

The Employability of International Graduates of Accounting

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Outline

The labour market for accountants

- Demand
- Supply
- Paradox?

Reasons

- Gaps
- Mega trends

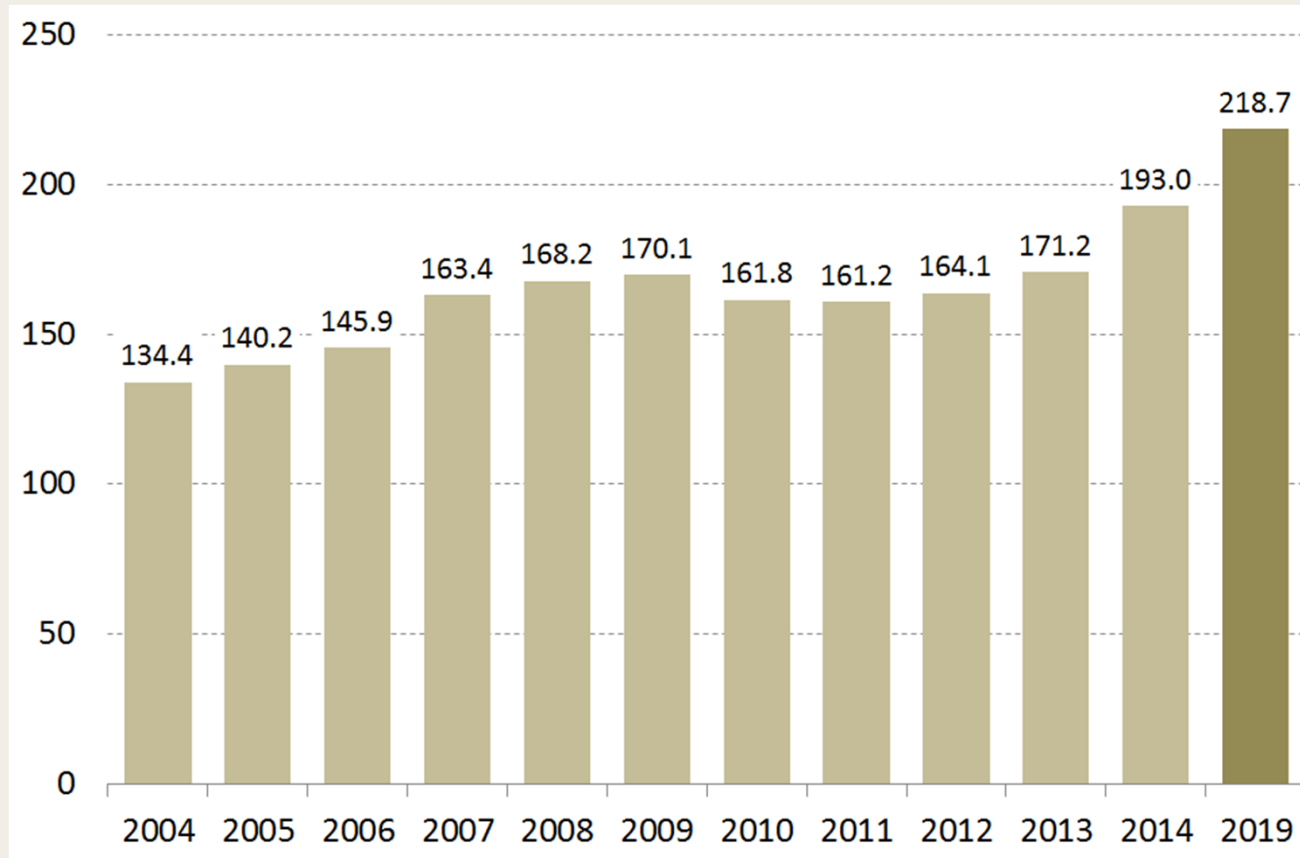
What can be done

- Skilled migration reform
- Professional designation
- SMIPA

The labour market for accountants

Demand

Employment of accountants
Thousands



Sources: ABS (2015) Labour Force Survey and Department of Employment (2015) Projections

