

4 August 2022

ANZSCO Review Team
Australian Bureau of Statistics
Locked Bag 10
Belconnen ACT 2616
AUSTRALIA

Submitted via email: anzsco.maintenance@abs.gov.au

Dear Madam / Sir

Review of the Australian and New Zealand Standard Classification of Occupations

Chartered Accountants Australia and New Zealand (CA ANZ) and CPA Australia support work underway to review, update and maintain the Australian and New Zealand Standard Classification of Occupations (ANZSCO). We were early advocates for change and have been on this journey with you since the beginning when selected occupations were updated and, more recently, when views were solicited on the problem statement. We remain eager to constructively engage in the current stage - on the options and the update and maintenance strategy - and on future stages.

Together we represent more than 300,000 accounting and finance professionals in Australia, New Zealand and around the world. While our members are concentrated in a handful of occupations, they work in and support the viability and growth of all sectors of the Australian economy. We make this submission on behalf of our members and in the public interest.

Four perspectives that we bring to bear are as:

- labour market experts with unique insights into historical and emerging trends in the occupations held and tasks performed by accounting and finance professionals;
- government approved migration skills assessors for select accounting and finance occupations;
- providers of foundational, professional and continuing accounting and finance education and credentials, including micro-credentials; and
- advisors on the capabilities of accounting and finance specialisations and expectations of progressive levels of proficiency.

This submission draws on all four perspectives for the purposes of addressing questions raised in the review documents. If you require further information on the views expressed, please contact Anthony Matis, General Manager, Strategic Engagement & Development at CA ANZ on 0437 719 054 or at Anthony.Matis@charteredaccountantsanz.com or Rebecca Keppel-Jones, Executive General Manager, Professional Standards and Business Support on 0479 045 570 or at Rebecca.Keppel-Jones@cpaaustralia.com.au.

For ease of reference, this submission follows the ordering of the key areas of concern in the options paper and addresses the first three. That said, where we judge that any concern has been too narrowly specified we have taken the liberty of broadening and couching our reactions to the solutions proposed within the broadened context. Throughout we use the experiences, tasks, skills, and credentials expected of accounting and finance professionals to illustrate points that have more general applicability.

Some of what we have to say may be regarded as beyond the scope of this review and the control of the Australian Bureau of Statistics (ABS), such as changes to the Australian Qualifications Framework (AQF), or to skilled migration policy settings. The effect of this, however, should not be that our advice is ignored. Rather we urge that it becomes a driver for a more collaborative government approach to the ANZSCO and associated reviews.

1. ANZSCO skill level does not reflect contemporary Australian Labour Market

Skill levels

This is a relevant concern: threshold levels of AQF regulated qualifications and relevant experience have not changed since 2006. There has been no review regarding whether the levels specified for different occupations remain appropriate in the contemporary Australian labour market. Correcting for this is important. So too is providing for the different and varied ways that levels may be evidenced. In the discussion under the next key area of concern we argue the importance of taking into account micro-credentials and recognising prior learning.

Where skills levels are concerned, the proposed cycle of five yearly reviews and annual updates, with changes considered at the point of review or update depending on whether they are major or minor, strikes an appropriate balance given the different purposes ANZSCO serves.

However, we strongly suggest that ANZSCO moves away from making skill levels an inflexible threshold requirement. The more important focus is on skills or, in the language of ANZSCO, the ability to perform tasks. For instance, current arrangements do not accommodate people with highly specialised skills suited to the many different specialised roles undertaken by accounting and finance professionals, if they do not also hold a bachelor degree or higher qualification.

Tasks

While we argue above that the emphasis of ANZSCO should be on tasks and not skill levels, what is not clear is how changes to the specification of tasks will be accommodated within the review cycles and maintenance program, and whether any would be considered major or minor. This is not picked up as a key area of concern. The professional accounting bodies urge that it is.

Located between occupations and tasks are jobs. Conceptually a job contains a subset of the tasks associated with an occupation. As we all know, jobs are not a constant. They come, they change, and they go as global engagement shifts, consumer preferences evolve, technology advances, employers adopt new and innovative ways of doing business, regulatory requirements change, public expectations surrounding ESG increase, and as employees alter their work habits.

