



Challenges Facing Accounting Education in Australia

A Joint Accounting Bodies and AFAANZ Commissioned
Report

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Executive Summary

For some time accounting education in Australia has suffered from underfunding and neglect. More recently this has been exacerbated by changes in overall government funding arrangements for universities and the consequent need to develop other sources of income, which has resulted in an influx of international students into many institutions. For a variety of reasons, a high proportion of international students undertaking higher education studies in Australia, choose accounting as their field of study. Students have been welcomed by universities but the entry requirements and level of resourcing needed to enable education standards to be maintained and enhanced, has not necessarily followed the students into the accounting departments.

This project investigated the current challenges in accounting education in Australian universities.

Four main themes are reported:

1. The vulnerability of funding models particularly related to international student income

University reliance on international students varies from 3% of total revenue to 44%. Recent developments in the international education industry, including changes to the General Skilled Migration (GSM) program will have a substantial impact on some universities. Indications are that overseas student applications are falling significantly and that overseas universities are marketing to attract students from Australia's major sources - India, Vietnam and China. These trends highlight the vulnerability of current funding models and could bring the financial viability of some universities into question. As it flows through to accounting departments the impact could be profound as international students constitute up to 80% of enrolments for accounting courses at some institutions.

2. Falling numbers of domestic students and the impact of international student enrolments

The perception that numbers of domestic students are falling and that they are being crowded out by international students is not supported by the evidence available. Whilst this may have been the case in the past, and there may be pockets now, the majority of Heads of Department reported either stable or increasing undergraduate domestic student numbers and falling international numbers between 2006 and 2009. At the postgraduate level as well the perception that numbers of domestic students are falling and that they are being crowded out by international students is not supported with domestic numbers overall rising between 2006 and 2009.

3. *Unmet demand for accounting graduates and issues such as poor communication skills*

Most accounting departments have been struggling with the impact that large growth of international student enrolments has had on their ability to deliver quality education. This is particularly influenced by the fact that the majority of international students studying accounting are drawn from non-English-speaking backgrounds. The current International English Language Testing System (IELTS) and Test of English as a Foreign Language (TOEFL) entry requirements set by higher education providers are not necessarily effective in ensuring entry standards necessary to achieve educational outcomes suitable for the accounting profession. The professional accounting bodies have recently announced that the IELTS requirements for migration application will be increased to 7 across all bands. Universities will need to consider how they can assist students to meet this requirement upon graduating. If universities respond to the challenge, it should mean that graduates will be better positioned to be employed as professional accountants in Australia. Currently, many international accounting students, who have come through the Australian university system and achieved residency, are not achieving employment in the profession because of poor communication skills.

4. *The profile of accounting academics*

The age profile of accounting academics is a serious concern. The 2007 Bradley review highlights this concern by comparing the profile of academics with the general labour force. The academic accounting profile is older than that of the general academic group. This situation requires attention and is affected by the number of years that it takes to develop senior-level academics and in particular by the perceptions about the attractiveness of a career as an accounting academic. In the past, the gap between salaries in accounting academia and the profession could to some extent be balanced by issues such as flexibility and job satisfaction. This is not necessarily the case now with academics reporting workload pressures caused by high international student enrolments, casualisation of staff delivering accounting courses, and employer demands regarding research productivity.

Many of the challenges reported are striking similarity with those identified by Mathews in 1990. The challenge for the accounting academic community, the accounting profession and the broader business community is to address these challenges to ensure that the community standards associated with the accounting profession are upheld.

Background

This report is not the first that has reviewed the current status of accounting education.

The American Accounting Association (AAA) published a monograph in 2000, arguing that accounting education was in a precarious condition in the US (American Accounting Association, 2000). In 1989 the Australian Government commissioned a review of the accounting discipline in higher education institutions. The review, referred to as the Mathews Report, included the following findings and recommendations (Department of Employment Education and Training, 1990):

Findings:

- Persistent neglect, underfunding and discrimination against accounting education throughout Australia at both national and institutional levels;
- Student/staff ratios in accounting that were too high;
- Academic salaries that had generally fallen relative to weekly earnings, whilst working conditions, teaching and staff accommodation and technical support were unsatisfactory;
- Major policy decisions on student growth and introduction of full fee paying students made for financial rather than educational reasons; and
- Funds from full fee paying students being used for purposes other than the enhancement of the quality of teaching courses.

Recommendations:

- The Government adopting a 'needs based' model for funding of accounting education;
- Funds from full fee paying overseas students being used to provide resources on a scale that is at least one third higher than the level of funding per Australian student
- Equivalent entry requirements for full fee paying overseas students and Australian students; and
- A target student-staff ratio of 16:1 by 2020 with no growth in commencing student places in accounting in the next triennium.¹

None of the abovementioned recommendations made in 1990 were enacted. Accounting is in the lowest funded discipline bands, accounting departments have generally not seen Higher Education Providers reinvest in accounting departments at rates that are close to

¹ The Bradley Report executive summary p. xiv states "The target proposed for higher education is that 40 per cent of 25- to 34-year-olds will have attained at least a bachelor-level qualification by 2020. This will be quite testing for Australia as current attainment is 29 per cent. Another important target is one to ensure that those from disadvantaged backgrounds aspire to and are able to participate in higher education. By 2020, 20 per cent of undergraduate enrolments in higher education should be students from low socio-economic backgrounds".

commensurate with the return these departments are generating and student-staff ratios are higher than ever before.

Over the years the issues identified have been further compounded by the ever changing business needs, the increasing gap between accounting academic and professional salaries and the pressure to earn fees through full fee paying international students to compensate for declining government funding of universities.

These concerns together with the Commonwealth government targets for 2025 led the Accounting and Finance Association of Australia and New Zealand (AFAANZ) together with the three Australian accounting bodies, CPA Australia (CPAA), The Institute of Chartered Accountants in Australia (ICAA) and The National Institute of Accountants (NIA), to commission this project to investigate the challenges. Four main themes investigated were:

1. The vulnerability of funding models particularly related to international income;
2. Falling numbers of domestic students and the impact of international student enrolments;
3. Unmet demand for accounting graduates and issues such as poor communication skills; and
4. The profile of accounting academics.

Methodology

A wide range of background reading was undertaken (detailed in the reference list at the end of this report). As this material is freely available it is not referred to in any detail within this report. A number of important reviews initiated by the Australian Government have been released recently and these are referred to in relevant sections of this report. Information from the Department of Education, Employment and Workplace Relations (DEEWR) has been important but in the context of accounting, it is difficult to obtain the finer detail as it is aggregated into the Management and Commerce field.

In addition to the background reading, two major questionnaires were undertaken:

1. *Heads of Departments of Accounting*

A paper based questionnaire for the Heads of Department (HOS) of accounting was developed and HOS were requested to complete the questionnaire using information for the smallest academic unit which administers the accounting education courses and for which reliable details were available. This was implemented through AFAANZ and was distributed to the 37 universities with accounting courses accredited by the professional bodies. Nineteen (51%) responses were received - the list of respondents is included in **Appendix 1**. The information requested was both quantitative and qualitative in nature and included information related to the following:

- undergraduate accredited accounting courses;
- postgraduate accredited accounting courses;
- accounting postgraduate and research courses;
- staffing;
- funding;
- teaching models; and
- other issues.

The results from the HOS questionnaire are presented in relevant sections throughout this report and detailed in **Appendix 2**.

2. *Accounting Academics*

In order to obtain information and assess the perceptions of accounting academics in relation to some of the challenges facing accounting education, a survey was developed. It was implemented online using Survey Monkey and was distributed to the 605 members of AFAANZ who are currently employed as accounting academics. 185 (31%) responses were received. The questionnaire comprised a combination of closed and open-ended questions. The response rate was very pleasing as was the extent to which respondents answered open ended questions. The questions can be broadly categorised as seeking information related to:

- Demographics;
- Academics' Perceptions;
- Academics' Concerns;
- Meeting employers' needs and
- Pressure on academic standards.

