

28 May 2024

Jobs and Skills Australia

Dear Sir/Madam,

RE: Submission - Response to Jobs and Skills Australia (JSA) Draft Core Skills Occupations List ('CSOL') for Consultation

We act on behalf of Deloitte Services Pty Ltd, a current accredited business sponsor with the Department of Home Affairs. We write in respect to the request for submissions on the draft CSOL and provide information below for Jobs and Skills Australia ('JSA') to consider as part of a broader submission to Government.

Deloitte Australia Workforce Figures

Deloitte Australia consists of nearly 14,000 people with 9 offices across Australia. Deloitte Services Pty Ltd is an accredited business sponsor and is one of the largest users of the Temporary Skill Shortage (TSS) and Employer Nomination Scheme (ENS) visa program.

Of the current Australian workforce, approximately 82% are Australian citizens and permanent residents while the remaining 18% are made up of foreign national employees. The main visa subclasses utilised by Deloitte are:

- Subclass 482 – Temporary Skilled Shortage visa;
- Subclass 186 - Employer Nomination Scheme visas; and
- Subclass 400 – Temporary Work (Short Stay Activity) visa.

Occupations For Consultation

Following the release of the drafted CSOL targeted for consultation list, Deloitte would be significantly impacted should some of the occupations be removed from the list, resulting in an inability to be able to fill key demands with overseas skilled talent. Based on this list, we have outlined below the key occupations utilised by Deloitte under the TSS visa program and provide evidence to support the demand and need for these occupations to remain on the CSOL.

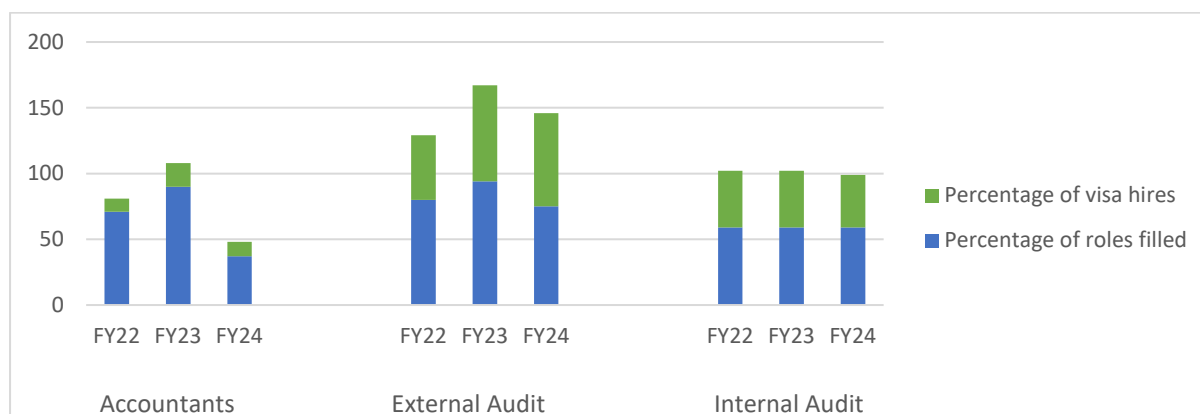
Accountant (general) - 221111	Systems Analyst - 261112
Management Account – 221112	Cyber Security Engineer – 261315
Auditor – Internal - 221213	Cyber Security Analyst – 262116
Auditor – External - 221214	Cyber Security Advice and Assessment Specialist - 262115
Management Consultant - 221112	Developer Programmer (Cyber Security Developer) – 261312
ICT Business Analyst - 261111	Penetration Tester – 261317
Software Engineer - 261313	

National demand for accountants: The ABS forecast that Australia will require 338,362 accountants by 2026 – almost 10,000 extra per year.¹ Furthermore, data released by the Deloitte Access Economics team below shows a breakdown per financial year of the number of accountants and auditors anticipated to be needed based on the ABS Labour Force Survey data.

Accountants		Auditors, Company Secretaries and Corporate Treasurers	
Financial Year	Forecast	Financial Year	Forecast
2024-25	203,294	2024-25	34,344
2025-26	208,428	2025-26	33,403
2026-27	212,572	2026-27	34,076

National demand for auditors: With the heightened focus on compliance and scrutiny from government authorities, together with the increasing complexities of financial regulations, there continues to be a demand for auditors in Australia. The Deloitte Access Economics data shows a steady growing need for qualified auditors with a CAGR (Compound Annual Growth Rate) of 1.7% in Australia. It is likely the need for specialist auditors with experience in sustainability assurance will be in increasing demand as the government implement compliance measures for organisations to commit to social and environmental sustainability standards.

