



Labour Market Research - Accountants

Australia

June quarter 2017

Occupations in cluster	Rating
2211 Accountants	No shortage

- The supply of accounting graduates exceeds demand, with advertised accounting positions attracting large numbers of degree qualified applicants (compared with the average across all assessed professions).
 - There is some evidence to suggest that international students in particular, have difficulty finding entry level positions once they finish their degrees¹.
- Many degree qualified applicants are considered by employers to be unsuitable for their advertised vacancies, for reasons including inadequate experience and experience which does not match the requirements of the position and poor communication skills.
- In 2017, almost every surveyed employer attracted applicants for their accountant vacancies.
 - One third of employers attracted 40 or more applicants, a further quarter attracted more than 50 and 8 per cent attracted more than 100.
 - Competition was stronger in metropolitan areas than in regional areas.
- The future demand for accountants is unclear.
 - The accounting sector is experiencing rapid technological change and routine tasks are being automated.
 - Accounting firms are also offshoring some basic accounting work which would, in the past, have been undertaken by graduates.
 - Accountants are expanding into more diverse activities.

Survey results²

- In 2017, almost every employer attracted applicants when recruiting for an accountant.
 - By comparison, 7 per cent of employers surveyed across all assessed occupations didn't attract any applicants for their vacancies.
- Since 2009, there have been consistently high applicant numbers for accounting vacancies.
 - In 2017, there were, on average, 36.8 applicants per vacancy, compared with 14.3 across all assessed occupations and 13.5 for all assessed professions.

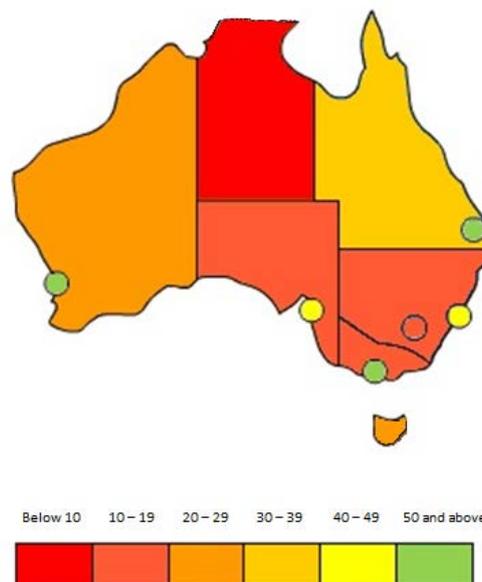
¹ Department of Education, *Higher Education Student Data Collection: Award Course Completions*, Customised table; Australian Financial Review, *Grad Glut yet Accountants on 457*, April 2017.

² The methodology underpinning this research is outlined at [Skill Shortage Research Methodology | Department of Employment - Document library, Australian Government](#) and can also be accessed by the QR code.



