software.
3. The technical components of the programme are scheduled to be completed in the last quarter of the 2024 calendar year with a proposed new go live date of April 2025.

Overall Programme Update

4. On Friday 20 September 2024, as Project Sponsor for the BCU project, I took the decision to defer the go live date to April 2025.
5. Whilst good progress had been made across all project streams, the last two defect resolution releases did not close out enough forecasted defects.
6. Project risks were increasing due to the number of concurrent tasks required to be completed. We considered deferring the go live by a few weeks, but this would have created unacceptable risks during the peak processing season which starts from mid-November. It would also make it very hard for MBIE to resolve any implementation issues that may potentially surface after going live.
7. The BCU is not a customer facing platform, and we are not currently forecast to exceed the \$35m whole of life cost (WOLC) by deferring the go live to 2025.
8. This aide memoire will provide an update across each of the project streams that are required prior to go live.
9. Whilst we are disappointed that we have not been able to progress to a go-live decision this calendar year, on balance across all streams of work, this was the right decision to make and avoids placing unnecessary pressure on the immigration system at a critical time.

Technical Readiness

10. Defect resolution – as of 20 September 2024, we still had 34 remaining severity 1 and 2 defects assigned to the lead vendor. Based on the current release cycles and the number of new defects being raised, we now do not forecast to have the remaining balance of defects fully resolved by December.
11. We are not able to run the full end-to-end process testing until all defects have been resolved and cleared.
12. Overall completion of priority 1-3 test execution sits at 99.2% and the current pass rate is sitting at 93.0% against our success criteria of 95.0%.
13. We expect the core elements of technical readiness to be completed by December and we will work through any further residual issues.

Security Readiness

14. Core security readiness tasks have nearly been completed and the balance of the security alerts and penetration testing are due to be completed in October. There is a risk that further security concerns are identified that will require remediation or acceptance of the risk.

15. Across the two main vendors, we still have 14 known security defects to be resolved to ensure the system is secure.
16. All certification and accreditation required is also expected to be completed in November but is dependent on information to be shared by all vendors to enable full security assessments to take place.

Business Readiness

17. Excellent overall progress has continued to be made for business readiness.
18. Our Identity Services team, which are the end users of the BCU software, have been very positive on the new BCU system and recognise the efficiencies that the updated system will bring.
19. The residual areas that are requiring further work are:
 - a. End to end process testing. As noted earlier, we will not be able to complete this until the remaining defects have been resolved. s 6(a)
 - b. System override rules have not been completed or signed off. With a November go live date, we would have needed to put in place several manual workarounds. Given the new go live date, the system override rules can now be fully completed, and this will give the staff a better quality (and more efficient) system to work from.

Commercial Readiness

20. MBIE continues to progress the four commercial agreements. While these were expected to be completed by the end of September, they will now not be concluded until October. However, there are no significant issues under negotiation.
21. Datacom will be providing tier 1 and tier 2 business support once the system is operationalised.
22. There are number of other smaller service providers to the BCU project. Our commercial team is now working with each of them to extend any support arrangements and statements of work to reflect the new go live date and ensure any costs of the extension are mitigated and capped.
23. s 9(2)(b)(ii)

Communications Plans

24. All communication plans have been completed and include:
 - a. Proactive external communications provided to relevant stakeholders e.g. Immigration Reference Group
 - b. Proactive communications to partner agencies (e.g. New Zealand Police, DIA, s 6(a)); and
 - c. A detailed internal communications plan
25. We had a “no go” communications plan for the event that go live was deferred until next year. This plan is now being enacted and has the following key elements:
 - a. MBIE project staff and impacted teams, and vendors advised on 23 September 2024.
 - b. External agency stakeholders (DIA and New Zealand Police) advised on 24 September.

- c. Gill Bonnett of RNZ (who has been doing regular reporting on the BCU project) advised, to let her know BCU go live will be in early 2025 to offer an interview with myself.

Financial Costs

- 26. The BCU programme has a WOLC budget of \$35m. We are currently forecast to stay within that budget based on a 1 April 2025 go-live date and modelling using a 5-year support contract length.
- 27. As noted in the draft Cabinet paper sent to your office in late March 2024 and discussed at the Officials Meeting on 2 April 2024, the operating costs for BCU once we go live is an additional \$2m per annum.
- 28. The wider BCU project also sits in the full narrative of MBIE's broader ICT programme of work – as an example, BCU is one of the components needed to go live in order to switch the IGMS platform off in the future (which has a \$10m per annum forecasted benefit).
- 29. The cost to support BCU is to be managed within the funding sought through the latest Fees and Levy review.
- 30. The increase in baseline costs directly attributable to BCU is expected to be \$2m against the current budget in FY24/25 (previously called out at \$4m, as the delayed capitalisation date from November 2024 to April 2025 reduced depreciation costs by \$2m) and \$4m increase in FY25/26. With no additional costs forecast from FY26/27 outside of additional visa volume (variable) driven costs.

Assurance

- 31. Notwithstanding that the go-live date will now be in 2025, expectations have been set with NEC that all parties must continue to work at pace and that we have a fully working and tested solution before the end of the calendar year.
- 32. MBIE Senior Leaders will continue to meet with NEC executives on a regular basis until product completion. We will continue to provide you with weekly updates through the Weekly Report.

Next Steps

- 33. We will prepare a further, more substantive briefing for you which will outline:
 - a. Current project cost spend and forecast remaining costs
 - b. Current Whole of Life Spend and remaining forecast Whole of Life Cost spend
 - c. Ongoing operating costs (including outer years)
 - d. Commentary on any financial adjustment requirement at the March Baseline Update (MBU)
 - e. A copy of the project delivery re-plan and dates



AIDE MEMOIRE

Biometric Capability Update (BCU) Programme Update

Date:	9 May 2025	Priority:	Medium
Security classification:	In Confidence	Tracking number:	BRIEFING-REQ-0013934

Information for Ministers

Hon Erica Stanford

Minister of Immigration

Contact for telephone discussion (if required)

Name	Position	Telephone	1st contact
Richard Owen	General Manager Immigration Risk and Border	s 9(2)(a)	✓
s 9(2)(a)		s 9(2)(a)	

The following departments/agencies have been consulted

Minister's office to complete:

☐ Approved

☐ Declined

☐ Noted

☐ Needs change

☐ Seen

☐ Overtaken by Events

☐ See Minister's Notes

☐ Withdrawn

Comments

AIDE MEMOIRE



Biometric Capability Update Programme Update

Date:	9 May 2025	Priority:	Medium
Security classification:	In Confidence	Tracking number:	BRIEFING-REQ-0013934

Purpose

This Aide Memoire updates you on the status of the Biometric Capability Update (BCU). It provides an update on progress for each of the project streams that are required to support a successful project implementation and go-live. We are expecting the technical components of the project to be completed in June 2025 and ‘Go-live’ is planned for July 2025.

s 9(2)(a)



Richard Owen
General Manager, Immigration Risk and Border
9 May 2025

Background

1. The BCU will deliver a significant upgrade of Immigration New Zealand's (INZ's) identity management, capture, and matching solution. This will enable MBIE to better manage fraud and immigration risk and to meet national security requirements and international partner agreements.