The results from the accounting academic online questionnaire are presented in relevant sections throughout this report and detailed in **Appendix 3**.

Challenges

Given the lack of action on the findings of the Mathews Report and the current state of affairs in accounting education it would not be unreasonable to suggest that the recommendations of that report are equally, if not more applicable today.

To provide some current context accounting academics were asked “What do you believe are the two biggest changes that have occurred in the time you have been an accounting academic?” Responses varied somewhat depending upon the length of time in academia. At one extreme 39% of respondents had been in academia for > 20 years, while 15% had been in academia for <5 years. Details of the demographics are included in **Appendix 3**.

A variety of responses were provided and these were allocated to broad groupings. The major changes identified in order of frequency were:

- more international students and poor English causing increasing demands;
- expectations regarding quality teaching, research, publishing and PhDs;
- increasing numbers of students and class sizes;
- increased workloads and difficulty balancing teaching and research;
- reduced educational standards;
- commercialisation of education, pressure to generate income, treatment as ‘cash cow’;
- advances in technology causing extra workload and a different focus with an emphasis on online and less face-to-face;
- reduced quality of students;
- administrative demands, reporting bureaucracy and accountability;
- course content issues; and
- difficulty in attracting suitable full-time staff and growing PhDs.

Some representative comments include:

“Increase in number of international students who have low level English skills”

“The change in university culture from that of a place of learning to a business/production line culture concerned predominantly with making money - increasing student numbers, bigger classes, lowering of academic standards and scaling students to ensure enough pass etc”

“Increased expectations of academics in terms of teaching, research and administration”

“Students don't expect to take any notes and expect to pass without doing any work. Quality is declining as a result of meeting expected to pass rates”

As indicated in the background this report deals with the challenges in the four main categories:

1. The vulnerability of funding models particularly related to international income;
2. Falling numbers of domestic students and the impact of international student enrolments;
3. Unmet demand for accounting graduates and issues such as poor communication skills; and
4. The profile of accounting academics.

1. The vulnerability of funding models particularly related to international income

“In the public universities financial pressures have been increasing for some years because these institutions have only limited opportunities to improve their general productivity. As the level of funding per student declined, most universities increased student to staff ratios as the primary means of remaining financially viable. In aggregate the student to staff ratio increased by 57% from 1992 to 2007.

Other evidence that the sector has experienced sustained and cumulative financial pressure over the last decade is that total funding (private and public) of current government subsidised places was below 1989 levels in real terms from 1997 to 2004..... Over the same time staff and non staff costs of teaching and research have risen sharply” (Bradley et al., 2008, p149).

These concerns regarding funding and many others were described in the Bradley report and resulted in recommendations regarding changes to funding of higher education. In the last decade accounting departments have been recognized as important providers of courses to international students and therefore have been critical to supplementing government funding within each university.

International education is currently at a crossroad. It is clearly of major importance to government as it is Australia’s fourth largest export industry, earning over \$17billion for the Australian economy in 2008 – 2009 (DFAT, 2008-2010). It has been the subject of, or linked to, a number of major investigations that have led to reports to government. It will be some time before the industry adjusts to the changes being made and there is no doubt that there will be substantial impact on accounting education as it is a major participant.

International education has experienced substantial growth and **Table 1** gives some indication of the extent of this growth and the impact it has had on the Management and Commerce field in higher education.

2003	2004	2005	2006	2007	2008	2009	
286,798	305,011	322,243	351,221	412,071	491,743	585,186	Total International Enrolments
132,862	148,655	160,493	166,920	171,949	178,318	200,593	Higher Education
46.33%	48.74%	49.81%	47.53%	41.73%	36.26%	34.28%	Percentage of Total Enrolments
53,082	61,728	70,545	77,752	82,291	85,224	96,972	Management and Commerce
39.95%	41.52%	43.96%	46.58%	47.86%	47.79%	48.34%	Percentage of Higher Education

Source: DEEWR - Selected Higher Education Statistics

During the period 2003 - 2009 there has been substantial growth in international enrolments in the Higher Education Sector but a substantial decline in the percentage of total enrolments. This reflects the growth of other sectors particularly VET and ELICOS. Data are not separately available for accounting. It is included in the Management and Commerce field and comprises a major portion of this field.

It is interesting to note the substantial increase in Management and Commerce enrolments as a proportion of higher education enrolments between 2003 and 2006 (up 46%) and between 2006 and 2009 (up 25%). This is consistent with data provided by the Heads of Department and their comments. The growth between 2004 and 2006 is likely to have been caused by the inclusion of accounting on the Migration Occupation in Demand List (MODL) in 2004.

Accountants were included on MODL in 2004. The Australian professional accounting bodies lobbied the Federal Government to recognise the skills shortage in accounting. This made studying accounting attractive to international students because, upon graduating, they receive additional points for a General Skilled Migration (GSM) visa. Universities and other accredited HEPs experienced a surge in international student enrolments in accounting undergraduate and post-graduate conversion courses.

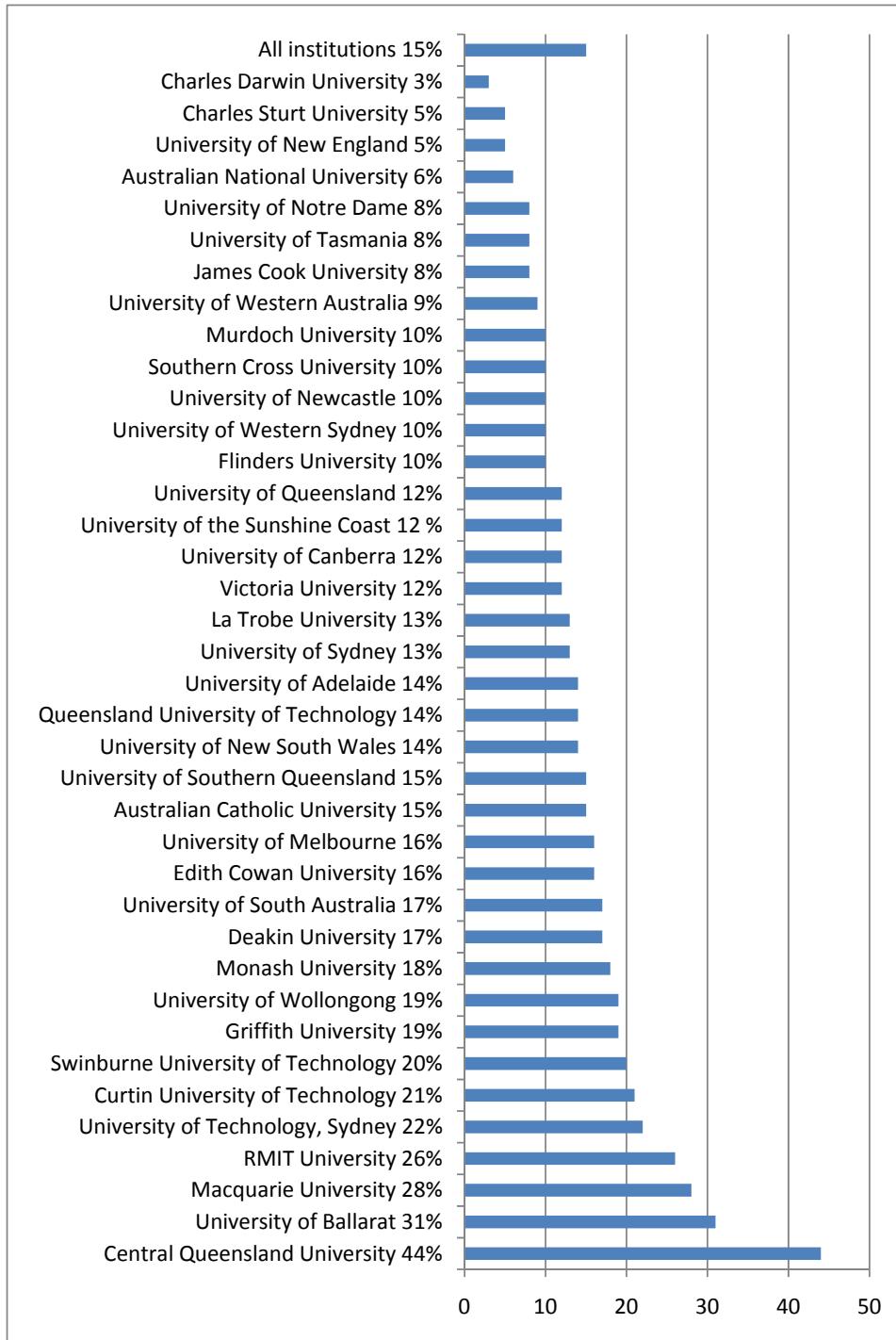
Overall international student numbers in Australia have soared and accounting is a key destination for international students. General statistics indicate that from 1983 to 1993 international students trebled, from 1996 to 1999 international student enrolments went up by another 440 percent and between 1999 and 2006 they went up by 128 percent.