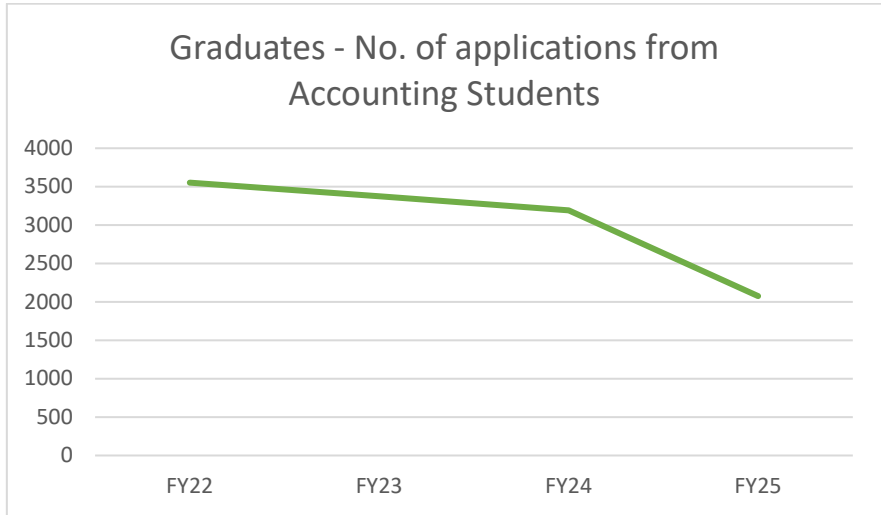
Open vacancies: Based on this demand, Deloitte can evidence through historical data that there remains an inherent need for accountants and auditors within Australia. The graph below shows the percentage of roles at Deloitte in these occupations that were successfully filled in addition to a breakdown of the percentage of foreign national visa holders who filled these roles. While it is clearly evident that open roles could not all be filled by local hires, it is particularly apparent for the occupations of Internal and External Auditor where Deloitte have an ongoing need to recruit foreign nationals to meet 53% of the recruitment need.



Recruitment strategy: While the above evidenced roles relate to experienced hires, Deloitte also includes vacationer and graduate programs in its recruitment strategy. The figures overleaf demonstrate the decline year on year of the number of applications received from qualified accounting graduates and vacationers. It was reported in the CPA Australian Integrated Report 2022 that there continues to be a declining pool of accounting graduates in Australia². With the increased demand for accountants and auditors in Australia, coupled with declining pool of accounting graduates, it is apparent that the skills gap is needed to be filled by skilled foreign talent.

¹ <https://www.accountantsdaily.com.au/business/19493-the-year-the-accountant-shortage-got-worse#:~:text=The%20ABS%20forecast%20that%20Australia,%E2%80%9Csignificantly%20short%2Dstaffed%E2%80%9D.>

² <https://www.cpaustralia.com.au/-/media/project/cpa/corporate/documents/about-cpa/our-organisation/annual-report/cpa-integrated-report-2022.pdf>



Pathway for graduates: As a pathway to securing longer term work rights in Australia, Deloitte employs qualified Graduate Visa holders (subclass 485) following their studies in Australia so they can build the relevant experience to qualify for a TSS visa. Should these occupations not be included on the CSOL, these skilled and experienced temporary resident visa holders will not have a further pathway to remain in Australia under the proposed Skills in Demand “core” visa and will be forced to depart Australia and return to their home countries, despite having achieved a relevant Australian qualification and gained years of skills and experience in the local labour market. Due to the current and ongoing demand for accountants in Australia, not having these occupations on the CSOL and providing a pathway for graduates to remain in Australia will result in Australia’s skill shortage of accountants depleting even further. In addition, Accounting and Audit remain a core business practice of Deloitte and the removal of these occupations would be damaging, if not detrimental, to the growth of the business, client expectations and service capability, and the retention and career development opportunities provided to Deloitte employees.

ICT Business and Systems Analysts (ANZSCO Unit Group 261) & Database and Systems Administrators, and ICT Security Specialists (ANZSCO Unit Group 262)

Demand for more skills: Analysis for Australia shows 1.8 million new tech skills will be needed by 2030, an increase of 1.3 million based on current levels. At a minimum, Australia will need 445,000 more technology skilled workers by 2030 to keep pace with international economies. This equates to an additional 60,000 technology workers each year.³ This is further evidenced by the ABS Labour Force Survey data below, which demonstrates the forecasted number of individuals in ANZSCO groups 2611 and 2613 anticipated to be needed in the current and upcoming financial years.

