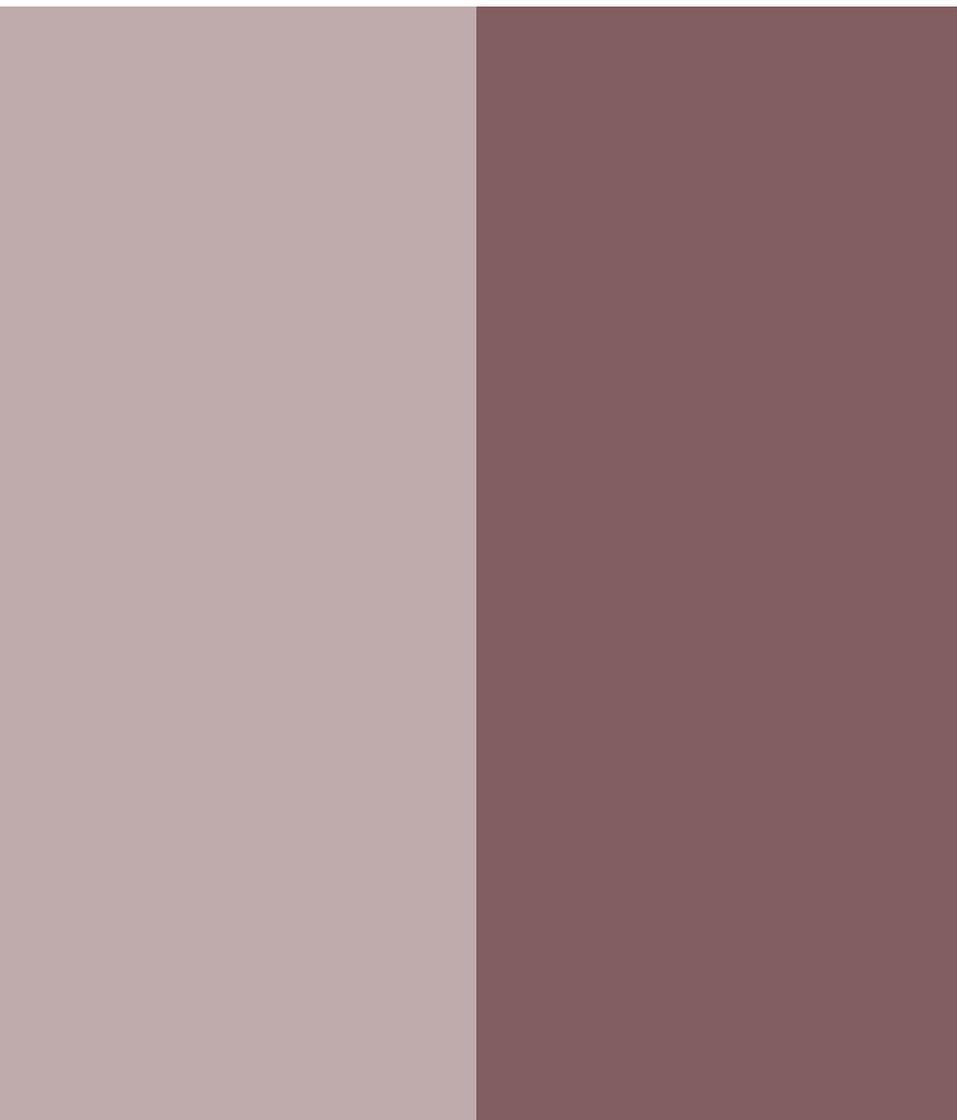




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Immigration New Zealand: Delivering transformational change





Immigration New Zealand: Delivering transformational change

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Auditor-General's overview

Immigration is an important part of New Zealand's history and development. New Zealand competes internationally for

Tē tōia, tē haumatia

skilled labour, international students, and tourists. People who want to study or work in New Zealand need to apply for a student or work visa. Tourists need a visitor visa if they are not from a visa waiver country.¹ An effective and efficient visa processing service is critical to ensuring that New Zealand remains an attractive place to live, work, study, and visit. It is also important to have a visa process that retains the security of New Zealand's borders by restricting entry to people who do not meet our immigration rules and requirements.

This report outlines how Immigration New Zealand turned a project that was at risk of failing into a business transformation programme that was delivered broadly on time and to budget. I encourage other public sector entities to consider the good management practices highlighted in Part 4 of this report when planning change and putting it in place.

In the mid-2000s, Immigration New Zealand was struggling to process an increasing number of visa applications. Immigration New Zealand's information and communications technology system (ICT system), developed a decade previously, could not keep up with advances in technology, such as online services. As a result, processing visa applications was slow and costly. Additionally, applicants did not have a transparent process they could follow online because the applications were still paper-based.

In response to these issues, Immigration New Zealand started a business project to modernise and improve its processing of visa applications. Initially, project governance and management was weak and the project was at significant risk of failing. In 2012, Immigration New Zealand changed its approach to the project, which resulted in the Vision 2015 Programme.

Although the ICT system was becoming outdated, it was not fully replaced under the Vision 2015 Programme because Immigration New Zealand considered it too expensive to do so. Immigration New Zealand did not initially understand the complexity of fully replacing the old ICT system and underestimated budgeted costs. Eventually, Immigration New Zealand could also confirm that elements of the core ICT were fit for purpose, particularly the processing capability. Therefore, several parts of the old ICT system were kept. Immigration New Zealand will need to carefully review and manage the viability of keeping parts of the ICT system.

There were other changes that affected costs, such as the merging of Immigration New Zealand into the Ministry of Business, Innovation and Employment.

¹ Citizens from a visa waiver country do not have to apply for a visa before coming to New Zealand for a short visit.

A significant reason why Immigration New Zealand was able to turn the project around was its willingness to learn, be challenged, and change as a result. The Vision 2015 Programme board also provided an effective steer for the programme through clear decision-making based on reliable information.

People can now apply for visitor, student, and work visas online. They can also check the status of their visa online and communicate with Immigration New Zealand through their online account. Immigration New Zealand achieved this in a challenging environment where 17 overseas offices were receiving increasing numbers of visa applications. Immigration New Zealand also maintained the integrity of the visa processing system as these major changes were being made in different offices.

Good management practice was a large part of the Vision 2015 Programme's success. This included effective independent project governance, strong leadership, clear communication, and programme management that used an agile and pragmatic approach. Independent quality assurance was used effectively to support strong reporting and reviewing of the programme. Immigration New Zealand gave the programme priority and allocated it the right capability and capacity, using a mix of staff and external consultants.

Immigration New Zealand's understanding of the programme's detailed benefits was slow to emerge but strengthened over time. Immigration New Zealand gained a clearer view of how to improve the current system to meet its business needs and, more importantly, what its desired outcomes were for itself and visa applicants. The benefits to the wider economy, such as the tourism industry or employers recruiting skilled migrants, have yet to be clearly defined.

The Vision 2015 Programme was designed to deliver its benefits over time. It provided a platform that was expected to improve how effectively and efficiently Immigration New Zealand processed visas, thereby improving the experience for a visa applicant. Some benefits have already been delivered. However, change is still being put in place. Immigration New Zealand still has much to do to realise the programme's intended benefits. We have not seen how the key performance indicators are brought together to show whether the overall programme's intended benefits will be met. Because of this, we were unable to tell to what extent the programme has achieved its intended service benefits and wider outcomes.

Immigration New Zealand plans to deliver most of the benefits in the next three to five years. To ensure that changes are embedded and full benefits are delivered, Immigration New Zealand will need to consolidate the improvements it has put

in place, ensure that accountability for delivering benefits is clear throughout the Ministry, and establish an effective performance management and reporting framework.

I thank the staff of Immigration New Zealand for their help, co-operation, and openness when working with my staff during our audit. I also thank the Treasury and the external reviewers and consultants who met with my staff.

A handwritten signature in black ink that reads "Martin Matthews". The signature is written in a cursive style with some overlapping letters.

Martin Matthews
Controller and Auditor-General

6 April 2017

Our recommendations

To fully realise the intended benefits from the Vision 2015 Programme, we recommend that Immigration New Zealand:

1. establish a clear set of detailed benefits and outcomes resulting from the Vision 2015 Programme, including any wider economic benefits (such as benefits to the tourism industry and labour market);
2. strengthen the collection and management of feedback from frontline staff on the information and communications technology system and process changes introduced by the Vision 2015 Programme, to ensure that further improvements are made to the visa application process;
3. prioritise and resource a performance management and reporting framework that measures and reports on the Vision 2015 Programme's financial and service benefits; and
4. ensure that it and the wider Ministry of Business, Innovation and Employment share the responsibility and accountability for realising the full benefits of the Vision 2015 Programme.

