



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

SLT Risk Profile: Reconnecting NZ

Q2 FY 2022/23 – Risk Profile Review



SLT Risk Profile: Reconnecting New Zealand

SR-11

Risk Description: Risk that INZ fails to deliver on reconnecting New Zealand in an effective and efficient manner including managing current and subsequent workflows once open.

DS Lead: DS INZ

Functional Lead: Chief Operating Officer (COO)

Risk Commentary:

This risk is trending downwards with the residual risk reducing from Very High to High. Over 40 initiatives have been put in place to speed up and streamline the processing of visas. Work visas are the number one priority for INZ and the Government. Visitor visas are in a much better position with volumes on hand now at 26,000 and student visas volumes currently in line with forecasting, even with the impacts to our processing offices in Auckland.

The Reconnecting NZ IMT is transitioning to BAU with the aim to formally close this subject to approval of the recovery plan by the Chief Executive. A range of initiatives are being implemented to support the transition including a new INZ operations oversight process, development of contingency plans for visitor, student and work visas which will set targets, alongside metrics by which these will be measured and contingency options that can be deployed if needed. Future forecasting volumes will also be mapped against resourcing and this will support decisions around intervention. All these activities address the recommendations made in the DPMC Rapid Assessment Review. With the agreement of the recovery plan, this risk will be retired from the SLT risk profile next quarter but will continue to be managed at the INZ group level. The risk will be refocussed to reflect the operational delivery in line with the INZ Strategy.

Inherent Risk			Residual Risk			Target Risk			
Likelihood	Consequence	Risk Rating	Likelihood	Consequence	Risk Rating	Likelihood	Consequence	Risk Rating	Target Date
Almost Certain	Severe	Very High	Possible	Major	High	Possible	Moderate	Medium	<1 Year

Risk Causes:

- Quantum and speed of change (historic and in the next 12 months)
- [OR-6] Lack of capacity – inability to recruit and/ or retain staff (in a tightening labour market)
- Lack of presence / capacity offshore – R&V network may not be in country ahead of re-opening of markets e.g. India
- [OR-7] Lack of capability – new / changing visa types while running dual processing systems (AMS and ADEPT)
- Lack of certainty / changing policy requirements
- Uncertainty of demand (history no indication of future demand) / likely peaks due to categories opening simultaneously
- Technology limitations / system failures due to speed and quantum of change
- Ongoing impacts of pandemic especially on existing resource
- Reliance on 3rd partners (also dealing with the ongoing impacts of COVID, resource pressures etc.) for a co-ordinated response
- Reliance on 3rd parties (also dealing with the ongoing impacts of COVID, resource pressures etc.) to complete work, for information, etc.
- Lack of reliable intel / data to feed 'demand' forecast – which in turn limits the reliability of resource requirements / supply side

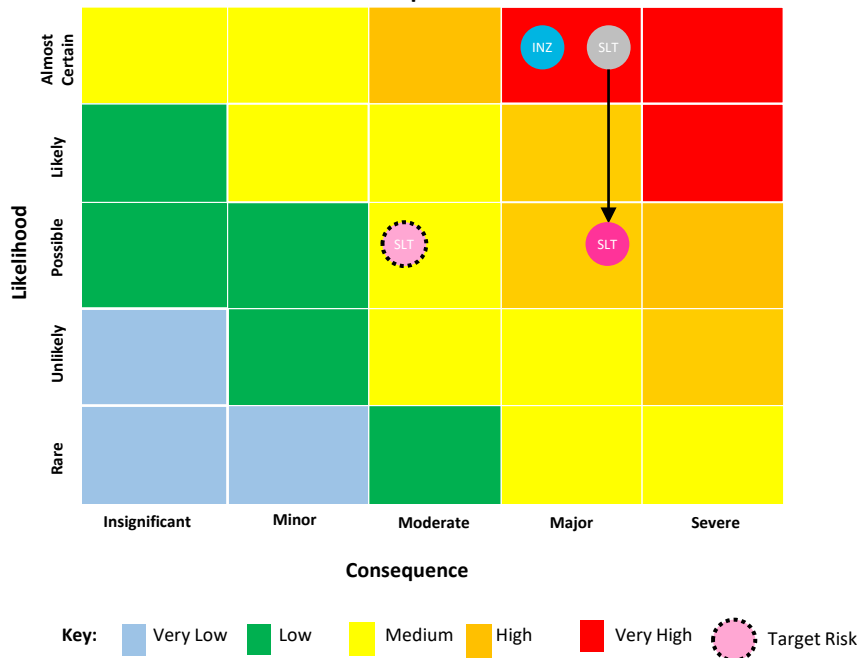
Risk Consequences:

- Loss of trust and confidence (Minister / Government)
- Degradation in service leading to customer and / or stakeholder dissatisfaction
- Increased scrutiny from Statutory bodies
- Reduced staff productivity, increased presenteeism / absenteeism – staff engagement reduced due to negative media etc.
- Increased turnover rate
- Reputational damage, loss of preferred employer status, etc.

