



About BDO

BDO is one of Australia’s largest accounting firms. We have 267 partners and 2,360 people working collaboratively across 12 offices (as at 1 July 2023), who advise a wide range of clients, including individuals, small and medium businesses, large corporations, not-for-profits and the public sector. Our annual revenue for FY23 was circa \$AUD 498 million.

We operate as a member of the BDO global network, which comprises 111,307 people in 1,803 offices across 164 countries. As at 30 September 2022, the combined fees of BDO’s firms worldwide were \$12.8 billion. We offer leading accountancy, tax and advisory services to clients Australia-wide. From start-ups and family businesses to large complex organisations, our heritage is in helping businesses grow. BDO Australia’s future will continue to see us build strong, successful relationships based on exceptional client service. BDO’s vision is to be the leader of exceptional client service, delivered across the world. To meet client expectations and to continue to grow, BDO needs exceptional staff.

BDO quantitative data

BDO nominated occupation data - Temporary Skill Shortage visa

As at the end of April 2024, BDO sponsored 94 Temporary Skill Shortage 482 visa holders across Australia. The Department has recently announced the introduction of a new sponsored visa at the end of the year, called the Skills in Demand visa which will replace the Temporary Skill Shortage (Subclass 482) visa. Under this new visa, there will be a “Specialist Skills Pathway” visa available for candidates who are earning at least \$135,000 apparently corresponding with the 90th percentile for all workers. Considering our Temporary Skill Shortage 482 visa cohort at the end of April, only 9 out of 94 of these visa holders are paid above the \$135,000 base salary for a “Specialist Skills Pathway” visa, which is less than 10% of our sponsored visa 482 cohort.

With 70% (66 employees) of our sponsored workers nominated in the occupation of “External Auditor” it is critical to our business to retain access to this skilled occupation, as we have been unable to meet our operational needs from the local labour market. As per Appendix 1, the Jobs & Skills Australia data also demonstrates the ongoing shortage of the External Auditor occupation across Australia over the last three years.

BDO Temporary Skill Shortage nominated occupation usage data as at 30 April 2024

Nominated Occupation	Currently sponsored	Notes
Accountant (General)	8	
Company Secretary	1	
External Auditor	66	
Financial Investment Adviser	1	



ICT Business Analyst	1	
ICT Security Specialist	2	
Internal Auditor	3	
Management Accountant	4	
Management Consultant	3	
Organisation & Methods Analyst	1	Occupation in the "on" list
Systems Analyst	2	
Taxation Accountant	2	

With BDO’s ambitious growth plans and unemployment figures to remain at record lows, BDO will face a critical shortfall in skilled workers, if we cannot retain the occupations we heavily utilise on the Core Skills Occupations List (CSOL). The vacancy data below underscores the critical need to retain External Auditors, Accountants (General), and related occupations on the new Core Skills Occupations List (CSOL). Over the past year, we’ve had 122 vacancies for Accountants, 49 for Taxation Accountants, 74 for External Auditors, and 11 for Internal Auditors. Despite our best efforts, the recruitment process has been challenging, with an average recruitment time of 55 to 80 days across these roles. This indicates a significant shortage of skilled professionals in these areas within the local market.

The resulting need to recruit overseas workers to fill these roles, highlights the local skills gap. Keeping these occupations on the CSOL is vital for us to continue providing high-quality audit and accounting services. Without the ability to source talent both locally and internationally, we risk facing severe resourcing challenges that could impact our service delivery and the broader financial landscape. Therefore, it is of utmost importance that External Auditor, Accountant (General), and related occupations remain on the CSOL.