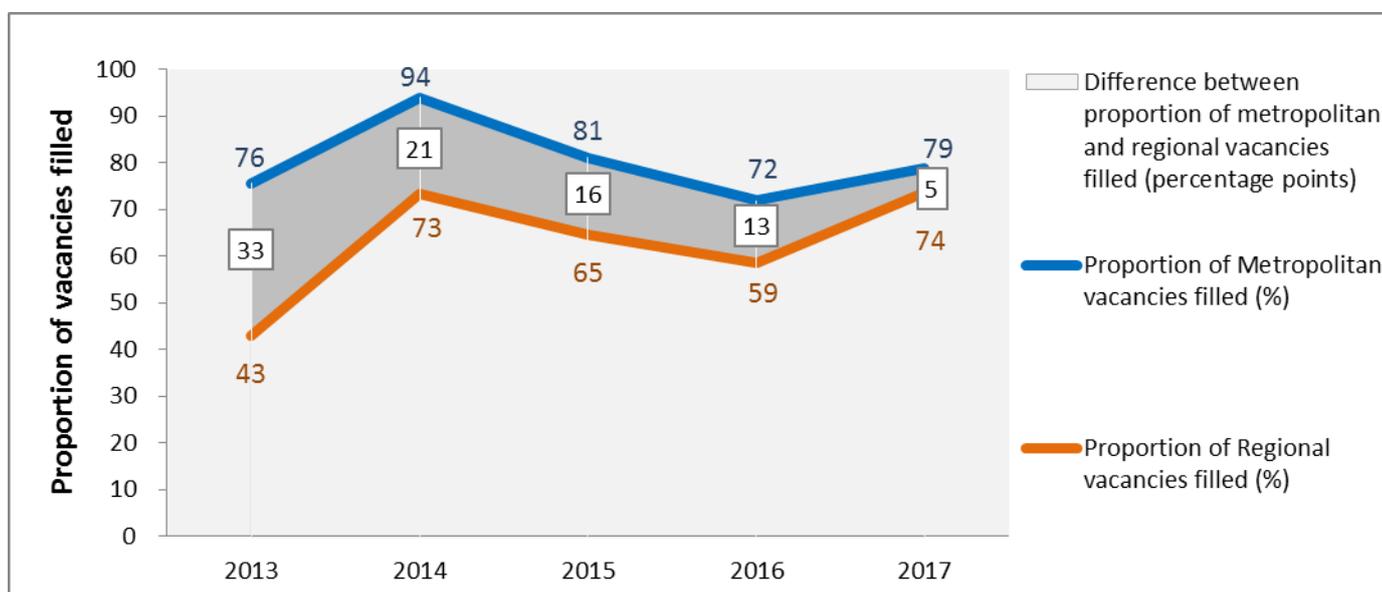
- Applicant competition for accountant vacancies was relatively strong nationally, although employers in metropolitan areas attracted considerably larger fields of applicants than their regional counterparts.
 - Metropolitan employers in Queensland, Victoria and Western Australia often received more than 50 applicants per vacancy (Figure 1).³
 - Nationally, metropolitan employers attracted 46.3 applicants per accounting vacancy, while regional employers received 19.1.
 - By comparison, employers across all occupations attracted 17.3 applicants in metropolitan areas and 9.4 in regional areas.

Figure 1. Average Applicant Numbers by Location



- In metropolitan areas 79 per cent of accountant vacancies were filled, while a lower proportion (74 per cent) of vacancies were filled in regional areas. In previous years the disparity between vacancies filled in metropolitan and regional areas was more prominent, with a lower proportion of vacancies being filled in regional areas (Figure 2).

Figure 2: Difference between vacancies filled in metropolitan and regional areas, Accountants, 2013 to 2017



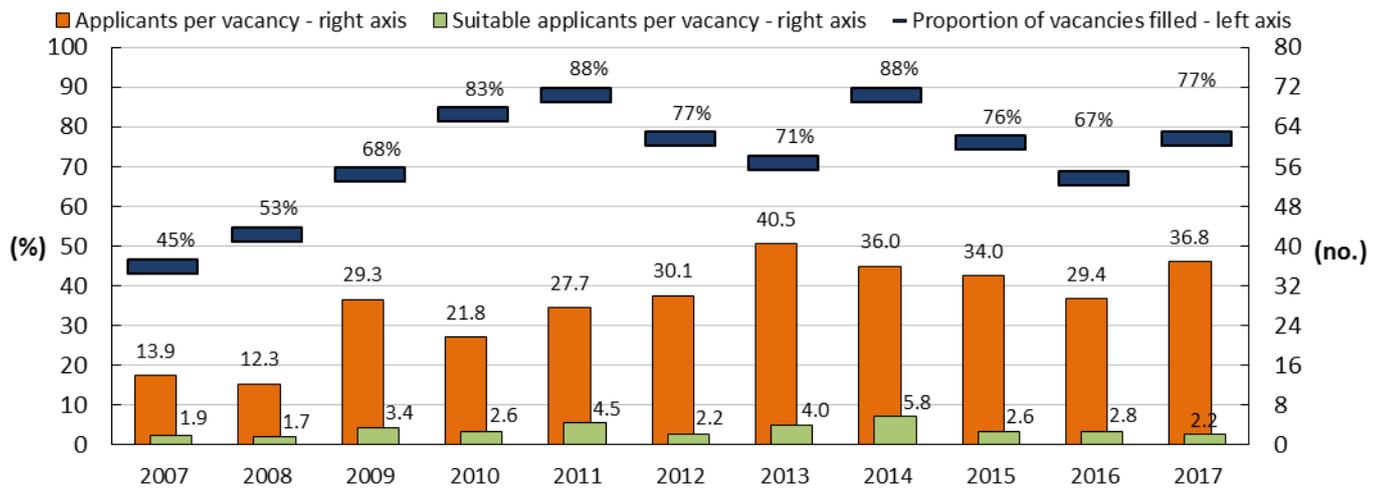
Source: Department of Employment, Survey of Employers who have Recently Advertised

- On average, there were 2.2 suitable applicants per vacancy, the lowest average since 2012. The number of suitable applicants per vacancy peaked in 2014 at 5.8, aligning with a record 88 per cent of vacancies being filled (Figure 3).
 - The proportion of vacancies filled has fluctuated over the past few years, although remains below the 2014 peak.

