



Monday, 19 December 2022

Australian Universities Accord Panel
Chair, Professor Mary O'Kane
c/o Department of Education

Lodged online

Dear Professor O'Kane

Priorities for the Australian Universities Accord

Chartered Accountants Australia and New Zealand (CA ANZ) welcomes the opportunity to provide initial comments on our priorities for the review of Australia's higher education system to be led by the Australian Universities Accord Panel.

Our comments are informed by the terms of reference and focus on:

1. Meeting Australia's knowledge and skills needs, now and in the future;
2. Access and opportunity, including improving access to higher education and increasing access and participation of students from underrepresented backgrounds;
3. Investment and affordability, with a focus on review of the Job-ready Graduates Package; and
4. The connection between the vocational education and training and higher education systems, including exploring possible opportunities to support greater engagement and alignment.

CA ANZ represents more than 135,000 accounting and finance professionals. CA ANZ is also a professional accrediting body and a TEQSA registered provider of higher education in the category of Institute of Higher Education. We make this submission on behalf of our members and in the public interest.

Appendix A provides our detailed views and Appendix B provides more information about CA ANZ.

CA ANZ also welcomes participation in the panel's further in-depth consultations during 2023.

Should you have any questions about our submission or wish to discuss it with us, please contact Sarah Davidson via email to [REDACTED] or phone [REDACTED].

Sincerely,

Simon Grant FCA FCCA GAICD
Group Executive, Advocacy and International

Simon Hann
Group Executive, Education

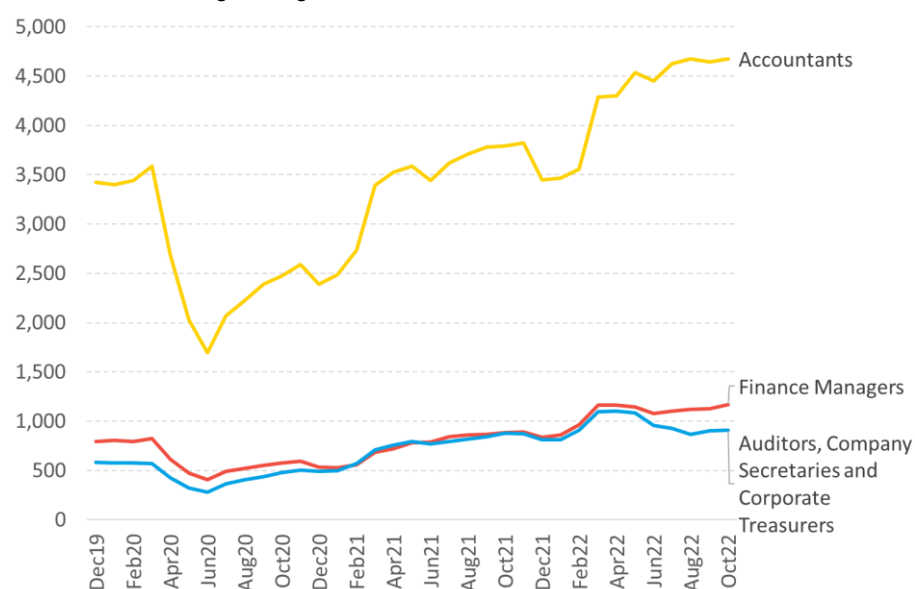
Appendix A

Meeting Australia's knowledge and skills needs now and in the future

The National Skills Commission's Skills Priority List released in September 2022 revealed the vast extent of Australia's skills shortage. The number of occupations looking for skilled workers has almost doubled in 2022, rising to 286 from 153 in 2021.¹

The skills shortage was nominated as the number one issue by Australia's top 100 accounting firms for two years running.² As Australia rebounds from the pandemic, vacancies in accounting and finance roles are running high. The latest Jobs and Skills Australia data on the number of advertised job vacancies for Accountants (October 2022) is three times the level recorded during the peak of lockdowns in June 2020 (refer to **Figure 1**).

Figure 1 Vacancies for accounting and finance professionals are running high
Three month moving average level of advertised vacancies



Source: Jobs and Skills Australia (October 2022) Internet Vacancy Index IVI Detailed Occupation Data, published in November.³

In CA ANZ's recruitment and skills survey of 382 Australian member organisations, conducted in December 2022, respondents identified current skills shortages across each of the following ANZSCO occupations – Finance Managers, Accountant (General), Management Accountants, Taxation Accountants, Corporate Treasurers, External Auditors and Internal Auditors. The highest number of job vacancies were for External Auditors (1,069), Management Accountants (1,511), Taxation Accountants (258) and Accountant (General) (142).

In an earlier survey in July this year, CA ANZ also separately captured the experiences of 18 Australian professional services and audit firms, both large and small. The survey found that there were close to

¹ National Skills Commission [2022 Skills Priority List](#).

² Wootton, H (2022) [The No. 1 problem for accountants \(for the second year in a row\)](#), Australian Financial Review, 14 November.

³ Jobs and Skills Australia, [Internet Vacancy Index IVI Detailed Occupation Data \(October 2022\)](#), published in November.

1,000 audit job vacancies, up from 888 in 2021, and almost 2,000 non-audit / consulting vacancies across all firms surveyed. The roles were mostly for junior and intermediate level professionals, and on average the roles were taking three to six months to fill.⁴

Tight labour market conditions are manifesting in employers offering higher remuneration packages to attract and retain talent. CA ANZ's latest remuneration survey, completed by more than 7,700 members and released earlier this month, calculates that median total remuneration grew by an astounding 11 percent in both Australia and New Zealand.⁵ A FY22/23 Hays survey of Australian employers found that 91 percent are experiencing a skills shortage, 77 percent in accounting and finance have offered higher salaries than planned, and almost four out of five (78 percent) expect that skill shortages will impact their operations or growth.⁶ This echoes what we are hearing from the profession.

Another area of pressing skills shortages, which is highly relevant to accounting, is for data and digital skills. Demand is outstripping the supply of skills in automation, AI, data analytics and cyber security. If Australia can better meet the demand for these skills, it opens up new opportunities, as data and digital skills are amongst the fast growing emerging skills⁷, they are transferrable across a range of occupations and sectors and are core to solving some of our biggest problems.

