



## **Inquiry into the integrity of the Ministry of Business, Innovation and Employment's conduct in relation to the Biometric Capability Update project**

### **Background**

- 1 The Biometric Capability Update (BCU) project was initiated by the Ministry of Business, Innovation and Employment (MBIE) in 2018 to modernise its identity management system by upgrading biometric capability and replacing legacy enrolment components. The project involved significant investment over several years but was ultimately discontinued without delivering its intended benefits.
- 2 In June 2026, having received an independent review commissioned by MBIE, the Minister of Immigration wrote to the Public Service Commissioner raising serious concerns about MBIE's conduct in relation to the BCU project. These concerns include allegations that:
  - MBIE withheld critical or adverse information from Ministers;
  - Advice provided to Ministers was, at times, misleading;
  - The timing and completeness of the provision of key information was inadequate;
  - Investment management practices involved "creative accounting"; and
  - Individuals who questioned the viability of the project were replaced.
- 3 The Review of the Biometric Projects by Mr Greg James (the independent review) identified significant delivery failures, governance weaknesses, and deficiencies in ministerial reporting, including instances where reporting was inconsistent, overly optimistic, or not reflective of the project's actual status.
- 4 Given the scale of the project failure, the public interest in maintaining trust in the public service, and the importance of the integrity of advice provided to Ministers, the Public Service Commissioner has decided it is necessary to conduct an inquiry under schedule 3, clause 2 of the Public Service Act. The Inquiry will be conducted by Mr Michael Heron KC on behalf of the Public Service Commissioner (the Inquirer).

### **Purpose**

- 5 Public trust and confidence in the public service depends on Ministers receiving advice that is free and frank, honest, robust and timely, particularly in relation to complex and high-risk programmes.
- 6 MBIE is responsible for supporting Ministers through the provision of high-quality advice, including during periods of delivery challenge or uncertainty. Maintaining the integrity of that advice is fundamental to effective decision-making and to the proper functioning of responsible government.
- 7 The purpose of this Inquiry is to support the Public Service Commissioner, MBIE, and the wider public service to maintain and strengthen those standards by independently examining the

integrity of MBIE's conduct in relation to the BCU project, identifying where practice met expectations and where it fell short.

### **Scope**

8 The Inquirer will examine, make findings, and report on the integrity of MBIE's conduct in relation to the BCU project. This will involve consideration of:

- What advice (written and verbal) MBIE provided to Ministers, including its drafting, approval process, content, timing and consistency;
- What MBIE knew, or ought to have known, about the project at relevant points in time and whether this matched the advice MBIE provided to Ministers and other agencies, including any decisions not to provide advice.
- Whether MBIE's conduct in relation to the project met the minimum standards in the public service Code of Conduct and public service principles<sup>1</sup> that applied at the relevant time, and the guidance in the Cabinet Manual (including the no surprises principle).
- Allegations of "creative accounting", including whether MBIE's investment management decisions in relation to the project met relevant Cabinet Office Circulars<sup>2</sup> and associated guidance including the Government Procurement Rules.
- What factors contributed to any deficiencies in MBIE's advice, for example organisational, governance, cultural or systemic factors or external pressures or incentives.
- What concerns were raised with and within MBIE about the project, including by MBIE employees, contractors, and vendors working on the project, how these concerns were responded to<sup>3</sup>, and whether that response was appropriate.
- How MBIE handled the independent review, including the timing and content of advice to Ministers and when the final report was provided to Ministers and other parties.

Any other matters reasonably necessary to achieve the purpose of this Inquiry.

9 The time period for this Inquiry is November 2018 to June 2026. It is limited to workstreams undertaken in relation to MBIE's BCU project, including the In-Person Enrolment (IPE) component.

### **Out of scope**

10 The Inquirer will not:

- Examine matters unrelated to the integrity of MBIE's conduct.
- Determine the employment, disciplinary, civil or criminal liability of any individual, but may make findings of fault and may recommend to the Public Service Commissioner that further steps be taken by appropriate bodies to determine such liability.

