

Tuesday, 28 May 2024

Department of Home Affairs

Lodged online

Review of the points test

Chartered Accountants ANZ (CA ANZ) and CPA Australia make this joint submission to the Department of Home Affairs in response to the consultation questions in the review of the points test discussion paper (discussion paper).

Together CA ANZ and CPA Australia (the professional accounting bodies) represent more than 300,000 accounting, audit and finance professionals in Australia and around the world. We advocate in the interests of our members, the profession and in the public interest.

We bring multiple perspectives to this submission:

- as skilled migration assessing authorities for accounting
- as educators through our professional programs and continuous professional development offerings, and
- as providers of work readiness programs for international graduates of Australian higher education programs of accounting, through our oversight of the Accounting Professional Year Program.

The review of Australia's migration system found that the points test is not designed to identify applicants with the best potential to contribute to Australia over the long term, and that the skilled migration occupation lists are outdated, lack a strong evidence base, and do not reflect current or anticipated skilled labour needs.¹

In our detailed submission in the attachment we advise how to address these issues. In the first section, we discuss how to recalibrate the points test around the key characteristics of credentials, work experience, language proficiency and age. In the second section, we advise how to better target points tested visas to ease Australia's skills shortages and develop its human capital. In the final section, we share some thoughts on transition arrangements and a review process that balances stability and relevancy. All sections include evidence drawn from the experiences of accounting, audit and finance professionals² and the professional accounting bodies.

Recommendations

CA ANZ and CPA Australia recommend that the Department of Home Affairs:

1. Adjust the threshold points required to be eligible to be invited to express an interest to migrate considering the maximum total points that could be claimed once this is determined.
2. Change points allocated for higher education qualifications by raising the maximum that can be claimed, providing more points for higher qualification levels, and rewarding points for more than one higher education qualification.

¹ [Parkinson, Howe and Azarias \(2023\) Review of Australia's Migration System Final Report](#), p 31.

² Accounting, audit and finance professionals are defined in this submission as the Australian and New Zealand Standard Classification of Occupations (ANZSCO) categories of Finance Manager (1322), Accountants (2211) and Auditors, Company Secretaries and Corporate Treasurers (2212) unless stated otherwise.

3. Introduce points for occupation-specific credentials recognised by relevant assessing authorities.
4. In collaboration with assessing authorities, investigate means for recognising and rewarding shorter form credentials with points.
5. Change the approach to allocating points for skilled work experience by lowering the minimum that attracts points from three years to two years' experience and lowering the lower band of the top bracket for attracting points to six years.
6. In collaboration with assessing authorities, investigate using exams to recognise and independently verify the relevance of prior learning.
7. Increase the number of points allocated for completing an approved professional year work readiness program in Australia.
8. Give English language proficiency greater weight in the points test.
9. Investigate alternatives that facilitate a greater granulation of points for English language proficiency, and better matching of minimum language ability requirements and points allocated for language skills to the skilled visa program an applicant is applying under.
10. Introduce a sliding scale of points based on the ages of younger and older applicants.
11. Note the points test is already supporting gender equality in the Australian labour market.
12. Collaborate with Jobs and Skills Australia to design a skills (versus occupations) list for implementation over the medium to longer term.
13. In the short term, reduce complexity by adopting a single migration occupations list.
14. Pass a new legislative instrument that clarifies that the single migration occupations list cascades from the most current Australian and New Zealand Standard Classification of Occupations (ANZSCO).
15. Discuss transition arrangements and timelines with the assessing authorities as early as possible once final decisions are reached regarding the reformed points test.
16. Permit assessing authorities to assess applications made prior to the introduction of the reformed points test according to the test in place at the time of the application, unless the applicant's prospects are improved under the reformed points.
17. Alter the single skilled migration occupations list on a case-by-case basis if triggered by substantive change.
18. Monitor the reformed points test and evaluate its performance after its first year of operation.
19. Following this initial evaluation, continue monitoring and review on a five-year cycle.
20. Consult with key stakeholders, including the assessing authorities, as part of the review.

If you have any questions or would like to discuss the views in this submission, please contact:

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Sincerely,

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Review of the points test

1. What's the 'point'?

The 'point' of a points test is to screen for global talent based on their likelihood to make a positive economic contribution over time. That is a function of whether applicants have skills that Australia needs and will help it prosper, applicants' success in finding jobs that put their skills to best use over the remainder of their working lives in Australia, and just how long that is. Relevant criteria are applicants' credentials, work experience, English proficiency, professional year and age. These characteristics are discussed under questions one and three below.

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

The professional accounting bodies' proposals to keep, change, add or remove any criteria in a reformed points test are motivated by our analysis of whether they are good gauges of applicants' likely economic contribution over the remainder of their lifetimes in Australia. We have not sought to put lines through any indicators for the additional purpose of reducing the maximum number of points on offer.

