



Australian Government

Review of the points test

Discussion Paper – April 2024

Review of the points test

The Australian Government's Migration Strategy was released on 11 December 2023 and outlines a new vision for Australia's migration system, with a policy roadmap containing 8 key actions and over 25 new policy commitments and areas for future reform. The actions in the Migration Strategy deliver a better managed migration system and are expected to help return migration to pre-pandemic levels.

One of the key areas of future reform outlined in the Migration Strategy was exploring 'a reformed points test to better identify migrants who will drive Australia's long-term prosperity'.¹ The Review of the Migration System (the Migration Review) undertaken by Dr Martin Parkinson AC PSM, Professor Joanna Howe and Mr John Azarias considered that a recalibrated points test should 'form the core of a future permanent skilled migration program'.² This is not a reform about the size of the permanent program or bringing migration levels back to pre-pandemic levels, but rather about who becomes a permanent resident through the skilled migration program. Similarly, this paper does not address the family or humanitarian migration programs.

The points test is perhaps the most important part of our permanent skilled migration system. Some two-thirds of our permanent skilled intake occurs through the points tested visa programs. The test decides who supports Australia as we embark on the net zero transition, who helps look after patients in hospitals, and who helps teach kids in Australian schools – complementing the skills and capabilities of Australians in these fields.

The Migration Review found that the points test is not delivering for Australia, noting that it is 'not designed to identify applicants with the best potential to contribute to Australia over the long term'.³ It found that a reformed points test should:

- focus on characteristics that are associated with migrants successfully finding skilled work
- not drive permanent temporariness and give migrants greater certainty about their prospects for permanent residence
- better target the skills Australia needs now and in the future
- reflect that younger migrants will spend more years contributing to Australian workplaces
- better recognise the potential contributions to Australia from partners.

The Review recommended changes to the points test to ensure it is better positioned to drive Australia's long term success.⁴ This would support a clearer delineation between the Skilled Independent visa program (which uses the points test) focusing on long-term prosperity, the Employer Nominated program focusing on meeting immediate skills needs, and a talent and innovation program to focus on candidates with exceptional characteristics. This framework can then complement state and territory and regional nominated visas, to support the nomination of migrants who meet relevant jurisdictional priorities.

¹ Commonwealth of Australia (2023) *Migration Strategy 2023* p.54

² Commonwealth of Australia (2023) *Review of the Migration System 2023* p.64

³ *Review of the Migration System 2023* p.31

⁴ *Migration Strategy 2023* pp.67-71

This discussion paper builds on work the Government has undertaken by funding work through the Australian National University to study the factors that drive permanent migrant success in Australia.⁵ It asks how we can best revitalise the points test to meet the objectives for our migration system, to create a system where living standards are higher, we have strong and vibrant communities and the migration system is efficient and fair towards the migrants who decide to build their lives here in Australia.

This discussion paper outlines key challenges with the points test, suggests future reform directions and proposes key questions on which feedback is being sought through submissions.

The points test should focus on our objectives for the migration system

Getting permanent skilled migration right is critical to delivering the objectives of Australia's migration system.

The decades ahead are ripe with opportunity for Australia. There are also major challenges: as the population ages, the participation rate is expected to gradually decline. This will test our ability to provide goods, services and support to all who need them. We need to get productivity growth and wages moving after both of these stagnated over the past decade. There are pressures coming from the wider world – economic, technological, strategic and environmental – that will fully test our capabilities.

Permanent migration is also at the centre of building a stronger Australian community, which recognises the important contributions that permanent migrants make in Australia. Restoring permanent residence to the heart of our migration system will help build a more vibrant, modern and multicultural Australia.

Figure 1: The five core objectives that underpin Australia's migration system



Source: *Migration Strategy 2023*

⁵ Varela, P, and Breunig, R (2023), *Determinants of the economic outcomes of Australian permanent migrants*, Tax and Transfer Policy Institute, Crawford School of Public Policy, Australian National University

Australia needs a skilled workforce to capture the opportunities of coming decades

A skilled workforce is essential so that we are equipped to make the most of opportunities as we transition to net-zero, move to a more digital economy and have larger and expanding care needs.

The Government's White Paper on Jobs and Opportunities noted that Australia will need substantial growth in the skilled workforce in the next decade, with more than nine out of ten new jobs expected to require post-secondary qualifications.⁶ More than just qualifications, migrants' global experiences bring a diversity of ideas to help Australian businesses become more innovative and develop a globally competitive edge.

