

Friday, 7 June 2024

Jobs and Skills Australia

Via email: CoreSkillsList@jobsandskills.gov.au

Draft Core Skills Occupation List for Consultation

Chartered Accountants ANZ (CA ANZ) and CPA Australia make this joint submission to Jobs and Skills Australia (JSA) on the draft Core Skills Occupation List (CSOL) that will inform the Core Skills Pathway for Australia's temporary migration program.

Our views build on CA ANZ's response to JSA's draft CSOL survey on 10 May 2024 and in-depth interview with JSA's research consultancy firm on 24 May 2024.

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 and the profession and in the public interest.

We bring multiple perspectives to this submission:

- as peak bodies representing accountants working in multiple occupations across all industries and employers of all sizes
- as skilled migration assessing authorities for accounting occupations
- as educators through our professional programs and continuous professional development offerings
- 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.
- as public interest advocates for a stable and growing Australian economy.

Our analysis and recommendations are informed by research and evidence drawn from extensive consultation with accounting, audit and finance professionals,¹ employers and other industry stakeholders.

In short, our research finds ongoing shortages across eleven accounting, audit and finance related occupations. Vacancies for these occupations are not being adequately filled by domestic candidates, international students, recent migrants or those on skilled migration visas.

This is having significant impacts on business, the economy and capital markets and hence these occupations should be included on the Final CSOL to continue to enable employer sponsorship of these roles on skilled visas.

Recommendations

CA ANZ and CPA Australia make the following recommendations to JSA on the Australian and New Zealand Standard Classification of Occupations 2022 (ANZSCO) occupations relevant to our profession:

1. Retain **Taxation Accountant** on the Final CSOL.

¹ 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.

2. Add **Accountant (General)** to the Final CSOL.
3. Add **Management Accountant** to the Final CSOL.
4. Add **External Auditor** to the Final CSOL.
5. Add **Internal Auditor** to the Final CSOL.
6. Add **Finance Manager** to the Final CSOL.
7. Add **Financial Investment Adviser** to the Final CSOL.
8. Add **Financial Investment Manager** to the Final CSOL.
9. Add **Management Consultant** to the Final CSOL.
10. Add **ICT/Cyber Security Specialist** to the Final CSOL.
11. Add **ICT Business Analyst** to the Final CSOL.
12. Do not include **Corporate Treasurer** on the Final CSOL.

We also make the following broader recommendations:

- JSA consults with key stakeholders, including the professional accounting bodies, on the implications of the Final CSOL, once completed.
- JSA evaluates the impact of the Final CSOL after its first year of operation.
- JSA collaborates with the Department of Home Affairs to design a skills (versus occupations) list for skilled migration for implementation over the medium to longer term.
- JSA reduces complexity, by working with the Department of Home Affairs to adopt a single migration occupation list.

This submission should be read in conjunction with the joint submission from the Australian Public Policy Committee (APPC) on the draft CSOL, which we are signatories to. The submission from the APPC focuses on the occupation of External Auditor, whereas this submission provides data and perspectives on a broader range of occupations on the ANZSCO which are relevant to the profession.

We have structured this submission as follows:

- Section one covers the skills shortage being experienced in these occupations.
- Section two outlines the impact of the shortage.
- Section three discusses the recruitment efforts being made by employers, including their use of employer sponsored skilled visas, and how the professional accounting bodies are also supporting employment and migration outcomes.
- Section four briefly considers implementation arrangements and review.
- Section five summarises our recommendations regarding inclusion of these occupations on the Final CSOL and our broader recommendations to JSA.

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

- [Redacted contact information]

[Redacted contact information]

[Redacted contact information]

1. Skills shortage

The professional accounting bodies have consulted extensively with our members and employers on the core occupations on the ANZSCO that they have recruited for in the past couple of years, and plan to recruit in the coming years, their success in filling advertised roles, and their use of employer sponsored skilled visas where the positions cannot be filled by domestic talent.

Our consultation includes Australia's six largest professional services firms - BDO, Deloitte, EY, Grant Thornton, KPMG and PwC (the APPC member firms) - several small and medium sized accounting practices and members in the corporate sector.

The major ANZSCO occupations that our members have recently recruited for, and anticipate ongoing demand for, are listed below:

1. Finance Manager (132211)
2. Accountant (General) (221111)
3. Management Accountant (221112)
4. Taxation Accountant (221113)
5. External Auditor (221213)
6. Internal Auditor (221214)
7. Financial Investment Adviser (222311)
8. Financial Investment Manager (222312)
9. Management Consultant (224711)
10. ICT Business Analyst (261111)
11. ICT/Cyber Security Specialists (262114 - 262118)
12. Data Scientist (224115)
13. Data Analyst (224114).

CA ANZ conducted a survey of 449 Australian members between 10 January and 15 February 2024 on occupation shortages and recruitment challenges experienced during 2023 to help inform our [joint submission](#) on the 2024 Skills Priority List stakeholder survey.

The survey found vacancy fill rates were below 67% for the occupations of **Taxation Accountant**, **External Auditor**, **Accountant (General)**, **Management Accountant**, **Internal Auditor** and **Finance Manager**. This indicates a high likelihood of skills shortages Australia-wide for these occupations. Please refer to **Appendix A** which provides a summary of our key survey results.

CA ANZ also recently surveyed the APPC member firms and found that in aggregate, the firms have a significant number of vacant roles Australia-wide for the **External Auditor** (310), **Taxation Accountant** (219), **Accountant (General)** (179), **Management consultant** (108), **Management Accountant** (72), and **Internal Auditor** (67). In all cases, the proportion of vacancies filled were moderately to highly reliant on the use of employer sponsored visas, particularly the Temporary Skills Shortage visa, without which the proportion of vacancies filled would be in the range of moderate (51% to 66%) to low (50% or below).

Further details on the APPC member firm aggregate vacancies, proportion of vacancies filled and use of skilled visas for these occupations is provided in **Appendix B**.