The MODL was reviewed in 2010. Further details on this review are provided below.

Figure 1 shows universities' proportion of international fee revenue to total revenue for 2007. It is evident that while some higher education institutions are dependent on income from full fee paying international students for their viability; this is not the case for others. While the average proportion of revenue from international student fees is 15%, the rate for individual providers varied from 3% to 44%. The vulnerability of institutions at the high end of the scale is of concern given the current situation and changes in Australia and the political and economic upheavals in the source countries.

The information in Figure 1 can be quite deceptive in relation to accounting if it is not considered in context. Table 1 depicts that in 2009, 48.34% of the international enrolments in higher education were in Management and Commerce. This would indicate serious vulnerability in some accounting departments. For example of the five universities with the highest reliance on overseas student fee revenue, as indicated in Figure 1, one has indicated that over 40% of the total university revenue is coming from the academic/accounting unit that responded to the **HOS** questionnaire. In addition another university in the top decile for international enrolments indicated that approximately 27% of its total revenue comes from the academic/accounting unit that responded to the **HOS** questionnaire.

Figure 1: Universities' overseas student fee revenue as a percentage of total revenues



Review of Australian Higher Education: Final Report (Bradley et al. 2008)

Source: DEEWR (Finance 2007- Financial Reports of Higher Education Providers)

Information provided by the HOS in relation to funding, showed major variations between the universities. A number of universities were able to provide fees charged but no other meaningful information. Many indicated that their funding models were currently being reviewed.

Overall the information provided highlighted a considerable range of:

- fees being charged for international students. **Table 2** provides information on the range of fees reported (per subject) in 2009 and 2006.

Table 2: International student fee charges (per subject)				
	International undergraduate		International postgraduate	
	2009	2006	2009	2006
Highest fee	\$3,240	\$2,760	3,270	\$2,760
Lowest fee	\$1,530	\$1,512	\$1,680	\$1,668

Source: HOS Questionnaire

- proportion of international students within the academic unit and income received to service these students. **Table 3** provides information on the proportions of international students. The majority of HOS were not able to provide information on the funds received to service students. The information from those who could respond varied from dollars per student to percentages and was not comparable.

Table 3: Proportion of international students within the academic unit				
	International undergraduate (First unit)		International accredited postgraduate (First unit)	
	2009	2006	2009	2006
Highest proportion	50%	82%	97%	99%
Lowest proportion	0%	0%	60%	56%
Average	21%	23%	72%	79%

Source: HOS Questionnaire

- proportion of universities total teaching revenue coming from the academic unit. At the lower (higher) end it represented 1.6% (40%).
- methods of funding the academic unit. Funding models of the academic units varied. Of those universities that responded, the following different methods were reported:
 - expense budget;
 - percentage of revenue, \$ return required, revenue target;
 - formula based driven by student load; and
 - formula based driven by student load and research output.

Some representative comments by **HOS** include:

“Increasing university revenue by taking more international full fee paying students has been an easy option for universities. This has exposed universities to considerable risk and I hope that universities are now focusing on achieving efficiencies in other faculties and broadening the student fee sources.”

"In 2009, the faculty was provided with an expense budget only. It is difficult to define actual income per student and the figures provided are based on faculty estimate not actuals. The main faculty budget is based on teaching only. The research budget has two components funding for research higher degree students, which is administered by the faculty and research administration which is administered by a number of university-based institutes and centres."

"In line with the government funding model, the university will transition from an expense based budget to an income based model based on actual enrolments."

"Potential issues facing this unit are a forecasted reduction of student numbers and the de-regulation of Higher education by the government. This could result in considerable competition for funding in 2012."

In February 2010, the Minister for Immigration and Citizenship, Senator Chris Evans, announced the immediate revocation of the Migration Occupation in Demand List (MODL). A review had been conducted due to concerns that the MODL was not supporting the General Skilled Migration (GSM) program to meet Australia's medium to long time future skill needs. At the same time Senator Evans announced the replacement of the current Skilled Occupation List (SOL) by a new Skilled/Specialized Occupations List (SOL) to be determined by Skills Australia. This effectively decouples the process of obtaining a student visa to undertake study at an Australian educational institution from the process of applying for permanent residence. It highlights the need for student visas to be aimed at achieving educational outcomes as opposed to the GSM program which should be driven by the labour market needs of Australia.

Also, in February 2010, Bruce Baird delivered his report *"Stronger, simpler, smarter ESOS: supporting international students"*. This was a result of his review of the *Education Services for Overseas Students (ESOS) Act 2000*. In his interim report In November 2009 he noted that *"Much of the recent growth in international student enrolments can be attributed to the attraction of Australian permanent residency.... There is a high risk that students seeking a migration outcome will attempt to enrol in courses perceived to require minimum academic entry requirements and study effort.... The former Government encouraged this demand in 2001 by allowing onshore applications from completing international students"* (Baird, 2009).

In his final report Baird concluded that the *"unparalleled growth in the sector.... resulted in damaging pressures affecting education quality, regulatory capacity, students' tuition, protection and infrastructure. These pressures are adversely impacting on international students' experiences in Australia and Australia's reputation for international education"* (Baird, 2010). Baird made a series of recommendations including that *"English language entry levels and support are appropriate for the course and, where relevant, the expected professional outcomes."* He also indicated that Education Ministers should *"ensure regulators and policymakers actively take into consideration student outcomes and industry benchmarks, where available, when considering the adequacy of the providers' resources, facilities, teachers and support services"* (Baird, 2010).

In March 2010, Philip Bullock chairman of Skills Australia delivered a report *"Australian Workforce Futures - A National Workforce Development Strategy"*. The report makes a number of recommendations with the objective to *"sustain economic growth, avoid future skills shortages and raise productivity by increasing and deepening the skills of Australia's workforce"* (Bullock, 2010). Bullock recommended *"Skills Australia to lead a collaborative workforce and skills planning framework, featuring a new targeted approach to 'specialized occupations'". Skills Australia will develop and maintain a list of specialized occupations based on its methodology and coordinate consortia of industry and professional bodies to*

prepare skills strategies on an annual basis for these occupations.” Accountants and Auditors have been placed on the Specialized Occupations List (SOL) with a footnote CPA or equivalent.

In April the three professional accounting bodies, CPAA, ICAA and NIA announced changes to the assessment criteria for General Skills Migration. The changes are designed to select the best quality skilled migration candidates, who are ready to work as accountants. The new assessment criteria became effective from 1 July 2010. Applicants are required to have:

- A formal qualification assessed as being at least comparable to an Australian Bachelor degree;
- Completion of at least nine out of the 12 core knowledge areas at tertiary level (tailored for each accounting discipline); and
- English language (IELTS) band scores of at least 7 on each of the four components – speaking, reading, listening and writing.