We advise that the better approach is to adjust the threshold points required to be eligible to be invited to express an interest to migrate once it is known what is the revised maximum total points that could be claimed. As set out in the discussion paper, currently in Australia the maximum points that an applicant can earn is 145 and the threshold requirement for application is 65. By way of comparison, in Canada the maximum is 100 points and the threshold is 67 points. That is, it is a comparatively harder hurdle in Canada than Australia.

CA ANZ and CPA Australia recommend that the Department of Home Affairs adjust the threshold points required to be eligible to be invited to express an interest to migrate considering the maximum total points that could be claimed, once this is determined.

Credentials

Granularity of higher education qualifications

Recent research by the Australian National University (ANU) finds that applicants' credentials is a key determinant of the economic success of migrants. Specifically, applicants with higher education qualifications were found to enjoy an earnings premium relative to migrants with a high school qualification of 11 percent for an undergraduate degree, 17 percent for a master's degree, and 41 percent for a PhD.³

³ [Varela, P and Breunig, R \(2024\) Determinants of the economic outcomes of Australian permanent migrants, TTPI – Working Paper 7/2024, Crawford Public School of Policy, Australian National University, May.](#)

These findings provide grounds for increasing the maximum points available for qualifications and, thereby, giving greater weight to qualifications in the points test. They also suggest that there would be value in a more granular approach to rewarding higher education qualifications. Australia's binary distinction between bachelor and higher qualifications and doctorates could be made more granular by allocating more points for master's degrees and to applicants with multiple degree level and higher qualifications.

Occupation-specific credentials

Missing from the current points test is recognition of occupation-specific credentials, such as occupation licenses and professional designations. If, for example, an applicant for skills assessment already has a CA, CPA or other recognised professional accounting designations, this provides us with confidence that the applicant exceeds the competencies sought for a positive skills assessment and has a greater likelihood of success in the Australian labour market.

Shorter form credentials

The current points test recognises and rewards traditional qualifications that are typically broad in scope, take a long time to acquire, and are offered by recognised education institutions. For example, for applicants to migrate to Australia as accountants they must hold formal qualifications that are at least comparable to an Australian bachelor's degree, and evidence coverage of defined core competency areas.

This approach has served Australia well. However, that does not mean it will continue to serve Australia well into the future. Increasingly, learners are preferencing opportunities to either signal skills already gained and/or to newly acquire or grow their skills in digestible chunks that support rather than pause their career aspirations. Both traditional and non-traditional providers are responding to these preferences by offering shorter form credentials that verify their technical and professional skills. CA ANZ and CPA Australia are examples of non-traditional providers offering micro-credentials to their members that span soft skills, technical skills, public practice or a combination. If the practice of assessing traditional qualifications only is rigidly maintained, it risks doing Australia a significant disservice.

We recommend that the Department of Home Affairs, together with assessing authorities, investigate ways to recognise shorter form credentials. Assessing authorities, including the professional accounting bodies, are well placed to independently assess the Australian Qualifications Framework (AQF) level equivalency of shorter form credentials. Guidance is provided by the National Microcredentials Framework and the Joint Statement on Micro-Credentials Principles and Practice under development by the Australian Council of Professionals.⁴

⁴ Visit <https://professions.org.au/micro-credentials-principles/>

CA ANZ and CPA Australia recommend that the Department of Home Affairs:

- Change points allocated for higher education qualifications by raising the maximum that can be claimed, providing more points for higher qualification levels, and rewarding points for more than one higher education qualification.
- Introduce points for occupation-specific credentials recognised by relevant assessing authorities.
- In collaboration with assessing authorities, investigate means for recognising and rewarding shorter form credentials with points.

Work experience

Work experience points brackets

As recognised in the discussion paper, the current approach of awarding points for work experience is supported by evidence that success in the Australian labour market today is strongly associated with success in the future. We concur with the views expressed in the discussion paper that it is not just the quantity of experience that matters, it is also the *quality*, and that the allocation of points for work experience should not drive permanent temporariness.

While we support the allocation of points for applicants with less than three years' experience, we advise against lowering the threshold to one year. The professional accounting bodies require at least one year of relevant work experience as a threshold requirement for a skills assessment. Typically however, the evidence we receive in support of this requirement is experience in a range of junior roles, often in a supporting capacity, rather than demonstrated experience of independently fulfilling responsibilities. Whilst this experience is still worthwhile, it often falls short of the level of professional experience Australian employers are looking for.

We advocate for two years' experience. This will increase the likelihood that applicants have suitable, skilled work experience, and demonstrated potential, to make a positive contribution to the Australian workforce. The two year minimum will also better support the entry of young, early career professionals and workers and recent international graduates.

At the other end of the points spectrum, current arrangements arguably reward visa hopping to stay long enough to access additional points. Lowering the threshold to access the most points against the work experience criteria from eight years should curb this tendency. Canada, for example, specifies six years as their lower band for earning maximum points for work experience.

Recognise prior learning

Recognising applicants' professional work experience and prior learning provides an opportunity to consider the value that may be contributed from skills and knowledge obtained outside of formal qualifications, including experience gained from working in other industries or overseas.