The nationwide shortage of external auditors is particularly acute, with approximately 310 vacancies experienced by the APPC member firms alone as at April 2024. The proportion of external auditor vacancies filled is largely due to the use of employer sponsored Temporary Skills Shortage visas (estimated to be 674 over the past 12 months and around 1,631 in total currently), without which the firms estimate their fill rates will likely be in the moderate to low range.

Further insight into the external auditor shortages being experienced by the APPC member firms is provided in **Appendix C**.

The large numbers of migration skills assessment applications received and completed by the professional accounting bodies for the core accounting, audit and finance occupations further illustrates the demand for skilled professionals in these roles. The average numbers of migration skills assessment applications completed between 2019 and 2023 are 10,034 for **Accountant (General)**, 2,535 for **External Auditor**, 961 for **Finance Manager**, 856 for **Management Accountant** and 802 for **Taxation Accountant**. Further details are in **Appendix D**.

Retaining all of these occupations on the Final CSOL is critical to enable continued employer sponsorship on skilled visas where the roles cannot be filled domestically.

CA ANZ and CPA Australia recommend that JSA:

- Retain **Taxation Accountant** on the Final CSOL. It is currently on the 'Draft CSOL Confident On List'.
- Add **Accountant (General)** to the Final CSOL. It is currently on the 'Draft CSOL Targeted for Consultation List'.
- Add **Management Accountant** to the Final CSOL. It is currently on the 'Draft CSOL Targeted for Consultation List'.
- Add **External Auditor** to the Final CSOL. It is currently on the 'Draft CSOL Targeted for Consultation List'.
- Add **Internal Auditor** to the Final CSOL. It is currently on the 'Draft CSOL Targeted for Consultation List'.
- Add **Finance Manager** to the Final CSOL. It is currently on the 'Draft CSOL Targeted for Consultation List'.
- Add **Management Consultant** to the Final CSOL. It is currently on the 'Draft CSOL Targeted for Consultation List'.

Specialists in cyber security, environmental, social and governance (ESG), climate and sustainability were also identified as being in shortage nationally in our member research. The roles are often filled by people recruited under other ANZSCO occupation codes, including accounting, audit, finance, ICT and technology professionals, with moderate to high reliance on employer sponsored skilled visas to fill domestic talent gaps.

[ICT Security Specialists](#) are a broad category of occupations on the ANZSCO which include the following roles that are included on the Draft CSOL targeted for consultation list:

- 262114 Cyber Governance Risk and Compliance Specialist
- 262115 Cyber Security Advice and Assessment Specialist
- 262116 Cyber Security Analyst

- 262117 Cyber Security Architect
- 262118 Cyber Security Operations Coordinator

CA ANZ and CPA Australia advocate that these five cyber security roles should be added to the Final CSOL due to nationwide, state and territory shortages of cyber security specialists and continued reliance by our members on employer sponsored skill shortage visas to fill the domestic talent shortfall.

Our members advise that there is increasing demand for cybersecurity capabilities to safeguard digital security in Australia. Continuing to sponsor these roles on temporary skill shortage visas is essential to counteract the activity of cybercriminals who are continuously developing sophisticated attacks which make it harder for organisations to defend against breaches. In addition, there is an increase in traditional threats like ransomware attacks, crypto-mining malware, and phishing incidents.

CA ANZ and CPA Australia recommend that JSA:

- Add **ICT/Cyber Security Specialist** to the Final CSOL. It is currently on the 'Draft CSOL Targeted for Consultation List'.
- Add **ICT Business Analyst** to the Final CSOL. It is currently on the 'Draft CSOL Confident Off List'.

Our discussions with members and industry also reveal an ongoing shortage of professional financial advisers in Australia. This is largely due to increasing complexity and regulatory costs, which make it difficult for individuals to access affordable, quality advice from their choice of trusted professional adviser. The professional accounting bodies are continuing to advocate for reforms consistent with the recommendations of the Quality of Advice Review.

The new education and training standards for financial advisers will likely require migrants who wish to work in this occupation to undertake some additional study and a professional year of training.

In regard to the Draft CSOL, professional financial advisers would be categorised under the ANZSCO occupations of **Financial Investment Advisor** and **Financial Investment Manager**. Adding both of these occupations to the Final CSOL recognises the ongoing shortage of financial advisers in Australia, which is not being met by domestic talent, and will provide a pathway for overseas professionals who can assist in addressing the adviser shortage and servicing Australia's ageing population and diverse multicultural community.

CA ANZ and CPA Australia recommend that JSA:

- Add **Financial Investment Advisor** to the Final CSOL. It is currently on the 'Draft CSOL Targeted for Consultation List'.
- Add **Financial Investment Manager** to the Final CSOL. It is currently on the 'Draft CSOL Confident Off List'.

How have we determined if a skill shortage exists for an occupation?

We have used a range of sources to determine if a skills shortage exists, including but not limited to:

- undertaking surveys of our members
- referring to surveys and labour market research conducted by other organisations
- engaging directly with our members and other peak bodies and industry stakeholders.

To determine if there is a skills shortage, we adopted JSA's definition of occupation skill shortages to inform our responses to both JSA's Skills Priority List Stakeholder Survey and this Core Skills Occupation List consultation.

Our understanding is that an occupation is in shortage when employers are:

- unable to fill or have considerable difficulty filling vacancies; or
- cannot meet significant specialised skill needs within that occupation, at current levels of remuneration, conditions of employment and in reasonably accessible locations.

Based on this definition, the primary measure of an occupational shortage is the inability of employers to fill vacancies or the proportion of vacancies that are filled i.e. the fill rate. There is a high likelihood of an occupation shortage when estimated fill rates are below 67%.

2. Impact of the skills shortage

The shortages in the occupations discussed in section one are not being adequately filled by domestic candidates, international students, recent migrants or those on skilled migration visas. This is having significant impacts on business, the economy and capital markets. For example, a shortage of skilled and qualified independent auditors presents heightened risks to business and the wider Australian economy, including:

- Loss of confidence in the capital markets due to concerns over the quality of financial and non-financial disclosures by companies. This in turn can have significant ramifications for the economy and consequently jobs.
- Audit firms having to be more selective in which new audit clients they accept due to resourcing shortages. This may result in companies having difficulties meeting their obligations under the Corporations Act and ASX listing rules.
- Company suspension from trading on the ASX.
- Fines and actions against the directors of the company.