Skilled professionals are also needed to enable organisations to respond to increasing stakeholder demand for sustainability-related disclosures, as well as the assurance of these disclosures. And accounting, audit and finance professionals have a significant role to play in supporting climate change mitigation and adaptation efforts. As this area is continually evolving, so too is the skillset needed to be able to respond to stakeholder demand. In Australia, individuals and organisations are working to develop these capabilities. However, domestic capability will take time to develop.

Currently, there is an ongoing and critical shortage of these professionals in Australia, and also globally. Skilled migration may be able to provide an immediate solution to this shortage, particularly while domestic talent develops, acknowledging however that Australia will be competing with other jurisdictions for these skillsets.

The changing future of work

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 environmental, social and governance (ESG) increase, and workers 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 or be significantly reshaped.⁸

⁴ Source: [CA ANZ Survey on recruitment challenges and visa delays](#), July 2022.

⁵ [CA ANZ Member Remuneration Survey](#), December 2022.

⁶ FY22/23 [Hays Salary Guide](#).

⁷ National Skills Commission, [The State of Australia's skills 2021: now and into the future](#).

⁸ 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 in this research finding than elsewhere in this presentation. Included are Accountants, Auditors, Company Secretaries and Corporate Treasurers Finance Managers are not included.

Other accounting and finance jobs are changing. CA ANZ research predicts nearly half (48 percent)⁹ will require reskilling. 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.¹⁰

Importantly, with new technology, many new accounting and finance jobs are emerging. CA ANZ research foresees that 22 percent of roles filled by accounting professionals over the decade will be new.¹¹ This includes roles such as data scientists, cybersecurity architects, service delivery analysts, agile project managers, financial analysts and systems accountants.¹² 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.

Accounting and finance skills will continue to provide a strong foundation for these new emerging jobs that sit outside traditional accounting and finance roles. Change is a constant which will need to be accommodated in the development of Australia's skills and education system, and a complementary migration system that is agile enough to meet the evolving needs of the future.

Failure to address shortages in accounting, finance, data, digital and the hundreds of other areas needed to build Australia's productive capacity increases the risk of a deeper economic slowdown than the one currently forecast. GDP growth has been revised down to 1.5 percent in 2023-24.¹³

Immediate recommendations

Make digital, financial and sustainability capability an integrated endeavour of programs of learning. CA ANZ has recently launched a new suite of data education products. CA ANZ has also added new subjects to the Chartered Accountants (CA) Program pathway to the Chartered Accountant (CA) designation recognising the changing landscape of the profession including Sustainability, Risk, Data Analytics and Insights.

Commit ongoing funding to review and maintain the Australian and New Zealand Standard Classification of Occupations (ANZSCO). Given the constancy of change indicated above, CA ANZ was pleased to note the recent release of the [ANZSCO Maintenance Strategy](#). This is essential for the continued relevance of an occupational classification. Particularly given that it is not just used for statistical collection purposes. Importantly it is the current basis for Australia's approach to skilled migration. We understand that implementation of the ANZSCO Maintenance Strategy is contingent on the lead time required for field testing and the resources required to support implementation. We encourage government to allocate appropriate resources in the Australian Bureau of Statistics (ABS's) baseline funding.

Medium to longer term recommendations

⁹ Hann and Bowles (2020) *op cit*.

¹⁰ Bowles, M, Ghosh, S, and Thomas, L (2020) Future-proofing accounting professionals. *Journal of Teaching and Learning for Graduate Employability*, 11(1), 2–23.

¹¹ Hann and Bowles (2020) *op cit*.

¹² *Ibid*.

¹³ Commonwealth of Australia (2022) [Budget Strategy and Outlook, Budget Paper No 1](#), Budget October 2022-23, p 6.

Support life-wide¹⁴ and lifelong learning.

Make the Australian Skills Classification (ASC) a living open skills taxonomy that is continuously updated. Skills are the current and future currency of jobs. Developing a common language that can be used by all, including employers, education and training providers, assessors and others, enables changes in the skills demanded to be met by changes in skills supplied. However, to enable this to happen requires continuous updating, drawing on both artificial intelligence, such as machine learning, and the intelligence of official data sources (such as the Census), key intermediaries and third-party sources. Key intermediaries are employer representatives including professional bodies, education and training providers and assessors. Recommended third party sources are [Lightcast's datasets](#) as they capture employer demands, and LinkedIn's Talent Insights for candidate capabilities.

Bring the processes for reviewing and updating ANZSCO and ASC together: This will facilitate consistency and enable all relevant data sources to be taken into account, along with the insights of all relevant parties.

Access and opportunity

Medium to longer-term recommendations

More needs to be done to dismantle the barriers for Australia's First Nations Peoples, encourage and support their pathways into business-relevant fields of work and study, and to enhance the credentials of those already in business by investing in their business capabilities, including accounting and finance skills. Three indications of the enormity of this opportunity are that: (1) First Nations Australians own or have rights or interests to a massive 42% of Australia's land mass under various forms of title and legislation, and in the future could conceivably own more than half¹⁵; (2) Public sector demand to procure goods and services from First Nations businesses is at record levels due to the procurement policies of Commonwealth and State Governments; and (3) so too is private sector demand.¹⁶ While the opportunity is significant, there is a risk that First Nations Australians and businesses do not take advantage of it. As an indicator, in 2020 a mere 1.2% of domestic students enrolled in higher education programs of Management of Commerce were of Aboriginal or Torres Strait Islander descent. This compares poorly against the 2% share for all fields of education and sits well below population parity.

Reintroduce participation targets for disadvantaged groups, not only for higher education but also for all post-secondary education. While CA ANZ acknowledges the good intent of quarantining the increased places in our universities in particular fields for these groups, we recommend against such selectivity as: (1) it constrains choices regarding both fields and pathways; and (2) as the point above indicates, breaking the cycle of disadvantage requires the growth of business capabilities, yet business is not one of the fields targeted.

¹⁴ Life-wide learning includes all types of learning and personal development – learning and development in formal educational environments which is directed or self-managed and learning and development in informal (non-educational) settings: <https://www.lifewideeducation.uk/lifewide-learning.html>

¹⁵ National Native Title Tribunal.

¹⁶ [Business Council of Australia \(2020\) Indigenous Engagement Survey 2019 Summary Report and Highlights from the Past Decade.](#)

Investment and affordability

Enrolments in university degrees that typically lead to careers in the accounting profession in Australia and New Zealand are in decline. This macrotrend is happening in the face of increasing demand for accounting and auditing professionals and the well-documented skills shortages.

