11th December 2023

The Hon Tony Burke MP, Minister for Employment and Workplace Relations
The Hon Brendan O'Connor MP, Minister for Skills and Training
The Hon Jason Clare MP, Minister for Education
The Hon Clare O'Neil MP, Minister for Home Affairs
The Hon Andrew Giles MP, Minister of Immigration, Citizenship and Multicultural Affairs

Sent via email

Dear Ministers,

Improving employability and migration outcomes for international graduates and migrants by building on professional year programs

A paradox exists: Australia's demand for talent is huge, yet many international students who stay on to work after graduation are not working in their field of study. This observation also applies to migrants more generally.

While the situation is particularly acute now, this paradox has persisted over time. For around 15 years, the Australian Computer Society (ACS), Engineers Australia, CPA Australia, Chartered Accountants Australia and New Zealand (CA ANZ) and the Institute of Public Accountants (IPA) (the professional bodies) have helped improve the work readiness of international graduates in our fields through our professional year (PY) programs. However, there remains scope for us to do better and to do more, for more, with the help of the government.

The submission at Attachment 1 provides information about the PY, including its origin and purpose, its outcomes and benefits, and evidence on why it continues to be relevant. Importantly, it also advises you of our plans to add value to the PY, broaden its reach and introduce complementary initiatives. Such changes should increase demand for PY programs and thereby facilitate better use being made of international graduate and migrant talent. However, there are a few instances where we cannot upgrade our program due to rules, regulations and other barriers. We seek your assistance in removing obstacles to enable positive change to our PY programs.

Our recommendations are:

1. Schedule 6D of the Migration Regulations 1994 be amended to remove the expectation that PY programs run for a period of at least 12 months.
2. The government permits the professional bodies to deliver the PY programs within a more flexible arrangement, allowing for a shortened duration.
3. The government permit the professional bodies to introduce or approve alternative modes of delivering the formal learning and work experience components of the PY, as well as opt-in pre-employment and transition services.
4. The government permit the professional bodies to introduce PY entry requirements that align with industry expectation ensuring international graduates commence the PY within the 24 months immediately following university graduation.
5. The government amend Schedule 6D of the Migration Regulations 1994 to extend the validity of the PY Program, and its allocated points from four to six years.
6. The government extend the PY program to overseas graduates of IT, accounting and engineering programs, where there are grounds for confidence in their technical competencies.
7. The government offer a PY to other recent migrants who have not worked in Australia.
8. The government and professional bodies examine the merits of introducing PY programs in other professions facing skill shortages.

To inform this submission, we have actively engaged our stakeholders. This included holding separate discussion forums with employers and international students in most states and territories. We also surveyed employers in our fields nationally. Further, we have drawn on data, evidence and information sources in the public domain.

The submission in Attachment 1 represents a unique collaboration between the professional bodies responsible for the PY programs. Together we represent a combined membership of over half a million professionals. We serve the interests of our members and society by supporting contemporary and future fit workforces in our respective fields. This common endeavor extends to global talent. Attachment 3 provides more information about us.

We welcome the opportunity to discuss our submission and will arrange a time with your offices. Please also feel free to contact us:

- Elizabeth (Betsy) Gregg, Director, Migration Pathways at ACS on 0407 553 162 or elizabeth.gregg@acs.org.au
- Roslyn Tilley, Manager for Migration Programs at Engineering Education Australia[1] on 0467 001 339 or roslyn.tilley@eea.org.au
- Sue La Roche, Accounting Professional Year Program Manager at CPA Australia[2] on 0466 480 631 or sue.laroche@cpaaustralia.com.au
- Sarah Davidson, Education, Skills, Migration and Policy Leader at CA ANZ on 02 9290 5639 or sarah.davidson@charteredaccountantsanz.com
- Philomena Leung, Director of Education at IPA on 02 8262 6001 or philomena.leung@publicaccountants.org.au.

Signature

Siobhan O'Sullivan
Chief Growth Officer
Australian Computer Society

Signature

Damian Ogden
Group Executive Policy and Public Affairs
Engineers Australia

Signature

Simon Hann
Group Executive Education & Learning
Chartered Accountants ANZ

Signature

Rebecca Keppell-Jones
Chief of Member Operations
CPA Australia

Andrew Conway
Chief Executive Officer
Institute of Public Accountants

[1] Engineering Education Australia is Engineers Australia's training provider.

[2] Sue manages the Accounting PYP on behalf of the three professional accounting bodies.

Attachment 1: Submission

ENGINEERS
AUSTRALIA

CHARTERED ACCOUNTANTS™
AUSTRALIA + NEW ZEALAND

INSTITUTE OF
PUBLIC
ACCOUNTANTS®

Contents

Figures

Tables

Boxes

Executive Summary

The PY for international graduates of IT, accounting and engineering are work readiness programs available to overseas graduates of bachelor and higher programs in these fields. The focus is on preparing graduates for the workplace covering culture, practices, ethics and employee rights.

The historical origins of the PY lie in the recommendations of government appointed experts to deliver a 'professional year' to address the poor labour market outcomes of international graduates of Australian higher education programs in fields where there were skills shortages. That was 2006. But it might just as well have been 2023, as employers are currently struggling to recruit suitable IT, accounting and engineering managers and professionals. And, if little is done, will continue to struggle into the future.

PY programs for IT, accounting and engineering were progressively introduced by the professional bodies responsible for each over 2008 and 2009. While there are some nuances in their governance and funding arrangements, since the beginning they have followed the same broad structure: they comprise a formal learning component conducted in class delivered by providers accredited by the professional bodies, and a work experience component, with internship host employers sourced and vetted by providers.

Enrolments in a PY climbed pre-COVID, but have been falling in more recent years. This reflects changes in the pipeline of international students in each field, post study work rights, migration points thresholds and labour market conditions. Perversely, just when employers are seeking work-ready graduates the most, international graduates are demanding it the least. Our plans for improvement aim to turn this situation around.

For good reason, as the PY programs are getting results. Larger shares of PY program graduates are employed than international graduates who do not go through the PY programs in the three fields of IT, accounting and engineering. And higher proportions of them are making good use of their skills and education. The feedback from PY graduates and employers provide confidence that these differences in outcomes are in large part attributable to the PY.

But just because the PY is getting great results does not mean that it should not change. To the contrary, change not only makes sense, it is imperative. Under current conditions providers are struggling to remain viable; cost, time commitments and internship availability are a barrier to international graduate participation; and there is the potential to do better and do more, for more – for international graduates, other categories of migrants and employers – with the support of government.

The recommendations in the cover letter and peppered throughout the final section of this submission indicate how the government can support us implement program enhancements and broaden the reach of the PY.

The program enhancements covered include:

- identifying talent early – within the first two years of graduation
- extending the validity of the five migration points from completing a PY from four to six years
- shifting the focus from inputs and activities – time and prescribed delivery methods – to enabling flexible approaches to driving outcomes
- continuing our conversation with employers on how to move from binary measures of passing or failing the PY to something more meaningful.

Ways by which the PY can have a broader reach are to:

- extend the PY programs to graduates from overseas higher education providers
- offer a PY to migrants who have not worked in Australia
- develop PYs for other professions facing skill shortages.

In addition, we are continuing to look at ways we can add to the suite of initiatives that we already offer that complement the PY.

We look forward to discussing these opportunities further with you.

Background

Historical context

In 2005, the Minister for Immigration and Multicultural and Indigenous Affairs commissioned academic immigration experts to conduct an analysis of Australia's General Skilled Migration (GSM) policies to determine the efficacy of labour policy outcomes. They were charged with determining whether the program was meeting its original objective of successfully filling identified skill shortage requirements in the Australian workforce.

The resultant 2006 report distilled reasons for the poor labour market outcomes of overseas graduates of Australian higher education programs. Namely, graduates were found to be lacking in: the vocational knowledge base needed to take on professional level employment in their fields; work experience in their chosen occupations; and the English language proficiency expected by employers.[3]

The report recommended higher education graduates complete a year of relevant professional training additional to their qualification. It further recommended that this 'professional year' include content approved by the relevant accrediting authorities, covering professional and technical skills and practical on-the-job experience assessed to facilitate employment in Australia at the professional level.[4]

During 2008, the Minister for Immigration and Citizenship gazetted legislative instruments specifying the PY programs run by the professional bodies in the areas of IT, accounting and engineering.[5] Applicants that complete the specified PY programs were awarded 10 points under the GSM points test (now 5 points).

The PY programs in IT and accounting commenced in 2008. PY Engineering commenced a year later, in 2009.

Roles and responsibilities

The gazetted responsibility of the professional bodies is to provide PY programs in their fields on behalf of the government. The Department of Home Affairs (DHA) is the government's departmental representative for the PY. It sets the parameters and expectations that guide the professional bodies discharge of their responsibilities. And monitors their activities through the periodic collection of PY student data from the professional bodies. DHA neither provides funding for the PY nor receives any from the professional bodies.

The professional bodies are responsible for:

- selecting and accrediting PY program providers
- assuring provider quality and compliance;
- framing and guiding delivery
- developing and maintaining the PY curriculum
- determining students' complaints and appeals
- reporting to the DHA.

There are differences in how each of the professions discharge and fund their responsibilities. One example of this is that the Accounting PYP is fully outsourced to providers, while ACS and Engineers Australia deliver some aspects of their PY programs. Another is that Engineers Australia charges

---

[3] Birrell, B, Hawthorne, L and Richardson, S (2006) Evaluation of the General Skilled Migration Categories, Department of Immigration and Multicultural Affairs, March, p 160.

[4] Ibid, pp 171-172.

[5] Legislative instruments made under the Migration Regulations 1994 successively recognised the professional bodies for IT, accounting and engineering. The first (IMMI 08/002), signed on 14 February 2008, recognised the ACS. The second (IMMI 08/11), signed on 1 April 2008, added the PAOs. The third (IMMI 08/074), signed on 27 October 2008, added Engineers Australia to the list. While subsequent legislative instruments have recognised name changes, no additional accrediting authorities have been added.

