

UNSW Submission – Review of the Points Test

UNSW welcomes the opportunity to comment on review of the Points Test, which seeks to enhance skilled migration by addressing shortcomings in the current migration system.

Recommendations

The Commonwealth Government can enhance the current Points Test by considering the following as part of the consultation:

- 1) Providing data to help create greater awareness of the standards set for the points test eligibility and points required for an invitation to interview.
- 2) Work closely where possible with Governments of States and Territories to:
 - Identify common objectives to support the migration system (e.g. through local requirements and how local priority occupation lists are created);
 - Identify process efficiencies across the migration system; and
 - Develop, through informed exchange and data, an enhanced understanding of the local skills shortages between States and Territories to support more targeted labour market outcomes.
- 3) Leveraging research within universities, as the Government did in preparing the Points Test Review Discussion Paper with the Australian National University, to best identify and target Australia's long-term skills needs.
- 4) Identify disparities or disadvantage in the way points are allocated, including in relation to PhD qualifications, and international students who secure jobs in skill-needed areas post-graduation compared to other graduates.
- 5) Identify how points are currently allocated in respect of age, regional study, skills, partners and gender.
- 6) Adopt a stable approach to reviewing the Points Test and publish changes to the points system at least six months in advance to help employers operationalise policy changes and international student graduates to effectively plan ahead and assess impacts to their personal circumstances.

Introduction

Universities such as UNSW play a vital role in enhancing Australia's prosperity and openness to the world, including through their contribution to economic growth, cultural diversity, a vibrant society and productivity. UNSW is also proud to be a global university. UNSW has a myriad of global partners, diverse international student cohorts, and extensive international research networks, including:

- International students from more than 140 countries around the world in 2023
- UNSW has one of the largest outbound student mobility programs in Australia, with over 4,500 students undertaking an international experience per year (pre-pandemic)
- Almost 2,000 visiting international students from a wide variety of regions annually through our Study Abroad, Exchange and Research Practicum programs
- Research joint funding for real-world impact with international collaborators from 68 countries in 2023.

UNSW is proud to have the most employable students¹, to be the best university for career outcomes, and to rank second overall in the AFR's Best Universities Ranking 2023 – and this reflects more broadly the world-class calibre of universities across Australia that attract the best students from around the world and ultimately make Australia more competitive as a result.

This review directly impacts our international student graduates and staff employed by the University, and the economic, social and cultural experience they will have in Australia.

UNSW is pleased to support the Government to design a new and simpler Points Test, as this will help to create more confidence in the visa processes and greater certainty for migrants to know what they should do to increase their chances of receiving a permanent visa.

Design of the Points Test to best target migrant success in finding skilled jobs

UNSW agrees that the success of migrants is an important aspect of the migration system to ensure sustainable positive impact. While the Points Test has been in operation since 1976, and reviewed only in 2012, it is even more important that we update our understanding of the current key predictors of labour market success. Occupation lists have also been historically slow to change and respond to shifts in the labour market. A focus on labour market outcomes therefore will, as the review rightly notes, promote a more dynamic and innovative economy, where Australia can position itself to more effectively meet both immediate and future skill needs.

The design of the Points Test should seek to appreciate the full contributions of migrants, whether it be an international student graduate or university employee. For example:

- Migrants will be more likely to use their unique experiences and skills to contribute to new ways of doing things.
- Migrants also make the Australian labour market more dynamic by being well-positioned to switch jobs as the economy evolves.
- Migrants with higher levels of education also contribute to a more dynamic economy, to cultural diversity and to society in general.²
- Younger migrants spend more of their working lives in Australia meeting skills shortages and as such increase the working-age population.
- Migrants can become strong proponents of Australia as lifelong ambassadors of our country, helping to boost our reputation globally while also facilitating cultural exchanges.

Consideration of how the Points Test sits in context of other visa options is also needed. For example, UNSW supports employer-linked visas for its employees which are more straightforward, less competitive, and do not require a skills assessment (e.g. for academics) when compared with Independent Skilled visas. This visa pathway has also been significantly reduced with respect to places available in the last financial year. It is important for Government in this context to consider how the design of the broader system impacts long-term clarity for employers such as universities.

We also consider that the threshold for points tested eligibility is very low compared with the points that are required for invitation. It would be helpful if the Government provided data and reported on this so that prospective applicants are aware of how high the bar is set. For example, disclosing the number of expressions of interest that are pending would help achieve this.