Overall Programme Update

2. A working solution is almost complete. There are now a small number of critical defects remaining. Final testing of the solution is expected in early June 2025. This will mark a significant milestone for development and testing completion. Go-live is planned for July. July is the preferred time to implement the BCU solution, given the seasonality of key visa products, work volumes and other scheduled system changes.
3. Issues that arise from testing or other technical preparation activities may impact the proposed go-live date.
4. Completion of commercial matters with the lead vendor (NEC) are progressing, although slower than expected. We are continuing to maintain active executive focus between MBIE and the lead vendor so that any remaining commercial agreements are complete and agreed prior to go-live.
5. From a financial perspective, we are within the \$35m whole of life cost (WOLC) previously approved by Cabinet.

Technical Readiness (Product Readiness)

6. There are now only a small number of critical defects (classified as severity 1 and 2 defects) for the lead vendor to complete. Completion of these defects and end-to-end testing of the solution is scheduled to be completed in June 2025.
7. Testing also includes system performance and final end-user acceptance testing. Both have been run previously in different stages with positive end-user feedback.
8. We are continuing to work on other solution activities including data storage, data migration preparation and reporting.
9. Although the solution completion is progressing well, any issues that arise from testing or other technical preparation activities may still impact the go-live date.

Security Readiness

10. Security readiness tasks are progressing well. A fourth security test is due to be completed this month.
11. High Security Risks that have been previously identified will be fully assessed to ensure that they can be mitigated.
12. Whilst there are a number of security access controls already in place, the highest likelihood of exposure will be from internal staff, contractors and 3rd party vendors with direct access to MBIE systems. Exposure from external threats is unlikely as the system is not directly exposed to the internet.
13. There is a risk that further security concerns may be identified through the remaining testing phases and that any matters identified may also require remediation or acceptance of the risk.
14. Certification and accreditation of the solution is expected to be completed in July 2025.

Business Readiness

15. Business readiness activities are progressing positively. End-users who have been involved with testing of the BCU software have been very positive about the new system.
16. Training material is almost complete with 'just in time' training already being planned.
17. Communication plans are also being developed to ensure that stakeholders are informed and the business is ready to receive and use the upgraded system. Key stakeholders include internal end-users, external agencies (such as DIA and NZ Police) and partner agencies (such as M5 countries involved in data sharing).
18. We have identified manual workarounds for features that will be implemented after go-live. The impacts on productivity of these workarounds have been incorporated in our workforce management plans, and may require additional operational staff to manage any increase in work volumes.
19. There has been ongoing media interest in the BCU, particularly from Radio New Zealand. We will proactively reach out to interested media following successful go-live and maintain reactive communications messages until that point.

Commercial Readiness

20. MBIE continues to progress commercial agreements with vendors. Progress with the lead vendor (NEC) has been slower than expected, although the Master Services Agreement has now been completed (but not yet executed). Progress with completing the remaining commercial agreements with NEC is being actively overseen by MBIE's Chief Executive and Deputy Secretary, Digital and Corporate Services, along with executives from NEC.
21. Datacom will be providing Level 1 and 2 business support (straightforward queries) once the system has gone live and is operational. NEC will provide level 3 and 4 support (complex queries).
22. There are number of other smaller service providers to the BCU project, and our commercial team has been working with each of them to extend any support arrangements.

Implementation Planning

23. With go-live planned for July 2025, we have increased focus on detailed implementation planning with a focus on activities up to go live, the system transition weekend, and post go-live.
24. All vendors will be involved with the system transition at go-live. Development team representatives from NEC America are planned to be located on-site in New Zealand for the go-live period to support a successful transition to the upgraded solution.
25. As part of standard risk management planning, post-production roll-back options are being developed so that the system could be rolled back to the existing solution if required.
26. We have engaged EY to provide additional implementation planning capability expertise.

Assurance

27. MBIE Senior Leaders, including the Chief Executive, continue to meet with NEC executives on a regular basis. We will continue to do so until project completion.
28. We will continue to update you on a weekly basis and we will provide further briefings as we get closer to go-live.

29. EY has also been engaged to provide assurance. They remain available to provide you with an independent perspective of progress.

Strategic Options in the future

30. As part of the governments commitment to digitising government services, we will consider options for the future of biometric management and continue this work with DIA



AIDE MEMOIRE

Biometric Capability Update (BCU) Programme Update

Date:	24 June 2025	Priority:	Medium
Security classification:	In Confidence	Tracking number:	BRIEFING-REQ-0016534

Information for Ministers
Hon Erica Stanford Minister of Immigration

Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact
Richard Owen	General Manager Immigration Risk and Border	s 9(2)(a)	✓
s 9(2)(a)	s 9(2)(a)	s 9(2)(a)	

The following departments/agencies have been consulted

Minister's office to complete:

☐ Approved

☐ Declined

☐ Noted

☐ Needs change

☐ Seen

☐ Overtaken by Events

☐ See Minister's Notes

☐ Withdrawn

Comments

AIDE MEMOIRE



**MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT**
HĪKINA WHAKATUTUKI

Biometric Capability Update Programme Update

Date:	24 June 2025	Priority:	Medium
Security classification:	In Confidence	Tracking number:	BRIEFING-REQ-0016534

Purpose

This Aide Memoire updates you on the status of the Biometric Capability Update (BCU) Project, highlighting areas that require additional focus and those progressing well.

s 9(2)(a)



Richard Owen
General Manager, Immigration Risk and Border
24 June 2025

Status Overview

1. A working solution is nearing completion with a small number of critical defects remaining that are complex in nature to resolve. Final testing of the core solution is expected in July 2025.
2. The overall solution is expected to be completed in August 2025, with Go-live planned for September/October, taking into account business operation processing volumes, other system changes (i.e. Student visas), and availability of critical project and business capability.
3. The project is within the \$35m whole of life cost (WOLC) previously approved by Cabinet, however this is under pressure.