Using the jobs filled by accounting and finance professionals as a case study for the purpose of illustration, some jobs that these professionals traditionally filled are being phased out as technological advances and new ways of working displace routine, highly repeatable tasks. Research commissioned

by CA ANZ calculates that over the decade to 2028, 27 percent of traditional accounting jobs will disappear from the labour market forever or be significantly reshaped.¹

Other accounting and finance jobs are changing. CA ANZ research predicts nearly half (48 percent)² will require reskilling, with so called 'stable roles' being anything but 'stable'. While titles may remain unchanged, expectations regarding tasks performed will not. For instance, higher emphasis on cognitive abilities and data skills have become a critical element of new and reshaped accounting roles. Indeed, to be more 'future-proof' both the accounting workforce and individuals need to augment their technical skills with the ability to be flexible, innovative, and adaptive to maintain resilience in the face of significant turbulence.³

Importantly, new jobs are emerging. CA ANZ research foresees that 22 percent of roles filled by accounting professionals over the decade will be new.⁴ Internal research by CPA Australia, undertaken in conjunction with what was Burning Glass Technologies (now Lightcast), identifies finance business partners, advisors, business intelligence analysts and data visualisation experts as rapidly emerging new jobs within the profession. On the CA ANZ list are data scientists, cybersecurity architects, service delivery analysts, agile project managers, financial analysts and systems accountants.⁵ Apart from the obvious overlaps, what sets these jobs apart is that they encompass tasks that previously did not exist or, if they did, were not considered the domain of accounting and finance professionals. The latter point is a matter we will return to in the context of the discussion on the third key area of concern.

In other words, at the task and activity level for a classified occupation and sub-major and minor groups change is expected to be extremely dynamic over a few short years. Routine, highly repeatable tasks are highly vulnerable to automation. Equally, new tasks emerge as digital transformation changes not just the accountant's work activities and role in the economy, but also how clients interact with accountants.⁶

While as professional accounting bodies we often like to think that our members' experiences are special, in these respects they are not. Similar stories could be told for other professionals and other occupations. Change is a constant. The future of jobs is neither here nor is it a future fixed point in time. It is always ahead of us and, by extension, expectations regarding tasks will constantly evolve. Furthermore, if COVID-19 has taught us anything, there is a multiverse of alternative futures where disruptions, like a pandemic, may have the power to change or accelerate trajectories.

The challenge for the ANZSCO is how to appropriately accommodate changes to the tasks listed. **If any and all changes to task lists are judged to be minor then there is little cause for concern** as they can be accommodated annually as ANZSCO is updated. Should that not be the case, then the rapidity of change risks that the task lists will become increasingly out of kilter with contemporary labour market expectations. This is of particular concern given that skilled migration occupation lists are a subset of ANZSCO occupations and the assessments of prospective migrants are against the skill levels and tasks associated with listed occupations.

¹ Hann, S and Bowles, M (2020) What was really happening pre-COVID19? Presentation to AFAANZ Conference, July. Note that accounting jobs are more narrowly defined here than elsewhere in this paper. Included are Accountants, Auditors, Company Secretaries and Corporate Treasurers. Not included is Finance Managers.

² Hann and Bowles (2020) *op cit*.

³ Bowles, M, Ghosh, S, and Thomas, L (2020) Future-proofing accounting professionals. *Journal of Teaching and Learning for Graduate Employability*, 11(1), 2–23.

⁴ Hann and Bowles (2020) *op cit*.

⁵ *Ibid*.

⁶ Bowles, Ghosh, Thomas (2020) *op cit*.

One way around this is **not to expect ANZSCO to serve so many alternative purposes when what is best for one purpose is at odds with what is best for others**. Less cryptically, there is a tension between the desirability of robust and comparable timeseries data – the primary purpose ANZSCO was developed to serve – and the other purposes it has been put to over time, notably for migration and assessment purposes. If ANZSCO was not used for these latter purposes this tension dissipates.

Indeed, there have been calls for precisely this. The Grattan Institute, for example, has called for a shift to assessing incomes instead of occupations and doing away with the various skilled migration occupation lists.⁷ In joint submissions on the migration matters made over a number of years we have consistently called for a changed approach that moves away from occupations given the difficulty of maintaining the currency of those lists. We argued and still maintain that the better approach is to focus on skills, as evidenced by credentials and experience. After all it is called *skilled* migration and not *occupation* migration.

2. Micro-credentials and other training outside the AQF are not adequately reflected in ANZSCO

This is a significant area of concern destined to get bigger, as micro-credentials become increasingly common both here and overseas, and as education and training accessed outside of the regulated education system continues to grow. It is particularly concerning given that no solutions are suggested to enable micro-credentials to be reflected in ANZSCO.