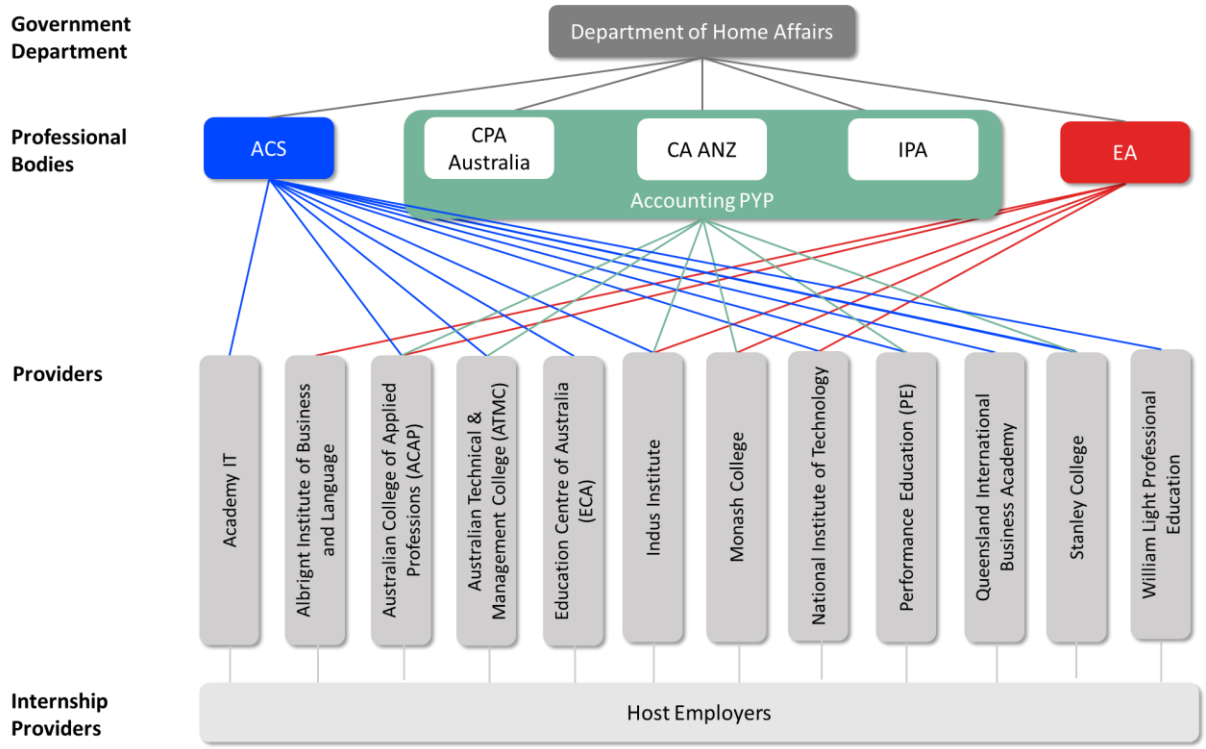
students directly then passes on a fixed sum to providers, while for the PY programs for IT and accounting, providers determine what they charge students and pass back some of the funds they receive to the professional bodies.

Providers are responsible for program delivery; complying with the requirements set by the professional bodies; sourcing and vetting host employers for the internship component of the program; establishing expectations regarding candidate experiences; and mentoring candidates throughout those experiences (refer discussion that follows on Structure). There are currently 12 providers. Three deliver all three PY programs; six deliver two; while three deliver just one.

Host employers provide internship experiences related to students' fields of study. These experiences must comply with provider expectations.

Figure 1 identifies the relevant parties and how they are connected.

Figure 1 Relevant parties



Structure

Since their beginnings, the PY programs of each professional body have followed the same broad structure: they run for a minimum of 500 hours with at least 250 hours of formal learning conducted in class and are delivered by providers accredited by the professional bodies.

Modules delivered by accredited providers cover the Australian workplace culture; job application, resume writing and interview techniques; business and professional communication; professional ethics; and employee rights and regulations to reduce the potential for exploitation.

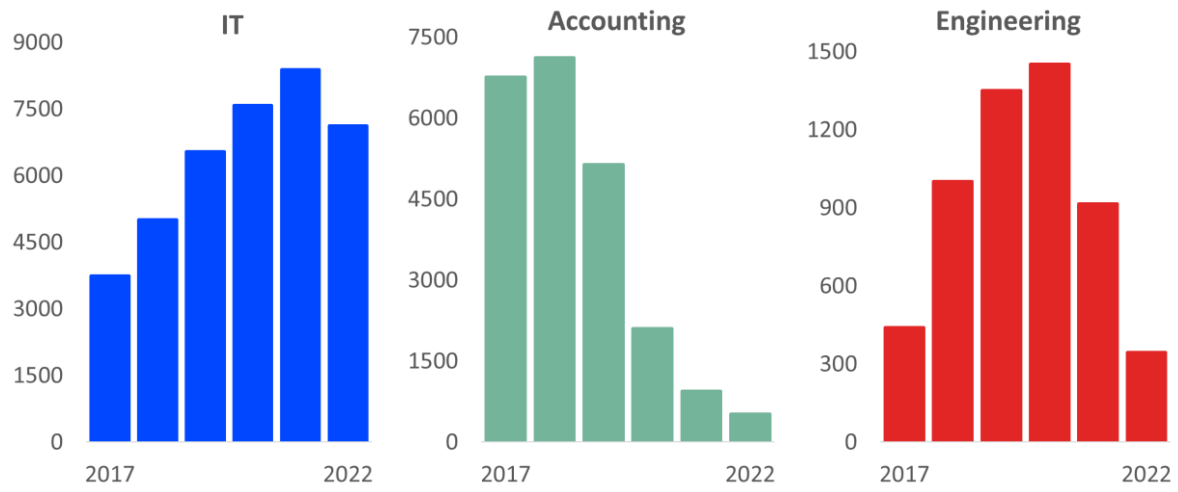
All the PY programs include a work experience component. Accredited providers organise internship placements with host employers in roles relevant to candidates' fields of expertise, and mentor candidates throughout their placements. The internships provide candidates the opportunity to put what they have learned into practice. In doing so, they enhance their technical, practical, interpersonal and other professional skills sought by employers. We find that candidates gain both confidence and valuable contacts to assist their prospects for employment.

Enrolments

Enrolment in the PY program is currently open to international students with degrees from an Australian university in the fields of IT, accounting and engineering.

Figure 2 shows enrolments in the PY program for IT climbed to record heights in 2021, before falling back in 2022. Enrolments over the first three quarters of 2023 suggest they have halved. For accounting, enrolments have been falling rapidly since 2018. There has been a slight, but not significant, uptick in 2023. For engineering, enrolments climbed to record highs in 2020 and have been trending down ever since.

Figure 2 Enrolments in the PY programs in IT, accounting and engineering



The factors impacting demand in each area are complex. That said, in the last couple of years the combined effect of these factors has seen aggregated enrolments fall. A concern discussed in the final section of this submission is how these declines are impacting provider viability.

In the mix of factors impacting PY enrolments are the pipeline of international students in each field, post study work rights, migration points thresholds and labour market conditions. The following touches on each in turn.

Further on in this report, Figure 13 shows trends in international student enrolments in bachelor and higher programs for IT, accounting and engineering. All fields were impacted by pandemic restrictions, and all fields recorded an improvement in enrolments this year. IT has rebounded to exceed levels attained pre-pandemic. For accounting, the increase in enrolments has been more muted, with the general trend remaining in decline. While, for engineering it is unclear whether 2023 figures indicate a turnaround from previous declines, or simply a catch up.

A key outcome from the government's Jobs and Skills Summit in September 2022 was the announcement of a two-year extension of post-study work rights for international graduates with select degrees in areas of verified skill shortages. The extension took effect from 1 July this year. On the list of eligible qualifications are bachelor and masters degrees in IT and engineering, but not accounting. The extension is part of the explanation for the stronger increase in international student enrolments in the fields of IT and engineering evident in Figure 13.

It is perversely also part of the explanation why PY program enrolments are declining: international graduates in eligible fields are in less of a rush to commence a PY. They can hold off on their applications to migrate permanently until they have more years of work experience to their names and access additional points that way. In the last section of this paper we explain why undertaking a PY in the first two years following university graduation is a good idea.

The third factor impacting enrolments in PY programs is the points threshold that graduates are aiming to surpass to migrate permanently. If the points threshold is high, as was often the case for accountants pre-pandemic, this can dampen demand by those who judge it to be unattainable. If it is too low, as was the case for engineering occupations as pandemic restrictions first eased, that can also negatively impact demand as the lure of extra points for a PY is weakened. Prolonged periods of no points thresholds, as experienced by both the accounting and engineering professions, impacts demand as it breeds pessimism about whether permanent migration is a possibility. More goldilocks points thresholds, which are neither too high nor too low, are necessary to support demand for a PY.

The fourth factor is labour market conditions. Contrarily, just when the labour market needs work-ready international graduates the most, is when those graduates are likely to consider a PY the least, preferring instead to apply for multiple roles and hoping for success in at least one. If successful, they gain 'Australian work experience' that earns them points towards their applications to migrate permanently. However, too often this 'spray and pray' approach is not successful or results in the underutilisation of international graduate skills in fields outside of their professional study. There is a lack of appreciation of that PY programs provides a foot-in-the door to relevant work experience (as evidenced in the next section). And there is an assumption that internships are unpaid, which may not necessarily hold, particularly given current shortages.

Outcomes

The PY programs in IT, accounting and engineering provide an opportunity outside of higher education focused solely on the specific needs of international talent and graduates of these fields, rather than career services designed and delivered on a one-size-fits-most basis. And they are getting results.

