LINQ SEE. SOLVE. SHARE.

Immigration NZ Biometrics

The Biometric Capability Upgrade: a value-delivery programme governed as a system-replacement project

NEW ZEALAND
2018 – CANCELLED 2025
~$35m+ spent · nothing delivered

The programme was measured by whether the new system was built. **EPM would have measured the identity assurance it was meant to produce**, *and shown that border-risk capability, Cabinet oversight and ministerial trust were the assets actually at stake.*

01 What Happened, and the Deeper Failure Beneath It

WHAT THE INDEPENDENT REVIEW FOUND

Immigration NZ's Biometric Capability Upgrade (BCU) ran from 2018 until it was cancelled in 2025, having spent around $35m or more and **delivered nothing usable**. An independent review (Greg James, MBIE) found the failure avoidable, and the Public Service Commission has since opened an integrity investigation.

WHAT THE REVIEW IDENTIFIED

Launched in 2018 without ministerial sign-off or detailed analysis; rescoped to an off-the-shelf model in 2020 without business requirements, due diligence or market testing; optimism bias at project and governance levels; testing that never stabilised; repeated go-live delays and cost overruns; and ministerial reporting that was inconsistent and, at times, overly optimistic or misleading.

THE DEEPER ECONOMIC-PROCESS FAILURE

BCU was governed as a **biometric system replacement**. Through the EPM lens, the real process was: *turn identity information into trusted, timely identity assurance that manages border and immigration risk, while retaining Cabinet oversight and ministerial confidence.*

The value at stake was never just a working system. It was assured identity capability, managed border risk, honest reporting, the integrity of the Cabinet spending control, and the option to stop before more was lost.

That full economic structure was never made visible in the decisions to rescope, customise, report and continue.

02 Decompose — What the Programme Was Really Made Of

Information

- identity & biometric data
- business requirements
- independent quality assurance (IQA)
- change requests
- test results & defects
- whole-of-life cost data
- ministerial reporting
- red-flag & risk signals

Actions

- define the problem
- scope & rescope
- run due diligence
- build & customise
- test & fix
- assure & report
- decide continue or stop
- escalate to Cabinet

Systems

- legacy identity system (IDme)
- vendor solution (NEC/off-shelf)
- test environments
- assurance & governance forums
- financial & cost tracking
- ministerial reporting channel

People

- project teams (~12 PMs)
- vendor personnel
- independent assurers
- governance boards
- MBIE / INZ leadership
- the accountable officer
- the Minister & Cabinet
- the public

What this exposes: the system build was the visible part. Value and risk concentrated in the information, whether requirements were defined, whether assurance findings reached decision-makers truthfully, and whether the cost control held, none of which a "replace the system" framing put at the centre.

03 Attribute — Where the Economic Value Actually Sat

PROCESS COMPONENT	ECONOMIC VALUE EPM WOULD ATTRIBUTE
Identity assurance capability	**The value outcome itself**: trusted, timely identity checks that manage border and immigration risk.
Clear business requirements	**High information value**: the foundation the whole build depends on, absent here from the 2020 rescope.
Independent quality assurance	**Very high risk-reduction value**: the mechanism most able to challenge an unsafe course, if its findings are believed and acted on.
Honest ministerial reporting	**High decision value only if truthful**: reporting that misstates status is not overhead, it is destructive.
The Cabinet spending control	**High governance value**: a $35m oversight threshold protects value only if it is respected, not engineered around.
The option to stop	**High option value**: the freedom to halt cheaply before more is lost, foreclosed further with every continuation.

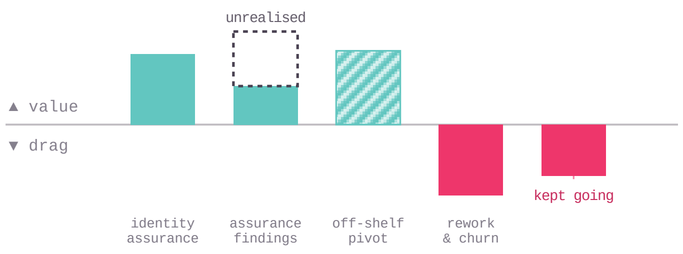
Why this matters: scored this way, assurance and honest reporting stop looking like process overhead. Their contribution to avoiding a $35m loss becomes part of the economic case, and the Cabinet threshold is revealed as a value control, not an inconvenience to be managed around.

From value profile to *the decisions it would have changed*

04 Diagnose — The Patterns EPM Would Have Surfaced

THE ECONOMIC VALUE PROFILE OF THE BIOMETRICS PROGRAMME

ILLUSTRATIVE · RELATIVE VALUE, NOT DOLLAR FIGURES



Scored across the value lenses, the programme shows intended value never realised alongside years of drag. The profile is a **ledger, not a project plan**: the hatched bar is an off-the-shelf pivot made without requirements, and the dashed cap is the assurance the programme produced but never allowed to reach the decision truthfully.

VALUE-DEFINITION GAP

Success defined as **building a system** rather than delivering assured identity capability and managed risk.

INFORMATION FAILURE

Independent assurance **produced but not truthfully reported** — "achievable" to "unlikely" in nine days.

CONTROL-AS-TARGET

The **$35m Cabinet threshold treated as a target to engineer around**, not a governance control to respect.

VALUE DRAG

Endless **customisation and unstable testing** that repeatedly introduced new defects.

OPTION FORECLOSURE

Persisting past red flags **removed the ability to stop cheaply** and cut the loss early.

COST OPACITY

Spending **no one could fully account for** — funds transferred out, the true figure still unclear.

05 Redesign — The Decisions That Visibility Would Have Enabled

AMPLIFY

Give independent assurance, adverse test findings and red-flag signals decisive weight in continue / stop decisions.

SUBSTITUTE

Replace optimistic narrative reporting with evidence-based status, and a requirements-free pivot with defined business needs.

RESEQUENCE

Define the problem, requirements and value case before rescoping or committing, and re-test the economic case at each gate.

ELIMINATE

Remove the ability to continue, or to stay under a spending control, without honest assurance and an accountable value owner.

06 What's In It For the Accountable Officer and the Minister

IF YOU'RE THE ACCOUNTABLE CHIEF EXECUTIVE

"Reporting told me the build was on track. EPM would have asked the harder question: on track to produce what, and is that value still there? It puts assurance findings and the true economic case in front of me, before another year is spent."

IF YOU'RE THE MINISTER OR ON THE OVERSIGHT BOARD

"I was assured a $35m programme was sound days before it was rated unlikely to deliver. EPM makes the value, the cost and the honesty of the reporting one governed picture, so a Cabinet control cannot be quietly engineered around."

THE CREDIBLE ALTERNATIVE OUTCOME

Not a guarantee the biometric system is delivered successfully. Rather, that the programme would **probably have been rescoped, paused or stopped years earlier**, because the absent requirements, unstable testing and unrealised assurance would visibly have outweighed the value of continuing. Honest reporting, a respected spending control and a preserved option to stop all become defensible decisions, and far less than $35m is lost with nothing to show for it.

EPM retrospective interpretation. The independent review findings are drawn from the published MBIE report; the EPM value profile, attribution, diagnoses and alternative decisions are an analytical interpretation applied after the fact, not findings of the review. Integrity matters relating to individuals are the subject of a separate, ongoing Public Service Commission investigation and are not addressed here. EPM does not guarantee success. It changes the decisions made about a process before money, systems, vendors and reporting are committed. Primary sources: MBIE independent review of the biometric projects (G. James, 2026); Public Service Commission; RNZ reporting (2024-2026).