

Review of the points test

Department of Home Affairs

May 2024

Introductory Statement

The University of Tasmania's response to the Department of Home Affairs Review of the points test emphasises the necessity for a systematic and consistent evaluation of the points test to ensure it meets Australia's economic and labour market demands. As the only university based in Tasmania, we are dedicated to educational and research excellence and we recognise the critical role of international students in Tasmanian communities, currently accounting for 30% of the state's overall migration.

The University of Tasmania strongly supports the Australian Government's aim to establish a managed migration system that balances migration rates with economic growth and competitiveness on a global scale. International education is a key economic driver, and it is important that our migration system positions Australia as a top educational destination and provides pathways for talented individuals to meet the country's skill, workforce, and population needs. A well-considered points test is vital for maintaining Australia's educational prestige and attracting the skilled talent essential for the nation's prosperity.

This submission includes insights and recommendations based on the University's expertise, advocating for a points test that is not only fair and robust but also adaptable to market changes. Australia's points test needs to be both transparent and equitable, effectively drawing skilled migrants who can contribute significantly to Australia's cultural and economic landscape. In our submission, we reinforce the need for regular review of the points test and support an approach that takes into consideration timing needs for the market to adapt.

Question One: How can we design the points test to best target migrant success in finding a skilled job?

To effectively target migrant success in finding a skilled job through the points test, a multifaceted approach is necessary. This approach should prioritise level of education, skilled work experience, regional needs, age and integration to the Australian job market and society.

Education and skilled work experience: In the current model, education and skills are equally weights whereas education provides a person with enhanced critical thinking and analytical skills that allow them to succeed in a wide array of jobs. The points system should reflect this by assigning greater weight, on a sliding scale, to a higher level of qualification. In cases of highly specialised skills and trades, the points system could be adjusted to reflect the vital importance of work experience. This could be represented by a modified sliding scale that assigns additional points for years of relevant work experience, especially when it is a recognised industry standard or a regulatory requirement.

Attracting HDR students: With proposed reforms to cap international student numbers, attracting full fee-paying Higher Degree by Research (HDR) students becomes increasingly important. The points test should offer incentives to these students, recognising their potential to contribute significantly to Australia's academic and research landscape.

Age and experience: The upper age limit should be increased, and points should be distributed in a manner similar to the Canadian model, which recognises the value of both youth and experience. Older migrants who are healthier and work longer should be considered valuable contributors due to their extensive experience. See question three for more detail on age as a criteria.

Integration and regional study: To optimise regional economic growth, it is essential to prioritise migrants with skills that are in high demand within specific regions, ensuring alignment with local labour market needs. Concurrently, international students who have completed their high school and tertiary education in regional Australia merit a nuanced approach. Given their likely integration into the community, proficiency in English, comprehension of Australian values, and propensity to stay working within the region they studied in, these individuals warrant additional points in recognition of their potential for sustained contributions to the workforce.

Minimum score and occupation-specific criteria: A minimum score should be maintained, with additional points allocated for occupations in high demand, such as nursing. This would ensure that migrants with the necessary qualifications and language proficiency are encouraged to fill critical roles in the healthcare sector.

Question Two: How can we better target points tested visas to meet Australia’s skills needs?

It is crucial to consider the dynamic nature of the job market and the evolving demands of various sectors and regions. While occupation lists have traditionally been used to identify skills shortages, they can become outdated due to rapid changes in technology, economic shifts, and emerging industries. Therefore, sector-specific lists tailored to regional needs would offer a more effective approach.

To support the sustainable development of regional communities the points test should include a mechanism for regional quotas, where additional points are awarded to applicants who commit to living and working in regional areas with identified skill shortages.

Engagement should occur with business, educational institutions, and industry bodies to gain insights into the skills that are in high demand and those that are likely to be needed in the future. The points test could also be aligned with education policy to ensure that the training and qualifications provided by Australian institutions meet the evolving needs of the job market.