As professional bodies we continue to provide oversight of the PY and actively monitor whether the programs are improving the work readiness and labour market outcomes of candidates. Relevant factors are whether :

- PY graduates are working in Australia
- PY graduates are employed in roles that make best use of their skills by employers who treat them fairly and well
- PY graduates and employers attribute these outcomes to the PY.

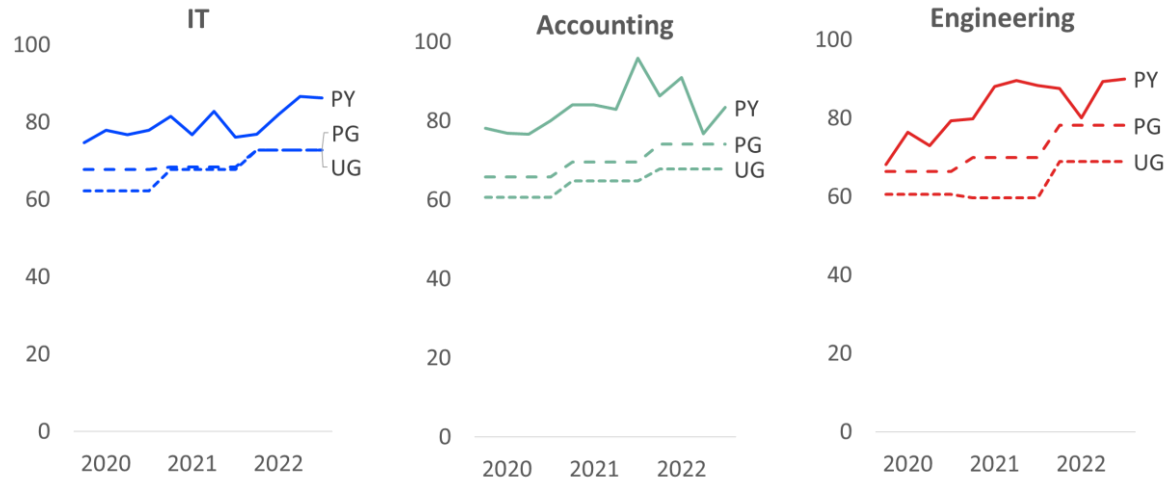
To provide answers to the first and second questions, each quarter we survey the graduates of our PY programs on their destinations. The findings of our consultative exercise (the surveys and focus group discussions) and the testimonials of PY graduates and employers provide insights on the third question.

Employment

Larger shares of PY program graduates are employed than international graduates who do not go through the PY programs in the three fields of IT, accounting and engineering.

The bolded lines in Figure 3 indicate the share of respondents to the professional bodies' quarterly destination survey who are graduates of the PY programs and are employed. When we compare this to the outcomes for all international graduates of undergraduate (UG) and postgraduate (PG) higher education programs in the same fields, as shown by the dotted lines, in all cases, and in every year, larger shares of PY graduates are employed. While the difference in timings of the two surveys[6] may explain some of the variance in outcomes, it is unlikely to explain all of it.

Figure 3 PY program destinations and international graduate outcomes
Share in employment, per cent



Sources: PY Destination Survey outcomes for quarters shown, and Social Research Center (SRC), Graduate Outcomes Survey (GOS) International Report Tables for 2021 and 2022.
Note: IT is equivalent to the broad field Computer and Information Systems in the GOS.

[6] The GOS is undertaken in the four months following graduation. The professional bodies' Destination Survey is conducted following completion of respondents' post graduate PY program, which has typically run for a minimum period of 44 weeks.

Skill use

A live policy concern is the underutilisation of migrant skills and the exploitation of some, particularly temporary migrants. In March 2023, the expert reviewers of Australia's migration system dedicated separate chapters to migrant underutilisation and exploitation.[7] A relevant finding was that graduate transition to full time employment is strongly associated with vocationally aligned fields of study and work-integrated learning.[8] In the same month, Ms Christine Nixon AO, APM completed her rapid review on migrant exploitation, which found that temporary migrants were at greater risk of exploitation and abuse.[9]

The government's Employment White Paper released in September this year focused on the untapped potential of many and the risk of exploitation of vulnerable groups, including migrants.[10] The Employment White Paper found there is scope to better use the skills that migrants bring to Australia, as nearly a quarter of permanent skilled migrants are working in jobs beneath their skill level. Migrant engineers and accountants were among the occupations not matching well into their nominated occupation.[11]

Academics who researched the employment outcomes of international graduates found that less than half had gained employment in their field of study, a third were employed in roles outside of their fields, and the remainder were still looking for jobs.[12] The majority of those working outside of their fields were engaged in low or unskilled sectors including the service sector (e.g., baby-sitting, aged care, and cleaning), transportation, fast food, restaurants, cafes and retail. One study found that most of those working in food services were under-paid.[13]

A recently released report by the Grattan Institute, which took into consideration this and other evidence, appealed to the government not to leave international graduates in limbo, giving them false hope of jobs in their fields and permanent residency through generous post-study work rights, and placing them at risk of exploitation.[14] We suggest a more constructive approach would be to give them real hope. That is what the PY does.

Table 1 shows PY graduates are more likely to be employed in their fields than international graduates that have not completed the PY. The table records the share of employed PY graduates who are working in their field of study and compares it with measures of skill utilisation for all international undergraduates and postgraduates in the same fields. While timing and calculative differences make for an imperfect comparison, the large gulf between the two measures also means that it is hard to escape the conclusion that PY graduates are more likely to be employed in their fields.

---

7 Parkinson, M, Howe, J and Azarias J (2023) Review of the Migration System, Final Report 2023, Department of Home Affairs, March, chapters 9 (on migrant exploitation) and 15 (on unrealised potential).

8 Ibid, Figure 41 on p 117.

9 Nixon, C (2023) Rapid Review into the Exploitation of Australia's Visa System, March, Finding 4.

10 Commonwealth Government of Australia (2023) The Australian Government's White Paper on Jobs and Opportunities, September, p 68.

11 Ibid, p 103.

12 The research was based on survey responses from 1156 international graduates from 35 universities, who completed their studies between 2015 and 2019. See Tran, L, Bui, H, Tan, G and Rahmi, M (2022) "International graduates on temporary post-graduation visas in Australia: Employment experiences and outcomes," Population Space and Place, August.

13 Ibid.

14 Coates, B, Wiltshire, T and Reysenbach, T (2023) Graduates in limbo: International student visa pathways after graduation, October.

Table 1 Skill and education use in international graduates' jobs
Overall employed in 2022, per cent

		Measure	IT[2]	Accounting / Business and Management[3]	Engineering
PY Destination Survey		Share working in field post PY completion in 2022	54-60	61-80	56-84
GOS	UG	Extent to which skills and education are fully used in 2022[1]	48	58	57
	PG		50	49	50

Sources: SRC (2022) GOS International Report Tables, and 2. PY Destination Survey rates for Q1 to Q4 2022.
Notes: 1. This measure is derived by subtracting the measure in the GOS on the extent to which the skills and education of graduates are fully employed from 100 per cent. 2. IT is equivalent to the broad field Computer and Information Systems in the GOS. 3. The GOS does not separately record the measure in the first note for Accounting. Accounting is subsumed within the broader study area of Business and Management.

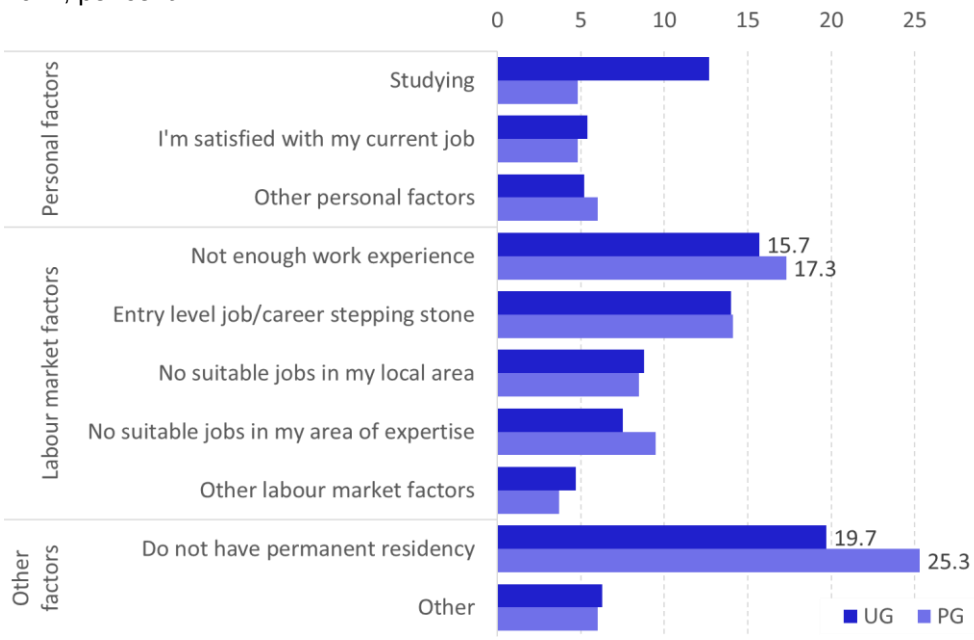
We believe that PY graduates are less likely to be exploited by their employers for the following reasons:

- employee rights and responsibilities, including workplace health and safety, are taught in the programs
- while not a matter we collect data on, the testimonials of both PY graduates and employers captured in this section compellingly illustrate how many end up in paid, professional roles with the employers who hosted them for internships. We require that PY providers vet all intern hosts.

Attribution of outcomes to PY

Figure 4 shows the top two reasons why international graduates from all fields of education believe they are working in roles that do not fully use their skills and education are that they do not have enough work experience, and they do not have permanent residency.

Figure 4 Reason for working in job that does not fully use skills and education
2022, per cent



Sources: SRC (2022) GOS International Report Tables.

As the PY addresses both reasons, the superior outcomes for PY graduates in Table 1 should be expected. Candidates who complete a PY earn five points towards their skilled migration and permanent residency pathway.

