



COVERSHEET

Minister	Hon Andrew Little	Portfolio	Immigration
Title of briefing	Future of the Skilled Migrant Category	Date to be published	15 January 2024

List of documents that have been proactively released

Date	Title	Author
April 2023	Future of the Skilled Migrant Category – Final Proposals	Office of the Minister of Immigration
5 April 2023	Future of the Skilled Migrant Category – Final Proposals DEV-23-MIN-0049 Minute	Cabinet Office
7 October 2022	Future of the Skilled Migrant Category: Consultation document	MBIE
10 February 2023	Future of the Skilled Migrant Category – Public consultation outcomes and next steps	MBIE
1 March 2023	Future of the Skilled Migrant Category – Final Decisions: Draft Cabinet paper	MBIE
10 March 2023	Future of the Skilled Migrant Category – Final decisions: Cabinet Paper for Ministerial Consultation	MBIE
29 March 2023	Skilled Migrant Category and the Green List: Final Cabinet papers for lodging	MBIE
19 April 2023	Decisions on future use of the LQEA	MBIE

Information redacted

YES

Any information redacted in this document is redacted in accordance with MBIE's and MFAT's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Some information has been withheld for reasons of protection of privacy of natural persons, free and frank opinions, and confidential advice to Government.



BRIEFING

Decisions on future use of the LQEA

Date:	19 April 2023	Priority:	High
Security classification:	In Confidence	Tracking number:	2223-3436

Action sought		
	Action sought	Deadline
Hon Michael Wood Minister of Immigration	Agree to the recommended options set out in this paper	24 April 2023
Hon Rachel Brooking Associate Minister of Immigration	Copy attached for your information	N/A

Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact
Andrew Craig	Manager, Immigration Policy (Skills and Residence)	Privacy of natural persons	✓
Nita Sullivan	Senior Policy Advisor		

The following departments/agencies have been consulted
New Zealand Qualifications Authority, Immigration New Zealand, and the Ministry of Foreign Affairs and Trade. The Ministry of Education was informed.

Minister's office to complete:

- | | |
|---|--|
| <input type="checkbox"/> Approved | <input type="checkbox"/> Declined |
| <input type="checkbox"/> Noted | <input type="checkbox"/> Needs change |
| <input type="checkbox"/> Seen | <input type="checkbox"/> Overtaken by Events |
| <input type="checkbox"/> See Minister's Notes | <input type="checkbox"/> Withdrawn |

Comments



BRIEFING

Decisions on future use of the LQEA

Date:	19 April 2023	Priority:	High
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Purpose

This briefing outlines options for either removing or retaining (and updating) the List of Qualifications Exempt from Assessment (LQEA). The briefing seeks your direction on options, with consideration of potential benefits, implementation risks and impacts.

Executive summary

MBIE officials have been working with NZQA to consider the future use of the LQEA, which has been raised in the context of the Skilled Migrant Category (SMC) review. The LQEA is a list which sets out the comparable New Zealand Qualifications and Credentials Framework (NZQCF) level for specified overseas qualifications, allowing immigration applicants with a qualification on the list to bypass the International Qualification Assessment (IQA).

However, in recent years, the list has not been regularly updated, due to resourcing challenges and shifting workstreams during COVID-19 and is now considerably out of date. Further, it doesn't currently recognise qualification type, so will not be fit for purpose under the new SMC settings. Officials have considered options for future use, alongside potential benefits, implementation risks and impacts. Removing the LQEA altogether may have some benefits but will negatively impact access for users of the immigration system. Therefore, we recommend overhauling and updating the LQEA to support the new settings.

NZQA advise that updating the LQEA will require significant time and resource, but that they will be able to deliver a first edition of the LQEA in time for implementation of the new SMC, in early October, with subsequent updates made from there. Because INZ has continued to fund NZQA for maintenance of the list over recent years, work to overhaul and update of the LQEA can be met within baselines. We recommend that those submitting applications with qualifications not covered by the first edition of the list get an IQA, as an interim measure. Updates will be clearly communicated to minimise impacts on users during this period.