Project Activity

4. The following activities are progressing well, and we are confident of their delivery and/or resolution:
 - Business readiness to accept the solution (change management)
 - Implementation readiness (activities leading up to Go-live)
 - Security defect remediation

5. These areas require additional focus to ensure they remain on track:
 - Solution development – ongoing defect remediation
 - Go-live planning – agreeing a solution transition date
 - Commercial agreement negotiation
 - Project budget
6. MBIE Senior Leaders, including the Chief Executive, continue to meet with NEC executives on a regular basis and will continue to do so until the project is completed.
7. The following sections provide more detail on each of the key activities noted above.

Activities progressing well

Business Readiness

8. Business readiness activities continue with positive feedback by end users after testing the system. Train the trainer sessions using In Person Enrolment scanning devices have been held in Christchurch and Auckland sites.
9. s 6(c) 
10. Manual workarounds for features that will be implemented after Go-live have been incorporated in workforce management plans and may require additional operational staff to manage any increase in work volumes. On hand volumes have mostly been low since April last year and the operational teams are currently clearing queues within 24 hours.

Implementation Readiness

11. Implementation readiness planning is progressing well, with assistance from EY. A comprehensive implementation plan is in place, which includes all technical and business tasks leading up to go-live. This plan is being actively tracked.

Security Readiness

12. A fourth security penetration test has been completed with some new risks identified. Mitigation of these risks, along with previously identified risks, is underway. We are confident they will be resolved prior to Go-Live.
13. s 6(c) 
14. Further security concerns may be identified through the remaining testing phases and may require remediation or acceptance of the risk.
15. Certification and accreditation of the solution is expected to be completed in July 2025.

Activities requiring additional focus

Solution development: defect remediation

16. Critical defects have reduced considerably with the BCU solution; however, the remaining are complex to resolve. As a result, completion of the end-to-end testing of the core solution has been shifted to July 2025. The vendor continues to work on resolving the outstanding defects.
17. Two cycles of regression testing will be undertaken. The first one is focused on the solution workflow. It will be followed by a second regression cycle focused on solution performance.

Together this will take approximately four weeks from the time the end-to-end solution is delivered.

18. The overall BCU solution is expected to be fully completed in August 2025. Between August 2025 and the Go-live date, the project team will work on defects that are not critical for Go-live, however are needed shortly after Go-live. These defects are known as 'fast follower' defects.
19. Although the overall solution completion is progressing well, issues that arise from testing or other technical preparation activities may still impact the Go-live date, which is discussed further in paragraphs 21 and 22.
20. There have been issues with the establishment of the Data Warehouse function of the BCU solution, however these issues are being resolved. The Data Warehouse is MBIE's database that will store and manage BCU's data and is required to be in place prior to Go-live.

Go-live timing

21. As a result of regression testing and ongoing defect remediation, the solution is now expected to be ready for deployment in August 2025 and Go-live projected for a later date, potentially September 2025.
22. Planning for deployment will take into account Visa processing volumes, other key system changes (i.e. student visas), and critical project team member availability to ensure minimum system disruption.

Commercial agreements

23. Commercial activities with NEC, the lead vendor, are slower than expected and resolution requires negotiation by MBIE's Chief Executive and Deputy Secretary, Digital and Corporate Services. NEC will be providing business support for complex queries post-Go-live.
24. s 9(2)(b)(ii) [REDACTED]
25. Commercial activities are going well with Datacom, which will provide business support for straightforward queries.

Project Budget

26. The project is within Budget (\$34.2m) and the WOLC is within \$35m, however these are under pressure with minimal contingency. The Budget and WOLC uncertainty is due to the commercial negotiation activities underway with NEC as previously highlighted.



AIDE MEMOIRE

Biometric Capability Update (BCU) Programme Update

Date:	11 August 2025	Priority:	Medium
Security classification:	In Confidence	Tracking number:	BRIEFING-REQ 0019035

Information for Ministers

Hon Erica Stanford

Minister of Immigration

Contact for telephone discussion (if required)

Name	Position	Telephone	1st contact
Richard Owen	General Manager Immigration Risk and Border	s 9(2)(a)	✓
s 9(2)(a)	s 9(2)(a)	s 9(2)(a)	

The following departments/agencies have been consulted

N/A

Minister's office to complete:

☐ Approved

☐ Declined

☐ Noted

☐ Needs change

☐ Seen

☐ Overtaken by Events

☐ See Minister's Notes

☐ Withdrawn

Comments

AIDE MEMOIRE



**MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT**
HĪKINA WHAKATUTUKI

Biometric Capability Update Programme Update

Date:	11 August 2025	Priority:	Medium
Security classification:	In Confidence	Tracking number:	BRIEFING-REQ 0019035

Purpose

This Aide Memoire provides you an update on the status of the Biometric Capability Update (BCU) Project, highlighting business readiness preparations for Go-live, along with areas that require additional focus and those progressing well.

s 9(2)(a)



Richard Owen
General Manager, Immigration Risk and Border
11 August 2025

Status Overview

1. A working solution is almost complete with a small number of critical defects to resolve. Final testing of the core solution is expected to be completed in mid-August 2025.
2. Issues with Performance testing have been experienced and need to be resolved.
3. The overall solution is expected to be completed in August 2025, with Go-live potentially planned for September 2025, subject to the completion of performance testing.
4. Business preparation activities for Go-live are progressing well.
5. The project is within Budget.

Project Activity

6. The following activities are progressing well, and we are confident of their delivery and/or resolution:
 - Business readiness to accept the solution (change management)
 - Implementation readiness (activities leading up to Go-live)
 - Security defect remediation
 - Budget

7. These areas require additional focus to ensure they remain on track:
 - Solution development – Performance testing
 - Go-live planning – agreeing a solution transition date
 - Commercial agreement negotiation
8. MBIE Senior Leaders, including the Chief Executive, continue to meet with NEC executives on a regular basis and will do so until the project is completed.
9. The following sections provide more detail on each of the key activities noted above.