While this is what lures many into the programs, by the time they complete their PY, most have a better-informed understanding of how the PY is benefiting them more broadly. The work experience gained through the internship component of the programs is particularly highly regarded. A key message from our discussion forums with international students was how they regarded internships to be highly valuable, bridging the gap between education and employment. Separately, the testimonials of PY graduates in Box 1 indicate the value they gained through their internships.

Box 1 PY graduate testimonials on work experience

"I was able to learn skills in line with the Australian workforce, in cohesion with the industry experience gained from the internship."

Pankul

"I secured a full-time position … and received a salary increase before finalising the internship; being part of my goals as an intern, this has been an excellent achievement."

Ana Maria

"During my IT Internship with NEC Australia, I was servicing accounts for the NSW Government incl. Transport NSW. I was offered a paid opportunity during my internship to continue with them."

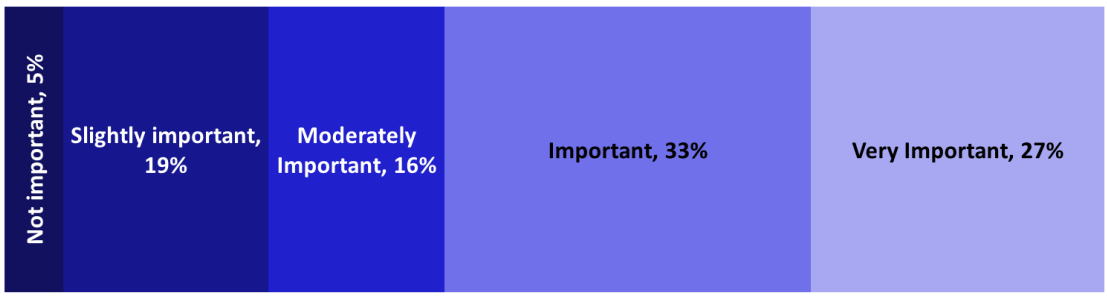
Josef

"I have learned a great deal about my field and in a way this internship has given me a direction to work towards making my career in the Australian market. As an engineer, I have gotten the opportunity to touch on various important topics like risk and safety which I wouldn't have been able to in a traditional internship …"

Somesh

Employers similarly value internships, as demonstrated in Figure 5. In our surveys of employers, 60 per cent rated an internship as either important or very important for selecting university graduates with no professional experience.

Figure 5 Importance of an internship



During our discussion forums, employers told us that they regard both university qualifications and internships as equally important in the hiring process. Some went further, claiming they are unwilling to consider talent without prior experience, emphasising Australian experience as a minimum.

Host employers of our PY candidates have benefited through the internships. Each of the host employers whose testimonials are shared in Box 2 and 3 offered their interns ongoing roles.

Box 2 PY employer testimonials

" … has been a great experience for us in bringing the right talent to our team to help us solve problems. We see the internship program as a great way for us to scout talent."

Jackson, iBuild Building Solutions

"All my team members at Crowne Plaza Melbourne are ex-Professional Year interns. They were successful candidates who secured employment opportunities with the business either immediately, or shortly after, the completion of their Professional Year."

Yawen, Crowne Plaza

"Interns have served as a pipeline for full-time positions. If a standout intern exhibits potential, considering offering them a permanent role within the organisation has been quite beneficial for RTG."

Sheetika, RTG

Employers' preference for work experience is because it is a proxy for whether applicants have not just the technical skills but the practical and professional skills necessary to be effective in their workplaces early on.

Figure 6 shows the results of our survey asking employers what skills or abilities they believe are most important to university graduate success in the professional workplace, particularly for international graduates.

Figure 6 Skills and abilities important to graduate success in the workplace

Many of the same skills and abilities featured in our focus group discussions with employers, including whether graduates can put technical skills into practice, have good communication skills, and cultural awareness and sensitivity. Some lower down the list of the survey's outcomes featured more prominently in the focus group discussions. Having a growth mindset, for instance, was considered by many employers as crucial. An attribute not on the list, which employers told us they value, is confidence.

Developing these skills and abilities is a key focus of the PY programs. The testimonials in Box 3 reflects the appreciation of both PY graduates and employers in this regard.

Box 3 PY graduate and employer testimonials on skills and other attributes

PY graduates

"My Professional Year got me ready to enter the Australian workplace. It helped me to improve my communication and writing skills and gave me an understanding of Australian workplace culture to succeed in my career."

Youli

"The course has helped me develop a range of skills vital to transitioning from university to work life. I particularly enjoyed learning about effective communication, which enables one to contribute more meaningfully at work."

Elizabeth

"I learned a lot about hard and soft skills with the help of my host company, colleagues, students and instructors."

Kaixi

"The program gave me the confidence that I needed to start my career here in Australia."

Heloise

Employer

"[Internships] *provide interns with the fundamentals, skills, culture and experience in starting a successful career. Expectations, team environment, policies, process and WHS guidelines are some of the basics that largely assist interns when they are looking to progress into the working environment, and also provide practical aspects that align with their relevant studies and theory."*

Damien, ABC Network

In addition to the practical and professional skills and other attributes developed through the PY, the programs are pivotal in building candidates' networks, as illustrated in Box 4. This is particularly important for international graduates endeavoring to establish themselves in a new country, and is greatly appreciated by them.

Box 4 PY graduate testimonials on building their networks

"Thanks to the ACS Professional Year, I have been able to meet different people in the class and at ACS events, which were great opportunities to expand my professional network."

Arnold

"A Professional Year course … has been a great journey for me. I enjoyed both the experiences; online and face-to-face as it gave me a chance to meet other professionals and widen my network."

Yashvi

Employers have gained in other ways too. Their engagement with the PY has opened their eyes to the benefits of hiring international graduates, irrespective of whether they have been through the program. The internships provide valuable exposure and an engagement point for employers to see and learn about this talent pool. Placements have been instrumental in improving perceptions and reducing misconceptions around visas which, as evidenced above, is a significant barrier to international graduates putting their skills to best use. The testimonials from host employers refer also to how international graduates have enhanced the diversity and culture of their workplaces.

Continued relevance

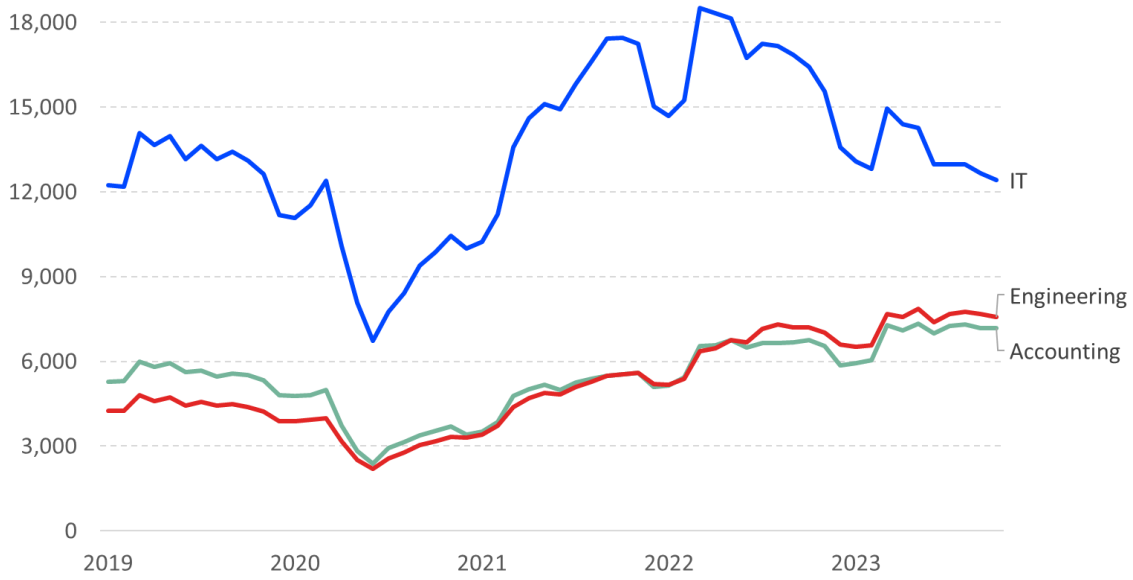
When the PY commenced in 2008, its purpose was to address the situation where large numbers of international graduates were failing to make much of a dent in fields where there were significant skills shortages. As shown previously, the PY has improved international graduates' employability.

In this section, we examine whether there continues to be a need for the PY program in its three original fields – IT, accounting, and engineering. In short, the current need for the PY is great, and the future need is even greater. Shortages in all three fields are large, destined to get larger, and employer demands for work-ready job applicants continue to escalate.

Current shortages

Figure 7 shows as at October 2023, there were 12,430 job vacancies for IT managers and professionals; 7,164 for accounting; and 7,582 for engineering. While vacancies for IT managers and professionals have come down from their March 2022 peak, the count is still 1.8 times that of the COVID-low of June 2020. And while the numbers are smaller for accounting and engineering managers and professionals, they are respectively three and three and a half times their COVID-lows.

