

27 February 2021

Committee Secretary  
Joint Standing Committee on Migration  
PO Box 6021  
Parliament House  
Canberra ACT 2600

**Submitted online:** [https://www.aph.gov.au/Parliamentary\\_Business/Committees/OnlineSubmission](https://www.aph.gov.au/Parliamentary_Business/Committees/OnlineSubmission)  
**And via email:** [migration@aph.gov.au](mailto:migration@aph.gov.au)

Dear Madam / Sir

## Inquiry into Australia's skilled migration program – part 1 of 2

Migrant accounting and finance professionals are essential to supporting individuals and businesses manage through the current crisis, engineer their recovery and build a longer-term sustainable future.

This is the first of two submissions from Chartered Accountants Australia and New Zealand (CA ANZ) and CPA Australia. Its focus is on changes that should be implemented immediately to the current skilled migration policy settings as Australia and the world tackles a pandemic.

Specifically, it addresses items 1(a) and 2 in this Inquiry's terms of reference, which asks what immediate adjustments are necessary in the context of the future of work and pandemic recovery, and what might be done to enhance Australia's international competitiveness in attracting entrepreneurs, venture capital, start-ups, and the best and brightest migrants.

In response to item 1(a), two important areas are priority skilled migrants, and international students. An upcoming second submission scopes in more detail the possibilities that arise if we have enhanced arrangements for priority skilled migration. Envisaging a world where COVID-19 has been brought under control, the policy focus should be more about the quality of skilled migrants and less about their quantity.

Australia's approach to skilled migration has led the way, with others emulating what we do. However, competitor destinations have not stood still, and their actions in this space have created challenges for Australia, which needs to act now to transform and future-proof its approach to skilled migration.

To enhance Australia's international competitiveness in attracting entrepreneurs, venture capital, start-ups, and the best and brightest migrants (item 2), Australia should take a holistic view on sectors requiring and attracting skilled migrants and reconsider eligibility criteria for existing visa programs.

Further details are contained in the Attachment to this submission.

Together CA ANZ and CPA Australia represent more than 300,000 accounting and finance professionals in Australia and around the world. We make this submission on behalf of these members and in the public interest. Our members work in and support the viability and growth of individuals and businesses, in all sectors of the Australian economy.

Our submission to this Inquiry continues our commitment to encourage reform. We congratulate the Minister for Immigration, Citizenship, Migrant Services and Multicultural Affairs for his foresight in requesting this Inquiry at such a critical juncture, and the Joint Standing Committee for inviting submissions on matters relevant to attracting talent from across the globe who are best able to contribute to our success and cohesion as a nation.

CA ANZ and CPA Australia make the following recommendations:

1. As a matter of urgency, prioritise the migration accounting and finance professionals, given the critical role they play in Australia's recovery and growth.
2. As a matter of urgency:
  - send a strong message to source countries emphasising the importance of international students and sharing a timeframe within which we look forward to welcoming them back; and
  - create safe corridors for the entry of international students;
3. In order to remain internationally competitive in attracting entrepreneurs, venture capital, start-ups and the best and brightest migrants, broaden its ambit and reduce or remove the minimum annual salary threshold and funding agreement requirements.

If you require further information on the views expressed in this submission, please contact

Yours sincerely

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## Migrants critical to Australia's economic health should be prioritised

Accounting and finance professionals were at the frontline of the recent economic crisis and remain essential to the nation's recovery. More are needed to share the load. Early in the pandemic, [recruiters were pointing to labour market gaps and skill shortages](#).

