

# Draft Core Skills Occupations List

**KPMG submission**

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[KPMG.com.au](https://www.kpmg.com.au)

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# Executive summary

As a leading professional services firm, KPMG Australia (KPMG) is committed to meeting the requirements of all our stakeholders – not only the organisations we audit and advise, but also employees, governments, regulators and the wider community.

We strive to contribute to the debate that is shaping the Australian economy and welcome the opportunity to provide a submission in response to the Jobs and Skills Australia Consultation: Draft Core Skills Occupations List (the Consultation).

KPMG supports an ongoing, substantial immigration program with an emphasis on younger, highly skilled migrants, in addition to the humanitarian and family reunion streams. We appreciate the economic benefits that skills migration delivers to Australia.

KPMG has previously called for reforming the points test on areas where we believe there will be the greatest return for the Australian economy. This includes attracting a younger demographic to remain in Australia, attracting talent with strong employment prospects or in demand skills and incentivising skilled talent to live and work in locations where their skills and attributes are needed most.

KPMG broadly agrees with the recommendations in the migration strategy that there is an important role for Jobs and Skills Australia to maintain an evidence-based occupations in demand list that is aligned with the evolving workforce demographics. Importantly, in our view, this should also include an update of the Australian and New Zealand Standard Classification of Occupations (ANZSCO) to better reflect emerging occupations and skills in demand. This is especially important for the External Auditor role to ensure it covers the external assessment of 'non-financial' information as well as 'financial' information. Ensuring that external sustainability assurers can access a skilled migration pathway is critical for the achievement of the Federal Government's proposed climate related financial disclosure assurance road map.

In preparing this submission, KPMG has assessed a scenario where the number of offshore permanent migrants is increased by a cumulative 200,000 over the next six years. In this scenario, real GDP in 2030 is estimated to be about \$26 billion higher than in a baseline projection where the migrant intake is consistent with the profile set out in the 2024-25 Federal Budget.

Alongside this, KPMG has identified the following occupations that are included on the targeted for consultation list by Jobs and Skills Australia which are addressed in the annexure to this submission for Jobs and Skills Australia's consideration:

- Accountant (General)
- External Auditor
- Internal Auditor
- ICT Business Analysts
- Cyber Security Specialist
- Management Accountant
- Finance Managers
- Taxation Accountant
- Cyber Security Engineer

KPMG and its clients are required to meet mandatory legislative and regulatory audit requirements imposed on companies, government organisations and other entities. The above occupations are critical to KPMG and a range of its clients.

Audits completed by KPMG must be fulfilled by competent and professionally skilled auditors if trust and confidence in capital markets are to be upheld. The role of audit is intrinsically embedded in all facets of the Australian economy.

The criticality of the role of audit has been highlighted by key stakeholders including the Parliamentary Joint Committee on Corporations and Financial Services, the Treasury and the Australian Institute of

Company Directors. With the introduction of Australian Sustainability Reporting Standards (ASRS), the specialised skills required will broaden and the volume of qualified auditors must increase.

KPMG is a significant employer of Australian graduates investing heavily in training graduate employees, and ongoing training and development, retention and recruitment initiatives to ensure auditors maintain the skill level required to undertake this technical and specialised role in a regulated environment.

International markets have been a significant source of audit talent for KPMG to fill vacancies for experienced auditors due to the unavailability of sufficient numbers of experienced candidates domestically. This submission demonstrates the average annual volume of international recruitment on which KPMG rely.

If you would like to discuss the contents of this submission further, please do not hesitate to reach out.

Yours sincerely,

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# Background

## About KPMG

KPMG is a global organisation of independent professional firms, providing a full range of services to organisations across a wide range of industries, governments and not-for-profit sectors. We operate in 146 countries and territories and have more than 227,000 people working in member firms around the world. In Australia, KPMG has a long tradition of professionalism and integrity combined with our dynamic approach to advising clients in a digital-driven world.

KPMG currently employs 30 staff in its Immigration Services business, which was established in 1988 with a focus on providing immigration advice and assistance to businesses looking to access the various employer-sponsored visa categories. The KPMG immigration team collectively has a wealth of technical and practical experience across all immigration matters and draws from many years of experience working in the immigration consulting industry, including within in-house global mobility teams.

# KPMG Insights

# KPMG Insights

## Migration's role in driving economic outcomes

As outlined in KPMG's recent response to submission in response to the Department of Home Affairs Discussion Paper: *Review of the Points Test*, Australia's migration policy framework has supported Australia to become one of the most successful multicultural societies in the world and KPMG strongly supports the important role it plays in enriching communities and contributing to economic growth.

The points test plays an important role in attracting and retaining the right mix of foreign talent. The visa pathways that currently are subject to the points test as part of the assessment criteria attract talented migrants who are seeking to make a long-term commitment to Australia, and who often have limited alternative pathways to remain in Australia, such as via company-sponsored options.