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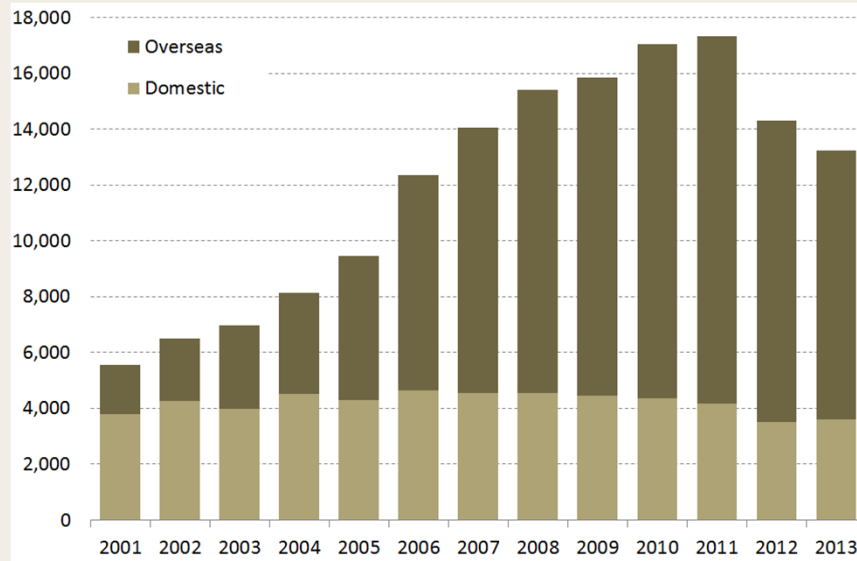
Recent and projected growth in demand for accountants is strong