ICT Business and Systems Analysts		Software and Applications Programmers	
Financial Year	Forecast	Financial Year	Forecast
2024-25	56,773	2024-25	195,748
2025-26	59,583	2025-26	210,137
2026-27	61,501	2026-27	219,518

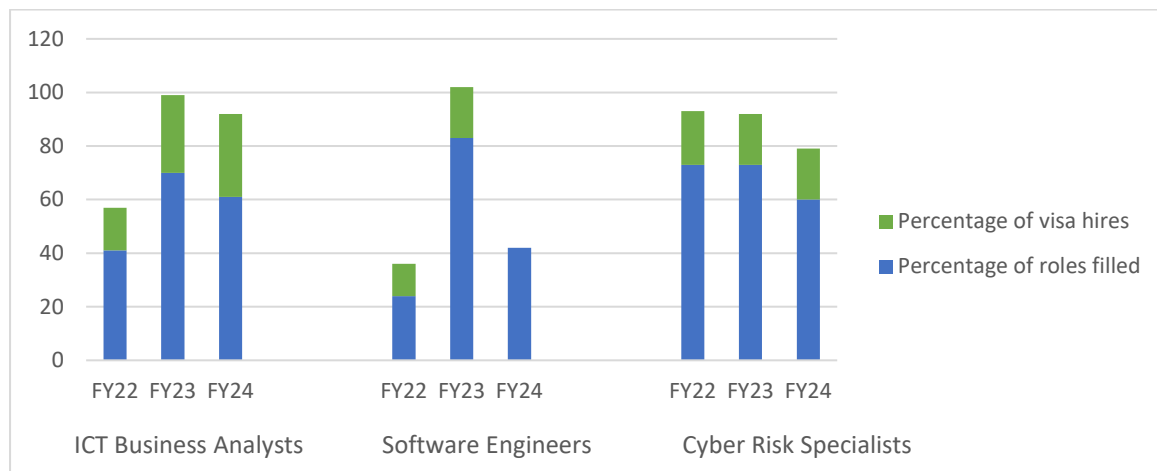
Cyber specialists: In addition to the above ICT professionals, as the 2022 Optus and Medibank data breaches demonstrate, Cyber security threats are on the rise in Australia, therefore building and maintaining a skilled cyber security workforce is essential. As demand grows, studies show Australia will face a significant skills gap in cyber security professionals in the coming years with an estimated shortage of 25,000 employees.⁴ This is

³ <https://www.deloitte.com/au/en/services/economics/perspectives/australias-digital-pulse.html>

⁴ <https://behaviouraleconomics.pmc.gov.au/sites/default/files/projects/attracting-diverse-cyber-security-workforce.pdf>

also evident in the need to review and redefine the descriptions of these professions with the introduction of some of new ICT related ANZSCO codes.

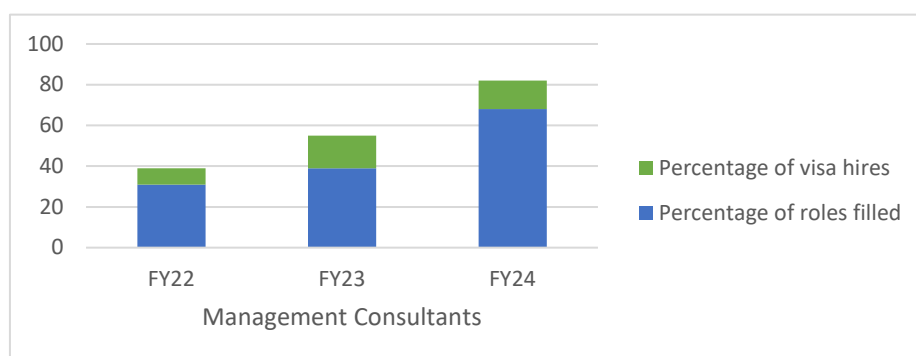
Decrease in roles filled: With the growth of these roles across Deloitte, the firm has experienced challenges in filling the roles from the local labour market. The graph below shows a decrease from the last financial year of the ability to fill the required roles across the firm. Where a local Australian is not sourced, Deloitte has relied on a visa holder to successfully fill the skills gap. If these roles are not made available to Deloitte on the CSOL, there will continue to be unfilled roles and a genuine demand for skilled talent in these occupations, resulting in a detrimental impact on the growth of this advisory area of the firm.