Most people seeking to enter the accounting profession as members of CA ANZ are graduates of Management and Commerce qualifications from higher education institutions in Australia and New Zealand.

CA ANZ has taken a number of steps to address this issue, including opening new pathways through the introduction of a non-degree pathway as an additional academic-entry pathway to the CA program to commence in Q2 2023, applying to the Australian Government to become an approved provider of the Australian Government FEE-HELP contingent loan scheme, and looking at ways to attract new talent to the profession.

Domestic issues

In Australia, commencements in both undergraduate and postgraduate Accounting higher education programs have been declining for domestic students since 2012, and undergraduate enrolments in Management and Commerce degrees have been declining for domestic and international students since 2016.

Since 2021, the Australian Government's Job-ready Graduates Package has helped to reduce the personal cost of pursuing higher education in disciplines deemed as 'national priorities' such as nursing and science. However, Norton's research¹⁷ found that fields of study with decreased Commonwealth funding had the opposite impact. There were corresponding declines in undergraduate enrolments for those with reduced Commonwealth support, and Management and Commerce had the largest decline.

Funding changes, though, are unlikely to be the sole cause of declining enrolments, as the trend was already underway prior to 2021. Regardless of the underlying cause, declines in undergraduate enrolments in Management and Commerce in 2021 will flow on to reduced numbers of graduates eligible to enter the profession by 2024. Please refer to **Case Study 1**.

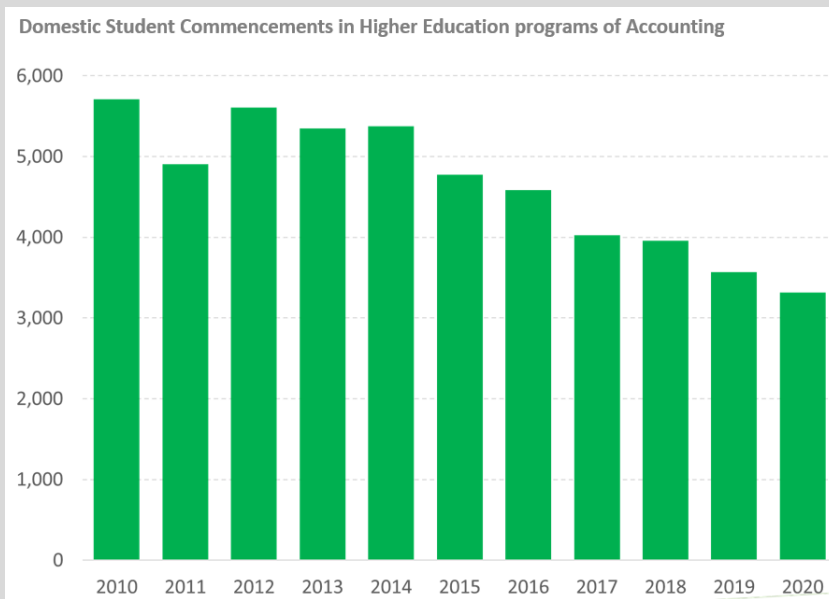
Case Study 1: The impact of Government university funding policies on student enrolments

Overall, the number of students entering Management and Commerce qualifications from higher education institutions in Australia and New Zealand has been declining for several years and will continue to do so over the next three to five years. Reasons for this decline include:

- reduced net migration rates in Australia and New Zealand;
- reduced international student enrolments; and
- Government policies which preference fields of study other than Commerce and Accounting.

In Australia, commencements in both undergraduate and postgraduate Accounting higher education programs have been declining for domestic students since 2012 (see the graph below).

¹⁷ Norton, A. (2021) [The first Job-ready Graduates university applications data](#).



Graph data source: The Australian Government Department of Education and Department of Employment and Workplace Relations 2022 DESE special data request.

Undergraduate enrolments in Management and Commerce degrees have been declining for domestic and international students since 2016 (see Figure 1¹⁸ below).

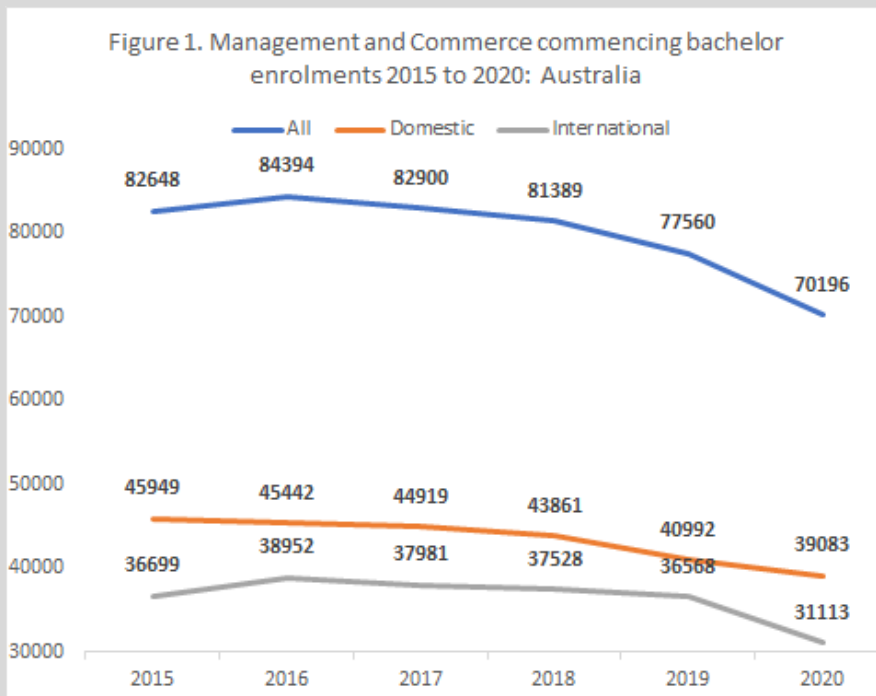


Figure 1 data source: The Australian Government Department of Education and Department of Employment and Workplace Relations 2020 DESE student data. Enrolments time series.

¹⁸ Data in Figure 1 is from the Australian Government Department of Education and Department of Employment and Workplace Relations 2020 DESE student data Enrolments time series.