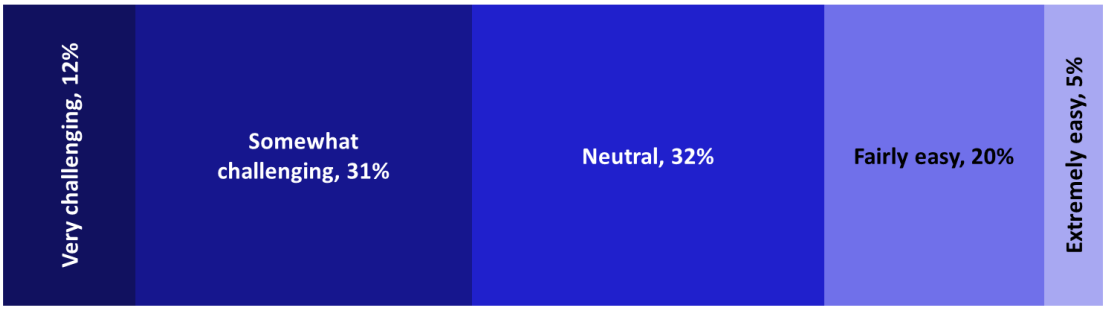
Figure 7 Vacancies for IT, accounting and engineering managers and professionals
3-month averages, job advertisements



Source: Jobs and Skills Australia (JSA) (2023) Internet Vacancy Index, November.
Notes: The vacancies for each profession are derived. IT is the sum of vacancies for Australia and New Zealand Standard Classification of Occupations (ANZSCO) unit groups 1351, 2611, 2612, 2613, 2621, 2631, 2632 and 3131. Accounting is the sum of vacancies for ANZSCO unit groups 1322, 2211 and 2212. Engineering is the sum of ANZSCO unit groups 1332, 2331, 2332, 2333, 2334, 2335, 2336, 2339 and 2633.

The high number of vacancies reflects the challenges employers are experiencing when trying to find suitable staff. This came through strongly in our employer survey. When asked how easy it is to find and hire entry-level talent for roles in IT, accounting, and/or engineering, 43 per cent of respondents said that it is somewhat to very challenging. Figure 8 summarises employers' recruiting experiences.

Figure 8 Challenges recruiting entry-level talent



Our survey's findings on the challenges employers are experiencing in recruiting entry-level talent in IT, accounting and engineering reflect the continuing skills shortages in these fields and the need for an upgraded PY program as part of the solution.

What does the term 'skills shortage' actually mean? Jobs and Skills Australia (JSA) defines an occupation to be in shortage "when employers are unable to fill or have considerable difficulty filling vacancies for an occupation or cannot meet significant specialised skill needs within that occupation, at current levels of remuneration and conditions of employment, and in reasonably accessible locations. Based on this definition, the primary measure of an occupational shortage is the ability of employers to fill vacancies – the vacancy fill rate."[15] The findings of JSA's most recent assessments of occupation shortages for the three professions are shared in Attachment 2.[16] In short, shortages are prevalent in all three professions.

How do the difficulties employers encounter when filling roles come about and what can be done about them? Economist, Sue Richardson, has categorised the different types of skills shortages, and the appropriate policy interventions to tackle each.[17] While her categories and advice were published over a decade and a half ago, they are finding resonance in today's labour market situation. For instance, they featured prominently in a recent National Press Club address by the now former head of JSA.[18] Two of Richardson's categories of skills shortages are relevant to explaining vacancies in the IT, accounting and engineering professions. They support the findings of JSA and provide bases for thinking through what is needed to overcome them in the short and longer terms. The two categories are:[19]

- *Level 1 shortage* - There are few people who have the essential technical skills who are not already using them and there is a long training time to develop the skills.
- *Quality gap* - There are sufficient people with the essential technical skills who are not already using them and who are willing to apply for the vacancies, but they lack some qualities that employers consider important.

There is a blend of both factors at play in all three professions: there are too few people with the right technical skills, *and* there are international graduates and other migrants with the right technical skills who are struggling to find roles that put them to best use as employers judge they lack some important qualities.

---

[15] JSA, 2023 Annual Jobs and Skills Roadmap, p 47

[16] JSA, 2023 Skills Priority List.

[17] Richardson, S (2007) What is a skills shortage? NCVER.

[18] Dawkins, P (2023) Towards a National Jobs and Skills Roadmap, 4 October.

[19] The first of the two discounted categories is Level 2 shortage - There are few people who have the essential technical skills who are not already using them but there is a short training time to develop the skills. As discussed above, it takes time to acquire the qualifications and designations that are prerequisites for roles in the IT, accounting and engineering professions. The second is Skills mismatch - There are sufficient people who have the essential technical skills who are not already using them, but they are not willing to apply for the vacancies under current conditions. While there may be some instances of this, they are likely to be less prevalent than the Level 1 Shortages and Quality Gaps discussed.

Level 1 shortages

With regard to level 1 shortages in IT, accounting and engineering, unless action is taken now, shortages are destined to get worse. As discussed below, this is because the addition of domestic graduates to the three professions is insufficient to meet forecast demand and replace those exiting the profession due to retirement, illness, emigration or a career change. Exacerbating this situation is unprecedented employment churn: the latest official statistics are that job mobility for all occupations remained at a record 9.5 per cent for a second year in a row, with professional occupations recording the highest share with close to a quarter (24 per cent) changing jobs.[20]

While things can be done to bolster local supply, they will take time to impact. It takes a minimum of three to four years to gain qualifications in IT, accounting and engineering, and further study and work experience to earn professional designations. In the meantime, best use must necessarily be made of international graduate and migrant talent. And the time to act is now. Employers tell us that graduates need to be on the tools and applying their knowledge and skills learned to practical scenarios within two years of gaining their qualifications to reinforce learnings and remain relevant. Such is the pace of change in IT, accounting and engineering roles.

Quality gaps

When we asked employers whether, in their opinion, university graduates are ready for professional work, 56 per cent said 'no' and 21 per cent were 'unsure', as illustrated in Figure 9.

Figure 9 Graduate work readiness

Figure 10 shows the main challenge employers identified when sourcing talent for entry-level roles is lack of work experience in the field. The number two challenge is their view that candidates' soft skills are underdeveloped.

As discussed in the previous section, these are key areas where the PY program is making a difference. It helps to explain the superior labour market outcomes of PY graduates relative to their peers who have not completed the program.

[20] ABS (2023) Job mobility, 30 June.

Figure 10 Main challenges when sourcing talent

Future shortages

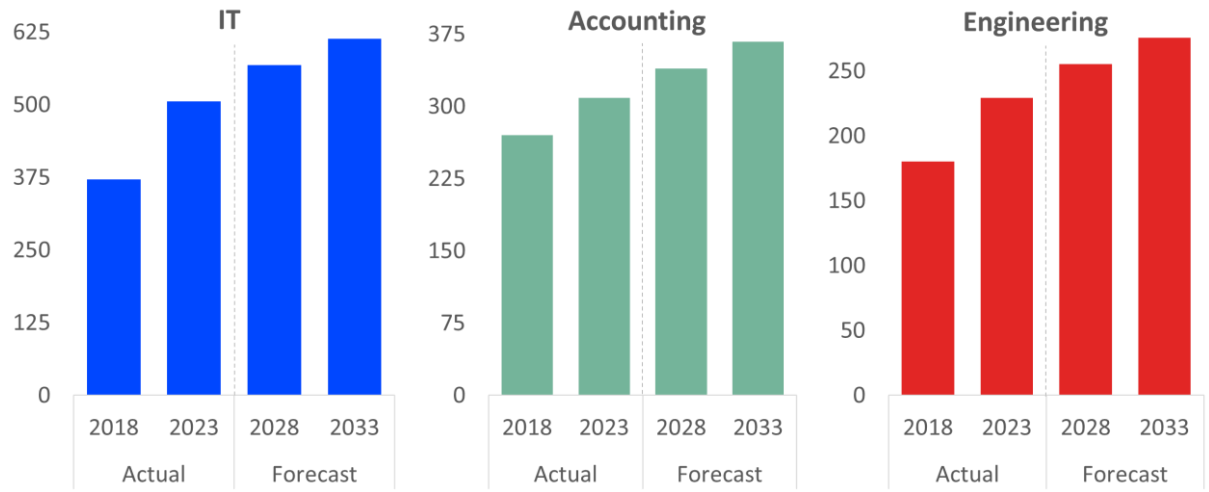
Future shortages for IT, accounting and engineering professionals are expected to persist and widen, making it even more important that the quality gaps in each profession are reduced.

Over the five years to 2023, employment of IT managers and professionals grew at an annual average rate of 6.3 per cent. From 2023, official projections are that the demand for these roles will continue to grow but at the lesser annual rate of 2.4 per cent over the next five years or 1.9 per cent over 10 years. Both the actual and projected employment numbers are captured in Figure 11. Projections by Deloitte for the ACS suggest that the official forecasts may be on the low side. Deloitte project that between 2022 and 2030, IT roles will climb from 928,000 to over 1.3 million[21] - an annual average rate of 4.9 per cent.

[21] Derived from the figures in the chart on page 25 of the report from Deloitte Access Economics and ACS Australia (2023) ACS Australia's Digital Pulse 2023: A new approach to building technology skills.

Figure 11 also shows growth in the employment of accounting and engineering managers and professionals, which respectively grew at average annual rates of 2.7 and 4.9 per cent over the last five years. Growth in the employment of accounting managers and professionals is expected to slow to 1.9 per cent over the next five years and 1.7 per cent over the next 10 years. These rates are the same as what is expected for the employment of all managers and professionals. Growth in the employment of engineering managers and professionals are fractionally higher at 2.1 per cent over the next five years and 1.9 per cent over the next 10 years. The lived experiences of the two professions suggest that these figures are likely to be underestimates.

Figure 11 Past and projected employment
As at May in the years shown, 000s



Sources: Employment in 2018 – Australian Bureau of Statistics (ABS) (2023) Labour Force, Australia, Detailed. Actual employment in 2023 and forecast employment in 2028 and 2033– JSA (2023) Victoria University Employment Projections.
Notes: Refer to the notes for Figure 7 for an explanation of how these numbers have been derived. Also note differences in scale.

The capacity of the domestic talent pipelines to meet this growth in employment, as indicated by enrolments in higher education programs in these fields in Figure 12, bodes ill.

