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Driving business success for consulting firms in the built and natural environment

23 May 2024

Dr Emma Cassar
Department of Home Affairs
Australian Government

Via website: www.homeaffairs.gov.au

Dear Dr Cassar,

Review of the points test discussion paper

Thank you for the opportunity to provide a submission on the review of the points test.

Consult Australia is the industry association representing businesses in design, advisory and engineering consulting, an industry comprised of over 58,600 businesses across Australia. This includes some of Australia's top 500 companies and many small businesses (97%). Our members provide solutions for individual consumers through to major companies in the private sector and across all tiers of government. Our industry directly employs over 285,000 people in architectural, engineering, and technical services and many more in advisory and business support. It is also a job creator for the Australian economy, the services we provide unlock many more jobs across the construction industry and the broader community.

Our industry is having to navigate the complexity of balancing systemic skills shortages with increasing uncertainty around the forward program and continuity of work.

Our [2023 Capacity Crunch report](#) demonstrated particular difficulty in recruiting for mid-level to senior/principal positions. Members reported often having to alter the position to find a suitable candidate in the Australian market, leading to inconsistencies with occupations as listed on skills lists. The shortages identified in 2023 aligned with the significant spending by governments across the country on public infrastructure, but most particularly in NSW and Victoria. Since this report, there has been major disruptions to government spending with infrastructure reviews, project cancellations and suspensions. The level of uncertainty has notably increased, and this change is evident in the results of our [2024 Confidence and Continuity report](#).

For member businesses, lack of continuity of work makes it challenging to hold resources and/or invest in capability. Where member businesses work across jurisdictions, workforces are managed nationally, and pipeline coordination is important as members look across sectors for opportunities to support their business. Despite uncertainty, access to the global market remains important for businesses to continue to build their capability and service offering.

The points test plays an integral role in delivering on the objectives of the government migration system. Consult Australia [suggested reforms](#) to Australia's migration system as part of the comprehensive review in December 2022. Consult Australia agrees that a skilled workforce is essential to leverage the opportunities of net zero transition and a digital economy, with qualified migrants having global experiences and a diversity of ideas that can support businesses to be more innovative and competitive. The points test is the tool to signal the skills needed to support Australia's infrastructure program as well as the broader economy.

On the points test review our recommendations are:

- Refine the points test criteria to address future skills needs.
- Collaborate with industry to identify, review and update skills needs.
- Revise the age threshold for applicants.
- Encourage applicant gender diversity.

Refine the points test criteria to address future skill needs

We need a streamlined points test that aligns with and distinguishes based on future skill needs. This could be achieved by setting a base points allocation for education and experience criteria, and allocating additional points for further/specialised education, and/or capability/professional development that aligns with future skill needs.

The opportunity also exists to promote global diversity by assessing overseas experience separately, and valuing domestic experience equally regardless of location, e.g. regional areas.

These recommendations would reduce the complexity of the points test and reduce location-based inferences which contribute to the mixed signals highlighted in the discussion paper.

Collaborate with industry to identify, review and update skill needs

The best way for government to ensure the skilled migration system and Core Skills Occupation List (CSOL) best meets the demands of Australia into the future is to collaborate with industry. It is industry that knows the current and future skill needs.

To inform the CSOL, we recommend that the Australian New Zealand Standard Classifications of Occupations' (ANZSCO) categories be regularly reviewed and updated to keep up with changing occupations resulting from industry developments in technology and digitalisation. We strongly recommend occupation lists are also informed by regular engagement with government planning agencies and infrastructure bodies to consider the skills required to deliver the future pipeline of work.

Similarly for the point test, we recommend regular reviews (at least every two years) of the criteria and process to identify any unintended outcomes. This will enable industry to provide feedback on whether the skills in need are being promoted. Infrastructure Australia and other planning bodies would provide valuable input for these reviews and assist with aligning targeted skills with future program needs.

Revise the age threshold for applicants

The discussion paper seeks input on redesigning to better reflect the way age interacts with the benefits that accrue to Australia. The paper identifies two key factors (age and income level) underpinning migrants' contribution to the economy, and then seeks specific feedback on targeting younger migrants. We do not agree that the points test should be reviewed to target younger migrants, valuing youth over experience is not always the best outcome.

The relatively recent restriction of age thresholds to 45 years for most categories under the skills stream of the migration program has had a negative impact on our member businesses. Our members report skill shortages particularly in mid-level to senior/principal level and seek global talent with years of professional experience to meet recruitment demands. This often means the talent sought is approximately 45 years of age or older.

Our submission to the 2021 Inquiry into Australia's Skilled Migration Program by the Joint Standing Committee on Migration (see [Part 1](#)) did not support decreasing the age threshold based on the tipping point of a 'net tax contributor' instead of a 'net taker'. We pointed out that this approach overlooked salary circumstances and actual retirement age. A worked example was provided in the submission illustrating that the salaries of experienced professionals shift the tipping point to an older age and the actual retirement age anecdotally tends to be older.

We reiterate our recommendation that the age threshold be increased back to 50 years for sectors where economic and fiscal factors differ due to salary circumstances and retirement ages, and/or for sectors with skills shortages at an older age bracket.

Encourage applicant gender diversity

The discussion paper states that historically primary applicants in the points test have been predominantly male and the government therefore proposes greater emphasis on partner skills to support migrant women. Consult Australia supports changes to the point test to promote applicant gender diversity. However, we believe there is an opportunity to look beyond partner skills and look at applicants from countries where rates of qualified women are dramatically higher than in Australia for the same occupations.

The potential is clear for example if you look at gender diversity in science, technology, engineering and maths (STEM) occupations:

- [Australia's Labour Force Survey](#) shows women made up only 15% of those working in STEM in 2022.
- [UNESCO report](#) from 2018 shows the proportion of female engineering graduates in Australia are low at 23.2% when compared globally, for example 30.8% in India and above 40% in some Arab States and Latin America.

Next steps

The discussion paper promotes reforms to the points test that will better target the skills Australia needs now and in the future. Our recommendations promote achievement of this objective.

I invite you to contact me at kristine@consultaaustralia.com.au to arrange a meeting to discuss.

Yours sincerely,



Kristine Banks

National Policy Manager