The challenge of recognising work experience and prior learning lies primarily in verification – proving a claim of work experience or prior learning is true, accurate and justified. Ensuring objectivity, integrity and consistency in how work experience and prior learning is measured and recognised is also important.

Recognition of prior learning (RPL) for trade occupations is often seen as straightforward because it involves assessing practical skills that can be demonstrated or observed directly. However, applying RPL to professional occupations can present challenges. Professional roles often require a combination of theoretical knowledge and soft skills that are not as easily quantifiable or demonstrated as trade skills.

For professional occupations, RPL processes need to be more nuanced, considering the complexity of the skills and knowledge involved. This might include evaluating academic achievements, professional development courses, and work-based achievements, as well as considering the individual's ability to apply theoretical knowledge in a practical context. Ensuring fairness and consistency in these evaluations is crucial to maintain the credibility of the RPL process for professional occupations.

Entry into our CA and CPA professional programs is based on core competences being evidenced in candidates' academic qualifications. However, if there are missing competencies in a candidate's qualifications but relevant work experience, they can demonstrate their competencies by sitting foundation exams. These are measurable tools that verify knowledge gained from experience. A similar approach could be used for skilled migration assessments. Assessing authorities are well placed to provide this independence of assessment.

CA ANZ and CPA Australia recommend that the Department of Home Affairs:

- Change the approach to allocating points for skilled work experience by lowering the minimum that attracts points from three years to two years' experience and lowering the lower band of the top bracket for attracting points to six years.
- In collaboration with assessing authorities, investigate using exams to recognise and independently verify the relevance of prior learning.

Professional year

The discussion paper questions whether professional year programs improve labour market outcomes. The answer is yes.

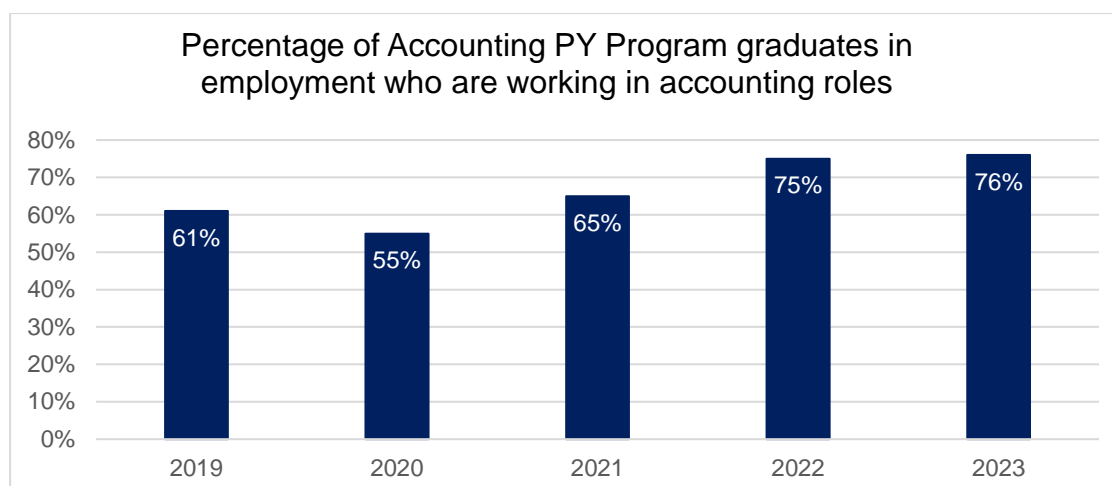
While the offer of migration points is a lure to completing a professional year, candidates gain more than just points, and Australia is the beneficiary. The example of the [Accounting Professional Year Program](#) (Accounting PY Program) helps evidence how.

CA ANZ and CPA Australia, together with the Institute of Public Accountants, have oversight of the Accounting PY Program. This is a work readiness program, approved by the Department of Home Affairs, which focuses on the culture, ethics and expectations of Australian workplaces.

The Accounting PY Program is available to international students with an Australian accounting degree of at least two years study with an Australian university. Completion requires at least 44 weeks of training, including classroom study for 32 weeks and a 12-week internship placement in an approved Australian workplace. Importantly, the Accounting PY Program is getting results.

Figures 1 and 2 below illustrate the superior accounting-specific employment outcomes achieved by Accounting PY Program graduates and the strong overall employment outcomes achieved by the program. In 2023, 76% of Accounting PY Program graduates found work in accounting roles.

Figure 1: Accounting PY Program field specific employment outcomes



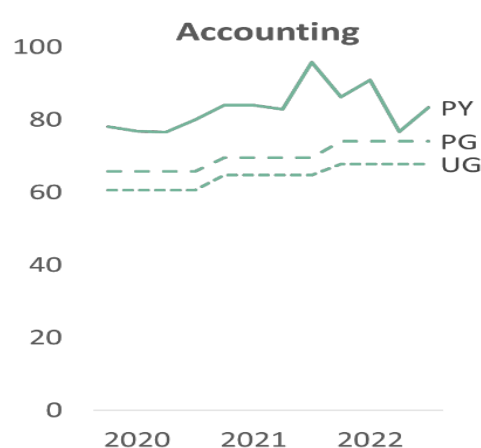
Notes: Field specific employment is based on graduates who are currently employed in Australia. It refers to employment in the accounting occupations where the candidate has expertise - Accountant (General); External Auditor; Finance Manager; Management Accountant; Taxation Accountant; and Corporate Treasurer.

