



Friday, 18 November 2022

Ministry of Business, Innovation and Employment
Via email: SkilledMigrantReview@mbie.govt.nz

Dear Sir or Madam

Submission on the Future of the Skilled Migrant Category consultation

Chartered Accountants Australia and New Zealand (CA ANZ) welcomes the opportunity to provide a submission on the consultation referred to above. We have focused our feedback on those areas of the proposals that are most relevant to our profession and members. The summary below sets out the key points of our submission and Appendix A provides our more detailed comments. Appendix B provides more information about CA ANZ.

Key points:

- We are supportive of the intention to review and revise the Skilled Migrant Category (SMC). We consider the proposed SMC is clearer and less complex than its predecessor, and this should (indeed must) contribute to shorter processing times and more certainty for migrants and employers.
- We consider that the proposed SMC could provide a useful medium to long-term solution to help address the critical shortages in our profession (particularly auditors). However, given the likely timing of the SMC's implementation (commencement in July 2023 and anticipated full operational effectiveness late in 2023), the SMC will not help address the immediate, current critical shortage of auditors. This immediate shortage would be best addressed by including external auditors on the Green List of occupations.
- We anticipate that many of the applicants from our profession seeking to use the SMC will become CA ANZ full members (through the [international membership pathways](#) that CA ANZ offers), so will likely be looking to use the points available under this category.
- We applaud the more transparent and collaborative approach that the Ministry of Business, Innovation and Employment (MBIE) is taking in seeking to revise the SMC settings and welcome the opportunity to continue working with Officials on how the proposed SMC can be used by applicants from our profession.

Should you have any questions about our submission or wish to discuss it with us, please contact Lydia Tsen via email at lydia.tsen@charteredaccountantsanz.com or Peter Vial at peter.vial@charteredaccountantsanz.com.

Sincerely,

Peter Vial FCA
New Zealand Country Head

Lydia Tsen CA
New Zealand Government Affairs Leader

Appendix A

General comments on the proposed Skilled Migrant Category (SMC)

We are supportive of the intention to review and revise the SMC. We consider the proposed SMC is clearer and less complex than its predecessor, and this should (indeed must) contribute to shorter processing times and more certainty for migrants and employers. We agree with the intention to align these settings more clearly to the skills that New Zealand is looking to attract. We note that New Zealand currently lacks pathways to residence clearly linked to skills. This has had a detrimental effect on the domestic workforce.

In our view, the points system using a range of skills proxies is clear and fair. We are also supportive of the proposed skill thresholds built into the simplified points system.

We are strongly supportive of the proposal not to cap applications and consider that these should be processed speedily using well-resourced teams and effective systems.

We applaud the more transparent and collaborative approach that the Ministry of Business, Innovation and Employment (MBIE) is taking in seeking to revise the SMC settings.

We agree that the SMC has the potential to be the main channel for residence for skilled migrants. Migration settings should be predictable, efficient and useful, such that other pathways like the Green List become unnecessary.

That said, we agree with BusinessNZ's submission that additional policy and operational action is necessary to ensure a coherent immigration system that will achieve objectives and manage the variety of applications received from different sectors. Clear instructions must be provided to Immigration New Zealand's operational arm regarding the intent and practical application of the SMC operationally for each occupation. In our experience to date the communication and understanding between policy and operational teams has not been seamless.

Following discussions with Officials, we understand that the SMC is intended to be available both to applicants who are applying from overseas once it is implemented and to applicants who have already entered New Zealand (through other pathways such as the Accredited Employer Work Visa) before the SMC opens in mid-2023. We consider that this intention is not clear to current migrants and to employers and workers who have arrived already or will arrive in New Zealand before the SMC is operational and should be communicated more widely to provide certainty in the interim.

We consider that the proposed SMC could provide a useful medium to long-term solution to the shortages in our profession (particularly auditors). However, there is an immediate critical shortage of talent in our profession, as canvassed below, that will not be addressed by the SMC. This immediate shortage would be best addressed by including external auditors on the Green List of occupations.