The labour market for accountants

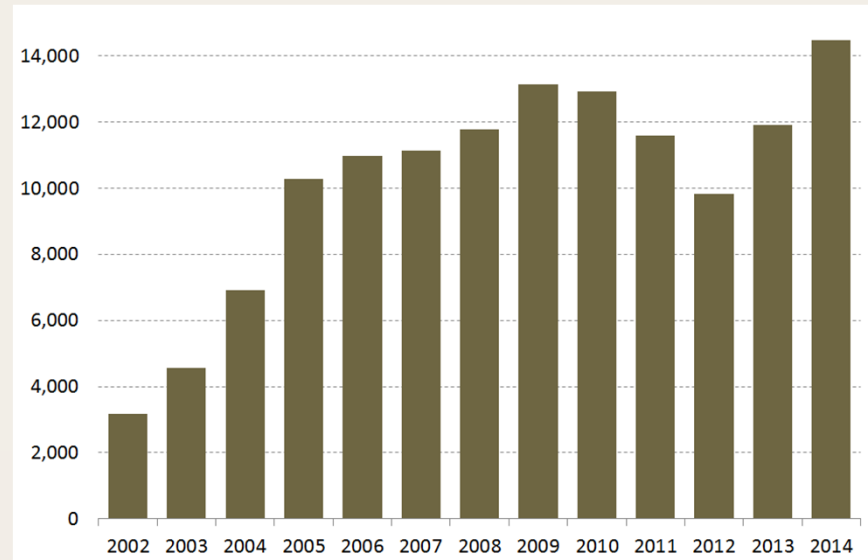
Graduate supply

Accounting completions



Source: DET special data request

International accounting student commencements



Source: AIE, 2015

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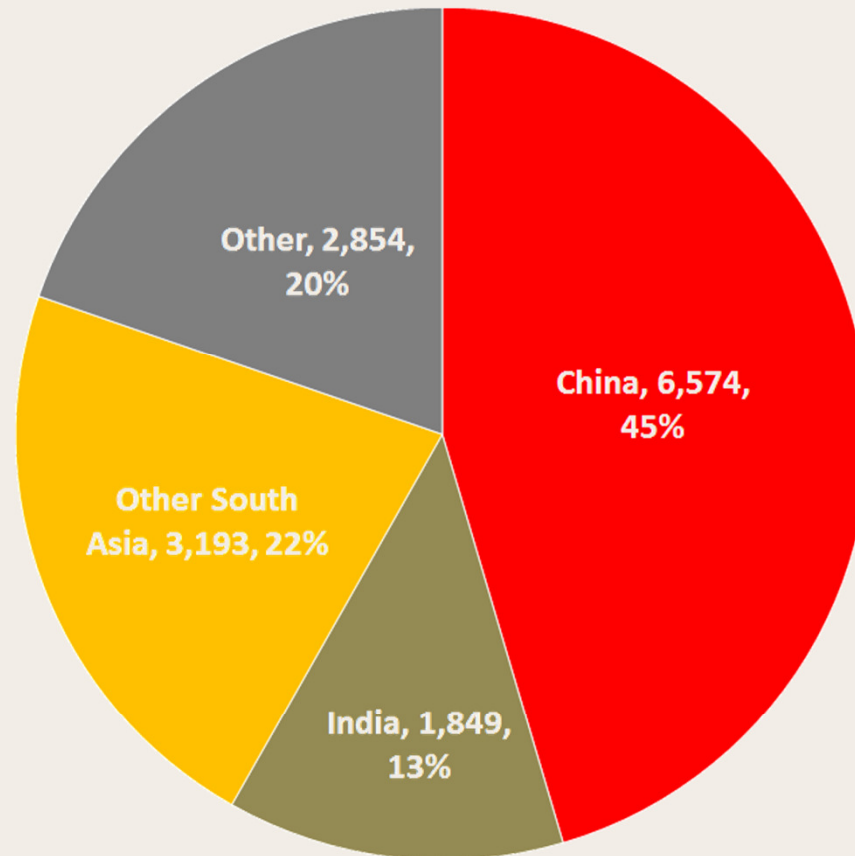
The majority of students completing their studies in accounting are from overseas



The labour market for accountants

Graduate supply

International accounting student commencements
By country of origin, year to December 2014



Source: AIE, 2015

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Most international students commencing their studies
are from China and South Asia

