



## **Permanent migration – points for employability**

- 7.1 The Australian skilled migration points test offers applicants opportunities to gain points for a range of attributes. In this chapter the Committee summarises points testing and examines the allocation of points for employment-related attributes

### **Points testing**

- 7.2 Migration authorities allocated scores to applicants on the basis of individual characteristics such as age, labour force experience and qualifications. If their collective score reached the pre-determined pass mark the applicants had passed the *points test* and might be eligible to migrate.
- 7.3 As the characteristics tested were objective, potential applicants could pre-test their chances. The effect was that many discovered themselves to be ineligible and did not apply, rendering the approval process more efficient.
- 7.4 Points testing was also a flexible mechanism for controlling skilled migration because the pass mark which determined eligibility could be quickly altered to meet changing government migration requirements.

## Users of points testing

- 7.5 Australia, New Zealand and Canada all used a points test to determine skilled applicants' eligibility to migrate. Most, but not all, mandatory requirements in their skilled migration programs counted towards the applicants' points test scores. Table 7.1 identifies the factors for which points were awarded in the points test. Where the attribute is mandatory it is identified as such and Table 6.1 in *Permanent migration and mandatory requirements* provides a fuller explanation.
- 7.6 Table 7.1 gives an indication of the relative weighting placed on various attributes by each country. Generally points were allocated in increments. For example, an Australian degree was worth 5, 10 or 15 points, depending on its nature, with no intermediate values.
- 7.7 For the purposes of comparison, the Committee converted the actual points score to a percentage of the possible total score for each country. As the pass marks required fluctuated in all countries from time to time, the proportion of the total was a more reliable indication of the emphasis placed on specific attributes than was the proportion of the (changing) pass marks.

## Passing the test

- 7.8 In **Australia** the points score was used in two ways. Applicants who achieved a pass mark could migrate, provided that they passed the character and health tests. If they did not achieve a pass mark, but reached the "Pool" score, their application would be held in reserve ("in the pool") for up to 2 years after assessment so they might benefit from any lowering of the pass mark in that time.<sup>1</sup>
- 7.9 Potential skilled migrants who did not reach either the pool or pass score might still have had an opportunity to migrate to Australia in the skilled stream through arrangements which did not require a points test score.<sup>2</sup>

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1 DIMIA, *General Skilled Migration to Australia: Points test*, [www.immi.gov.au/migration/skilled/points\\_test.htm#3](http://www.immi.gov.au/migration/skilled/points_test.htm#3).

2 These include: **Skilled-Designated Area Sponsored** (see chapter *Permanent skilled migration – overview*); **Skill Matching** for those unlikely to pass the points test but who satisfy the basic requirements for skill, age and English language proficiency, but with lesser recent work experience. Their details are placed in the Skill Matching Database for up to two years. State or Territory governments or employers may use the database to nominate them for migration with a *Skill Matching Visa*. DIMIA, *General Skilled Migration to Australia General Skilled Migration categories – Skill Matching Database*, [www.immi.gov.au/migration/skilled/offshore\\_general.htm#database](http://www.immi.gov.au/migration/skilled/offshore_general.htm#database); *General Skilled Migration to Australia, Skill Matching category*; [www.immi.gov.au/migration/skilled/skill\\_matching.htm](http://www.immi.gov.au/migration/skilled/skill_matching.htm).

## Points test – in competing markets

- 7.10 Australia and Canada allocated some two-thirds of the possible total score to just three attributes. But, just as they had differing mandatory requirements, they likewise emphasised differing attributes of skilled migrants.
- 7.11 **Australia** favoured youthful migrants. Applicants aged 18-29 might score 18 per cent of the available points. Proficiency in English was potentially worth 12 per cent. Up to 36 per cent of the possible total points score was allocated directly for skill on the basis of the *Skilled Occupation List (SOL)*. These three criteria, occupation, English and youthfulness contributed a total of two thirds of the possible points score. Australia's approach differed significantly from Canada and New Zealand.
- 7.12 The three key attributes sought by **Canada**, and totalling more than two thirds of the potential total of the points test, were: level of qualifications (25%), English/French proficiency (24%) and work experience (21%). Over half of the immigrants arriving in Canada were selected under the point system.<sup>3</sup>
- 7.13 **Canada** fixed the minimum number of points required of a skilled worker on the basis of:
- the number of applications by skilled workers currently being processed;
  - the number of skilled workers projected to become permanent residents; and
  - the potential for the establishment of skilled workers in Canada.<sup>4</sup>

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3 "Canada: Immigration", in *Migration News*, October 2003 Volume 10 Number 4, <http://migration.ucdavis.edu/mn/index.php>

4 CIC, News Release 2003/33, *Backgrounder: Pass Mark for Skilled Workers*, 18/9/03, [www.cic.gc.ca/english/press/03/0333-pre.html](http://www.cic.gc.ca/english/press/03/0333-pre.html)