Also from July 2010, a successful assessment will be valid for two years from the assessment outcome date, rather than the current five-year period.

The new Skilled Occupations List (SOL) was issued in May 2010. Given that one of the stated objectives of the review was to decouple the permanent residency issue from student visa approvals, it was surprising to some that accounting remained on the SOL. The relevant accounting categories are:

ANZSCO Code	Corresponding Occupation
221111	Accountant (general)
221112	Management accountant
221113	Taxation accountant
221213	External auditor
221214	Internal auditor

The Department of Immigration and Citizenship temporarily suspended accepting new applications for GSM program visas until 30 June 2010 when the new list took effect. At the time of this report, no news had been released on the new points system. Accounting students who currently hold a student visa will be able to apply for a Subclass 485 (Skilled Graduate) visa under the old list, so long as they apply before 31 December 2010. However, when they apply for a full GSM visa they will need to apply under the new SOL.

There is no doubt that the reviews that have taken place and the new policies that are being developed will have a considerable impact on accounting education within the Australian Higher Education system. The exact impact will take some time to work through the system and will vary considerably from university to university depending on the particular circumstances. The current situation is more volatile than previously because of factors including:

- tightening of student visas;
- changes to permanent residency rules;
- ongoing global financial process;
- strength of the Australian dollar; and
- damaging publicity regarding violence and treatment of international students in Australia.

2. Falling numbers of domestic students and the impact of international student enrolments

The perception that numbers of domestic students are falling and that they are being crowded out by international students is not supported by the evidence available. Whilst this may have been the case in the past, and there may be pockets now, it is not evident from the data provided by the HOS for 2006 to 2009.

The data presented in **Table 4** is for the first year (e.g. level 1) accredited accounting subject and, for reasons of confidentiality, accumulated numbers of the responses by the HOS are provided. All universities reported that this subject was required for all business students in both 2006 and 2009 irrespective of the business major students were pursuing.

Table 4: Undergraduate student enrolments					
First Year					
Domestic			International Onshore		
2009	2006	Change	2009	2006	Change
19,400	19,502	-102 (<-1%)	5,250	5,688	-438 (8%)

Source: HOS Questionnaire

Overall there is a fall of less than 1% for domestic students and a fall of 8% for international onshore students. The accumulated data masks the variations that occurred at the individual universities with one increasing by 82% and another falling by 72%. The individual percentage changes need to be viewed with caution as they are impacted by the size of the base. The enrolment in 2009 varied from 100 in the smallest cohort to 2,750 in the largest.

In descriptive responses, 85% of HOS who mentioned numbers in undergraduate trends considered that domestic enrolments would-be either increasing or stable.

The data presented in **Table 5** is for students commencing postgraduate accredited accounting courses and again for reasons of confidentiality accumulated numbers of the responses by the HOS are provided.

Table 5: Postgraduate accredited commencing student enrolments					
Domestic			International Onshore		
2009	2006	Change	2009	2006	Change
2,483	2,072	411 (+20%)	6,506	7,788	-1,282 (-16%)

Source: HOS Questionnaire

Overall there is an increase of 20% for domestic students and a fall of 16% for international onshore students. As with the undergraduate student enrolments this accumulated data masks the variations that occurred at the individual universities, with 10 of the 19 respondents showing either stable or falling domestic numbers and the combined increase

of two of universities being 730. Despite the overall fall for international onshore students, 12 of the 18 respondents showed stable or increasing numbers and one University fell by 2554 students. Again there were big variations in the size of the cohorts at the various universities.

Some comments by Heads of Department include:

“Domestic undergraduate students are the minority and of reasonable standards, though less motivated in general because of the apparent significant attention and support given to international students and because of the standard of some of the students.”

“More than 80% of the undergraduate accounting students are international or from a non-English background family. Motivation in learning accounting is not apparent.”

International postgraduate *“numbers are still holding but expect changes from the Indian issue and migration changes.”*

Domestic postgraduate *“numbers have dropped and we are addressing this by implementing new pathways, flexible delivery modes and summer school.”*

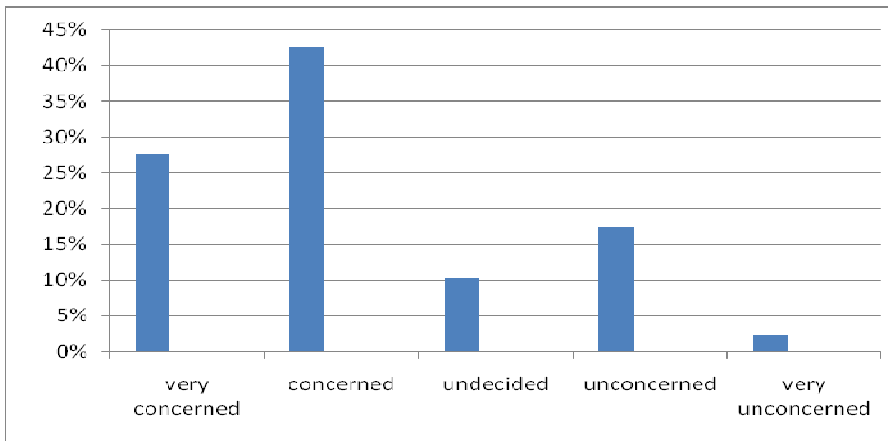
International postgraduate numbers expected to drop because of *“changes in immigration policies, the strong Australian dollar and adverse media coverage.”*

For 84% of the responding universities, HOS reported that there were no quotas placed on international students. Unfortunately, coupled with this, there is often relatively low support to deal with the complex impact of large numbers of international students often arriving after the commencement of the teaching semester.

Accounting academics reported that the biggest change that had occurred in the time they had been in academia was the increase in international students, which brought the related poor English and the increasing demands. Their concern about the impact of international students on maintaining educational quality of accounting education is represented in **Tables 6 and Figure 2, and Table 7 and Figure 3.**

Table 6: Are you concerned about the relative proportion of domestic students compared to international students?						
	Very concerned	Concerned	Undecided	Unconcerned	Very unconcerned	Response Count
	27.6% (51)	42.7% (79)	10.3% (19)	17.3% (32)	2.2% (4)	185

Figure 2: Are you concerned about the relative proportion of domestic students compared to international students?

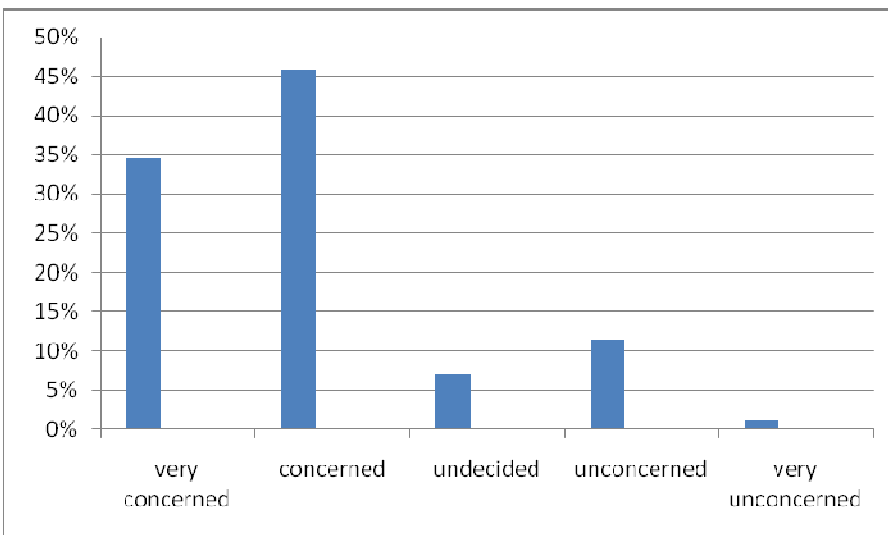


Source: Accounting Academics Questionnaire

Table 7: Are you concerned about the impact of international students on the overall quality of accounting education?