Activities progressing well

Business Readiness

10. Training
 - a. The final tranche of train-the-trainer sessions using In Person Enrolment (IPE) scanning devices was completed at the end of July, with the training of all IPE end users to be completed around three weeks prior to Go-live.
 - b. All e-learning modules for the BCU solution have been finalised, and all end users will also complete the training around three weeks prior to Go-live.
 - c. Standard Operating Procedures and User Guides continue to be updated.
11. s 6(c) 
12. Pre-Go-live work volume Management
 - a. On hand volumes are being well managed and have mostly been low since April last year and the operational teams are currently clearing queues within 24 hours. Plans are in place to ensure identity resolution queues are reduced as close to zero as possible, prior to the transition weekend.
 - b. Contingency planning is also underway to create additional capacity if identity task volumes exceed expectations after Go-live, as well as planning in the visa operations space based on a number of contingency scenarios, including MBIE's contact centre being engaged in preparation for any customer queries.
13. Communications
 - a. Two Communication plans have been developed, an overarching plan and a plan specific to the transition, both of which are in the process of final sign off. These are living documents and will continue to be reviewed and updated. They cover communications to internal stakeholders and staff, as well as external stakeholders including other NZ agencies, industry groups and forums.
 - b. Communication messages focus on the four key impacts of the project:
 - i. Operational Efficiency: Staff will continue performing the same roles with updated tools, improving speed and accuracy.
 - ii. Technology Upgrade: New software and hardware will support biometric enrolment and identity verification.
 - iii. Risk Mitigation: Enhanced capabilities will better address increasingly sophisticated threats.
 - iv. Training & Support: Staff will receive targeted training.

- c. Internal forums have been set up to establish business readiness activities and contingency planning.
- 14. The final cycle of Business Acceptance Testing is expected to commence soon. This testing will be undertaken by the end users who will confirm that the end-to-end solution is ready for business use.

Implementation Readiness

- 15. Implementation readiness planning is progressing well, with continued assistance from EY. A comprehensive implementation plan is in place and being monitored, and further trial runs of the overall technical transition will be undertaken prior to Go-live.

Security Readiness

- 16. Security risks that have been identified via penetration testing are being mitigated, with a small number of remaining risks that will be resolved after Go-live. s 6(c)
Exposure from external threats is unlikely as the system is not directly exposed to the internet.
- 17. Further security concerns may be identified through the remaining testing phases and may require remediation or acceptance of the risk.

Project Budget

- 18. The project is operating within Budget.

Activities requiring focus

Solution development: defect remediation

- 19. Critical defects have reduced considerably within the BCU solution and end-to-end testing of the core solution is progressing well. The prime vendor continues to work on resolving the remaining outstanding defects.
- 20. Two cycles of regression testing have been undertaken. The first one focused on the solution workflow and the second tested the solution's performance. A small number of important defects are expected to be completed by mid-August 2025. Performance issues have been experienced that need resolving.
- 21. The overall BCU solution is still expected to be fully completed in August 2025. Between August 2025 and the Go-live date, the project team will work on defects that are not critical for Go-live, however are needed shortly after Go-live. These defects are known as 'fast follower' defects.

Go-live timing

- 22. The solution is now expected to be potentially ready for Go-live in September 2025 and is dependent on having a solution that can manage both average and peak load daily volumes.
- 23. Planning for deployment will consider Visa and NZeTA processing volumes, other key system changes (i.e. student visas), and critical project team member availability to ensure minimum system disruption.

Commercial agreements

- 24. Commercial activities with NEC, the lead vendor, are s 9(2)(b)(ii) and negotiations are in progress with assistance from MBIE's Chief Executive and Deputy Secretary, Corporate and Digital Shared Services. NEC will be providing business support for complex queries post-Go-live.

25. s 9(2)(b)(ii) [REDACTED]
26. Commercial activities continue to go well with Datacom, who will provide business support for straightforward queries.



AIDE MEMOIRE

Biometric Capability Update (BCU) and In Person Enrolment (IPE) Project

Milestone Timeline, Ministerial Briefings and Aide Memoires

Date:	20 November 2025	Priority:	Medium
Security classification:	In Confidence	Tracking number:	REQ-0024299

Information for Minister(s)

Hon Erica Stanford

Minister of Immigration

Contact for telephone discussion (if required)

Name	Position	Telephone	1st contact
Richard Owen	General Manager Immigration Risk and Border	s 9(2)(a)	✓
s 9(2)(a)		s 9(2)(a)	

The following departments/agencies have been consulted

N/A

Minister's office to complete:

☐ Noted

☐ Overtaken by Events

☐ Approved

☐ Needs change

☐ See Minister's Notes

☐ Declined

☐ Seen

☐ Withdrawn

Comments



AIDE MEMOIRE

Milestone Timeline, Ministerial Briefings and Aide Memoires

Date:	20 November 2025	Priority:	Medium
Security classification:	In Confidence	Tracking number:	REQ-0024299

Purpose

This Aide Memoire sets out the major project milestones and Ministerial updates or requests made during the duration of the Biometric Capability Update (BCU) and In Person Enrolment (IPE) projects, along with the project costs expended since December 2023.

‘Annex A – BCU Major Milestone Timeline’, provides a chronological view of the events and the respective fiscal impact to the project, including Whole of life Cost (WOLC) changes.

‘Annex B – BCU Project Updates’, provides a list of the BCU updates provided to the Minister’s office as part of the Immigration weekly reporting, along with a list of the BCU Project dashboard reports.

‘Annex C – Aide Memoires and Briefings’ provides a list of all the project aide memoirs and briefings issued to the Minister’s office.

‘Annex D – Financials’ provides the total BCU and IPE project expenditure since December 2023.

s 9(2)(a)

Richard Owen
General Manager Immigration Risk and Border
Immigration New Zealand, MBIE

20 November 2025

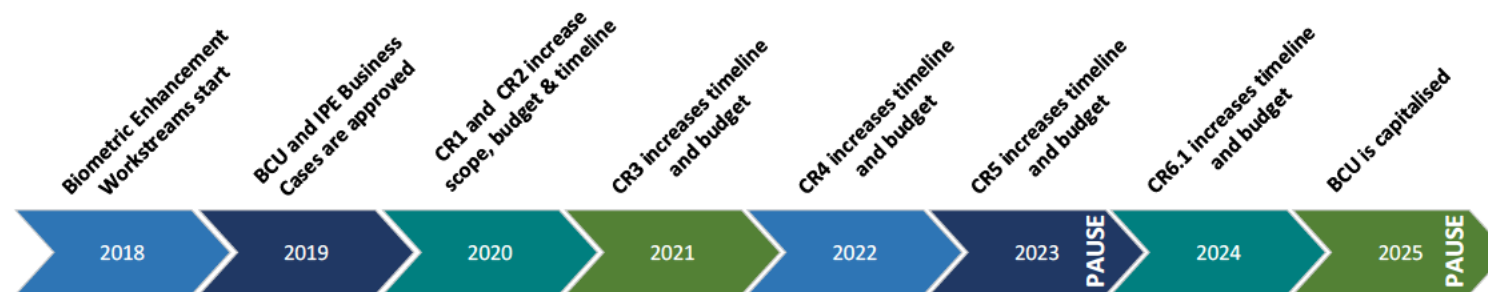
Annex A – BCU Major Milestone Timeline

1. The following table sets out a timeline of the major governance decisions made during the BCU project including start up decisions, scope changes, budget changes and decisions to pause:

Item	Date	Milestone	Financial Impact	Accumulative Total	Details
1	01/11/2018	Biometric Enhancement Workstreams commenced			Scoping of IDme maintenance / Update workstreams commenced.
2	22/08/2019	BCU project Business Case Approved	Budget of \$10,458,858 capex and \$46,272 opex	<u>BCU</u> \$10,458,858 Capex \$46,272 Opex <u>WOLC</u> - \$19.5 M	The BCU project business case was approved by INZ to implement maintenance upgrades which would future proof the existing IDme system. This included most of the upgrades from the IDme maintenance workstreams.
3	16/09/2019	IPE project Business Case Approved	Budget of \$2,255,046 capex and \$33,120 opex	<u>IPE</u> \$2,255,046 Capex \$33,210 Opex <u>WOLC</u> - \$3.9 M	The IPE project business case was approved by INZ to replace the existing in person biometric enrolment solution. The existing solution was unstable with no identified fixes. This was another IDme maintenance workstream upgrade.
4	13/05/2020	Change Request 1 (CR1) for BCU increased scope and budget	Budget increase \$831,705 capex	<u>BCU</u> \$11,290,563 Capex \$46,272 Opex <u>WOLC</u> - \$21.4 M	Scope and budget were transferred to the BCU project from other INZ maintenance projects to reduce duplication of effort.
5	12/08/2020	Change Request 2 (CR2) significantly increased scope, budget, and timeline	Budget increase: \$3,949,551.00 capex	<u>BCU & IPE</u> \$15,240,114 Capex \$46,272 Opex <u>WOLC</u> - \$24.4 M	The scope of the BCU project was increased to replace the entire IDme system and included IPE into the same project. The rationale was that the initial scope would not meet all of the initial objectives.
6	19/11/2021	Joint Ministerial Authorisation of funding request was approved	N/A	<u>WOLC</u> - \$30.4 M	A Whole of Life Cost spend of \$30.4m for CR 3 was approved by Minister Faafoi, Minister for Immigration, and Minister Robertson, Minister for Finance.
7	30/11/2021	Change Request 3 (CR3) significant increase to budget and timeline	Additional \$6.9m capex	<u>BCU & IPE</u> \$22,151,986 Capex \$46,272 Opex <u>WOLC</u> - \$30.4 M	Additional budget and time were needed as CR2 significantly underestimated the complexity of replacing the IDme system. This change request was approved by Treasury.
8	21/09/2022	Change Request 4 (CR4) increased budget and timeline	Decrease of \$863,971 capex and an increase of \$4,665,111 opex	<u>BCU & IPE</u> \$21,228,016 Capex \$4,711,383 Opex <u>WOLC</u> - \$31.9 M	The primary vendor's slow progress increased the timelines and project costs.

Item	Date	Milestone	Financial Impact	Accumulative Total	Details
9	21/06/2023	Change Request 5 (CR5) increased budget and timeline	Increase of \$506,929 capex and \$4,531 opex	<u>BCU & IPE</u> \$21,794,944 Capex \$4,337,653 Opex <u>WOLC - \$31.95 M</u>	The primary vendor's slow progress on addressing security vulnerabilities, migrating data and providing technical detail, increased the timelines and project costs.
10	12/07/2023	Ministerial Briefing, increase to Whole of Life Cost approved	Reference: 2223-4450	<u>WOLC</u> \$35 M	A Whole of Life Cost spend of up to \$35m for CR5 was approved by Minister Little, Minister of Immigration.
11	November 2023	Project paused to consider options	N/A		Following an independent review, the BCU Project was paused to consider options. The project was restarted after 4 weeks.
12	16/12/2024	Change Request 6.1 (CR6.1) increased budget and timeline, split IPE back into a separate project, and decreased remaining scope to a Minimal Viable Product	Revised Total Budget: BCU: \$32,086,735 capex and \$2,238,979 opex IPE: \$3,030,724 capex and \$5,496,543 opex	<u>BCU</u> \$32,086,735 Capex \$2,238,979 Opex <u>IPE</u> \$3,030,724 Capex \$5,496,543 Opex <u>WOLC BCU:</u> \$ 34.9 M <u>WOLC IPE:</u> \$10.05 M <u>WOLC - \$32.758M</u>	The increase in timelines and project costs was due to the 4-week project pause, and the primary vendor's code having a large number of defects to resolve. The IPE solution was split back out into a separate project.
13	27/06/2025	Capitalisation of BCU solution	N/A		The BCU solution was capitalised.
14	11/11/2025	Project paused to enable replanning activities	N/A		The BCU project was paused to enable replanning activities as achieving go-live in November 2025 was not possible.

2. The below timeline provides a graphical view of the major changes that have increased cost, scope and timelines.



Annex B – BCU Project Updates

3. The following are the BCU report updates issued to the Minister of Immigration and Associate Minister as part of the Immigration Weekly reports:

Report Date	Weekly Report Reference	Page
24/08/2022	2223-0648 Weekly Report to the Minister of Immigration and Associate Minister	12
02/11/2022	2223-1582 Weekly Report to the Minister of Immigration and Associate Minister	7
30/11/2022	2223-1955 Weekly Report to the Minister of Immigration and Associate Minister	9
03/05/2023	2223-2401 Weekly Report to the Minister of Immigration and Associate Minister of Immigration	5
31/05/2023	2223-2405 Weekly Report to the Minister of Immigration and Associate Minister of Immigration	4
09/08/2023	2324-0009 - Weekly Report to the Minister of Immigration and Associate Minister of Immigration - 9 August 2023	4
20/09/2023	2324-0015 -Weekly Report to the Minister of Immigration and Associate Minister of Immigration - 20 September 2023	4
Updates to Minister Stanford		
21/02/2024	2324-0026 Weekly Report to the Minister and Associate Ministers of Immigration - 21 February 2024	8
10/04/2024	2324-2486 Weekly Report to the Minister and Associate Ministers of Immigration	5
17/04/2024	2324-2487 Weekly Report to the Minister and Associate Ministers of Immigration	6
24/04/2024	2324-2488 Weekly Report to the Minister and Associate Ministers of Immigration	4
1/05/2024	2324-2489 Weekly Report to the Minister and Associate Ministers of Immigration	5
8/05/2024	2324-2490 Weekly Report to the Minister and Associate Ministers of Immigration	5
15/05/2024	2324-2491 Weekly Report to the Minister and Associate Ministers of Immigration	6
22/05/2024	2324-2492 Weekly Report to the Minister and Associate Ministers of Immigration	6
29/05/2024	2324-2493 Weekly Report to the Minister and Associate Ministers of Immigration - 29 May	6
05/06/2024	2324-2494 Weekly Report to the Minister and Associate Ministers of Immigration - 5 June	4
12/06/2024	2324-2495 Weekly Report to the Minister and Associate Ministers of Immigration - 12 June	4
19/06/2024	2324-2496 Weekly Report to the Minister and Associate Ministers of Immigration - 19 June	5
26/06/2024	2324-2497 Weekly Report to the Minister and Associate Ministers of Immigration - 26 June	4
10/07/2024	2425-0061 Weekly Report to the Minister and Associate Ministers of Immigration - 10 July	5
17/07/2024	2425-0062 Weekly Report to the Minister and Associate Ministers of Immigration - 17 July	4
24/07/2024	2425-0063 Weekly Report to the Minister and Associate Ministers of Immigration - 24 July	6
31/07/2024	2425-0064 Weekly Report to the Minister and Associate Ministers of Immigration - 31 July	6
14/08/2024	2425-0066 Weekly Report to the Minister and Associate Ministers of Immigration - 14 August	3
21/08/2024	2425-0067 Weekly Report to the Minister and Associate Ministers of Immigration - 21 August	6
28/08/2024	2425-0068 Weekly Report to the Minister and Associate Ministers of Immigration - 28 August	3
11/09/2024	2425-0070 Weekly Report to the Minister and Associate Ministers of Immigration - 11 September	3
18/09/2024	2425-0071 Weekly Report to the Minister and Associate Ministers of Immigration - 18 September	4
25/09/2024	2425-0072 Weekly Report to the Minister and Associate Ministers of Immigration - 25 September v2	5
02/10/2024	2425-0073 Weekly Report to the Minister and Associate Ministers of Immigration - 2 October	4
9/10/2024	2425-0074 Weekly Report to the Minister and Associate Ministers of Immigration - 9 October v2	5
16/10/2024	2425-0075 Weekly Report to the Minister and Associate Ministers of Immigration - 16 October	3

Report Date	Weekly Report Reference	Page
23/10/2024	2425-0076 Weekly Report to the Minister and Associate Ministers of Immigration - 23 October	4
31/10/2024	2425-0077 Weekly Report to the Minister and Associate Ministers of Immigration - 31 October	3
07/11/2024	01. 2425-0078 Weekly Report to the Minister and Associate Ministers of Immigration - 6 November	5
13/11/2025	2425-0079 Weekly Report to the Minister and Associate Ministers of Immigration - 13 November - updated	4
20/11/2024	2425-0080 Weekly Report to the Minister and Associate Ministers of Immigration - 20 November	5
27/11/2024	2425-0081 Weekly Report to the Minister and Associate Ministers of Immigration - 27 November	4
4/12/2024	2425-0082 Weekly Report to the Minister and Associate Ministers of Immigration - 4 December	5
11/12/2024	2425-0083 Weekly Report to the Minister and Associate Ministers of Immigration - 11 December	7
22/01/2025	2425-0084 Weekly Report to the Minister and Associate Ministers of Immigration - 22 January 2025	4
29/01/2025	2425-0085 Weekly Report to the Minister and Associate Ministers of Immigration - 29 January 2025	3
05/02/2025	2425-0086 Weekly Report to the Minister and Associate Ministers of Immigration - 5 February 2025	4
12/02/2025	2425-0087 Weekly Report to the Minister and Associate Ministers of Immigration - 12 February 2025	2
19/02/2025	2425-0088 Weekly Report to the Minister and Associate Ministers of Immigration - 19 February 2025	4
26/02/2025	2425-0089 Weekly Report to the Minister and Associate Ministers of Immigration - 26 February 2025	3
05/03/2025	2425-0090 Weekly Report to the Minister and Associate Ministers of Immigration - 5 March 2025	3
12/03/2025	2425-0091 Weekly Report to the Minister and Associate Ministers of Immigration - 12 March 2025	2
19/03/2025	2425-0092 Weekly Report to the Minister and Associate Ministers of Immigration - 19 March 2025	2
26/03/2025	2425-0093 Weekly Report to the Minister and Associate Ministers of Immigration - 26 March 2025	4
02/04/2025	2425-0094 Weekly Report to the Minister and Associate Ministers of Immigration - 2 April 2025	4
09/04/2025	2425-0095 Weekly Report to the Minister and Associate Ministers of Immigration - 9 April 2025	4
16/04/2025	2425-0096 Weekly Report to the Minister and Associate Ministers of Immigration - 16 April 2025	2
23/04/2025	2425-0097 Weekly Report to the Minister and Associate Ministers of Immigration - 23 April 2025	3
30/04/2025	2425-0098 Weekly Report to the Minister and Associate Ministers of Immigration - 30 April 2025	4
7/05/2025	2425-0099 Weekly Report to the Minister and Associate Ministers of Immigration - 7 May 2025	3
14/05/2025	2425-0100 Weekly Report to the Minister and Associate Ministers of Immigration - 14 May 2025	5
21/05/2025	2425-0101 Weekly Report to the Minister and Associate Ministers of Immigration - 21 May 2025	4
28/05/2025	2425-0102 Weekly Report to the Minister and Associate Ministers of Immigration - 28 May 2025	4

Minister's Weekly and Fortnightly Dashboards Issued by the Project

4. BCU updates were provided directly to the office of the Minister of Immigration as follows:

Report Date:	Report Reference
16 May 2025	BCU – Minister's Dashboard 16 May 2025 – Final
21 May 2025	BCU – Minister's Dashboard 21 May 2025
29 May 2025	BCU – Minister's Dashboard 29 May 2025
6 June 2025	BCU – Minister's Dashboard 6 June 2025
13 June 2025	BCU – Minister's Dashboard 13 June 2025
17 June 2025	BCU – Minister's Dashboard 17 June 2025
26 June 2025	BCU – Minister's Dashboard 26 June 2025
3 July 2025	BCU – Minister's Dashboard 3 July 2025
31 July 2025	BCU – Minister's Dashboard 31 July 2025
28 August 2025	BCU – Minister's Dashboard – 28 August
4 September 2025	BCU – Minister's Dashboard – 04 September
18 September 2025	BCU – Minister's Dashboard – 18 September
2 October 2025	BCU – Minister's Dashboard – 2 October
16 October 2025	BCU – Minister's Dashboard – 16 October
30 October 2025	BCU – Minister's Dashboard – 30 October
13 November 2025	BCU – Minister's Dashboard – 13 November

