



**FUTURE SKILLS
ORGANISATION**
Finance Technology Business



Initial Workforce Plan

'Building a skilled workforce'

Finance Occupations

December 2023



Finance Occupations



The finance workforce is ageing and has below average levels of participation from First Nations people¹

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41

is the median age of the workforce² (in line with the average across all occupations)

22%

of the workforce is aged 55+ (higher than the average across all occupations)



61%

of the workforce are women (higher than the average across all occupations)

<1%

identify as First Nations peoples (lower than the average across all occupations)

29%

of the workforce is linguistically diverse (higher than the average across all occupations)



43%

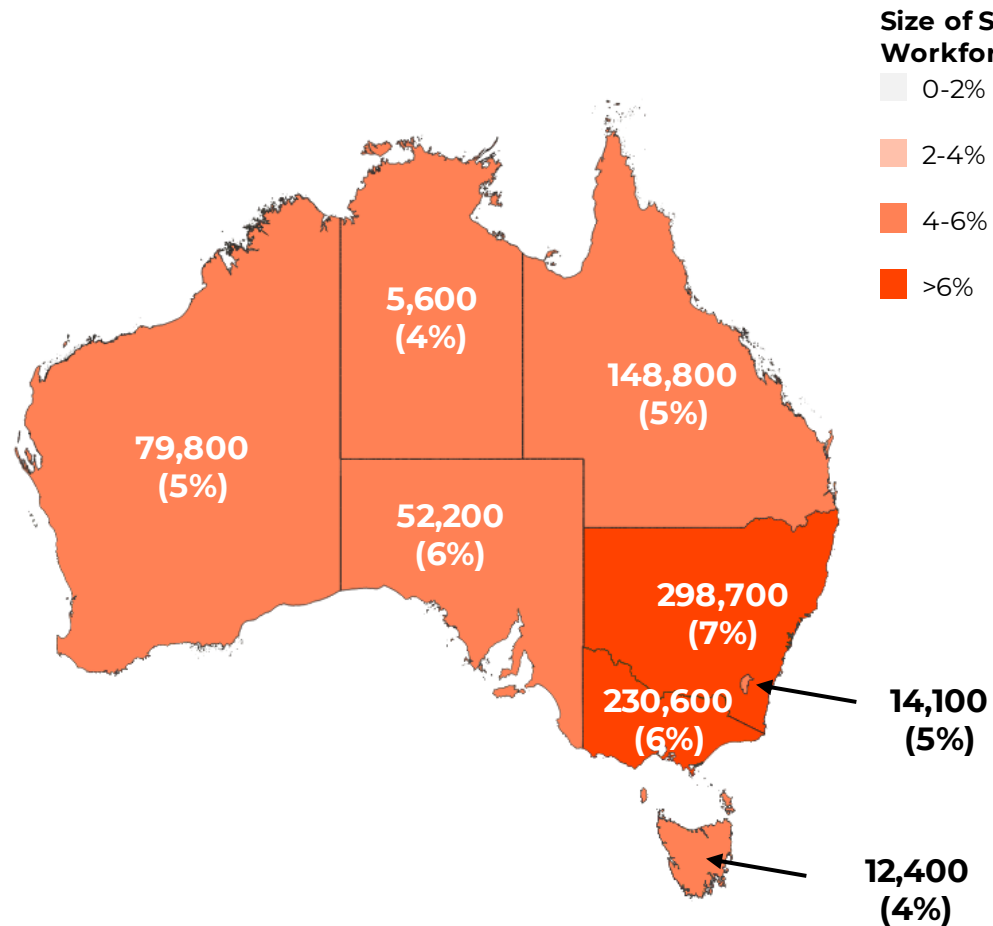
have a HE qualification as their highest qualification (higher than the average across all occupations)

28%

have a VET qualification as their highest qualification (lower than the average across all occupations)

The finance workforce makes up 4-7% of each states and territories total workforce

Number of finance workers, share of state/territory workforce, 2023³



Note: 1. Occupations included in scope of finance identified at page 103. 2. Demographic analysis uses ABS Census 2021 data. 3. Map data uses ABS Labour Force Survey data and is proportioned by state/territory using historical ABS Census 2021 state splits.

Sources: 2. ABS Census 2021 (Employment and Income data, Education and Qualifications data, Cultural Diversity data, Age and Sex data, Aboriginal and Torres Strait Islander Peoples data) - Tablebuilder; Accenture analysis. 3. Four quarter average (Aug 22 – May 23), ABS Detailed Labour Force Survey (Table EQ08).

Accountants are the largest occupation group among the 842,000 finance workers, with industry demand increasing

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Number of workers by finance occupation

(000s), 2023

Occupation	Current workers	Current vacancy rate	12-month change in vacancy rate
Accountants	203.1k	2.5%	0.4%
Accounting Clerks	129.4k	2.1%	-0.3%
Bookkeepers	95.1k	0.8%	0.0%
Finance Managers	69.9k	2.0%	0.5%
Financial Investment Advisers and Managers	60.3k	1.3%	0.0%
Financial Brokers	47.1k	0.7%	-0.2%
Payroll Clerks	46.5k	3.1%	0.1%
Bank Workers	44.5k	1.6%	-1.5%
Credit and Loans Officers	37.8k	6.3%	1.7%
Insurance, Money Market and Statistical Clerks	34.0k	0.3%	0.0%
Auditors, Company Secretaries and Corporate Treasurers	30.4k	3.2%	-0.5%
Financial Dealers	17.0k	0.4%	0.0%
Insurance Agents	14.5k	5.2%	-0.1%
Insurance Investigators, Loss Adjusters and Risk Surveyors	5.4k	12.6%	3.4%
Debt Collectors	4.7k	5.3%	1.4%
Other	1.8k		

