

Sunday, 17 December 2023

Immigration Policy Group
Department of Home Affairs

Lodged via webform

Dear Immigration Policy Group

Australia's 2024-25 permanent Migration Program

Migration is central to Australia's identity and success as a nation. The permanent Migration Program is key to Australia's ongoing economic growth and its diversity, prosperity and cohesion.

Australia needs migrants to help solve its labour market challenges, bring in new ideas and innovations, strengthen networks in the region and globally, address demographic and community needs, and sustain economic growth.

All indications are that net overseas migration (NOM) has peaked and Australia has moved through and beyond a post-pandemic correction. Other changes recently implemented, such as the withdrawal of the COVID-19 Pandemic Event visa, alongside the integrity measures announced as part of the government's recently released Migration Strategy,¹ will also contribute to NOM normalising over time.

Chartered Accountants Australia and New Zealand (CA ANZ) and CPA Australia represent more than 300,000 accounting and finance professionals in Australia and around the world. We make this joint submission on behalf of our members and in the public interest. This submission addresses the primary question in the Discussion Paper²:

What is the ideal size and composition of Australia's 2024–25 permanent Migration Program and why?

We repeat the call made in our previous joint submission³ on the 2023-24 permanent Migration Program to **embrace an approach to permanent skilled migration that is based on the quality and not the quantity of migrants, prioritises merit-based pathways, and preferences the migration of accounting, audit and finance professionals.**

The following recommendations are designed to maximise the benefits of Australia's annual permanent Migration Program planning for our longer-term national interests:

1. The Skill stream remain the focus of the permanent Migration Program
2. Skilled migration focuses on migrant quality rather than quantity
3. More weight be given to the human capital objective of skilled migration
4. Preference be given to prospective skilled migrants following merit-based pathways
5. There is a managed transition from an occupation list to a core skills list and key stakeholders be consulted on what is on and off the list

¹ Commonwealth Government of Australia (2023) [Migration Strategy](#), December.

² Department of Home Affairs (2023) [Planning Australia's 2024–25 permanent Migration Program, Discussion Paper](#), November.

³ CA ANZ and CPA Australia (2023) [joint submission on Australia's 2023-24 Permanent Migration Program](#), January.

6. The assessment process treats applicants equally, regardless of whether they are located onshore or offshore
7. Regional growth and development outcomes be advanced by doing more to 'pull' - inform and support - prospective migrants' settlement choices, rather than 'push' them to the regions
8. International graduates be better supported to realise their potential by facilitating reform proposals designed to improve the quality and coverage of the Professional Year (PY) work readiness programs for accounting, IT and engineering
9. Accounting, audit and finance professionals feature prominently in Australia's skilled migrant intake
10. Accounting, audit and finance professionals be included in future migration invitation rounds for Skilled Independent visas.

This submission focuses on the Skill stream and shares the accounting profession's expertise, experience and evidence-informed perspective. We address contextual matters upfront, before providing our views on why skilled migration is good for the economy and society.

The approach we have taken is to assume that the current approach to migration planning will continue to apply in 2024-25, while recognising that the planning horizon will be extended, and so too the matters covered.

Our submission cascades from the program level to skilled migration, to visa categories within skilled migration, through to the migration of accounting, audit and finance professionals. We update and build on the evidence and arguments made in our previous submission.

If you require further information or would like to discuss the views expressed in this submission, please contact Sarah Davidson, Policy, Thought Leadership, Education, Skills and Migration Leader at CA ANZ on 0434 332 847 or at Sarah.Davidson@charteredaccountantsanz.com or Gavan Ord, Senior Manager - Business and Investment Policy at CPA Australia on 0419 547 782 or at Gavan.Ord@cpaaustralia.com.au.

Sincerely,

Simon Grant FCA

Group Executive, Advocacy and International
Chartered Accountants Australia and New Zealand

Ram Subramanian CPA

Interim Head of Policy and Advocacy
CPA Australia

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**Chartered Accountants
Australia and New Zealand**
33 Erskine Street, Sydney, NSW 2000
P: +61 1 9290 1344
W: charteredaccountantsanz.com
ABN: 50 084 642 571



CPA Australia
L20, 28 Freshwater Place, Southbank
Victoria 3006
P: +1300 73 73 73
W: cpaustralia.com.au
ABN 64 008 392 452

Australia's 2024-25 permanent Migration Program

1. Quality unlimited

Context matters

We recognise the challenge the Department of Home Affairs faces in considering the primary and the secondary questions raised in its Discussion Paper.

The government's new approach to planning permanent migration over the long-term to address future population changes, housing, infrastructure and service needs, which was recently announced in the Migration Strategy, should help address community concerns over time together with stakeholder consultation.

Three areas of focus in public debate on migration are:

- housing affordability and supply
- inflation
- better use should be made of local talent.

Housing affordability and shortages were identified as a concern by 14 per cent of the 7500 respondents to this year's Mapping Social Cohesion survey, making it the second most prevalent matter concerning respondents⁴. While the survey did not explicitly link the public's growing concern to the decline in public sentiment towards migration evident in its survey findings (refer to the discussion at the end of this section), others have, claiming the high NOM is driving the current housing crisis. Points of relevance to this assertion are that the increase in NOM is due to temporary and not permanent migrants.

Data released by the ABS on 15 December 2023 shows record high net overseas migration, with 518,000 people added to Australia's population in the 2022-23 financial year, driven by an increase in the number of temporary migrants.⁵ The biggest temporary migrant category contributing to the increase is the post-pandemic recovery in international student numbers, which has largely played out.⁶ Other factors set out below may better explain the causes of the housing crisis:

- average household sizes have dropped to historic lows post-pandemic. This reflects an increase in the demand for space, as people are spending more time at home, both due to pandemic-related health restrictions and the increased ability to work from home.⁷
- significant constraints to housing turnover and construction, such as stamp duties, labour shortages in the construction industry and planning restrictions.⁸

⁴ O'Donnell, J (2023) [Mapping Social Cohesion 2023, Scanlan Foundation](#).

⁵ Australian Bureau of Statistics (2023) [Overseas migration data](#), 15 December.

⁶ Chew, J (2023) ["The spectacular international education recovery is not a new normal."](#) *The Australian*, 5 December.

⁷ Agarwal, N, Bishop, J and Day, I (2023) ["A New Measure of Average Household Size."](#) *Bulletin*, Reserve Bank of Australia, March.

⁸ House of Representatives Standing Committee on Tax and Revenue (2022) [The Australian Dream - Inquiry into housing affordability and supply in Australia](#), March.