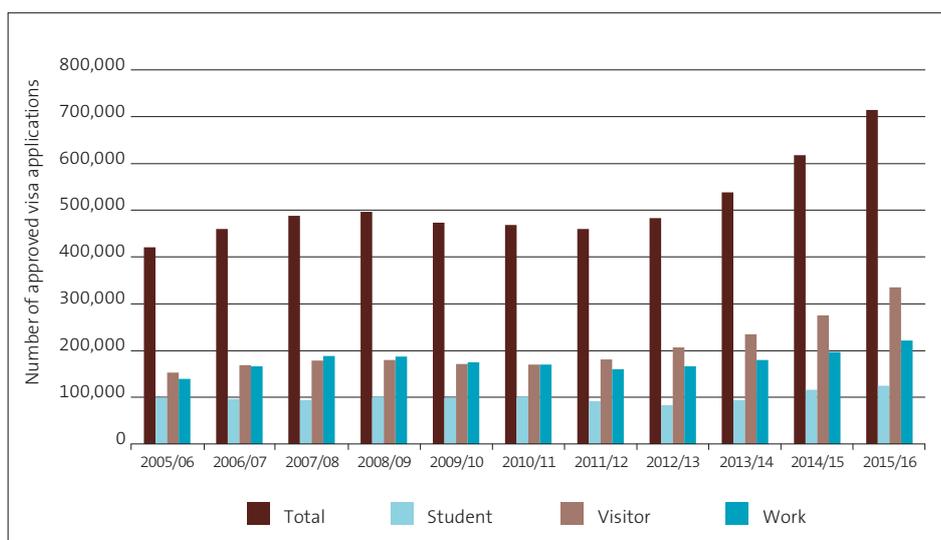
Introduction

- 1.1 In this Part, we discuss:
- why we did the audit;
 - what we looked at;
 - what we did not look at;
 - how we did our audit; and
 - the structure of this report.

Why we did the audit

- 1.2 New Zealand competes internationally for visitors, students, and skilled labour. Immigration makes a significant contribution to the New Zealand economy:
- International visitors contributed \$14.5 billion to New Zealand's export industry in the year ended March 2016. This was 20.7% of all exports.
 - International education contributed \$4 billion to the gross domestic product during 2015/16.
 - At the end of 2012, one in four workers in New Zealand were migrants.
- 1.3 Immigration New Zealand is part of the Ministry of Business, Innovation and Employment (MBIE) and is responsible for the regulatory and service delivery functions for immigration. One of Immigration New Zealand's main roles is to assess visa applications to ensure that people who come to New Zealand temporarily or permanently have met the appropriate immigration rules and requirements.
- 1.4 An effective immigration system makes it easy to identify and allow the entry of people who will make a positive contribution to New Zealand, and identify and exclude those who do not meet those requirements.
- 1.5 The number of approved visa applications has grown significantly in the last few years (Figure 1). In 2015/16, Immigration New Zealand assessed, and made decisions on, more than 700,000 visa applications involving more than 1 million people.² The number of visa applications is forecast to continue to increase.

Figure 1
Number of approved visa applications, from 2005/06 to 2015/16



Note: Residence visa applications are not shown because the numbers are small compared with other visa application types.

Source: Immigration New Zealand.

1.6 Immigration New Zealand started offering an online visa application service from 2014, beginning with student visas. Until then, visa processing was paper-based and relied on manual processes and physical offices to receive and process visa applications. To remain financially sustainable and fit-for-purpose, Immigration New Zealand needed to change the way it delivered its services.

1.7 In 2012, Immigration New Zealand launched a business transformation programme called the Vision 2015 Programme. The Vision 2015 Programme's intentions included reorganising where and how visa services were delivered, upgrading the information and communications technology system (ICT system) used to process visas, and ensuring that staff were supported during the transition. The Vision 2015 Programme concluded in June 2016.

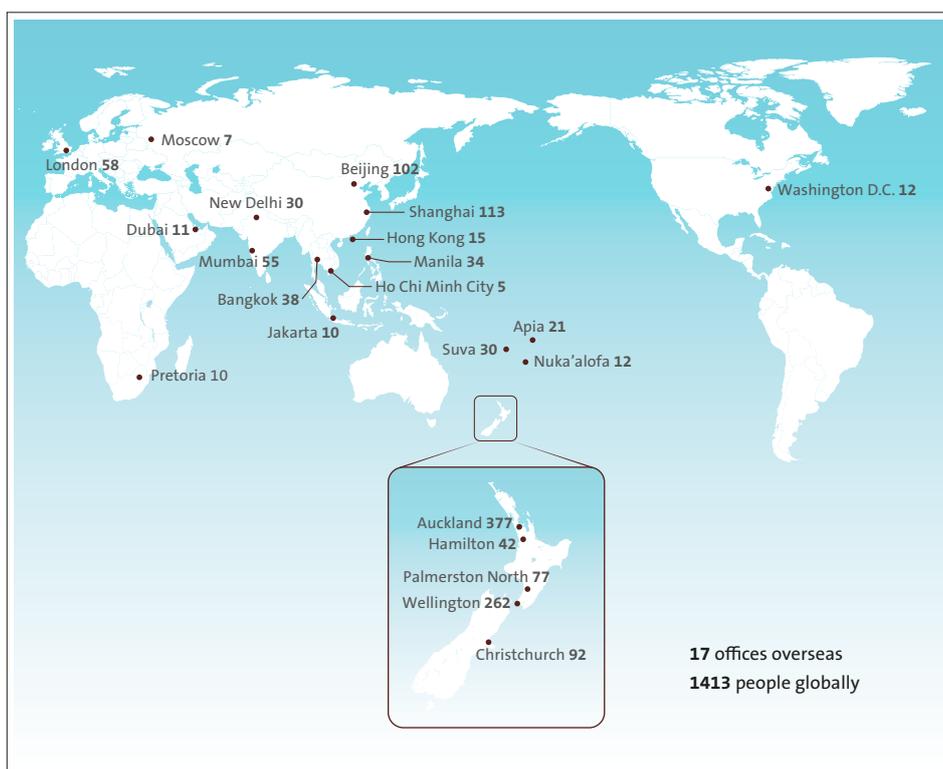
1.8 Although the Vision 2015 Programme never intended to deliver its full benefits within the time frame of our audit, we wanted to find out how well Immigration New Zealand managed this transformation programme to ensure that it is well placed to realise all of the intended benefits.

1.9 This report sets out what Immigration New Zealand did to ensure that the planned changes would uphold the integrity of the visa processing system. Because of the time it took to set up the Vision 2015 Programme, we also describe what happened in the years leading up to it.

Immigration New Zealand's visa processing service

- 1.10 Visa Services is the group in Immigration New Zealand responsible for providing immigration advice, services, and visa application processing for people wishing to come to, or remain in, New Zealand. Visa Services has more than 1000 staff working in 17 overseas offices (Figure 2). In 2016/17, Visa Services had an operating budget of \$116.5 million.

Figure 2
Locations of Visa Services internationally



Source: Adapted from Immigration New Zealand, February 2017.

- 1.11 Until June 2012, the Ministry of Foreign Affairs and Trade's embassies and high commissions provided visa services on behalf of Immigration New Zealand. After June 2012, this progressively changed so that third-party providers (visa application centres) received and lodged visa applications submitted outside New Zealand. Using visa application centres allowed Immigration New Zealand to adopt similar practices to, and share resources with, its Five Country Conference partners.³ Staff in visa application centres do not make visa decisions.

³ The Five Country Conference is a forum where Australia, Canada, New Zealand, the United Kingdom, and the United States co-operate to improve border security and services to customers from each country.

- 1.12 There are four main visa types:
- **Visitor visas** allow a person to stay in New Zealand for a period of time to visit or for short-term study.
 - **Student visas** allow a person to study full-time in New Zealand.
 - **Work visas** allow a person to work part-time or full-time in New Zealand.
 - **Residence visas** allow a person to study, work, and live permanently in New Zealand.
- 1.13 Immigration New Zealand processes visa applications in onshore and offshore offices. When Immigration New Zealand gets a visa application, the application is triaged by risk. A set of business rules decides the application's risk level. The application is then assigned to the appropriate queue. An Immigration Officer assesses the application against the immigration rules for the visa the person has applied for. The Immigration Officer also reviews all the supporting evidence provided. Where necessary, Immigration New Zealand asks for additional information from the applicant or third parties. The Immigration Officer then decides whether to grant the applicant the visa.

What we looked at

- 1.14 We carried out a performance audit to assess how well Immigration New Zealand managed the Vision 2015 Programme and how it ensured the integrity of the visa processing service so that it could meet present and future needs. Because of the time Immigration New Zealand took to set up the Vision 2015 Programme, we also looked at the change process that began in the mid-2000s.
- 1.15 Specifically, we looked at:
- whether the business need and intended benefits were clearly identified;
 - how effectively the change process was managed and implemented; and
 - whether the expected benefits had been met or were on track to be met.

What we did not look at

- 1.16 We did not look at Immigration New Zealand's other roles, such as settlement services, refugee and protection services, and providing immigration advice. We did not look at the decision-making process for approving, declining, or extending visas.
- 1.17 We did not look at the use of contracted third-party providers or at the use and management of licensed immigration advisers. While of public interest, the use and management of licensed immigration advisers is not one of the regulatory functions of Immigration New Zealand.

How we did our audit

- 1.18 To carry out our audit, we reviewed:
- the Cabinet-approved business cases to establish the intended benefits, planned time frames, and estimated costs;
 - documents from the Vision 2015 Programme such as implementation plans, minutes of meetings, programme management plans, assurance plans, change readiness surveys, and programme closure reports;
 - the findings of other reports on the Vision 2015 Programme, such as Gateway reviews, independent quality assurance reports, and Immigration New Zealand's report about the lessons it learned; and
 - financial information about the Vision 2015 Programme and data supplied by Immigration New Zealand on the number of visa applications and visa processing times.
- 1.19 We also interviewed Immigration New Zealand staff who were involved in managing and putting in place the Vision 2015 Programme and external reviewers whose reports we reviewed.
- 1.20 We met with staff in several local offices and managers of several offshore offices to understand how the Vision 2015 Programme affected frontline staff.