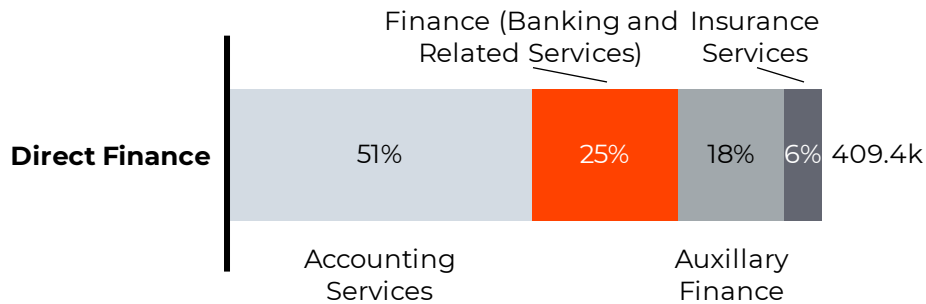
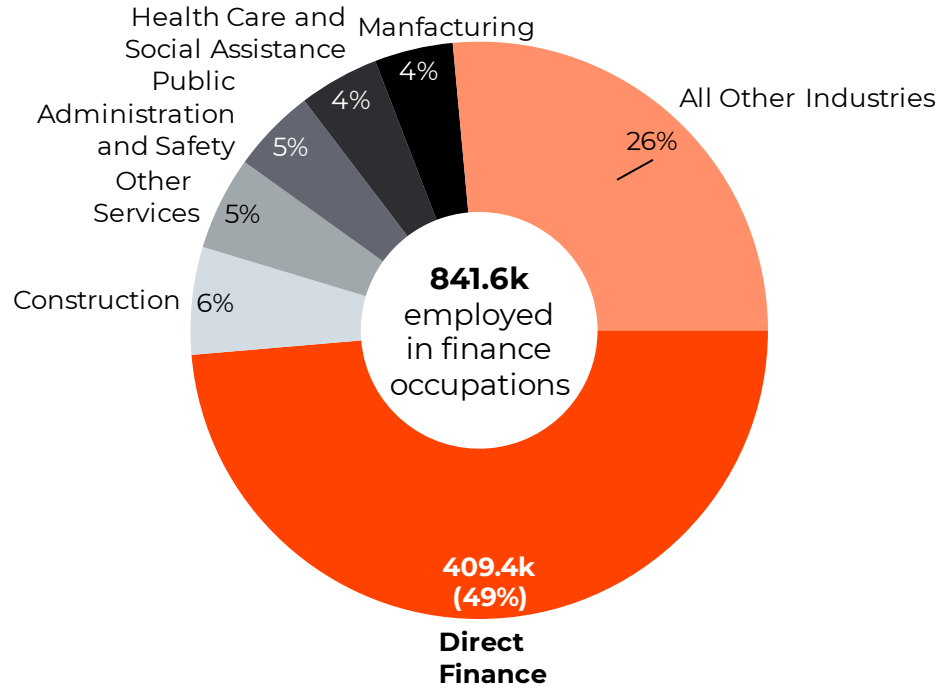
Across the 21 ANZSCO occupation units defined as Finance Occupations there are ~**841,600 individuals** employed

Sources: Four quarter average (Aug 22 – May 23), ABS Detailed Labour Force Survey (Table EQ08); JSA, Internet Vacancy Index (May 2023); Accenture analysis

More than half of finance occupations are outside the direct finance industry

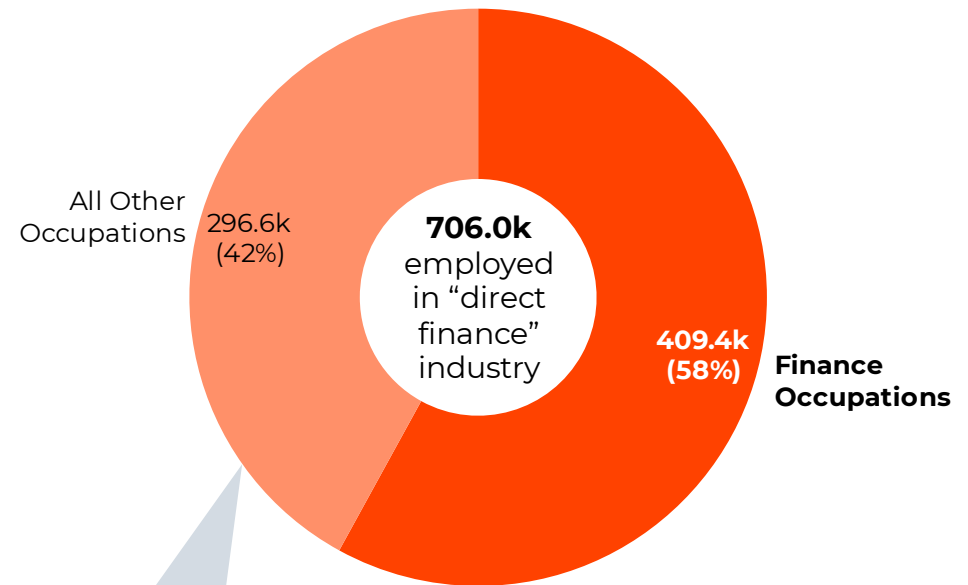
Industry concentration of workers employed in finance occupations

Percentage (%), Australia, FY2023



Occupation concentration of workers employed in the direct finance industry

Percentage (%), Australia, FY2023



There are a range of non-finance occupations working alongside finance occupations in the "direct finance" industry (e.g. workers in business and technology occupations)

Note: Industry splits use ABS Labour Force data and are proportioned by ABS Census 2021 industry splits. Industries have been defined based off 1-digit ANZIC codes, except 'Direct Tech' and 'Direct Finance'. See page 102 for definition of these industries.