A more balanced view that has been recently put is that while migrants are not the underlying cause of the housing crisis, they may be considered part of the solution.⁹ It is argued that as it takes time to correct the underlying causes of the housing crisis, a lower migrant intake may help buy that time. However, migrants, especially young skilled migrants, can help raise living standards by boosting workforce participation and productivity.

The biggest problem in Australia identified by most respondents to this year's Social Cohesion survey is economic issues – that is, concerns over the cost of living and consequential financial strain many are feeling. Some commentators have posited that the high NOM has contributed to inflationary conditions.¹⁰ It is true that more people will increase aggregate demand which, in the absence of compensatory supply, will drive up prices. However, migrants also contribute to aggregate supply, which helps drive prices down. This is why we have skilled migration. As the Reserve Bank Governor comments, the net effect is unclear.¹¹

Aggregate supply can also be boosted through increased participation of underrepresented groups in the labour market, such as women, Aboriginal and Torres Strait Islander Peoples and mature aged workers. This was a big focus of Treasury's Employment White Paper¹² and referenced in CA ANZ's submission on the White Paper consultation¹³. Another focus is to develop the skills and education of local talent. This is a motivator behind both the National Skills Agreement,¹⁴ which will commence from 1 January 2024, and the continuing work on an Australian Universities Accord.¹⁵

We don't support the view that fuller employment and development of local talent should be the only areas the government should concentrate. Migration remains a key component to addressing Australia's labour market needs. We therefore back the Employment White Paper, which considers ways to support migrants' labour force outcomes; and the Australian Universities Accord, which contemplates ways to attract international students into disciplines that are a pipeline for occupations in short supply.

Migrants can help:

- counter a shrinking workforce
- address labour shortages
- boost productivity
- slow an ageing population
- improve the government's fiscal position
- enrich Australian society.

⁹ Richardson, C (2023) "[Housing and migration have collided. One will have to give.](#)" Op ed, *Australian Financial Review*, 14 November.

¹⁰ See for example, Kehoe, J (2023) "[Migration surge adds to inflation pressure for RBA.](#)" *Australian Financial Review*, 30 October.

¹¹ Shapiro, J and Read, M (2023) "[Immigration a 'good thing', says Bullock.](#)" *Australian Financial Review*, 23 November.

¹² Commonwealth of Australia (2023) [Working Future – The Australian Government's White Paper on Jobs and Opportunities](#), September.

¹³ CA ANZ (2022) Submission to Treasury's Employment White Paper Consultation, November.

¹⁴ Commonwealth of Australia, the States and Territories (2023) [National Skills Agreement](#), An agreement between the Commonwealth, States and Territories signed on 13 October 2023.

¹⁵ Visit <https://www.education.gov.au/australian-universities-accord>

Together, the first three points above explain how migrants grow aggregate supply. We refer you to our joint submission on the migration program for the current fiscal year¹⁶ where we borrowed the ‘3Ps’ framework of the Intergenerational Report to explain how skilled migrants’ labour force Participation, contribution to the working age Population, and Productivity combine to grow the nation’s output.

As we found previously, the contributions of migrants who enter under the Skill stream are greatest. Therefore, we recommend that the Skill stream remain the focus of the permanent Migration program to support supply as a tight labour market and skill shortages persist. Further, skilled migration focuses on migrant quality rather than quantity due to the numerous economic, fiscal and social benefits migrants contribute.

CA ANZ and CPA Australia recommend that:

- the Skills stream remain the focus of the permanent Migration Program
- skilled migration focuses on migrant quality rather than quantity.

While the discussion and data shared below suggests inferior outcomes for the Family stream and Humanitarian intake, we don’t make recommendations regarding either, as a broader range of matters than those discussed here would need to be taken into consideration.

Consideration should be given to how to best assist all migrants to realise their full potential to enable the onflow of economic, social and fiscal benefits.

Separately, CA ANZ and CPA Australia are jointly writing with the Institute of Public Accountants, the Australian Computer Society and Engineers Australia to relevant ministers on the Professional Year (PY) programs for international graduates of Australian programs of accounting, IT and engineering.¹⁷ Amongst other things we recommend value can be added to the programs, with the help of government, to broaden their reach and better support employment and migration outcomes. The professional bodies’ collective efforts in this regard are discussed further in the next section.

Migrants counter a shrinking workforce

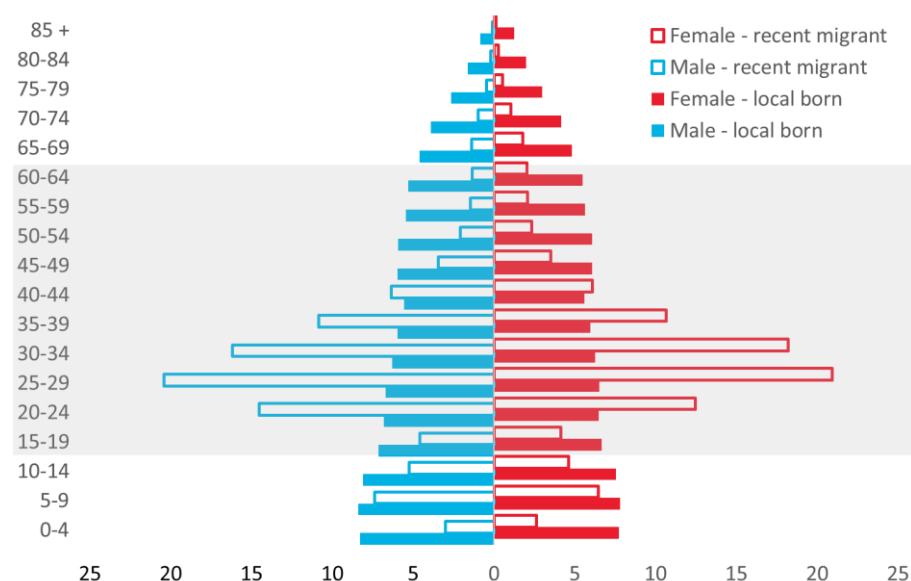
A healthy population pyramid should have the majority of the population of working age, able to support dependent children and the elderly. As indicated by the solid bars in **Figure 1**, Australia has an insufficient number of local born people of working age. In contrast, the profile of recent migrants – the outlined bars – is significantly skewed towards working age people, especially younger working aged people. In this way, migrants are helping to counter what would otherwise be a shrinking workforce and an ageing population.

¹⁶ CA ANZ and CPA Australia (2023) *op cit*.

¹⁷ [Accounting Professional Year Program](#), [Professional Year in IT](#), and [Professional Year in Engineering](#).