For overall enrolments, the pattern is the same, but the impact of commencing student enrolments is evident later with declines from 2017 for domestic students and 2018 for international students. See Figure 2¹⁹ below.

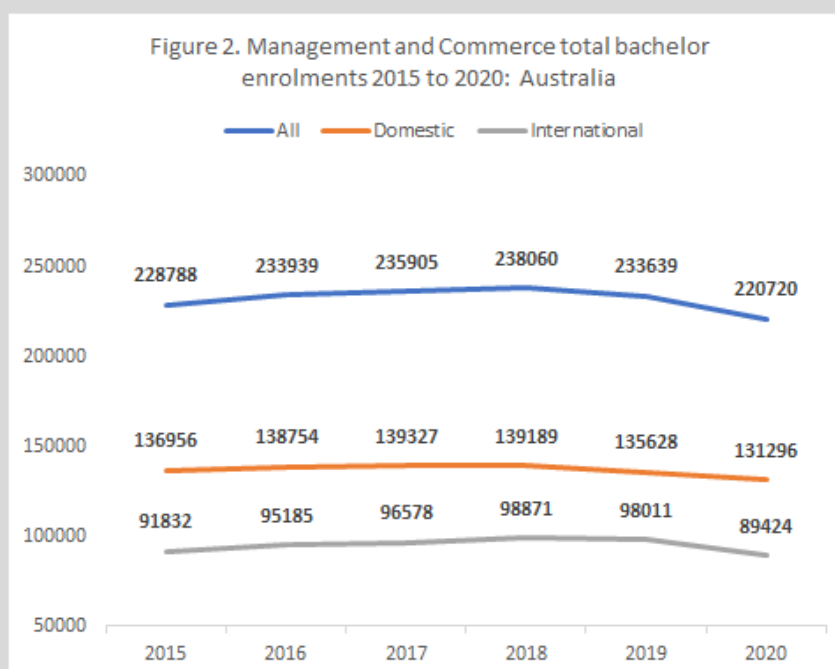


Figure 2 data source: The Australian Government Department of Education and Department of Employment and Workplace Relations 2020 DESE student data Enrolments time series.

In Australia, the [Higher Education Support Amendment \(Job-Ready Graduates and Supporting Regional and Remote Students\) Act 2020](#) has altered the funding of new higher education places since 2021, with the annual Commonwealth contribution to places in Cluster 1 (Law, Accounting, Administration, Economics or Commerce) reduced while the annual Commonwealth contribution to places in identified priority areas, such as nursing, increased.

In 2021, Funding cluster 1 (Law, Accounting, Administration, Economics, Commerce, Communications, and Society and Culture) not only had a reduced Commonwealth contribution but the maximum student contribution increased from \$11,155 in 2020 to \$14,500 in 2021 compared to Funding cluster 3 (Nursing, Indigenous and Foreign Languages, Engineering, Surveying, Environmental Studies, Science) where the 2021 Commonwealth contribution was \$16,250 up from \$10,821 in 2020 and the maximum student contribution was \$3,950 down from \$6,684 in 2020 (see Figure 3²⁰).

While a public benefit was the claimed rationale behind how courses were allocated to student contribution bands, little detail was provided in support of this at the time the changes were made. Recent analysis by Norton (2022) variously finds that neither course completion rates nor employment outcomes consistently explain the allocations.²¹

¹⁹ Data in Figure 2 is from the Australian Government Department of Education and Department of Employment and Workplace Relations 2020 DESE student data Enrolments time series

²⁰ Data in Figure 3 is from Ferguson, H. (2021). A guide to Australian Government funding for higher education learning and teaching, 23 April 2021 and the 2020 Allocation of units of study to funding clusters. https://www.apf.gov.au/About/Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp2021/GovernmentFundingHigherEducation#_Toc70073557 and <https://www.dese.gov.au/help-and-other-information/resources/2020-allocation-units-study-funding-clusters>

²¹ Norton, A (2022) From public to private benefit: The shifting rationales for setting student contributions, Melbourne Centre for the Study of Higher Education.

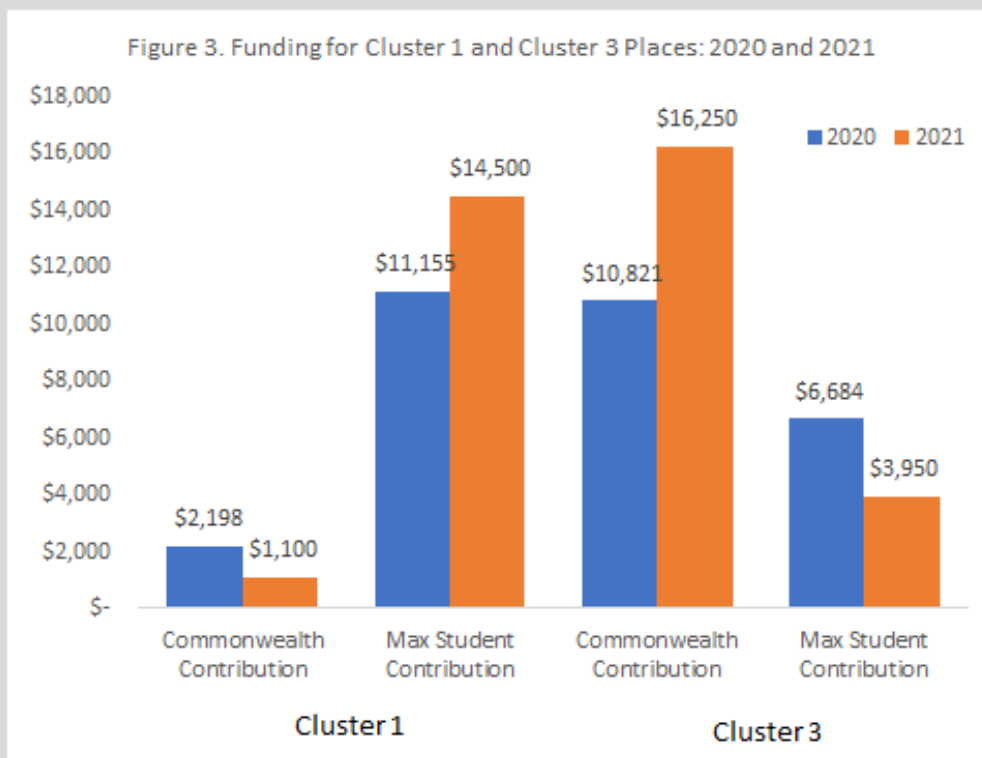


Figure 3 data source: Ferguson, H. (2021). A guide to Australian Government funding for higher education learning and teaching, 23 April 2021.