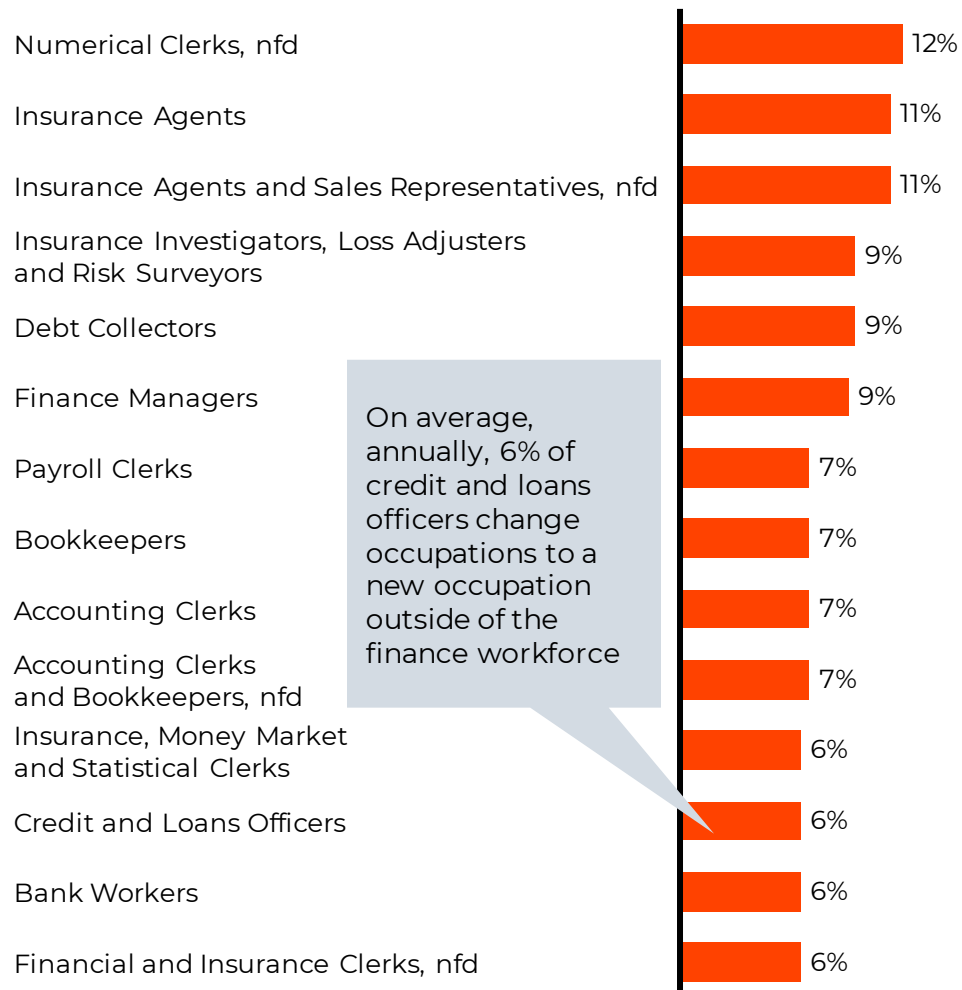
Sources: Four quarter average (Aug 22 – May 23), ABS Detailed Labour Force Survey (Table EQ08); ABS Census 2021 (Employment and Income data) - Tablebuilder; Accenture analysis

On average, 6% of people in finance occupations move to non-finance occupations annually

24

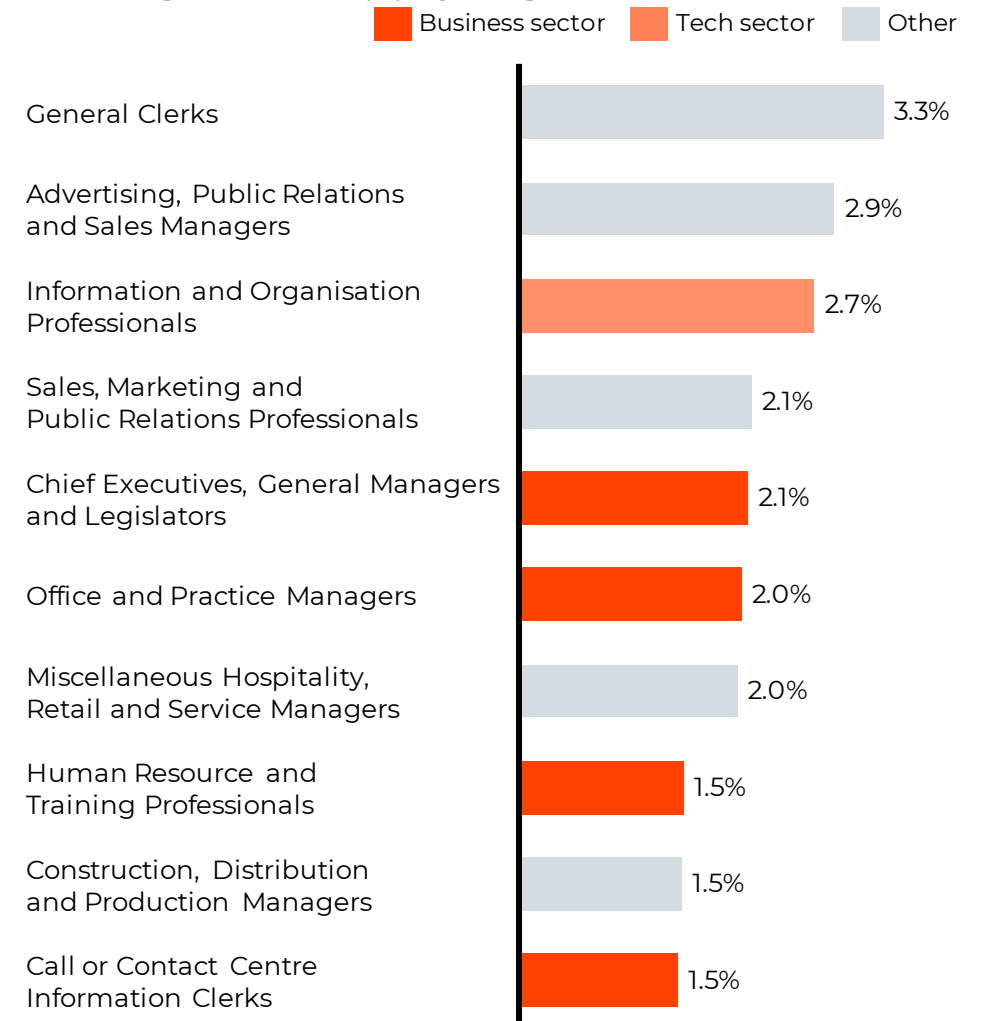
Finance occupations that move to non-finance occupations