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<sup>1</sup> Particularly the public service principle around free and frank advice in section 12(1)(b) of the Public Service Act 2020.

<sup>2</sup> Including requirements for investment management and proposals with financial implications.

<sup>3</sup> Including whether people were replaced after raising concerns and/or encouraged to move on from the project.

- 11 While the Inquirer may make findings in relation to the actions or decisions of Ministers or any other individual outside of the public sector, this will occur only to the extent necessary to make findings about MBIE's conduct in relation to the project.

### **Related investigations**

- 12 MBIE has already conducted two reviews that looked, in part, at the integrity of MBIE's conduct in relation to the BCU project: the independent review completed in April 2026, and an internal review of the advice provided to the Minister for Immigration on 19 March 2024. The Inquirer may consider the reports of these reviews for context but they must make his own independent findings based on the underlying evidence.

### **Process**

- 13 The Inquirer will request and consider all relevant and available documentation from MBIE, including briefings, Cabinet papers, aide memoires, emails, internal reporting, and assurance reviews. The Inquirer may also:
  - Interview and obtain information from current and former: MBIE chief executives, public service employees including ministerial staff, and individual contractors (including Mr James);
  - Seek information from current and former Ministers, including Ministers of Immigration; and
  - Seek information from other agencies, contractors, vendors (including their employees or subcontractors), and/or other individuals where relevant.
- 14 The Inquirer will provide a draft of the report to the Public Service Commissioner and the Secretary for Economic Growth before it is finalised and take into account any comments received. The Inquirer will also meet natural justice obligations, including by providing the draft report in full or in part, to any individuals and/or organisations named in the report who are the subject of adverse comment or findings.

### **The Public Service Commissioner's functions and powers**

- 15 Under section 44 of the Public Service Act 2020 the Public Service Commissioner has the following general functions:
  - (b) to promote integrity, accountability, and transparency throughout agencies in the State services, including by setting standards and issuing guidance
  - (d)(ii) to act as the employer of public service chief executives, including by— to the extent relevant in each case, reviewing the performance of the public service agency that the chief executive leads or carries out some functions within.
- 16 The Commissioner may conduct an inquiry to assist in exercising these functions. The Commissioner's jurisdiction includes public service agencies but does not include Ministers.

### **Appointment and delegation**

- 17 The Public Service Commissioner appoints Mr Michael Heron KC to undertake this Inquiry.
- 18 Under schedule 3, clause 6 of the Public Service Act 2020, and for the purposes of this Inquiry, the Public Service Commissioner delegates his functions and powers under schedule 3, clauses

2 to 4 and 8 and 11 of the Public Service Act to the Inquirer, with effect from the date of the appointment of the Inquirer.

*The application of provisions of the Inquiries Act 2013*

19 The Public Service Commissioner certifies under schedule 3, clause 8(1)(b) of the Public Service Act 2020 that, in order to carry out his functions under the Act, it is reasonably necessary that the provisions of the Inquiries Act 2013, specified in clause 8(2), apply in relation to the Inquiry. This is because:

- the Inquirer should have powers to regulate their procedures;
- given the nature of the Inquiry, and the need to balance the public interest in disclosure with the privacy and confidentiality interests of potential participants, the Inquirer should have the power to restrict access to the information the Inquirer receives; and
- the Inquirer should have the ability to issue production orders and witness summonses to ensure they have access to all relevant information, some of which may be held by individuals or third parties outside the public service.

**Deliverables, timeframe and reporting**

- 20 The Inquirer will commence work upon appointment and must report as soon as practicable.
- 21 The intention is for the final report to be made publicly available, subject to any applicable privacy or other legal considerations.



Sir Brian Roche KNZM  
Public Service Commissioner | Head of Service  
Te Tumu Whakarae mō Te Kawa Mataaho

*22 June 2026*