The structure of this report

- 1.21 In Part 2, we outline why Immigration New Zealand needed to change the way it delivered services. We also outline the context of the Vision 2015 Programme's development, its expected outcomes, and its intended benefits.
- 1.22 In Part 3, we outline what the Vision 2015 Programme has achieved and the benefits so far. We also discuss aspects Immigration New Zealand needs to focus on to ensure that the Vision 2015 Programme's full benefits can be realised.
- 1.23 In Part 4, we focus on Immigration New Zealand's good management practices and what it did to turn around a project that was at risk of failing.

2

What the Vision 2015 Programme covered and the lead up to it

- 2.1 In this Part, we discuss:
- what the Vision 2015 Programme covered;
 - the need for change;
 - the lead up to delivery of the Vision 2015 Programme; and
 - the Vision 2015 Programme's objectives and intended benefits.

What the Vision 2015 Programme covered

- 2.2 The Vision 2015 Programme's business case set out four streams of work:
- A business transformation component that included 29 main projects needed to establish a new way of delivering visa processing services, an approach to managing change, and a benefits management framework. Appendix 1 lists these projects.
 - Delivery of a new ICT system that would enable Immigration New Zealand to automate parts of the visa processing service and provide online services to its customers.
 - Preparing for, and supporting, the transition to a new ICT system. This included creating new business processes and facilitating training.
 - Other projects in Immigration New Zealand strongly linked to the successful delivery of a new ICT system. Appendix 2 lists these projects.

- 2.3 Below, we discuss the need for Immigration New Zealand to change.

The need for change

- 2.4 In the mid-2000s, Immigration New Zealand's core system for visa processing, the Application Management System, was not fit-for-purpose for dealing with digital information. It was outdated, inflexible, expensive to maintain, and did not support online services, although later investigation showed that it remained fit-for-purpose for processing and border functionality. Immigration New Zealand's reliance on paper documents (such as application forms, medical certificates, and visa labels physically attached to passports) and lack of automation meant that the increasing number of visa applications was likely to create large backlogs. The manual process and lack of standard organisational processes between Immigration New Zealand offices led to a service that had substantial variation in the overall quality of visa decisions.⁴
- 2.5 There were also other factors that contributed to the need for change:
- The Ministry of Foreign Affairs and Trade stopped providing visa services.
 - Because the visa processing service was paper-based, there was a need for physical offices. This led to high fixed costs (for example, the cost of rent in

⁴ Office of the Auditor-General (2009), *Inquiry into immigration matters (Volume 1): Visa and permit decision-making and other issues*.

some cities) and an inflexible service that could not adapt quickly to changes in visa application numbers.

- Immigration New Zealand needed to meet its international commitments to security and sharing information.
- Paper documents for identity verification were becoming unreliable because they were susceptible to misuse and fraud.
- Government agencies that needed to verify a migrant's right to receive public services could not get information without help from Immigration New Zealand's staff.
- The Immigration New Zealand website was not providing prospective migrants with information in a user-friendly way.
- It was difficult for visa applicants to find out the status of their visa application or when they could expect a decision.

2.6 These factors kept Immigration New Zealand's immigration system from being modern, flexible, and effective. They also prevented Immigration New Zealand from having a risk-based, customer-focused, consistent, and cost-effective visa processing service. The immigration system needed to change so it could compete internationally for the people New Zealand needed.

2.7 Although there was a clear need for change, it took many years for Immigration New Zealand to establish a major change programme to transform its services.

The lead up to delivery of the Vision 2015 Programme

2.8 The change programme was slow to emerge. There was good progress once Immigration New Zealand set up the appropriate structures and brought in the right people.

2.9 Immigration New Zealand went through two phases between 2006 and 2012 before an effective approach to change emerged. This was a complex and lengthy process that ran over many years.

Pre-2008: The Immigration Business Transformation project

2.10 In 2006, an initial business case for the Immigration Business Transformation project was created. The business case aimed to roll out a new ICT system that would deliver immigration services. Immigration New Zealand considered that the core visa processing system was no longer fit for purpose. The Immigration Business Transformation project was part of a wider Immigration Change Programme that was happening at the time.

2008 to 2012: The Immigration Global Management System project

- 2.11 In March 2008, Cabinet approved the scope of a new business case, which included replacing the core visa processing system.
- 2.12 Legislative changes in 2009 supported how Immigration New Zealand wanted to operate in the future.⁵ The changes included providing an automated electronic system for visa decision-making, the collection and use of biometric (face and fingerprint) information for identity verification, and more flexibility for government agencies to share information.
- 2.13 In 2010, the Immigration Business Transformation project concluded without delivering the new ICT system. Based on the lessons from the Immigration Business Transformation project, Cabinet directed Immigration New Zealand to create a revised business case for a new ICT system that would enable and support Immigration New Zealand's business change. The new system was known as the Immigration Global Management System. Cabinet also approved a \$30 million contingency fund to keep the core visa processing system running.
- 2.14 In October 2011, Cabinet approved the business case for the Immigration Global Management System with a capital cost of \$90.4 million.
- 2.15 There were other business change activities occurring in Immigration New Zealand during this time. For example, there was a project to create an identity management system for New Zealand and a project to change the way Immigration New Zealand operated. Teams were working in isolation on different projects and progress was slow.

2012 to 2016: The Vision 2015 Programme

- 2.16 In 2012, Immigration New Zealand realised it needed an IT-led business change programme to co-ordinate all business change activities that were related to visa processing services. Until this point, the Immigration Global Management system was one project in a portfolio of projects.
- 2.17 There was another project called the Global Service Delivery Model that looked to change where and how Immigration New Zealand delivered visa services globally. It involved identifying offices for closure and centralising services in fewer locations. The Global Service Delivery Model and the Immigration Global Management System projects were strongly linked. The Immigration Global Management System enables a new way of delivering visa services and it was important that service redesign projects were not done in isolation.
- 2.18 At the time, Immigration New Zealand did not know how it would achieve this new way of working. There was a strategy but it did not include a road map with

the steps the business needed to take to achieve its outcomes. With the help of external consultants, Immigration New Zealand established a new visa processing operating model. The new operating model aimed to enable Immigration New Zealand to achieve the Vision 2015 Programme's outcomes and intended benefits. A detailed design identified 29 projects involving 35 discrete pieces of work that needed to be completed to achieve the new operating model (see Appendix 1).

- 2.19 Immigration New Zealand recognised that the Immigration Global Management System project itself would not achieve the efficiencies and outcomes it wanted. It needed to be supported by staff who were committed to the project, efficient visa processing, and a consistent way of working throughout all Immigration New Zealand offices.
- 2.20 The Global Service Delivery Model, the Immigration Global Management System, and a few other business change activities together formed the Vision 2015 Programme. The Vision 2015 Programme was formally set up in October 2013, and Cabinet approved a revised business case for the Vision 2015 Programme with a budget of \$108.4 million.
- 2.21 Immigration New Zealand managed the change and delivered the Vision 2015 Programme in a challenging environment where:
- there was an increasing number of visa applications that needed to be processed. Staff needed to maintain visa processing timeliness and, at the same time, learn a new way of working;
 - the Department of Labour was disestablished, and Immigration New Zealand became part of MBIE. As a result, Immigration New Zealand had to change some of the new ICT system's components so it would align with MBIE's systems;
 - some offices were under review, as part of the Global Service Delivery Model project, and at risk of closure. We spoke to some staff who felt the uncertainty made it more stressful for them and they needed to learn the Vision 2015 programme's changes on top of that;
 - change had to be managed and delivered to offices in 16 countries, each with their own culture and practices; and
 - there were other projects happening at the same time that affected the Vision 2015 programme. For example, Immigration New Zealand's website was being improved to provide tailored information to its customers. Immigration New Zealand needed to make sure that the website would be clearly linked to its online visa processing services.

- 2.22 The shift from a portfolio of projects to a programme approach was critical to ensuring each project's successful delivery. The portfolio approach did not have the disciplines needed for the scale of business change envisaged. The projects were done in isolation and there were weak governance arrangements. In Appendix 3, we provide a detailed timeline of events leading to the formation, and conclusion, of the Vision 2015 Programme.

Decision to keep parts of the core visa processing system

- 2.23 The core visa processing system connects with a system used by New Zealand Customs Service. This connection provides New Zealand Customs Service with identity, passport, and visa data on people coming into, and leaving, New Zealand. Because Immigration New Zealand expected to fully replace the core visa processing system with the Immigration Global Management System, this connection needed to be revised.
- 2.24 However, in September 2013, an assessment of the Immigration Global Management System project found that fully replacing the system was more expensive and would take longer than anticipated. The assessment also found that the processing element of the existing system was fit-for-purpose for the new approach. There were several reasons for this:
- Immigration New Zealand had underestimated the complexity of fully replacing the core visa processing system. It is made up of several sub-systems that cannot be fully removed until the Immigration Global Management System can replace the functionality.
 - Immigration New Zealand needed to make sure medical assessments and electronic visas could be done online. The Immigration Global Management System business case did not include the costs for this. Without this capability, visa applications could not be completed fully online because applicants would still need to send paper medical certificates and passports in the mail.
 - New government security standards, such as the requirement for systems to scan electronic files for malware, added to costs.
 - Immigration New Zealand adopted lessons from the *Report of the Ministerial Inquiry into the Novopay Project* (Ministry of Education). Immigration New Zealand needed to slow down its roll-out of the Immigration Global Management System to ensure that all user testing was robust and software defects were identified and fixed before they were released.
- 2.25 Once Immigration New Zealand understood the complexity and cost of fully replacing the core visa processing system, keeping parts of it was considered to be the only viable option to save costs and still deliver a new visa processing

operating model. It was decided that the connection between the systems used by Immigration New Zealand and New Zealand Customs Service no longer needed to be revised. The Vision 2015 Programme Board decided to keep parts of the core visa processing system that were still fit for purpose.⁶ Ministers approved this decision.