Annual percentage of workers (%), by 4-digit ANZSCO 2011-2016¹



Top 10 non-finance occupations that finance workers exit into

Percentage of workers (%), by 3-digit ANZSCO 2011-2016¹



Sources: ABS Census Longitudinal Data 2011-2016 (Employment and Income data) - Tablebuilder

FNS training package qualification completions have declined by almost 50% since 2016

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The number of people completing VET FNS qualifications has been steadily declining in the last five years.

In the past five years, finance-related professions have encountered increased regulatory scrutiny, primarily driven by outcomes stemming from the Royal Commission. These changes, particularly in accreditation and regulatory criteria, have been attributed by stakeholders as factors influencing the decline in VET completions over the same period due to finance-related professions becoming less attractive to potential students. Despite VET graduates reporting favorable training outcomes, lower demand by industry for VET qualifications may have contributed to this decline.

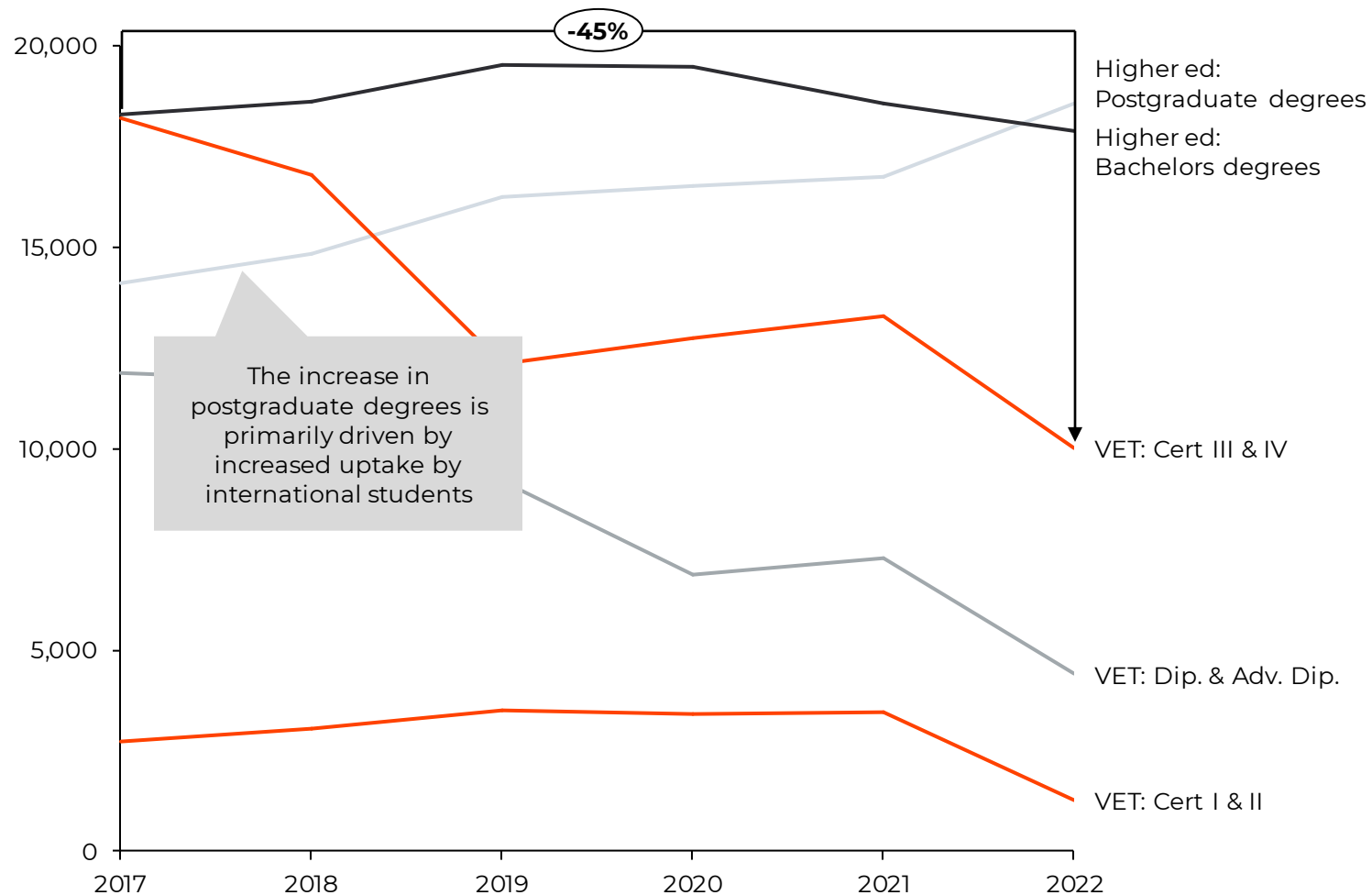
Emerging skills needs and regulatory changes are potentially reducing supply from VET