	Very concerned	Concerned	Undecided	Unconcerned	Very unconcerned	Response Count
	34.6% (64)	45.9% (85)	7.0% (13)	11.4% (21)	1.1% (2)	185

Figure 3



Source: Accounting Academics Questionnaire

Any discussion regarding international students inevitably also includes communication skills. Accounting academics were asked about the impact of communication skills on

students and on staff. In addition they were asked if they were aware of any pressures to achieve a certain pass rate in any accounting or related subjects.

Impact of communication skills on students

The issues that emerged regarding poor communication skills included:

- the impact on the ability to demonstrate the level of understanding and the resultant poor performance;
- the challenges in achieving the learning outcomes required;
- the impact on the learning experience of all students;
- the difficulty of obtaining employment; and
- the potential for poor performance in the business world.

Some representative comments by accounting academics include:

“To fully participate in classes students must be willing to verbally participate and share ideas. Students who lack or perceive themselves to lack these skills do not benefit fully from class.”

“Students with poor communication skills often find it difficult to find a job even when there is excess demand for accounting graduates.”

“Many students achieve shallow learning because the listening, note taking, reading and writing skills limit their learning outcomes.”

Impact of communication skills on staff

Concerns about poor communication skills as indicated in **Tables 9, 10 and 11** below were reinforced in the written responses. Responses highlighted increased frustration, lowering morale, reduced job satisfaction, increased workloads, stress, disillusionment and difficulties with marking.

Some representative comments by accounting academics include:

“Classes are very quiet, hard work for staff and the small group of students that do wish to participate. They are a significant number of students with low interest in the subject matter but enrolled in accounting in order to aid applications for permanent residency. They just want to pass the subject and nothing more. It may well be a blessing when this route to PR is ended.”

“It is demoralizing and teaching is often directed to the lowest common denominator....”

“Students poor communication skills increase the staff workloads (or resourcing demands) because it takes longer to read poorly constructed prose and more feedback is required.”

“It makes educating students much harder, both in terms of interacting with them and sharing knowledge, and also in assessment as the quality of writing detracts from the substance of the assignments.”

“It makes teaching more difficult, as it influences the types of assessment set and the dynamics of the classroom environment.”

“Poor communication skills are the source of stress and extra work for staff. They also greatly limit what can be taught and how.”

Pressure on academic standards

Academics who responded to the questionnaire were concerned about pressure to achieve certain pass rates in accounting or related subjects at their universities. 54% reported pressure and of these 70% were indicating significant pressure whilst only 30% felt that the pressure was subtle. 46% of respondents felt no pressure.

Some representative comments include:

"If failure rates in any of our courses exceed 10% it reflects badly on the lecturer. Over the last 20 years, I have seen standards progressively dropped to simply get them in and get them out."

"If we fall outside the University prescribed bell curve for any subject we have to provide an explanation. There has been written communication saying that we should pass 95% of students as this is the pass rate for other disciplines in the University."

"Direct instruction that a minimum pass rate is required or explanation/sanctions will be involved."

"The accounting discipline was insisting on having an exam hurdle of 50% and it was told by the PVC that we would have to guarantee to pass 85% of the students who sat the exam."

"Individual lecturers feel under threat if they fail too many.....'you must be a bad lecturer!!!!'."

"Removal of exam hurdles along with demands for increased percentage of marks to be given for uninvigilated work and/or group assignments."

"Pressure comes from the cohort of students. They demand tutorials that reproduce rather than build on lecture materials. They refuse to think laterally or adopt a proactive approach to their learning. They want comprehensive lecture notes so that they can rote learn without engaging with the textbooks or other materials. Students penalise staff for not pandering to them by conforming with these expectations. They penalise staff via lower teacher evaluation scores. These expectations and actions pressure staff into making the standard of teaching (and hence examination and marking) less rigorous."

3. Unmet demand for accounting graduates and issues such as poor communication skills

Many have reported on the impact that increasing international student numbers in accounting, mostly from non-English-speaking backgrounds, has on the quality of education and on the production of graduates unable to fill shortages in the accounting profession. *“By far the largest occupational category of migrants gaining permanent residence under the skills visa subclasses is accountants. The majority of these accountants are former overseas students trained in Australian universities. Few are obtaining employment as professional accountants. The main reason is that they lack the required English skills. English language test results recorded after they complete their courses in Australia show that most do not possess the English communication skills needed for University level study or for professional work in Australia”* (Birrell and Healy, 2009, p.9).

The fact that accounting was placed on the MODL in 2004 indicates that it was considered to be an occupation in national shortage by DEEWR. Unfortunately employers are *“particularly emphatic that very few former overseas students trained in Australia meet their needs”* (Birrell, 2009, p.12).

Despite the high student intakes, the demand for high quality accounting professionals in Australia has remained unsatisfied. Graduates are not necessarily meeting the demand for quality accountants in any area of employment: the big 4, the mid-tiers, smaller practices, industry or the public sector. Accounting education has been scrutinised in its delivery of graduate attributes sought by industry.

Given the focus on the less than desirable communication skills of international accounting students, it does not appear that universities have taken explicit action to address the issue by increasing the IELTS requirement for entry. This in part could in many cases be due to a reliance on international student fee income and the imperative to have international students, and in the case of the IELTS entry score, the need to be competitive and get students in the door. It may also be due to a concern that IELTS is not necessarily a reliable predictor of communication skill levels to succeed in a university course.

As reported previously in this report, effective July 2010, the three professional accounting bodies will be requiring band scores of at least 7 on each of the four IELTS components – speaking, reading, listening and writing for assessment for General Skills Migration.

HOS were requested to provide information on the English language entry requirements for accounting degrees. The Australian universities have varied requirements as reported in **Table 8**. This table shows overall scores only. The vast majority of universities require lower scores in at least one sub band. Fifty-three percent of responding institutions have an IELTS undergraduate entry requirement of 6 and 47% an IELTS of 6.5. No respondent has an IELTS higher than 6.5. For post graduate entry into accounting courses a higher IELTS is required. Thirty-two percent of respondents require an IELTS of 6, 63% an IELTS of 6.5 and 5% an IELTS of 7.

When asked about changes in the English Language entry requirements, no university reported increasing the overall score for undergraduate entry since 2006, although one is currently in the process of doing so. One university reported increasing the IELTS score for postgraduate entry, moving from a 6.5 to 7 requirement. The majority of universities have no special rules, for example time limits for the currency of test results. Furthermore, students are often deemed to have achieved the IELTS entry requirement as a result of

completing a specified language course despite no formal IELTS testing at the completion of that course.

	6	6.5	7
Undergraduate	53%	47%	0%
Postgraduate	32%	63%	5%

Source: HOS Questionnaire

Given the scale of the problems, many accounting schools have had to initiate actions to cope with the volume of international students. These mechanisms include English diagnostic tests as an intervention strategy and voluntary tutorials. As reported by one HOS, coping mechanisms are many:

“Extra support tutorials, extra English diagnostic tests, extra student advising mechanisms, tightening of multiple fails and multiple enrolment for single units, encouraging international students to work more responsively and proactively with local students, preventing them from speaking their primary language at University, closer checking on plagiarism and non-performing students in group assignments.

All students have access to a peer assisted learning scheme, facilitating small group discussion and the formation of a self-help study groups. Most lectures are now available on the Internet using i-lecture, both audio and PowerPoint are used in the lecture.”

Accounting academics were asked about their views on the standard of English among international students studying in Australia, local students who have English as a second language and local students who have English as a first language. Their responses are captured in **Tables 9, 10 and 11**.