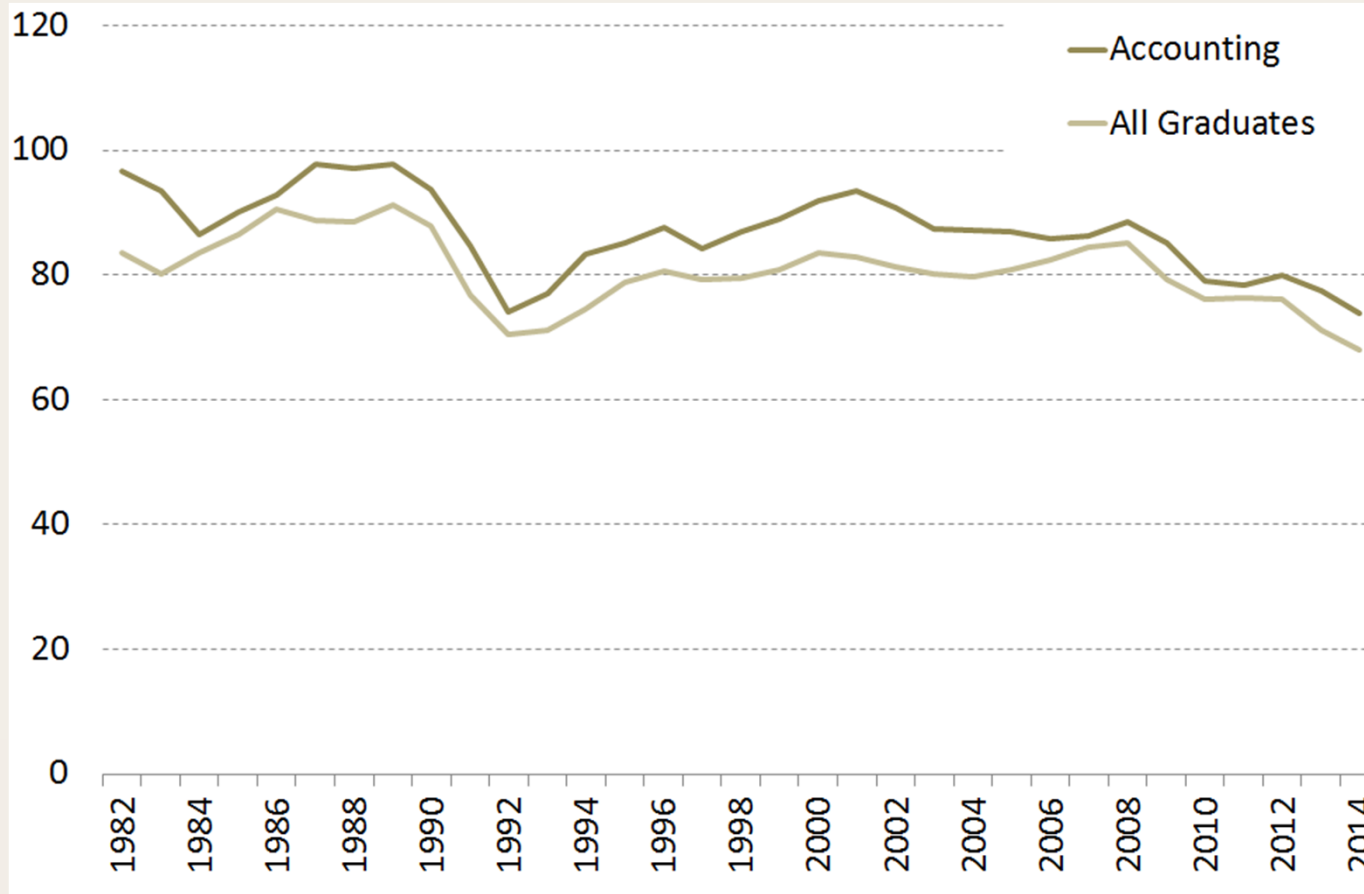


The labour market for accountants

Paradox?

Bachelor degree graduates working full time

As a proportion of graduates seeking employment



Source: Graduate Careers Australia, 2015

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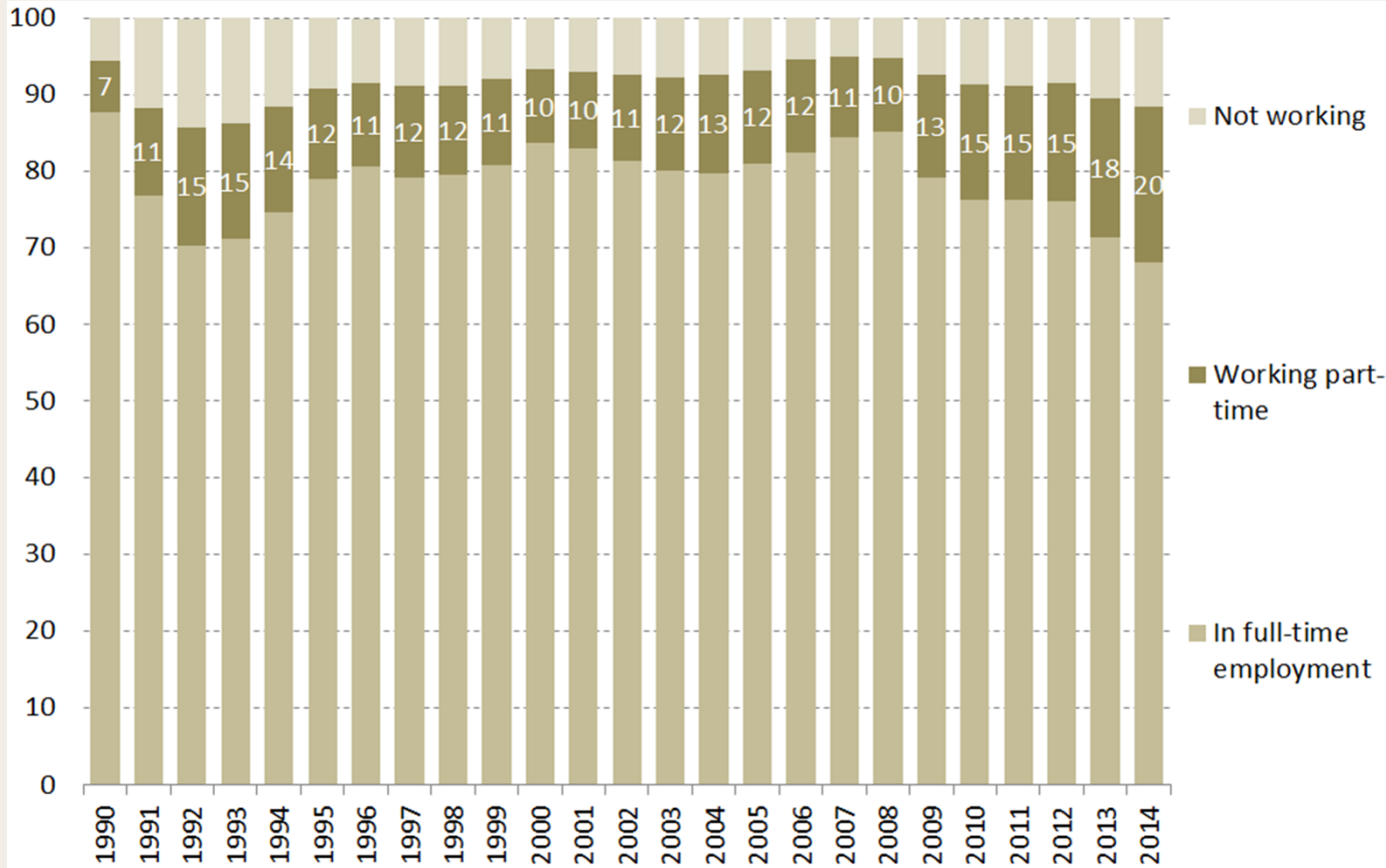
The share of accounting graduates securing full time employment has declined