Recommended action

The Ministry of Business, Innovation and Employment recommends that you:

- a **Note** that, due to a range of issues, the LQEA is not fit for purpose in its current state;
Noted
- b **Note** under the existing settings, the LQEA does not support the qualifications recognition process to applicants across the board, but for those that can use it, it is a valuable and well utilised tool;
Noted
- c **Note** there are potential risks and implications related to both removing or overhauling the LQEA;
Noted

- d **Agree** to retain and update the LQEA to support the new settings;
Agree / Disagree
- e **Note** that a refresh of this scale will require significant resource from NZQA, but officials estimate that a pared down 'first edition' list could be developed to align with the implementation of the new SMC;
Noted
- f **Agree** that as an interim solution, all applicants whose qualification is not listed on the LQEA must get an IQA if submitting an application during this period;
Agree / Disagree
- g **Note** given that INZ has continued to fund NZQA for updates to the LQEA, work to overhaul the LQEA can be met within baselines and no additional funding is required at this stage;
Noted
- h **Note** once the 'first edition' overhaul is completed, MBIE officials will provide you with an updated LQEA to include in immigration instructions for your certification.
Noted

Privacy of natural persons



Andrew Craig
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Labour, Science and Enterprise, MBIE

19 / 04 / 2023

Hon Michael Wood
Minister of Immigration

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Background

1. Where an applicant needs evidence of their overseas qualification's comparability to a New Zealand qualification for immigration purposes, they are generally required to provide an International Qualification Assessment (IQA) from the New Zealand Qualifications Authority (NZQA). However, if an applicant's qualification is on the List of Qualifications Exempt from Assessment (LQEA), they do not need to complete an IQA.
2. The LQEA is a publicly available list (included in immigration instructions) which sets out the comparable New Zealand Qualifications and Credentials Framework (NZQCF) level for specified overseas qualifications. It currently includes qualifications from 37 countries, and lists the qualification, awarding institution, specific award year, and points the qualification gains under the current Skilled Migrant Category (SMC) settings. It does not provide comparability to specific New Zealand qualification types (e.g. a Bachelor's degree).
3. We have previously advised you that we are working with NZQA and Immigration New Zealand (INZ) to consider the future use of the LQEA [briefing 2223-2602 refers]. This issue was raised in the context of the SMC review because the LQEA is currently referenced in the SMC instructions. At the time, you indicated that you did not want a change in the LQEA to result in a more complicated process for those whose qualifications are already covered by the list.
4. We are now advising to retain a refreshed LQEA, to ensure it can support expanded requirements for gaining points for qualifications under the new SMC. The new settings will recognise formal qualifications at bachelor's degree and above for SMC points, with applicants awarded between 3-6 points based on qualification type. The new settings are laid out in Figure One below.

Figure One: Points awarded for qualifications under the SMC

Qualification type or IQA recognition outcome	NZQCF Level	Points under the SMC
Doctoral degree	10	6
Qualification at NZQCF Level 10	10	5
Master's degree	9	
Qualification at NZQCF Level 9	9	4
Bachelor Honours degree	8	
Post Graduate diploma	8	
Qualification at NZQCF Level 8	8	3
Bachelor's degree	7	

The LQEA under current settings

Use of the LQEA under existing settings has been by applicants with qualifications concentrated in a small number of countries, but those who use it find it valuable

5. Under the existing settings, the LQEA has played a consistent but limited role in supporting the recognition of overseas qualifications for immigration purposes. It is difficult to predict whether that role will change or remain the same under the new simplified points system.

6. Of all SMC applications processed between 2019-2021, only 11.7% had overseas qualifications that were awarded points based on the LQEA (1756 out of 15067 applications). By comparison, the majority of applicants claimed points either for New Zealand gained qualifications (32.8% or 4935) or via an assessment by NZQA for their overseas qualification (31.7% or 4778). The remainder either did not claim qualification points or gained qualification points through having appropriate occupational registration.
7. From that same period, and of those who did use the LQEA, applicants with qualifications from two countries benefitted the most. South Africa and the United Kingdom (UK) made up 53.8% of all applicants with overseas qualifications that made use of the LQEA. Beyond those two countries, use is significantly lower. Figure Two provides the full country distribution use of the LQEA for overseas qualifications.

Figure Two: Use by country of the LQEA for overseas qualifications

Country	Number	Percentage
South Africa	515	29.3%
United Kingdom	413	23.5%
All other countries	364	20.7%
United States	166	9.5%
China	153	8.7%
Philippines	114	6.5%
India	31	1.8%
Total	1756	100.0%

8. Further analysis of this dataset provided a slightly different view of the countries that would be most impacted by any removal of the LQEA. We did this by looking at the percentage of applications from each country that use the LQEA, as opposed to those using the IQA process. South Africa and the UK both had around 30% of SMC applicants using the LQEA, but the United States had 45% of applicants with overseas qualifications utilising the LQEA over the IQA process. While their share of use by country is only 9.5%, it would indicate that a number of applicants with qualifications from the United States would be impacted by any removal.
9. The LQEA does not support the qualifications recognition process to applicants across the board, but for those that can use it, the LQEA appears to be a valuable and well utilised tool. During recent engagement with Engineering New Zealand (ENZ) as part of the SMC work, they noted the positives of the LQEA and the ease with which their applicants get through immigration processes (including SMC and Green List applicants) because of it. The Ministry of Education also notes that the experience of overseas teachers mirrors the feedback provided by ENZ.