- 2.26 A new work programme within the Vision 2015 Programme was set up to manage the transition from the core visa processing system to the Immigration Global Management System, and to maintain the parts of the core visa processing system that were being kept. This was managed by MBIE's Chief Information Officer.

The Vision 2015 Programme's objectives and intended benefits

- 2.27 As described in its business case, the Vision 2015 Programme aimed to deliver an effective and efficient visa processing service where:
- visa applicants are treated consistently, regardless of which offices processed the applications;
 - risk is visible, understood, and managed;
 - low-risk visa applicants are encouraged to apply online whenever possible, high-value customers are prioritised, and high-risk applications are dealt with by experienced Immigration Officers;
 - the visa processing service can adapt and shift work or resources in response to peaks and troughs in the number and types of visa applications from different countries;
 - Immigration New Zealand uses the internet to communicate accurate information to people everywhere;
 - the visa process is transparent and understandable. Applicants know when to expect a decision; and
 - information and services are targeted and customised to the applicant. This will be supported by reducing visa categories and simplifying application forms.

⁶ The parts of the core visa processing system that were kept included border management processing, visa application assessment, and decision-making functionalities.

- 2.28 The Vision 2015 Programme's intended benefits of an effective and efficient visa processing service were:
- where practical, centralised visa processing. This will be supported by the availability of online information services, identity management, and organisational changes;
 - a reduced number of inquiries handled through traditional channels (such as face-to-face counter services) by rolling out the customer-facing online system Immigration Online and incorporating assisted and self-service models;
 - improved customer experience through:
 - streamlining processes, such as fewer visa categories;
 - reduced visa processing times;
 - increased transparency of the visa application process;
 - minimised referrals; and
 - improved choice and flexibility, including access to “premium” services such as faster processing of low-risk applications;
 - more time for Immigration Officers to commit to challenging cases that require more investigation and judgement. This is achieved by automating high-volume, low-risk, and repetitive work wherever practicable;
 - smarter identification and more timely and effective intervention during the visa process and at the border, by sharing identity information, biometric information, and intelligence appropriately in Immigration New Zealand and throughout agencies;
 - shared information and intelligence to reduce immigration fraud and related malpractices by applicants, licensed immigration advisers, and other parties; and
 - reduced future costs in health, education, justice, and welfare spending in New Zealand through more accurate and discerning assessments before and at the point of entry.

Planned savings

- 2.29 The Vision 2015 Programme expected to deliver savings to Immigration New Zealand through the new operating model and process efficiencies (Figure 3).

Figure 3
Changes in estimates of financial benefits

When financial benefits were revised	Estimated savings
2011: The Immigration Global Management System business case	\$22.3 million each year from 2016/17
2013: The Vision 2015 Programme business case	\$22.3 million each year from 2016/17
September/October 2014: Review of the Vision 2015 Programme	\$12.3 million each year from 2018/19
June 2015: The Vision 2015 Programme extension business case (this additional work and related benefits have been excluded from the programme)	\$17.4 million each year from 2018/19

Source: Immigration New Zealand.

- 2.30 Immigration New Zealand has refined its estimation of savings over time as it formed a more realistic view of the efficiencies that could be achieved.
- 2.31 Immigration New Zealand derived these estimated savings from:
- having fewer offices and staff;
 - transferring the visa services previously provided by the Ministry of Foreign Affairs and Trade back to Immigration New Zealand; and
 - process improvements, such as less reliance on paper and automating the decision-making process for low-risk visa applications.
- 2.32 Estimated savings were revised in September/October 2014 to include the decision to keep parts of the core visa processing system. This reduced the estimated annual savings from \$22.3 million to \$12.3 million. It also created a two-year delay to realise the full financial benefits.
- 2.33 Immigration New Zealand identified an opportunity to extend the functionality of the Immigration Global Management System by investing a further \$28.4 million. This would achieve an additional \$5.1 million each year in benefits. Cabinet approved this funding in June 2015. The estimated savings increased to \$17.4 million each year. In December 2015, Immigration New Zealand decided to exclude the delivery of this additional work and its related benefits from the Vision 2015 Programme.

Service benefits

- 2.34 The service benefits outlined in the Vision 2015 Programme's business case were not specific and were not quantified.

- 2.35 Some of the service benefits include:
- improved border security through an effective identity management system and through sharing information with other countries;
 - improved customer service for visa applicants and their employers through online services;
 - a transparent and complete view of the visa processing system;
 - an electronic environment that would allow Immigration New Zealand to better manage the peaks and troughs in the number of visa applications;
 - improved management of visa application queues by electronically assigning work to offices with capacity; and
 - improved reputation with migrants and other government agencies.
- 2.36 The service benefits were refined during the Vision 2015 Programme to include an improved customer experience.

Other benefits

- 2.37 There has been no attempt yet by Immigration New Zealand to attribute wider economic benefits, such as export education, tourism, and skilled migrants' contributions to the labour market, to the Vision 2015 Programme.

Recommendation 1

To fully realise the intended benefits from the Vision 2015 Programme, we recommend that Immigration New Zealand establish a clear set of detailed benefits and outcomes resulting from the Vision 2015 Programme, including any wider economic benefits (such as benefits to the tourism industry and labour market).

What has been delivered and what to focus on to realise benefits

3.1 In this Part, we outline:

- what the Vision 2015 Programme has delivered;
- what the Vision 2015 Programme has yet to deliver;
- the cost of the Vision 2015 Programme;
- the time taken to deliver the Vision 2015 Programme; and
- what Immigration New Zealand needs to focus on to realise all the intended benefits.

3.2 Although the Vision 2015 Programme has made progress in delivering efficiencies to the visa processing service and created a foundation to realise benefits, more needs to be done to ensure that these benefits are fully realised.

What the Vision 2015 Programme has delivered

3.3 Broadly, the Vision 2015 Programme has delivered:

- Immigration Online, which allows people to apply for visitor, student, and work visas online;
- electronic visas (eVisas), which remove the need for physical visa labels on passports;
- the ability for people to check the status of their visa online and to communicate with Immigration New Zealand through their online account;
- a new biometric identity management system;
- a risk-based triage and a verification model that triages visa applications according to risk levels; and
- an online system that allows medical assessments to be recorded, viewed, and stored securely.

3.4 The Vision 2015 Programme has, for the first time, introduced standard operating procedures for processing visitor, student, and work visa applications. This brought consistency, which has helped Immigration New Zealand achieve some process efficiencies, improve the quality of its decision-making, and improve customer experience.

3.5 In Appendix 4 we outline, in chronological order, the changes and improvements that were rolled out during the Vision 2015 Programme.

Benefits realised so far

- 3.6 The programme has produced some positive effects on Immigration New Zealand’s visa processing efficiency. Our analysis showed that, although the average processing time⁷ has increased in some cases, the variation in how long processing takes has reduced for some visa applications. For example, the variation in the time taken to process visitor visa applications in offshore offices has dropped over time.
- 3.7 In Figure 4, our analysis showed the average time to approve a visitor visa in offshore offices has decreased over time despite a significant increase in the number of applications received.

Figure 4
Average time taken to approve a visitor visa application in offshore offices

Duration	Number of approved visitor visa applications	Average number of days taken to approve a visitor visa application
July 2013 to June 2014	167,279	7.6
July 2014 to June 2015	195,267	6.5
July 2015 to June 2016	258,714	5.9

Note: Between July 2013 and June 2016, Immigration New Zealand received about 1.9 million visa applications. Visitor visa applications made up 45% of all visa applications. Nearly 79% of visitor visa applications were processed in offshore offices.

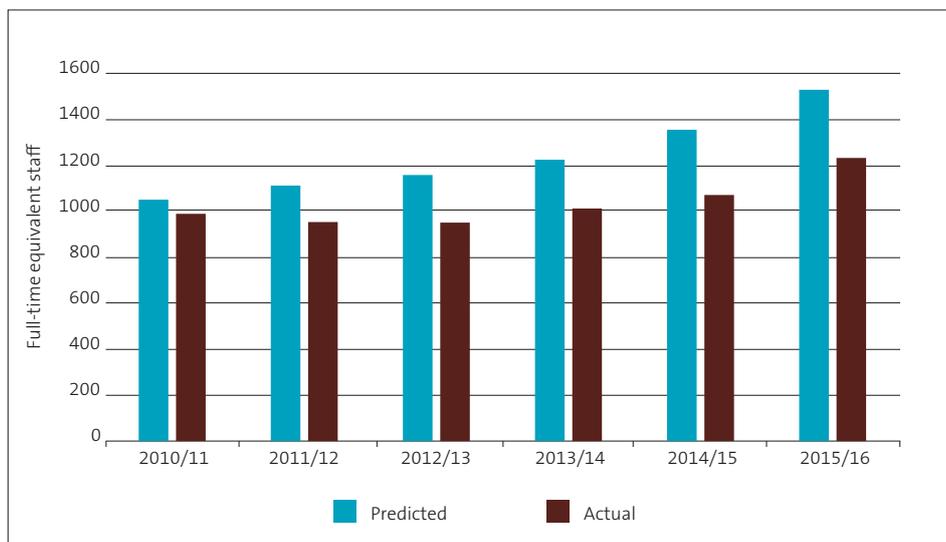
Source: Our analysis of data from Immigration New Zealand.

- 3.8 Immigration New Zealand had to hire more visa processing staff to meet the continued increase in visa applications. However, improvements brought by the Vision 2015 Programme resulted in a smaller increase in staffing levels than Immigration New Zealand estimated. Our own analysis and Immigration New Zealand’s forecasting suggested that Immigration New Zealand had needed roughly 250 to 300 fewer full-time equivalent staff⁸ than before the improvements were made (Figure 5).