Risk Controls:

- Governance mechanisms in place to facilitate discussions and ensure decisions are made at the right level.
- Active recruitment within BVO and V&C
- Workforce planning and prioritisation, based on current phasing of workstreams, is undertaken monthly. This ensures the INZ processing workforce is focused on the highest priority products. Alongside this, automation and risk settings are being tested to maximise efficiency of processing as much as appropriate.
- Regular review and prioritisation of activities ('Our Top 3') to focus collective business effort, and compel trade offs
- Strong relationship / clear process for information flows between INZ and MBIE policy (potential to strengthen further) – including provision of advice to the MoI on the risks, options and potential trade-offs around compressing the reconnecting timeframes further
- Relationships with 3rd parties **National security or defence** actively managed to understand their capacity constraints and enable INZ planning to match capacity to need (where possible) and / or factor in the flow on effect
- Testing of critical systems (ADEPT) with relevant service providers for provision of Early Life support (ELS)
- MBIE Functional lead (DDI) controls for system and data availability
MBIE Functional lead (Ngā Pou o te Tamarau) controls for staff wellbeing [OR-5]
- Reconnecting NZ focus groups (including external stakeholders) meets regularly to help set ongoing agenda for work, provide critical advice on the progress of RCNZ and provides a forum for INZ to test decisions with key stakeholders.
- Draw down facility to cover potential revenue shortfall secured as part of Budget 2022.

Business Group Residual Risks



Risk Actions	Owner	Status	Target Date
Develop ADEPT Roadmap	COO	In Progress	30/04/22
Develop overall dashboard reporting across priority visa types that informs contingency planning, consistent data and reduces overall reporting	COO	Completed	31/12/22
Expand/develop visa forecasting and resourcing models to cover estimates of straightforward versus other visa applications to June 2023	COO	Completed	31/12/22
Develop overarching contingency plan to ensure that agreed processing standards can be met across all visa products	COO	Completed	31/12/22
Create the enduring system to adjust response levers to stay at or recover to performance standards	COO	Completed	31/12/22
Establish workstream for ensuring stakeholder communication provide up to date information and transparency across different visa products	COO	Completed	31/12/22
Establish the role of Chief Operating Officer with supporting functions moved	COO	Completed	31/12/22
Broaden the Visa Processing Team's terms of reference to look beyond the immediate term to assess medium and long term forecasts	COO	Completed	31/12/22
Create the enduring system to adjust response levers to stay at or recover to performance standards	COO	Completed	31/12/22

Appendix I

MBIE Risk Rating, Escalation and Acceptance Criteria

Likelihood risk rating criteria				
		Description	Probability	Frequency
Likelihood	Almost Certain	The event is expected to occur and is almost inevitable	Greater than 95% chance of occurring	< 1 year
	Likely	The event is expected to occur in most circumstances	60% to 95% chance of occurring	1-2 years
	Possible	The event might occur in some circumstances	30% to 60% chance of occurring	2-3 years
	Unlikely	The event is not expected but could occur in some circumstances	5% to 30% chance of occurring	3-20 years
	Rare	The event may occur but only in exceptional circumstances	Less than 5% chance of occurring	> 20 years

Risk escalation and acceptance				
		Strategic	Operational	Portfolio
Residual Risk	Very High	Chief Executive	Chief Executive	Chief Executive
	High	Deputy Secretary	Deputy Secretary	Investment and Change Delivery Committee
	Medium	General Manager	General Manager	Portfolio Board
	Low	Not required	Not required	Not required
	Very Low	Not required	Not required	Not required