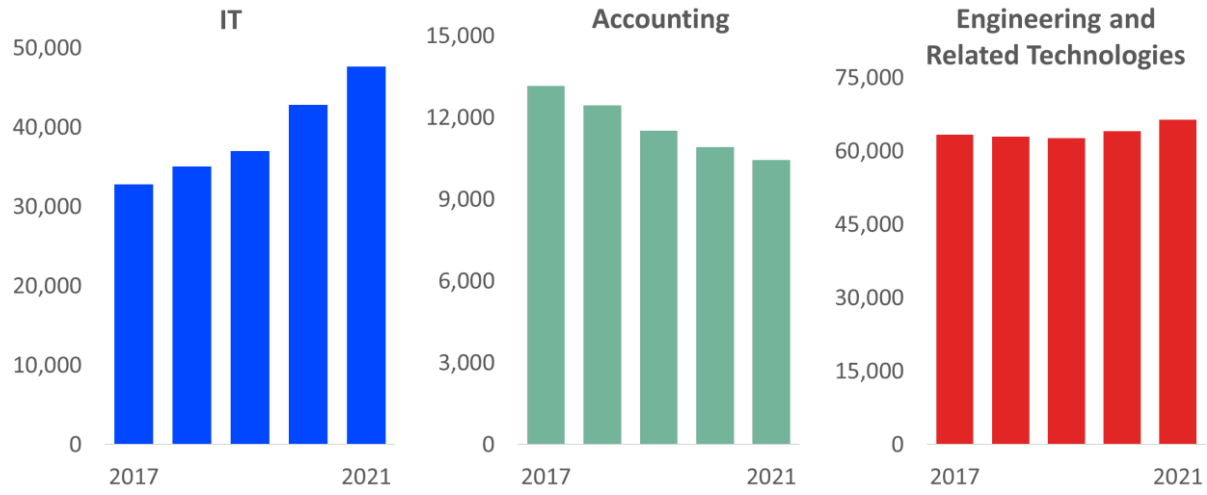
While domestic enrolments in IT are on the rise, growing at a large 9.8 per cent over the period charted, the numbers are still short of what is needed to address the projected growth in demand, let alone replace those exiting the profession. The ACS calculates that the projected worker gap that sat at 205,000 in 2022 will expand to 237,000 by 2030.[22]

The domestic accounting talent pipeline is in decline, falling at an annual average rate of 5.6 per cent. Dwindling domestic commencements mean that this decline is not going to abate anytime soon.

Flatlining domestic enrolments in engineering means the worker gap in that profession is also likely to grow.

[22] Ibid.

Figure 12 Domestic talent pipeline
Domestic student enrolments in higher education, calendar years



Sources: Information Technology and Engineering and Related Technologies: Department of Education (DoE), Student Enrolments Pivot Table. Accounting: DoE, special data request.
Note: Differences in scale.

Furthermore, it is important to bear in mind that not all who are enrolled will complete their studies. After nine years, depending on field of education and level of study, between three fifths and three quarters of IT, accounting and engineering students will have seen their studies through to completion. Table 2 captures the completion rates for each field.

Table 2 Completion rates
Share of 2013 domestic student cohort who had completed their studies 9 years later in 2021, Table A and B providers, per cent

	IT	Accounting	Engineering
Bachelor	61.8	67.6	74.1
Postgraduate	71.6	64.2	73.7

Source: DOE website, Completion Rates of Commencing Higher Education Students.
Note: IT is equivalent to the broad field Computer and Information Systems used by the DOE.

For all three professions, tapping the talents of international graduates who stay in Australia post their studies and other migrants in their fields, remains critical.

Once the mainstay of international education, comprising 36 per cent of total enrolments in bachelor and higher programs of study, the fields of IT, accounting and engineering took a hit as COVID restrictions curbed student flows. Today, that figure is 29 per cent. Figure 13 conveys why.

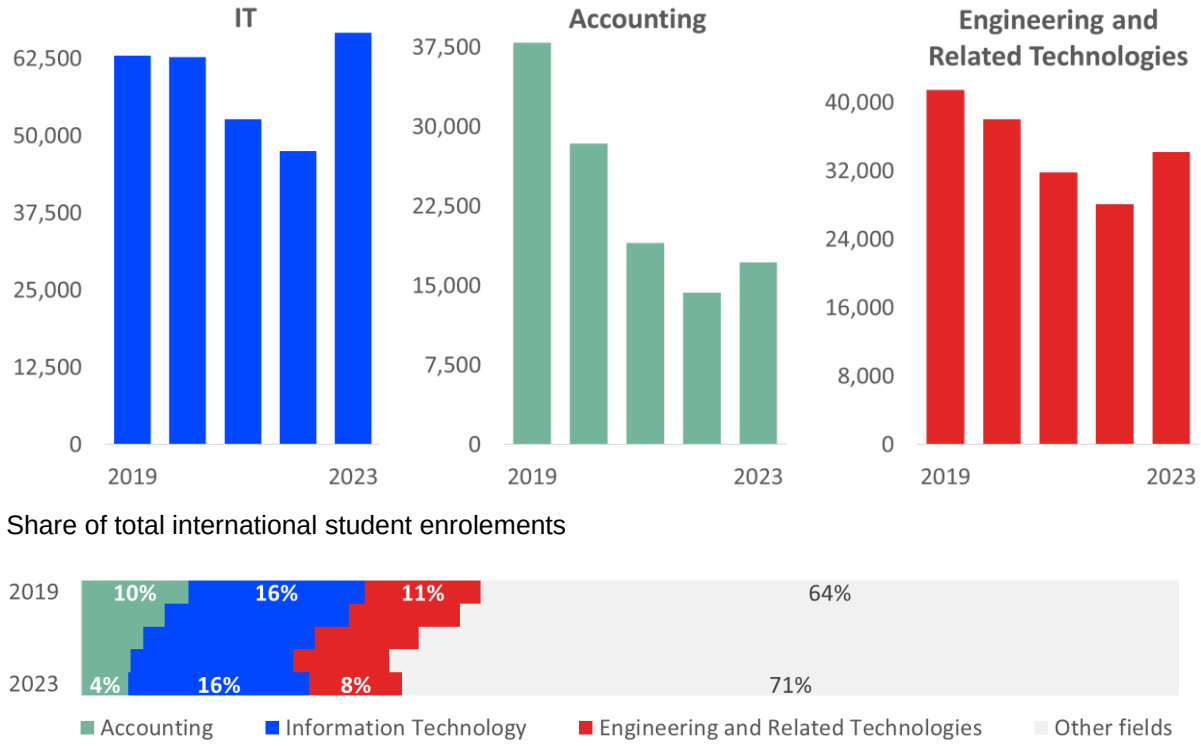
While international student enrolments in IT programs, fell in 2021 and again in 2022, they rebounded strongly this year, more than making up for the losses over the previous two years.

The same cannot be said for accounting and engineering. The falls in accounting enrolments were heavy. The increase in 2023 has been weak. This suggests that more than COVID restrictions are in play, such as expectations about future opportunities to migrate.

The losses were less for engineering and the correction in the current year has been stronger than accounting. But international enrolments in engineering programs are still short of what they were in 2020.

Figure 13 International talent

International student enrolments in bachelor and higher programs, YTD July



Sources: Austrade, Education Data and Insights
Note: Differences in scale.

As not all international graduates choose to stay in Australia, this reality together with growing employer demands, means that every effort must be made to support and improve international graduates' employability – to narrow the future quality gaps.

Planned improvements

The key message to take away from the previous section is that PY is just as relevant now and for the foreseeable future as it ever was, arguably more so. Two key messages to draw from the section that preceded it are that the PY is providing graduates with the work experience they value, and it nurtures in candidates the technical, practical and professional skills and other attributes that employers are looking for in new recruits. As such, the core learning and broader outcomes advanced through the PY programs should be preserved, and so too, at a high level, its delivery mode – formal learning and work experience.

But that is not the same as saying that there should be no change to the PY. To the contrary, change not only makes sense, it is imperative. In this section we detail our plans to enhance the PY, broaden its reach, and introduce complementary initiatives.

Three considerations drive the initiatives set out below. The first is that the combination of dwindling numbers of international graduates undertaking a PY, rigid adherence to program parameters determined before the PY programs even began, and candidates' strained ability to pay due to cost-of-living increases, is making it uneconomic for some providers to continue to deliver the programs. We have had instances where education providers have chosen not to re-register. Recently, a quality provider who had been delivering the program successfully for 15 years across all states and territories, for all three professions, made the decision to cease its offerings due in part to running costs. Enabling greater flexibilities and program reach are essential to future sustainability and growth.

Second, rigid adherence to program parameters is also a barrier to potential candidates. Cost, time commitments and, in some locations, a scarcity of internship opportunities are all significant deterrents.

Third, as effective as the PY programs are, there is the potential to do better and do more, for more – for international graduates, other categories of migrants and employers – with the support of government.

Program enhancements

Five initiatives that fall under this header are to:

- identify talent early
- extend points validity
- remove time constraints
- permit delivery flexibilities
- better measure skills.

Identify talent early

The migration review lamented that current settings do not allow international graduates to demonstrate or reach their labour market potential, and that Australia is not selecting those most likely to make a good transition to permanency early enough. Together, these factors undermine international graduates' attractiveness in the eyes of employers and leave them facing ongoing uncertainty, contributing to the underutilisation of their skills and other attributes.[23]

A PY helps to overcome the risk that international graduates join the pool of 'permanently temporary' migrants. The PY enables them to develop and demonstrate their labour market potential. It also supports their pathways to permanency by entitling those who complete the program to migration points.

However, in our focus group discussions with international students they expressed a lack of awareness of the PY programs, and confusion about career pathways. They advised that the

[23] Parkinson *et al* (2023) *op cit*, p 103.

opportunity to do a PY should be introduced and communicated early during students' university studies.

It is the shared intention of the professional bodies to promote the PY as the first step after university graduation to permanent skilled migration - to encourage commencement of our programs within two years of graduation. This not only has the benefit of hastening international graduates' migrations journeys, it is the best time to engage in the programs as their university learnings are still fresh. As touched on in the discussion on the PY's Continued relevance, employers we talked to commented that they can tell when it has been a while since graduates have been in the classroom. The PY reinforces and cements university learnings through practical application.

We recommend that:

- The government permit the professional bodies to introduce PY entry requirements that align with industry expectation ensuring international graduates commence the PY within the 24 months immediately following university graduation.