The professional accounting bodies are examples of non-traditional providers adding shorter form credentials to their suite of offerings for the purpose of supporting the employability of members. The motivation is to recognise professional and academic success through AQF-aligned, globally portable micro-credentials and, thereby, unlock the potential of members and raise their employability.⁸ CPA Australia's micro-credentials span employability skills, technical skills, public practice or a combination, and align to its Accounting and Finance Capability Framework. CA ANZ's Capability Model is a tool to support its members move seamlessly into emerging and new careers or modes of working. The intent is that the Capability Model becomes the underpinning of all CA ANZ's learning and assessment offerings, including the basis upon which micro-credentials are awarded and/or recognised.⁹

The ability to recognise not only the micro-credentials of the professional accounting bodies but of other providers, both traditional and non-traditional whether based here or overseas, matters. So too does the ability to recognise and credential skills learned on the job or in other contexts. Drawing on the professional accounting bodies' experiences as assessors it matters when gaps – missing capabilities or competencies – are identified in the foundational qualifications of associate members starting out on their journeys to become professionally designated, and when the skills of prospective migrants are assessed. Micro-credentials can provide an evidence-base that those gaps have been addressed. Alternatively, the professional bodies can assess and verify whether applicants have acquired the missing capabilities or competencies through their experiences or, if they have not, they can provide the foundational learning necessary to address these gaps. This is what both professional accounting bodies do now.

⁷ Coates, B, Sherrell, H, and Mackey, W (2021) Rethinking permanent skilled migration after the pandemic, Grattan Institute.

⁸ Hann and Bowles (2020) *op cit*.

⁹ For more information on the current Model and future directions visit <https://www.charteredaccountantsanz.com/learning-and-events/learning/capability-model>.

In the future micro-credentials could stack and provide an alternative to accredited qualifications to evidence that the full suite of capabilities or competencies, necessary to enter the accounting and finance profession or the country as a skilled migrant, have been met. We are not there yet, but it is a realistic prospect for the not too distant future that should be enabled.

The ability to recognise micro-credentials also matters to maintaining the currency of professional designations and as a means of evidencing specialisations. ANZSCO skill levels, including those for Accountants and Auditors, recognise the importance of the registration and licensing requirements of occupations. ANZSCO occupations recognise specialisations such as Financial Analysts and Insolvency Practitioners within the ANZSCO Accountants (General) occupation. The micro-credentials offered by the professional accounting bodies add to the evidence base that continuous professional development (CPD) requirements necessary to maintain a professional accounting designation have been met. They similarly support claims of specialist expertise. Micro-credentials offered by other providers, such as professional accounting bodies based overseas, or global higher education institutions, could similarly support claims of CPD and specialisation, if verified by a reputable assessor.

The 2019 review of the AQF stopped short of incorporating micro and other short form credentials within its framework, despite the example set by other countries, such as New Zealand, and the advocacy of many, including CPA Australia¹⁰. The review did, however, recognise the growing importance of micro-credentials and recommended the development of guidelines to support their recognition. It was also acknowledged in national reviews of micro-credentials that a significant proportion (over 82 percent) of micro-credentials being issued in Australia and New Zealand were originating with professional associations and employers working to solve significant discontinuities between the national education marketplace and 'whole' qualifications, and the critical talent shortages that demanded immediate shorter form micro-learning and credential solutions.¹¹

In 2021, a National Microcredentials Framework¹² was launched as guidance to higher education providers with the intention of bringing coherence to the micro-credentials ecosystem and thereby support their quality, recognition and the workings of a micro-credentials marketplace. The upcoming review of the Framework provides an opportunity to iron out any shortcomings that compromise these intended ends.

The intended outputs of Australian Council of Profession's (ACoP's) upcoming summit, *Creating Australia 2040*, will complement the Framework. Particularly, as its focus includes but extends beyond higher education. The summit will bring the leaders of professions, education, and industry together to explore the issues of education and employability we will face in the next two decades. ACoP intends to use the expertise of the summit participants to expand the current frameworks and standards that are being developed around best practice micro-credentialing initiatives. Guidelines being drafted are intended to provide a common currency for use across all relevant professional association stakeholders and will also provide high-level recommendations on the types of policy considerations that could underpin an ACoP-endorsed micro credentialing implementation framework. They include common CPD recognition, common credit bearing micro-credential courses, and common accreditation recognition practices.