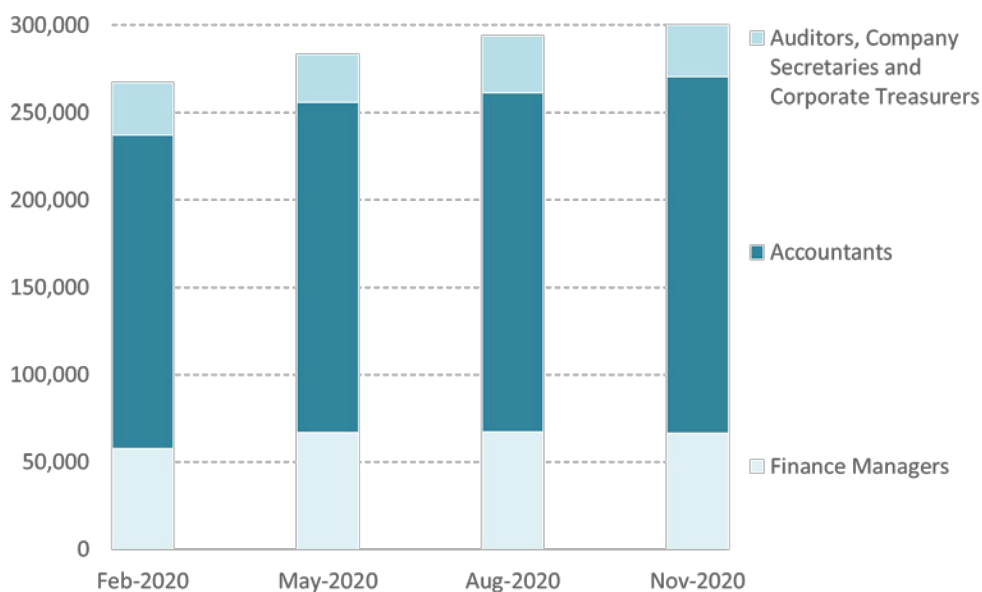
The shared prediction of Australia's professional accounting bodies is that accounting and finance professionals are likely to remain in high demand over the coming year as they continue to play a pivotal role in the nation's economic recovery.<sup>1</sup> Unless suitably qualified migrant accounting and finance professionals are permitted entry, gaps will widen and Australia's businesses and economy will feel the effects.

Evidence below focuses on the current demand for accounting and finance professionals. We urge that their entry as skilled migrants be prioritised.

### The essential role of accounting and finance professionals during COVID-19

The demand for accounting and finance professionals is what economists refer to as a derived demand. That is, it is a consequence of demands in the sectors where they work. COVID-19 has demonstrated that not only is this demand procyclical – increasing as businesses access their advice to capitalise on growth opportunities – it is also countercyclical.

### Recent employment of accounting and finance professionals



Source: ABS (2020) Labour Force Australia, Detailed.

Since February 2020, when restrictions were first put in place in response to the pandemic, the demands on the profession have been great. During a period of unprecedented job losses across most sectors of the economy, the numbers of accounting and finance professionals employed have trended in the opposite direction. The chart shows how they climbed from 267,000 to 300,000 – a greater than 12 percent increase – over less than one year.

<sup>1</sup> Lain, J (2021) 'No demand shortage': Predictions for the profession in 2021, *Accountants Daily*, 14 January.

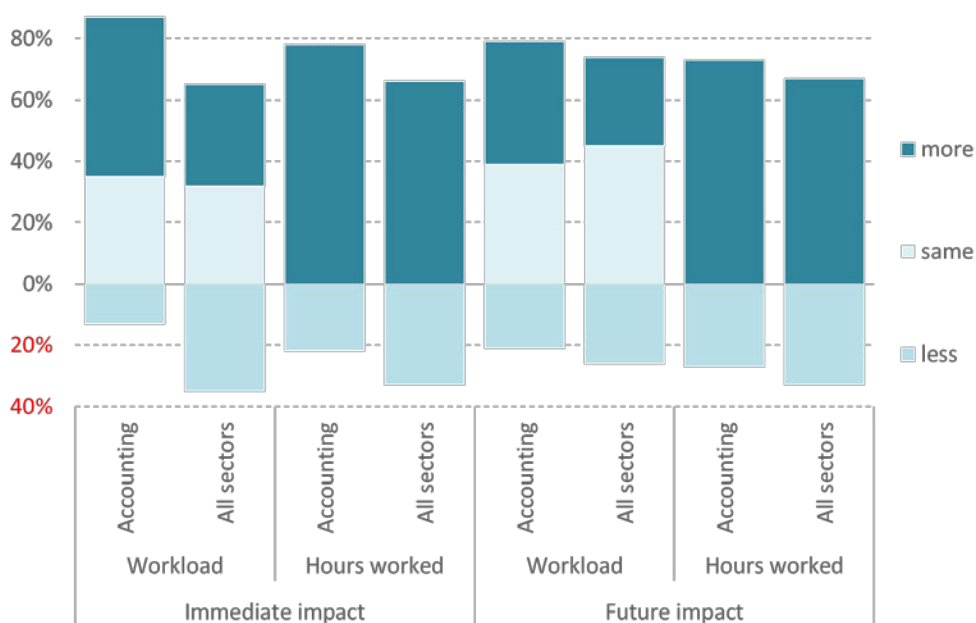
Accounting and finance professionals have been critical during the pandemic, as Australians have sought to access government support measures and advice. Examples of the work our members have undertaken during this period include:

- supporting employers access the JobKeeper scheme and meet the scheme’s compliance requirements;
- working with businesses to maintain proper accounting records and books and guard against misconduct;
- assisting businesses to apply for new loans, credit limit increases, and credit variations and restructures;
- assisting businesses to apply for the various grants and concessional loans offered by all levels of government;
- assisting businesses seek deferrals and waivers of payroll tax obligations;
- advising businesses on how to respond to the crisis and, once that immediate challenge had passed, how best to recover and reinvent their business for the post-pandemic environment; and
- advising businesses and individuals on how best to resolve financial stress.

Accounting and finance professionals also play a role in supporting the mental health of their clients. To build on that role, a joint initiative between the professional accounting bodies, Deakin University and the Government, has been established to provide accounting and finance professionals with training to enable them to point their clients in the direction of where to get the help they need to support their wellbeing.

Further indication that the experiences of accounting and finance professionals has been different from many other sectors comes in the form of an ongoing sentiment survey of selected industries undertaken during the pandemic.

### COVID-19’s impact on work



Source: MyBusiness and Momentum Intelligence, COVID-19 Sentiment Survey.  
Note: Data extracted on 24 January 2021.

Key points highlighted in this chart are that:

- more than half of the over 1,700 respondents engaged in the accounting industry reported an increase in their workload, when the net outcome for all other industries was a reduced workload;
- four out of five survey respondents from the accounting industry expect that their workloads will be either the same or greater in the future; and
- accounting industry employees are working longer hours in order to stay on top of their work, with over three quarters of respondents reporting an immediate increase and just under three quarters expecting longer hours to continue into the future.

More work, longer hours and the distress of their clients is impacting the mental health of accounting and finance professionals. In the same survey, over one in five reported that conditions were taking a negative toll. In other words, accounting and finance professionals are playing an important role in supporting the implementation of government initiatives, and in supporting their clients – including their mental health. However, in the absence of a sufficient source of accounting professionals, including from migrants, the increasing load cannot be shared. This will heighten the stress on current professionals and potentially impact their own mental health.

### **Accounting and finance professionals should be prioritised**

COVID-19 has proven itself to be a powerful disrupter of skilled migration plans. We understand that it is necessary to prioritise and distribute skilled migrant places in response to changing health, border and economic conditions. However, while we continue to prioritise who is allowed entry under these restricted arrangements, we believe that accounting and finance professionals should count amongst them.

The migration of accounting and finance professionals has been significantly impacted by current restrictions. They are not amongst the occupations on the Priority Migration Skilled Occupation List (PMSOL), which prioritises entry for selected temporary and permanent employer sponsored visas.<sup>2</sup> Furthermore, they have been unable to enter permanently following points tested pathways independent of employer sponsorship.

Eleven of the 18 occupations listed on the PMSOL are from the medical and health professions, which understandably have been prioritised in response to the health crisis. Arguably, however, occupations critical to Australia overcoming current economic challenges and positioning the nation for growth have not been similarly prioritised. Certainly accounting and finance professionals have not. This is despite them playing the critical roles outlined above.