The labour market for accountants

Paradox?

Employment outcomes of graduates seeking full time employment
 As a proportion of all graduates seeking full time employment



Source: Graduate Careers Australia, 2015

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More and more of new graduates are working part-time



Reasons Gaps

Accountants with solid experience in short supply

Across Australia the shortage of highly skilled Accountants remains an issue for employers ...
"While there is an excess of candidates who lack qualifications or have minimal exposure, employers in contrast want candidates with solid experience," ...

Source: Hays, media release, 11 Nov 2014

Accountants can expect more jobs, salary increases

A return of market confidence and new infrastructure projects will see an increase in demand for accounting and finance professionals in 2015 ...
2015 should seem salary increases for candidates such as second movers from the 'Big 4', senior analysts moving to commercial manager roles and candidates in specialist areas ...

Source: Robert Walters, media release, 29 Jan 2015

Hays tips strong demand for accountants in 2015

Recruitment firm Hays has tipped a strong private-practice jobs market in 2015, with candidates increasingly in control as firms fight for talent ...
Susan Drew, senior regional director at Hays, ... highlighted mid-level roles in mid-tier firms as a particularly strong market segment

Source: Staff Reporter, accountantsdaily, 12 Jan 2015

Unstable labour markets in Australia? Almost two thirds of CFOs in NSW and VIC expect to grow their teams in 2015

... "Results also indicated that the majority of CFOs ... find it challenging to source appropriate talent ..." ...
"The demand for highly skilled individuals is further evident with close to one-third ... reporting a lack of niche technical experts in the market place," ...
"The skills shortage for high caliber talent is having a noticeable impact on remuneration ..." ...

Source: Robert Half, media release, 22 April 2015

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Employers are looking to fill mid to senior tier roles and are demanding experience, talent and niche expertise