Legislation expected to commence from 1 January 2025 bringing in new climate reporting and assurance requirements is likely to exacerbate the shortage of auditors discussed above.

Shortages of accountants (general accountants and management accountants) can have implications for the ability of businesses to:

- **Respond to challenges.** Accountants play a fundamental role in assisting senior management of businesses to respond to challenges such as high inflation, weaker demand, supply disruptions and meeting new compliance obligations.
- **Seek external finance.** Accountants prepare both the historical and future-looking information that lenders and investors need to determine whether to provide finance to the business and at what rate.

- **Comply with legal obligations.** Accountants are critical to the collection and reporting of data required of business by various state and federal agencies.
- **Make the best decisions for the future.** Accountants analyse and make recommendations to senior management on the best course of action for a business. For example, determining which investment options are best for the business.
- **Remain solvent.** Accountants are fundamental to managing the finances of the business, and identifying threats to business solvency early so responses can be developed.

3. Recruitment efforts to address the shortages

Our members indicated they are undertaking extensive recruitment efforts to address the skills shortage across the range of occupation surveyed, including but not limited to:

- Advertising widely online on recruitment sites, job boards and social media platforms
- Graduate recruitment events and programs
- Targeted selection, such as market mapping on LinkedIn to identify talent to headhunt
- Employee referral programs
- Engaging external recruitment agencies
- Moving work offshore where skilled accountants and auditors cannot be sourced within Australia
- Internal secondments to fill pressing needs
- Increasing workplace flexibility
- Upskilling and education support, such as offering study leave and financial support for completing CA ANZ or CPA Australia programs
- Promoting the benefits of working in the accounting and audit profession (e.g. job security and satisfaction, career progression and opportunities).
- Recruiting skilled workers on employer sponsored visas where roles cannot be filled domestically.

Strong employment and migration outcomes achieved through the Accounting PY program

The professional accounting bodies support the recruitment efforts of our members through various initiatives which seek to improve work readiness and employment outcomes for domestic and international students and graduates of accounting, including migrants. We are having success.

Appendix E outlines the superior employment outcomes being achieved by the [Accounting Professional Year](#) (PY) work readiness program we oversee, which is for international students with an Australian accounting degree.

These results are significant given the data reported in Treasury's Employment White Paper showed accountants (from all pathways, including the Accounting PY Program) *'stand out among the occupations not matching well into their nominated occupation.'*²

² [Working Future: The Australian Government's White Paper on Jobs and Opportunities](#), 25 September 2023 p. 103.

CA ANZ's Australian member survey identified support for reform proposals to improve the quality and coverage of the PY Program to make it easier to employ and best utilise the skills of migrant accountants and international accounting graduates.

To continue improving employment and migration outcomes for international graduates and migrants, migration policies should encourage and support increased enrolments in work readiness programs such as the Accounting PY program and investigate making it more widely to other professions facing skill shortages, and to recent migrants who have not worked in Australia.

Appendix F provides further examples of CA ANZ's International Pathways Program, Achiever Program and career support services and resources to assist international accounting graduate employment outcomes. CPA Australia also offers programs and services in this area.

4. Implementation and review

As the Final CSOL will have far reaching implications for business, the economy and capital markets, we encourage JSA to engage with key stakeholders promptly to discuss what is on and off the list, the implementation arrangements and timeframes once the final list is determined.

An evaluation of the impact of the Final CSOL after its first year of operation will also be helpful. As part of the review process, consideration should be given to what, if any, impact the changes to the Temporary Skill Shortage visa work experience requirement will have.

From 23 November 2024, applicants will be required to have one year of full-time relevant work experience (reduced from two years) before they can be sponsored by an employer. This change announced in the 2024-25 Federal Budget may result in greater numbers of applicants. However, employers using sponsored visas are generally looking for accounting, audit and finance professionals with at least two to three years of relevant work experience, together with a bachelor's degree or higher qualification.

In several previous submissions the professional accounting bodies have noted that the use of multiple lists adds to the complexity of Australia's skilled migration settings, the lists are outdated and they just aren't working. In our joint submissions on the review of the migration system³ and the 2024-25 permanent Migration Program⁴ 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. 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, hence we recommend adopting a single migration occupation list.

CA ANZ and CPA Australia recommend that JSA:

- Consult with key stakeholders, including the professional accounting bodies, on the implications of the Final CSOL, once completed.

³ [CA ANZ and CPA Australia \(2022\) joint submission on the review of Australia's migration system](#), December.

⁴ [CA ANZ and CPA Australia \(2023\) joint submission on the 2024-25 permanent Migration Program](#), December p8-9.

- Evaluate the impact of the Final CSOL after its first year of operation.
- Collaborate with the Department of Home Affairs to design a skills (versus occupations) list for skilled migration for implementation over the medium to longer term.
- In the short term, work with the Department of Home Affairs to reduce complexity by adopting a single migration occupation list.