Figure 1 Migrants are countering a shrinking workforce

Population shares



Source: Australian Bureau of Statistics (ABS) Census of Population and Housing, 2021, Note: Derived using Tablebuilder.

An important finding of our previous submission is that there is little discernible difference between the working-age population share of the different migrant streams. What matters, therefore, is whether migrants of working age are indeed working and therefore contributing.

Skilled migrants address labour shortages

In our previous submission we shared data on indicators of migrants’ labour force participation and found that no matter which indicator is considered, be it unemployment rates, labour force participation rates or hours worked, migrants entering via the Skill stream had superior outcomes to other migrants and to the Australian population. Data that has recently become available on the share of migrants who receive unemployment payments, shared in **Table 1**, corroborates this finding.

Table 1 Skilled migrants are less likely to be unemployed

Share of 15 to 64 year olds who arrived since 2000 receiving unemployment payments

Skilled	Family	Humanitarian	Australian-born
7.5%	11.7%	30.8%	12.5%

Source: ABS (2023) [Migrant settlement outcomes](#), September.

Jobs and Skills Australia’s (JSA’s) latest labour market update finds that while it is anticipating some easing in labour market conditions, unemployment remains low and demand is greatest for workers in highly skilled occupations, with employers continuing to struggle to recruit into advertised positions.¹⁸ Economist Sue Richardson’s categorisation of skill shortages¹⁹ helps us understand why labour shortages might persist in highly skilled occupations. There may be too few people who have the

¹⁸ JSA (2023) [Labour Market Update](#), December.

¹⁹ Richardson, S (2007) [What is a skills shortage?](#) NCVET.

essential technical skills who are not already using them and there is a long training time to develop those skills. As explained in the final section of this submission, this is a big reason why employers are struggling to recruit accounting, audit and finance professionals. Other professions will be similarly struggling. This is why skilled migration remains an important means to address shortages.

Skilled migrants boost productivity

Migrants can boost productivity if they are well educated and innovative. Skilled migrants can be both.

In our previous submission, we found that skilled migrants who have recently arrived in Australia are highly credentialed, with four out of five holding a bachelor's degree or higher qualification. This is higher than other permanent migrants and the Australian-born population. While not an unexpected outcome, as holding a relevant non-school qualification is a prerequisite for entry, that does not make it any less important.

A finding of the Productivity Commission's latest productivity inquiry is that skilled migration not only brings people with valuable qualifications into Australia, but people with tacit knowledge acquired from working overseas in organisations with more varied management approaches, technologies, and cultures than those available domestically.²⁰

Skilled migrants slow an ageing population

The 2023 Intergenerational Report shares how migration can help slow the ongoing economic and fiscal challenge of Australia's ageing population. The arrival of young migrants lowers the median age of the population and adds to the nation's working age population and skill base.²¹ Our previous submission also demonstrated that a large NOM is necessary to slow the decline of the nation's working age population.

Skilled migrants improve the government's fiscal position

Migration typically results in a period of net fiscal benefit while migrants are of working age, followed by a period of net fiscal cost, after migrants retire. In our previous submission we presented evidence that migrants under the Skill stream have a net positive fiscal impact over their lifetimes in Australia, while other migrants are a fiscal drag.

Migrants enrich Australian society

Migrants are not just good from an economic and fiscal perspective. Migrants enrich Australian society, which has one of the most multicultural populations in the world.

The 2023 Social Cohesion survey continues to find that Australians have a high and growing level of support for not only the economic benefits of migration but for the ethnic diversity and multiculturalism migrants bring. **Table 2** updates the survey outcomes previously shared.

²⁰ Productivity Commission (2023) [Volume 5: Innovation for the 98%, 5-year Productivity Inquiry report](#), p 17.

²¹ Commonwealth of Australia (2023) [2023 Intergenerational Report](#), p 37.

Table 2 Attitudes to migration and multiculturalism are increasingly positive

Percentage share of respondents who agreed or strongly agreed in the 2020 to 2023 surveys

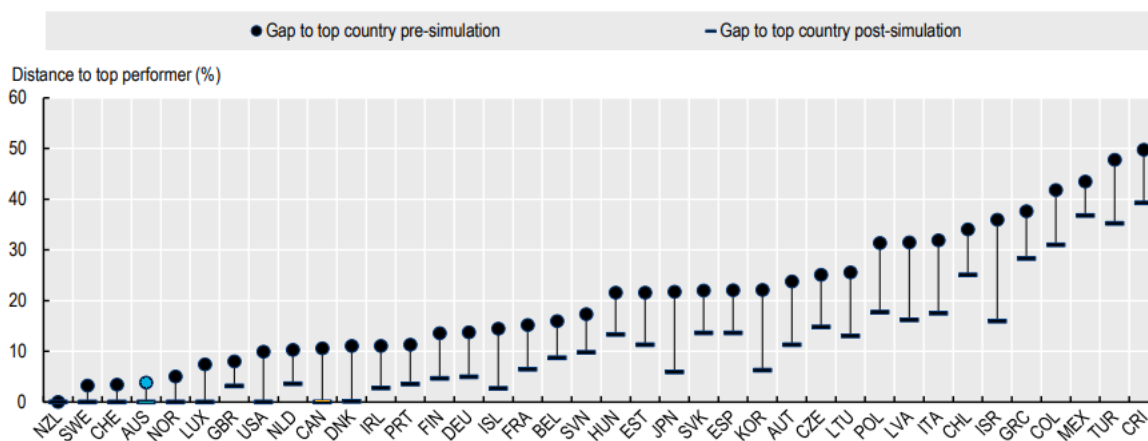
	2020	2021	2022	2023
Immigrant diversity make Australia stronger	74	46	78	78
Multiculturalism is good for Australia	84	86	88	89
Immigrants bring new ideas / culture	83	84	86	85
Immigrants good for the economy	83	86	87	86

Source: O'Donnell, J (2023) [Mapping Social Cohesion](#), Scanlon Foundation Research Institute.

2. A skilful composition

Australia is an attractive destination for highly skilled workers, although this has somewhat diminished recently. In 2019, based on an analysis of indicators of talent attractiveness, the OECD determined Australia to be the most attractive destination for highly skilled workers looking to migrate.²² In its latest 2023 assessment of updated indicators, Australia has slid to fourth place out of the 38 countries assessed.²³ **Figure 2** indicates Australia's ranking and conveys that, with more favourable migration policies, Australia has the potential to reclaim top spot.

Figure 2 Difference in gap to top performing country between assessed rank for highly skilled workers and simulated rank if all immigration policies were the most favourable



Source: OECD (2023) ["What is the best country for global talents in the OECD?" Migration Policy Debates](#), 29 March.