³ Low contact numbers in NT and TAS did not permit regional and metropolitan breakdown

- In 2017, 77 per cent of accountant vacancies were filled.

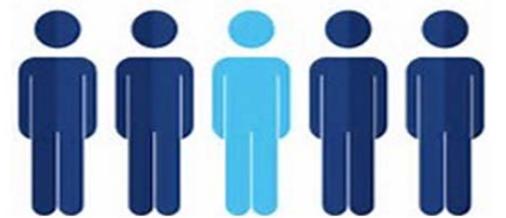
Figure 3: Proportion of vacancies filled (%), average number of applicants and suitable applicants per vacancy (no.), Accountants, 2007 to 2017



Source: Department of Employment, Survey of Employers who have Recently Advertised

Reasons applicants were unsuitable

- Despite holding relevant qualifications, a significant proportion of accountant applicants were deemed unsuitable for the surveyed vacancies.
 - In 2017, there were 16.4 degree qualified applicants per vacancy, of whom 81 per cent were considered to be unsuitable.
 - Employers often cited lack of experience as the reason candidates were considered unsuitable. This included a lack of experience in specific areas such as taxation, as well as more general workplace experience.
 - A number of applicants lacked the communication skills needed to liaise with clients.
- The research findings align with recent media articles, which have reported accounting graduates are often lacking the ‘soft skills’ that employers are seeking.⁴
- In addition to holding an accounting qualification, employers often sought applicants with, or working towards, Chartered Accountant (CA) or CPA accreditation.



Employers considered 4 out of every 5 qualified applicants to be unsuitable

Demand and supply trends

Employment

- There were around 189,100 accountants employed in May 2017. Employment has grown by 15.1 per cent over the past five years, more than double the rate of employment growth across all occupations (up by 7.1 per cent).⁵
- Accountants are employed across all industries.

⁴ Australian Financial Review, *What Students wish they had known earlier*, 3rd April 2017. Accountants Daily, ‘Flood’ of new grads, job seekers missing the mark, 16th November 2016. Accountants Daily, *Uni fears accounting grads geared for ‘big corporates’*, 7 December 2016.

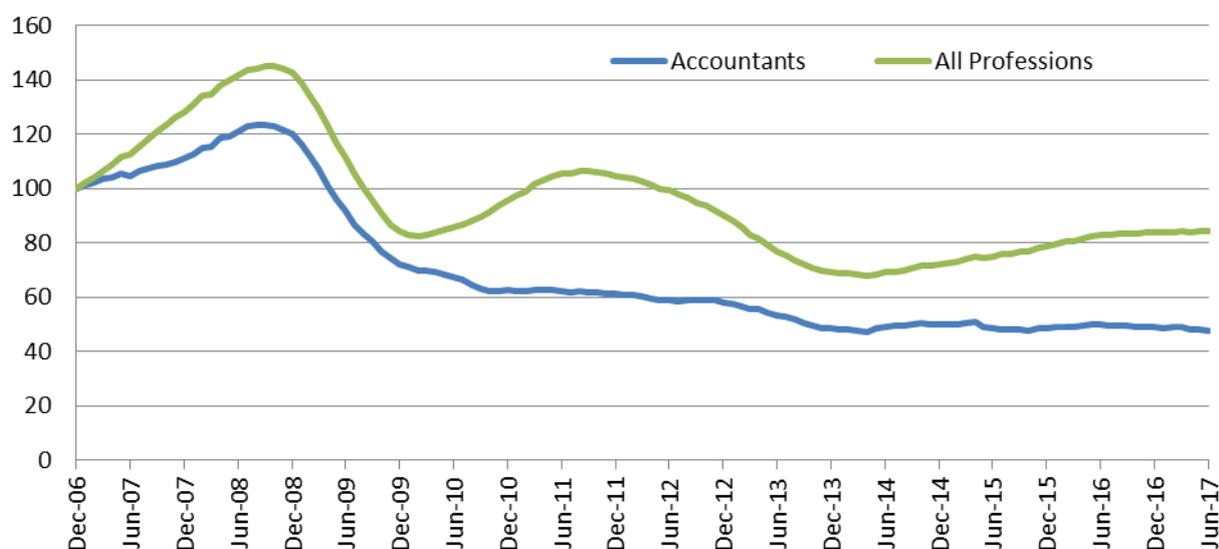
⁵ ABS, *Labour Force*, May 2017, Department of Employment trend