5. Recommendations

Based on the analysis and evidence provided in this submission, CA ANZ and CPA Australia make the following recommendations to JSA regarding the CSOL:

1. Retain **Taxation Accountant (ANZSCO Code 221113)** on the Final CSOL. It is currently on the 'Draft CSOL Confident On List'.
2. Add **Accountant (General) (ANZSCO Code 221111)** to the Final CSOL. It is currently on the 'Draft CSOL Targeted for Consultation List'.
3. Add **Management Accountant (ANZSCO Code 221112)** to the Final CSOL. It is currently on the 'Draft CSOL Targeted for Consultation List'.
4. Add **External Auditor (ANZSCO Code 221213)** to the Final CSOL. It is currently on the 'Draft CSOL Targeted for Consultation List'.
5. Add **Internal Auditor (ANZSCO Code 221214)** to the Final CSOL. It is currently on the 'Draft CSOL Targeted for Consultation List'.
6. Add **Finance Manager (ANZSCO Code 132211)** to the Final CSOL. It is currently on the 'Draft CSOL Targeted for Consultation List'.
7. Add **Financial Investment Adviser (ANZSCO Code 222311)** to the Final CSOL. It is currently on the 'Draft CSOL Targeted for Consultation List'.
8. Add **Financial Investment Manager (ANZSCO Code 222312)** to the Final CSOL. It is currently on the 'Draft CSOL Confident Off List'.
9. Add **Management Consultant (ANZSCO Code 224711)** to the Final CSOL. It is currently on the 'Draft CSOL Confident Off List'.
10. Add **ICT/Cyber Security Specialist (ANZSCO Codes 262114 - 262118)** to the Final CSOL. It is currently on the 'Draft CSOL Targeted for Consultation List'.
11. Add **ICT Business Analyst (ANZSCO Code 261111)** to the Final CSOL. It is currently on the 'Draft CSOL Confident Off List'.
12. Do not include **Corporate Treasurer (ANZSCO Code 221212)** on the Final CSOL. It is currently on the 'Draft CSOL Confident Off List'.

We also make the following broader recommendations to JSA:

13. Consult with key stakeholders, including the professional accounting bodies, on the implications of the Final CSOL, once completed.
14. Evaluate the impact of the Final CSOL after its first year of operation.
15. Collaborate with the Department of Home Affairs to design a skills (versus occupations) list for skilled migration for implementation over the medium to longer term.
16. Reduce complexity by working with the Department of Home Affairs to adopt a single migration occupation list.

Attachment A

CA ANZ Australian member skills shortage and recruitment challenges key survey results

Vacancies filled Australia-wide

- More than 8 in 10 respondents who provided input on the proportion of vacancies filled Australia-wide said estimated vacancies filled were below 67%. This indicates a high likelihood of occupation shortages.
- Shortages were identified by respondents who provided input on vacancies filled Australia-wide for the occupations Internal Auditor (91%), Management Accountant (90%), Taxation Accountant (88%), Finance Manager (78%), Accountant (General) (75%) and External Auditor (71%).
- The survey found the largest number of responses indicating estimated vacancies filled Australia wide were below 67% were for the Taxation Accountant (52), Accountant (General) (45) and External Auditor (27).

Vacancies filled in each state and territory

- Shortages were identified by respondents who provided input on vacancies filled in each state and territory for the occupations External Auditor (88%), Accountant (General) (79%), Taxation Accountant (78%), Finance Manager (73%), Internal Auditor (71%) and Management Accountant (69%).
- Most of the shortages were found in both metro and regional areas for External Auditors (47%), Finance Managers (44%) and Accountants (General) (38%), followed by regional areas for Taxation Accountants (43%) and Internal Auditors (25%), followed by metro areas for Management Accountants (27%).
- Shortages of External Auditors were found in all states and territories in both regional and metro areas, mostly in the Northern Territory, Tasmania and the ACT, where all respondents said vacancy fill rates were below 50%.
- Shortages of Accountants (General) were found in all states and territories, with the highest shortages in New South Wales (mostly in regional areas), Western Australia (mostly in metro areas), South Australia (mostly in metro areas), the Northern Territory (mostly in metro and regional areas) and the ACT (mostly in metro areas).
- Shortages of Taxation Accountants were found in all states and territories, mostly in regional areas, except in South Australia (mostly in metro areas) and Tasmania and the ACT (mostly in both metro and regional areas).
- Shortages of Finance Managers were found in the Northern Territory, Tasmania and Western Australia, mostly in metro and regional areas.
- Shortages of Internal Auditors were found in all states and territories except New South Wales and Victoria, mostly in regional and metro areas in Queensland and metro areas in Western Australia.

- Shortages of Management Accountants were found in the Northern Territory, the ACT and Tasmania (mostly in both metro and regional areas), Victoria, New South Wales and Western Australia (mostly in metro areas).

Skill supply and demand

- An undersupply of suitably skilled workers Australia-wide was identified by most of the respondents who provided input on the occupations Taxation Accountant (82%), External Auditor (80%), Internal Auditor (79%), Accountant (General) (78%), Management Accountant (65%) and Finance Manager (65%).
- Most respondents expect workforce demand to increase in the next five years for Internal Auditors (89%), External Auditors (76%), Taxation Accountants (73%), Management Accountants (60%), Accountants (General) (55%), Finance Managers (48%) and Corporate Treasurers (33%).

Fill rates

- The survey found a total of 1,174 job vacancies across all occupations surveyed, including 406 auditor vacancies and 768 non-audit vacancies.
- The highest number of vacant roles were for the Taxation Accountant (611), External Auditors (377) and Accountant (General) (129).
- The average numbers of positions filled in most of the occupations surveyed is less than the numbers of positions advertised.

Employing migrant accountants and international accounting graduates

- The top four actions identified to make it easier to employ and best utilise the skills of migrant accountants and international accounting graduates were:
 - support reform proposals to improve the quality and coverage of the Accounting Professional Year (PY) work readiness program (39%)
 - support pre-employment services that help them find work matched to their professional skills and qualifications (39%)
 - provide more skilled visas for accounting, audit and finance professionals (37%)
 - improve recognition of overseas qualifications (34%).

Attachment B

APPC member firm vacancies and average vacancy fill rates for selected occupations on the ANZSCO

Please note that the following data is drawn from our survey of Australia's six largest professional services firms. Engagement with members and employers in large business and smaller accounting firms indicates the shortages are much larger than is shown below.

