



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

SLT Risk Profile: Reconnecting NZ

Q4 FY 2021/22 – Risk Profile Review



SLT Risk Profile: Reconnecting New Zealand

SR-12

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:

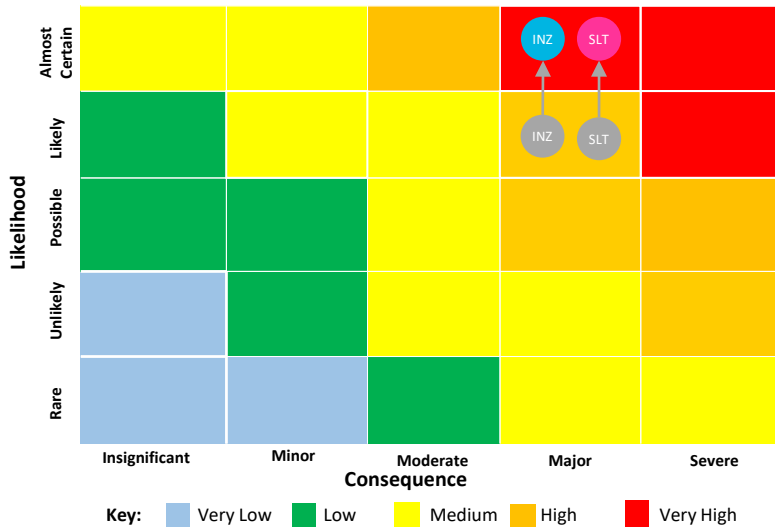
This risk is trending upwards with the residual risk rating increasing from High to Very High as INZ continues to manage the reopening alongside some significant work programmes and changes across INZ. These include

- The launch of the new 'Employer Accreditation and Work Visa (AEWV)' – a three stage process for those seeking to hire migrants on an Accredited Employer Work Visa
- The bulk of application processing for 2021 Resident Visa received under Phase 2, and with a current commitment to have 80% of all applications decided by 30 November 2022 (although a six month extension has been provided)
- Delivery of enhancements to Immigration Online (internally branded as ADEPT), which will see paperless visa processing technology phased in for certain visa types – including Phase 2 of 2021RV (March), the Employer Accreditation and Work Visa (May and July) and visitor visas (July/Aug)
- Continued processing of Border Exceptions and other priority visa products
- Supporting the DPMC implementation unit review into readiness for reopening.

Planning is well advanced around the reopening of the last major visa products, namely visitor and student visas. Planning includes the agreed Visa Processing Plan to ensure we have sufficient resourcing for processing applications, training for staff, and more detailed communications and engagement. We are regularly making changes to how we are processing AEWV applications within the new policy settings.

The major areas of uncertainty for this work include the new Enhanced Immigration Online system, what level of applications we can expect when we reopen and how we will manage high risk markets onshore, when these were previously managed in our offshore processing offices. Some of this will not be known until after the products open. All of the above is dependant on an already stretched workforce dealing with the residual impacts of COVID-19. Further the need to move forward at pace has created an ICT bottleneck in July with pressure on internal resources and more importantly scarce vendor capacity.

Business Group Residual Risks



Inherent Risk			Residual Risk			Target Risk		
Likelihood	Consequence	Risk Rating	Likelihood	Consequence	Risk Rating	Likelihood	Consequence	Risk Rating
Almost Certain	Severe	Very High	Almost Certain	Major	Very High	Likely	Moderate	Medium

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 MBIE 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 (surge capacity in place).
- 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 Mol 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 prior to 'go-live' and 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 [see OR-5]
- MBIE Functional lead (DDI) controls for system and data availability
- 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.

Risk Actions	Owner	Target Date
Reconnecting NZ Programme is coordinating various workstreams across INZ required to deliver RCNZ, ensuring resource is directed at the priority tasks, and that specific plans are developed for the reopening of products. Regular (weekly) reporting also provided on progress of key tasks.	Head of Reconnecting NZ / Head of AEWV	31/07/22
Resourcing up the (new) Christchurch 2 site, to provide additional resource capacity	GM BVO	Ongoing / as required
Expansion of workforce planning across the whole of the visa processing system	COO	Ongoing
Work to simplify / streamline processes where possible, as well as focusing on clearing older applications before reopening of products	COO	31/08/22
Frequent reforecasting of BVO workforce allocation across products, to ensure priority is given to those products which are deemed most significant for successful delivery of RCNZ.	COO	Ongoing
Review of immigration (risk) levers to ensure they remain fit for purpose in a changing landscape	GM V&C	Ongoing

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
	Likely	The event is expected to occur in most circumstances	60% to 95% chance of occurring
	Possible	The event might occur in some circumstances	30% to 60% chance of occurring
	Unlikely	The event is not expected but could occur in some circumstances	5% to 30% chance of occurring
	Rare	The event may occur but only in exceptional circumstances	Less than 5% chance of occurring

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						
Consequence		Financial	Service Delivery & Change	Reputation & Trust	People Safety & Security	Legal & Compliance
	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