7 The median processing time is the mid-point value of the time it takes to process a type of visa. We have used the median value because this calculates the time taken “normally” to process a visa. The median processing time is not skewed by large or small values.

8 These exclude Immigration New Zealand’s policy staff.

Figure 5
 Predicted number of staff required to process visa applications without the Vision 2015 Programme changes, compared with actual number of staff following the changes



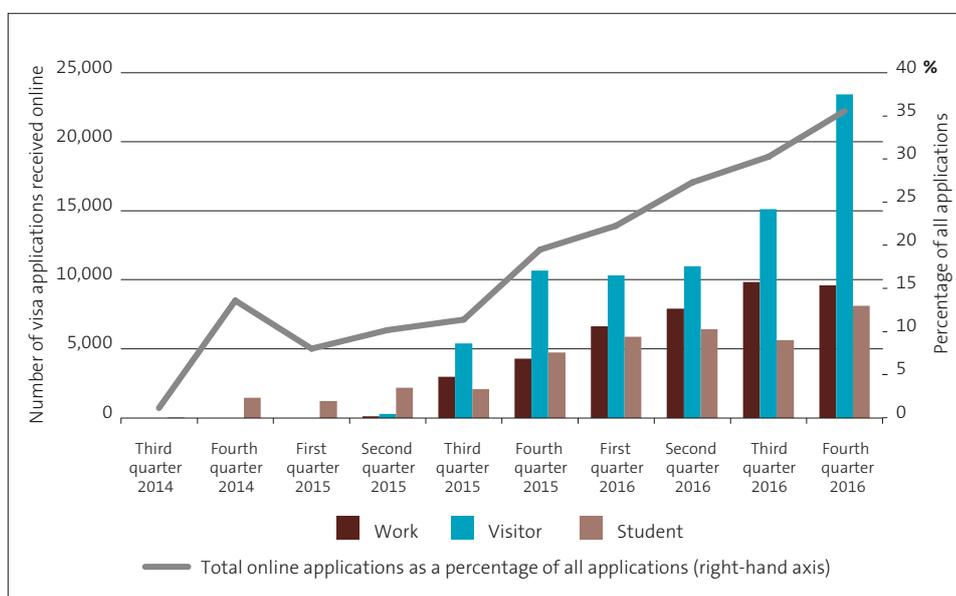
Note: The calculations are based on the number of customers, rather than visa applications, per full-time equivalent staff. Many visa applications have more than one person associated with each one and there are some visa applicants who have more than one visa application.

Source: Our analysis of data from Immigration New Zealand.

- 3.9 In many countries, customers (such as visa applicants and licensed immigration advisers) are now able to electronically submit visa applications and medical doctors can put medical certificates online. People can now check the status of their visa online, and education institutions can check the validity of student visas online.
- 3.10 Before the Vision 2015 Programme, all medical certificates were received in the mail. eMedical, the electronic system that lets visa applicants and medical doctors put medical certificates online, has significantly reduced the reliance on paper medical certificates. Up to 30 September 2016, only 1.3% of medical certificates had been received in the mail. One of the benefits of eMedical is that processing medical certificates is mostly automated using Immigration New Zealand’s business rules. This should reduce visa processing times. A specialist Health Assessment Team was set up to process all medical certificates not processed automatically. Having specialist in-house capability should improve the quality of decisions about medical assessments. Up to 30 September 2016, 71% of medical certificates had been automatically processed by eMedical.

3.11 The number of online visa applications has been increasing (Figure 6).

Figure 6
Visa applications received online, by year and by quarter



Notes:
 The third quarter of 2014 includes only the months of August and September. Online applications were not yet available in July 2014.
 There is no online application process for Resident visas.
 Source: Immigration New Zealand.

3.12 Immigration New Zealand believed that the integrity of the visa processing system might have been compromised without the changes delivered through the Vision 2015 Programme.

Estimated savings

3.13 As at 30 June 2016, Immigration New Zealand’s data showed that the Vision 2015 Programme had delivered \$10.2 million in savings over 2014/15 and 2015/16 (Figure 7). Although the savings were less than expected because of the increased number of visa applications, Immigration New Zealand is on track to meet its estimated annual savings as at September/October 2014 (see Figure 3) of \$12.3 million in 2018/19. If Immigration New Zealand had not invested in the Vision 2015 Programme, it is likely that it would have faced greater costs to process the increasing number of visa applications.

- 3.14 The estimated savings exclude the benefits associated with the extra \$28.4 million approved under the Vision 2015 Programme extension business case (see paragraph 2.33). This work will be completed outside the Vision 2015 Programme, and so its related benefits are not tracked as part of the Vision 2015 Programme.

Figure 7

Breakdown of estimated savings from the Vision 2015 Programme

	2014/15			2015/16		
	Estimated in the Vision 2015 Programme business case	Estimated in the Vision 2015 Programme benefit plan	Estimated by Immigration New Zealand as actually saved	Estimated in the Vision 2015 Programme business case	Estimated in the Vision 2015 Programme benefit plan	Estimated by Immigration New Zealand as actually saved
Discontinuation of Ministry of Foreign Affairs and Trade's visa services	\$3.6 million	\$3.3 million	\$3.3 million	\$4.2 million	\$3.3 million	\$3.3 million
Process efficiencies*	\$2.4 million	\$0.17 million	-	\$6 million	\$0.71 million	\$0.96 million
Visa Services operational efficiencies**	-	-	\$2.2 million	-	-	\$0.44 million
Total annual savings	\$6 million	\$3.47 million	\$5.5 million	\$10.2 million	\$4.01 million	\$4.7 million

Note: We have not audited the savings because they are estimated figures. The Vision 2015 Programme benefit plan sets out the Vision 2015 Programme's planned benefits.

* These are time and effort savings as a result of improvements in processing visas, such as the automation of some processes. It includes hiring fewer staff.

** These are related to the costs of managing visa processing operations, such as changes in Immigration New Zealand offices' management structures and direct savings from having to handle less paper (for example, less postage and courier fees).

Source: Immigration New Zealand.

What the Vision 2015 Programme has yet to deliver

- 3.15 The Vision 2015 Programme concluded in June 2016. Immigration New Zealand delivered all capabilities outlined in the Immigration Global Management System and Vision 2015 Programme business cases except one – the core visa processing system was not fully replaced. Immigration New Zealand made a decision to keep parts of the core visa processing system and plans are in place to maintain it for the foreseeable future. We discussed this decision in paragraphs 2.23 to 2.25.

Benefits yet to be realised

- 3.16 At the time of our audit, Immigration New Zealand had not started monitoring and reporting the Vision 2015 Programme's service benefits. Only the financial benefits were measured and reported. Although financial benefits are important, they are only part of what the Vision 2015 Programme has delivered.
- 3.17 Immigration New Zealand has identified and described the Vision 2015 Programme's intended benefits at a high level. These are tracked back to the Vision 2015 Programme's business case. Immigration New Zealand also identified key performance indicators for each of the 29 projects in the Vision 2015 Programme. However, we have not seen how these key performance indicators are brought together to show whether the Vision 2015 Programme's intended benefits will be met (we outlined the intended benefits in paragraph 2.27).
- 3.18 As a result, we could not tell to what extent the Vision 2015 Programme's overall service benefits and wider outcomes have been achieved.

Cost of the Vision 2015 Programme

- 3.19 The Vision 2015 Programme was delivered within budget. As the Vision 2015 Programme progressed, costs were tracked and reported. The final cost of the Vision 2015 Programme was \$119.3 million.
- 3.20 The cost included the Cabinet-approved investment of \$108.4 million and additional approved adjustments of \$10.9 million.
- 3.21 The Vision 2015 Programme invested in quality assurance such as Gateway reviews and independent quality assurance. The overall cost of quality assurance was about 2.25%⁹ of the cost of the Vision 2015 Programme. In our view, this compares favourably with the cost of quality assurance for other major projects.

Time taken to deliver the Vision 2015 Programme

- 3.22 The Vision 2015 Programme's time frame was extended by six months.
- 3.23 Immigration New Zealand took a pragmatic and focused approach to ensure that it met most of the Vision 2015 Programme's time frames. However, some events outside its control caused delays. For example, Immigration New Zealand had to move from the Department of Labour to the newly formed MBIE. This led to some rework of the new ICT system to ensure compatibility with MBIE's infrastructure.
- 3.24 Further work to ensure that the business was ready to change caused delays. For example, the roll-out of the identity management system was postponed so that more detailed business operational readiness testing could be done.

⁹ This includes costs for external assurance, the Ministry's internal audit, independent board members, and the programme's assurance manager.

- 3.25 Although it is important to meet deadlines, it should not be done at the expense of quality. By delaying the roll-out of the identity management system, Immigration New Zealand could ensure that the business was ready to receive the new system.