Occupation	Vacancies as at April 2024	Average vacancy fill rates*
Accountant (General)	179	Moderate to low proportion of vacancies filled, with moderate reliance on employer sponsored visas , without which the proportion of vacancies filled would likely be low.
Taxation Accountant	219	Moderate to high proportion of vacancies filled, with moderate reliance on employer sponsored visas , without which the proportion of vacancies filled would likely be moderate to low.
Management Accountant	72	Moderate proportion of vacancies filled, with moderate reliance on employer sponsored visas , without which the proportion of vacancies filled would likely be moderate to low.
External Auditor	310	High proportion of vacancies filled, with high reliance on employer sponsored visas , without which the proportion of vacancies filled would likely be moderate to low.
Internal Auditor	67	Moderate proportion of vacancies filled, with moderate reliance on employer sponsored visas , without which the proportion of vacancies filled would likely be moderate to low.
Management Consultant	108	Moderate to high proportion of vacancies filled, with moderate reliance on temporary skill shortage visas , without which the proportion of vacancies filled would likely be moderate to low.

Source: CA ANZ survey of the APPC member firms – BDO, Deloitte, EY, Grant Thornton, KPMG and PwC in May 2024.

*Notes: Average vacancy fill rates are categorised as either low (fill rates are below 50%), moderate (fill rates are between 51% and 66%) or high (fill rates are between 67% and 100%).

APPC member firm use of temporary skill shortage visas for selected occupations on the ANZSCO

Occupation	Number of temporary skills shortage visas used in the past year (May 2023 to April 2024)	Number currently employed on temporary skills shortage visas
Accountant (General)	80	206
Taxation Accountant	72	140
Management Accountant	56	65
External Auditor	674	1631
Internal Auditor	67	159
Management Consultant	56	412

Source: CA ANZ survey of the APPC member firms – BDO, Deloitte, EY, Grant Thornton, KPMG and PwC in May 2024.

Notes: Temporary skills shortage visas primarily refer to the employer sponsored Temporary Skill Shortage visa (subclass 482).

Attachment C

Spotlight on the external auditor shortage

Auditor skills shortage

CA ANZ's consultations with Australia's six largest professional service firms (big six firms) reveal they have heavily invested in recruiting, onboarding, training and developing auditors within Australia over many years, yet there remains a critical shortage of auditors within the Australian labour market.

The big six firms provide world-class training programs for Australian graduates and junior professionals, yet there remains a significant gap in the supply of external auditors in Australia when compared to the demand for these critical positions. The expansion of the audit function to cover both financial and non-financial information and the increasing importance of audits for stakeholders, has resulted in the increased demand for these roles, with no sign of this trend slowing or reversing.

This shortage is being exacerbated by the drastic decline in the number of domestic student enrolments in accounting and accounting-related university courses such as management and commerce.

The upcoming mandatory climate-related financial disclosure regime will further increase the need for external auditors and assurance professionals. It will require blended assurance teams with financial audit as well as climate and sustainability skillsets. Ultimately, the financial statement auditor will need to provide an assurance opinion on the climate and other required sustainability disclosures.

JSA's 2023 Skills Priority List recognised that external auditors are in shortage nationally and in every state and territory in Australia.

In the detailed occupation employment projections, modelled by Victoria University in 2023, employment in accounting occupations (including external audit) is forecast to grow by 8.5% in the 5 years to May 2028 and 16.8% in the 10 years to May 2033. This forecast growth ranks external audit in the top 30% of all occupations in the model.

The professional accounting bodies are continually working to ensure the declining domestic talent pipeline is being addressed in numerous different ways. This includes opening new pathways into the profession.

However, skilled migration must remain part of the solution to address current shortages and growing demand for experienced professional auditors due to the unavailability of sufficient candidates domestically despite the extensive recruitment efforts of the APPC member firms which include but are not limited to the activities referred to in section three of this submission.

Commitment to training Australian staff

As part of their commitment to meet statutory requirements around quality and independence, the APPC member firms provide structured learning to audit staff that includes development of current and future skills. Each of the firms have curricula that focus on developing skills in both virtual and face to face classroom environments (where current regulations permit) and through simulated case studies led by experienced audit professionals.

Internal training curricula cover areas such as:

- Audit training
- Accounting training
- Quality and risk management training
- Digital and analytics training
- Identifying and addressing fraud
- Sustainability and climate reporting and assurance
- Ethical and professional obligations.

The ongoing training, development and investment in staff is extensive. The professional accounting bodies set minimum continuing professional development requirements. Transparency reporting by the APPC member firms also shows in many cases the investment made is significantly above the minimum requirement.

Other benefits the firms offer to attract and retain auditors might include supporting them through study leave and providing financial support in the completion of the CA ANZ or CPA Australia programs.

Recruitment and retention challenges

In addition to extensive graduate recruitment activities, the APPC member firms advise that their recruitment teams are always recruiting for experienced auditors. However, there are very few local candidates with the required skillset and up to 90% of applicants are located overseas. The domestic market does not provide sufficiently experienced auditor applicants to satisfy the current staff shortages experienced by the firms.

It is critical to the ongoing operation of their auditing and assurance services and the stability of the capital markets that the occupation of External Auditor is included on the Final CSOL. This will allow the firms to continue to supplement their local workforce with external auditors from the global talent pool. With all the firms recruiting from within an extremely limited pool of local skilled talent, it has been challenging to sufficiently resource audit teams to meet clients' statutory reporting deadlines.