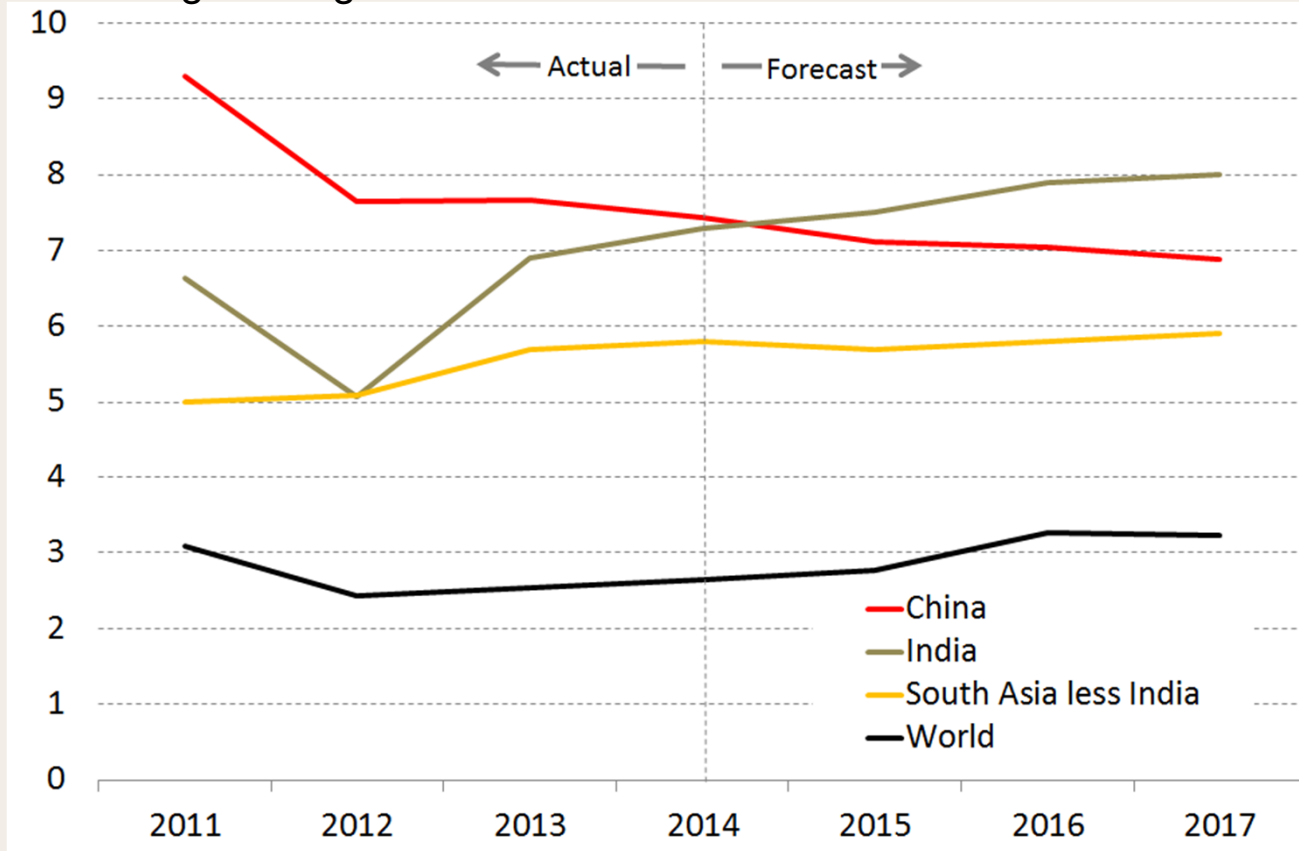


Reasons

Mega trend – The centre of economic gravity is shifting

GDP growth

Percentage changed based on constant 2010 USD



Source: World Bank, *Global Economic Prospects*, Dec 2014

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Growth in China and South Asian countries is outpacing the world



Reasons

Mega trend – Offshoring



Manila Shared Services – *finance, HR, market operations & IT*

ANZ Global Services & Operations (Manila) Inc. – *finance, business analytics, project management & HR (≈ 1,700)*



QBE Group Shared Services Limited – *finance, small claims, underwriting support & HR (≈ 1,000)*

Global Service Centre – *finance, quality assurance, risk & compliance, HR, project management & IT*



Deutsche Knowledge Services – *finance, business services & IT*

Citi Shared Services – *finance, HR, customer service & IT*



EY – *providing audit outsourcing for partner firms in Australia, HK & Singapore*