Annex C - Aide Memoires and Briefings

5. The following are aide memoires and briefings issued to the Minister of Immigration.

Report Date	Aide Memoire / Briefing	Reference
19/11/2021	Briefing – seeking joint minister’s authorisation for internal funding/increase WOLC to \$30.42m	Signed 2122-1880 Authorisation of internal funding allocation for implementation of INZ Biometric Capability Update.pdf
09/12/2021	Aide Memoire - seeking joint minister’s authorisation for internal funding	2122-1999 Immigration New Zealand’s Biometric Capability Update
12/07/2023	Briefing re Increase of WOLC to \$35m	SIGNED Immigration - Biometric Capability Upgrade 2223-4450
18/08/2023	Briefing re Draft Cabinet Paper – Increase in whole of life costs for Immigration Biometrics Upgrade	2324-0513 Biometrics Capability Upgrade – current state summary and request for extension to whole of life cost
Updates to Minister Stanford		
19/03/2024	Briefing re Proposed approach to increasing WOLC (above \$35m)	SIGNED 2324-2658 BCU project - proposed approach to increasing Whole of Life Cost
28/03/2024	Aide Memoire re Further information on the BCU Project and proposed increase to WOLC	2324-2793 Final Further information on BCU
10/05/2024	Aide Memoire – summary of latest IQA report	Tracking Number: 2324-3372
14/06/2024	Aide Memoire – further detail on IQA reports from EY and David Williams	Tracking Number: 2324-3847
30/08/2024	Aide Memoire – Project Update	Tracking Number: 2425-0987
02/10/2024	Aide Memoire – project update noting postponement of go-live date to April 2025	Tracking Number: REQ-0004060
9/05/2025	Aide Memoire – Project Update	Tracking Number: BRIEFING-REQ-0013934
24/06/2025	Aide Memoire – Project Update	Tracking Number: BRIEFING-REQ-0016534
11/08/2025	Aide Memoire - Project Update	Tracking Number: BRIEFING-REQ 0019035

Annex D - Financial

6. The following costs have been incurred since November 2023 for BCU and IPE:

BCU		IPE		Total
Opex	\$877,918	Opex	\$2,259,750	\$3,137,6687
Capex	\$12,194,821	Capex	\$3,032,992	\$15,227,813
	\$13,072,739		\$5,292,742	\$18,365,481



BRIEFING

Biometric Capability Update (BCU) Project

Project Update and Go-forward Options

Date:	9 December 2025	Priority:	Medium
Security classification:	In Confidence	Tracking number:	REQ-0024969

Information for Minister(s)

Hon Nicola Willis

Minister for Economic Growth

Hon Erica Stanford

Minister of Immigration

Contact for telephone discussion (if required)

Name	Position	Telephone	1st contact
Richard Owen	General Manager Immigration Risk and Border	s 9(2)(a)	✓
s 9(2)(a)	9(2)(a) of the OIA	s 9(2)(a)	

The following departments/agencies have been consulted

N/A

Minister's office to complete:

- | | | |
|--|---|------------------------------------|
| ☐ Noted | ☐ Approved | ☐ Declined |
| ☐ Overtaken by Events | ☐ Needs change | ☐ Seen |
| | ☐ See Minister's Notes | ☐ Withdrawn |

Comments



BRIEFING

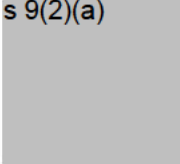
Project Update and Go-forward Options

Date:	9 December 2025	Priority:	Medium
Security classification:	In Confidence	Tracking number:	REQ-0024969

Purpose

This briefing sets out the current state of the BCU project, the decision to discontinue the project, and the options considered to move forward.

s 9(2)(a)



Richard Owen

General Manager Immigration Risk and Border
Immigration New Zealand, MBIE

9 December 2025

RECOMMENDATIONS

It is recommended that you:

- a) **Note** the status of the BCU project. Noted
- b) **Note** that MBIE does not have confidence in the solution being remedied to a point of readiness within a reasonable timeframe and cost. Noted
- c) **Note** MBIE's decision to discontinue the BCU project and impair the asset up to \$31.6 M. Noted
- d) s6(c) [REDACTED] Noted
- e) **Note** that Identity Management solution options will be assessed, s 9(2)(f)(iv) [REDACTED] Noted
- f) **Note** that a briefing on the assessment of an alternative identity management option is expected be provided to you by March 2026, including estimated costs and implementation timeframes. Noted
- g) **Note** that BCU was a component for realising benefits in the OFS (Our Future Services) Programme through the decommissioning of legacy systems, and the rescoping of a future identity management solution will factor in the benefit implications for OFS. Noted

Hon Nicola Willis
Minister for Economic Growth

...../ December 2025


Hon Erica Stanford
Minister of Immigration


...../ December 2025

The BCU Project was Unable to Go Live in November 2025

1. The BCU project was initiated in 2019 to upgrade and future-proof IDme, Immigration New Zealand's (INZ's) identity management solution. The incumbent provider of the biometric matching algorithms, NEC, was engaged for these services, including upgrading the algorithms and replacing the adjoining workflow solution.
2. Multiple Independent Project Quality Assurance reviews have been undertaken over the last few years, and recently, technical advice was sought from EY and Deloitte on readiness to go live in November 2025. Both parties confirmed that go-live was not possible at that time, as the solution was not ready and there were endemic quality issues with the solution.
3. A Minimum Viable Product (MVP) level of readiness was not achieved by NEC for the November 2025 'go-live' timeframe, with ongoing defects remaining across a range of 'must have' features, including security issues.
4. Commercial support arrangements have not been confirmed with NEC for support of BCU.
5. In the meantime, executive commercial discussions have been in progress between NEC and MBIE, and, more recently, in regard to contractual matters and NEC's performance. The commercial challenges with NEC are emblematic of MBIE's experience over the duration of the project.