The CSOL serves an important complementary purpose to the reforms to the points test in ensuring that Australia attracts and retains the skills in demand required to drive economic growth and boost productivity.

With the planned reduction in net overseas migration, it has never been more important to ensure that skilled migrants are prioritised. KPMG broadly agrees with the Government's migration strategy findings released in December 2023 that the points test is not operating in a way that will lead to the selection of migrants best able to contribute to Australia's long-term needs.

Similarly, KPMG broadly agrees with the recommendations in the migration strategy that there is an important role for Jobs and Skills Australia to maintain an evidence-based occupations in demand list that is aligned with the evolving workforce demographics.

Having stated this, our submission focused our observations and suggestions to reform the points test on areas where we believe there will be the greatest return for the Australian

economy. The points test and an evidenced-based CSOL and Priority Occupations List can play an important role in driving the right economic outcomes for Australia, including providing important support for businesses while also incentivising decisions of skilled migrants that benefit both the migrant and the Australian economy. To ensure benefits are maximised, we considered the following areas should be the focus of reform:

- Updating ANZSCO to better reflect emerging occupations and skills in demand;
- Attracting a younger age demographic to remain in Australia;
- Ensuring that Australia attracts and retains talent with strong employment prospects, or who have skills that are in demand and deliver economic benefit to Australia; and
- Incentivise skilled talent to live and work in locations where their skills and attributes are most needed.

In previous submissions to government, KPMG has also recommended that government settings should help facilitate an increase in migration arrivals and complement the uplift of domestic workforce skills and education efforts. This should include efforts to make migration gender equitable, targeting skilled women migrants, and providing better support to women who come to Australia under their partner's visa and subsequently have limited work and other opportunities.

Lastly, we continue to advocate for broader reform that facilitates mutual recognition of qualifications in like jurisdictions. This will ensure that skilled migrants can contribute immediately where their qualifications meet certain deemed mutual recognition requirements.

## The economic benefits of skilled migration

KPMG has previously conducted an analysis of the economic impacts of immigration<sup>1</sup>. It found that in a scenario where the number of overseas migrants increased by 265,000 in the subsequent

<sup>1</sup> [A Migration System for Australia's Future: KPMG](#)

five years, real GDP was projected to be almost \$30 billion higher than in a baseline projection. Assuming that the new skilled migrants are 20 per cent more productive than the incumbent workforce on average, there was an additional projected \$5 billion lift to GDP in 2030.

If these additional migrants were all offshore permanent migrants, it implied increasing the permanent migration cap by 25,000 in 2022-23 and then an additional 60,000 in 2023-24, 2024-25, 2025-26 and 2026-27, culminating in an additional 265,000 permanent migrant arrivals over five years. Following these targeted increases to the permanent migration cap, the cap would return to the average level in the last decade of around 195,000 per annum (noting that this figure includes onshore permanent migrants, who are not counted in the net overseas migration figure), with net overseas migration returning to a base case assumption of 235,000 per annum.

At the time, KPMG was supportive of raising the cap by 265,000 over the next five years to address both skills shortages and migrants lost through the pandemic. Following the five-year increase, we recommended that the rate should return to the average level over the last decade of around 195,000 or consistent with a set level of Australia's population.

### KPMG Revised Analysis

KPMG recognises the changing economic environment in recent years and the challenges this presents for government. In an update to our previous analysis, KPMG has assessed a scenario where the number of offshore permanent migrants is increased by a cumulative 200,000 over the next six years. These additional permanent migrants are assumed to be of working age and endowed with skills that make them 20 per cent more productive than the incumbent workforce.

The additional intake involves increasing the permanent migration cap by 30,000 in 2025-26 and in equal steps of an extra 5,000 a year to reach a total extra intake of 200,000 in 2029-30.

YEAR	INCREASE IN SKILLED PERMANENT MIGRANTS
2024-25	-
2025-26	30,000
2026-27	35,000
2027-28	40,000
2028-29	45,000
2029-30	50,000
<b>Total</b>	<b>200,000</b>

Real GDP in 2030 is estimated to be about \$26 billion higher than in a baseline projection where the migrant intake is consistent with the profile set out in the 2024-25 Federal Budget.

The consistent theme in KPMG's analysis of immigration is that there are valuable benefits to the economy from biasing the intake towards individuals who are younger and more highly skilled than the average of the Australian population.

Our analysis provides support for policies aimed at addressing shortages of the types of skills required by high value-adding businesses. Increasing the number of Australians with specific high value-adding skills through education and training or retraining takes time. Our education and training institutions need time to gear up to meet the increased demand for these highly skilled members of the workforce. Targeted skilled migration intakes have the capacity to fill these short-term skills gaps to the benefit of Australia as a whole.

KPMG supports an ongoing, substantial immigration program with an emphasis on younger, highly skilled migrants, in addition to the humanitarian and family reunion streams.





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