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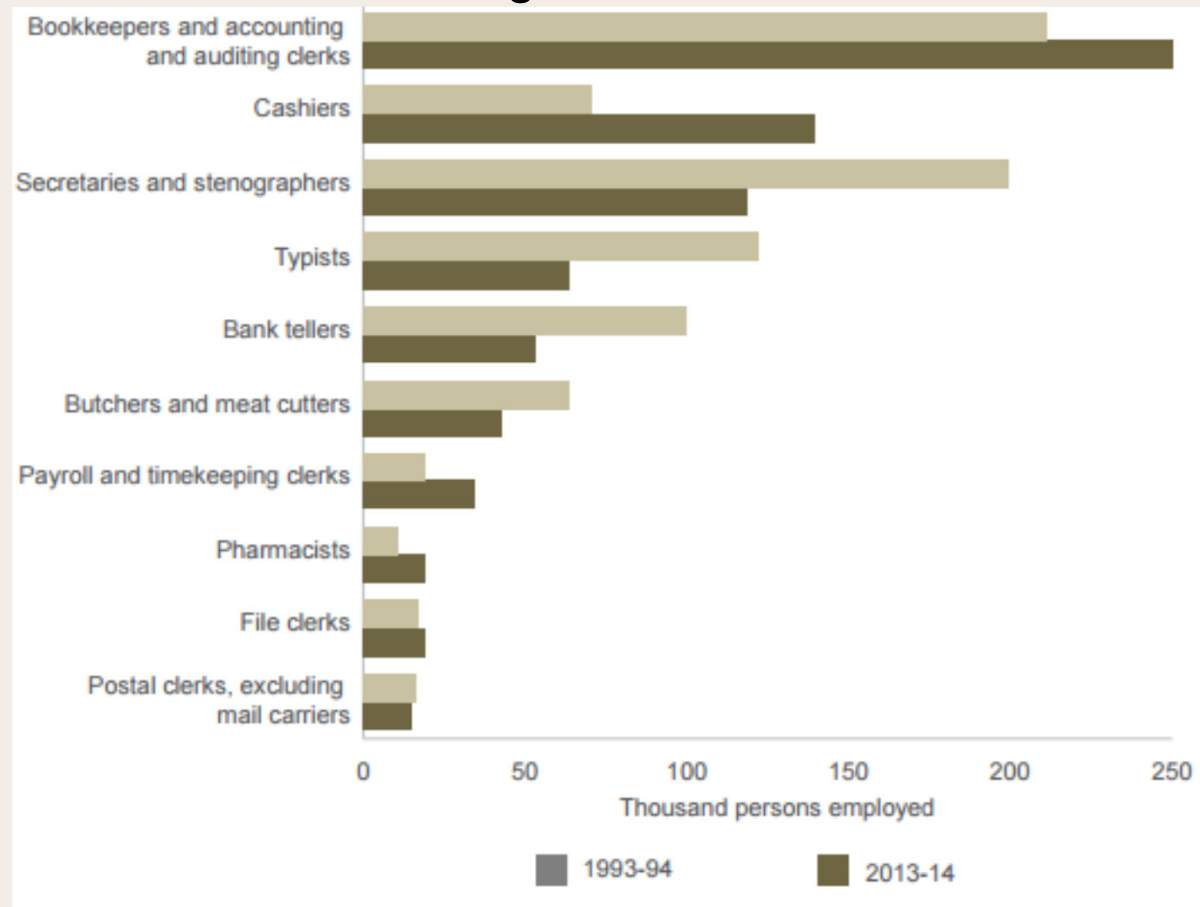
Use of shared service centres is a popular practice of Australian multinationals



Reasons

Mega trend – Automation

Jobs most at risk of being automated



Source: DOI, 2015

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Automation is supplanting basic not skilled professional roles



Reasons

Mega trends' impact on employer demands

Top 10 selection criteria when recruiting accounting and finance graduates

Selection criteria	Accounting and finance	All
Interpersonal and communication skills	1	1
Critical reasoning and analytical skills	2	3
Passion / knowledge of industry	3	2
Cultural alignment / values fit	4	6
Calibre of academic results	5	4
Emotional intelligence	6	7
Work experience	7	5
Teamwork skills	8	8
Activities	9	9
Leadership skills	10	10

Source : Graduate Careers, 2014

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Employers are demanding soft and higher order skills



What can be done?