Source: PY Destination Survey outcomes.

This is a significantly better result than the data reported in Treasury's Employment White Paper which showed accountants (from all pathways, including the Accounting PY Program) as the second most likely occupation where skilled migrants are working in jobs *below* their skill level.⁵ It underscores the need to make better use of the skills of migrant accountants and international students of accounting through proven work readiness programs such as the Accounting PY Program, and to continue recognising the professional year in the points test criteria.

Figure 2: Share of international accounting graduates in employment

Share in employment, percent



Sources: PY Destination Survey outcomes and Graduate Outcomes Survey International Report Tables for 2021 and 2022.

⁵ [Working Future: The Australian Government's White Paper on Jobs and Opportunities](#), 25 September 2023 p. 103.

The bolded lines in **Figure 2** above indicate the share of graduates of the Accounting PY Program that are employed, based on our survey results. When compared to the outcomes for all international graduates of undergraduate (UG) and postgraduate (PG) accounting programs (as shown by the dotted lines), in all cases, larger shares of PY graduates are employed.

The data for **Figure 1** and **Figure 2** are drawn from the professional bodies' Destination Survey which is conducted on a regular basis following completion of the respondents' PY program.

Similar stories can be, and have been, told for the professional year programs for international graduates of Australian programs of IT and engineering in our submission to the Federal Government in December 2023.⁶ That submission also shares the findings of surveys of graduates and employers, and the testimonials of both, that attribute the relatively positive employment outcomes to the professional year programs.

Given the professional year for accounting, engineering and IT demonstrates superior employment outcomes compared to the outcomes of all international graduates in those fields, and strong matching of jobs to occupation specific skills, we advocate that the number of points allocated for completing a professional year in Australia should be increased. We also refer the Department of Home Affairs to the further professional year reforms in our submission in December.

CA ANZ and CPA Australia recommend that the Department of Home Affairs increase the number of points allocated for completing an approved professional year work readiness program in Australia.

English proficiency

Good English proficiency helps migrants develop their networks, secure jobs, engage with their colleagues, put their skills to best use, and thrive in the workplace. Poor English proficiency does the opposite. CEDA's analysis of Census data found that poor English proficiency is a significant drag on skilled migrants' earnings, even when controlling for other important factors.⁷ The ANU research found that, compared to migrants that "only speak English", migrants that report speaking English "not well" face a 28 percent income penalty. The incomes of migrants who report speaking English "well" or very well" lie between these extremes.⁸

The professional accounting bodies have long understood the importance of English proficiency. While the threshold requirement for application is an International English Language Testing System (IELTS) score of six across each of the four domains of speaking, listening, reading and writing, we hold the bar higher at seven across the same domains. That said, while this is appropriate for accounting, finance and audit professionals, we are not suggesting that this is appropriate across the board. Our motivation for sharing insights on our practices is as evidence of our understanding of the importance of English proficiency, and of the need to allow for greater nuancing given that expectations differ by occupation.

⁶ [Joint submission on the Professional Year Programs for Accounting, IT and Engineering, 18 December 2024.](#)

⁷ [Barker, A and Tofts-Len, S \(2024\) Making better use of migrants' skills, CEDA.](#)

⁸ Varela and Breunig (2024) *op cit*.

We support calls for giving English language proficiency greater weight in the points test, and for more nuanced points allocations. Currently there are large gulfs between the categories of Competent, Proficient and Superior English, which respectively require applicants to achieve minimum IELTS scores of six, seven and eight across *all* four domains. If, for example, a candidate scores eight in three domains and seven in one, that candidate is still regarded as only Proficient and can access only half the points of another candidate who scores eight across all four. We encourage the Department of Home Affairs to investigate alternatives that facilitate greater granulation, such as averages, or the practice in Canada where points are differentiated based on the summed total of scores across the four domains.

The Canadian system of points test allocation for English proficiency is also worthwhile to consider as a model in Australia from the perspective that it provides a more tailored approach. The [minimum level](#) of language ability required and the number of points for language skills will depend on the specific program an applicant is applying under – the Federal Skilled Worker Program, Federal Skilled Trades Program or Canadian Experience Class.

CA ANZ and CPA Australia recommend that the Department of Home Affairs:

- Give English language proficiency greater weight in the points test.
- Investigate alternatives that facilitate a greater granulation of points for English language proficiency, and better matching of minimum language ability requirements and points allocated for language skills to the skilled visa program an applicant is applying under.