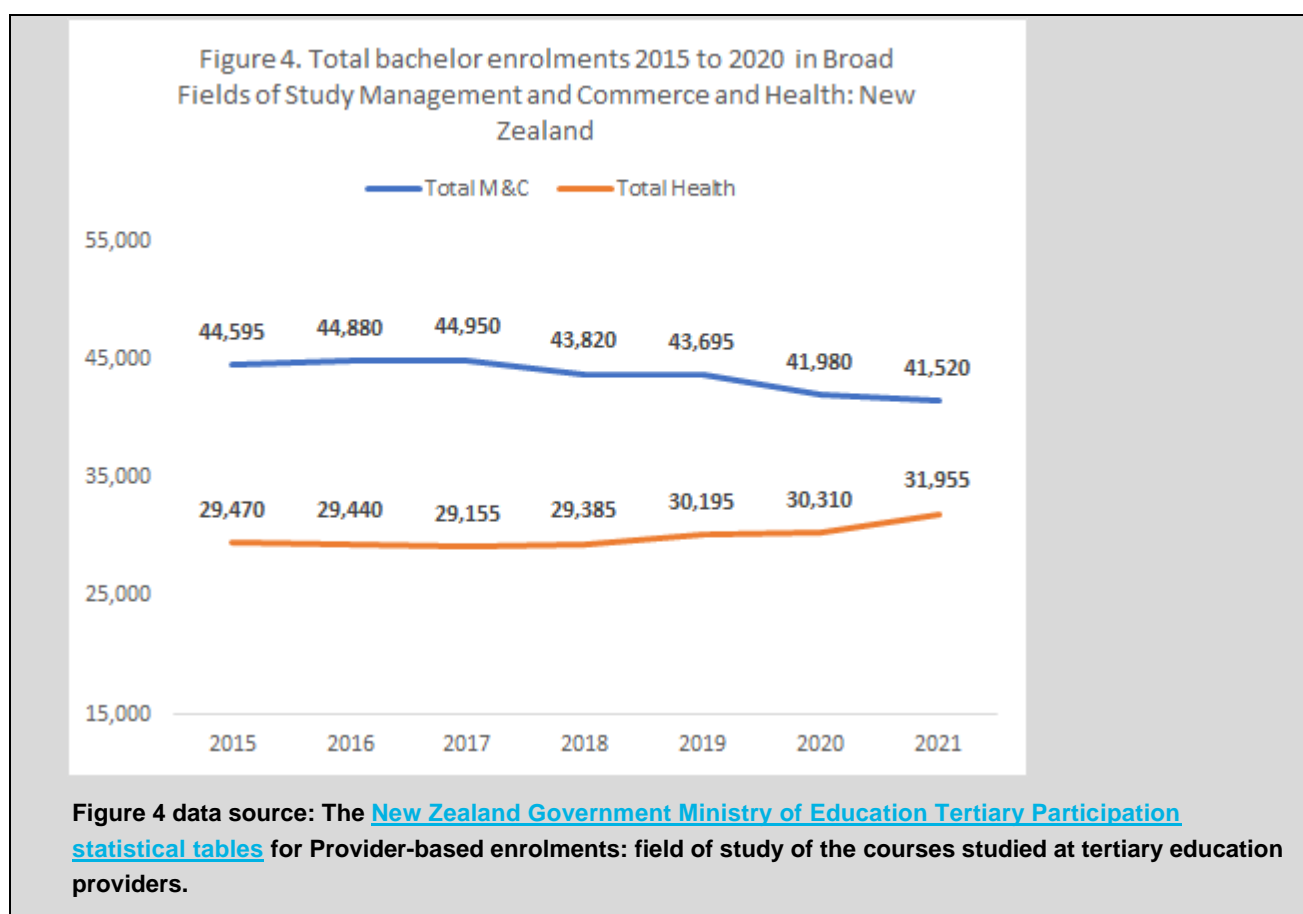
A year earlier, Norton (2021)²² examined the 2021 university enrolment applications by field of study following the October 2020 legislation and reported that university applications by field of study showed that changes to enrolment applications by field of study appeared to be consistent with the changes to Commonwealth funding so that fields of study with decreased Commonwealth funding showed declines in applications, and Management and Commerce had the largest decline.

The impact of the funding changes associated with the [Higher Education Support Amendment \(Job-Ready Graduates and Supporting Regional and Remote Students\) Act 2020](#) are in the context of longer term trends of declines in commencing and overall student numbers in the field of Management and Commerce occurring both in Australia (see Figures 1 and 2), where the legislation is in place.

Similar trends in enrolments have been occurring in New Zealand without the funding changes introduced in Australia in 2020. Figure 4²³ shows aggregated enrolment data from New Zealand for bachelor degrees in broad fields of study Management and Commerce and Health 2015 to 2021. Management and Commerce enrolments have been decreasing since 2017 while Health enrolments have been increasing over the same period.

²² Norton, A. (2021). *The first Job-ready Graduates university applications data*. Posted 25 October 2021. The post references data obtained from the Australian Government Department of Education and Department of Employment and Workplace Relations [Undergraduate Applications Offers and Acceptances Publications](#)

²³ Data in Figure 4 is from the [New Zealand Government Ministry of Education Tertiary Participation statistical tables](#) for Provider-based enrolments: field of study of the courses studied at tertiary education providers.



Immediate recommendations

Review the higher education funding arrangements in the Job-Ready Graduates Package.

CA ANZ supports the panel's proposal to explore higher education funding and contribution arrangements that deliver equity, access, quality and longer-term investments to meet priorities in teaching, research, workforce and infrastructure, particularly the intent to review the Job-ready Graduates Package.

The centrepiece of the Job-Ready Graduates Package is a recalibration of the contributions of the Government and students to meet the costs of studying towards higher education qualifications. For some disciplines deemed as 'national priorities', such as health, student contributions have declined. In others, such as accounting, the increased burden on students has been large, despite the shortage of accountants, strong future demand, and the importance of accounting to the health of businesses and the economy.