In addition to meeting Australia's needs today, the migrants we select today help Australia tackle challenges for decades to come. A talented engineer who becomes a permanent resident after graduating supports Australia's transition to renewables now and in the coming decades. An overseas cyber specialist who comes to Australia helps banks manage their vulnerabilities today and adapt to risks in the future. A talented construction manager builds houses for this generation and the next.

The points test is also a complement to employer-sponsorship. Employer-sponsorship is designed to meet the immediate labour market needs of businesses and Australia. The points test complements employer-sponsorship by providing an alternative pathway for migrants who have already proven themselves successful in the labour market. It also targets the long-term skills that can adapt to a changing labour market, which may not be the focus of employers when they are looking to recruit migrants.

Well managed migration sits as a complement to local skills. Australia needs to ensure that the migration system and the domestic skills and training system are working together to meet our workforce needs.

Migration will help Australia manage the challenges of an ageing population

As Australians live longer, we need migration to help boost our workforce. The Government's 2023 Intergenerational Report notes that, as the population continues to age over the next 40 years, the overall participation rate is projected to decline gradually, from 66.6 per cent in 2022–23 to 63.8 per cent by 2062–63.⁷ This means a lower share of the population will be working age and contributing taxes to fund services that Australians will increasingly need.

A focus on selecting young, skilled migrants will help manage the challenges of an ageing population. Young migrants spend their lives in Australia, contributing to workplaces, communities and society as a whole. This can be for 20, 30 or many more years.

Young migrants will also be the ones who help meet the skill needs of a growing care economy, complementing the contributions of Australia's existing care workforce. The care and support economy is projected to almost double as a share of the economy over the next 40 years, having doubled over the last 40. A young nurse who comes to Australia today could still be looking after people decades from now.

⁶ Commonwealth of Australia (2023), *Working Future: The Australian Government's White Paper on Jobs and Opportunities*, p.ix.

⁷ Commonwealth of Australia (2023), *Intergenerational Report 2023: Australia's future to 2063*, p.61.

Visa settings should give migrants a fair go

The points test also has an important role to play in building stronger communities. Many of the migrants in our community came here on a points tested visa, and this will continue to be the case. Accordingly, the points test should provide clear, attainable pathways for temporary migrants that have the skills we need. Many migrants who come to Australia on a temporary visa go on to receive a points tested visa. For example, 50 per cent of international students who arrived in 2006-07 who went on to become permanent residents received an independent points tested visa.⁸

The points test should continue to provide opportunities for skilled temporary migrants seeking a pathway to permanent residence, and subsequently Australian citizenship. It should also provide clear signals on migrants' prospects for permanent residence and be clear on what is required for migrants to maximise their chances to receive a permanent visa. When temporary migrants have a clear understanding of what is required to meet these pathways it builds our social fabric and reduces vulnerability to exploitation. Getting the points test right is critical to restoring permanent residence at the heart of our migration system and maximising the economic benefit to Australia.

Australia has an opportunity to improve our points test

Australia has used a points test since 1979 to identify migrants that help Australia build its national prosperity. However, the last major change to the points test was in 2012. Since then, we have tinkered with the points test, trying to meet conflicting and competing objectives. A revitalised points test at the heart of our permanent migration system will mean Australia has the skills we need to prosper, supported by young, dynamic migrants looking to share in our multicultural nation.

How the points test works today

The points test currently underpins three different visas – the Skilled Independent visa (subclass 189), Skilled Nominated visa (subclass 190), and Regional Skilled Work Provisional visa (subclass 491), which together form some two thirds of Australia's permanent intake of skilled migrants. These programs provide a permanent visa pathway to migrants who may not have a job already in Australia (and as such are ineligible for employer-sponsorship), but who have skills and attributes that mean they can find skilled work and contribute to Australia now and in the coming decades.