What Immigration New Zealand needs to focus on to realise all the intended benefits

- 3.26 Immigration New Zealand completed the Vision 2015 Programme broadly on time, within budget, and in a challenging environment (we described this in paragraph 2.21).
- 3.27 However, changes are still being made and embedded.
- 3.28 The Vision 2015 Programme never intended to fully deliver its benefits at the time of our audit. However, the Vision 2015 Programme has provided a good foundation for these benefits to be realised. It is crucial that Immigration New Zealand ensures that the changes made are sustainable so that the full benefits of the Vision 2015 Programme can be realised.
- 3.29 The Vision 2015 Programme's benefits rely on two key factors:
- most visa applications being submitted online; and
 - an effective triage approach for visa applications.
- 3.30 An effective triage system would mean low-risk applications take less time to process, allowing resources to be reallocated to more high-risk and complex applications. This would mean online visa applications are processed more efficiently at any of Immigration New Zealand's offices.
- 3.31 Immigration New Zealand needs to maintain a balanced and strategic focus when rolling out new changes and making sure these changes are put in place. Since the Vision 2015 Programme concluded, there has been a transfer of knowledge and skills to Immigration New Zealand's key staff. New governance arrangements are in place to oversee future improvements.
- 3.32 However, there are risks to the successful delivery of the remaining benefits. Below we discuss what Immigration New Zealand needs to focus on to ensure that the Vision 2015 Programme delivers the intended benefits.

Put in place a strong performance framework

- 3.33 During our audit, there was no integrated performance management and reporting framework.

- 3.34 Reporting teams did not work together and the use of information to guide decisions was fragmented. Visa Services did not have an agreed set of measures that could be analysed and applied throughout the visa processing service. This meant that it was difficult for Immigration New Zealand's leadership to make well-informed, strategic decisions.
- 3.35 To ensure that the full benefits are realised, Immigration New Zealand needs to collect the right performance information consistently across the visa processing service, monitor and report the performance measures, and use this performance information to target improvements. The performance information needs to include improving the consistency and quality of visa decisions so that visa applicants are treated consistently regardless of where their application is processed. Immigration New Zealand also needs to allocate the right capability and resources to do this.
- 3.36 Immigration New Zealand needs to strengthen how it collects, prioritises, and responds to feedback from frontline staff. Tools and processes to gather staff feedback have not been consistent or effective during the change process. Staff reported feeling their feedback appeared to "go into a black hole" and it was not clear to them whether anything changed as a result.
-

Recommendation 2

To fully realise the benefits from the Vision 2015 Programme, we recommend that Immigration New Zealand strengthen the collection and management of feedback from frontline staff on the information and communications technology system and process changes introduced by the Vision 2015 Programme, to ensure that further improvements are made to the visa application process.

- 3.37 Immigration New Zealand needs to better understand the detailed benefits and effects of the changes rolled out in different parts of the world. Immigration New Zealand works in a global environment and it needs to understand the local context of each of its offshore offices when applying changes in different parts of the world. For example, the benefits of online services may not be realised in the Pacific region because of limited access to the Internet.
- 3.38 Immigration New Zealand needs to strengthen its understanding of the benefits to external stakeholders and to the wider economy.
- 3.39 Immigration New Zealand has created a performance management and reporting framework as one of the 29 projects that are part of the Vision 2015 Programme. However, the performance management and reporting framework has yet to be fully introduced to all Immigration New Zealand's offices.

Recommendation 3

To fully realise the benefits from the Vision 2015 Programme, we recommend that Immigration New Zealand prioritise and resource a performance management and reporting framework that measures and reports on the Vision 2015 Programme's financial and service benefits.

Consolidate improvements made so far

- 3.40 It is important that Immigration New Zealand takes time to consolidate the improvements made so far so it can realise all the intended benefits. We found Immigration New Zealand to be used to change. However, there is a risk that staff could suffer from change fatigue.
- 3.41 Change is still happening, and there will be more improvements and upgrades to the new systems. There are also wider changes in MBIE that will affect Immigration New Zealand.
- 3.42 Staff need time to familiarise themselves with the new systems and new business processes to ensure that changes are effective. Many frontline staff we spoke to were busy and dealing with the added pressure of an increasing number of visa applications. Immigration New Zealand needs to support staff appropriately and allow time for changes to set in.
- 3.43 Process improvements, supported by technology improvements, would bring consistency and efficiencies. However, staff need to be using the new systems and following the new business processes to realise these benefits.
- 3.44 Immigration New Zealand informs us that a team has been set up to review all the changes introduced through the Vision 2015 Programme and the plans to put in place the changes. This team is expected to ensure that Immigration New Zealand has a clear road map for the range of property, management, and process efficiency benefits that Immigration New Zealand can expect to achieve over the next three years. This work is under way and is scheduled to be completed by the end of March 2017.

Accountability for realising benefits

- 3.45 Immigration New Zealand and the wider MBIE must be fully accountable and responsible for delivering benefits.
- 3.46 It is important that there is strong leadership and senior support to help accelerate critical decisions, resolve resourcing issues, set and manage realistic

expectations, and add impetus to a project. Having engaged and active sponsorship from the Chief Executive can help ensure that there is continued focus on realising benefits that are in line with MBIE's goals.

- 3.47 It is important that accountabilities are clear to those responsible for delivering and putting in place change.

Recommendation 4

To fully realise the intended benefits from the Vision 2015 Programme, we recommend that Immigration New Zealand ensure that it and the wider Ministry of Business, Innovation and Employment share the responsibility and accountability for realising the full benefits of the Vision 2015 Programme.

Delivering the Vision 2015 Programme and ensuring that benefits can be realised

4

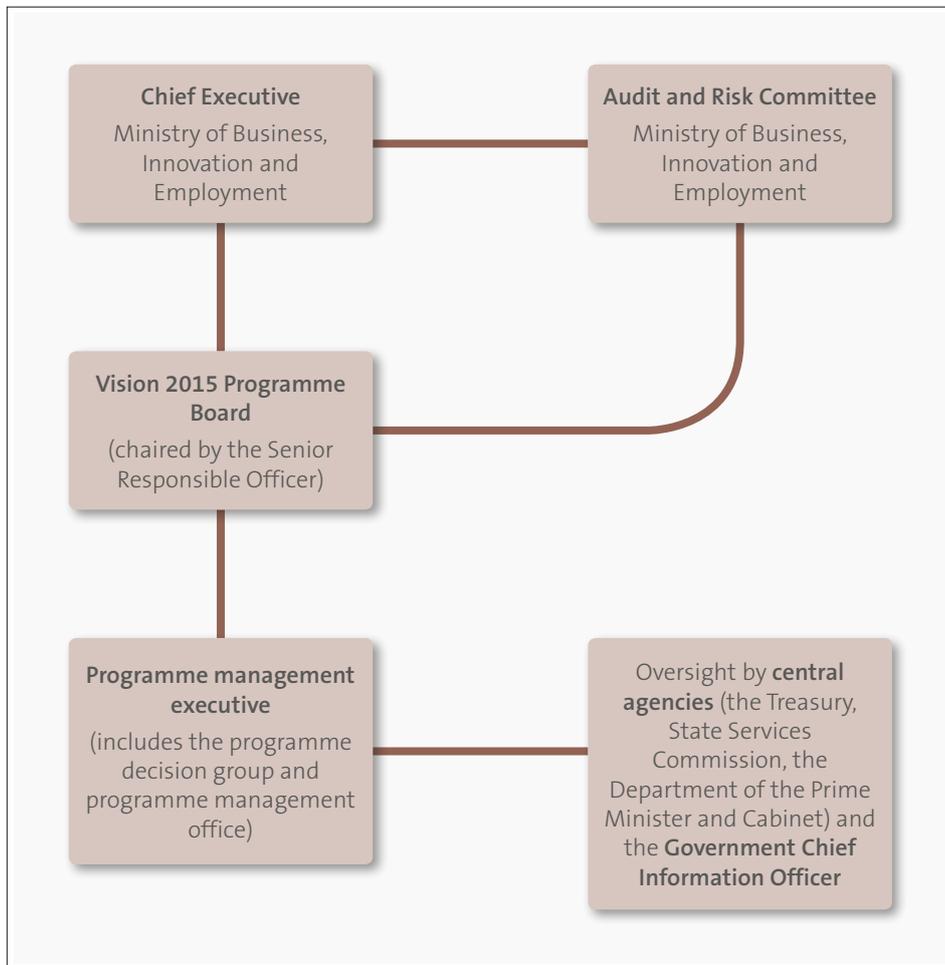
- 4.1 In this Part, we outline Immigration New Zealand's good management practises, which included:
- a willingness to learn and change;
 - strong leadership and senior support;
 - a flexible approach to programme management; and
 - working effectively with the right people.
- 4.2 Immigration New Zealand's good management practices resulted in the successful delivery of the Vision 2015 Programme and should help to ensure that all of its intended benefits can be realised. As part of our assessment, we also looked at how Immigration New Zealand applied the lessons we identified in our 2012 report, *Realising benefits from six public sector technology projects*, during the change process. We encourage other public sector entities to take note of these good management practices when planning change and putting it in place.

A willingness to learn and change

- 4.3 Immigration New Zealand's willingness to use the lessons and recommendations from various reviews to better govern and manage the Vision 2015 Programme was an important factor in the programme's successful delivery.
- 4.4 Immigration New Zealand also learned from other government agencies. In 2013, lessons were shared about the problems that came with introducing the Ministry of Education's new payroll system. Immigration New Zealand used these lessons to find out how the Vision 2015 Programme was progressing. It discovered that progress was slow and there were deficiencies in how change was being managed. This highlights a culture in Immigration New Zealand of a willingness to identify issues and make changes as a result.
- 4.5 Immigration New Zealand used external consultants with the suitable skills and expertise to review the governance structures of the Immigration Global Management System project in 2013 and of the Vision 2015 Programme in 2014. This gave Immigration New Zealand independent quality assurance of whether governance structures of the project and Vision 2015 Programme were appropriate. The external consultants' conclusions were that governance structures needed to be significantly strengthened to ensure that the successful delivery of the project and Vision 2015 Programme's intended benefits.
- 4.6 After the external consultants' reviews, Immigration New Zealand reshaped and refocused the project and Vision 2015 Programme's governance structures (Figure 8).