2. Meeting Australia's skill needs

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

A corollary question raised in the discussion paper is whether skilled migration occupation lists are an appropriate way to target skills. This more than hints at problems with the lists. Under this header, we examine the current approach, argue why the alternative of a wage threshold is not ideal, describe what would be ideal - a list of prioritised skills and not occupations - and propose a pragmatic solution that is achievable in the shorter term.

The current approach is suboptimal

In our joint submission to the review of Australia's migration system,⁹ we said that the current use of skilled migration occupation lists is suboptimal. On a more positive note, the skilled migration occupation lists:

⁹ [CA ANZ and CPA Australia \(2022\) joint submission on the review of Australia's migration system](#), December.

- **Address shortages.** Separate lists target migrants in occupations assessed to be in shortage over the short term, the medium and longer terms, or in regional areas.¹⁰
- **Facilitate labour market matching** by tying assessment to listed occupations. For instance, a positive assessment by CA ANZ or CPA Australia of the accounting qualifications, work experience and other characteristics of prospective migrant accountants provides employers a level of confidence that they have the qualities that match their needs.
- **Manage demand** for skilled migration and channel it to where the greatest need is.

However, current practice is hampered by at least four shortcomings:

- **The use of multiple lists adds to the complexity of Australia's skilled migration settings.** Different temporary and permanent visa subclasses link to one or more lists in different ways. This creates navigational difficulties, necessitating the use and expense of agents.
- **The lists are outdated.** When we wrote our submission to the migration system review, we expressed our concern that ANZSCO – the starting point from which the lists cascade – had undergone little change since its inception. This is no longer the case. Recent revisions in 2021 and 2022 mean that the latest version of ANZSCO is a good reflection of occupations in the labour market. The maintenance strategy and planned cycle of reviews for ANZSCO provide us with confidence regarding their ongoing currency.

However, the latest ANZSCO is not the ANZSCO that the relevant legislative instrument permanent skilled migration points to. The [Migration \(LIN 19/051: Specification of Occupations and Assessing Authorities\) Instrument 2019](#) provides that ANZSCO refers to the ANZSCO that was in effect on the date of the commencement of the legislative instrument. That instrument commenced on 11 March 2019. Consequently, new occupations introduced since then or changes to how existing occupations are defined have not impacted the skilled migration occupations lists and on what basis those occupations are assessed.

Separately, we are also advocating for changes to the ANZSCO definition of External Auditor to clearly reflect the broader skill set demanded. The role should cover the external assessment of both 'non-financial' and 'financial' information, including the provision of assurance over climate-related financial disclosures and other sustainability disclosures. We are also advocating for inclusion of the External Auditor on the Core Skills Occupation List.

- The basis for determining which occupations make it onto or come off the skilled migration occupation lists reflects the skills shortage objective of permanent skilled migration only. **There is only cursory consideration of the objective to increase human capital.** For instance, while there is currently a dire need for accounting, finance and audit professionals, their contribution is much greater than filling skills gaps. In our submission on the migration system review, we shared evidence of their productivity enhancing skills and their roles in facilitating investment, jobs creation and enabling businesses to not just survive, but to thrive.¹¹
- **Updates to the skilled migration occupation lists have either been too frequent or not frequent enough.** Pre-COVID the former was the problem. As assessing authorities, we have first-hand experience of the panicked behaviours of applicants if there is a prospect that accountants may be dropped from the lists. As membership bodies, we also hear from

¹⁰ Respectively labelled as the Short Term Skilled Occupation List (STSOL), the Medium and Long Term Strategic Skills List (MLTSSL) and the Regional Occupation List (ROL).

¹¹ CA ANZ and CPA Australia (2022) *op cit*.

employers of the difficulties that frequent changes to such lists cause for their workforce planning strategies. Since COVID, the pendulum has swung too far in the opposite direction. There has been no update since the planned 2019 review was put on hold due to COVID. This means that the lists are unlikely to be well aligned with where the shortages are.

A wage threshold is not ideal

Given the suboptimal nature of the current approach, some have recommended an income threshold.¹² Points made in its favour are that it is more responsive to occupational labour market conditions as wages rise in response to shortages, and that it avoids the need for assessment as employers' willingness to pay reflects their assessments of migrant capabilities.

There are some grounds for this in the ANU research which finds that the income nominated by primary applicants for Employer Sponsored permanent migration is a better predictor of the actual incomes these migrants go on to earn in Australia than both the other observable migrant characteristics and unobservable characteristics.¹³ In other words, it is better than the current coupling of the skilled migration occupations lists and the points test. However, further examination finds this relationship is strongest for applicants who nominated high incomes and weaker for those who nominated lower incomes.¹⁴

One reason why this is likely to be that many migrants who were young, early in their careers, and on low wages when they first arrived here will have gone on to enjoy higher paying careers. Early careers accounting, finance and audit professionals are a case in point. It takes them time to complete the further learning and gain the experience required to earn higher wages. CA ANZ's 2023 member remuneration survey results for Australia illustrate this point, with median total remuneration increasing with years of experience.¹⁵ Once they achieve their professional designation, CAs and CPAs can confidently look forward to strong earnings growth.