Table 1: Current migration program planning levels

Visa	Planning level 2023-24	Current selection priorities	No. of eligible occupations	Age limit	Minimum English requirement
Skilled Independent visa	30,375	Healthcare and teaching occupations then ranked selection	212	45	Competent ⁹ (IELTS 6 or equivalent)
Skilled Nominated visa	30,400	State and territory nomination	427	45	Competent
Skilled Work Regional (Provisional) visa	32,300*	State and territory nomination	504	45	Competent

* Includes the Skilled Work Regional (Provisional) visa (subclass 491) and the Skilled Employer Sponsored Regional (Provisional) visa

⁸ The Australian Government, the Treasury Centre for Population (2023), *Pathways from temporary visas to permanent residency: a case study of migrants that arrived in 2006-07*, p.6

⁹ For definitions of English language requirements please refer to the website of the Department of Home Affairs: English language visa requirements (homeaffairs.gov.au)

The points test allocates points to migrant characteristics such as age, qualifications, skills, and English proficiency, and then ranks prospective migrants by their overall points. Migrants need to have a qualification and relevant experience related to a job on an occupation list, speak competent English, be below the age limit of 45 and score at least 65 points to be eligible for a points tested visa.

For Skilled Nominated visas and Regional Skilled Work Provisional visas, migrants need to secure a nomination from a state or territory government to be granted a visa. States and territories set their own requirements for this nomination, such as creating their own priority occupation lists, prioritising graduates from local universities or requiring a commitment to reside in the state or territory.

Table 2: Current points test allocation

Criteria	Points	Description
Age	30	Provides between 15 to 30 points to individuals aged between 18 and 45 years.
Skilled work experience	20	Provides between 0 and 20 points for years of experience. Experience in Australia is weighted more heavily than overseas experience.
Education	20	Provides between 0 and 20 points for the highest level of qualification.
English proficiency	20	Provides 0 to 20 points according to level of language proficiency.
Partner skills	10	10 points available for partners who speak 'competent English' and have assessed skills on the same occupation list as their partner. 5 points available for partners speaking 'competent English' and who do not have skills on an occupation list (or whose skills were unassessed). Applicants without a recognised partner, or with an Australian partner, receive 10 points.
Australian study	5	5 points available for holding a degree, diploma or trade qualification from an Australian institution.
Specialist education in Australia	10	10 points available for Australian doctorate or masters research qualifications in Science, Technology, Engineering and Mathematics (STEM).
Professional year in Australia	5	5 points available for undertaking a year of professional training in Australia. Only available to graduates in accounting, engineering and ICT.
Regional study	5	5 points available for Australian study outside of Sydney, Melbourne and Brisbane.
Credentialed community language	5	5 points available for accredited language proficiency at a specified level. Migrants must apply through the National Accreditation Authority for Translators and Interpreters.
Nomination for Skilled Nominated visas and Regional Skilled Work Provisional visas only	15	5 points given for being nominated by a state or territory government (Skilled Nominated visas only). 15 points given for a regional nomination by a state or territory government – or being sponsored by a family member and the Minister has accepted the sponsorship (Regional Skilled Work Provisional visas only).
Total Points	145	

Challenges with the current points test

The points test should focus on characteristics that are associated with migrants successfully finding skilled work

Research consistently shows that education, English language skills and experience are important predictors of labour market success – both upon arrival to Australia, but also for the years and decades afterwards. Analysis undertaken by the Australian National University on the determinants of economic outcomes of Australian permanent migrants echoed this, finding that education, English language skills, occupation and age all play an important role in determining the economic outcomes of permanent skilled migrants.¹⁰ The analysis also found that certain factors are more important in predicting migrant outcomes in the short term relative to the long term (and vice versa).¹¹

However, as the Migration Review noted:

“...the current test is not sufficiently calibrated to effectively distinguish between candidates. As currently structured it appears to differentiate on factors likely to be poor indicators of success in the labour market. As an example, because of insufficient differentiation, many applicants score the maximum available points on the core criteria (skills, age and English proficiency), leaving criteria of less obvious benefit (such as regional study and community language skills) to be the primary determinants of individual rankings.”¹²

As many points for these additional criteria are only available in Australia, the current design of the points test contributes to a growing group of permanently temporary migrants who remain in Australia seeking to increase the number of points they have and their chances of receiving a permanent visa. The increased number of points available for temporary visa holders in Australia gives them a better opportunity to access permanent residence. However, not all temporary visa holders will be successful, and sequentially seeking accrual of extra points can add years to the person's period of temporary residence.

While not all temporary migrants will receive permanent residence under Australia's capped permanent migration program, it is incumbent upon the Government to provide more clarity to migrants about their prospects of becoming permanent residents.