Table 7.1: Points tests compared

Attribute in Australian points test	Australia <sup>5</sup>	Canada <sup>6</sup> Equivalent category	New Zealand <sup>7</sup> Equivalent category
Pass mark/max	115/165 <sup>8</sup>	67/100 <sup>9</sup>	100/250 <sup>10</sup>
Skill	40/50/60 for skills on <i>Skilled Occupations List</i>	<b>Mandatory</b> -No direct score	Not specifically assessed
Age	15/20/25/30 <b>Mandatory age limit of 45</b>	0/2/4/6/8/10	5/10/20/25/30 <b>Mandatory age limit of 56</b>
Language	<b>Mandatory</b> 15/20	English/ French Proficiency <i>First language = 0-16; Second language = 0-8:</i>	<b>Mandatory</b> - No direct score
Work experience	<b>Mandatory</b> . No direct score <b>Specific</b> work experience in 3 of 4 past years - points depend on occupation =0/5/10	<b>Mandatory</b> - 15/17/19/21	<b>Mandatory</b> - 0/10/15/20/25/30 PLUS If worked in area of demand 2-5 years = 5; 6+ = 10 (separate from "Occupation in demand" below) <b>NB</b> must score points in this or Qualifications to be eligible
Occupation in demand/job offer	Occupation on <i>Migration Occupations in Demand List (MODL)</i> and Job offer = 15; No job offer = 10, Occupation not on MODL =0	Job offer 0/10 PLUS <b># Additional 5 if points granted</b>	Job offer <b>Mandatory</b> (see "Skilled employment" below)
Local qualifications	Australian qualifications 0/5/10/15	<b># self or spouse 2 year's post-secondary study in Canada = 0/5</b>	0/10
Regional	2 years living & studying 0/5 <b>plus</b> concessions	<i>Provincial Nomination</i> , <b>NOT</b> part of this program	Outside Auckland = 0/10
Spouse	Meets mandatory criteria 0/5	<b># Education = 0/3-5</b>	Employed or offered employment = 0/10 Qualifications = 0/10
Bonus – capital	* \$100,000 capital investment in Australia = 5	<b>Mandatory</b> (based on size of family) <i>Unless have a job offer</i>	
Bonus – local work experience	* SOL occupation for 6 months in last 4 years = 0/5	<b># Self or spouse 1 years' work = 5</b>	2 years =5; 4 = 10; 6+ = 15 (Separate from "Skilled employment" below)
Bonus - community language	*0/5		

5 DIMIA, *General Skilled Migration Booklet*, pp 29-41, [www.immi.gov.au/allforms/booklets/1119.pdf](http://www.immi.gov.au/allforms/booklets/1119.pdf)6 CIC, *Six Selection Factors and Pass Mark*, [www.cic.gc.ca/english/skilled/qual-5.html](http://www.cic.gc.ca/english/skilled/qual-5.html)7 NZIS, *How You Earn Points*, [www.immigration.govt.nz/Migrate/HowYouEarnPoints.htm](http://www.immigration.govt.nz/Migrate/HowYouEarnPoints.htm)8 DIMIA, Fact Sheet 25. *Skilled Categories*, [www.immi.gov.au/facts/25skilled\\_categories.htm](http://www.immi.gov.au/facts/25skilled_categories.htm)9 CIC, *Revised Pass Mark for Skilled Worker Applicants*, On September 18, 2003 changed from 75 to 67, [www.cic.gc.ca/english/skilled/notice-passmark.html](http://www.cic.gc.ca/english/skilled/notice-passmark.html)10 NZIS, *How You Earn Points*, [www.immigration.govt.nz/Migrate/HowYouEarnPoints.htm](http://www.immigration.govt.nz/Migrate/HowYouEarnPoints.htm)

Attributes in Canada/NZ points tests	Australian equivalent	Canada	New Zealand
Education/Qualification	Encompassed in "skill" ( <b>Mandatory</b> )	0/5/12/15/20/22/25	<b>Mandatory</b> Degree/trade qualification = 50; Post-grad = 55 PLUS If in area of demand = 5 <b>NB must score points in this or Work Experience to be eligible</b>
Relative in country	0/15 (applies <b>only</b> to Skilled-Australian Sponsored category) <sup>11</sup>	# 0/5	
Skilled Employment			Current in NZ, 12 months or more = 60, less than 12 months or job offer = 50. (Separate from "Bonus – local work experience" above) PLUS If in area of demand = 5
"Adaptability",	Attributes marked * fit this concept but are not explicitly named in Australia.	Maximum of 10 from the five "adaptability" categories marked #	

11 **Skilled Australian Sponsored (SAS) category** All SAS applicants must be sponsored by a relative who is an Australian citizen or permanent resident. Fifteen points are awarded for the sponsorship. (SAS applicants can be sponsored by a parent, non-dependent child, brother or sister, aunt or uncle). DIMIA, Fact Sheet 25. *Skilled Categories*.

## Points test – in competing markets (continued)

- 7.14 New Zealand’s scoring system emphasised skilled employment (24% of the possible total); qualifications (22%); youth (12% for those aged 20-29); and work experience (12% for 10 years).
- 7.15 Intermingled with these attributes was an emphasis on the applicant’s connections with New Zealand. The “Skilled Employment” category presumed that the applicant was already working in New Zealand.<sup>12</sup> Work experience in New Zealand added between two and six per cent, depending on its duration, and qualifications from New Zealand contributed four percentage points to the possible 22 per cent allocated for post-graduate degrees. In total, the points for specifically New Zealand-based attributes might account for one third of the total possible score.
- 7.16 The Committee began its review by considering the individual employment-related factors in the points tests because it was these that would be most relevant to assessing the potential contribution of a skilled migrant. In next chapter the Committee investigates the more personal attributes assessed through the points tests.