The BCU Project will be Discontinued

6. As time has progressed, new alternative solutions for improving INZ's identity management have become available, providing standardised, out-of-the-box services that align with MBIE's strategic digital roadmap and adhere to the Government's new digital standards.
7. Taking into account the introduction of alternative solutions, the project's six-year duration, s 9(2)(b)(ii) MBIE has made the decision to discontinue the BCU project.
8. Following this decision to discontinue the BCU project:
 - s 9(2)(b)(ii)
 - a capitalised amount of up to \$31.6 M will be impaired, and
 - alternative identity management solution options will be explored.

Identity Management Solution Options Moving Forward

Maintenance has Started on the Existing IDme Solution

9. s 9(2)(b)(ii)

- 10.

11. The update activities will also consider the additional action of upgrading the Identity Management algorithms.

s9(2)(f)(iv)



s 9(2)(f)(iv)



Other Options Being Considered

s 9(2)(f)(iv)



19. The BCU project was a component for realising benefits in the OFS (Our Future Services) Programme through the decommissioning of legacy systems, and the rescoping of a future identity management solution will factor in the benefit implications for OFS.

Next Steps

20. MBIE will provide an update to you by 31 March 2026 on the Identity Management option that has been determined as the best replacement pathway, including costs and proposed implementation timeframes.



BRIEFING

Biometric Capability Update (BCU) Project

Project Update and Go-forward Options

Date:	9 December 2025	Priority:	Medium
Security classification:	In Confidence	Tracking number:	REQ-0024969

Information for Minister(s)

Hon Nicola Willis

Minister for Economic Growth

Hon Erica Stanford

Minister of Immigration

Contact for telephone discussion (if required)

Name	Position	Telephone	1st contact
Richard Owen	General Manager Immigration Risk and Border	s 9(2)(a)	✓
s9(2)(a)			

The following departments/agencies have been consulted

N/A

Minister's office to complete:

☐ Noted

☐ Overtaken by Events

☐ Approved

☐ Needs change

☐ See Minister's Notes

☐ Declined

☐ Seen

☐ Withdrawn

Comments



BRIEFING

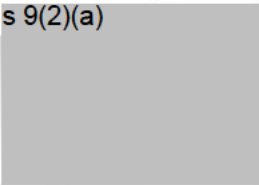
Project Update and Go-forward Options

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This briefing sets out the current state of the BCU project, the decision to discontinue the project, and the options considered to move forward.

s 9(2)(a)



Richard Owen

General Manager Immigration Risk and Border
Immigration New Zealand, MBIE

9 December 2025

RECOMMENDATIONS

It is recommended that you:

- a) **Note** the status of the BCU project. Noted
- b) **Note** that MBIE does not have confidence in the solution being remedied to a point of readiness within a reasonable timeframe and cost. Noted
- c) **Note** MBIE's decision to discontinue the BCU project and impair the asset up to \$31.6 M. Noted
- d) s 6(c) [REDACTED] Noted
- e) **Note** that Identity Management solution options will be assessed, s 9(2)(f)(iv) [REDACTED] Noted
- f) **Note** that a briefing on the assessment of an alternative identity management option is expected be provided to you by March 2026, including estimated costs and implementation timeframes. Noted
- g) **Note** that BCU was a component for realising benefits in the OFS (Our Future Services) Programme through the decommissioning of legacy systems, and the rescoping of a future identity management solution will factor in the benefit implications for OFS. Noted



Hon Nicola Willis
Minister for Economic Growth

Hon Erica Stanford
Minister of Immigration

...../ December 2025

...../ December 2025

15/1/26

(Discussed with officials
in December)

The BCU Project was Unable to Go Live in November 2025

1. The BCU project was initiated in 2019 to upgrade and future-proof IDme, Immigration New Zealand's (INZ's) identity management solution. The incumbent provider of the biometric matching algorithms, NEC, was engaged for these services, including upgrading the algorithms and replacing the adjoining workflow solution.
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The BCU Project will be Discontinued

6. As time has progressed, new alternative solutions for improving INZ's identity management have become available, providing standardised, out-of-the-box services that align with MBIE's strategic digital roadmap and adhere to the Government's new digital standards.
7. Taking into account the introduction of alternative solutions, the project's six-year duration, s 9(2)(b)(ii) [REDACTED] MBIE has made the decision to discontinue the BCU project.
8. Following this decision to discontinue the BCU project:
 - s 9(2)(b)(ii) [REDACTED]
 - a capitalised amount of up to \$31.6 M will be impaired, and
 - alternative identity management solution options will be explored.

Identity Management Solution Options Moving Forward

Maintenance has Started on the Existing IDme Solution

s 9(2)(b)(ii) [REDACTED]

11. The update activities will also consider the additional action of upgrading the Identity Management algorithms.

s 9(2)(f)(iv)



s 9(2)(f)(iv)



Other Options Being Considered

s 9(2)(f)(iv)



19. The BCU project was a component for realising benefits in the OFS (Our Future Services) Programme through the decommissioning of legacy systems, and the rescoping of a future identity management solution will factor in the benefit implications for OFS.

Next Steps

20. MBIE will provide an update to you by 31 March 2026 on the Identity Management option that has been determined as the best replacement pathway, including costs and proposed implementation timeframes.



Biometric Capability Upgrade (BCU) – project status update

Economic Growth Officials meeting, 18 November 2025

The BCU Project

1. The BCU project was established to deliver a significant upgrade to Immigration New Zealand's Identity Management Engine (IDme) system including the upgrade of the Algorithm, implementation of a workflow solution and updated biometric capture capability technology.
2. The project whole-of-life cost was estimated as \$35 million.
3. IDme manages identity information for Immigration New Zealand (INZ) including the capture, searching, matching, resolution and linking of biographic and biometric (face and fingerprint) information, as well as integration with other systems.

Current Status

4. The BCU project has been a long-standing programme of work since 2019, and was due to go-live this year and most recently, this month – November 2025.
5. MBIE recently determined that the projected go-live in November 2025 was not possible as the testing showed the product was not ready and was not able to achieve a Minimum Viable Product (MVP) level of readiness.
6. s 9(2)(b)(ii) [REDACTED]
7. s 9(2)(j) [REDACTED]
8. In addition to deciding not to 'go-live' we have effectively paused the project, including all suppliers, until we can agree a forward approach with the vendors.
9. s 9(2)(j) [REDACTED]
10. We have briefed the Minister for Immigration, ~~who we understand informed the Prime Minister.~~ This is a significant project for MBIE, and we are disappointed to be in this position.
11. In making the decision not to go-live, and to pause the project, we sought external technical advice from EY and Deloitte. Both parties confirmed that go-live is not possible at this time as the solution is not ready.
12. s 9(2)(j) [REDACTED]

Options

13. s 9(2)(b)(ii) [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]