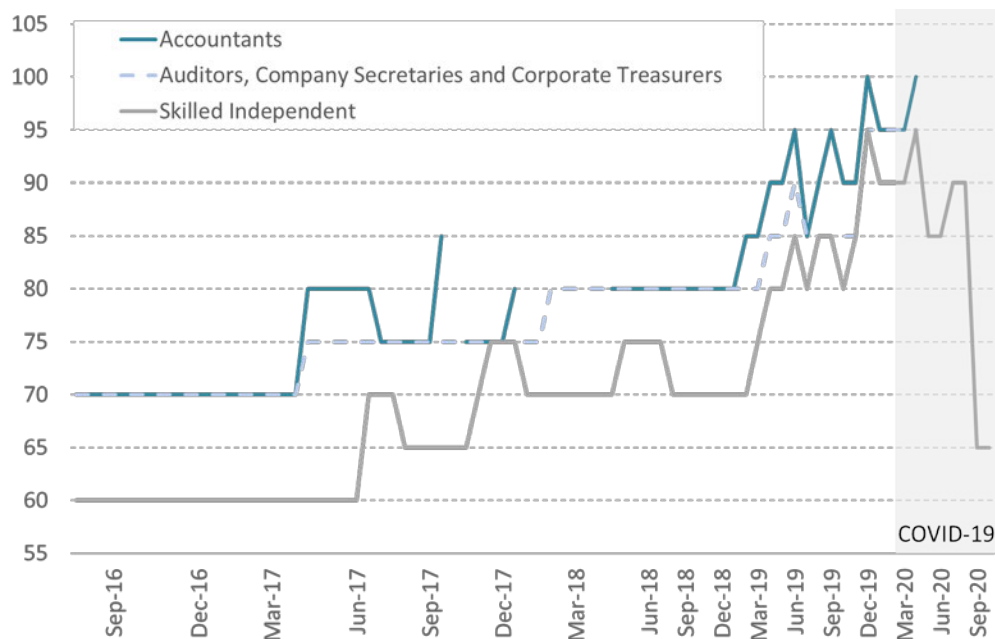
While the PMSOL does not preclude the migration of people from occupations not on that list, in the current climate the effect of accounting and finance professionals not being prioritised is that the opportunity for them to migrate is significantly lessened and is arguably non-existent.

Entry through the Skilled Independent pathway is not a viable alternative. Pre-pandemic, the points threshold had risen to levels so high as to effectively close this pathway to most accounting and finance professionals. The chart below tracks the movement in the migration points thresholds over the last four years. What looks like gaps in the data in more recent times actually indicate that no applications were being invited.

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<sup>2</sup> Priority processing of nomination and visa applications for PMSOL occupations applies to the following employer sponsored visa subclasses: Temporary Skill Shortage visa, Skilled Employer Sponsored Regional (Provisional) visa, Employer Nomination Scheme (ENS) visa, and Regional Sponsored Migration Scheme visa.

## Migration points thresholds for Skilled Independent visas



Source: DOHA website over time.

### Action is necessary to ward off further deterioration of an ailing talent pipeline

In 2019, accounting students made up 10 percent of all international student enrolments in Bachelor level and above programs offered in Australia. Their numbers accounted for a quarter of international students falling under the broad Management and Commerce umbrella. That is, accounting students are an important part of the international education sector which, pre-COVID-19, served Australia well in terms of exports, jobs and broader economic and social benefits.

Four years earlier, international students of accounting and finance programs comprised a greater proportion of the mix. At 15 percent of the total, their share was larger than all other broad fields of education outside of Management and Commerce. This declining share reflects a 29 percent drop in international students choosing to start studying accounting since 2017.

Heads of schools and departments of accounting have shared with us their insights on the causal factors that explain this decline. The top three factors identified were: skilled migration settings, conditions in competitor countries and economic-political tensions.<sup>3</sup> Their elaborations on how skilled migration settings had impacted student numbers included prospective students' growing sense that they would not be able to migrate permanently once they have completed their studies, rising skilled migration points' thresholds in the major centres, and pessimism regarding opportunities to work in the regions.

It seems that the pessimism regarding the opportunity to work and live permanently in Australia was already negatively impacting the pipeline of international students of accounting before COVID-19. However, COVID-19 conditions have further accentuated this situation.

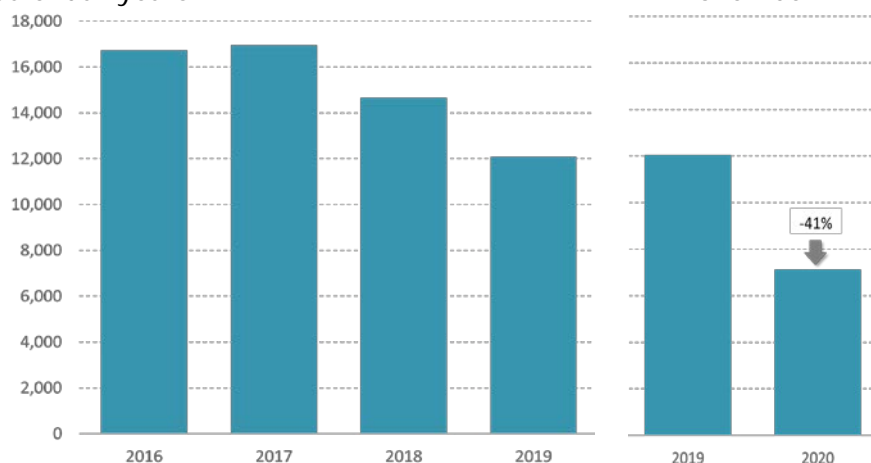
<sup>3</sup> CAANZ and CPA Australia (2020) Submission on the Skilled Migration Occupation Lists 2020 to the Department of Education, Skills and Employment.