These additional criteria also add to the complexity of the points test, while sending confusing signals to migrants about what they should do to increase their chances of receiving a permanent visa. For example, the 'professional year' is a year-long course meant to give international graduates practical training to help them gain skills and connections relevant to finding a skilled job. These programs often include an unpaid internship as well as additional classroom training.

¹⁰ Varela, P, and Breunig, R (2023), p.3 and p.45

¹¹ Varela, P, and Breunig, R (2023), p.3

¹² Review of the Migration System (2023), p.68

Some experts have questioned whether these programs improve labour market outcomes and commented that the programs can be expensive.¹³ The points test currently awards a professional year and 1-3 years of local work experience with the same number of points (see box).

The points test should prioritise talented students who contribute to Australia's skills needs

- International students come to Australia with the hopes of getting a quality education, many also seek work experience and an opportunity to settle in Australia.
- But the current design of the points test means that international students who get a job in an area of skill need after they graduate can be disadvantaged, compared to other graduates.
- For example, an international student who finds a job and works for up to 3 years in an area of skill need after graduating gets 5 points in the points test. This is the same as a student who goes back to study for 2 years in a regional area or who pays to complete a professional year.

A reformed points test should prioritise the characteristics that best predict migrants' capacity to find skilled work in Australia. This will mean that migrants who receive a points tested visa are more likely to succeed in Australia, and are able to find fulfilling jobs where their skills and qualifications are used.

A focus on successful labour market outcomes will also mean a more dynamic and innovative economy. Migrants will be more likely to use their unique experiences and skills to contribute to new ways of doing things. They will also make the Australian labour market more dynamic by being well-positioned to switch jobs as the economy evolves.¹⁴

English language

Australia is a proud multicultural, multilingual country. However, English language skills help migrants to find a job, build their professional network and translate their skills and qualifications into the workplace. Research by the Australian National University shows that over 10 years, points tested migrants who self-report speaking English 'very well' earn some 30 per cent more than migrants who self-report speaking English 'not well'.¹⁵

Currently, points tested migrants need to have a minimum of 'competent English' (IELTS 6 or above). Migrants who can speak 'proficient English' (IELTS 7) receive 10 points and those who can speak 'superior English' (IELTS 8) receive 20 points. Accompanying dependents are not required to meet English language requirements, but the English language skills of a partner can contribute five points to the total of the primary applicant.

¹³ Costs for professional years can range from \$8,500 to \$15,000. See: Coates, B, Sherrell, H and Mackey, W (2021), *Rethinking permanent skilled migration after the pandemic*, Grattan Institute, p.89

¹⁴ Productivity Commission (2023), *5-year Productivity Inquiry: A more productive labour market, Inquiry Report – volume 7*, pp.15-16

¹⁵ Varela, P, and Breunig, R (2023), p.31. Unless otherwise stated outcomes quoted are for primary independent points tested migrants.

In addition to helping migrants find and thrive at work, strong English language skills help migrants to settle in their new community, understand their rights and obligations in the Australian workplace, and access supports and services if needed.

Education

Education is strongly associated with positive employment outcomes for migrants. PhD graduates are more likely to be employed than Bachelor graduates who in turn are more likely to be employed than Vocational Education and Training (VET) graduates.¹⁶ Education is also strongly correlated with incomes – migrants with a PhD earn 20 per cent more over 10 years than migrants with a Bachelor degree.¹⁷ Education also has a stronger impact on successful labour market outcomes after five years than on immediate outcomes, reflecting that education enables migrants to adapt to a changing labour market.¹⁸

Migrants with higher levels of education also contribute to a more dynamic economy, and improve the wages of local workers.¹⁹ A focus on education, along with English language skills, means migrants are less likely to be exploited, with modelling by the Grattan Institute showing that workers who are more educated are less likely to be paid below the minimum wage.²⁰

All these considerations are not fully reflected in the points test, with a PhD only earning 20 points, whereas a Bachelor degree earns 15, and a trade qualification 10. This does not reflect the degree of difference in outcomes, as the gap can easily be bridged by undertaking a professional year or returning to study in a regional area, which are worth 5 points each.