BDO vacancy data for Accounting related occupations 1 May 2023 to 30 April 2024

Occupation	Vacancies	482 Visa holders recruited	Average time to recruit
Accountant (General)	122	3	Est 55-day average across roles with reportable data
Taxation Accountant	49	2	Est 55-day average across roles with reportable data



External Auditor	74	27	Est 55-day average across roles with reportable data
Internal Auditor	11	2	80-day average across roles with reportable data

Qualitative Data - Global Mobility

BDO Global Mobility program - Secondments

Sourcing BDO people from across the globe to meet demand

Through our global office network, BDO is committed to the transferring and sharing of resources, knowledge, skills and experience, both globally and domestically. We have the ability to offer employees incredible opportunities to work and learn in new environments through our BDO Global Mobility program by offering inbound and outbound secondments. The BDO Global Mobility Program plays a crucial role in employer branding and serves as a retention tool for the Australian workforce. It also attracts local talent to the accounting profession. International secondments allow the local Australian workforce to gain experience working in different countries and cultures, offering new perspectives and career growth.

The secondment program serves as a resourcing strategy for firms to mobilise people in and out of BDO Australia.

In the past year, BDO Australia has welcomed over **13 long-term inbound secondees** from BDO Member firms, including BDO UK, Singapore, USA, Canada, Argentina, and South Korea on subclass Temporary Skill Shortage 482 visas.

It is worth noting that Australia has a different end of financial year reporting period to fellow overseas member firms and therefore we rely on the ability to be able to bring people in from our BDO network during our busy times and similarly send our people outbound to meet BDO overseas deadlines for their end of reporting periods enabling efficient work force planning.

Due to local skill shortages exacerbated by the post-COVID environment, BDO continues to rely on recruiting skills from overseas within the BDO network to meet local resourcing requirements. However, the local skills shortage also impacts current employees, leading to increased workloads that can affect productivity and wellbeing. If BDO were no longer able to sponsor people under specific ANZSCO (Australian and New Zealand Standard Classification of Occupations) codes, it would create significant resourcing challenges and impact existing teams. If BDO Australia was no longer able to sponsor BDO international talent due to changes in the skilled occupation list, this would impact skill sharing capability and would also hinder individual career growth.



Global Mobility - Case Study

Example of BDO USA external auditor joining BDO Australia

Background

The US regulator, Public Company Accounting Oversight Board (PCAOB) has a responsibility to monitor compliance of Australian auditors under the Sarbanes-Oxley Act 2002. In 2007, Australian Securities and Investment Commission (ASIC) entered into an arrangement with the PCAOB to conduct joint audit inspections and has been doing so since this time.

With an increasing number of foreign issuer clients, the market for PCAOB audit expertise is limited. BDO has a growing list of foreign issuer clients requiring audit services under PCAOB regulations, given their listing in the USA.

As part of the BDO International Network, BDO Australia conducts audits for significant components of SEC (Securities and Exchange Commission) issuers. It is crucial to complete these engagements in accordance with relevant U.S. requirements.

Given the global nature of auditing, effective global auditor oversight is essential. ASIC aims to reduce regulatory burdens on Australian audit firms by collaborating with other international audit oversight bodies for joint work or representation.

BDO USA candidate background

In 2020, BDO Sydney urgently sought the skills of a candidate with specialised expertise in BDO's international audit methodology, particularly related to audit engagements, client interactions, and PCAOB requirements. This recruitment followed an extensive international search due to the skills and experience required. After a 9-month recruitment search, a candidate at Director level was identified from our BDO Los Angeles office in BDO USA. To maintain high-quality audits and provide necessary assurance to users of financial reports, the Director contributed to BDO's PCAOB regulatory knowledge, bringing specific US GAAS skills and PCAOB reporting expertise.

The BDO USA Director that we were able to sponsor on a Temporary Skill Shortage 482 visa under the External Auditor occupation played a key role in ensuring quality for U.S. engagements, not only for Sydney but also nationally across our firm.

The Australian local regulator, ASIC, continues to make recommendations to improve audit quality. Given the specific regulatory requirements on these foreign issuers, we can improve audit quality by recruiting talent who have experience working with overseas regulators such as PCAOB and who understand the requirements necessary. Higher quality audit adds assurance and credibility to the financial statements and audit quality of these entities and that is in the public interest.