Stakeholders reported that some finance professions are undergoing significant transformation resulting in gaps in the FNS training package, particularly in areas related to risk management, audit skills, and digital capability. These gaps have emerged due to the evolving regulatory landscape and the impact of digitisation and GAI. Consequently, these deficiencies have become obstacles to the growth of enrolments in FNS qualifications.

At the same time, university completions in finance have plateaued or are being supported by international student uptake.

Number of finance course completions

International and domestic students, 2017-2022



Sources: Total VET student outcomes 2016-2022, NCVET VOCSTATS; ABS Census 2016, 2021 (Education and Qualifications data, Employment and Income data) - Tablebuilder; ASIC 2017 Accenture analysis

Graduates from the FNS training package have below average employment outcomes 26

The content underpinning the FNS training package is providing workers with core competencies and industry-relevant skills

Individuals who have successfully completed a qualification in the FNS training package consistently express high levels of satisfaction with training and find it highly relevant to their current job. Notably, approximately half of those who have completed a FNS qualification reported leaving with enhanced skills, which surpasses the average outcomes observed across all VET qualifications.

Stakeholders within the field have emphasised the importance of the consistency and reliability of the FNS training package, especially for occupations subject to regulatory oversight. This stability is believed to be a significant factor contributing to positive learning outcomes for completers.

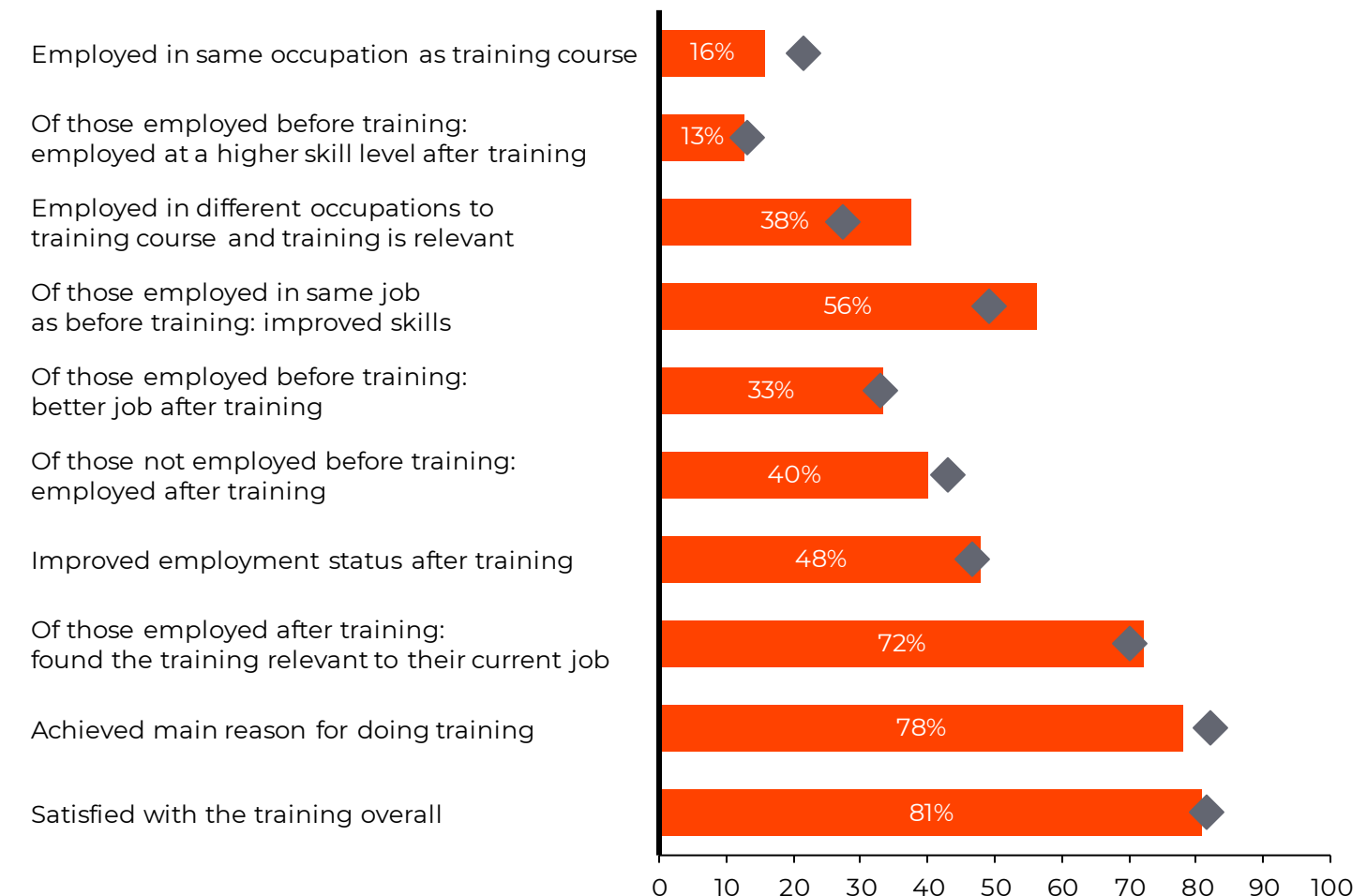
However, completers report below average rates of being employed in occupations corresponding to training packages