Illustration One: Impact of points relating to education and professional year*

Jyoti has a PhD in Chemical Engineering

Points contributed

• 30 year old	30
• PhD (overseas)	20
• Proficient English	10
• Australian study	0
• Professional year	0
• Regional study	0
• Community language	0

¹⁶ Varela, P, and Breunig, R (2023), pp.27-28

¹⁷ Varela, P, and Breunig, R (2023), p.31

¹⁸ Varela, P, and Breunig, R (2023), p.30. Includes all permanent migrants, not just independent migrants.

¹⁹ OECD (2023), *Regional Productivity, local labour markets, and migration in Australia*, pp.26-27

²⁰ Coates, B, Wiltshire, T, and Reysenbach, T (2023). *Short-changed: How to stop the exploitation of migrant workers in Australia*, Grattan Institute, p.17

Illustration Two: Impact of points relating to education and professional year*

James has a Bachelor in Accounting from a regional Australian university, and finalised a professional year

Points contributed

• 30 year old	30
• Bachelor degree	15
• Proficient English	10
• Australian study	5
• Professional year	5
• Regional study	5
• Community language	0

* Illustrations one and two show the impact of selected criteria within the current points test. They do not aim to present the points accruable across all available categories. The illustrations do not draw on any data relating to a specific individual and do not intend to identify any person. Invitations to apply include prioritisation considerations, including relating to applicants' occupation, qualifications or experience. Applications are typically considered within an occupation, accordingly, higher raw points are not the sole determinant for an invitation to apply.

Experience matters, but should not drive permanent temporariness

The current points test provides more points for Australian skilled work experience compared to overseas experience and more points for longer periods of experience. This recognises evidence that having success in the Australian labour market today is strongly associated with success in the future.

However, it is not just the quantity of experience that a migrant has that matters, but also the quality of their experience. For example, a young migrant who has had a successful start to their career has already gained valuable experience in Australia while also contributing their talents to help meet Australia's workforce needs. They have shown that they can compete for and hold a skilled position in the Australian workforce. Giving additional points for Australian skilled work experience beyond initially finding and holding a skilled job could encourage migrants with limited prospects for permanent residence to prolong their stay in Australia to try to boost their chances of getting a permanent visa. This could add to the pool of permanently temporary visa holders in Australia.

It also makes migrants on temporary skilled visas more vulnerable to exploitation. Providing more points for long periods of work experience means that temporary skilled visa holders whose employers refuse to sponsor them could remain bonded to their employer to gain experience in the hopes of increasing their chances of obtaining a self-nominated visa through the points test

There is also a question as to how to balance overseas and local experience, as overseas work experience can bring fresh perspectives and innovation to the Australian workplace, but local experience in skilled work has proven to be a strong predictor of success over decades.

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

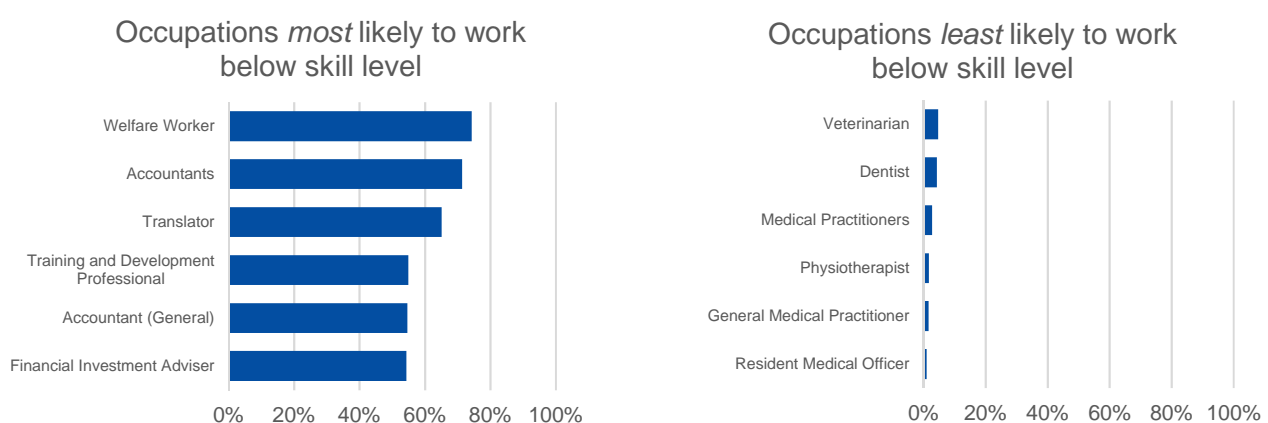
- What criteria should be included? What criteria should be removed?
- Should the weightings of different criteria change? How should points within criteria be structured?
- What should the minimum eligibility requirements for the points test be? Should there be minimum scores against particular criteria? For example, should we require an onshore migrant to have a skilled job in order to apply for a points tested visa?
- How should the points test account for migrants' experience? How should it reflect quality of experience? How should domestic versus international experience be treated?