Challenges with the LQEA and prompt for change

10. Under the simplified points system, qualifications that are used to claim points must be formal qualifications and in specific qualification types (e.g. Bachelor's, Post Graduate Diplomas, Master's and Doctorate degrees) at Level 7 or above on the NZQCF. This level of granularity isn't provided for in the LQEA, as it only recognises NZQCF level, not qualification type, so the LQEA in its current form wouldn't support applicants for SMC under these new settings.

11. We understand that sometimes applicants incorrectly bypass the IQA process when applying for the SMC because they claim their qualification is on the LQEA. In the past, this has generally been picked up by an Immigration Officer, who explains the requirements and directs the applicant back to the IQA process. It is difficult to say whether this most often occurs due to a misunderstanding (where an applicant thinks their qualification is on the LQEA when it is not) or false declarations made by applicants at the Expression of Interest (EOI) stage. Either way, this often means additional work and longer processing times for INZ and applicants alike.
12. We understand that updating and maintaining the LQEA is a resource intensive process. INZ funds NZQA to provide updates to the list at regular intervals (annually) and pre-COVID-19, NZQA employed a dedicated project person to undertake research and to respond to LQEA related enquiries. In recent years, the list has not been regularly updated, due to resourcing challenges and shifting workstreams during COVID-19 and is now considerably out of date.
13. The funding required to maintain the list is built into the fee structure for the SMC. This means that all SMC applicants are subsidising the LQEA, some of whom can't use it.
14. New Zealand has several joint reciprocal qualification recognition arrangements with other countries, which are facilitated by NZQA. These arrangements are intended to support recognition but not bypass the evaluation process. Retaining the LQEA creates reputational risk for NZQA when recognition arrangements and the LQEA are out of step with each other.
15. Given the LQEA's broader application than just the SMC, it currently being quite out of date, and because of the way qualifications will be recognised for points under the new SMC, it is not fit for purpose in its current state.

Options for future use

16. The advice below sets out options for future use of the LQEA, and the potential risks and mitigations of each option.

Option 1: Remove the LQEA Altogether

We do not recommend removing the LQEA

17. Given the likely additional cost and process burden that would be placed on applicants, the likely additional processing burden that would fall on NZQA, and the potential impacts related to downstream funding, we do not recommend removing the LQEA.

Removing the LQEA may fix the disjunct between those who pay for the LQEA and those who use it, and unify the qualifications assessment pathway for all users

18. Removal of the LQEA altogether would mean that all immigration applicants that require assessment and verification of their overseas qualification would need to go to NZQA and get an IQA. This could allow for work to focus on ongoing development of NZQA's internal qualification list and support their evaluators to provide a faster turn around on IQAs. However, it would represent a less user-friendly approach.
19. As noted above, it is somewhat unfair and arbitrary that some people have to pay for IQAs, and others don't (because their qualification is on the LQEA, and they can bypass the IQA process). IQAs represent an additional cost (a minimum of \$455 per assessment) and processing time for the applicant. It may be more equitable to remove the list altogether and implement a user pays system for all who want to have their qualifications assessed for immigration purposes across the board.
20. Removing the LQEA could also improve customer certainty as it would be clear that if a person's qualification is being used for immigration purposes, then an IQA is required.

But removing the LQEA would present a number of potential risks and implications

21. Removal of the LQEA would place an additional cost and process burden on a portion of future applicants for residence. Requiring people with qualifications currently on the LQEA to spend additional time and money getting qualifications assessed does not align with the customer centric approach that INZ promotes. This could create the perception that additional barriers are being introduced and making the process more difficult for skilled migrants to navigate immigration requirements.
22. Current SMC (and potentially also Green List) applicants are already experiencing processing delays on their submitted IQAs, as NZQA continues to experience high volumes of applications due to immigration policy changes since the border reopened post COVID-19, in particular the creation of the Green List residence pathway and re-opening of the current SMC policy. Directing all applicants to the IQA process would place an additional resourcing burden on NZQA, when this service is already under pressure.
23. While NZQA anticipate that this caseload will be more manageable by September, they note that more certainty over anticipated volumes would enable better planning and investment in the appropriate levels of staffing. A decision either way on the future use of the LQEA would increase certainty for users and NZQA alike.
24. If the LQEA was to be removed, further work would need to be done to resolve and realign the current funding model. Given that the funding required to maintain the IQA is included in (and therefore collected by) the current SMC fees, it wouldn't be appropriate to continue charging SMC applicants the current amount if everyone then must also submit and pay for an IQA.