The rates of being employed in the same occupation as the training package, are below the average for all VET qualifications, suggesting that there may be a lack of understanding regarding the intended purpose or career pathways associated with this training package. Alternatively, it may be that completers are entering occupations outside finance (and business) as per the findings at page 24. Due to data gaps, we lack insight into specific occupations that completers of FNS qualifications are transitioning into.

FNS & BSB programs student outcomes

% of qualification completers, 2016-2022

■ FNS & BSB training packages ◆ Average VET qualification completers



Note: Due to data limitations, FNS & BSB programs are unable to be split out. See pages 61-62 for further detail on data gaps.

Sources: Total VET student outcomes 2016-2022, NCVET VOCSTATS; Accenture analysis

Future Skills Organisation

Finance workers require deep capability in planning and organising, with a breadth of knowledge of finance specialist tasks required 27

Core competency requirements of finance workers

Proficiency level, 1-3: Basic; 4-7: Intermediate, 8-10: High



Key specialist tasks performed by finance workers

% of time a tech sector worker spends on average on specialist task clusters



Note: Proficiency levels have been rounded to whole numbers

Source: Australian Skills Classification Occupation Profiles, November 2022; Accenture analysis.

Finance occupation skill requirements have been steady, although there is increasing demand for digital skills 28

Over the last 7 years, skills mix change has been steady for finance occupations

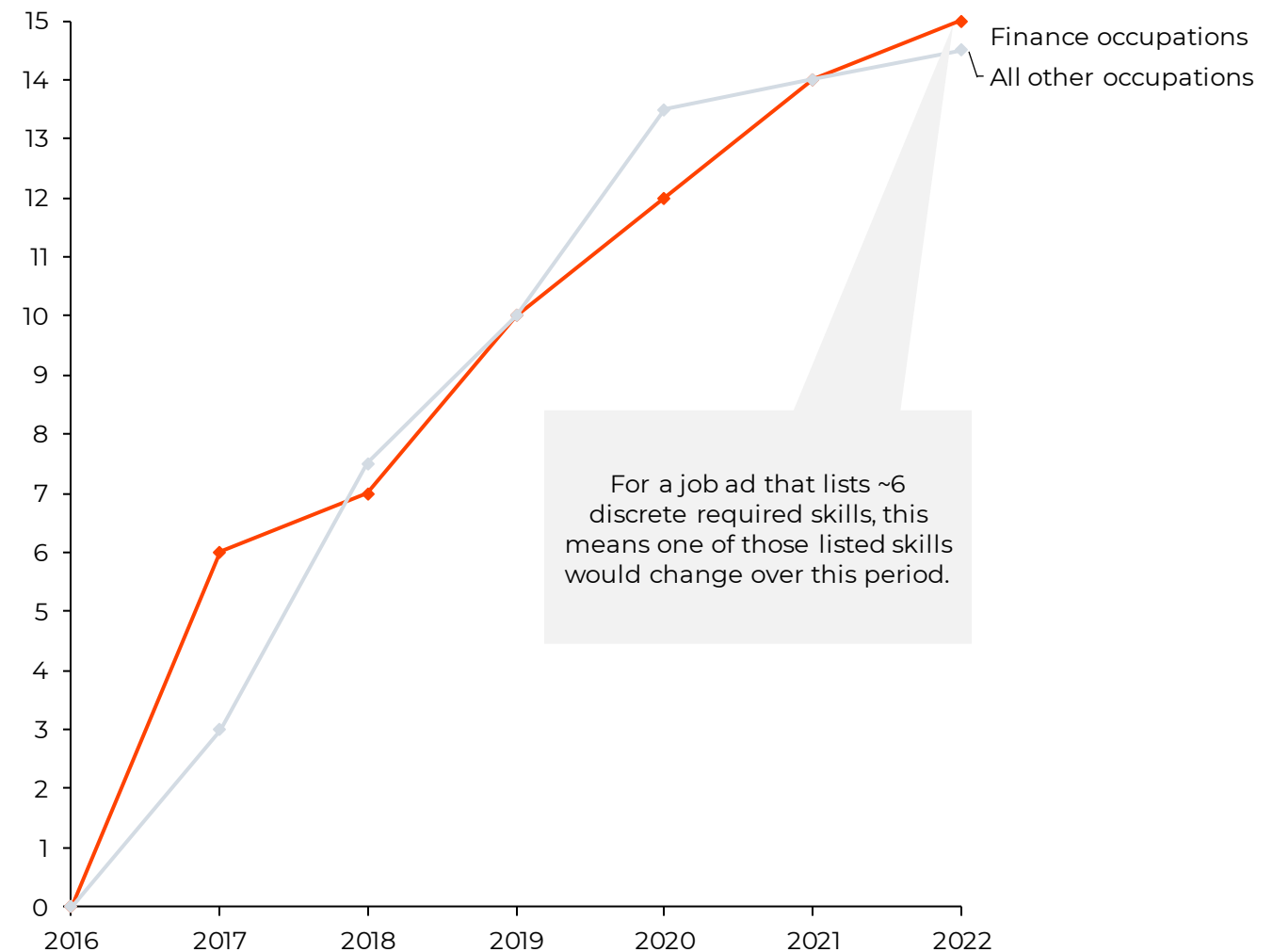
Since 2016, finance occupations have seen a 16% change in the skills demanded. One area of steadily increasing demand is in digital skills (see page 29). Stakeholders also identified growing demand for skills associated with compliance and risk due to regulatory changes.