## Employment-related points

### Points for skill

- 7.17 In order to be considered for skilled migration to **Australia**, applicants had to have an occupation on the SOL. In order to be allocated points in the “Skill” category the relevant Australian assessing authority had to determine that the skills were appropriate for the applicant’s nominated skilled occupation.
- 7.18 The number of points to be made available with reference to the level of qualification were arrived at on the basis of consultations between DIMIA, the Department of Employment and Workplace Relations and the National Office of Overseas Skills Recognition in the Department of Education, Science and Training:
- generalist occupations that required diploma or advanced diploma-level qualifications scored 24% of the possible total points;
- or*

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<sup>12</sup> See discussion of New Zealand’s approach in “Local Work Experience” below.

- 30% of the possible total points were allocated for generalist occupations which required degree-level qualifications but which did not necessarily require occupation specific training or have to be specifically related to the nominated occupation; *or*
- 36% of the possible points were available for occupations that required degree or trade certificate level qualifications where entry to the occupation required training in a body of knowledge specific to the occupation and which were generally regulated or self-regulated,<sup>13</sup> provided that:
  - ⇒ the applicant’s qualifications and experience met Australian standards; and
  - ⇒ was specifically related to the applicant’s nominated occupation; and
  - ⇒ met any formal Australian registration requirements.

7.19 The Australian “Skill” category combined qualifications and occupation. Neither Canada nor New Zealand used this approach.

7.20 **Canada** did not directly allocate points for skill, although the applicant’s work experience had to be at a certain skill level under its mandatory requirements. An applicant’s skill level was acknowledged indirectly under the “Education” category where points ranged from five per cent for those who had completed high school education up to 25 percent of the possible total points for a Master’s or PhD degree and at least 17 years of study.<sup>14</sup>

7.21 **New Zealand**, which had a mandatory requirement for “Qualifications”, was similarly generous in its weighting of them in its points test, provided that they were on the *List of Recognised Qualifications* which identified acceptable institutions and their degrees in 28 countries.<sup>15</sup>

7.22 “Basic” qualifications such as bachelor degrees, diplomas and trade qualifications scored 20 percent of the possible total score. Post-graduate qualifications were worth 22 per cent.

13 S. Foster, Director, Public Affairs, DIMIA: letter to *The Australian* – 16/5/02; *Letters to Editors: Skills required for skilled migration*. [www.immi.gov.au/letters/letters02/aus\\_1605.htm](http://www.immi.gov.au/letters/letters02/aus_1605.htm)

14 CIC, **Minimum Work Experience Requirements**, <http://www.cic.gc.ca/english/skilled/qual-2.html> ; *Six Selection Factors and Pass Mark*, [www.cic.gc.ca/english/skilled/qual-5.html](http://www.cic.gc.ca/english/skilled/qual-5.html)

15 NZIS, *Recognised qualification*, <http://glossary.immigration.govt.nz/Recognisedqualification.htm> “The List of Recognised Qualifications is for immigration purposes only. The inclusion of a qualification on this list does not have bearing on the status of the qualification for professional registration, further study, salary or employment purposes.” NZIS, *List of Recognised Qualifications*, <http://glossary.immigration.govt.nz/NR/rdonlyres/CE113D29-EFBB-4924-BA15-00AEF9911F83/0/1080.pdf>

- 7.23 In New Zealand, applicants had to score points in “work experience” or “qualifications” to be eligible for selection as skilled migrants.<sup>16</sup>

## Conclusion

- 7.24 The Committee noted the significant proportion of the points allocated in the “Skill” category in the Australian points test.

## Points for work experience

- 7.25 Australia, Canada and New Zealand stipulated work experience in relevant fields as a prerequisite for consideration of applications for skilled migration.<sup>17</sup> In **New Zealand**, applicants had to score points in “work experience” or “qualifications” to be eligible for selection as skilled migrants.<sup>18</sup> The Committee examined the relative importance of the three aspects of work experience recognised in the skilled migration arrangements under review:

- recent work experience;
- duration of work experience; and
- local work experience.

## Recent work experience

- 7.26 Of the three countries with points systems, only **Australia** specified that the mandatory work experience be recent. To be classified as recent, the applicant’s work had to have occurred within the previous eighteen months or three years, depending on the ranking of the job on the SOL.<sup>19</sup> However, no points were allocated merely for meeting that mandatory requirement.

