



LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

STANDING COMMITTEE ON ECONOMY AND GENDER AND ECONOMIC EQUALITY
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Submission Cover sheet

Inquiry into Micro, Small, and Medium
Businesses in the ACT Region

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Committee Secretary
Standing Committee on Economy and Gender and Economic Equality
ACT Legislative Assembly
GPO Box 1020
CANBERRA ACT 2601

By email: LACommitteeEGEE@parliament.act.gov.au

Dear Committee Secretary

Inquiry into Micro, Small and Medium Businesses in the ACT Region

Chartered Accountants Australia and New Zealand (CA ANZ) is pleased to provide this short submission to the Inquiry into Micro, Small and Medium Businesses in the ACT Region (the Inquiry).

CA ANZ is the leading peak body for the accounting profession. We represent more than 2,000 accounting, auditing, insolvency and financial professionals in Canberra. Many of our members run their own businesses and provide business and tax advice to local Canberra businesses.

[The Canberra Matrix, the ACT Critical Skills List and Monthly Occupation Caps](#)

Our members are concerned about the Canberra Matrix (the Matrix), a tool used by the ACT Government to determine if an applicant should be nominated by the ACT Government to receive a skilled nomination visa.

The Matrix provides a minimum score for each occupation, which applicants need to meet to be considered for an ACT nomination. To obtain their score, each applicant completes the Matrix. Points are awarded to applicants for a range of criteria including their English proficiency, their qualifications, and their assets in Canberra. The maximum score an applicant can achieve is 195.

For the last ACT Invitation Round, initiated on 27 November 2023, accountants are required to meet a minimum score of 150. This is the highest minimum score required for any occupation. It is followed by ICT business and systems analysts (minimum score 140), software and applications programmers (135) and auditors (130).

Complementing the Matrix is the ACT Critical Skills List. This list outlines the critical skills required in the ACT and provides an occupation gap – essentially a guide for how many skilled migrants from each occupation the ACT Government is looking to nominate each month. For example, the occupation cap for accountants is 5 or less, while for motor mechanics (minimum Matrix score of 90), the occupation cap is set at 10 or less. The ACT Critical Skills List was last updated in April 2023.

CA ANZ believes that the Matrix and the occupation caps are currently out of balance for accountants. We understand that a higher minimum score on the Matrix is designed to indicate higher demand from applicants in that occupation to migrate to the ACT. However, this is not borne out currently in ACT migration settings.

Occupation	Canberra Matrix Score	Occupation Cap
Accountants	150	5 or less
ICT Business and Systems Analysts	140	25 or less
Software and Applications Programmers	135	40 or less
Auditors, Company Secretaries and Company Treasurers	130	5 or less

It is unclear why other professions with strong demand, like accountants, have significantly higher monthly occupation caps than accountants. Potentially, part of the problem relates to the data used by the ACT Government to determine criteria such as critical skills and the occupation cap. In particular, job ads are becoming a less reliable way of determining demand for an occupation, as recruitment strategies have moved away from placing ads, especially to employ international students from local universities.

Members have raised concerns that the higher requirements for accountants to migrate to the ACT, through the Matrix and occupation cap, is having a significant impact on their firms. One local medium-sized firm has raised with me that they have several staff members, who they value, now considering their future in Canberra.

This has a dual impact on businesses in the ACT region. As businesses themselves, accounting firms are impacted with skills shortages. Accounting firms are also professional advisors for micro, small and medium business in the ACT region. A reduction in accountants leads to a reduction in business advisory and tax compliance services that accountants provide.

Recommendation 1

Noting the demand from accounting firms for staff, and the demand for accountants to migrate to the ACT, the ACT Government increase the occupation cap for accountants and auditors to 25-40 places per month.

Recommendation 2

The ACT Government re-examine the criteria it uses to identify critical occupations and occupation caps.

Recommendation 3

The ACT Government consider using the unused caps from other occupations to target accountants as the profession with the highest minimum score in the Canberra Matrix.

Design of the Matrix

Members have further flagged concerns around the design and integrity of the Matrix.

A feature of the Matrix is that, surprisingly, potential migrants are not required to be working in their nominated occupation to be successfully awarded a skilled nomination visa for that occupation. Rather, the Matrix allocates additional points (10-15 points) if the applicant is working in their nominated occupation. This means an applicant, with accounting qualifications, could qualify for an ACT skilled nominated visa, gaining a position designated for an accountant, despite not being employed by an accountant.

Recommendation 4

Increase the points awarded in the Canberra Matrix for applicants who are working, and have qualifications in, their nominated occupation.

Integrity of the Matrix

Recently CA ANZ has had discussions with staff from the Chief Minister, Treasury and Economic Development Directorate to discuss concerns around the integrity of the Matrix. CA ANZ has found this engagement beneficial. However, we highlight that there is a belief among accounting firms that the integrity of the migration system could be improved. We believe one step the ACT Government could take is to require applicants to create an online account. This will help to ensure that all applicants are lodging the one nomination.

Recommendation 5

The ACT Government require applicants using the Canberra Matrix to create an online account to improve perceived integrity and identification issues.

Micro, small and medium businesses employees

The Matrix currently awards points to applicants who are the majority owner of business in the ACT. However, the Matrix does not consider or provide any points if an applicant is employed by a micro, small or medium business in the ACT.

Recommendation 6

The Canberra Matrix provides points for applicants who are employed by micro, small and medium businesses in the ACT.

CA ANZ understands the complexity of skilled migration and the direct relationship between the Commonwealth and ACT Governments as it relates to migration. We know there are no simple solutions – particularly with a significant change in policy from the Commonwealth Government. Our hope is to work constructively with the ACT Government to increase the numbers of accountants migrating to the ACT.

Ongoing regulation

As is often raised in the context of small business, legislation tends not to be scaled for business obligations. For a micro/small business, the owner tends to be the financial controller and the HR person and the compliance officer etc. Indeed, typically a micro/small business, the first employees they hire will be to help with the operation of the business, only engaging administrative, tax, legal and bookkeeping support after further business growth.

The committee should be cognisant of this reality and seek to find ways to reduce the regulatory burden on micro/small business. It may be the Small Business Expo, funded in the 2023/23 ACT budget, provides an opportunity to host a roundtable with local micro/small businesses to discuss reducing regulation.

Recommendation 7

Host a 'Reducing Regulation Roundtable for Micro and Small Businesses' as part of the Small Business Expo.

Please feel free to contact Ben Damiano, Senior Policy Advocate – Government Affairs, on ben.damiano@charteredaccountantsanz.com should you wish to discuss this submission further.

Yours sincerely



Richard Lindsay

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