Industry stakeholders indicated that the FNS training package does not have the capability to address the skill demands posed by digitisation. Inferior learner outcomes for FNS training package completers are indicative of this (see page 26).

Enhancing the suitability of the FNS training package to meet the needs of industry and continued development of trainer and teacher capabilities in the VET system can help meet the skills gap.

Change in skills requirements in job advertisements

% change in skills demanded by employers for workers in finance occupations, 2016-2022



Source: Lightcast data mapped by occupations in scope; Accenture analysis.

Finance occupations are experiencing a significant increase in demand for digital skills 29

The increase in demand for digital skills reflects uplift in digital intensity of occupations across the economy

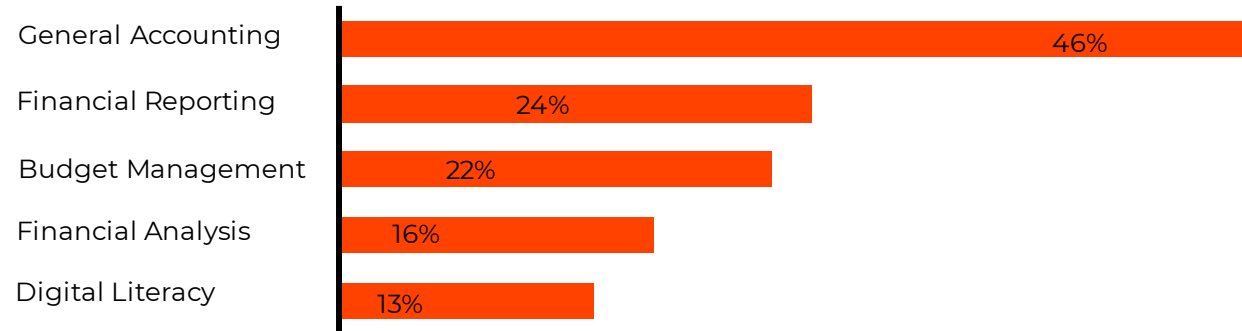
Over the last five years, the workforce has transformed with growth in demand for digital skills across all roles – this trend shows no signs of slowing down. As indicated in the Digital Skills Organisation final report², there is an increasing need for workers to become digitally enabled due to the increasing use of digital tools in jobs across the economy.

There is limited coverage of digital skills training in non-IT VET programs, which does not reflect increasing digital skills demands across industries. And whilst FNS qualifications yield favourable outcomes in certain skill areas, industry perceives that there is a deficit in digital skills within the training package.

Industry consultation indicated that this package does not possess the capacity to meet the skill demands arising from digitisation. Enhancing the suitability of FNS qualifications to meet the increasing digital need of industry and continued development of trainer and teacher capabilities in the VET system can help meet this digital skills gap.

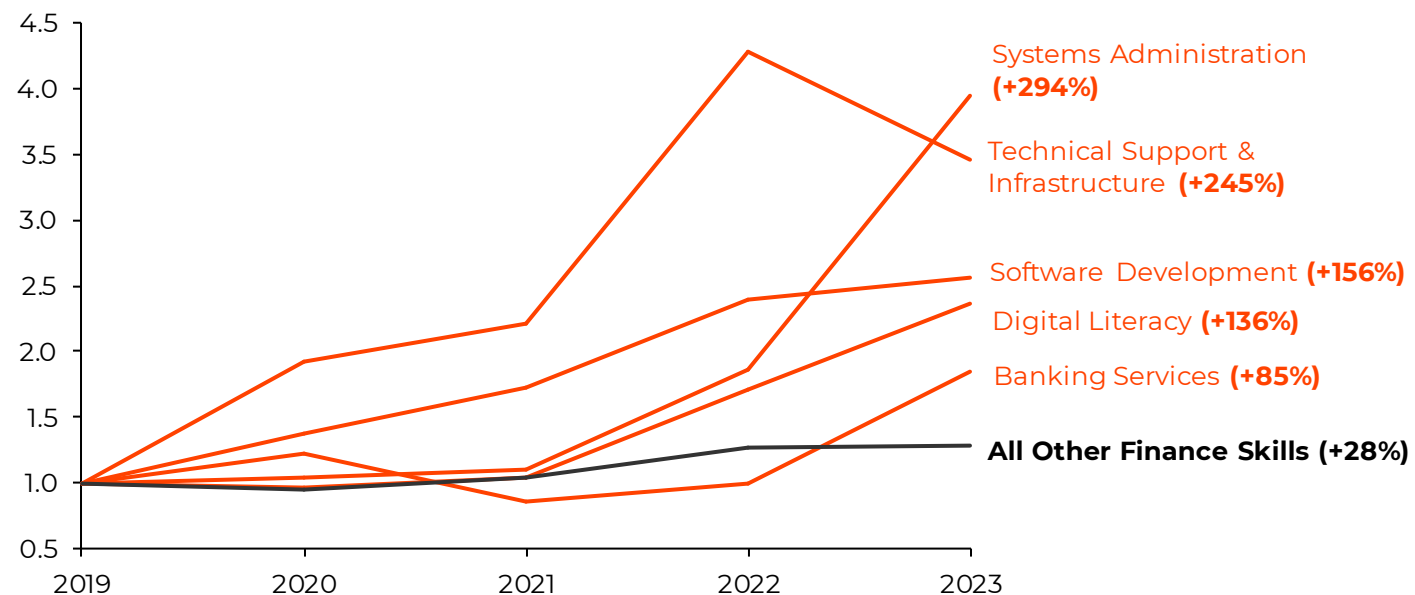
Top 5 required skills in job advertisements for finance occupations