- 7.27 Instead, the points scored depended on the applicant’s specific work experience, as assessed through a combination of recency and duration. In order to have an opportunity to gain points for work experience, applicants had to have worked in three of the past four

<sup>16</sup> NZIS, *How You Earn Points*, [www.immigration.govt.nz/Migrate/HowYouEarnPoints.htm](http://www.immigration.govt.nz/Migrate/HowYouEarnPoints.htm)

<sup>17</sup> See *Permanent skilled migration – overview*. Australia waived the work experience requirement if the applicant had completed two years study in Australia less than 6 months before lodging their visa application. DIMIA, *General Skilled Migration to Australia: Basic requirements*, [www.immi.gov.au/migration/skilled/basic\\_requirements.htm](http://www.immi.gov.au/migration/skilled/basic_requirements.htm)

<sup>18</sup> NZIS, *How You Earn Points*, [www.immigration.govt.nz/Migrate/HowYouEarnPoints.htm](http://www.immigration.govt.nz/Migrate/HowYouEarnPoints.htm)

<sup>19</sup> **Work in 12 of the past 18 months counted if:** applicant’s nominated SOL occupation worth 60 points on the points test and employed in any occupation on the SOL for that period. **Work in 2 of the past 3 years counted if:** applicant’s nominated SOL occupation worth 40 or 50 points on the points test and employed in any occupation on the SOL in that period. DIMIA, *General Skilled Migration to Australia: Basic requirements*, [www.immi.gov.au/migration/skilled/basic\\_requirements.htm](http://www.immi.gov.au/migration/skilled/basic_requirements.htm)



years. However, they only accumulated points if, in addition, that work had been in a job on the SOL. Then they might accumulate either three or six per cent of the possible total points, with the actual point allocation dependent on the nature of their work experience and the type of occupation.<sup>20</sup>

- 7.28 **New Zealand's** mandatory requirement for two years work experience did not have a set time frame.
- 7.29 **Canada's** mandatory requirement for work experience accepted and gave points to applicants with work experience in the past ten years. Points were allocated in proportion to the duration of employment.

### Duration of work experience

- 7.30 **Canada** required only one year's experience in a job on the *National Occupation Classification List (NOCL)* to score a minimum of 15 per cent. Four or more year's experience equated to 21 per cent.
- 7.31 As noted in the chapter *Permanent Migration and Mandatory Requirements*, **New Zealand's** requirement of a minimum of two year's work experience might be avoided if the applicant had tertiary or trade qualifications and had also been offered a job in New Zealand. Those meeting the minimum requirement might be allocated four per cent of the possible total, provided that their work experience:

is relevant to [their] recognised qualification or relates to ...  
current or offered skilled employment in New Zealand<sup>21</sup>...  
[and]

if ...not currently working in, or have an offer of, skilled  
employment in New Zealand... work experience can only  
qualify for points if it was gained in a comparable labour  
market.<sup>22</sup>

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20 **Recent Work experience** required is: for a 60 point occupation on SOL in 12 of last 18 months; **OR** 2 of last 3 years in a 40 or 50 point occupation on SOL. **Specific work experience** (i) 60 point occupation, AND worked in applicant's nominated (or closely related) occupation, for at least 3 of the 4 years immediately before applying = 10 points. (ii) 40, 50 or 60 points occupation AND worked in any occupation on the SOL for at least 3 or the 4 years immediately before applying = 5 points. DIMIA, *General Skilled Migration to Australia, Points Test*, [www.immi.gov.au/migration/skilled/points\\_test.htm](http://www.immi.gov.au/migration/skilled/points_test.htm)

21 NZIS, *Recognised work experience*, <http://glossary.immigration.govt.nz/Recognisedworkexperience.htm>

22 Comparable labour markets were: Australia, Austria, Belgium-Luxembourg, Canada, Cyprus, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Israel, Italy, Japan, Malaysia, New Zealand, Netherlands, Norway, Philippines, Portugal Republic of South Korea, Singapore, South Africa, Spain, Sweden, Switzerland, United Kingdom, United States. NZIS, *How You Earn Points*, [www.immigration.govt.nz/Migrate/HowYouEarnPoints.htm](http://www.immigration.govt.nz/Migrate/HowYouEarnPoints.htm)

- 7.32 Each additional two years (up to a maximum of ten years) gained a further two per cent, so those with ten years experience could score the maximum of 12 per cent under this criterion.
- 7.33 As explained above, **Australia's** points test did not allocate a score merely for duration of work experience. Rather the single opportunity to score for work experience came from a combination of recency and duration.
- 7.34 A dilemma of the Australian arrangements was that some applicants might clear the mandatory recent work experience hurdle of working in the past 18 months, but score no points because they had not had three years work experience.
- 7.35 Australia's stipulation of three years employment as a precondition for the award of points for work experience was the most demanding minimum requirement of the three countries with points tests. This requirement appeared to be attempting to ensure that the applicants have some depth of experience in a skilled job in the workforce.
- 7.36 The Australian approach provided a minimal reward to the applicants. Skilled migrants to Canada with three years experience would be awarded 19 per cent, more than three times the Australian level. Those migrating to New Zealand received 4 per cent for two years (1 percentage point more than migrants to Australia score for three years).
- 7.37 Australia's allocation for duration of relevant employment was the most parsimonious of the three countries. The Committee therefore questioned whether this brought beneficial outcomes.
- 7.38 The Committee's starting point was a study of migrants who arrived in Australia in 1999/2000. The *Longitudinal Survey of Immigrants to Australia* (LSIA) found that:
- the probability of having a job within six months of arrival is ... significantly affected by whether or not a person had a job prior to migration.<sup>23</sup>
- 7.39 Overall, three of every five of migrants employed as wage or salary earners prior to migrating in 1999/2000 found employment within six months of arrival.<sup>24</sup> This was the average of all visa types, not just the

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23 DIMIA, *The Labour force Experience of New Migrants*, p. 38, electronic version, [www.immi.gov.au/research/publications/labour\\_force/nilsreport.pdf](http://www.immi.gov.au/research/publications/labour_force/nilsreport.pdf)