The points test should focus on targeting the skills Australia needs now and in the future

Migrants hoping to apply for a points test visa need to have experience and qualifications in an occupation on an occupation list. The aim is to ensure that migrants are bringing skills in identified areas of need, complementing the existing skilled workforce. However, these occupation lists have historically been slow to change and respond to shifts in the labour market. They add to the complexity and uncertainty of the points test.

Further, the points test does not require a job offer in Australia, which may mean that migrants can struggle to establish a professional network and find work in their nominated occupation soon after they have arrived. Nearly a quarter of skilled migrants work in a job below their skill level.²¹ Evidence shows that migrants in certain occupations are far more likely to find work that uses their skills and qualifications, while in other occupations migrants struggle.

Figure 2: Occupations most and least likely to work below skill level



Based on Commonwealth of Australia data. Source: Commonwealth of Australia (2023), *Working Future: The Australian Government's White Paper on Jobs and Opportunities*, Chapter 5, p.104.

²¹ Committee for Economic Development of Australia (CEDA) (2021), *A good match: Optimising Australia's permanent skilled migration*, p.10

How we target skills also influences migrant behaviour leading to lasting consequences for their careers. The 2022 International Student Experience Survey found that almost 70 per cent of students rated the possibility of migrating permanently to Australia as an extremely important reason for choosing study in Australia.²² Advice is easily found on the internet about the best courses of study in Australia to achieve permanent residence. It is reasonable to conclude that many aspiring migrants will take account of whether a qualification is for a role on the occupation list when deciding which course to study at Australian universities, rather than choosing something predominantly because it aligns with their passions and long term career goals.

After graduating, the migrants can find themselves competing for a limited number of jobs and limited number of permanent visas as occupation ceilings apply to certain occupations. For example, many international students study accounting. Yet, the number of expressions of interest for a points-tested visa submitted by qualified accountants in 2019 and 2020 was equivalent to roughly one fourth of the total number of accountants employed in Australia today.²³

Migrants face many varied barriers to finding skilled work, such as discrimination, registration requirements and qualification recognition, many of which cannot be solved by reforming the points test.²⁴ However, a genuine need for their skills will help them to find skilled work.

The goals of the migration system should not just be limited to meeting immediate skill needs. Migration also has an important role in helping meet Australia's future skill needs.

Targeting the skills we need in the future is challenging – Australia's labour market is constantly evolving and future trends cannot always be predicted with certainty. The challenge is to target transferable skills, where migrants are able to change jobs in response to evolving needs, as well as to target skills where demand will continue to grow, such as in health care to meet the needs of an ageing population or digital technology where ongoing innovation will require specialist skills.

We also need to ensure that the way we target skills complements our domestic skills and training system, working together to meet skills needs.

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

- Are occupation lists an appropriate way to target skills? If so, what should be considered in compiling them?
- How can we best identify and target Australia's long-term skills needs?

The points test could better target young migrants who will help address the challenges of an ageing population

The Migration Review concluded that the two key factors underpinning the contribution made to the economy by migrants in the skilled stream are the age of the migrant and their income level – the longer a person contributes to the labour force and the higher their wage (which is associated with skilled employment), the greater their economic and fiscal contribution.²⁵ Younger migrants spend

²² The Quality Indicators for Learning and Teaching (QILT) (2023), *2022 Student Experience Survey June 2023, The International Student Experience*, p.32

²³ Coates, B, Sherrell, H and Mackey, W (2021), *Rethinking permanent skilled migration after the pandemic*, Grattan Institute, p.79

²⁴ Barker, A and Tofts-Len, S (2024), *Making better use of migrants' skills*, CEDA, p.8, pp.27-29

²⁵ *Review of the Migration System* (2023), pp. 59-60

more of their working lives in Australia meeting skill shortages and as such increase the working-age population.