The standard of communication skills among international students

	Very concerned	Concerned	Undecided	Unconcerned	Very unconcerned	Response Count
	57.8% (107)	34.1% (63)	4.3% (8)	3.8% (7)	0.0% (0)	185

Source: Accounting Academics Questionnaire

The written responses provided were consistent with the responses on the five point scale. The issues that emerged included:

- the view that communication skills among international students are either poor or very poor
- the variability of skills depends on the country of origin and the university
- the cultural influences result in poor analytical skills and a reluctance to engage in discussion in classes
- the frequent lack of assimilation causes communication skills to remain static or deteriorate during the degree process.

Some representative comments include:

“Over the past eight years (since accounting became an avenue for permanent residency) there has been a big increase in number of international students with poor language skills. English is not my first language, so I have an appreciation of the challenges international students face. The fact that universities accept international students into our programs with such poor language skills is a disgrace. Because they have been accepted into the program, the students believe their English is adequate, but then when they struggle, it now becomes the problem of the front-line academic staff member. The pressure on academic staff members to pass international students has resulted in them dumbing down the content (e.g. increased focus on technical/practical issues and decreasing written critical analysis), dumbing down the assessment (e.g. replicating tutorial questions as exam questions) or both. Both written and oral communication skills are generally very poor.”

“We have changed our entire teaching methodology to ‘pander’ to the systemic weakness. Every accounting academic will say “I used to do such and such in class but I don't bother anymore because of cultural differences in communication.”

“Many offshore internationals are not equipped to study the new language of accounting in the new language of English! They are being set up to fail. In most cases reading and speaking are done more effectively than listening and writing.”

“It is not so much the communication skills as the expectation that the teacher must provide the right answer. Often they are uncomfortable with uncertainty and see the teacher as the source of all knowledge.”

“International students who have a keen interest in pursuing accounting work hard to develop their communication skills. The greater difficulty arises for those who are studying accounting only for migration purposes –to apply for permanent residency in Australia - and intend to work in other occupations.”

The standard of communication skills among local students with English as a second language

Table 10: Are you concerned about the standard of English among the local students who have English as a second language?						
	Very concerned	Concerned	Undecided	Unconcerned	Very unconcerned	Response Count
	12.4% (23)	42.2% (78)	22.2% (41)	22.7% (42)	0.5% (1)	185

Source: Accounting Academics Questionnaire

The written responses provided were consistent with the responses on the five point scale. Overall there was substantially less concern regarding the language skills of these students compared to the international students.

The issues that emerged included:

- the view that whilst this group of students has superior communication skills to the international students the standard of many is still poor;
- the difficulty in differentiating between local and overseas students in some settings; and
- the variability of skills depending on country of origin, university, how long they are in Australia (schooling) and current living arrangements.

Some representative comments include:

“Variable, some very good, some poor. Depends on time in Australia/educational path prior to tertiary study.”

“The problem is not acute with these students but many would still be unemployable after graduation.”

The standard of communication skills among local students with English as a first language

	Very concerned	Concerned	Undecided	Unconcerned	Very unconcerned	Response Count
	8.1% (15)	41.1% (76)	17.3% (32)	29.7% (55)	3.8% (7)	185

Source: Accounting Academics Questionnaire

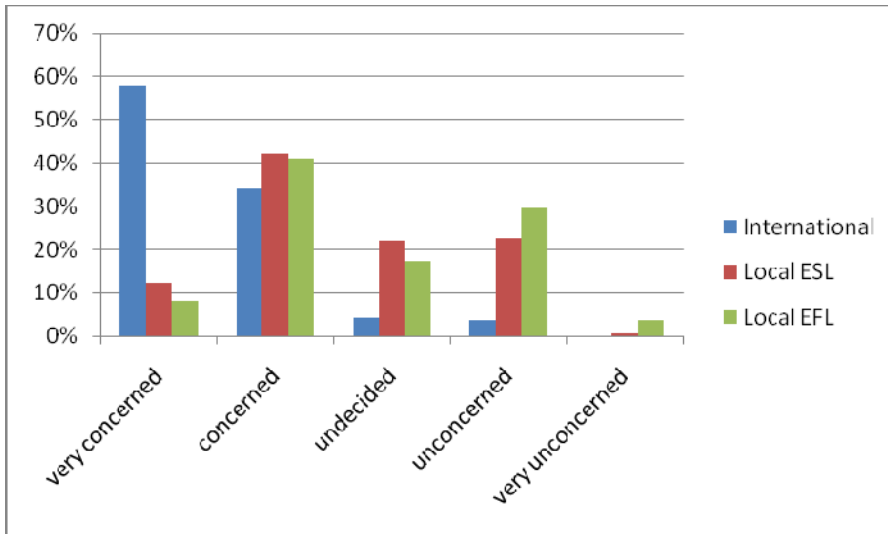
The written responses provided were consistent with the responses on the five point scale. Overall there was relatively low concern about these students but definitely perceptions that the skills in many cases should be considerably better. Some representative comments include:

“Majority of students have basic levels of understanding and skills, but few are at a very high standard.”

“The quality of spelling, grammar and language in assignments is dreadful. We are then in trouble if we place too much emphasis on marks for spelling, grammar etc.”

Figure 4 is a diagrammatic representation of the information set out in **Tables 9, 10** and **11**. It shows the depth of concern of accounting academics regarding the standard of English of international students with almost 92% indicating that they are concerned or very concerned. This suggests a very serious problem when it is considered with the information presented in **Table 7** which indicates that over 80% of accounting academics are concerned or very concerned about the overall quality of accounting education in an environment of unsustainable growth in international student enrolments.

Figure 4: Comparison of the concerns about the standard of English of international students, local students with English as a second language and local students with English as a first language



Source: Accounting Academics Questionnaire

Accounting academics' perceptions on unmet demand for quality graduates and poor communication skills

Academics responding believed employers are concerned about the quality of graduates, particularly their poor communication skills. Many are also concerned about the gap between employers' expectations of graduate skills and what is realistically deliverable.

Concerns about quality graduates and poor communication skills are not new but perhaps have been exacerbated by the increased numbers of international students.

Some representative comments include:

"Australian premium employers do not perceive the majority of our Masters students to be employable in Australia, largely due to communication skills issues. They are employable by premium global employers in their home countries."

"Employers indicate there is a shortage of high quality graduates. They are not interested in students with poor communication skills as they may find it difficult to communicate with clients and present a poor image of the firm as a high quality supplier of accounting services."

"I know that the Big 4 firms will not interview students perceived as having poor communication skills."

"Most employers I have met say they are more concerned that students have good communication and interpersonal skills rather than technical accounting skills."

"As part of my PhD I have interviewed the recruitment staff at 26 accounting firms and they have difficulty getting enough quality applicants (no shortage of total applicants) and their main issue appears to be the communication skills."

"I think there is an expectation gap about what academics can do within courses jammed with technical and conceptual material."

"Employers have unrealistic expectations."

"I meet with employers on a regular basis. They are very disappointed with the level of communication skills and knowledge of accounting-the basics-of our graduates."

4. The profile of accounting academics

Age Profile

The aging profile of the academic community is well documented. The Bradley Review highlighted the “extent of the challenge” of the ageing academic workforce and the significantly higher proportion of Australian academic staff in the over-45 year age bracket than the total Australian labour force. The NSW Auditor-General, Peter Achterstraat, in his annual report to Parliament on the 10 public universities in NSW tabled in June 2010, indicated that a quarter of academics employed in NSW universities are 55 years or older and highlighted the concern regarding the skills lost when they retire.