24 Six months after arrival 56% were wage/salary earners, 3% were in their own business, and 2% were otherwise employed. DIMIA, *The Labour Force Experience of New Migrants*, p. 36, electronic version, [www.immi.gov.au/research/publications/labour\\_force/nilsreport.pdf](http://www.immi.gov.au/research/publications/labour_force/nilsreport.pdf)

skilled stream, and included spouses and dependents. There was no specific data for skilled stream migrants, but probably more than two thirds of primary applicants in the streams in which skilled migrants would have been concentrated were employed after six months in Australia.<sup>25</sup>

- 7.40 There were no similar data for New Zealand, but equivalent data for Canada's migrant intake indicated that 59 per cent of the principal applicants in the economic class (generally admitted on the basis of their skills) were in employment within six months of arriving.<sup>26</sup>
- 7.41 Although these statistics were not exactly comparable, the Committee considered that the Australian requirement for extended work experience could have assisted migrants to find work and generated the slightly better employment outcomes compared to Canada.
- 7.42 Overseas experience was not, however, an automatic passport to employment because, as the submission from Australia's National Institute of Accountants indicated, prior (overseas) experience might not be considered relevant in the Australian workplace. A profession which appeared to be an international one might be, rather:
- ...a transnational profession...There are skills that are common and there are skills that must be learned and will vary from country to country.<sup>27</sup>
- 7.43 The Committee postponed consideration of the implications of this until examining settlement factors in *Settling well?*

## Conclusion

- 7.44 Overall, the evidence about the relevance of recent work experience to obtaining employment indicated to the Committee that Australia's approach to points testing was well based and that the standard required was not excessive.

## Local work experience

- 7.45 In **Australia**, the importance of local experience was evident in data from LSIA which indicated that, for one in four migrants seeking employment:

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25 Based on outcomes for Skilled-Australian Linked and Independent streams. DIMIA, *The Labour force Experience of New Migrants*, pp 20, 28, electronic version. See also "Conclusion" under *Job Offer* in the chapter *Permanent Migration and Mandatory Requirements*, [www.immi.gov.au/research/publications/labour\\_force/nilsreport.pdf](http://www.immi.gov.au/research/publications/labour_force/nilsreport.pdf)

26 Statistics Canada, "Longitudinal Survey of Immigrants to Canada", in *The Daily*, 4/9/03, [www.statcan.ca/Daily/English/030904/d030904a.htm](http://www.statcan.ca/Daily/English/030904/d030904a.htm)

27 National Institute of Accountants, Submission No. 53, p. 2

the most frequent problem that they faced was lack of local experience.<sup>28</sup>

- 7.46 Overseas assessments of the topic had reached similar conclusions. In **Canada**, one of “the most critical hurdles” for a quarter of migrants with foreign credentials was “lack of experience in the Canadian workforce”.<sup>29</sup>
- 7.47 Intending migrants to **New Zealand** were advised that “most employers demand” local experience.<sup>30</sup> The *Longitudinal Immigration Survey New Zealand* began in 2004, and had not yet produced data which might illuminate this issue further. However, under the previous skilled migration arrangements in 2002/03 few scored points for this factor.<sup>31</sup>
- 7.48 Perhaps because the employers’ emphasis on local experience was such a common international thread, each of the three countries with points scores allocated points to it.
- 7.49 In **Australia** three per cent of the possible total score might be allocated as bonus points for local experience in an occupation on the SOL.<sup>32</sup>
- 7.50 Under the points test for **Canada**, the applicant could be awarded an additional maximum of five per cent if they (or their spouse) had worked for one year in Canada. This was one of five “Adaptability”<sup>33</sup> factors, for which the maximum total was 10 per cent.
- 7.51 **New Zealand** also recognised local work experience, with a bonus of two percent for two year’s work in New Zealand, increasing to a maximum of six per cent of the final total for six years or more.
- 7.52 New Zealand’s December 2003 revision of its points system also included, under the category of “Skilled Employment”, a separate allocation of points, with a presumption that the applicant was already working in New Zealand. The points allocations were:

28 DIMIA, *The Labour force Experience of New Migrants*, p. 57, electronic version, [www.immi.gov.au/research/publications/labour\\_force/nilsreport.pdf](http://www.immi.gov.au/research/publications/labour_force/nilsreport.pdf)

29 Statistics Canada, “Longitudinal Survey of Immigrants to Canada”, in *The Daily*, 4/9/03, [www.statcan.ca/Daily/English/030904/d030904a.htm](http://www.statcan.ca/Daily/English/030904/d030904a.htm)

30 NZIS, *Settlement Pack* No. 4: Work, pp. 1, 5. [www.immigration.govt.nz/NR/ronlyres/CDF2ACB2-BE92-4EE6-8E21-9F419FD183CD/0/IMM272804work.pdf](http://www.immigration.govt.nz/NR/ronlyres/CDF2ACB2-BE92-4EE6-8E21-9F419FD183CD/0/IMM272804work.pdf)