A second reason why a wage threshold is less than ideal is that labour shortages are in occupations that command salaries across the spectrum. A wage threshold may rule out migration as an option to fill shortages in occupations where the need is great.

A third reason is the practical effect of an expectation that applicants nominate an income is that all would have to first secure a job. This would blur the line between employer sponsored and points tested pathways, when the rationale for the latter is prospective migrants' abilities to fill roles over their working lives in Australia and their lifetime earnings potential. Lists and points assessment are the best available indicator of both. The challenge of this review is to make them even better.

Further analysis of the ANU research provides our fourth reason why a wage threshold is less than ideal: it is not only older applicants who are more likely to nominate higher incomes, it is also men.¹⁶ A wage threshold risks exacerbating gender inequalities in the Australian labour market.

¹² [Coates, Sherrell and Mackey \(2021\) Rethinking permanent skilled migration after the pandemic, Grattan Institute](#) and [Productivity Commission \(2022\) 5 Year Productivity Inquiry: A more productive labour market, Interim Report 6, Canberra, October.](#)

¹³ Varela, P and Breunig, R (2024) *op cit*.

¹⁴ *Ibid.*

¹⁵ [CA ANZ Member Remuneration Survey Results 2023: Australia](#)

¹⁶ *Ibid.*

A skills list would be ideal

In our joint submissions on the review of the migration system¹⁷ and the 2024-25 permanent Migration Program¹⁸ we recommended shifting the focus over the medium to longer term from occupations lists to a skills list, as skills are the currency of jobs. The language ‘skills shortages’ and not ‘occupation shortages’ is no accident, as it is skills that employers are seeking. In the context of rapid job transformation, past jobs are increasingly secondary to the skills gained or developed in them.

Future variants of Jobs and Skills Australia’s Australian Skills Classification (ASC) - an open skills taxonomy – could provide the foundations of such a list. It distinguishes between core competencies, which are transferrable across all jobs, technology tools, which are used by many, and specialist tasks, which are the domain of just a few. The initial intention was to support employers by providing a common language and understanding when advertising vacancies, preparing job descriptions and developing workforce strategies. Its recognised potential is to inform the design of post-secondary education and training.¹⁹

What we are proposing here is to go one step further - for the ASC to be used in the future to identify the skills judged important to grow a competent and agile labour force suited to an uncertain future of work. In this way it could facilitate a common language between all – employers, educators and trainers and assessors. This is an important change that is dependent on finessing the ASC and the method of maintaining its currency, the continuation and improvement of points tested assessments to assure migrant quality, and transition arrangements that prioritise stability and certainty.

Refining the current approach is pragmatic

Shifting from occupation lists to a skills list is achievable over the medium to longer term. In the short term there is a need for pragmatism. That is, addressing the four shortcomings of the current approach identified above. This is what the recommendations listed below are designed to do, with the exception of addressing concerns regarding the frequency of the review. This is picked up at the end of this submission in response to consultation question seven.

CA ANZ and CPA Australia recommend that the Department of Home Affairs:

- Collaborate with Jobs and Skills Australia to design a skills (versus occupations) list for implementation over the medium to longer term;
- In the short term, reduce complexity by adopting a single migration occupations list; and
- Pass a new legislative instrument that clarifies that the single migration occupations list cascades from the most current ANZSCO.

¹⁷ CA ANZ and CPA Australia (2022) *op cit*.

¹⁸ [CA ANZ and CPA Australia \(2023\) joint submission on the 2024-25 permanent Migration Program](#), December p8-9.

¹⁹ [Bean, M and Dawkins, P \(2021\) Review of University-Industry Collaboration In Teaching and Learning, supported by the Department of Education, Skills and Employment.](#)

The single migration occupations list could be the Core Skills Occupations List (CSOL). We will shortly make submissions on the draft CSOL - both a joint submission from CA ANZ and CPA Australia and a joint submission as part of the Australian Public Policy Committee.

While we recognise that the initial purpose of the CSOL is as a filter for temporary skilled migration, it could also double as an occupation list for permanent skilled migration. A benefit of this is that it would pay heed to an important finding of the ANU research that permanent skilled migrants who previously held temporary skilled work visas fare better than their counterparts who did not²⁰. It would also smooth pathways and minimise the risk of permanent temporariness.