Extend points validity

The Migration Regulations 1994 entitles candidates who complete a PY with five migration points "in the 48 months immediately before that time".[24] This period reflected the validity of temporary graduate visas, which at the time ranged from two to four years depending on holders' level of qualification held.

As discussed in the Background section, since 1 July this year, the post-study work rights of international graduates with qualifications in areas of verified skill shortage have been extended. A doctoral qualification, which previously allowed graduates to work and stay in Australia for four years, now entitles graduates to six. The rationale is that this allows international graduates to stay in Australia for sufficient time to gain a length of employment experiences that best supports a positive permanent migration application outcome.

The same logic should be extended to the validity of migration points post completion of a PY.

We recommend that:

- The government amend Schedule 6D of the Migration Regulations 1994 to extend the validity of the PY Program, and its allocated points from four to six years.

Remove time constraints

The regulatory requirement is that the PY runs for a period of at least 12 months in the 48 months immediately before the time of visa application.[25] The original guidelines (developed in 2008 by the then Department of Immigration and Citizenship) require that candidates complete their PY within at least 12 months, with reasonable provision to be made for vacation periods.[26] The guidelines envisage that the PY programs involve at least 500 hours of formal engagement by participants, being a mixture of formal learning and workplace experience. Neither the regulatory requirements nor the guidelines on these matters have altered over the 15 years that the PY programs have been running.

It is time for change. Not only are the time bound constraints a barrier to both provider delivery and international graduate engagement, they are also out of step with more contemporary understandings that inputs – time in class or with host employers over a prescribed period – matter less than outcomes – graduate learnings and experiences.

[24] Schedule 6D of the Migration Regulations 1994.

[25] Ibid.

[26] Department of Immigration and Citizenship (2007) Professional Year Parameters, July.

We recommend that:

- Scheduled 6D of the Migration Regulations 1994 be amended to remove the expectation that PY programs run for a period of at least 12 months.
- The government permits the professional bodies to deliver the PY programs within a more flexible arrangement, allowing for a shortened duration.

Permit delivery flexibilities

The 2008 guidelines permit greater flexibilities than the regulations in how the PY is delivered. They provide that the formal learning component of the programs may consist of either face-to-face or online instruction, or a combination of both. And that the workplace experience component of the programs may consist of industry-based research projects, internships and cadetships, supervised work placements, industry-based coaching and mentoring, and/or voluntary work. The guidelines are silent on whether these experiences must be face-to-face.

Nonetheless, since the beginning, the formal learning component has been conducted face-to-face and work experience has been synonymous with internships at the physical workplaces of host employers. These have become the expectations of officials.

COVID restrictions disrupted this and proved what was possible. Instruction necessarily had to move online in some states during periods of lockdown. Internship opportunities became scarce as employers reduced staff. Innovative solutions had to be found. PY Engineering, for example, developed simulated virtual internships, that engaged experts from within the profession to challenge and guide interns. The benefits gained from these experiences and the appreciation of candidates are evident from the testimonials in Box 5. They have proven to be instrumental in developing skills relevant to the modern post-COVID work environment.

Box 5 PY candidate testimonials on virtual internships

"I have learnt a lot of things from the first four weeks of the virtual internship. First one being the virtual internship boosted my confidence ... Secondly it helped me understand that clarity in your message is very important …Communication skills have enhanced … Emails and video conferencing that we do every week surely helped me how to put my intentions into words and not send the wrong message."

Vishal

"Here, I want to share my feedback about this virtual internship. Before I started this virtual internship, I was doing the real industry internship … [that was] *… terminated … Then, I got this virtual internship opportunity, and it became my lifesaver with some amazing experiences. I have learned a lot in this virtual opportunity more than the real industry internship with three best Engineers in Australia. This internship helped me to think critically in my area of expertise and outside of area as well. I learned about Australian standards, Risk management and many other aspects of engineering and made me to think like a real engineer. So many students think like real industry internship is helpful for the professional career, but as per my experience in real and virtual internship, I would suggest that this virtual internship is the better opportunity to kick start the professional journey."*

Janit

In our discussion forums, international students expressed a desire for continued flexibility in how the formal learning component is delivered, encouraging a mix of face-to-face and online sessions.

While the feedback above conveys that there is much to be gained from virtual internships, face-to-face or hybrid opportunities bring their own sets of benefits. Views shared by international students in the discussion forums were, consequently, more mixed on virtual internships. While some were open to the possibility, they had concerns about their immersive nature and the inability to network effectively. Others expressed a preference to have physical companies on their resumes. Further, employers value live internships and Australian professional references.

Considering the lived experiences of international graduates during the COVID restrictions, the more recent feedback of international students and employers, and the frustrations of providers prohibited from contemplating effectiveness and efficiency enhancing innovations to their modes of delivery, the professional bodies are of the shared view that there should be flexibility to:

- determine the optimal mix of face-to-face and online delivery of the formal learning component
- offer virtual internships where real internships are in scarce supply.

The first would enable providers to embrace innovations such as a flipped classroom approach, with content accessed online at a pace and during times that suit graduates, and exercises and activities that reinforce learnings face-to-face in the classroom.

It would also enable a PY to be delivered fully online in regions where there are insufficient international graduate numbers to make physical delivery viable. Supporting international graduates in the regions is important on at least a couple of fronts, both of which were recently canvassed in submissions made to the Parliamentary inquiry into international education. The first is the significant contribution international students and graduates make to regional communities, employers and small businesses.[27] Second is that there is a more acute prevalence of critical skills shortages across many key industries in regional Australia, as compared to metropolitan Australia.[28] Thus there is good sense in supporting international graduates where they are. Online delivery and virtual internships can enable this in the regions.

We recommend that:

- The government permit the professional bodies to introduce or approve alternative modes of delivering the formal learning and work experience components of the PY, as well as opt-in pre-employment and transition services.

Better measure skills

The prevailing approach to the PY, where assessment is binary and candidates are deemed to have passed or failed their programs, provides scant information to candidates to support and direct future learning or to employers, further education providers and others with an interest in candidates' abilities. We are looking to mature our delivery and assessment to provide stronger opportunities for self-assessment, skill gap identification, and learner differentiated pathways for career development. By continuing our conversation with industry, our aim is to better define what this looks like, as well as support their recruitment and talent pipelines through a collaborative approach to program and employer outcomes.

We already know this practice needs to align with JSA's Australian Skills Classification to be impactful to government, while each industry may need to overlay other frameworks such as Skills Framework for the Information Age (SFIA).

[27] Joint Standing Committee on Foreign Affairs, Defence and Trade (2023) Inquiry into Australia's tourism and international education sectors. 'Quality and Integrity - the Quest for Sustainable Growth': Interim Report into International Education, October, p 14.

[28] Ibid, p 15.

Broaden reach

There are opportunities to broaden the reach of the PY to other fields beyond IT, accounting and engineering, and to benefit other categories of migrants. Specifically, there are opportunities to:

- extend the PY programs to graduates from overseas higher education providers
- offer a PY to migrants who have not worked in Australia
- develop PYs for other professions facing skill shortages.

Extend the PY to graduates from overseas higher education providers

Currently a PY is restricted to graduates of Australian universities. The exception to this is holders of Skilled-Recognised Graduate visas, which allows recent engineering graduates from specified overseas higher education providers to live, work, or study in Australia for up to 18 months and to participate in the PY program for engineering. Specified overseas higher education providers offer engineering qualifications accredited under the Washington Accord. The Washington Accord is a multi-lateral agreement between bodies responsible for accreditation or recognition of tertiary-level engineering qualifications within their jurisdictions who have chosen to work collectively to assist the mobility of professional engineers. Australia is a signatory to this Accord. The Washington Accord provides comfort regarding the quality and equivalency of engineering graduates who have studied in the countries of other signatories.

There are grounds for extending this exception. For instance, the professional accounting bodies accredit the degree level and above accounting programs of overseas higher education providers that cover the core competencies expected of graduates of these programs. The joint accreditation guidelines of the professional accounting bodies reflect the education standards prescribed by the International Federation of Accountants (IFAC). IFAC is the global organisation for the accounting profession. It has 180 members, including CPA Australia and CA ANZ. Thus, just as there are grounds for having faith in the technical skills of engineering graduates of Washington Accord accredited institutions, so too is there for the accounting graduates of overseas programs accredited by the professional accounting bodies. They too should be eligible for post study rights in Australia and the PY program for accounting.

We recommend that:

- The government extend the PY program to overseas graduates of IT, accounting and engineering programs, where there are grounds for confidence in their technical competencies.

Offer a PY to migrants who have not worked in Australia

Over a quarter (26 per cent) of all recent permanent migrants experience difficulties finding their first job in Australia.[29] The number one reason why is because they lack Australian work experience. Figure 14 indicates the prevalence of this and other barriers encountered.

Figure 14 Reasons for encountering difficulties finding their first job
Share of recent permanent migrants surveyed

Source: ABS (2021) Characteristics of Recent Migrants 2019.
Note: Derived using Tablebuilder.

These official statistics align with the findings of research by Engineers Australia on the barriers to employing migrant engineers and making best use of their skills. [30] This research identified the following barriers:

- a lack of local knowledge and experience
- perceived cultural differences in soft skills
- visa or sponsorship working rights issues
- a lack of people who can 'vouch' for them locally
- certification queries
- 'flight risk' concerns
- a lack of local networks and connections.

The same barriers are encountered by migrant IT, accounting and other professionals.

A lack of Australian work experience and local knowledge is particularly acute for those who have not lived and worked in Australia previously. A PY targeted at recent permanent migrants who are yet to work in Australia could provide the opportunity to test their skills and knowledge in a simulated Australian workplace. This, in turn, would provide them with the skills benchmarking to support their first job applications and enable them to signal their capabilities to employers. Further, as

[29] Derived using ABS Tablebuilder from data on the Characteristics of Recent Migrants 2019.