31 NZIS, Immigration Research Program, Trends in Residence Approvals 2002/2003; [www.immigration.govt.nz/NR/ronlyres/E0972AE3-EF13-4C33-A101-5F0E3AB5A0EE/0/TrendsInResidenceApproval0203.pdf](http://www.immigration.govt.nz/NR/ronlyres/E0972AE3-EF13-4C33-A101-5F0E3AB5A0EE/0/TrendsInResidenceApproval0203.pdf)

32 legally worked in any occupation on the SOL for at least 6 months in the 4 years before lodging an application

33 See *The concept of “Adaptability”* in the chapter *Permanent Migration – personal points*.

- currently working in skilled employment in New Zealand and have been for 12 months or more = 24 per cent ; *or*
  - currently working in skilled employment in New Zealand and have been for less than 12 months = 20 per cent; *or*
  - offer of skilled employment in New Zealand = 20 per cent.<sup>34</sup>
- 7.53 The New Zealand approach accommodated applicants who were already working in the country under its “Work to Residence” arrangements.<sup>35</sup>
- 7.54 These differing levels of reward for local work experience led the Committee to review the relative emphasis placed on local experience and the value assigned to it in the Australian points test.
- 7.55 It appeared to the Committee that an applicant looking at the three points-test nations purely to discover which rewarded their local work experience best would be most impressed by Canada and New Zealand.
- 7.56 The Committee was not able to determine whether this aspect of the points test disadvantaged Australia in its competition for skilled migrants with the more generous arrangements of Canada and New Zealand.
- 7.57 The Committee then considered whether SOL work experience in three of the past four years should be included, and its importance in the points test.
- 7.58 The Committee observed that the current maximum of six per cent for applicants’ recent practical experience in an SOL occupation in their home country was double the score which applicants might achieve for having worked in an SOL occupation in Australia for six months in the previous four years.
- 7.59 The Committee also noted that research from Australia, New Zealand and Canada highlighted the importance of previous local work experience in gaining employment.

## Conclusion

- 7.60 The Committee therefore considers that more weight might be given to relevant local work experience in the points test.

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<sup>34</sup> NZIS, *How you earn points*, [www.immigration.govt.nz/Migrate/HowYouEarnPoints.htm](http://www.immigration.govt.nz/Migrate/HowYouEarnPoints.htm)

<sup>35</sup> See chapter *Temporary Skilled Migration* for outline of the program.

## Recommendation 6

- 7.61 **The Committee recommends that the skilled migration bonus points score for local lawfully gained work experience be increased from the current five points to ten.**

## Recommendation 7

- 7.62 **The Committee recommends that transition arrangements be made when implementing its recommendations so that existing applicants are not disadvantaged by the changes.**

### Points for occupation in demand/job offer

- 7.63 These two aspects of the points system are considered together here because DIMIA's General Skilled Migration assessment merged the consideration of points for each aspect into one category – *Occupation in demand/job offer*. However, the following discussion takes each aspect separately in order to simplify comparison with other countries.

### Occupation in Demand

- 7.64 **Canada's** mandatory occupation threshold reflected its philosophy of selecting people with potential. Under this approach, the person's actual occupation did not weigh heavily in the points test scale (see "work experience" above).
- 7.65 Under **Australia's** skilled migration points system, applicants might qualify for points if DIMIA identified their occupation as one for which there is a demand. The resulting *Migration Occupations in Demand List (MODL)* indicated areas of specific skill shortages.<sup>36</sup> The MODL was, in effect, an extract of the SOL because the SOL excluded occupations which were in oversupply or in which new migrants would not be immediately employable. If intending migrants' occupations were on the MODL they scored six percent of the possible total points.

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<sup>36</sup> DEWR determined occupations in national shortage through consultations with relevant industry and professional associations. The Minister for Immigration and Multicultural and Indigenous Affairs gazetted the MODL. R. Kinnaird, Submission No. 38, p. 11.

- 7.66 The MODL was reviewed annually with the advice of DEWR to take into consideration existing and emerging skill shortages, but in some cases the MODL might reflect the skills position of some 16 months previously. However ICT industry data was updated every six months and MODL could also be revised through regulation, enabling it to reflect short-term changes in the Australian skilled employment market.<sup>37</sup>
- 7.67 **New Zealand's** equivalent of the Australian "occupation in demand" was to be found in its concepts of:
- *Identified future growth area* - an industry area that offers considerable opportunity to increase its prosperity. Currently... Biotechnology, Information Communications Technology and Creative industries.
  - *Cluster* - a group of employers within a particular industry who, though they may compete with each other, also work together co-operatively to gain greater business advantage...
  - *Area of absolute skills shortage* - occupations in which New Zealand has a significant shortage of skilled workers...listed on the Priority Occupations List.<sup>38</sup>
- 7.68 Applicants whose skills corresponded with one of these three areas of need might receive bonus points under "Skilled Employment" (2%), another bonus under "Work Experience" (up to 4%) and a further bonus (2%) for "Qualifications" in those areas. The total proportion of the possible maximum number of points (up to 8%) was more than the Australian equivalent.

## Job Offer

- 7.69 A job offer was listed as mandatory for **New Zealand** but skilled migrants who qualified for entry with a tertiary or trade qualification as well as at least two years work experience did not require a job offer.
- 7.70 As mentioned under "Local Work Experience" above, a possible 20 per cent of points was allocated under the "Skilled Employment" heading for an offer of skilled employment in New Zealand. But

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37 DEWR, Evidence, p. 48; DIMIA, *General Skilled Migration to Australia: Migration Occupations in Demand List (MODL)*, [www.immi.gov.au/migration/skilled/modl](http://www.immi.gov.au/migration/skilled/modl).