Question Three: How should we redesign the points allocated to age to better select younger migrants?

To balance the contributions of younger and older migrants, the points test could be envisioned as a funnel, where options and flexibility decrease with age, reflecting the differing needs and potential contributions of each age group.

Younger migrants could be offered a wider range of options, including the ability to settle anywhere in Australia, and incentives such as a fast-track option for permanent residency if they choose to work in critical sectors or regions facing labour shortages.

Older migrants would have fewer options tailored to specific needs they can fulfill, with a focus on encouraging development in regional areas met by a requirement to reside in designated regional locations.

By implementing these measures, the system can be more inclusive while still favouring younger migrants who have a longer potential working lifespan. This approach recognises the contributions of all age groups and ensures a more balanced and equitable selection process.

Question Four: How should we design the points allocations for partners to best reflect their potential labour market contributions?

In designing the points allocation system for partners, it is essential to maintain the primary focus on the primary applicant while also considering the potential contributions of the partners to the labour market. The integrity of the system is preserved by focusing the main points on the primary applicant.

Additionally, ensuring that partners possess adequate language proficiency is vital for their successful integration into the labour market and society. Therefore, we support the recommendation that the points allocation design should reflect a balance between the qualifications of the primary applicant and the integration potential of the partner, taking into account the broader implications for international student admissions and societal integration.

Reflecting on the age and skills of applicants, the system could be structured to provide more opportunities for younger applicants and their partners, acknowledging their longer-term potential to contribute to the labour market. Conversely, older applicants might have less scope for partner inclusion. The system should also recognise highly specific and in-demand skills, allowing these professions greater scope to include their families in the application process. This approach ensures that the points allocation system is dynamic and responsive to the needs of the labour market and societal integration objectives.

Question Five: How could the points test support gender equality in the Australian labour market?

To enhance gender equality in the Australian labour market, the points test could incorporate criteria that acknowledges and compensates for gender-related disparities.

This could include awarding points for career interruptions due to caregiving, recognising part-time work, incentivising sectors with gender imbalances, and supporting professional development for career advancement. Additionally, adjusting points for applicants from professions with known gender wage gaps and setting gender representation targets could further promote equality.

Such measures would ensure a more equitable evaluation of skills and experience, fostering a diverse and inclusive workforce.

Question Six: How should transition arrangements for the points test reforms work?

A grandfathered approach to points test reform is essential to ensure fairness and stability for individuals who are already in the process of migration of education in Australia. A minimum of four years of grandfathering is necessary due to:

Application: The process of applying and being accepted to a university in Australia can take several months to process and receive acceptance

Visa acquisition: upon acceptance, they must then apply for a visa. The visa application process involves its own set of requirements and can take a considerable amount of time to be granted.

Educational commitment: once in Australia, individuals typically commit to a study program lasting at least three years. This period is crucial for them to fulfill their educational objectives and should not be disrupted by sudden policy changes.

Post-education transition: after completing their education, individuals may plan to transition into the workforce or pursue further opportunities in Australia. They need time to adjust to any new points test reforms that could affect their status.

Stability and planning: a four-year grandfathering period provides stability for current and prospective students and migrants. It allows them to plan their future in Australia with the assurance that the rules will not change abruptly.

Question Seven: How regularly should the points test be reviewed? What should reviews consider?

The points test should be reviewed regularly to ensure it remains effective and fair. Reviews should consider:

Transition arrangements: assess the impact of any changes on individuals who are part of the current system, ensuring clear information is provided and allow for these arrangements to be flexible.

Endorsement or adjustment: through a review process confirm whether the current approach is still valid or if changes are warranted based on new data or circumstances.

This approach help maintain the integrity of the points test and ensures a smooth transition for all affected parties. Regular reviews that may endorse the current approach without changes are crucial to avoid the accumulation of issues that could take years to resolve.