[30] Engineers Australia (2021) Barriers to Employment for Migrant Engineers, Research Report, October.

foreshadowed, the PY experience would also provide them with the tools and protections to navigate unethical or exploitative workplaces.

Aside from using good effect flexibilities in the mode of delivery, no change in the PY curriculum would be required. We would employ the principles of Universal Design for Learning to deliver the same core competencies and learning experiences to diverse groups seeking to enter Australian professional pathways.

We recommend that:

- The government offer a PY to other recent migrants who have not worked in Australia.

Develop PYs for other professions facing skill shortages

While IT and accounting were used frequently by the academic experts who authored the 2006 report that recommended a PY program to evidence arguments about the underutilisation of international graduates, their recommendation to establish a PY did not single out these fields or engineering. What was recommended was:

> *"For higher education graduates, complete a year of relevant professional training in a postgraduate program additional to the undergraduate or masters level course currently required for accreditation in 60-point occupations."*[31]

At the time of writing, the most skilled occupations, including not just IT, accounting and engineering, but nursing, teaching and some traditional trades, were allocated 60 points under the migration system.[32]

The official list of occupations in shortage is much longer than those in our fields coloured red in Attachment 2. JSA assesses that 36 per cent of occupations are in national shortage - 332 out of 916 - five percentage points higher than in 2022.[33] The rise in shortages is attributed to the cumulative impacts of recruitment challenges, stemming from a persistently tight labour market which began tightening from late 2021.

Amongst this number will be professions like ours, where further training and work experience requirements means that building the local talent pipeline is not a quick fix, yet employers are finding international graduates and other migrants wanting.

One of the terms of reference of the previously referenced Parliamentary inquiry was to focus on initiatives to support international student pathways to build their skills and contribute to Australia's prosperity.[34] The PY was not mentioned. But it should have been. Our PY programs are playing a small but important part in addressing the shortages in our fields. A PY for other professions could similarly benefit international graduates from other fields and their employers.

We recommend that:

- The government and professional bodies examine the merits of introducing PY programs in other professions facing skill shortages.

[31] Birrell *et al* (2006) *op cit*, p 171.

[32] Ibid, p 17.

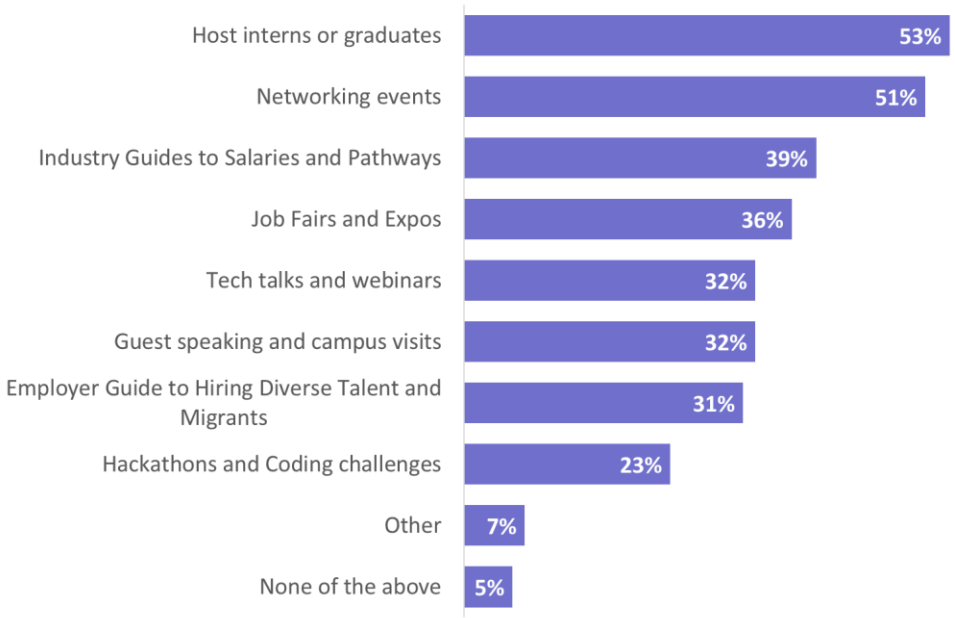
[33] JSA (2023) 2023 Skills Priority List Key Findings Report, September, p 6.

[34] Joint Standing Committee on Foreign Affairs, Defence and Trade (2023) *op cit*, p xv.

Complementary initiatives

We asked employers what kind of activities or resources would provide the most useful forms of engagement for their businesses and future recruitment needs. Their answers provided positive affirmation that the professional bodies are targeting their efforts appropriately. Figure 15 shows the initiative most highly ranked by employers to support their recruitment needs is that they have an opportunity to host interns or graduates.

Figure 15 Employers' desired initiatives to support their recruitment needs



Networking events, job fairs, face-to-face presentations and webinars are initiatives that each professional body are already actively involved in outside of the PY. However, there may be opportunities to make better use of them to educate and empower employers to engage with and consider international graduates and skilled migrants.

A gap is employer guidelines. Many of the barriers identified in the discussion under the previous header – in Figure 15 and in Engineers Australia's research – reflect a lack of understanding and sometimes misconceptions. Guidelines could address both and raise awareness of the many positives of employing global talent. Furthermore, PY initiatives actively support the work of the DHA's BIRO, Study Australia, and private companies to demystify and showcase this critical talent pool.

Attachment 2: 2023 Skills Priority List outcomes for IT, accounting and engineering

	Future Demand	National
Occupations in the IT Profession		
Chief Information Officer	▶	NS
ICT Project Manager	▶	NS
ICT Managers nec	▶	NS
Information and Organisation Professionals nec	▲	NS
ICT Business Analyst	▶	NS
Systems Analyst	▶	S
Multimedia Specialist	▶	S
Web Developer	▶	S
Analyst Programmer	▶	S
Developer Programmer	▶	S
Software Engineer	▶	S
Software Tester	▶	S
Software and Applications Programmers nec	▶	NS
Database Administrator	▲	NS
Systems Administrator	▲	NS
Computer Network and Systems Engineer	▶	S
Network Administrator	▶	S
Network Analyst	▶	S
ICT Quality Assurance Engineer	▶	S
ICT Support Engineer	▶	NS
ICT Systems Test Engineer	▶	S
ICT Support and Test Engineers nec	▶	NS
Web Administrator	▶	NS
Occupations in the Accounting Profession		
Finance Manager	▶	NS
Accountant (General)	▶	NS
Management Accountant	▶	NS
Taxation Accountant	▶	S
Company Secretary	▶	NS
Corporate Treasurer	▶	NS
External Auditor	▶	S
Internal Auditor	▶	S

	Future Demand	National
Occupations in the Engineering Profession		
Engineering Manager	▶	S
Chemical Engineer	▶	S
Materials Engineer	▶	S
Civil Engineer	▶	S
Geotechnical Engineer	▶	S
Quantity Surveyor	▶	S
Structural Engineer	▶	S
Transport Engineer	▶	S
Electrical Engineer	▶	S
Electronics Engineer	▼	S
Industrial Engineer	▼	S
Mechanical Engineer	▼	S
Production or Plant Engineer	▼	S
Mining Engineer (excluding Petroleum)	▼	S
Petroleum Engineer	▼	S
Aeronautical Engineer	▶	S
Agricultural Engineer	▶	S
Biomedical Engineer	▶	S
Engineering Technologist	▶	S
Environmental Engineer	▶	S
Naval Architect / Marine Designer	▶	S
Engineering Professionals nec	▶	S
Telecommunications Engineer	▶	NS
Telecommunications Network Engineer	▶	NS

Key:

▲ Above economy-wide average

▶ At economy-wide average

▼ Below economy-wide average

Attachment 3: Professional bodies

Australian Computer Society

ACS is the voice of Australia's technology sector, representing over 47,000 technology professionals across all industries and across the nation. Our members work in industry, education, government, and the community delivering the digital services that drive the nation and provide the high-skilled jobs of today and tomorrow.

ACS works to grow the technology sector while making sure IT professionals act ethically, responsibly, and in keeping with the best interests of not only their employers, but the wider community.

Engineers Australia

Engineers Australia is the peak body for the engineering profession in Australia. Our purpose is to advance the science and practice of engineering for the benefit of the community (which we paraphrase to "advancing society through great engineering").

The organisation was founded in 1919, as the Institution of Engineers Australia. With approximately 122,000 individual members, we are the voice of the profession.

For more than 100 years, the work of the organisation, along with its members has underpinned the progress of our nation.

Chartered Accountants Australia and New Zealand

CA ANZ represents more than 136,000 financial professionals, supporting them to build value and make a difference to the businesses, organisations and communities in which they work and live. CA ANZ promotes the Chartered Accountant (CA) designation and high ethical standards, delivers world-class services and life-long education to members and advocates for the public good. We actively engage with governments, regulators and standard-setters to advocate in the interests of our members and the profession, and in the public interest. CA ANZ's support of the profession extends to affiliations with international accounting organisations.

CPA Australia

Founded in 1886, CPA Australia now has over 172,000 members in over 100 countries and regions and is an international, interconnected member organisation. Our core services to members include education, training, technical support and advocacy. Employees and members work together with local and international bodies to represent the views and concerns of the profession to governments, regulators, industries, academia and the general public. Through CPA Australia's commentary and publications in the media, we generate support for accounting, finance and economic policy positions. Our work helps to shape and improve policy, legislative and administrative outcomes for members and the broader community.

Institute of Public Accountants

Advocating for small businesses and the SME sector is at the core of what IPA do. We have been creating a community for Public Accountants for over 100 years and now represent more than 49,000 members. IPA has a seat at more than 120 forums with key political, regulatory and industry stakeholders across Australia and overseas. This work is reinforced with a multitude of formal submissions to key influencers and an active media program. We have a global reach with the acquisition of the Institute of Financial Accountants in 2015 based in the UK, and more recently following the acquisition of the Association of Accounting Technicians.