

21 July 2003

Mr Stephen Dyer  
Committee Secretary  
Joint Standing Committee on Migration  
Department of House of Representatives  
Parliament House  
CANBERRA ACT 2600

E-mail: [Stephen.Dyer.Reps@aph.gov.au](mailto:Stephen.Dyer.Reps@aph.gov.au)

Dear Mr Dyer

**Re: Review of Skilled Migration**

The National Institute of Accountants (NIA), a professional accounting body with over 12,000 members would like to thank the Joint Standing Committee on Migration for the opportunity to have input into this review. As a gazetted assessing authority for qualifications assessment for skilled migration purposes, the NIA believes it is well positioned to provide a response to the Joint Standing Committee's issue paper.

The NIA being a professional accounting body, supports Australia's skilled migration program. The NIA believes that the skilled migration program adds to the diversity of skills, knowledge, interests and business networks necessary to add value not only to the accounting profession, but to Australia, economically and socially in general. The accounting profession has benefited significantly from the skilled migration program as new migrants with accounting qualifications have ameliorated the skills shortage in the accounting profession (which continues and will continue for the foreseeable future despite the Department of Employment and Workplace Relations (DEWR) without consultation removing accounting from the Migration Occupation Demand List (MODL)). The community, especially the small business community, anecdotally has benefited from the influx of skilled accountants with expertise in GST/VAT, as it would have been more difficult for small business to implement the GST and other recent tax changes without such accountants.

The NIA believe that the current migration arrangements do adequately meet the needs of the accounting profession. However, as stated above, we see no reason why DEWR removed accounting from the MODL, given the ageing profile of the profession, the lack of accountants coming through the tertiary education system and the increasing compliance demands, governments at all levels, are placing on business and therefore accountants. The NIA believe that DEWR should consult more widely when considering the needs of a profession.

Does the migration system "waste talent"? To a degree the skilled migration system does lead to a wastage of talent, however, so does the tertiary education system. From the accounting professions point of view, although a shortage exists, there are still people with accounting qualifications (from both the skilled migration program and the tertiary education system) that do not find work. The job market is competitive, therefore accountants must have skills employers need (different employers seek different skills, therefore it is difficult for assessing authorities to assess for such skills).

In relation to accounting, there is no evidence that overseas trained accountants are excluded from the occupation. Given the shortage of accountants, it is difficult to accept this proposition. However, it must be stated that there are dynamics in the profession that do require local knowledge, such as tax and corporations law. However accountants are well aware of this and therefore migrant accountants should not see this as a barrier to the Australian profession. Learning of local laws is a normal requirement for accountants wishing to move between jurisdiction.

The NIA is focussed on the occupations for which it has been gazetted to assess qualifications under. We do not look at other professions and this should not be seen as a negative as the quote in the issues paper implies. Assessing authorities can not look outside their "bailiwick" because the law does not allow them and more importantly, they do not have the skills or experience to look outside their profession.

The NIA sees no reason why little regulation should be an issue of concern as indicated in the issues paper. The accounting profession is largely unregulated by the Government, yet Australia's accounting profession is recognised as a world leader. In fact other countries recognised as world leaders in the accounting profession being UK, US, Canada and New Zealand are all subject to very little government regulation, compared to other countries. The NIA sees no link between the lack of government regulation and assessment of qualifications. In accounting, the less government regulation, the higher the standards the profession usually has.

The NIA agrees that few professional labour markets can be described as truly international. On face value, many would think that accounting would be an international profession, however, as much of accounting deals with law and the interpretation of accounting standards set to meet a nation's economic interests, accounting can best be described as a transnational profession. There are skills that are common, and there are skills that must be learned and will vary from country to country.

All professional bodies are tasked with creating, implementing, enforcing and enhancing standards. The formulation of professional standards are driven by a number of factors including:

- a) Government regulation;
- b) members of the professional body; and
- c) users of the services of members of the professional body.

The formulation of professional and ethical standards is therefore driven by labour market needs. The statement that the formulation and accreditation of professional standards is divorced from labour market needs is incorrect. However, if the context of such a statement is that standards create gaps in the labour force then this statement is correct. Professional bodies create artificial barriers to entry, however, in unregulated professions such as accounting, there are many working in the profession that do not meet the entry levels of a professional body, hence creating opportunities for the establishment of multiple professional bodies with differing entry levels in the same profession, including technician level. Hence, if a professional body fails to take account of labour market needs, it opens itself up for competition from new professional bodies.

The NIA is concerned that about 25% of people who migrated to Australia as skilled migrants since 1995, are unemployed or not in the workforce. We are not in a position to offer a definitive reason why there would be so many in this class of skilled migrants. However, one possible reason is the large number of skilled migrants coming in under the IT category during the period from 1995 and the subsequent high unemployment in that area in 2001 and onwards.

If the joint Standing Committee considers it beneficial to hold a hearing on this issues paper, the NIA would be interested in participating, however, we see no compelling reason for such a hearing.

If you require any further information, please do not hesitate to contact me on (0 or by fax on (0 or by e-mail on

Yours sincerely

Gavan Ord  
Technical Policy Manager