We urge that this review also consider the supply-side impacts of changes, as any net funding decrease constitutes less of an incentive for providers to offer places. More significantly, given the ever-changing future of jobs, the current focus on 'job-ready' makes little sense. More important is to support 'work-readiness' - readiness for multiple jobs and careers. This suggests that the focus should be on transferrable skills that add value across many current and future jobs.

An outcome of the Job-ready Graduates Package review should be reduced student contributions and increased Commonwealth contributions to the cost of degrees in Management and Commerce degrees including Accounting.

Student contributions for these degrees already ranked amongst the highest prior to the introduction of this Package by the previous government. The reforms increased student contributions for these degrees even further. The research shows that fields of study with decreased Commonwealth funding showed declines in enrolments, and Management and Commerce degrees had the largest decline. Demand, on the other hand, has been increasing. The majority of respondents to CA ANZ's recruitment and skills survey of 382 Australian members in December 2022 found increased demand for workers expected over the next five years in the occupation categories of External Auditors, Taxation Accountants, Management Accountants, Accountant (General) and Internal Auditors.

Accounting professionals were one of the few occupations which experienced a surge in demand as pandemic restrictions impacted the health of businesses. Accounting professionals continue to be in high demand, helping businesses take best advantage of growth opportunities. Yet the mismatch with declining local supply has resulted in a skills and labour shortage that is likely to persist in the absence of concerted action. The public benefit arising from the services provided by accounting professionals is being undermined. There is an urgent need, and strong case for, increasing the Commonwealth's contribution to tuition costs and substantially reducing the share of that cost borne by domestic students.

Extend funding support to all TEQSA registered higher education providers, whether university or non-university. Funding support should be extended to all TEQSA registered higher education providers for courses in areas of shortage such as accounting, financial capability, digital and sustainability skills. Regional non-university providers could be a good transitional step. This will help improve access and affordability, particularly for underrepresented students including First Nations Australians, those from low socio-economic backgrounds, people with disability, and those in regional and rural Australians, who should not be disadvantaged due to their choice of provider.

International issues

During 2020 and 2021, both Australia and New Zealand lost market share of international students to countries such as the US, the UK and Canada which had less restrictive borders during the COVID-19 pandemic. It is unlikely that international student numbers will return to pre-pandemic levels in the near future, reducing the pool of potential CA Program candidates until at least 2025.

International students comprise a significant proportion of postgraduate enrolments in Management and Commerce qualifications. As postgraduate degrees are shorter on average than undergraduate qualifications, we will see the impacts of reduced numbers in these courses sooner than 2025.

A report commissioned by the Tertiary Education Quality and Standards Agency (TEQSA)²⁴ suggests that the impact of decreased international enrolments following COVID-19 border closures in Australia will continue to 2025.

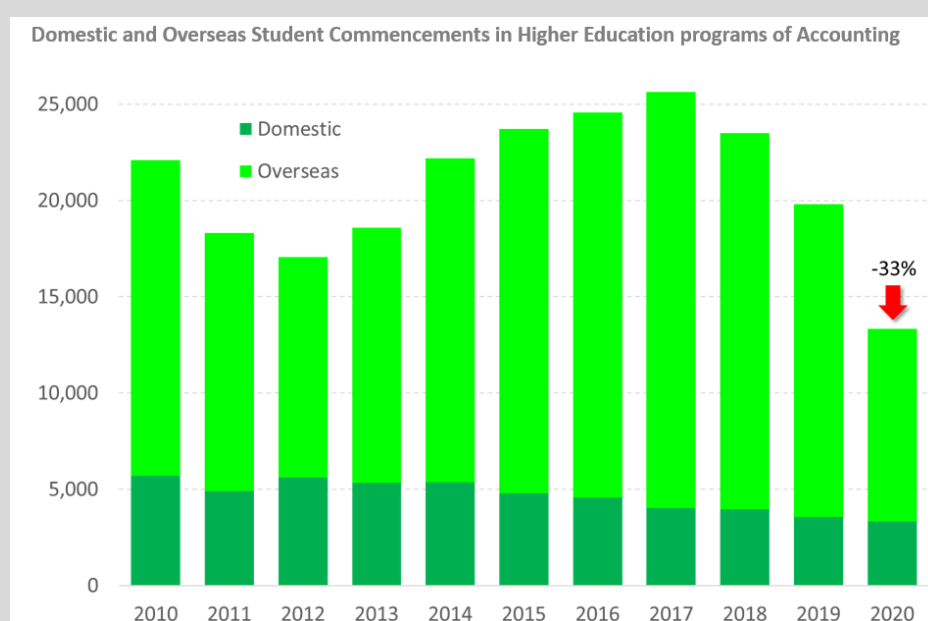
²⁴ Wells Advisory. (2021) [Forward impact of COVID-19 on Australian higher education](#). Report commissioned by TEQSA.

Fields of education with a heavy reliance on international student enrolments, such as Management and Commerce, will be most affected. Recent regional instability may also slow the return of international students from China.

Commencing and total postgraduate enrolments in Management and Commerce degrees increased from 2015 to 2019 for international students, with a sharp decline in 2020 due to COVID-19 border closures. It is expected that when the 2021 data is available it will show a continuing pattern of decreased international postgraduate enrolments. Please refer to **Case Study 2**.

Case Study 2: Declining international student enrolment numbers

Overseas student commencements in undergraduate and postgraduate higher education programs of accounting in Australia have been declining since 2017. See graph below.



Data source: The Australian Government Department of Education and Department of Employment and Workplace Relations 2022 DESE special data request.

Arthur (2022)²⁵ presents data showing that while overall international student numbers steadily declined in Australia and New Zealand during 2020 and the first half of 2021, by 2021 international student numbers were at or above pre-pandemic (2019) levels in the UK, US and Canada and notes that countries like Australia and New Zealand are likely to have lost market share to countries that offer comparable, high quality educational opportunities already.

Wells Advisory (2021) prepared a commissioned report for the Tertiary Education Quality and Standards Agency (TEQSA)²⁶ concerning the forward impact of COVID-19 on Australian higher education that suggests that the impact of decreased enrolments will be significant in 2020, 2021 and potentially 2022, with declines continuing to 2025. Fields of education with a heavy reliance on international student enrolments, such as Management and Commerce, will be most affected. Recent regional instability may also slow the return of international students from China, who comprise almost 40% of international onshore higher education students in Australia.