¹⁰ CPA Australia (2019) A Qualifications Framework for the Future. CPA Australia's Submission to the AQF Review Panel, March.

¹¹ Bowles, M, Brooks, B, Curnin, S and Anderson, H (Forthcoming, September 2022) Application of microcredentials to validate human capabilities in a large telecommunications organisation: Strategic transformation to a future-ready workforce. International Journal of Learning and Teaching, Special Edition on global Microcredentials.

¹² Department of Education, Skills and Employment (DESE) and PricewaterhouseCoopers (2021) National Microcredentials Framework, November.

There is an **opportunity to use the National Microcredentials Framework, complemented by the outputs of the upcoming ACoPs summit, to support the independent assessment of the AQF-equivalency of micro-credentials** and enabling positively assessed micro-credentials to be taken into account within ANZSCO. **The professional and other assessment bodies are well-placed to undertake this function.** In some respects, the professional accounting bodies are doing this already. As Accountants are on the Priority Skills List, the professional accounting bodies act on behalf of the Government to recognise the skills of onshore migrants under the Skills Assessment Pilots.

3. Use of non-uniform language and inconsistent terminology

The professional accounting bodies support both proposals put forward to address this area of concern and note that the two complement and reinforce each other.

A key principle is that each occupation should be associated with a unique list of tasks, recognising that this does not mean that every task listed against an occupation should be unique but rather that duplication should be expected. For instance, the ability to use business intelligence tools ranks amongst the top skills demanded of accounting and finance professionals. The same abilities may equally be demanded of marketing and sales professionals, ICT professionals or any number of other occupations. It would, therefore, be wrong to situate this task in one occupation only. It should be included in the lists of all relevant occupations.

As the options paper correctly notes, and as we foreshadowed in the context of the first key area of concern, what ANZSCO refers to as tasks are not too different to what the Australian Skills Classification (ASC) refers to as skills. The ASC helpfully distinguishes between specialist and technology skills, which are transferrable across few occupations, and core skills, which are transferrable across many. By directly linking ANZSCO to the ASC enables these skills to be brought together in ways that make sense to occupations, facilitating task lists that are unique to occupations while at the same time enabling a consistency of language where transferrable skills are included on multiple lists.

We note that employers are being encouraged to adopt the ASC for job design, workforce planning, recruitment and promotion purposes. And that some have proposed that education and training providers use it as a critical input into the design and refinement of their offerings.¹³ If it also feeds into ANZSCO and is used for assessment purposes it could facilitate a common language between all. Further, if as we propose above that the focal point of skilled migration becomes skills and not occupations, and if the ASC provides the basis for skills assessed, the benefits of a common language are maintained.

Linking the ANZSCO to the ASC makes sense. Skills are the currency of jobs. One need only read the headlines too frequently adorning our print and digital media about 'skill shortages' and 'skill gaps'. Skills will continue to be the job currency of the future.¹⁴

¹³ Bean, M and Dawkins, P (2021) Review of University-Industry Collaboration in Teaching and Learning, supported by DESE.

¹⁴ As argued, for instance, by the Organisation for Economic Cooperation and Development (OECD) (2016) Skills Matter: Further Results from the Survey of Adult Skills, Deloitte Access Economics. (2019), *op cit* and Bean, M and Dawkins, P (2021) i.

The processes for developing, reviewing and updating the ASC and ANZSCO are different. The ASC was initially developed using a mix of machine learning and human judgement and has been further refined through employer surveys, job advertisement data, and education and training course documentation. The proposed timing of the ANZSCO review cycle is linked to the five yearly Census interval. The annual updates propose to take into account other data available on a more frequent basis, including official sources and third party sources. Our counsel is that the latter includes Lightcast's datasets as they capture employer demands, and LinkedIn's Talent Insights for candidate capabilities. That process also proposes annual consultation rounds which, as already indicated, we remain eager to constructively engage in. In short, we urge that the **processes for reviewing and updating ANZSCO and ASC be brought together as this facilitates consistency, and that all relevant data sources are taken into account, along with the insights of all relevant parties.**



Anthony Matis
General Manager
Strategic Engagement and Development
Chartered Accountants ANZ



Rebecca Keppel-Jones
Executive General Manager
Professional Standards and Business Support
CPA Australia