

Does Australia have too many accountants?

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It used to be one of the safest career choices. But while Australians are deserting the accounting profession, an avalanche of foreign accounting students has hit our universities, prompting a fight between the government and big firms about how many accountants we actually need.

The number of Australians studying accounting has fallen 20 per cent since 2001, with foreigners now vastly outnumbering local graduates.

The number of international graduates finishing undergraduate accounting degrees skyrocketed by 500 per cent between 2001 and 2012.

Indeed by 2012, there was just one local graduate for every 2.5 international graduates, *The Australian Financial Review's* analysis of university course data shows.

The lack of interest by local students in accounting comes as the federal government and the peak accounting bodies argue over how hard it is for accountants to get a job.

The Department of Employment says there is no shortage of accountants in Australia and has called for accounting to be taken off the Skilled Occupation List for migrants.

Big accounting firms report little difficulty in filling positions but also say they are selecting candidates with broader experience in psychology, engineering, technology and economics.

“A shortage of accountants is not something we have experienced,” said PwC’s human capital managing partner, Debra Eckersley.

“It’s not hard [to recruit] in the current market,” said Pitcher Partners HR director Elizabeth Nunez. “Large organisations are not putting on the volume of graduates since the financial crisis, so we can afford to be more selective.”

In contrast, the peak accounting bodies say there is a shortage of accountants especially in “regional, rural and remote areas”.

Being able to parlay a university course into citizenship and a career in Australia is one of the main selling points of local accounting courses.

“The DOE’s submission, with a focus on the immediate term, is the sole voice calling for accountants to be removed from the Skilled Occupation List,” a CPA Australia spokesman said.

In the past five years, around 40,000 migrants have entered the country through the accounting skilled stream, dwarfing the numbers entering with other types of priority skills.

During the same time, accounting graduates have found it harder to get a job. Data from Graduate Careers Australia shows 80 per cent of domestic accounting graduates were working full-time four months after finishing their course in 2012, compared to 93 per cent in 2001. This is still higher than the employment rate of all bachelor-degree graduates.

Caution advised

Accounting has already been flagged by the Australian Workforce and Productivity Agency, which develops annual advice on the skilled list for the Department of Immigration and Border Protection, as an occupation now considered a “borderline” inclusion on the list. The agency is doing a special investigation in the supply and

demand for accounting skills.

University of NSW head of accounting Professor Peter Roebuck advocates caution. He said while “it is wrong to promote [accounting] to overseas students with local job prospects not particularly strong, this assumes that overseas students come here for the prime purpose of getting permanent residency”.

Many Asian students study in Australia to improve their job prospects back in Asia, Prof Roebuck said.

Firms have no interest in having accounting struck off the list and prefer to hire locals as it is cheaper and lower risk.

Grant Thornton head of HR Kim Schmidt said the firm “is confident that we will be able to get our graduates from local sources”.

But PwC’s Ms Eckersley says “the more sources which help us attract the best talent, the better”.

Ms Nunez worries supply will tighten up again if business confidence lifts and companies start putting on additional resources.

CPA Australia and the Institute of Chartered Accountants argue that international accounting students are “a critical source of future labour supply” for Australia.

The government currently lists four types of accountants – accountant (general), management accountant, taxation accountant and external auditor – as being eligible for migration to Australia.

UNSW has an almost record enrolment in first-year accounting with over 1700 enrolled at present. Its record was 1800 in 2010.

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This story was found at: <http://www.smh.com.au/business/does-australia-have-too-many-accountants-20140212-32huv.html>