²⁵ Arthur, N. (2022). [COVID halved international student numbers in Australia. The risk now is we lose future skilled workers and citizens](#). *The Conversation*, 01 February 2022.

²⁶ Wells Advisory (2021). Forward impact of COVID-19 on Australian higher education. Report commissioned by TEQSA. <https://www.teqsa.gov.au/sites/default/files/forward-impact-of-covid-19-on-australian-higher-education-report.pdf?v=1635905249>

In Australia, higher education degrees in Management and Commerce have been particularly reliant on international student enrolments (see Figure 5²⁷).

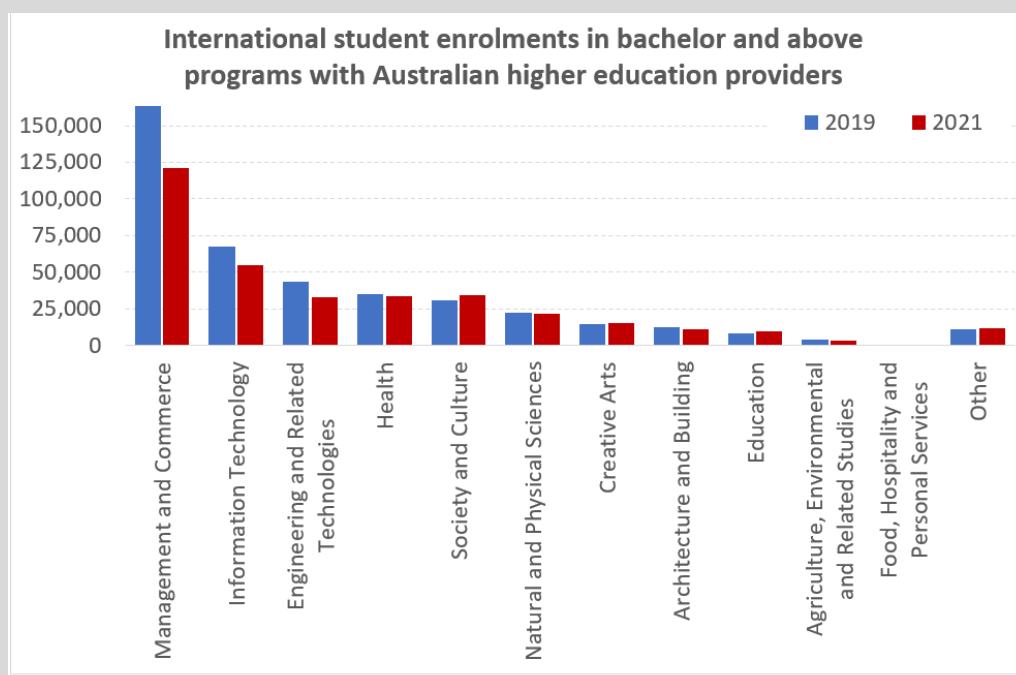


Figure 5 data source: Australian Trade and Investment Commission Market Information Package

Commencing and total postgraduate enrolments in Management and Commerce degrees increased from 2015 to 2019 for international students, with a sharp decline in 2020 due to COVID-19 border closures. It is expected that when the 2021 data is available it will show a continuing pattern of decreased international postgraduate enrolments.

The Wells Advisory (2021) projections for international student enrolments are for declines continuing to 2025. By far the largest proportion of international students in Australia come from China, and this long-term trend has continued into 2022.

In 2020, 38.4% of all higher education overseas student enrolments in Australia were from China, with the next most frequent country of origin (India) at 19%²⁸. The Federal Government has been actively pursuing a [diversification strategy](#) to reduce risk associated with a concentration of international students in a small number of countries.

While geopolitical tensions and COVID restrictions on mobility within China are likely to cause enrolments to remain depressed for some years yet, it would be a mistake to too hastily discount China as a major source of international students. Recent analysis by Palmer and Lui (2022) finds that the sheer size of the Chinese population, a growing middle class, and the value placed on education will see a return to growth.²⁹ The [Asia Society of Australia's assessment](#) is even more bullish, predicting a strong rebound. It further suggests that with China's traditionally favoured destination, the United States, out of favour, there is an opportunity for other destinations, like Australia and New Zealand, to grow. This is why we encourage that the push for diversification in Australia's international education strategy be interpreted as towards other markets and not away from traditional markets that have served Australia well.

²⁷ Data in Figure 5 is from the Australian Government Department of Education and Department of Employment and Workplace Relations Higher Education Statistics 2020 Section 7 Overseas students.7 Overseas students.

²⁸ Ferguson, H & Spinks, H. (2021). [Overseas students in Australian higher education: a quick guide](#). Parliament of Australia, 22 April 2021.

²⁹ Palmer, G and Lui, W (2022) [Decline in Chinese student mobility: It's only temporary](#), World University News, 12 November.

Medium to longer-term recommendations

Facilitate more flexible pathways for entry of international students into Australian university degrees in areas of high demand including accounting, management and commerce.

Clarify the intent of diversification in the [Australian Strategy for International Education](#). The focus on diversification is to encourage the growth of markets and fields of study that have traditionally attracted few international students, and not the diminution of markets and fields of study that have served Australia well. For instance, China remains a large and important market with considerable untapped potential. **Case Study 2** above, shares the findings of recent analyses which are suggestive of this potential and Australia's and New Zealand's opportunity to tap it. Similarly, accounting programs, which have ranked amongst the most attractive programs to international students, should remain a focus of marketing and other student attraction initiatives.

Improving the connection between the vocational education training and higher education systems and employment pathways

Immediate recommendations

Review the [National Microcredentials Framework and extend its coverage](#). This Framework was launched in 2021 as guidance to higher education providers to support the quality and recognition of microcredentials and the workings of a microcredential marketplace. Whilst CA ANZ is already included in the Framework, as we are a professional accrediting body and a TEQSA registered provider of higher education in the category of Institute of Higher Education, there is an opportunity to provide clarity on expanded utility to all providers, including to Vocation Education and Training (VET) and to reputable non-traditional providers (such as other professional bodies), and to better enable the assessment and recognition of learning that has occurred in workplaces or informally.