Younger migrants also help grow Australia's tax base. For example, modelling shows that a person who arrives at 30 and earns half as much as someone who arrives at 50 will have the same impact on government budgets over their lifetime.²⁶

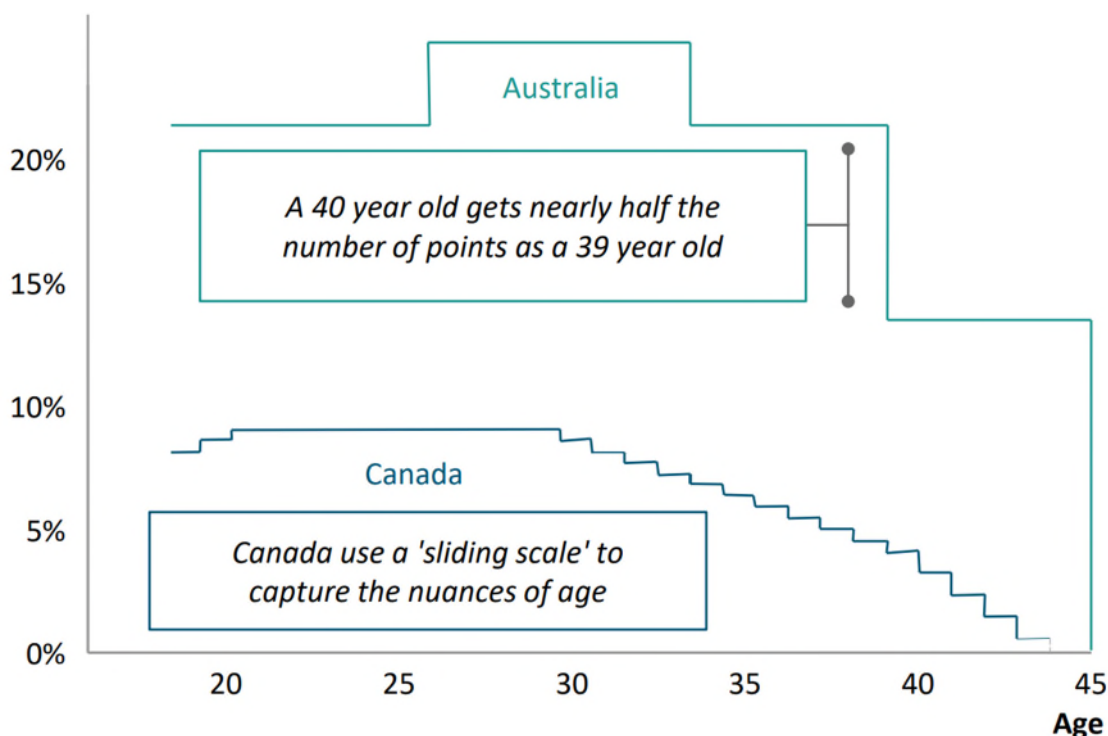
Under the current points test, age accounts for a maximum of 30 points, but the points allocated do not reflect the way age interacts with the benefits that accrue to Australia. This includes impacts to the budget, the benefits from delaying the effects of an ageing population, and benefits from identifying the migrants who will make the greatest contribution to Australia over their lives.

The Migration Review considered that the Australian approach to points allocations was not sufficiently nuanced with significant cliffs between ages. For example, for those between 39 and 40 years old, one additional year has a significant impact on success in obtaining a visa – even if the actual difference between a 39 year old and a 40 year old is small at the margin.

Canada, in contrast, has taken a more nuanced approach, where they provide the largest number of points at the 'sweet spot' of early career migrants, and have a sliding scale for younger and older migrants – avoiding the large jumps seen in Australia's points test.

The focus on age should not suggest that a migrant's fiscal contribution is the only, or even the primary factor, in deciding who becomes a permanent resident through the skilled program. Such a perspective would be one dimensional and would not value the full contribution that migrants make to Australia.

Figure 3: The Canadian approach compared to the current Australian approach



Source: *Review of the Migration System (2023)*, p.69

²⁶ Treasury (2021), *The Lifetime Fiscal Impact of the Australian Permanent Migration Program*, accessed 3 April 2024 p.15

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

The points test does not fully recognise the potential contributions of partners

Partners of points tested visa holders make a valuable contribution to Australia, with many working and contributing their skills to areas of need. The Migration Review observed that Australia benefits most when both partners have attributes that will allow them to succeed in the labour market.²⁷

The Migration Review noted that secondary applicants (which includes partners and children) make up 55 per cent of the permanent skilled intake. Out of a total of 145 points available in the points test, there are currently up to 10 points available for partners, based on their occupation and English language skills. There is an opportunity to have a greater emphasis in the points test on the characteristics for partners which we know to be associated with success in the labour market. These include English language ability, education and experience in skilled work.