This section considers the composition by visa type, location and destination of the Skill stream. The recommendations shared here are designed to bridge the gap necessary for Australia to reclaim top spot as the most attractive destination for skilled workers looking to migrate. This is important as Australia is competing in a market where there are global talent shortages.

²² OECD (2022) [Talent Attractiveness 2019](#)

²³ OECD (2023) [Talent Attractiveness 2023](#)

CA ANZ and CPA Australia recommend that:

- more weight be given to the human capital objective of skilled migration
- preference be given to prospective skilled migrants following merit-based pathways
- there is a managed transition from an occupation list to a core skills list and key stakeholders be consulted on what is on and off the list
- the assessment process treats applicants equally, regardless of whether they are located onshore or offshore
- regional growth and development outcomes be advanced by doing more to 'pull' - inform and support - prospective migrants' settlement choices, rather than 'push' them to the regions
- international graduates be better supported to realise their potential by facilitating reform proposals designed to improve the quality and coverage of the Professional Year (PY) programs for accounting, IT and engineering.

Elevate the human capital objective of skilled migration

Three features of Australia's current approach to skilled migration undermines the human capital objective of skilled migration, namely:

- the current use of skilled migration occupation lists
- diminished relevance of assessment criteria under sponsored pathways
- the assessment criteria itself.

As the first two more significantly impact composition they are further discussed here.²⁴ With regard to the third, we note the intention under the Migration Strategy to review the assessment criteria in 2024. We look forward to contributing to that consultation process.

Australia's approach to skilled migration is premised upon lists. Separate lists target migrants in occupations assessed to be in shortage over the short term, the medium and longer terms, or in regional areas.²⁵ Leaving to one side for now other shortcomings of these lists,²⁶ and acknowledging the Migration Strategy initiative to simplify and consolidate those lists into one, the basis for determining which occupations make it onto or come off them only addresses the skill shortages objective of skilled migration. We recommend that human capital considerations should also be considered.

On the second issue, Australia's hybrid approach to skilled migration contains a mix of merit-based and sponsored pathways. Merit-based pathways, award more or less migration points depending on how meritorious prospective migrants are assessed against criteria designed to provide insights into their human capital. The higher the migration points scored, the greater the assessed human capital and the more likely it is that applicants will be invited to migrate. Sponsored pathways are contingent on only threshold requirements for entry being met for the same criteria. In other words, they need only meet a baseline level of human capital.

²⁴ Refer to the professional accounting bodies submission on the Migration Review which discusses, amongst other things, the assessment criteria and its need for review: CA ANZ and CPA Australia (2022) [A Migration System for Australia's Future, joint submission](#), December.

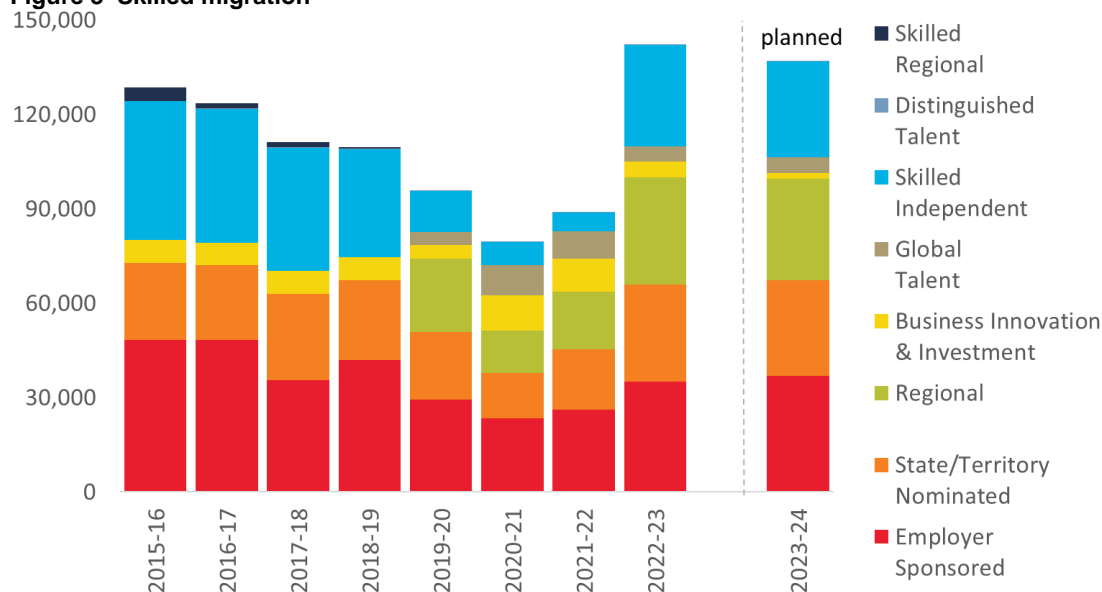
²⁵ Respectively labelled as the Short Term Skilled Occupation List (STSOL), the Medium and Long Term Strategic Skills List (MLTSSL) and the Regional Occupation List (ROL).

²⁶ Refer to CA ANZ and CPA Australia's [joint submission on the migration system review](#) in December 2022 where the shortcomings of the skilled migration occupation lists are discussed and a carefully managed transition to a skills list is proposed.

CA ANZ and CPA Australia commend the government for increasing the planning levels for merit-based pathways, as is evident in **Figure 3**. In particular, we support the reinvigoration of the Skilled Independent pathway (the light blue segments of the bars). However, as we observe in the final section, this has failed to support the migration of accounting, audit and finance professionals. We contend that it should.

A proposal worthy of consideration is to make all pathways merit-based, including sponsored pathways. In addition to providing greater confidence that skilled migrants are high quality, this would have the added benefit of helping to protect migrants from exploitation. This is because it dispenses with the need for prospective migrants to transition under employer sponsored pathways, which can make them vulnerable to exploitation by employers on whom they are dependent.

Figure 3 Skilled migration



Sources: Actual – Department of Home Affairs (2023) [Permanent Migration Program \(Skilled & Family\) Outcomes Snapshot – Annual Statistics](#); Planned – [Department of Home Affairs website](#).

Transition from an occupation list to a core skills list

We note the reform proposal in the Employment White Paper²⁷ to replace outdated, inflexible occupation lists that do not meet our skills needs, with an improved new core skills occupation list. Similarly, the Migration Strategy²⁸ adopts a Core Skills Pathway to meet targeted workforce needs, with a simpler, regularly updated Core Skills Occupation List for the skills Australia needs, in place of the multiple lists currently employed. This is a step in the right direction as it will help simplify a currently complex and confusing approach. It will also continue to support the attraction of global talent into areas where it is needed most and facilitate labour market matching.