Consequence risk rating criteria						
		Financial	Service Delivery & Change	Reputation & Trust	People Safety & Security	Legal & Compliance
Consequence	Severe	<ul style="list-style-type: none"> >\$20m Financial impact on business or change related activities, funding, success, shortfalls, costs or savings Impact cannot be managed or contained without additional funding from Government 	<ul style="list-style-type: none"> >48-hour outage or long-term delays to high volume and/or business critical services Failure to achieve more than one Ministry or Business Group outcome or priority, to the extent that multiple targets will not be achieved Impact cannot be managed or contained without significant additional resources 	<ul style="list-style-type: none"> Loss of confidence in the Chief Executive and Senior Leaders Independently commissioned external review of the Ministry (e.g. Royal Commission, OAG, OPC) Irreparable widespread damage to internal and external stakeholder trust and relationships Extensive and ongoing targeted media interest 	<ul style="list-style-type: none"> Work-related fatality or life-threatening injuries or illnesses with serious permanent effects Multiple people requiring hospital-based crisis treatment and/or long-term mental health care Attrition of several critical roles and/or >17% turnover across the Ministry in 12-month period 	<ul style="list-style-type: none"> Action, omission, or issue resulting in a critical breach of a legal obligation and compliance and/or enforcement action taken against the Ministry
	Major	<ul style="list-style-type: none"> \$5m - \$20m Financial impact on business or change related activities, funding, success, shortfalls, costs or savings 	<ul style="list-style-type: none"> 24-48-hour outage or sustained delays to high volume and/or business critical services Failure to achieve one Ministry or Business Group outcome or priority Ministry impacted by significant slippage in business or change activity or service levels Impact cannot be managed or contained without re-planning 	<ul style="list-style-type: none"> Sustained ministerial scrutiny or investigation Temporary adverse impact (widespread) on internal and external stakeholder trust and relationships of significant interest to ministers Targeted media interest Significant increase in parliamentary questions, ministerial and/or Official Information Act enquiries 	<ul style="list-style-type: none"> Work-related injury or illness affecting a persons ability to return to work in the short-term (< 3 months) A person requiring hospital-based crisis treatment and/or multiple people receiving short-term mental health care. Attrition of several critical roles and/or >17% turnover in more than one Business Group in 12-month period 	<ul style="list-style-type: none"> Action, omission, or issue resulting in a significant breach of a legal obligation and Compliance and/or enforcement action taken against the Ministry
	Moderate	<ul style="list-style-type: none"> \$1m - \$5m Financial impact on business or change related activities, funding, success, shortfalls, costs or savings 	<ul style="list-style-type: none"> 4-24-hour outage or intermittent delays to high volume and/or business critical services Business Group impacted by significant slippage in business or change activity or service levels Impact can be managed or contained with resource reallocation and some re-planning 	<ul style="list-style-type: none"> Targeted ministerial scrutiny or investigation Temporary impact on internal and external stakeholder trust and relationships of interest to minister Short-term media interest Noticeable increase in parliamentary questions, ministerial and/or Official Information Act enquiries 	<ul style="list-style-type: none"> Work-related injury or illness requiring in-patient medical treatment or loss time injury A person receiving non-hospital crisis mental health treatment Attrition of one or more Key People / critical roles and/or >17% turnover within one Business Group in 12-month period 	<ul style="list-style-type: none"> Action, omission, or issue resulting in a serious breach of a legal obligation and Compliance and/or enforcement action taken against the Ministry
	Minor	<ul style="list-style-type: none"> \$100k-\$1m Financial impact on business or change related activities, funding, success, shortfalls, costs or savings 	<ul style="list-style-type: none"> A number of brief infrequent service outages or short-term delays Branch impacted by slippage in business or change activity or service levels Impact can be managed or contained within current resources, with some re-planning 	<ul style="list-style-type: none"> Limited media interest and/or coverage Limited impact on internal and external stakeholder trust and relationships Routine parliamentary questions, ministerial and/or Official Information Act enquiries 	<ul style="list-style-type: none"> Work-related injuries or illness (mental or physical) requiring first aid or outpatient medical treatment with no long-term effects but may require restricted duties Attrition of one or more Key People and/or >17% turnover within a Branch in 12-month period 	<ul style="list-style-type: none"> Action, omission, or issue resulting in a non-material breach requiring increased internal monitoring and reporting
	Insignificant	<ul style="list-style-type: none"> <\$100k Financial impact on business or change related activities, funding, success, shortfalls, costs or savings 	<ul style="list-style-type: none"> One brief isolated service outage or delay Business Team impacted by slippage in business or change activity or service levels Impact can be managed within current resources and does not require re-planning 	<ul style="list-style-type: none"> No media interest or visible adverse local or regional impact Negligible loss of credibility with key internal and external stakeholders 	<ul style="list-style-type: none"> Work-related injuries or illness (mental or physical) requiring first aid or early pain and discomfort treatment. No long term effects. Attrition of one or more Key People and/or >17% turnover within a Business Team in 12-month period 	<ul style="list-style-type: none"> Action, omission, or issue (including near miss) that constitutes a non-material breach of a legal obligation