38 Clusters in December 2003 were: Film Auckland, Wellington Creative Manufacturing, Canterbury Software, Canterbury Nutraceuticals, Biosouth. See relevant headings in NZIS, *Summary of Terms*, <http://glossary.immigration.govt.nz/>

these points were only allocated if the applicant did not already have a job in the country.<sup>39</sup>

- 7.71 While **Canada** required applicants to have a job offer it also rewarded migrants who would quickly realise their potential because they had a job offer. They might be awarded 10 per cent of the possible total under the heading of “Arranged Employment in Canada”. To gain the points, applicants had either to have confirmed permanent employment or already work in Canada on a temporary work permit in a job which would become permanent if their migration application succeeded.
- 7.72 In a process which appeared to the Committee to permit “double dipping”, that same offer of employment was counted again as one of five “Adaptability” factors. The maximum total score from these five factors was 10 per cent. Applicants with a job offer or who were legally working in Canada gained an additional five per cent of the possible total score for “having received points under the Arranged Employment in Canada factor”. It was therefore possible for applicants to gain fifteen percent of the possible total points on the basis of a job offer.
- 7.73 **Australia** limited access to points for a job offer. The job had to be on the MODL and the offer had to come from an organisation that had employed at least ten full-time staff for the past 24 months. Provided those conditions were met the applicant might receive an additional three per cent.<sup>40</sup> This was a reality far removed from the advice offered to some potential migrants from the UK that:
- applicants can score big points if they have a job.<sup>41</sup>
- 7.74 The Committee considered that having a job to go to on arrival would be an important factor in ensuring that the migrants and their dependants settled quickly in Australia. DEWR, however, claimed that few applicants required MODL bonus points to satisfy migration requirements.<sup>42</sup>
- 7.75 Since 2000/1 the proportion of general skilled migrants with an occupation on MODL has been falling, from 50 per cent that year to 20 per cent in 2002/3.<sup>43</sup>

39 NZIS, *How you earn points*, [www.immigration.govt.nz/Migrate/HowYouEarnPoints.htm](http://www.immigration.govt.nz/Migrate/HowYouEarnPoints.htm)

40 DIMIA, *General Skilled Migration Booklet*, p. 35, [http://dima.cardgate.net/General\\_Skilled\\_Migration/1119.pdf](http://dima.cardgate.net/General_Skilled_Migration/1119.pdf)

41 “Scoring points can be testing” in *Emigrate*, Issue no 8, Outbound Publishing, East Sussex, October 2003, p. 48.

42 DEWR, Submission 31, p. 23.

43 DIMIA, *Annual Reports*: “more than” 50% in 2000/01, p. 33; 44% in 2001/2, p. 67; 20% in 2002/3, p. 19.



7.76 The Committee pursued this point with DIMIA. It seemed to the Committee that it would be unfortunate if one of the factors maximising migrants' potential to settle into their new country was often effectively rendered irrelevant to the points test.

7.77 According to DIMIA, the declining proportion of applicants with MODL points was:

partly due to the removal of most computing specialisations [and]...increased share of general skilled grants onshore to recent Australian graduates who generally do not qualify for MODL points because they do not have recent work experience.<sup>44</sup>

7.78 DEWR maintained that the skilled migration stream would be better aligned with the needs of Australian industry if the points system was:

allocating a greater number of points to applicants with qualifications and relevant post-qualification experience appropriate to employment in MODL occupations... a migrant intake with a greater proportion of applicants with qualifications and experience appropriate to employment in MODL occupations may... also reduce the potential for occupational downgrading among migrants.<sup>45</sup>

## Conclusion

7.79 It appeared to the Committee that, given the dynamic nature of the migration arrangements set out by DIMIA, the importance of the MODL in the points test would inevitably fluctuate.

## Points for local qualifications

7.80 **Canada** allocated five percent of the possible total score to applicants if they, or their spouse, had undertaken two years of post-secondary study in Canada. As this was an "Adaptability" factor its contribution to the points score might be zero if the applicant already had 10 per cent of their score generated by other components of this factor.

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44 DIMIA, *Annual Report 2002-03*, p. 19.

45 DEWR, Submission 31, p. 23.

- 7.81 **New Zealand** had an allocation of four per cent of the total possible score for local university or polytechnic qualifications resulting from at least two years study in the country.<sup>46</sup>
- 7.82 Skilled migrants to **Australia** might receive three, six or nine percent of the possible total for an Australian post-secondary degree or qualification.
- 7.83 According to DIMIA:  
Australian employers place a high premium on people with qualifications that they can readily accept. That is where Australia's arrangements perhaps differ in that we place a significantly higher premium on Australian-obtained qualifications.<sup>47</sup>
- 7.84 The ready acceptance of local qualifications was reflected in the provision which waived the mandatory work experience criteria for applicants who have completed two years study in Australia less than six months before lodging their application.<sup>48</sup>
- 7.85 Recent experience in the ICT industry indicated to the Committee potential disadvantages of waiving the otherwise mandatory requirement for experience. One was that the overseas students were immediately in direct competition with the local graduates in a field which had an apparent over-supply.<sup>49</sup> A second potential disadvantage was that, in specialised areas, employers sought practical and up to date experience, rather than specific qualifications.<sup>50</sup> Migrants granted the waiver might therefore find it difficult to gain employment.
- 7.86 In addition, the Committee observed that waiving the work experience requirement for ICT local graduates was at odds with the DIMIA expectation that:

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46 NZIS, *New Zealand Qualifications*, <http://glossary.immigration.govt.nz/NewZealandqualifications.htm>

47 DIMIA, Evidence, p. 7.

48 DIMIA, *General Skilled Migration to Australia: Basic requirements*, [www.immi.gov.au/migration/skilled/basic\\_requirements.htm](http://www.immi.gov.au/migration/skilled/basic_requirements.htm)

49 R. Kinnaird, Submission No. 38, p. 6 *New study calls for overhaul of policies on migration of ICT professionals*,

50 Rock Resourcing, Evidence, p. 179.

computing professionals... have at least 12 months work experience in the specialisation for which they have applied.<sup>51</sup>

## Conclusion

- 7.87 In the Committee's view the ICT issues had arisen from a series of very specific circumstances and did not require that the points system for local qualifications be revised.
- 7.88 The Committee considered that the relatively low points score for local qualifications was appropriate in the light of other countries' points allocations.

## The role of the Skilled Occupations List (SOL)

- 7.89 In its review of the employment-related points scoring, the Committee was aware of the important role played by the SOL summarised in the box below. The SOL was instrumental in providing at least one quarter, and possibly more than one half, of the possible total score in the points test. At the time of writing, the pass mark was 70% of the possible total, so the applicant's occupation, as defined by the SOL, was a critical factor qualifying to migrate to Australia.
- 7.90 There was some criticism by DEWR, one of the collaborators on the production of the SOL, that:
- some inclusions/exclusions are hard to justify on skill or labour market grounds... there are considerable inconsistencies or anomalies... personnel managers, sales and marketing managers and distribution managers are allocated 60 points, while research and development managers get only 50 points.<sup>52</sup>

### Skilled Occupations List

#### **Compulsory:**

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51 DIMIA, General Skilled Migration to Australia, *Migration Occupations in Demand List (MODL)*, [www.immi.gov.au/migration/skilled/modl.htm](http://www.immi.gov.au/migration/skilled/modl.htm)

52 DEWR, Submission No. 31, pp. 22-23.

In order to apply for a skilled migration visa the applicants must:

- nominate an Australian occupation which fits their skills and which must be on the SOL
- have been employed in any occupation on the SOL for either 12 of the 18 months or 2 of the 3 years immediately prior to applying, depending on the nature of the occupation.<sup>53</sup>

**Scores points (proportion of possible total):**

**SKILL** - 24% or 30% or 36% for a skill on the SOL, depending on the nature of the occupation.

**SPECIFIC WORK EXPERIENCE** - 0% or 3% or 6% for a SOL job in 3 of the previous 4 years, depending on the nature of the occupation.

**JOB OFFER** - 0% or 6% or 9% if the occupation is in demand according to the Migration Occupations in Demand List which is drawn from the SOL.

**AUSTRALIAN EXPERIENCE** - 0% or 3% for a SOL job for 6 months in the previous 4 years.

**Minimum** score from SOL = 24%. **Maximum** score from SOL = 54%

7.91 On balance, however, DEWR concluded that:

there is not enough evidence to suggest that the SOL is so poorly maintained or developed that a change is warranted.<sup>54</sup>

## Conclusion

7.92 The SOL was a fundamental building block in a number of the points score categories. Its effect was to ensure that points were given or withheld on the basis of the SOL assessment of whether there was an oversupply in particular occupations, or whether migrants were expected to be employable soon after arrival.<sup>55</sup>

53 DIMIA, General Skilled Migration to Australia, *Basic requirements*. The migrant's nominated occupation must be on the SOL and they must have employment in any occupation on the SOL for either 12 of the 18 months or 2 of the 3 years immediately prior to applying, depending on the nature of the nominated occupation. [www.immi.gov.au/migration/skilled/basic\\_requirements.htm](http://www.immi.gov.au/migration/skilled/basic_requirements.htm)

54 DEWR, Evidence, p. 47.

55 According to DIMIA, the SOL included most skilled except those - which were clearly in significant oversupply throughout Australia; or in which new migrants would not be immediately employable in Australia; or which were more appropriately covered by other visa categories such as the Business Skills or Distinguished Talent categories. DIMIA, Fact Sheet 25. *Skilled Categories*, [www.immi.gov.au/facts/25skilled\\_categories.htm](http://www.immi.gov.au/facts/25skilled_categories.htm)

7.93 The Committee therefore thought that the influence of SOL on the points score system was appropriate because it ensured that points were, eventually, claimed by migrants:

who will quickly make a contribution to the Australian economy.<sup>56</sup>

## Summary

7.94 The Committee concluded that the mandatory requirements and major employment-related points-scoring attributes were designed to maximise the benefit to Australia of skilled migration. This was achieved by selecting the skilled who could be expected to join the labour force with the minimum of delay. Other points-tested attributes which assisted this process will be examined in the next chapter.