Penetration of skills, percentage (%), Australia, FY2019-2023¹



Skill mentions in job advertisements for finance occupations

(indexed; 1=FY2019), Australia, FY2019-2023¹



Sources: 1. Lightcast data on job advertisements within occupation scope; Accenture analysis. 2. Digital Skills Organisation. Growing Australia's digital workforce. 2023.

Finance is heavily regulated and changes in regulation affect skills needs

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The financial services industry operates in a regulated environment with various Commonwealth and State/Territory legislation being relevant to its operations.

Organisations operating in the sector must abide by legislation including the Corporations Act 2001 (Cth), the Income Tax Assessment Act 1997 (Cth), the Superannuation Guarantee Act 1992 (Cth), and the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth).

The Australian Securities and Investments Commission (ASIC) is Australia's primary corporate, markets, financial services and consumer credit regulator. It is responsible for regulating consumer protection and maintaining market integrity within the financial system. It regulates both finance businesses and finance professionals as individuals. The Australian Prudential Regulation Authority (APRA) is a further national regulatory body that supervises institutions across banking, insurance and superannuation sectors.

Financial services businesses must hold an Australian Financial Services Licence (AFSL) issued by ASIC. Services covered under an AFSL licence include many of those addressed through the FNS training package, including dealing in a financial product or providing financial advice.

For individuals, professional standards reforms apply to financial advisers who provide personal advice on relevant financial products to retail clients. 'Relevant financial products' are financial products other than basic banking products, general insurance products and/or consumer credit insurance. Regulation Guide 146 differs from an AFSL in that it is issued to individuals rather than corporate entities.

Other financial occupations that require licensing or registration requirements to be met by an individual include:

- Registered Tax Agent or Business Activity Statement (BAS) Agent
- Registered Company Auditor
- Self-Managed Superannuation Fund Auditor
- Liquidator or a Registered Trustee in Bankruptcy

Various reforms arose out of recommendations from the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry (Royal Commission) and other inquiries including restrictions on the unsolicited selling of financial products, reference checking and information sharing requirements for Financial Advisers and brokers, and new requirements around how breaches are reported to ASIC and disputes are managed internally in firms.

Of note, various VET qualifications are cited as meeting the Tax Practitioner Board (TPB) education requirements for registration as a Business Activity Statement (BAS) agent. The Advanced Diploma and Diploma in Accounting and Bookkeeping include units that comprise an approved TPB course in Australian taxation law and commercial law, which are relevant for registration as a tax agent.

In our consultations, stakeholders highlighted a number of skills gaps facing finance workers including risk and audit skills as well as tech skills such as digital capability. Stakeholders noted that the increased digitisation of financial services has led to growth in hybrid roles for certain workers (e.g. bank tellers). This change has required workers to be digitally literate and able to work alongside digital systems such as automated messaging systems and chatbots.

Regulatory changes have had significant impacts on demand for specific finance occupations and training must constantly adapt to those changes

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Australian Accounting Standards (AAS) and International Financial Reporting Standards (IFRS)

Australian Accounting Standards are constantly evolving. Upcoming examples of these include proposed changes to the Australian Sustainability Reporting Standards (ASRS) Disclosure of Climate-related Financial Information which proposes climate-related financial disclosure requirements.

Recently, IFRS 17 was issued by the International Accounting Standards Board in May 2017 and replaced IFRS 4 on accounting for insurance contracts on 1 January 2023.

IFRS 17 necessitated significant overhauls in processes, controls, and technology, particularly in data granularity. It required the replacement of manual processes and outdated systems with modern accounting platforms. Compliance is mandatory in Australia and New Zealand.

IFRS 17 introduces complexity, altering the measurement of insurance contract liabilities and transforming profit recognition. It demands detailed data inputs, intricate modeling, and in-depth analysis, challenging the implementation of cost-effective and robust solutions. Additionally, it necessitates changes in team dynamics and talent management, requiring closer collaboration between actuarial and finance teams.

Understanding the new financial statements is critical for internal and external stakeholders. IFRS 17 changes profit recognition patterns and the presentation of premium revenue, necessitating comprehensive education of senior management, boards, global parents, local shareholders, and the market about these shifts. Interpreting these financial statements represents a paradigm shift, and explaining changes in liability components adds to the implementation challenges.

The introduction of IFRS 17 required extensive stakeholder education and communication, given the distinct financial statements it generates compared to local standards. Stakeholders reported that it led to a significant increase in demand for, for example, actuaries, at the start of 2023.

Overall, there are 3 key workforce challenges in finance

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KEY CHALLENGES ACROSS ALL SECTORS

NEW TECHNOLOGIES



JOB AND CAREER PATHWAYS



DIGITAL CAPABILITY GAP



TRAINING SUITABILITY



ENHANCING TRAINER AND TEACHER CURRENCY



FNS training package qualification completions have declined by almost 50% since 2016



Increasing digital skill demands



Increasing demand for finance occupations





The Future Skills Organisation is a Jobs and Skills Council funded by the Australian Government Department of Employment and Workplace Relations.