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

Population ageing is one of the major forces challenging Australia's future prosperity. At the time of the last Census, only 61 percent of the local born population was of working age.²¹ This creates an onerous dependency and consequential long-term economic and fiscal challenges.²²

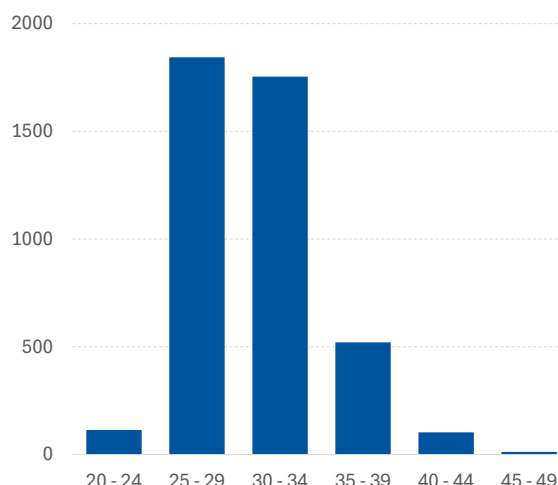
Restricting points tested pathways to primary applicants aged between 18 and 45 years helps to offset Australia's demographic challenges. **Figure 3** uses the example of the accounting, finance and audit profession to illustrate this.

Of the over 4000 professionals who followed points tested pathways to permanency in the 2022-23 financial year, 82 percent were within the narrow age range of 25 and 34 years. By extension they have thirty or forty years remaining of their working lives earning incomes and paying taxes in Australia. They bring long-term economic benefits and fiscal relief.²³

The age of migrants matters and the current weighting that age receives in the points test is an appropriate reflection of this.

But that is not the same as suggesting that the points test should be kept as it is. We agree with the discussion paper that the points allocations are not a sufficiently nuanced reflection of the way age interacts with the benefits that accrue to Australia. Australia's significant cliffs between ages compares poorly with Canada's approach of having a sliding scale for younger and older migrants. We support the adoption of a sliding scale in Australia, while maintaining the relatively greater weight that age receives in Australia's approach.

Figure 3 Age profile of accounting, finance and audit points tested migrants 2022-2023



Source: Derived from the Department of Home Affairs Migration Program, Expert Panel (Family) and Child Outcomes since 2013-14 pivot table.

²⁰ Varela, P and Breunig, R (2024) *op cit*.

²¹ Derived using Australia Bureau of Statistics (ABS) Tablebuilder Pro.

²² Commonwealth of Australia (2023) 2023 Intergenerational Report.

²³ Treasury (2021) The Lifetime Fiscal Impact of the Australian Permanent Migration Program.

CA ANZ and CPA Australia recommend that the Department of Home Affairs introduce a sliding scale of points that is based on the ages of younger and older applicants.

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

We support the view in the discussion paper that the points test should better recognise the potential contributions to Australia from the partners of points tested visa holders. Care should be taken in redesigning the points allocation for partners. If the change makes it more difficult to bring partners, this will make Australia a less attractive destination for skilled migrants. The discussion paper noted that secondary applicants comprise 55 percent of the permanent skilled intake. In contrast, 100 percent of the intake of accounting, finance and audit professionals who followed points tested pathways²⁴ in 2023 were primary applicants.

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

The discussion paper observes that historically most of the primary applicants migrating via points tested pathways have been male. Our observation²⁵ is that the female share of primary applicants for points tested skilled migration has been increasing since 2017-18 and, in 2022-23, it surpassed that of male primary applicants. Provided points tested migration continues to hold a place of prominence in the permanent skilled migration mix, a continuation of this trend would support greater gender equality in the labour market.

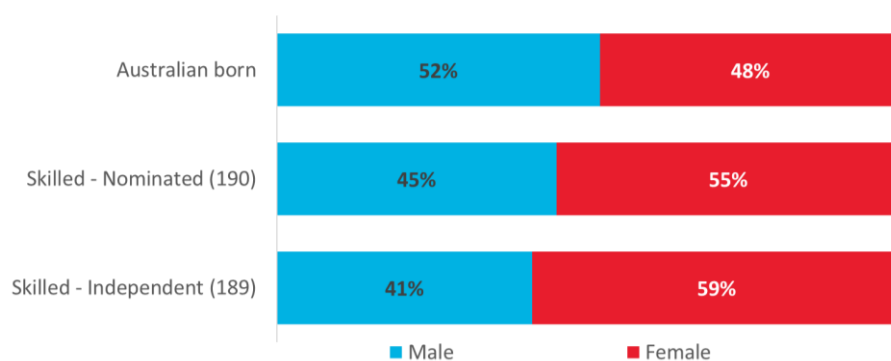
We caution against making gender equality an objective of points tested permanent skilled migration. This would create unnecessary complexity and may undermine the objective of identifying applicants with the best potential to contribute to Australia's long term success, regardless of gender, and maximising the economic contribution of all migrants.

Consider also that points tested permanent skilled migration is already helping to advance gender equality in the Australian labour market, including in traditionally male dominated occupations. By way of example, the first female admitted to full membership of an Australian professional accounting body was in 1915. Fast forward to the last Census, the share of locally born females working in the profession is a much healthier 48 percent. Now compare this with the gender mix of migrant accounting, finance and audit professionals who followed points tested pathways to permanency. Females are present in larger proportions than their male counterparts.

²⁴ Points tested pathways to permanent residency are defined here and throughout this submission, unless otherwise stated, as the visa subclasses Skilled – Independent (189), Skilled – Nominated (190) and Skilled Work Regional (491).