Conclusion

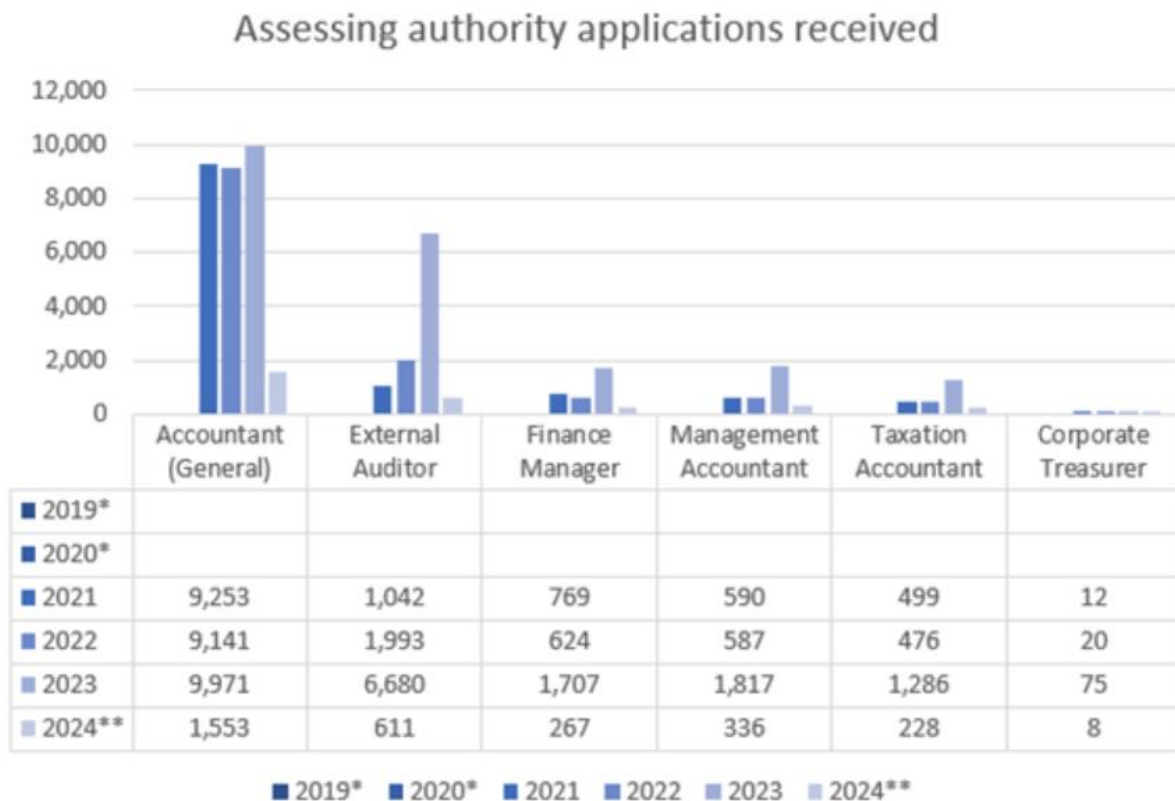
Given the ongoing critical shortage of External Auditors in Australia being experienced by the APPC member firms, and the potential impact on confidence in Australian capital markets, the professional accounting bodies strongly supports the inclusion of External Auditors (ANZSCO Code 221213) on the Final CSOL.

Attachment D

Accounting assessing authority applications received and completed

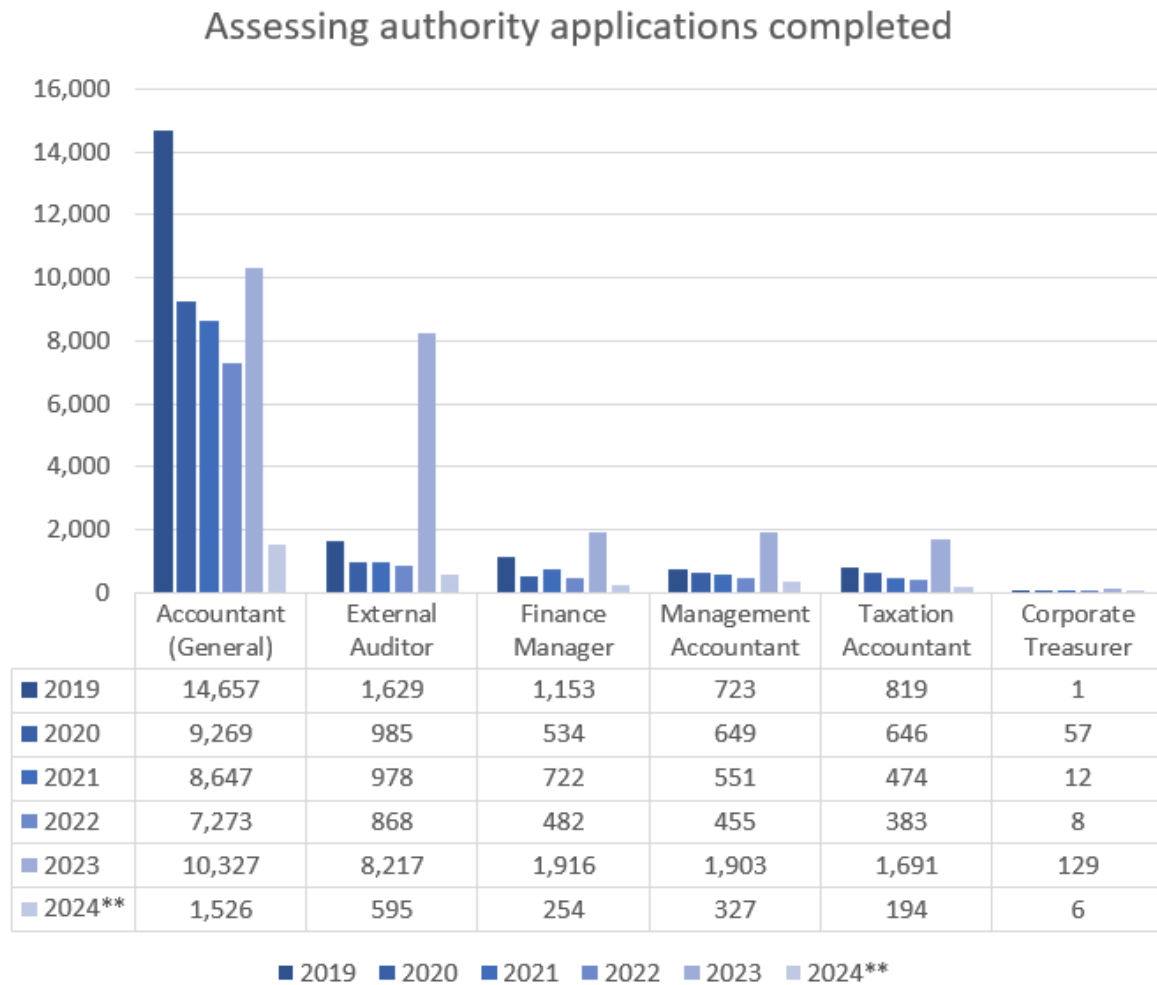
The following data has been provided by the Assessing Authority Policy and Assurance of the Department of Employment and Workplace Relations. It shows the aggregated migration skills assessment data for the accounting assessing authorities (CA ANZ, CPA Australia and the Institute of Public Accountants).