Option 2: Overhaul the LQEA to support the new settings

Overhauling and updating the LQEA in line with the new settings would maintain and improve the current access and benefits

25. Overhauling the LQEA would maintain a streamlined pathway for those who hold overseas qualifications that we have the most confidence in, representing a more customer centric approach. We would expect the users of a refreshed LQEA to mirror the use patterns we observed under the existing settings (set out in paragraphs 5-9). Maintaining existing access for users is a central consideration for this work.
26. Despite there being several challenges with the way the current LQEA is operating (e.g. its broader application than just the SMC, it currently being out of date, and not fit for purpose for the new simplified points system), many of these issues are naturally resolved by a thorough review and overhaul of the list by NZQA.
27. Given the substantial changes being made to the way the SMC will operate moving forward (through the simplified points system), maintaining continuity in the way qualifications are assessed for immigration purposes is also important, to limit the amount of change that applicants are having to adapt to through this period.

Risks and other implications

28. Retaining the LQEA maintains a certain amount of complexity in the system because it means people have two different processes to follow depending on their overseas qualification. However, given this is the status quo (and the fact that it is to make it easier to identify trusted qualifications where possible) the impact of the ongoing complexity on both processing agencies and users would be limited.
29. Retaining the list also maintains the funding and use mismatch that exists with the cost to maintain the list built into all SMC applications, but some SMC, LTSSL and Green List applicants using it.

We recommend NZQA undertake an overhaul of the LQEA

30. On balance, we recommend reviewing and updating the LQEA so that it can continue to provide a streamlined pathway for those applicants who hold overseas qualifications we have the most confidence in.
31. This process would include:
 - a. A review of the existing list;
 - b. Removal of qualifications which do not meet the requirements of the new SMC;
 - c. Compiling new and relevant qualifications that meet the requirements; and
 - d. The addition of qualification type to all qualifications on the list.

Independent third-party qualification verification services

32. There is an emerging trend of independent third-party qualification verification services that are designed to provide a transparent, efficient and consistent recognition outcome at a limited time and cost to users. NZQA has just partnered with the global non-profit credential recognition service World Education Service (WES) to provide qualification verification services to immigration applicants to New Zealand. Prospective applicants can obtain the verification from providers like WES at a cost (about \$80 NZD and take 2-3 days).

33. Confidential advice to Government

[Redacted content]

Implementation of a refreshed LQEA

34. We understand that a refresh and update of this scale will require significant resource from NZQA. The addition of the qualification type element to the LQEA (to ensure it is fit for purpose under the simplified points system) also adds complexity.

Implementation would need to be phased and updates clearly communicated to minimise impacts on users

35. Ideally, the refreshed LQEA would be in place in time for the new SMC settings to take effect in mid-October 2023. NZQA advise that they will be able to deliver a first edition of the LQEA overhaul by October 2023, to align with the implementation of the new SMC. This would likely be an initial list, with work focussed on qualifications from the priority user countries. From there, ongoing work would include more qualifications and countries in subsequent updates. This would enable some form of the refreshed list to be in place, so that the most likely users of the LQEA would not be disadvantaged.
36. An interim solution would also be needed to bridge the gap between the SMC opening and the new LQEA being available for those applicants not covered by the first edition of the refreshed list. We recommend requiring all impacted applicants to get an IQA if submitting an application during this period. This wouldn't require substantive changes to immigration instructions, as they already state that applicants must get an IQA unless "their qualification(s) is included on the List of Qualifications Exempt from Assessment (see Appendix 3)". While this will likely drive a slight increase in IQA applications received by NZQA, we consider it the best option to maintain integrity in the qualifications assessment system during this interim period.

37. Implementation of the refreshed LQEA is largely confined to including updates to the list in instructions and updating the INZ website (alongside other relevant public communications). If you agree to this approach, a briefing seeking your certification of immigration instructions containing the new LQEA will be provided to you in late September or early October 2023.
38. Implementation and communications risks are possible for both INZ and NZQA during this time, depending on how long it takes for the refreshed first edition and complete LQEA to be finalised and published. The current LQEA will need to remain in place as it continues to support applications for existing SMC and other visa types. Clear communications will be needed to ensure potential applicants know what the requirements are, and for how long.

Financial implications

39. Given that INZ has continued to fund NZQA for updates to the LQEA, no additional financial funding will be required. NZQA advise that any resource required for the overhaul and update of the LQEA can be met within existing funding envelopes.

Next steps

40. Subject to your agreement, NZQA will begin the review and overhaul of the LQEA. Once this is completed, MBIE officials will provide updated an LQEA to include in immigration instructions for your certification. This is likely to be provided in late September or early October 2023.
41. Communications material will also be prepared to support this work, as needed.