Higher education providers

- provide Work Integrated Learning opportunities
- embed soft and higher order skills in programs
- supplement with English enhancement and other offerings

Government

- adopt skilled migration settings that attract and retain the best and the brightest
- encourage and support international education



Employers

- provide Work Integrated Learning opportunities
- create culturally safe workplaces
- dispel myths about visa barriers
- give international graduates a go



International graduates

- capitalise on work experience and volunteering opportunities
- invest in your work readiness skills

Professional bodies

- provide professional level studies and practical experience towards a professional accounting designation
- effectively manage and promote professional year programs
- support the pathways of international graduates

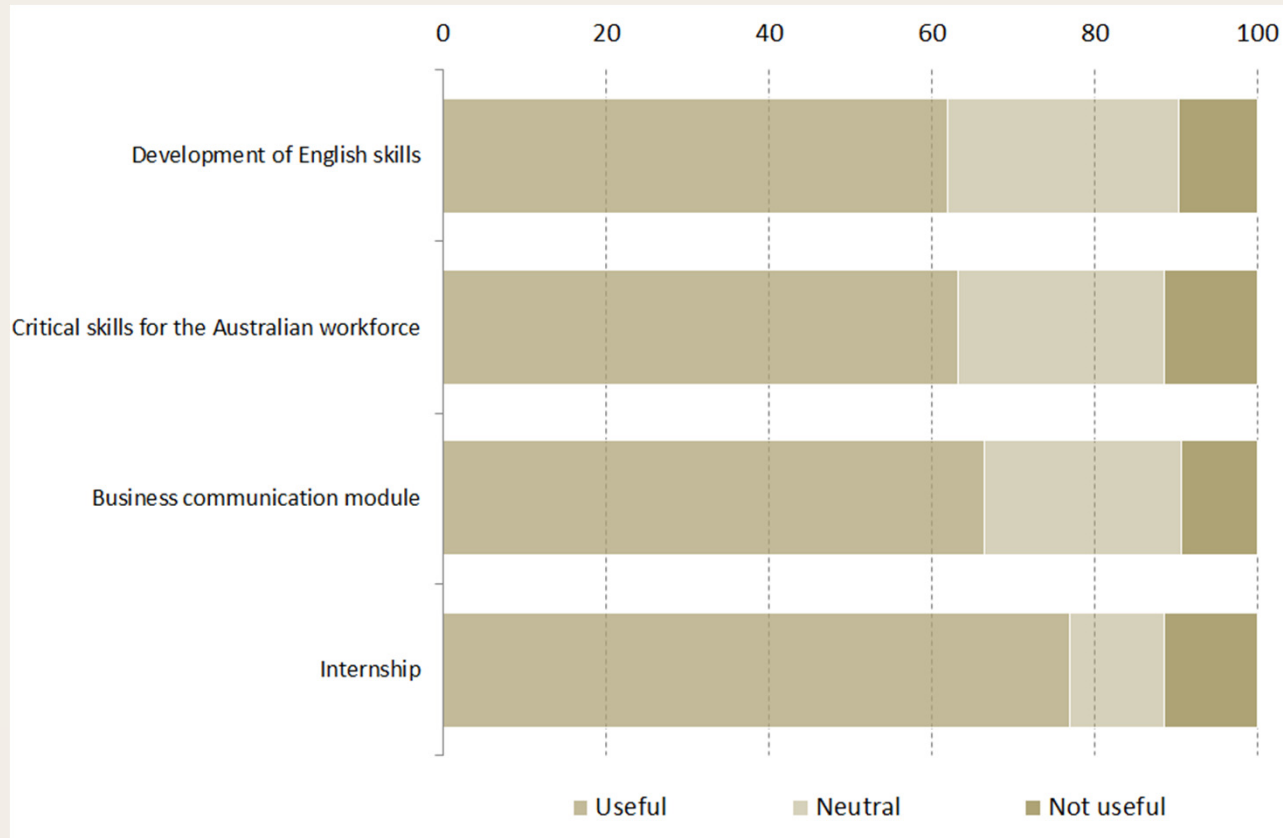


What can be done?

Professional year program

SMIPA component most useful for gaining employment

Graduate responses (percent)



Source: Jackling *et al.* 2014

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SMIPA makes a positive difference to employment outcomes and employability