²⁵ Based on an analysis using the the Department of Home Affairs Migration Program, Expert Panel (Family) and Child Outcomes since 2013-14 pivot table.

Figure 4 Gender of local and migrant accounting, finance and audit professionals
Share in 2021



Note: Derived using Tablebuilder Pro. For comparability, the chart only counts accounting, finance and audit professionals at skill level one i.e. those who hold bachelor or higher qualifications. No data was available for the Skilled Work Regional (491) points tested pathway which, at the time of the last Census, was still in its infancy.

Sources : ABS Census of Population and Housing and ABS Australian Census and Migrants Integrated Dataset.

CA ANZ and CPA Australia recommend that the Department of Home Affairs note that the points test is already supporting gender equality in the Australian labour market.

3. Practical and ongoing effect

CA ANZ and CPA Australia appreciate the discussion paper raising questions that go to the practical and ongoing effect of the reformed points test. It minimises the risks of good policy being poorly implemented and ensures the currency of the policy approach.

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

First and foremost, the transition arrangements must carefully consider the impacts of the reformed points test on skilled migration applicants who have already arrived in Australia under different advertised points test arrangements. These people will have already made plans and invested substantial amounts of money in education, living expenses, and their transition to Australia. To mitigate the negative effects of sudden policy shifts, a gradual transition to new rules for applicants who are already onshore would be prudent.

There should also be adequate lead time between announcing and implementing the reformed points test to enable the Department of Home Affairs and assessing bodies to plan for change. How much time is needed will depend on the nature of the reforms which may require upskilling existing staff, hiring new staff, and/or changes to IT and other systems.

We encourage the Department of Home Affairs to discuss the transition arrangements and timelines with the skilled migration assessing authorities as early as possible once final decisions are made about the reforms.

Early notification of any changes to the points test that may impact skilled migration assessment application volumes, timelines or policy, will assist the skills assessing authorities to continue to deliver a quality experience to applicants.

The reformed points test should align with the government's best practice principles and standards upon which assessing authorities are expected to conduct skills assessments. As skilled migration assessing authorities for accounting, CA ANZ and CPA Australia support these principles and standards. We have previously made submissions to the Department of Employment and Workplace Relations on the draft principles and standards,²⁶ and we are currently consulting with the government on the proposed new guidelines which will incorporate them.

Principle 1 (User-friendly and migrant-centric experience), principle 4 (Fair and equitable assessments), and principle 6 (Meaningful employment outcomes are influenced), should be key guiding principles for developing transition arrangements for the points test. The fairest approach from a migrant-centric perspective would be to assess applications made prior to the introduction of a reformed points test according to the test in place at the time of the application, unless their prospects are improved under the reformed points test. This is particularly important for temporary migrants based onshore as many will have already made decisions about what they learn and where they learn and live with a view to easing their pathway to permanency.

CA ANZ and CPA Australia recommend that the Department of Home Affairs:

- Discuss transition arrangements and timelines with the assessing authorities as early as possible once final decisions are made regarding the reformed points test.
- Permit assessing authorities to assess applications made prior to the introduction of the reformed points test according to the test in place at the time of the application, unless the applicants' prospects are improved under the reformed points test.

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

The regularity of review needs to strike a balance between the competing objectives of stability and relevancy. Stability provides certainty for employers and migrants for whom permanent migration is a significant life decision. Relevance ensures the test is meeting its intended objectives. To achieve this, we recommend separate approaches for the list and the points test.

We have previously observed that the current skilled migration occupations lists were reviewed too frequently pre-COVID, and not at all since then. We shared reasons why neither approach is optimal. An approach that strikes a desirable balance would be to alter the single skilled migration occupation list on a case-by-case basis if triggered by substantial change.

With regard to the reformed points test, we recommend closely monitoring performance and evaluating the test after its first year of operation. Following this initial evaluation, we recommend continued monitoring and review every five years.

²⁶ [Department of Employment and Workplace Relations \(2023\) Draft Best Practice Principles and Standards for Skilled Migration Assessing Authorities, Discussion Paper, September.](#)

We support the suggestions in the discussion paper regarding considerations for review including whether the points test is continuing to meet its objectives, reflects Australia's changing domestic needs, is responsive to a changing international environment, reflects the latest research and data on which characteristics are associated with migrants successfully finding skilled work, and considers lessons learned from developments since the previous review, past reforms, and international experiences.

In addition, we recommend that the review process includes consultation with key stakeholders including employers, migrants, international students, educators, and skilled migration assessing authorities, including the accounting professional bodies, to understand their experiences of the revised points test.

CA ANZ and CPA Australia recommend that the Department of Home Affairs:

- Alter the single skilled migration occupations list on a case-by-case basis if triggered by substantive change.
- Monitor the reformed points test and evaluate its performance after its first year of operation.
- Following this initial evaluation, continue monitoring and review on a five-year cycle.
- Consult with key stakeholders, including the skilled migration assessing authorities, as part of the review process.