- In 2016, 48.2 per cent of accountants were employed in Professional, Scientific and Technical Services, 10.9 per cent were employed in Financial and Insurance Services, and 5.7 per cent in each of Public Administration and Safety and Manufacturing.⁶

Vacancy levels

- Advertised vacancy numbers for accountants have fallen markedly since 2008 and have stabilized in the last three to four years (Figure 5).⁷
 - There were 3.7 per cent fewer vacancies advertised on the Internet for accountants over the year to June 2017 compared with the same period to June 2016, with advertised vacancy levels around 60 per cent below the peak demand period to mid-2008 (Figure 5).

Figure 5: Internet Vacancy Index, Accountants, Dec 2006 to June 2017 (indexed)



Source: Department of Employment, Internet Vacancy Index, 12 month moving average (Dec 2006 = 100)

Training

- There are a number of courses which satisfy entry requirements to the profession, so examining higher education data by course specialisation, therefore, provides the most useful basis for analysis. Completions data by course specialisation show that the number of domestic student completions in accounting has not changed markedly over the last decade.
 - The number of domestic students completing a bachelor or postgraduate degree and specialising in Accounting has remained fairly stable over the last ten years (ranging from 6700 to 7600) despite a marked rise in higher education completions across all fields of education.⁸
- The number of international students graduating with a specialisation in Accounting is significantly larger than the domestic cohort.
- International student completions peaked in 2011 with 16,600 international graduates compared with 7,600 domestic graduates.⁹

⁶ ABS, *Labour Force*, Annual average 2016, Customised table

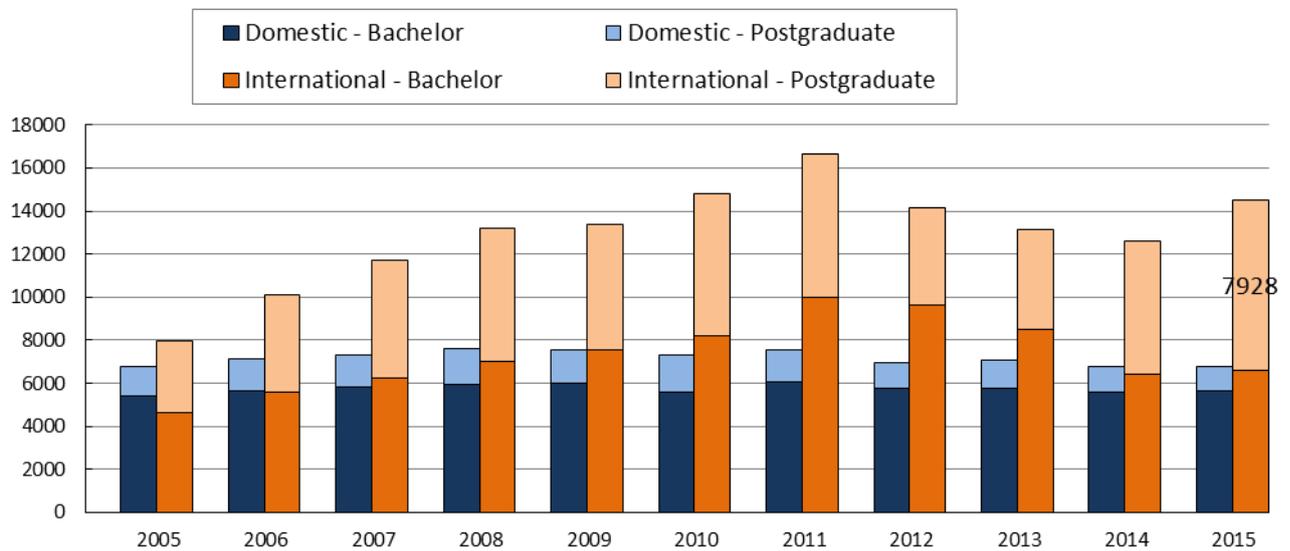
⁷ Department of Employment, *Internet Vacancy Index*, 12 month moving average

⁸ Department of Education, *Higher Education Student Data Collection: Award Course Completions*, Customised table

⁹ Includes Bachelor and Post Graduate completions (by course specialisation).