Figure 1: Accounting assessing authority migration skills assessment applications received



Source: Assessing Authority Policy and Assurance of the Department of Employment and Workplace Relations.

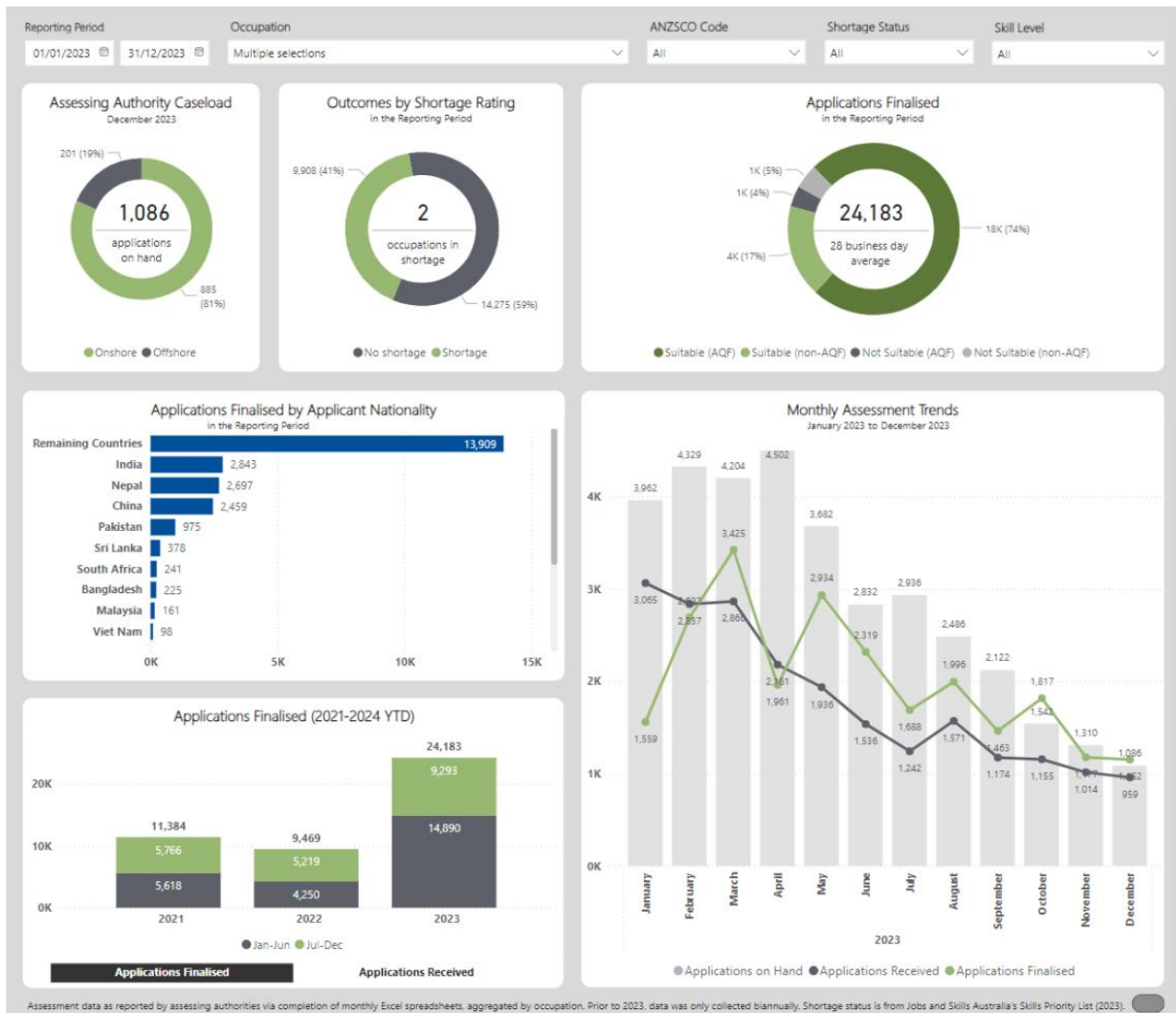
Notes: The data period is 1 January 2021 to 31 March 2024. *Data is not available for 2019 and 2020. **Data for 2024 is as at 31 March 2024. The increased numbers of applications received in 2023 was due to large skilled visa invitation rounds released by the Department of Home Affairs in late 2022 and early 2023.

Figure 2: Accounting assessing authority migration skills assessment applications completed

Source: *Assessing Authority Policy and Assurance of the Department of Employment and Workplace Relations.*

Notes: The data period is 1 January 2019 to 31 March 2024. **Data for 2024 is as at 31 March 2024. The increased numbers of applications received in 2023 was due to large skilled visa invitation rounds released by the Department of Home Affairs in late 2022 and early 2023.

The average numbers of skills assessment applications completed between 2019 and 2023 are Accountant (General) (10,034), External Auditor (2,535), Finance Manager (961), Management Accountant (856), Taxation Accountant (802) and Corporate Treasurer (41).



Assessment data as reported by assessing authorities via completion of monthly Excel spreadsheets, aggregated by occupation. Prior to 2023, data was only collected biannually. Shortage status is from Jobs and Skills Australia's Skills Priority List (2023).

Attachment E

The Accounting Professional Year Program is improving international graduate employment and migration outcomes

CA ANZ and CPA Australia, together with the Institute of Public Accountants, have oversight of the Accounting Professional Year Program (Accounting PY Program). This is a work readiness program, approved by the Department of Home Affairs, which is delivered by external providers accredited by the professional accounting bodies.

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.