At present, a dependent partner under 45 years old can contribute 5 points for having at least 'competent' English language skills and a further 5 points if they have accredited qualifications in an area of skill shortage. Couples who both have characteristics that will allow them to succeed in the labour market may receive fewer points than couples where the primary applicant, for example, receives an extra 5 or 10 points by studying in a regional location and/or paying for a professional year, but whose partner may struggle in the labour market.

The limited points available for partners means that even a skilled and qualified partner – who themselves may have been competitive for a points tested visa – can contribute only a small fraction of the total points available to the primary applicant.

Illustration Three: Impact of points allocated for partners*

Bo is a 44 year old partner without post-secondary qualifications

Points contributed

- 'Competent English' 5
- No tertiary qualifications and occupation not on skills shortage list 0

Carmelita is a 28 year old nurse who completed a Master of Public Health overseas

Points contributed

- 'Superior English' 5
- Tertiary degree and occupation on skills shortage list 5

* The above illustration compares the impact of selected criteria within the current points test. It does not aim to present the points accruable across all available categories. The illustration does not draw on any data relating to a specific individual and does not intend to identify any person. Partners will also need to be skills assessed to claim points relating to their occupation.

²⁷ Review of the Migration System, p. 68

A greater focus on the attributes of partners will better equip partners to find work if they want it, and improve the labour market outcomes of secondary applicants. They should be better able to participate in Australian life, and to benefit Australia as we have more skilled workers in the labour market.

A greater emphasis on partners' skills will also support the economic empowerment of migrant women. Historically, primary applicants in the points test have been predominantly male.²⁸ However, a greater focus on partners' skills also needs to sit alongside other supports to help migrant women access the labour market, such as support for women to have their qualifications recognised in Australia.

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

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

Transition arrangements for the points test will need to balance fairness and certainty for migrants with the need for reform

The current setup of the points test requires prospective migrants to submit an expression of interest (EOI) before they are invited to apply for a visa. Migrants are invited to apply based on a variety of criteria, such as having an occupation in a priority occupation, scoring highly on the points test or receiving a state and territory nomination.

This system provides a more transparent and fair way of allocating the scarce number of permanent visas to the many migrants who wish to come to Australia. For example, at the beginning of 2023-24 program year there were around 80,000 EOIs from unique individuals seeking to migrate to Australia through the Skilled Independent (subclass 189) visa.²⁹

Many migrants make choices in their lives based on their prospects for permanent residence – where to live, what to study and where to work. Reforms to the points test should try where possible to honour those decisions and provide migrants with certainty that their choices are not in vain. However, this needs to be weighed up against providing fairness and certainty for migrants who may be better off under a reformed points test.

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

²⁸ Department of Home Affairs data. Results from 2022-23 are a notable exception, as health care professionals, particularly nurses were prioritised, resulting in the majority of primary visa grants going to women.

²⁹ The *SkillSelect* platform allows candidates to submit multiple EOIs. As such, the number of EOIs in the platform is larger than the number of unique individuals expressing interest in migrating to Australia.

Regular reviews of the points test will make sure it continues to deliver on its objectives

Reforms to the points test should not be set and forget, and the points test should be regularly reviewed to ensure that it continues to meet its objectives. Reviews will help ensure that the points test reflects Australia's changing needs, and is responsive to a changing international environment. Regular reviews will also provide a mechanism to ensure that the points test reflects the latest research and data on which characteristics are associated with migrants successfully finding skilled work. Reviews will also provide an opportunity to incorporate lessons learnt from past reforms as well as from international experiences.

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

How to make a submission

The Department of Home Affairs is inviting submissions to the review of the points test until 5 pm Australian Eastern Standard Time on Friday 24 May 2024. Submissions can be made on the Department's website www.homeaffairs.gov.au.

How will submissions be used?

Written submissions will be analysed by the Department of Home Affairs and will form a key contribution to the review of the points test and the Department's advice to Ministers. The Department may contact submission authors to invite additional information or views.