4.7 Immigration New Zealand recruited independent board members for the Vision 2015 Programme Board. The board members had the right capabilities and skills to drive, challenge, and provide a clear view of progress. They also had the time to dedicate to this role. The revised governance structure had a significant effect on all crucial aspects of the Vision 2015 Programme.

Figure 8
The Vision 2015 Programme’s governance structure



4.8 To ensure a clear separation of roles, managers accountable for the delivery of parts of the Vision 2015 Programme were removed from the Vision 2015 Programme Board. This made clear their requirement to report and be accountable to the board.

- 4.9 Governance was further strengthened with the Chief Executive of MBIE providing oversight of the Vision 2015 Programme. The Vision 2015 Programme's Senior Responsible Officer (SRO) was accountable to MBIE's leadership team, which sat above the Vision 2015 Programme's governance arrangements.
- 4.10 In 2013, Immigration New Zealand reviewed the progress made to the Immigration Global Management System project. It had been two years since Cabinet approved the business case. In that time, Immigration New Zealand had gained a more detailed understanding of the project's business requirements. There also had been wider changes (such as MBIE's formation) that affected the project's environment. This review allowed Immigration New Zealand to prioritise the project's deliverables and change its implementation approach.
- 4.11 Several elements of good practice outlined in our 2016 report *Reflections from our audits: Governance and accountability* were evident in Immigration New Zealand's revised approach to the Immigration Global Management System project. There were clear roles in the Vision 2015 Programme Board that separated governance and management. Immigration New Zealand also brought in board members with different skill sets.
- 4.12 Immigration New Zealand showed strong evidence of learning throughout the Vision 2015 Programme. These lessons were brought together in a report.¹⁰ Immigration New Zealand used this report to strengthen Vision 2020, its strategy to deliver change and realise benefits in the future. Immigration New Zealand has also used seminars and presentations to share its lessons with a wider audience.

Strong leadership and senior support

- 4.13 Strong leadership and support from key stakeholders is critical to achieving benefits.
- 4.14 During our fieldwork, we were told that leadership of the change management process and benefit management before 2012 was weak. This improved when the Deputy Chief Executive of Immigration New Zealand returned from secondment and prioritised the Vision 2015 Programme. He became the SRO and was directly accountable for the successful delivery of the Vision 2015 Programme. There was no ambiguity about the accountability of the SRO.
- 4.15 Staff we spoke to found communication during the change process to be clear, consistent, regular, and accessible. This was vital as the change process was rolled out in 16 countries, each with its own cultures and practices. Leadership was visible, with the SRO regularly appearing in videos to staff about the change process. This contributed to staff's commitment to the change process.

¹⁰ Ministry of Business, Innovation and Employment (2016), *Lessons Learned – Immigration New Zealand's Vision 2015 Programme*.

- 4.16 Communication about the decision to keep parts of the core visa processing system could have been stronger. Some staff we spoke to felt that the lack of clear communication about this led to some confusion about what was being changed and how.
- 4.17 The Vision 2015 Programme board provided an effective steer for the programme through clear decision-making. Decisions were based on clear and timely information provided to the Vision 2015 Programme Board on the progress of the various projects and overall programme. There was regular reporting of risks and issues to the board, allowing for corrective action and mitigation when required. Other stakeholders, such as the responsible minister, were kept informed of progress and, when required, provided effective challenge and decisions, including supporting additional funding to ensure that more benefits can be realised.
- 4.18 Immigration New Zealand deliberately took a top-down approach¹¹ in leading the Vision 2015 Programme. People with the right capability and understanding of the business were employed. The increased number of visa applications, and the need to keep visa processing services operating in a global environment, needed a deliberate and directive approach to manage the change.
- 4.19 Immigration New Zealand's approach would not suit all change management programmes. In this case, the approach Immigration New Zealand took reduced the risk of failure. An important lesson is that organisations need to choose the management style that best suits their circumstances.
- 4.20 The effective leadership created a culture of staff engagement and buy-in. It also created a positive environment where staff trusted management to effectively lead, deliver, and support staff through the change process. However, there was less positivity in the offices that were under review for potential closure, in part because of the uncertainty and the time it took to complete the review process.

A flexible approach to programme management

- 4.21 Immigration New Zealand adapted its approach to change. The long lead-in period to starting the Vision 2015 Programme increased the pressure to deliver improvements in a more timely way. Failure to adapt and deliver the Vision 2015 Programme within a reasonable time frame and cost could have significantly affected New Zealand's economy, reputation, and security. This factor heavily influenced the approach taken by Immigration New Zealand after 2011.
- 4.22 Immigration New Zealand adopted an agile¹² approach to change and delivery of benefits after 2011. This enabled the Vision 2015 Programme to adapt to

11 A top-down approach means that all business decisions and directives come from senior management and are delivered to all staff in the organisation.

12 An agile approach follows an iterative process where changes are delivered incrementally, instead of all at once.

changing needs and circumstances. Examples of an agile approach we have highlighted in this report include:

- delaying the roll-out of the identity management system to allow for further testing; and
- moving to fixed-price contractual arrangements.

- 4.23 A major step forward for the Vision 2015 Programme was adopting a minimum viable solution.¹³ This took a long time to establish and was possible only after Immigration New Zealand adopted an agile approach. This agile approach allowed Immigration New Zealand to have an affordable option for ICT enhancements that could be delivered in a flexible and timely way. After the minimum viable solution approach was adopted, it became clear that extra benefits worth more than \$5 million a year could be achieved with a further investment of \$28.4 million. The Government approved this investment and enhancements to the Vision 2015 programme are being made.
- 4.24 There was a change in how ICT was procured. Although good practice and public sector standards were followed, a view supported by external assurance, a new approach was adopted part-way through the Vision 2015 Programme. The contract with the main supplier was renegotiated to provide for a fixed-cost approach for key components of the Immigration Global Management System. Payment was based on performance and milestones achieved. This replaced a broader approach where costing was based on work required to deliver the whole project.
- 4.25 Fixed-price contracts gave Immigration New Zealand greater control of budgets and reduced the risk of overspending. This change of approach did carry some risks for supplier relationships, but these relationships were managed.
- 4.26 Another important factor in Immigration New Zealand's success in delivering the Vision 2015 Programme was its pragmatism during the four years from 2012.
- 4.27 As Immigration New Zealand needed to deliver 29 projects in a complex and global environment, it did not try to ensure that each project was perfect before introducing it. Projects were released once they were good enough. This was to ensure that time frames and milestones were met, and that interdependence with other projects was maintained.
- 4.28 Student Online (the online service for international students to apply for visas) was rolled out first, because this was a relatively small change to the visa processing service. This enabled Immigration New Zealand to test this

¹³ The minimum viable solution is a concept where the programme defines the threshold for product, process, technology, and organisational arrangements. The concept imposes a discipline on scoping and defining requirements so that changes can be practically rolled out.

enhancement live without greatly affecting the integrity of the visa processing service.

- 4.29 Introducing change in stages helped Immigration New Zealand manage change in a way that:
- maintained business-as-usual as much as possible;
 - kept the integrity of the visa application process; and
 - helped many frontline staff respond to, and absorb, new business processes and new ICT systems.
- 4.30 Immigration New Zealand adopted a manager-led change approach throughout all its offices. Managers were accountable for carrying out the changes in their offices. This made sense because Immigration New Zealand had a global structure where local cultures and practices were important. Managers were responsible for engaging staff, ensuring that staff got training and support, and communicating the relevant information. This approach was flexible enough to consider each individual office's circumstances.
- 4.31 Other examples where Immigration New Zealand showed a practical and flexible approach to carrying out change included:
- using change readiness surveys to gauge the readiness of its offices to receive and implement change;
 - piloting some key changes before they were more widely rolled out (for example, the triage and verification tool was tested in three offices before it was rolled out); and
 - taking a pragmatic but flexible approach to staff training.
- 4.32 Training was consistent but it also considered the local circumstances and practices in certain countries. The training was broadly successful except in a few instances where it could have been more flexible or better targeted. For example, some staff felt the timing of some of the training could be better. Some training was delivered before the new systems were put in place, which meant staff could not put their training into practice. Some managers had to keep staff motivated and keep staff's training knowledge current when the number of online applications was low. Because change was delivered during a significant increase of visa applications, some staff found it difficult to balance both work and training.
- 4.33 The flexible approach Immigration New Zealand adopted shows how a change programme at risk of failure can be successfully turned around.

Working effectively with the right people

- 4.34 Before merging with MBIE, Immigration New Zealand was part of the Department of Labour, a medium-sized public entity. Business transformation needs a great deal of capability and capacity to be successful, because it can put a strain on the resources of organisations of this size. Immigration New Zealand's lack of appropriate capability and capacity before 2012 likely contributed to the slow progress of the change management process.
- 4.35 Taking a programme management approach to change supported a more integrated way of improving systems and process. Individual project teams did not work in isolation and there was better understanding by staff of how these projects related to each other. This highlighted that there was a strong collaborative culture not just in project teams but throughout the Vision 2015 Programme.
- 4.36 Immigration New Zealand successfully improved its programme capability by having internal and external expertise. External consultants were brought in to help Immigration New Zealand develop a new visa processing operating model. There was strong collaboration between Immigration New Zealand staff and the external consultants brought into the organisation. The programme director provided strong leadership and focus to pragmatically move the change process forward, ensuring that time frames were met. The programme director also sequenced and integrated different streams of work.
- 4.37 Immigration New Zealand set up a Change Implementation team, which was made up of a combination of external consultants and seconded Immigration New Zealand staff. This team was set up to support Visa Services to successfully carry out change. The Change Implementation team helped ensure that there was a smooth transition to the online visa processing system and allowed change to happen with minimal interruption to business-as-usual.
- 4.38 Once the Vision 2015 Programme concluded, there was a planned and effective handover of knowledge and experience from the Vision 2015 Programme to key staff in Immigration New Zealand. Staff also received continuing support to ensure that they did not lose the knowledge and experience gained through the Vision 2015 Programme.
- 4.39 Immigration New Zealand invested in good external quality assurance. This quality assurance was timed to coincide with important milestones in the life of the project. This information was critical to monitor the progress and implementation of the Vision 2015 Programme, and allowed Immigration New Zealand to take corrective action when needed.