NZ Professional Registration

Following discussions with Officials, we understand that the points awarded for NZ Professional Registration are based on the time taken to meet the domestic requirements for professional registration. We anticipate that many of the applicants from our profession seeking to use the SMC will become CA ANZ full members (through the [international pathways](#) that we offer), so will likely be looking to use the points available under this category.

In New Zealand, applying for [full membership of CA ANZ and becoming a Chartered Accountant \(CA\)](#) requires completion of the post graduate CA program (approved by TEQSA) and three years of approved employment / mentored experience (as well as the provision of additional supporting documentation such as professional and member references, mentor reports and criminal records). [Eligibility for the CA program](#) itself requires completion of an accredited or approved degree or qualification (at Level 7 or higher).

As a result, it typically takes domestic applicants six years before they are eligible to apply for full membership (and be awarded the CA designation). To this end, we consider that SMC applicants who have become full members with CA ANZ (through CA ANZ's international membership pathways) should be awarded six points under the NZ Professional Registration category.

The talent shortage in the accounting profession

Like many other sectors, the accounting profession is currently facing a severe skill shortage. It takes many years of both professional study and work experience for an accountant to develop their skills and expertise. These skills are highly transferable, leading to a continual flow of talent into other roles and sectors in New Zealand and overseas. Professional accountants make a significant contribution to the economy at the local, national and global levels. They play key roles in business, the public sector, the not for profit sector and in academia.

The accounting profession continues to work hard to attract new talent through, for example, flexible working arrangements, remote working arrangements and remuneration increases; however, it still faces significant challenges in recruiting and retaining its workforce.

As a subset of the profession, highly skilled auditors are vital for ensuring trust is maintained in New Zealand businesses, charities, and the public sector. Audits are a powerful means of reducing risk and delivering accountability and transparency to the public, investors, directors and Government. For many organisations, an audit is a legal or statutory requirement.

New Zealand faces an immediate and critical auditor shortage, and this shortage remains a serious concern for both the 31 March 2023 private sector and 30 June 2023 public sector balance dates, particularly given the financial reporting extensions provided during the pandemic will not apply next year. These extensions were provided to both private companies and Crown entities under the Covid-19 framework and have now lapsed. The impact of this will be significant. Practically speaking, for 2023 financial reports, these entities will only have 10 months to complete their 2023 audits, which would be difficult if they had a full complement of staff and near impossible given the current and projected levels of auditor vacancies. At a time of significant economic uncertainty, New Zealand cannot afford to have the quality and timeliness of audits undermined.

Appendix B

About Chartered Accountants Australia and New Zealand

Chartered Accountants Australia and New Zealand (CA ANZ) represents over 134,000 financial professionals, supporting them to make a difference to the businesses, organisations and communities in which they work and live. Chartered Accountants are known as Difference Makers. The depth and breadth of their expertise helps them to see the big picture and chart the best course of action.

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 protect the reputation of the designation by ensuring members continue to comply with a code of ethics, backed by a robust discipline process. We also monitor Chartered Accountants who offer services directly to the public.

Our flagship CA Program, the pathway to becoming a Chartered Accountant, combines rigorous education with mentored practical experience. Ongoing professional development helps members shape business decisions and remain relevant in a changing world.

We actively engage with governments, regulators and standard setters on behalf of members and the profession to advocate boldly in the public good. Our thought leadership promotes prosperity in Australia and New Zealand.

Our support of the profession extends to affiliations with international accounting organisations. We are a member of the International Federation of Accountants and are connected globally through Chartered Accountants Worldwide and the Global Accounting Alliance. Chartered Accountants Worldwide brings together members of 15 chartered accounting institutes to create a community of more than 1.8 million Chartered Accountants and students in more than 190 countries. CA ANZ is a founding member of the Global Accounting Alliance which is made up of 10 leading accounting bodies that together promote quality services, share information and collaborate on important international issues.

We have a strategic alliance with the Association of Chartered Certified Accountants. The alliance represents more than 870,000 current and next generation accounting professionals across 179 countries and is one of the largest accounting alliances in the world providing the full range of accounting qualifications.

We employ more than 500 talented people across Australia, New Zealand, Singapore, Malaysia, Hong Kong and the United Kingdom.