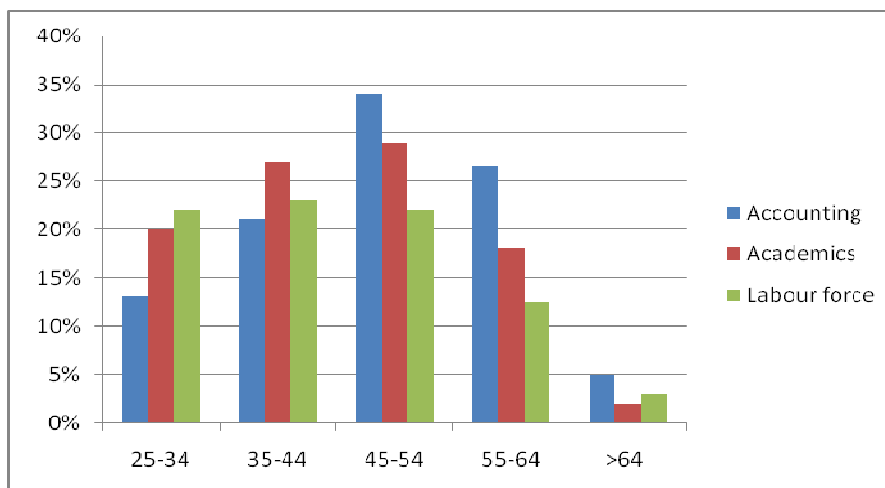
Table 12 shows the age profile of the respondents of the accounting academics questionnaire. This is relatively consistent with information provided by HOS (Appendix 2 Table 22).

	>64	55-64	45-54	35-44	25-34	<25	Response Count
	4.9% (9)	26.5% (49)	34.1% (63)	21.1% (39)	13.0% (24)	0.5% (1)	185

Source: Accounting Academics Questionnaire

Figure 5 combines information on the age profiles of the Australian Labour Force and the academic community from the Bradley Report (June 2007), and age information on accounting academics from Table 12 (January 2010). It highlights the perilous position of the accounting academic workforce.

Figure 5 - Age profiles of the Australian labour force and the Australian academic workforce as at June 2007 and the Australian accounting academic workforce as at January 2010



Labour force and academic workforce data is from the Review of Australian Higher Education: Final Report (Bradley et al. 2008)

Source: Australian Bureau of Statistics - Labour Force, Australia, Detailed - Electronic Delivery (cat. no. 6291.0.55.001) June 2007; DEEWR - Selected Higher Education Statistics: Staff 2007

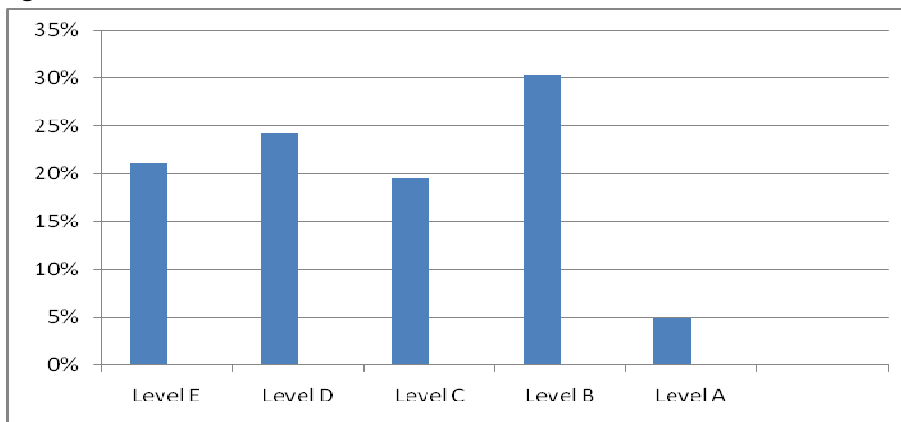
Over 30% of accounting academics responding to the questionnaire are age 55 or over. This compares with 20% for the general academic workforce and around 15% for the general workforce and 20%. There is also an over-representation of accounting academics in the 45 to 54 years group, highlighting a forthcoming depletion of the accounting academic workforce when this group is eligible to retire. It is important to note that many accounting academics do not retire at age 60, with 4.9% being older than 64, and presumably a similar number of the 55 to 64 years category being over 60. For age categories 44 years and under, accounting academics are less represented compared to the Australian and general academic workforce. This highlights the relatively low proportion of younger academics in the pipeline who will be ready to replace those retiring.

Level of Appointment

In contrast to what would normally be expected in academia given the age profile presented in Table 12, **Table 13** and **Figure 6** reveal that the largest category of accounting academics is Level B, with 30.3% of respondents. The traditional academic model does not apply to accounting, that of young people undertaking PhDs, entering academia and working their way up through the levels over time. The accounting model is often a young person working in practice for 10 years, entering academia, then undertaking a PhD and achieving higher levels of appointment later in the career. With 64.9% of academics at Levels C and above, and a very similar percentage aged 45 years and above, it appears to be taking many academics 20 years in the workforce to achieve senior levels, and on average even longer to reach professorial levels. While discipline specifics are sometimes considered in university promotions and appointment decisions, this may also reflect the impact of large classes on an accounting academic’s ability to achieve research outputs commensurate with other disciplines.

	Level E	Level D	Level C	Level B	Level A	Response Count
	21.1% (39)	24.3% (45)	19.5% (36)	30.3% (56)	4.9% (9)	185

Figure 6



Source: Accounting Academics Questionnaire

Retirement Plans

The later achievement of senior levels and the predominance of older workers among accounting academics means that not as many are planning to retire in the next 5 years, as their age profile alone would suggest.

Table 14 relates to information from the Accounting Academics questionnaire. It shows the retirement plans of accounting academics and reveals that 20.5% will be retiring within the next five years. 53.5% intend to retire beyond 5 years, and 23.2% have not thought about retirement.

Table 14: Please indicate your planned retirement / or time of departure from academia							
	<1 year	1-3 years	3-5 years	>5 years	No idea	Already retired or no longer in academia	Response Count
All	0.5% (1)	8.6% (16)	11.4% (21)	53.5% (99)	23.2% (43)	2.7% (5)	185
Level E	2.6% (1)	23.1% (9)	15.4% (6)	35.9% (14)	15.4% (6)	7.7% (3)	39

Source: Accounting Academics Questionnaire

Table 15 relates to information from the Accounting Academics questionnaire. It shows areas of expertise of all respondents and then those planning to retire in the next five years. Note percentages are not included as multiple responses are permitted. Although all areas are affected, auditing and other appear to be the most affected.

Table 15: Retirement by discipline field							
What is your main area/s of expertise within Accounting and related areas?							
	Financial Accounting	Management Accounting	Business Finance	Auditing	Accounting Information Systems	Other	Response Count
	102	58	16	33	13	30	Multiple responses 252
Those that indicate they are planning to retire in the next 5 years?							
	Financial Accounting	Management Accounting	Business Finance	Auditing	Accounting Information Systems	Other	Response Count
	19	8	2	10	3	11	Multiple responses 53

Source: Accounting Academics Questionnaire

Whilst HOS are very conscious of the problems that will be caused by the pending retirements there are limits to what can be done to address this particularly given superannuation considerations, the trends in working conditions in academia and the salary situation. These together with strategies are covered below.

The attractiveness of accounting academia as a career

The majority of accounting academic respondents felt that the attractiveness of accounting academia as a career has significantly declined in recent years. The issues frequently reported were:

- the eroding working conditions with increased workloads because of increasing student numbers, poor quality students and administrative requirements;
- the increasing gap between salaries of accounting academia and the profession despite the fact that workloads in academia have increased and flexibility has decreased;
- the pressure to research and publish even though some academics have a strong preference to excel at teaching;
- the lack of recognition of quality teaching compared to research; and
- the reduction in flexibility.

This situation was highlighted as making it difficult to attract quality graduates into academia. There were, however, a small number of respondents who indicated that they felt accounting academia was still attractive because of:

- the fulfilment gained through teaching;
- the relative flexibility;
- the current staff and head of school; and
- the particular conditions in a group of eight institution.

Some representative comments by accounting academics include:

“Accounting academia is not attractive to new accounting graduates as the salaries and career paths not competitive.”

“Overall, a career as an accounting academic is far less attractive than it once was.”

“To move ahead in academia now requires a huge commitment of time and effort for lower rewards than can be achieved in the business/government sector for far less time commitment. Academia is a very unattractive career option.”

“I would find it hard to recommend a young person start a career in accounting academia.”