However, it will likely encounter some of the problems of the current approach. In particular, the difficulties of maintaining the currency of an occupation list given the constancy of job transformation.

²⁷ Treasury (2023) *op cit*, p103.

²⁸ Commonwealth Government of Australia (2023) *op cit*, p50.

Using the jobs filled by accounting professionals as a case study, research commissioned by CA ANZ calculates that over the decade to 2028, 27 per cent of traditional accounting jobs will disappear from the labour market or be significantly reshaped, 22 per cent of roles filled by accounting professionals over the decade will be new, and nearly half (48 per cent) will require reskilling.

Even with a high frequency of updating by the experts at JSA, a regularly updated Core Skills Occupation List will struggle to remain current. A related point is that, from the perspectives of migrants, employers, assessors and others, updating lists too frequently is less than ideal as it seeds uncertainty and can disrupt plans.

This is why in our submission to the Migration Review we proposed transitioning to an approach centred around skills *and not occupations*. Indeed, the name of the new approach to be taken by government, a Core Skills Pathway, lends itself well to such an approach. Skills are the currency of jobs. The language ‘skills shortages’ and not ‘occupation shortages’ is no accident, as it is skills that employers are seeking. In the context of rapid job transformation, past jobs are increasingly secondary to the skills gained or developed in them.

The Australian Skills Classification (ASC), originally developed by the National Skills Commission and now the responsibility of JSA, is an open skills taxonomy. It distinguishes between core competencies, which are transferrable across all jobs, technology tools, which are used by many, and specialist tasks, which are the domain of a few. The initial intention was to support employers by providing a common language and understanding when advertising vacancies, preparing job descriptions and developing workforce strategies. It also has the potential to inform the design of post-secondary education and training.²⁹ Further, we believe the ASC has the potential to be used to identify the skills judged important to grow a competent and agile labour force suited to an uncertain future of work. In this way it could facilitate a common language between all – employers, educators and trainers and assessors.

This is an important change that is dependent on finessing the ASC and the method of maintaining its currency; the continuation and improvement of assessments to assure migrant quality; and transition arrangements that prioritise stability and certainty.

It is irrelevant whether applicants are onshore or offshore

It should not matter whether prospective skilled migrants are based onshore or offshore. What matters most is migrant quality.

The August 2022 invitation round for applicants following merit-based pathways to permanent migration made a distinction between those based onshore and those based offshore, with the former either having to meet a higher migration points threshold or, more commonly, there being no invitations issued to them at all. The October 2022 Budget³⁰ confirmed the government’s policy of prioritising the pathways for offshore applicants. The risk of this approach was that high quality onshore-based applicants become disillusioned and leave Australia.

While the more recent invitation rounds have continued to distinguish between onshore and offshore applicants, in some instances it is onshore applicants who are receiving preferential treatment. The reasons for their differential treatment are elusive. We encourage a return to an even-handed approach that does not distinguish between prospective migrants located onshore and offshore.

²⁹ Bean, M and Dawkins, P (2021) [Review of University-Industry Collaboration In Teaching and Learning](#), supported by the Department of Education, Skills and Employment.

³⁰ Commonwealth of Australia (2022) *op cit* p 89.

‘Pull’ migrants to the regions, don’t ‘push’ them there

Current migration settings ‘push’ prospective migrants to the regions. That is, there are attractive pathways to regional locations and more migration points on offer if applicants have studied and/or intend to settle in the regions.

We contend that it is better to ‘pull’ prospective migrants to the regions, through better information and support, rather than ‘push’ them. Informing and supporting prospective migrant choices – ‘pulling’ them to regions – is a superior and more sustainable approach to ‘pushing’ them. This is the approach Canada takes which, as evidenced in our previous submission, is achieving good results.

Two reasons explain why ‘pushing’ is not an ideal strategy are:

- It is not sustainable. While there may be short term gains as prospective migrants locate themselves in the regions to ease their pathways to permanency, many will relocate to the major cities as soon as they are able to. Only 18 per cent of Australia’s overseas born population were living in regional and remote areas at the time of the last Census, compared to one third of the Australian born population.³¹
- If prospective migrants judge settling in regional and remote locations to be less of a drawcard than settling in the major cities, they may not come to Australia at all. Studies have repeatedly pointed to quality of life and current and future employment opportunities in destination countries as major drawcards for attracting and retaining global talent.³² The OECD’s assessment is that Australia is the third ranked destination country for highly skilled workers when assessed solely against the Quality of Life indicator, and ninth placed against the Future Prospects indicator.³³ Constraints on prospective migrants’ geographic mobility and freedom to settle where they judge offers them the quality of life they seek and/or puts their talents to best use, may give them cause to think twice about settling in Australia.

JSA assess that 66 per cent of employers outside of the capital cities experience recruitment difficulties – 10 percentage points higher than their counterparts in capital cities.³⁴ This has parallels with CA ANZ’s skills and recruitment challenges survey results³⁵ shared in our previous submission that found shortages are more acute in regional locations in all states for all accounting occupations surveyed. In other words, job prospects are good in the regions. Armed with this information, prospective migrants may be more likely to settle there on their own accord.

³¹ Proportions based on ABS remoteness categories, derived using Census 2021 data accessed through Tablebuilder.

³² Tuccio, M (2019) [Measuring and assessing talent attractiveness in OECD countries](#), OECD Social, Employment and Migration Working Papers No. 229 provides a summary of past research and a relatively recent assessment of the global attractiveness of major destination countries, including Australia.

³³ OECD (2023) [Talent Attractiveness: How does your country compare in each dimension?](#)

³⁴ JSA (2023) *op cit*.

³⁵ CA ANZ (2022) [Skills and recruitment challenges survey](#): December.

Support international graduates to realise their potential

By definition, international graduates make great permanent migrants as they are skilled and have studied and lived in Australia. Many will also have experience working in Australia. While we agree with the view in the Migration Strategy that more needs to be done to strengthen the integrity of this pathway to permanency, we propose more moderated amendments to temporary graduate visas. Further, we do not support calls for caps on temporary graduate visas or levies on international student fees.