Appendix 1

The 29 main projects in the Vision 2015 Programme

These are the 29 main projects that formed the Vision 2015 Programme.

1. Develop, test, and roll out an approach to workflow and how visa applications would be allocated for processing.
2. Roll out electronic visas (eVisas).
3. Confirm the roles of Immigration New Zealand offices worldwide – using a hub and satellite model.
4. Review the end-to-end process of Skilled Migrant Category visa applications to identify opportunities to improve timeliness.
5. Create and implement new visa assessment tools.
6. Review the roles and accountabilities of staff in Immigration New Zealand offices.
7. Review onshore counter services and standardise the service provided.
8. Review and confirm the role and capacity requirements of the Immigration New Zealand contact centre.
9. Establish a strategy and approach to promote and monitor the uptake of online services.
10. Establish a standardised approach to dealing with customer interactions.
11. Set up a customer insights capability to measure and understand the quality of customer experience.
12. Build the Immigration Online gateway to the visa application system (including replacing the Immigration New Zealand website).
13. Design, implement, and refine a learning system that gathers risk and intelligence information to inform the risk and triage tool. This is the triage feedback mechanism.
14. Align all risk management and verification roles in Visa Services.
15. Implement a new triage and verification framework. This includes business rules for triaging visa applications, and new business processes to ensure that low-risk applications are decided quickly.
16. Assess and confirm the role of the Client Risk Methodology tool.
17. Implement the changes needed to support the roll-out of automated triaging of visa applications.

18. Create a process management framework and tool for the visa processing service.
19. Establish a set of principles for the allocation and reallocation of visa applications.
20. Create a performance management and reporting framework for the visa processing service.
21. Establish and implement quality control and quality assurance processes for the new visa processing operating model.
22. Review Visa Services' operations based on the new visa processing operating model.
23. Review Immigration New Zealand's relationships with its partners to ensure that they align with the new visa processing operating model.
24. Create online forms, standard operating procedures, and staff training for student, work, and visitor visa applications.
25. Create the business case for the biometric enrolment capability.
26. Roll out eMedical, set up a network of panel doctors, and establish the Health Assessment Team.
27. Digitise visa applications and centralise the lodgement of all onshore online applications to the Auckland-based documentation office.
28. Create and put in place the identity management system.
29. Design and put in place the online capability for receiving visa applications from groups of people.

Appendix 2

Other projects in the Vision 2015 Programme

Below is the list of projects that were included in the Vision 2015 Programme when it was set up. Before the Vision 2015 Programme was set up, these projects were managed separately by Immigration New Zealand.

Project	What the project is about
Global Service Delivery Model	The aim was to change the way Immigration New Zealand operated globally, reorganising Immigration New Zealand's network of offices, centralising some visa processing, replacing the services provided by the Ministry of Foreign Affairs and Trade, and using third-party providers to deliver frontline services.
Immigration Global Management System	Immigration Global Management System is a technology solution that enabled the Vision 2015 Programme. It consists of workflow technology, business rules, collaboration tools, and document management, payment, and other technologies.
Identity management	The aim was to develop a new identity management system that uses biographic and biometric (face and fingerprint) data matching.
Biometric enrolment	The aim was to enable Immigration New Zealand to collect and store biometric information to support the identity management system.
Secure real-time Five Country Conference data-sharing platform	This platform allows New Zealand to share information with its Five Country Conference partners.
Risk and value triage framework	The aim was to develop a new risk-based triage and verification model for visa applications. This included developing business rules, business processes, and tools for visa processing staff.
eMedical	eMedical is Immigration New Zealand's online health processing system. The aim was to replace the use of paper medical certificates where possible.
eVisa	This project implements electronic visas (a visa issued without a physical label in a passport), thereby removing the need for people to supply their passport when making a visa application.

Appendix 3

Timeline of events

This is a detailed timeline of events leading to the formation of, and conclusion of, the Vision 2015 programme.

When	What happened
2006	An initial business case for the Immigration Business Transformation project was developed.
March 2008	After several iterations, Cabinet approved the scope of a business case, which included replacing Immigration New Zealand's core information and communications technology system, the Application Management System.
2009	Through the Immigration Act 2009, legislative changes necessary to support the future operating model were put in place. Changes included the provision for automated visa decision-making, the collection and use of biometric information for identity verification, and more flexibility for government agencies to share information.
2010	The Immigration Business Transformation project concluded. Informed by the findings of the Immigration Business Transformation project, Cabinet directed Immigration New Zealand to undertake a procurement process and develop a business case for a foundation immigration system, which would enable and support Immigration New Zealand's business change. The new system was known as the Immigration Global Management System. Cabinet also approved a \$30 million contingency to keep the core visa processing system operational.
December 2010 to September 2011	Request for proposals was issued and the process for choosing a preferred supplier for the Immigration Global Management System took place.
August 2011	The Vision 2015 Portfolio was set up to provide oversight of, and co-ordinate several business change projects within, Immigration New Zealand. The Vision 2015 Portfolio included the Immigration Global Management System and the Global Service Delivery Model project.
October 2011	Cabinet approved the business case for the Immigration Global Management System with capital expenditure of \$90.4 million.
2012	The Vision 2015 Programme strategy was launched. In July, Immigration New Zealand transitioned from being part of the Department of Labour to being part of the Ministry of Business, Innovation and Employment.
June 2013	The Ministerial inquiry report into Novopay (Ministry of Education) was published. The Global Service Delivery Model project concluded and was eventually incorporated into the Vision 2015 Programme.
October 2013	The Vision 2015 Programme was established. This was a significant turning point in Immigration New Zealand's change journey.
November 2013	A revised Vision 2015 Programme business case with capital expenditure of \$108.4 million was approved. During this time, Immigration New Zealand also reviewed the feasibility of fully replacing the Application Management System.
July/August 2014	The decision to keep elements of the core visa processing system was made by the Vision 2015 Programme Board. This led to a reduction in financial savings and a two-year delay in fully realising financial benefits.
June 2015	Immigration New Zealand made a \$28.4 million funding request to achieve an additional benefit of \$5.1 million per year. This work is not covered by the Vision 2015 Programme.
June 2016	The Vision 2015 Programme was formally concluded.

Appendix 4

Changes and improvements rolled out during the Vision 2015 Programme

This is an outline of changes and improvements that were rolled out during the Vision 2015 Programme and a summary of what the Vision 2015 Programme has delivered so far.

August 2014
<ul style="list-style-type: none"> • Launched the online forms for student visa applications.
November 2014 to March 2015
<ul style="list-style-type: none"> • Rolled out eMedical (an electronic system that allows visa applicants and medical doctors worldwide to record and securely upload health assessments required with visa applications) to 129 countries, including New Zealand. • Established a global network of panel doctors. • Set up in-house clinical capability. • Reviewed and redeveloped immigration health screening requirements.
June 2015
<ul style="list-style-type: none"> • Launched online forms for single applicant visitor and work visa applications. • Launched a simplified Chinese form for visitor visa applications. • Added the ability for third parties (for example, licensed immigration advisers) to apply on behalf of a visa applicant using the online forms. • Introduced eVisas to onshore visitor visa applications (all nationalities except China) and all work visa applications from visa waiver countries. This removed the need for a visa label to be attached to a passport. • Centralised the administration of onshore visa applications and passport handling to the Auckland-based documentation office. • Introduced standard operating procedures for visitor, student, and work visa applications submitted online.
May 2015 to October 2015
<ul style="list-style-type: none"> • Rolled out the triage and verification capability that enables visa applications to be prioritised according to risk levels, and verification and processing effort to be aligned to the application's risk level.
November 2015 to December 2015
<ul style="list-style-type: none"> • Extended eVisas to all onshore visitor, student, and work visa applications. • Introduced Visa Verification Services for third parties and visa applicants to get visa entitlement information. For example, students can show they have the right to work in New Zealand. • Created new visa assessment tools for frontline staff. • Extended the VisaView service (an online system used by employers to check migrants' eligibility to work in New Zealand) to education providers. This will allow education providers to check whether a student has a valid visa. • Positioned the Immigration New Zealand contact centre as the main contact point for customer queries. • Aligned onshore counter services. • Established a customer insights capability to measure and understand customer experience. • Introduced further standard operating procedures to support changes.

March 2016
<ul style="list-style-type: none">• The new visa processing operating model was handed over to the business. This included policies, procedures, templates, and a corporate knowledge base for storing and retrieving information related to the Vision 2015 Programme.
March 2016 to May 2016
<ul style="list-style-type: none">• Created a new performance management and reporting framework for Visa Services.• Created quality control and quality assurance processes for the new visa processing operating model.
June 2016
<ul style="list-style-type: none">• Rolled out the first release of the new identity management system. The system will automatically match visa applicants' photographs and fingerprints against information already held by Immigration New Zealand.

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