Make the Microcredentials Marketplace more widely available. If the Microcredentials Framework applies to VET and reputable non-traditional providers, in addition to higher education providers, then the Marketplace has the potential to provide a nationally consistent platform that gives learners agency over their lifelong learning journeys. They may follow pathways within higher education. Alternatively, they may choose pathways that move between the offerings of VET, higher education and other providers. CA ANZ is currently in the process of registering some of our CA Program subjects on the Marketplace (Ethics, Data Analytics and Sustainability).

Plan for a more ambitious rollout of the Microcredentials pilot. CA ANZ commends the government's initiative to rollout a Microcredentials pilot. This pilot aims to assist higher education providers to design and deliver microcredentials in fields of national priority, in partnership with industry. This is a great idea. However, Round 1 of the rollout is restricted to self-accrediting universities eligible to receive Commonwealth funding support. Subsequent rounds will progressively include other higher education providers at which point CA ANZ should be eligible to participate. CA ANZ encourages the government to also plan for further rounds that include VET and other reputable non-traditional providers.

Recognise microcredentials and prior learning through independent assessment. Under the guidance of an enhanced National Microcredentials Framework, and the *Joint Statement of Principles for Australian Professions' Micro-Credentialing* which is being developed by the Australian Council of Professionals (ACoPs), assessors including professional bodies are well placed to independently assess

the Australian Qualifications Framework (AQF) level equivalency of micro-credentials and of prior learning. The ACoPs principles intend to provide a professional/ industry/ employability lens on the emerging field of micro-credentials, with a focus on how micro-credentials can be used in reskilling, upskilling and skill recognition. There is a significant opportunity for accounting bodies to set the standard in this space around accounting and finance capability and skill.

Encourage the adoption of the ASC to facilitate a common language between employers, education providers, assessors and others in the skills ecosystem. CA ANZ notes 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.³⁰ If it is also used for assessment purposes and embedded within occupation classifications used for official collections (notably ANZSCO) it could facilitate a common language between all. We acknowledge that transitioning towards these ends will take time but recommend it as a worthy endeavour.

Provide funding support to alleviate the cost of micro-credentials and short courses. Currently fees are required to be paid upfront and are not tax deductible. We support the intent of the *Education Legislation Amendment (2022 Measures No. 1) Bill 2022* to allow students to use FEE-HELP for select 'microcredential courses' offered by higher education providers under the Microcredentials Pilot discussed above. We encourage this to be the first step towards a more expansive reform. Three further steps we recommend should follow the initial pilot are to: (1) broaden the scope to short courses and microcredentials in areas where there are skills shortages in Australia, including audit and accounting; (2) roll out this initiative to the reputable offerings of other higher education providers, VET and reputable non-traditional suppliers, such as employers and other professional bodies; and (3) extend this initiative beyond supporting the credentialling of learnings from short courses, to the verification of prior learning in work and other contexts outside of the lecture theatre. This will make it easier for people to have their skills recognised, reskill and upskill, including mid-career professionals, women returning to the workforce and mature aged workers.

Provide funding for better education of university career guidance counsellors on the demand for accounting and audit skills, the attractiveness of a career in accounting and the broad range of careers it can lead to. This will assist in addressing nationwide skills shortages.

Medium to longer-term recommendations

Extend the AQF to recognise and reward shorter form, sometimes microcredentials, offered by both traditional and non-traditional providers, alongside traditional formal qualifications. This is the next logical evolution beyond the guidance of the Microcredentials Framework. It catches Australia up with other countries, such as New Zealand, who already recognise microcredentials within their national qualification frameworks. It resolves issues of equivalency, thereby, facilitating learning pathways and recognition. However, to do this well requires a reimagined national credentials regulation and quality assurance framework.

A perverse outcome of failing to recognise microcredentials within the AQF is that it is constraining change in other important areas. For instance, while the majority of submissions received in connection with the ANZSCO Review supported recognising microcredentials within the classification system, it was the concerns of the minority that held sway. Specifically, that microcredentials are not recognised within the AQF.³¹ The consequences are significant as ANZSCO forms the basis of many government policies and initiatives.

³⁰ Bean, M and Dawkins, P (2021) Review of University-Industry Collaboration in Teaching and Learning, supported by DESE.

³¹ [Micro-credentials stay in the stats cold, for now, Campus Morning Mail, 24 November 2022.](#)

Provide lifelong learning entitlements that learners can draw upon over their lifetimes to fund their continuous learning and credentialing approved with an expanded AQF. This may include the credentials, both long and short, of traditional VET and higher education providers, or the approved offerings of non-traditional providers, such as employers and professional bodies.

Appendix B

About Chartered Accountants Australia and New Zealand

Chartered Accountants Australia and New Zealand (CA ANZ) represents over 135,000 financial professionals, supporting them to make a difference to the businesses, organisations and communities in which they work and live. Chartered Accountants are known as Difference Makers. The depth and breadth of their expertise helps them to see the big picture and chart the best course of action.

CA ANZ promotes the Chartered Accountant (CA) designation and high ethical standards, delivers world-class services and life-long education to members and advocates for the public good. We protect the reputation of the designation by ensuring members continue to comply with a code of ethics, backed by a robust discipline process. We also monitor Chartered Accountants who offer services directly to the public.

CA ANZ is also a professional accrediting body and a TEQSA registered provider of higher education in the category of Institute of Higher Education.

Our flagship CA Program, the pathway to becoming a Chartered Accountant, combines rigorous education with mentored practical experience. Ongoing professional development helps members shape business decisions and remain relevant in a changing world.

We actively engage with governments, regulators and standard setters on behalf of members and the profession to advocate boldly in the public good. Our thought leadership promotes prosperity in Australia and New Zealand.

Our support of the profession extends to affiliations with international accounting organisations. We are a member of the International Federation of Accountants and are connected globally through Chartered Accountants Worldwide and the Global Accounting Alliance. Chartered Accountants Worldwide brings together members of 15 chartered accounting institutes to create a community of more than 1.8 million Chartered Accountants and students in more than 190 countries. CA ANZ is a founding member of the Global Accounting Alliance which is made up of 10 leading accounting bodies that together promote quality services, share information and collaborate on important international issues.

We have a strategic alliance with the Association of Chartered Certified Accountants. The alliance represents more than 870,000 current and next generation accounting professionals across 179 countries and is one of the largest accounting alliances in the world providing the full range of accounting qualifications.

We employ more than 500 talented people across Australia, New Zealand, Singapore, Malaysia, Hong Kong and the United Kingdom.