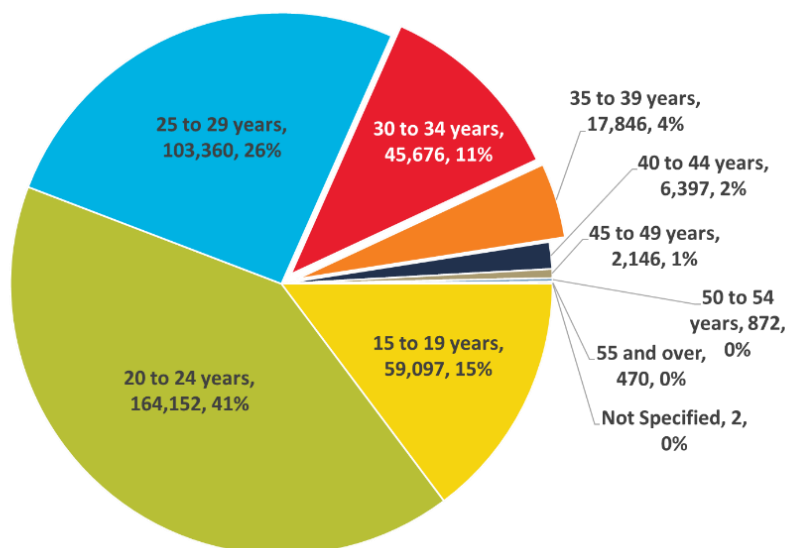
The Migration Strategy impacts temporary graduate visas in two significant ways: reducing post-study work rights by one year for masters by coursework and PhD graduates, and reducing the age threshold from 50 to 35 years. The first comes on top of the removal of extended rights for graduates of eligible courses. We do not support this change.

Using international students of accounting for illustrative purposes, in 2022, 69 per cent of students who commenced degree level or higher qualifications in accounting were masters by coursework students³⁶. The change may not just cause those students to contemplate completing their studies elsewhere, it may discourage future prospective students.

Figure 4 suggests how the age threshold might impact international student enrolments. Of interest, a significant 15 per cent of visas granted to international students in the vocational education, higher education and postgraduate research sectors were to students aged between 30 and 39 years (the red 11% and the orange 4% segments in **Figure 4**). While some in the 30 to 34 years bracket might slip under the new cut off of 35 years for moving on to a temporary graduate visa once they complete their studies, many may not. All in the 35 to 39 years bracket will not. Yet if their next visa after their temporary graduate visa was a permanent skilled visa, most will likely be under the cut off of 45 years for those visas.

Figure 4 A significant share of student visas are held by mature-aged students

Visas granted in 2022 to students in the vocational education, higher education and postgraduate research sectors



Source: Department of Home Affairs (2023) [Student visas granted at 2023-10-31](#).

³⁶ Derived based on Austrade international student data.

CA ANZ and CPA Australia recommend that:

- there is no further reduction in post study work rights for graduates of masters by coursework and doctoral degrees, beyond removing the extension for graduates of eligible courses
- the age threshold for temporary graduate visas reduce from 50 to 40 years, not 35 years, and the lower threshold be grandparented in.

We agree that too many international graduates struggle to find employment that makes best use of their skills, and they are left in limbo as they attempt to secure permanent residency. The Migration Strategy recognised they need better support to use their qualifications to get the right job after graduation.³⁷

We do not just agree, we are part of the solution. For around 15 years, the professional bodies for accounting, IT and engineering have helped improve the work readiness of international graduates in these fields through our Professional Year (PY) programs.

While there are some nuances in their governance and funding arrangements, the PY programs comprise a formal learning component conducted in class, and a work experience component, with internship host employers. The focus is on preparing graduates for the workplace covering culture, practices, ethics and employee rights.

The PY programs are getting results. Larger shares of PY program graduates are employed than international graduates who do not go through the PY in the three fields of IT, accounting and engineering. And higher proportions of them are making good use of their skills and education.

However, there remains scope for us to do better and to do more, for more, with the help of the government. Separately we are writing to relevant ministers to share the successes of the professional year and seek the government's help to give effect to reform proposals designed to improve employment and migration outcomes for international graduates and migrants by building on the PY programs.

Providing work readiness programs and pre-employment services to help international graduates find work that is better matched to their skills in areas of workforce need is critical given the recent finding in the Migration Strategy that over 50 per cent of graduate visa holders with a bachelor's degree or higher are working in roles significantly below their skill level, despite studying in areas tied to skill shortages³⁸.

³⁷ Commonwealth Government of Australia (2023) *op cit*, p 70.

³⁸ *Id*, p 62.

3. In the mix - accounting, audit and finance professionals

This section considers the continuing need for migrant accounting and audit professionals.

CA ANZ and CPA Australia recommend that accounting, audit and finance professionals feature prominently in Australia's skilled migrant intake.

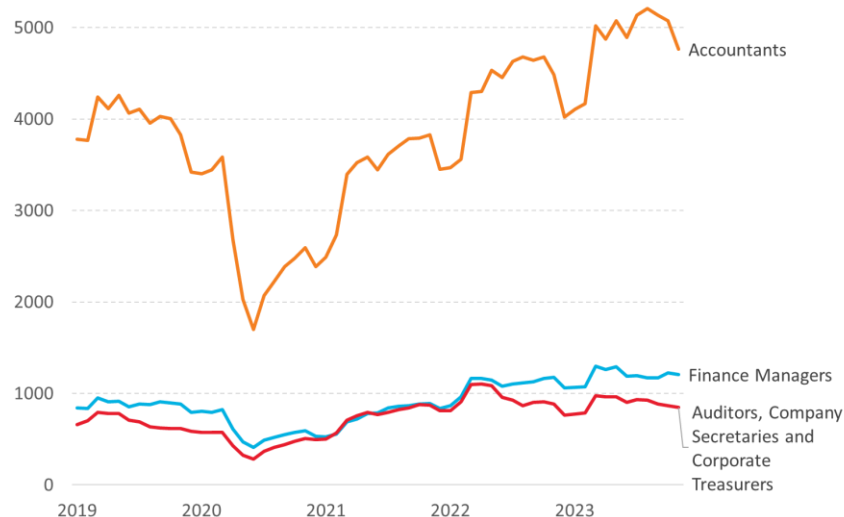
In this section, we update the evidence shared in our previous submission that accounting, audit and finance professionals:

- are currently in shortage
- will continue to be in shortage over the medium term, in the absence of change
- add to the nation's human capital, support business improvement and growth and contribute to the community.

Accounting, audit and finance professionals are currently in shortage

Accountants, auditors and finance managers³⁹ are in demand. JSA's [2023 Skills Priority List](#)⁴⁰ released in October this year found a national shortage of tax accountants and auditors, and its [Internet Vacancy Index](#) in November counts 6,826 advertised vacancies for accounting professionals. This is nearing four per cent more than the number of vacancies advertised in the same month last year. It is three times the COVID-19 low hit during June 2020. **Figure 5** captures the pandemic downs and post-pandemic ups.

Figure 5 Job vacancies for accounting, audit and finance professionals
3-month averages, job advertisements



Source: Jobs and Skills Australia (2023) [Internet Vacancy Index, November](#).