Knowledge transfer: Foreign labour provides Deloitte with an opportunity to knowledge transfer where Australia lacks the skills and expertise in key areas and sectors. ICT Cyber is a prime example where Australia's depth of knowledge lacks in comparison to the rest of the world, with Denmark, Germany and the US ranking as the top three countries for cyber specialists, according to the Global Cyber Strategies Index ⁵. A limitation in the ability to sponsor individuals with this skillset will not only significantly limit Deloitte's ability to meet client demands, but put Australia at risk of declining further in a competitive global sector.

Management Consultant (ANZSCO 224713)

Specialist knowledge: While the below graph below shows an annual increase in the number of Management Consultant roles filled across Deloitte, it also depicts key consulting roles which continue to be vacant as specialised skills cannot be found for specific roles. Our Deloitte Consulting and Financial Advisory practices hire Management Consultants and have 40 offerings aligned to the following portfolios: Climate & Engineering, Core Business Operations, Customer and Marketing, Enterprise, Tech & Performance, Human Capital, Strategy and AI, Forensic, Infrastructure, M&A and Restructuring Services. The current challenges faced by the practice falls across all offerings where specialist knowledge has been difficult to source locally. It is imperative that Management Consultants remain on the list.



Broad interpretation:

There is a very broad definition applied to Management Consultants and as such, where we see a decline in demand of consultants with a skillset in one area, there is a growing demand for consultants in another. This is

⁵ https://csis-website-prod.s3.amazonaws.com/s3fs-public/220414_Cyber_Regulation_Index.pdf

true for consultants in Climate & Engineering, Organisation Transformation and Mergers and Acquisitions. It can often take years for a consultant to be trained in their area of expertise, and as such, skills and knowledge cannot be readily transferred across the six portfolios noted above. Unfortunately, it seems that the occupation of Management Consultant has been broadly applied under the one definition without consultation from industry, and if removed from the occupation list will inadvertently impact a significant area of the business.

Experienced hires: There is an inherent need for experienced hires in consulting roles as they bring with them a wealth of knowledge and experience from various national and international projects, and industry sectors. The TSS visa program is often utilised by Deloitte to bring in key expertise unavailable in Australia as these people have experience working on global client accounts and possess key client knowledge. It is thus critical that they are able to work in Australia on a short-term basis to fulfil the client engagement on a global level.

International hires, secondees and employee transfers

Deloitte Global Mobility program: We note that the above data only depicts Deloitte's visa holders under the local hire program and does not account for international hires, intra company transfers and secondees who are provided the opportunity to transfer within the global Deloitte network consisting of 150 countries. Being able to sponsor these individuals on work visas is pertinent to our business model to enable global knowledge sharing, support Deloitte's recruitment and retention strategy, provide skills and career development opportunities and enable Deloitte to attract top local and international talent through our Global Mobility program.

Busy Season Secondments: Deloitte utilises the 400 and TSS visa program to support the busy season period, usually starting in May through to September. On average, Deloitte sponsor 50-80 experienced external auditors every year from Deloitte member firms to support the Australian audit season. The inability to do source these workers from the internal global network would have far reaching impact on Deloitte and its ability to deliver client work and meet regulatory financial reporting timelines, resulting in severe consequences for our clients and our business. Deloitte has a global methodology "Deloitte Audit Methodology" that governs external auditors and their practices. It is a globally consistent methodology that is unique to Deloitte. It is therefore critical that secondees are accredited under this Methodology to understand Deloitte's systems, platforms, and processes to be able to deliver the firms quality standard. Should the TSS program eliminate external auditors from the list, the impact would be detrimental to the audit practice, Deloitte's second largest practice in the firm.

Conclusion

In conclusion, our submission highlights the critical need for occupations such as Accountants, Auditors, ICT Professionals, Cyber Security Experts, and Management Consultants within Australia's workforce. With projections indicating significant shortages in these fields, our ability to temporarily sponsor individuals that fall outside of the specialist skills pathway, is vital for addressing skill gaps, supporting business growth, and fostering knowledge exchange both locally and globally. Failure to include these occupations on the CSOL and provide immigration pathways for international graduates and experienced professionals would exacerbate Australia's skill shortages, impeding not only Deloitte's operations but also the broader economy's ability to meet evolving demands.

If you have any questions, please do not hesitate to contact me on [REDACTED]

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Deloitte Migration Services Pty Ltd