- In 2015, for every domestic student who completed a qualification with an Accounting specialisation, there were twice as many international students (2.1). This imbalance is more stark for commencements, with 3.9 international students for every domestic student commencement (up from 2.5 in 2010).

Figure 6: Higher education completions by course specialisation, Accounting, 2005 to 2015



Source: Department of Education, Higher Education Student Data Collection, ASCED Accounting

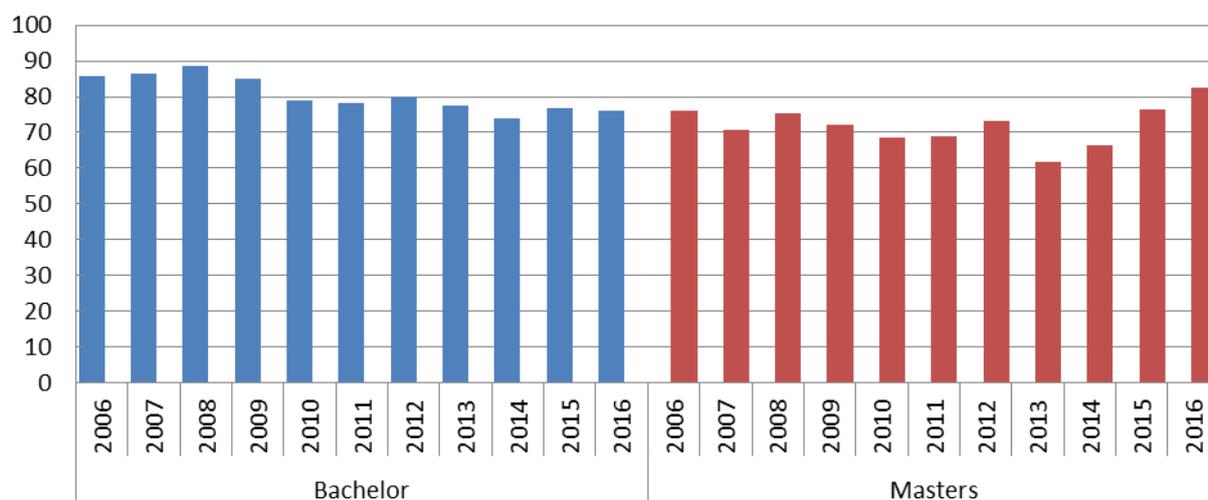
Graduate outcomes

- There is evidence of a surplus of accountants at the entry level, with graduates experiencing weaker employment outcomes and relatively low pay rates.
- In 2016, the median starting salary for domestic accounting bachelor degree graduates was \$53,500, below the average for all bachelor degree graduates of \$57,800.¹⁰
- Graduate employment outcomes for bachelor degree graduates have declined markedly since 2008, with 76.2 per cent in full-time employment (in any job, not necessarily one related to their studies – see below) in 2016 (compared with 88.6 per cent in 2008 and 76.9 in 2015) (Figure 7).¹¹
 - The 2016 Graduate Outcomes Survey (GOS) shows that 76.2 per cent of undergraduate degree level accounting graduates were working full-time (as a proportion of those available for full-time work four months after graduation). While the proportion of accounting graduates employed was slightly stronger than the average for all undergraduate degree graduates (70.9 per cent), employment outcomes are 12 percentage points lower compared with 2008 (which showed the strongest outcomes over the past decade).

¹⁰ Graduate Outcomes Survey (GOS), 2106, custom data. Data are for those employed full time, and excludes international graduates.

¹¹ Graduate Outcomes Survey (GOS), 2106, custom data.