³⁹ These are official occupational classifications used for statistical purposes.

⁴⁰ Jobs and Skills Australia (2023) [Skills Priority List](#), October.

Recent reports from recruiters involved in the accounting profession confirm that demand is high and employers of all types are struggling to fill vacancies. Recruitment company Robert Half's latest survey finds that nine out of ten chief financial officers expect to recruit in the second half of 2023, including more than a third who plan to expand their team.⁴¹ Hays finds that 96 per cent of accountancy employers plan to increase salaries and over three quarters are planning to grow what they pay by more than three per cent, reflecting the intensity of the skills shortage in accountancy.⁴² people2people, finds that almost half (46 per cent) of accounting teams were short on accountants, with six per cent being significantly short-staffed.⁴³

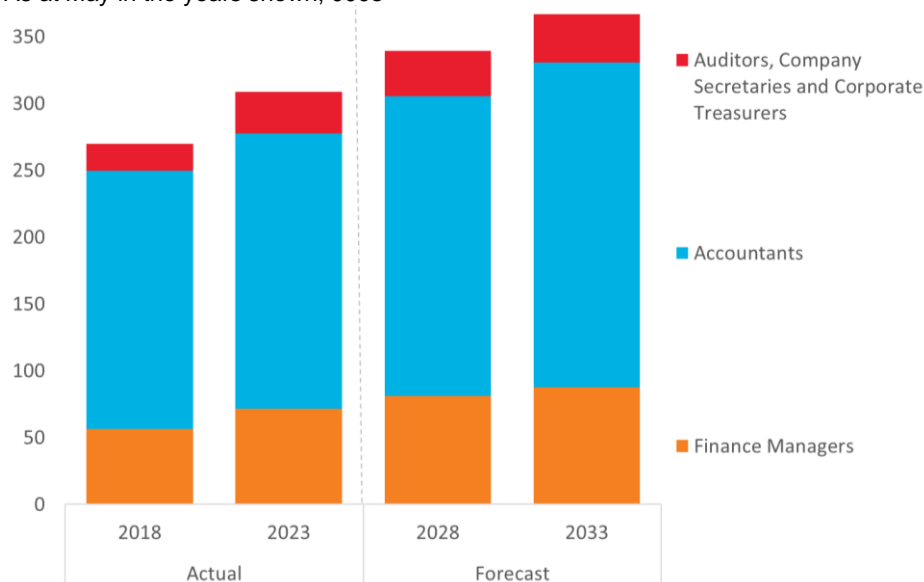
In the absence of change, the profession will continue to be in shortage

In the absence of change, shortages will not just persist, they will grow. This is because demand for accounting, audit and finance professionals is forecast to grow at the same time as supply is shrinking.

The employment of accounting, auditors and finance professionals grew at the average annual rate of 2.7 per cent over the last five years. Official forecasts are that growth will slow to 1.9 per cent over the next five years and 1.7 per cent over the next 10 years. These rates are the same as what is expected for the employment of all managers and professionals. Our lived experience is that these figures are likely to be underestimates. **Figure 6** captures actual and forecast employment within the profession.

Figure 6 Accounting, audit and finance professionals continue to be in demand

As at May in the years shown, 000s



Sources: Employment in 2018 – ABS (2023) [Labour Force, Australia, Detailed, October 2023](#). Released 23 November 2023. Actual employment in 2023 and forecast employment in 2028 and 2033 – JSA (2023) [Victoria University Employment Projections](#).

Even accepting the conservatism of the official forecasts, in round figures, the growth represents another 31,000 new jobs in the profession over the next five years, and 58,000 over ten years. Add to this those who retire or otherwise exit the profession or leave the country, then the number who need to enter the profession or the country to meet replacement and new demand is clearly large.

⁴¹ King, P (2023) “9 out of 10 CFOs rediscover hunger to hire”, Accountants Daily, 31 July.

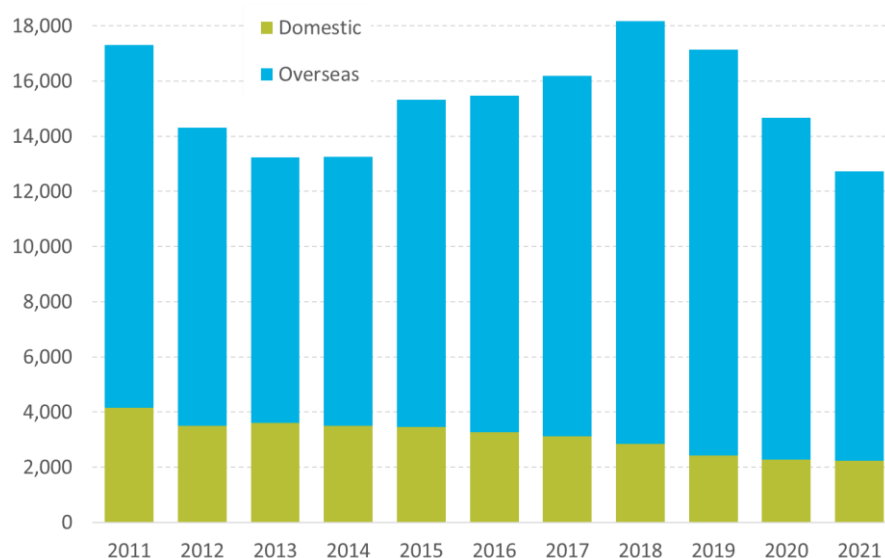
⁴² Hays (2023) [Hays Salary Guide FY23/24](#).

⁴³ people2people (2023) [2023 Employment and Salary Report](#).

New injections into supply, in the form of domestic graduates (the green in **Figure 7**) bode ill. In 2011 domestic completions of Bachelor level and above programs of accounting numbered 4,158. By 2021, which is the latest available data, this number had almost halved to 2,235. While there appears to be a levelling off, declining domestic commencements, and the fact that only around two thirds of domestic students of accounting complete their studies after nine years, will mean that completions will continue to fall for some time.

There is a much healthier number of overseas graduates (the blue in **Figure 7**). However, they cannot be assumed to become permanent additions to local supply. Most will go home. Particularly if graduates expect that the likelihood of being able to migrate permanently is low. This is a big part of the explanation of why overseas completions have been declining since 2018. The large drop off in commencements, evident pre-pandemic but exacerbated by border closures, will mean that overseas completions will continue to decline for at least the next few years. As mentioned previously, the planned reduction in post study work rights for international graduates of masters by coursework programs likely hasten the decline.