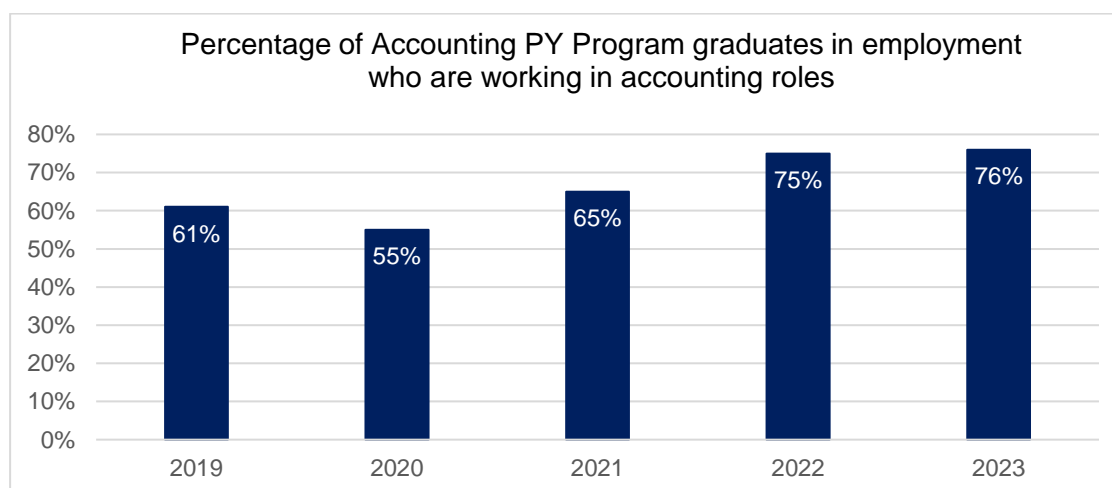
Modules delivered by accredited providers cover Australian workplace culture; job application, resume writing and interview techniques; business and professional communication; professional ethics; and employee rights and regulations to reduce the potential for exploitation.

Accredited providers organising internship placements with host employers in roles relevant to candidates' fields of expertise and monitoring candidates throughout their placements.

Importantly, the Accounting PY Program is getting good results.

Figures 3 and 4 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 in employment were working in accounting roles.

Figure 3: Accounting PY Program field specific employment outcomes



Source: PY Destination Survey 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.

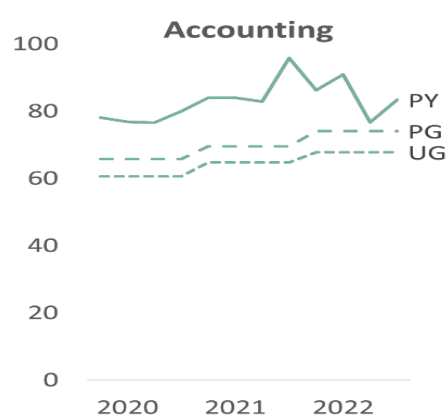
These results are significantly higher than:

- the data reported in Treasury's [Employment White Paper](#) which showed that accountants (from all pathways, including the Accounting PY Program) stand out among the occupations that are not matching well into their nominated occupation.⁵
- the [Migration Strategy](#) finding that over 50% of graduate visa holders with a bachelor's degree or higher are working significantly below their skill level, despite studying in areas in shortage⁶.

The superior accounting-specific employment outcomes achieved by Accounting PY Program graduates underscores the need for government support to increase the uptake of work readiness programs such as the Accounting PY Program together with complementary skilled migration policies which include adding the accounting, audit and finance occupations to the Final CSOL.

Figure 4: 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.

The bolded lines in **Figure 4** 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 3** and **Figure 4** are drawn from the professional bodies' Destination Survey. **Figure 4** also includes data from the Graduate Outcomes Survey. While the difference in timings of the two surveys may explain some of the variance in outcomes, it is unlikely to explain all of it.⁷

Our [joint submission on the Professional Year Programs for Accounting, IT and Engineering](#) which was sent to the Federal Government in December 2023⁸ shares similar findings for the engineering and IT professions as well as testimonials from graduates and employers that attribute the relatively positive employment outcomes to the professional year programs. In that submission we ask the government to make some refinements to the PY program and investigate expanding the program beyond the accounting, IT and engineering professions, to other professions facing skill shortages and to other recent migrants who have not worked in Australia.

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

⁶ [Parkinson, Howe and Azarias \(2023\) Review of Australia's Migration System Final Report](#), p 31.

⁷ The Graduate Outcomes Survey is undertaken in the four months following graduation. The professional bodies' Destination Survey is conducted following completion of respondents' PY program, which has typically run for a minimum period of 44 weeks.

Attachment F

Other professional accounting body initiatives to support international accounting graduate employment outcomes

International Pathways Program

CA ANZ's [International Pathways Program](#) (IPP) helps prepare candidates for the Australia and New Zealand labour market and provides cultural training. For Australian candidates, the IPP focuses on the role of the Chartered Accountants in the current Australian business and regulatory environment, encouraging participants to evaluate and demonstrate the ways in which they may apply their technical knowledge and professional skills to add value to their clients or employer as a business partner.

The IPP workshop:

- Enhances previous and current accounting and business experience but in an Australian context.
- Provides networking opportunities.
- Presents case studies about genuine Australian business challenges.
- Examines solutions to business problems based on Australian commercial realities.

Achiever Program

CA ANZ's [Achiever program](#), which runs in two cohorts each year, allows tertiary students to gain valuable paid work experience for a duration of 3 to 12 weeks with one of our participating employees. Open to penultimate and final year domestic and international students who are currently undertaking university studies in accounting, the program runs across both Australia and New Zealand. In the 2023 Winter cohort we had 106 successful placements from 1099 applications and in the summer cohort we have had 1,113 applications with the selection process underway. In 2022, 200 students were successfully placed with 220 employers.

Career support services and resources

CA ANZ's Careers Engagement team engages with and develops students and graduates of accounting, including migrants, connecting them with top employers and industry leaders to hear about vacation, graduate and cadetship positions, and gain career advice and inspiration to realise the value of being a Chartered Accountant (CA). Our [You unlimited](#) website provides access to CA ANZ's careers engagement services and resources.