The BDO USA Director facilitated knowledge sharing with existing staff through training. This enabled higher quality audits in Australia for clients and increased local workforce expertise. The Director trained staff formally and on-the-job, enhancing available skills in the Australian labour market. This example demonstrates the ongoing need to be able to sponsor candidates in accounting occupations such as External Auditor, Internal Auditor, Accountant, Management Accountant & Management Consultant.

Anticipated future demand

BDO has ambitious growth plans and as such continued high demand for skilled talent to support and enable growth.

New & Emerging Occupations - ANZSCO Codes

We expect current workforce demand to continue to increase and this indicates the current shortage may persist over several years. As you will see from our quantitative data, at BDO we are currently sponsoring our people under the Accountant, Management Accountant, Management Consultant, Internal & External Auditor and ICT ANZSCO codes to meet demands across our Audit, Tax, Advisory, IT, Cyber & Corporate Finance roles.

Some of the current ANZSCO occupations are not currently fit for purpose. In today's world, the accounting roles are dynamic and with the introduction of with AI and data analytics, our clients demand change and so because of that the occupations require updating so that they can be more adaptable and accurately represent both the current and future workforce so we can continue to service our clients and meet our regulatory requirements.

Environmental, Social & Governance Audits - Introduction of new legislation

From January 2025, the new mandatory climate reporting laws in Australia aim to enhance transparency and accountability regarding environmental, social, and governance (ESG) matters. The proposed legislation applies to large Australian corporations and asset managers with more than \$5 billion under management. It requires BDO to make climate-related financial disclosures in their annual reports. Entities must prepare a sustainability report alongside other statutory reports.

The sustainability report includes climate statements for the year, complying with sustainability standards set by the Australian Accounting Standards Board (AASB). Commencing 1 July 2030, the sustainability report must be audited with an audit opinion confirming compliance with the Corporations Act and applicable AASB standards. In summary, this legislation aims to foster greater transparency, risk management, and accountability related to climate impacts and ESG factors in corporate reporting.

Skilled professionals are needed to integrate ESG considerations into decision-making and as the European Union (EU) has indeed taken significant strides in advancing ESG (Environmental, Social, and Governance) legislation, outpacing Australia in several aspects we foresee the need to continue to be able to hire external auditors and data specialists from overseas (from our member network and outside of) to assist with resourcing this new legislative requirement.

Conclusion

At BDO continues to face ongoing workforce shortages in audit and accounting due to a lack of specialised skills in Australia. To maintain exceptional client service and regulatory compliance, BDO recommends retaining the critical accounting occupations on the Core Skills Occupation List (CSOL). The shortage is evidenced through vacancy and recruitment data, and BDO's reliance on these roles for its Global Mobility Program underscores their importance. Without access to global talent, BDO risks hindering the ability to provide innovative solutions for clients in a dynamic and ever changing market as well as continuing to maintain our regulatory compliance requirements and market competitiveness.

Appendix 1

<https://www.jobsandskills.gov.au/data/skills-shortages-analysis/skills-priority-list?code=221213>

The Skills Priority List (SPL) provides a current assessment of the Australian labour market, including a detailed view of occupations in shortage and the anticipated future demand for occupations.

The below image demonstrates the ongoing shortage of the External Auditor ANSZCO

Jobs & Skills Australia website - skills priority list

S - indicates Shortage

The screenshot displays the Skills Priority List interface for the occupation 'External Auditor' (ANZSCO 221213). The search results table shows a shortage (S) for this occupation across all states and territories (National, NSW, VIC, QLD, SA, WA, TAS, NT, ACT) for the years 2021, 2022, and 2023. The future demand is set to 'Below economy-wide average'.

Year	National	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
2023	S	S	S	S	S	S	S	S	S
2022	S	S	S	S	S	S	S	S	S
2021	S	S	S	S	S	S	S	S	S