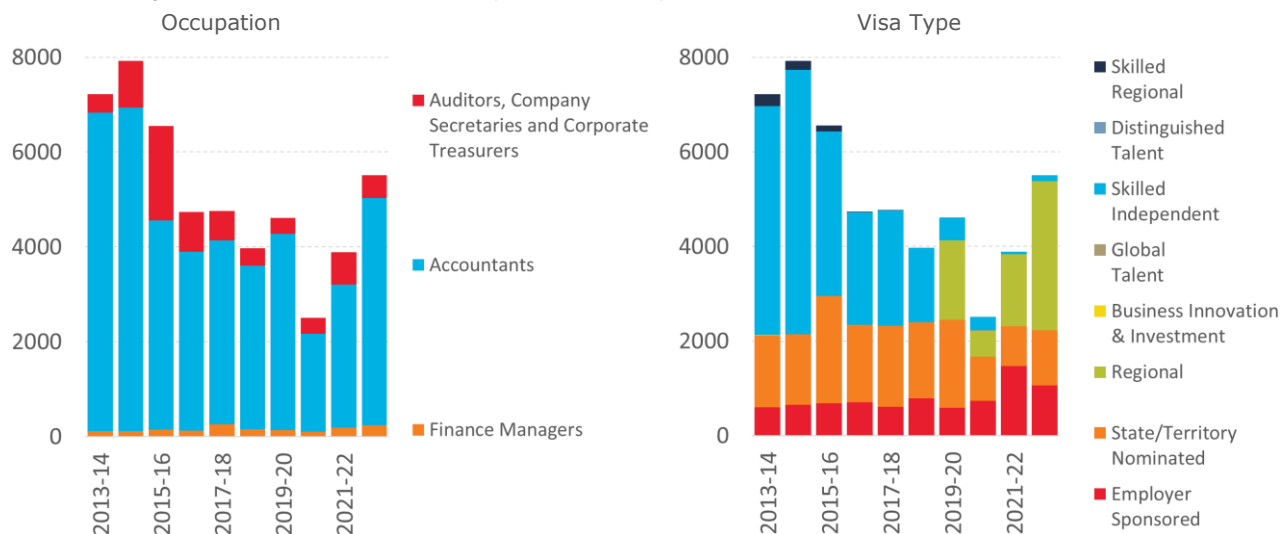
Figure 7 The diminishing accounting graduate pipeline
Completions of Bachelor or higher accounting qualifications, calendar years



Source: Department of Education, Skills and Employment, special data request.

The good news is that the numbers of migrant accounting, audit and finance professionals entering the Australian profession have turned a corner, allowing them to play a greater role in addressing this gap. In 2022-23, 5,507 accounting, audit and finance professionals migrated permanently to Australia – more than twice the 2020-21 low of only 2,510. The chart on the left-hand side of **Figure 8** shows how these figures break down by occupation for that year and the decade leading up to it. While the increase is a welcome improvement, it still falls short of what is required to meet growing demands for the services of such professionals. Further, relatively low numbers of migrant auditors is concerning. A key finding of CA ANZ's survey of auditing firms shared in our previous submission was that this is where shortages are particularly acute.

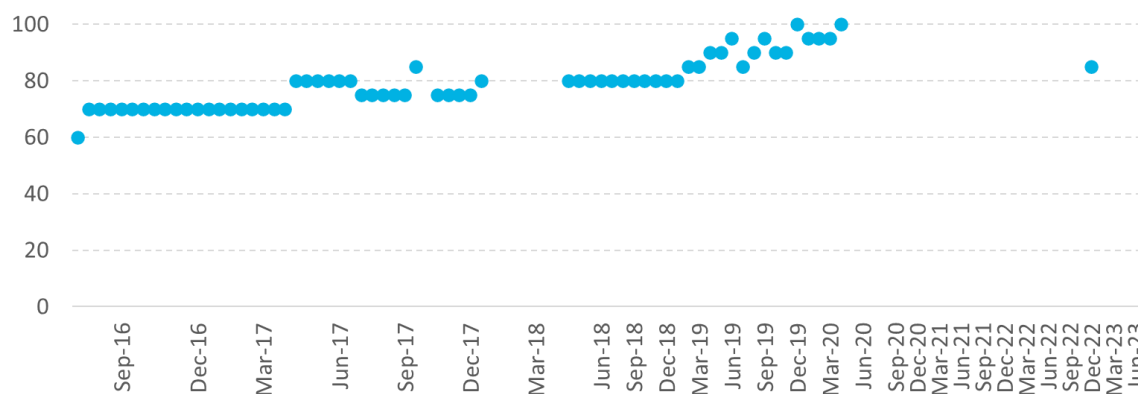
Figure 8 The changing pathways of migrant accounting, audit and finance professionals
Permanent migration under all streams, primary applicants only



Source: Department of Home Affairs (2023) [Permanent Migration Program \(Skilled & Family\) Outcomes Snapshot – Annual Statistics](#).

The chart on the right-hand side of **Figure 8** breaks the same data down by visa type. Two trends that jump out are that growing numbers of migrant accounting, audit and finance professionals are following regional pathways to permanent residency and that increasingly fewer are entering via Skilled Independent visas. This is because the last time accountants received an invitation to apply to migrate was in December 2022. The invitation round prior to that which included accountants was April 2020, when the threshold had reached an unattainable 100 points. This is illustrated in **Figure 9**.

Figure 9 Accountant, auditors and finance professionals are not receiving invitations
Migration points thresholds for accountants, auditors and finance managers seeking Skilled Independent visas by invitation round



Source: [Department of Home Affairs website](#) invitation rounds over time.

CA ANZ and CPA Australia recommend that accounting, audit and finance professionals be included in future migration invitation rounds for Skilled Independent visas.

Accounting, audit and finance professionals add to the nation's human capital

While there is an immediate and growing need for migrant accounting, audit and finance professionals, their contribution is much more than filling skill gaps. In our previous submission, we shared evidence that overseas-born accounting, audit and finance professionals contribute significantly to the nation's productive capacity. Just short of two thirds are of prime working age; more than nine out of 10 are of working age; they fully participate in the labour force; and are highly credentialled.

Depending on which ANZSCO code for these professionals is selected, a positive assessment by any one of Australia's professional accounting bodies verifies the occupation-specific skillsets of prospective migrants. They further bolster productivity through the diffusion of good ideas within businesses, measuring business performance against benchmarks and supporting innovation.

Just under half of Australia's accounting, audit and finance professionals were born overseas. Their diversity means that they are uniquely placed to understand and cater to the diversity in Australia's businesses and communities, to access and leverage networks back in their home and neighbouring countries, and to support international trade.