Figure 7: Proportion in full-time employment, Accounting graduates, 2006 to 2016



Source: Graduate Outcomes Survey (GOS), Graduate Destinations, custom tables

Note: Refers to the proportion of domestic graduates who were available for full-time employment, who were in full-time employment four months after the completion of their training

- The occupational match for bachelor degree accounting graduates is relatively poor. Of those who found full-time work in 2016, just over half (52.3 per cent) secured jobs as accountants, 8.4 per cent as auditors, company secretaries and corporate treasurers, while almost 20 per cent were employed in lower skilled clerical and administrative or sales positions (Table 1).

Table 1: Top occupations, accounting bachelor degree graduates 2016 (% of those employed full-time four months after graduation)

Top five occupations	%
Accountants	52.3
Clerical and Administrative Workers	16.0
Auditors, Company Secretaries and Corporate Treasurers	8.4
Sales Workers	2.8
Financial Investment Advisers and Managers	2.1

Source: Graduate Outcomes Survey (GOS), Graduate Destinations, 2016, customised table

- Some media reports also provide commentary on graduate labour markets in accounting and the prospects for accounting students, particularly international students.
 - Some suggest that international students who graduate with Australian degrees, are experiencing difficulty finding entry level jobs in accounting due to supply of international graduates exceeding available jobs.¹²
 - Industry commentary also reports that some employers consider tertiary training to be insufficient and not aligned with their needs, with graduates “not equipped for the realities of a modern accounting practice”.¹³

Outlook

- The accounting sector is experiencing rapid technological change and, as a result, the nature of accounting work is evolving.¹⁴

¹² Australian Financial Review, *Grad Glut yet Accountants on 457*, 26 April 2017.

¹³ Accountants Daily, *'Flood' of new grads, job seekers missing the mark*, 16 November 2016; Accountants Daily, *Uni fears accounting grads geared for 'big corporates'*, 7 December 2016; Accountants Daily, *Accountant Training Group acquired by Competitor*, 13 February 2017.

- As more repetitive and administrative tasks become automated, an increasing proportion of accountants' workload will involve analytical thinking and communicating options to persuade others to take action.¹⁵
- A number of recent reports and media articles have raised concerns that accounting firms are offshoring basic accounting work which would, in the past, have been undertaken by graduates.¹⁶
 - There are some suggestions that this may be contributing to a lack of mid-level accountants in Australia as graduates are not being given the opportunity to gain experience and build their skills in the sector.¹⁷
- The work of accountants is diversifying into broader roles in finance, commerce and management.¹⁸
 - As the traditional boundaries of accountancy work evolve, employers are seeking accountants with transferable skills who can work across more diverse business areas.¹⁹
 - Large accounting firms now recruit graduates from range of fields of study (including law and engineering) as part of the provision of a suite of professional services.

14 Accountants Daily, *Accountants told to get 'ahead of curve' amid redundancy fears*, 24 November 2016; Sydney Morning Herald, *School-leavers to bypass uni under finance pilot program*, 1 May 2017; Adelaide Advertiser, *Numbers Steady in Accounting*, 1 July 2017; The Foundation for Young Australians (FYA), *New Work Order Report Series*, 2017.

15 Australian Financial Review, *Accountants wanted that can think outside the box*, 13 February 2017; Adelaide Advertiser, *Numbers Steady in Accounting*, 1 July 2017; The Foundation for Young Australians (FYA), *New Work Order Report Series*, 2017.

16 Accountants Daily, *Graduate neglect leads to lacklustre mid-level talent*, 28 December 2016; Accountants Daily, *Outsourcing hitting Aussie accounting graduates*, 4 January 2017; Accountants Daily, *Offshoring creates mid-level talent shortage*, 15 March 2017.

17 Accountants Daily, *Offshoring creates mid-level talent shortage*, 15 March 2017; Accountants Daily, *Graduate neglect leads to lacklustre mid-level talent*, 28 December 2016.

18 Australian Financial Review, *Grad Glut yet Accountants on 457*, 26 April 2017; Accountants Daily, *Hotspots of accounting skills demand revealed*, 5 April 2017; Accountants Daily, *Skills in demand this financial year: part 1*, 29 July 2017.

19 Australian Financial Review, *Accountants wanted that can think outside the box*, 13 February 2017; Accountants Daily, *Skills in demand this financial year: part 1*, 29 July 2017.