## International students of accounting commencements

Bachelor level and above

Calendar years

YTD November



Source: Austrade, Market Information Package.

Conditions and restrictions on the movement of international students dealt a severe blow to the numbers of students commencing programs of accounting during 2020. As captured in the chart above, year to date figures for November 2020 show that international accounting student commencements fell by 41 percent from 2019. With no easing of border restrictions in sight, numbers will likely continue to fall.

Arguably, the number of international students commencing programs of accounting may continue to decline as students and their parents exercise their preferences for face-to-face study and the option of relocating permanently, lose patience, and/or turn their attention towards competitor countries. Despite the COVID-risk, destinations such as the United Kingdom, where study can take place on campus and the borders remain open, are emerging as the locations positioned to benefit from a predicted fourth wave of international student mobility.<sup>4</sup> Any comparative advantage that Australia might gain on the back of its relatively COVID-safe status will be short-lived unless action is taken to influence the destination choices of students and their parents.

## Enhancing Australia's international competitiveness in attracting entrepreneurs, venture capital, start-ups, and the best and brightest migrants

Attracting entrepreneurs, venture capital, start-ups, and highly skilled migrants to Australia is important to Australia's competitiveness and the creation of future-focussed jobs.

In its 2019 submission to the [Senate Select Committee on Financial Technology and Regulatory Technology](#), CPA Australia expressed concerns about the eligibility criteria of the [Global Talent Visa Program](#), which seeks to attract global talent highly skilled in 10 'target sectors'.<sup>5</sup> We believe that instead of restricting the list, the Government should adopt a more holistic approach and consider other immediate and future challenges Australia will face such as climate change, which attracts highly skilled workers worldwide. Further, we recommend adding regulatory technology (RegTech) to the relevant target sectors. The [Australian Securities and Investments Commission \(ASIC\)](#) considers that the RegTech sector has enormous potential to help businesses build a culture of compliance.

<sup>4</sup> Choudaha (2021) *op cit*.

<sup>5</sup> At the time of writing the 10 target sectors were: Resources, Agri-food and AgTech, Energy, Health Industries, Defence, Advanced Manufacturing and Space, Circular Economy, DigiTech, Infrastructure and Tourism, Financial Services and FinTech, and Education.

Further, with respect to the eligibility criteria of the Global Talent Visa Program, we believe that the expected minimum annual salary threshold of \$153,600 may be too high for potential employers and applicants, as it makes it difficult to attract targeted talent into Australia. The current economic situation in Australia challenges employers' ability to pay migrating employees that minimum salary. As noted in CPA Australia's 2019 submission, according to the Australian Government Job Outlook, the median annual salary for fulltime, non-managerial computer network professionals is \$105,092, while the median salary for Information and Communications Technology (ICT) business and systems analysts is \$118,248. In contrast, the United Kingdom's [Global Talent Visa](#) does not require applicants to receive a minimum salary to be eligible for consideration, and where the [Canadian equivalent](#) specifies a threshold that is not the prevailing wage, its around the C\$80,000 mark.

We support the [Entrepreneur stream](#) (Business Innovation and Investment Visa). We are, however, concerned about the requirement of having a funding agreement of at least \$200,000 in place to carry out entrepreneurial activity in Australia.

Today's entrepreneurs, venture capitalists and start-ups will be the employers of tomorrow. They will employ Australians and use local services, with a multiplier effect on business activity overall from which the accounting profession will also benefit. Growth businesses, particularly in the new economy, also have a need for people with particular technology skills that are not always available in Australia. Once attracted to Australia, such people also educate younger Australians in these skills.