¹ UNSW placed first in the AFR Future Leaders Awards for last 5 years.

² OECD (2023), Regional Productivity, local labour markets, and migration in Australia, pp.26-27

Better targeting of points tested visas

We encourage the Commonwealth Government to work closely with the Governments of States and Territories to see where further efficiencies can be realised to support the objectives of the review (e.g. through local requirements and in how they create their own priority occupation lists).

Better understanding of the local skills shortages between States and Territories will help to support more targeted and successful labour market outcomes. We recognise the Commonwealth Government's efforts particularly through Jobs and Skills Australia to provide expert advice on the current, emerging and future skills and human capital needs of the economy, and on the effectiveness of the national skills system in meeting these needs.

We also see significant benefits in the Government leveraging research within universities, as it did in preparing the points test review discussion paper with the Australian National University, to best identify and target Australia's long-term skills needs.

Better targeting from our perspective also includes a clear understanding of the current experiences of international students under the system. For example:

- International students arrive in Australia with aspirations for quality education, often seeking work experience and an opportunity for settlement. However, the current structure of the points test can disadvantage international students who secure jobs in skill-needed areas post-graduation compared to other graduates. For instance, an international student working for up to 3 years in a skill-needed area after graduating is awarded 5 points, equivalent to a student returning to study for 2 years in a regional area or completing a professional year.
- A PhD is only awarded 20 points, whereas a Bachelor's degree earns 15 and a trade qualification 10. This disparity does not align with the differences in outcomes, easily bridged by undertaking a professional year or returning to study in a regional area, each of which is worth 5 points.

These two examples indicate that there could be a more targeted selection, particularly through the expressions of interest stage of the process, to effectively capture highly-skilled migrants to fill current and future skills gaps.

Redesigning of allocated points to select migrants

There are a number of categories where UNSW considers an update is needed to the number of points earned. It is important to see the recalibration of the Points Test as an opportunity to recognise the important contributions that migrants make in Australia.

Age

- The sliding points scale for age used by Canada seems to be a sound approach rather than the blunt cutoffs proposed.

Regional study

- We suggest removing regional study points and adding these points to the "Australian Study" points to make a single category of 10 is simpler. We think it should also include TNE branch campuses (or at least 5 of the 10 points).
- Excluding only Sydney, Melbourne and Brisbane hardly seems to target "regional" areas, while arguably some of the most in-demand skills (e.g. IT and Engineering) are required more in these three locations than in others.

Skills

- Increasing the points for an international student who gets a job in an area of skills need to 10 points (from 5), regardless of location. If someone has an overseas higher qualification (e.g. PhD student page 9) and works in an area of skills need, under proposal they might get 5 points however, we think they should get 10.

Gender equality

- We welcome the Government considering the interaction between the Points Test and gender equality. We encourage the Government to consider how gender could be appropriately factored into the test, for example, in sectors and occupations where female participation is low such as in STEM. Additional points could be granted in such circumstances.

Transition arrangements to support reforms

We recommend that where there are changes to the points system, that this be published at least six months before being introduced. This is particularly important given almost two-thirds of permanent skilled migrants are selected through the Points Test. This will help ensure a smooth transition for employers to operationalise the policy changes and international student graduates to effectively plan ahead and assess the impacts to their personal circumstances.

Review of the Points Test

We recommend that the Government adopt a stable approach to migration policy relating to the Points Test. We therefore suggest that the points system should not change too often to reduce unintended uncertainty, already prevalent in the current system. However, the Government should regularly assess whether the Points Test is meeting the overall objectives of the Migration Review. We would also suggest that any change to the system be 'grand-fathered' so that current students who are working within the current points system do not have their occupation removed or goal-posts shifted mid-way through their study.

Conclusion

Universities play a critical role within the migration system and foster a positive experience for international students and staff and for our wider communities. Simplifying and updating the basis for selecting independent skilled migrants, getting the balance right between selecting the best temporary visa holders seeking to stay permanently, while also attracting highly-skilled permanent migrants are all important factors for the Government to consider as part of this consultation.

Should you wish to discuss any issue raised in this submission, please do not hesitate to contact our Head of Government Relations, Mr Robin Schuck, on 0411 124 258 or r.schuck@unsw.edu.au.