Many commented that if they had known how the career was going to progress they would never have chosen it.

Other Issues

A number of questions included in the HOS questionnaire were relevant to the issue of the aging profile of accounting academics and attempts to overcome staffing shortages. These included salary loadings, strategies to attract young graduates into academia and into PhD courses and ways to encourage them stay. The aging profile highlights the imperative to ensure strong accounting PhD enrolments to continue accounting scholarship and replenish accounting faculty.

Remuneration

HOS reported a wide variety of different circumstances regarding the payment of salary loading. Of the 18 universities that responded to this question 15 are paying loadings. Within the universities that pay loadings, two pay up to \$20,000 and the remainder vary from 0 to 100%. The proportion of staff receiving bonuses varies from 0 to 85% with the majority receiving loadings being at senior levels and with PhDs.

Strategies to attract new PhDs

79% of HOS reported strategies to encourage honours and research masters students to undertake a PhD. Strategies varied and included:

- various methods of providing information to prospective PhD students;
- discussions with supervisors;
- providing access to scholarships;
- outlining pathways;
- providing sessional teaching;
- encouraging honours;
- providing top honours students with Level A appointments;
- requiring PhD enrolment by Level A appointments; and
- mentoring.

Strategies to attract new entrants to academy

63% of HOS reported either strategies to encourage PhD students to take up teaching positions or that most already hold teaching positions. Strategies varied and included:

- encouragement by staff;
- mentoring;
- filling vacancies with PhD graduates;
- well trained supportive supervisors;
- research seminars;
- encouraging work on research projects with established academic staff; and
- salary supplementation.

5. Summary of issues

HOS reported a variety of emerging issues that they feel will be critical to the teaching of accounting in the short-term or that they believe are relevant to the current or future situation in accounting education. The issues are not new and included:

- staff shortages caused by the difficulty of attracting and retaining appropriate staff;
- the increasing number of international accounting academics;
- the number of international students;
- concerns that international postgraduates in accounting are not employable in Australia;
- the tendency to recruit PhDs into profession;
- the difficulty of maintaining quality with a large cohort of international;
- the difficulty of student assessment with mass cheating in assignments;
- the significant shortage of funding which has led to unrealistic compensation for accounting academics;
- changes in research and teaching funding with the expectation that the future is even more severe with the demand driven model and insufficient number of dedicated accounting academics;
- the need to developing staff skills in technology and online learning;
- national standards;
- variations in international student numbers and changes to funding;
- aging of accounting academics;
- volume of change of accounting regulations;
- ICAA and CPAA cutting entry standards resulting in fewer domestic students in postgraduate conversion courses; and
- maintaining standards against a growth agenda.

Appendix 1 - Respondents - Questionnaire circulated to Heads of Departments of Accounting

1. Australian Catholic University
2. Australian National University
3. Central Queensland University
4. Deakin University
5. Edith Cowan University
6. Griffith University
7. Latrobe University
8. Macquarie University
9. Monash University
10. Queensland University of Technology
11. Royal Melbourne Institute of Technology
12. University of Adelaide
13. University of New England
14. University of New South Wales
15. University of Queensland
16. University of the Sunshine Coast
17. University of Tasmania
18. University of Technology, Sydney
19. University of Western Sydney

Appendix 2 – Analysis of responses to Questionnaire circulated to Heads of Departments of Accounting

A paper based questionnaire for the Heads of Department (HOS) of accounting was developed and HOS were requested to complete the questionnaire using information for the smallest academic unit which administers the accounting education courses and for which reliable details were available. This was implemented through AFAANZ and was distributed to the 37 universities with accounting courses accredited by the professional bodies. Nineteen (51%) responses were received - the list of respondents is included in **Appendix 1**.

The responses from the individual HOS provide information about their particular university. For the purpose of this report the accumulated responses by the HOS are provided. This accumulation is for reasons of confidentiality. It provides an overall indication of the situation across universities but often does not give an indication of the situation within the individual universities.

Many of the responses are included in the main body of the report and reference is made below to the relevant sections in the report.

1. Accounting Courses

1.1 Undergraduate student enrolments

1.1.1 First year subject enrolments

Refer Challenges section of report Part 2 *Falling numbers of domestic students and the impact of international student enrolments* **Table 4**, page 15.

1.1.2 Third year subject enrolments

The data requested was for the largest third year accredited accounting subject.

Table 16: Undergraduate student enrolments					
Third Year					
Domestic Onshore			International Onshore		
2009	2006	Change	2009	2006	Change
6,790	7,171	-381	7,691	6,412	1,279
		-5%			20%

Source: HOS Questionnaire

1.2 Postgraduate student enrolments in accredited courses

1.2.1 Commencing students

Refer Challenges section of report Part 2 *Falling numbers of domestic students and the impact of international student enrolments* **Table 5**, page 15.

1.2.2 Graduating students

Table 17: Postgraduate graduating students					
Domestic Onshore			International Onshore		
2009	2006	Change	2009	2006	Change
911	1,053	-142	2,946	3,617	-671
		-13%			-19%

Source: HOS Questionnaire

1.3 Research Courses

1.3.1 Honours

Table 18: Research Courses - Honours					
Domestic Onshore			International Onshore		
2009	2006	Change	2009	2006	Change
93	61	32	18	11	7
		52%			68%

Source: HOS Questionnaire

1.3.2 Masters by Research

Table 19: Research Courses - Masters					
Domestic Onshore			International Onshore		
2009	2006	Change	2009	2006	Change
14	5	9	6	5	1
		180%			20%

Source: HOS Questionnaire

1.3.3 PhD

Table 20: Research Courses – Commencing PhD					
Domestic Onshore			International Onshore		
2009	2006	Change	2009	2006	Change

93	63	30	37	20	17
		48%			85%

Source: HOS Questionnaire

2. English Language Entry Requirements

Refer Challenges section of report Part 3 *Unmet demand for accounting graduates and issues such as poor communication skills Table 8*, page 21.

3. Profile and Number of Accounting Academics

3.1 Full time Equivalent Staff

HOS reported equivalent full time accounting staff (FTE) teaching all accounting and audit related subjects (both undergraduate and postgraduate levels) as at June 30, 2009. The range across universities was 15 to 90 and highlights the large variation in size of the academic units

3.2 Staff to Student Ratios

HOS reported the student (EFTSL)/staff ratio for the accounting academic unit or accounting and audit related subjects i.e. EFTSL/FTE. Some universities were concerned about the data that they could provide. For universities where the data appeared to be provided with confidence the range was, 21 to 72 highlighting the large variation in the circumstances of the academic units. This most could also reflect how sessional staff are incorporated, if at all, into the calculation.

3.3 Casualisation of Staff

HOS were requested to provide information on the proportion of subject hours taught by accounting staff with more than a 0.5 appointment. (Total accredited subject hours taught by non-sessional staff / total accredited subject hours taught by the academic unit)

	Initial first year undergraduate accredited accounting subject	Largest second year undergraduate accredited accounting subject	Largest third year undergraduate accredited accounting subject	First postgraduate accredited accounting subject
Range	22-100%	10-100%63	35-100%	27-100%

Source: HOS Questionnaire

In verbal responses about the trends in staffing, student staff ratios and the use of sessional staff over the last five years and plans for the future there were a wide range of comments.

Some reported increasing use of sessional staff due to difficulty in recruiting appropriate staff, increasing student numbers particularly international and the need to release full time staff because of the emphasis on research. Others highlighted a relatively stable or declining situation with sessional staff being used mainly as tutors and only as lecturers if there was a particular expertise or benefit due to industry experience.

3.4 Staff Profile

3.4.1 Age Profile

	>64	55-64	45-54	35-44	25-34	Response Count
2009	18	100	146	143	90	16
	3.62%	20.12%	29.38%	28.77%	18.11%	
2006	6	58	88	67	55	9
	2.19%	21.17%	32.12%	24.45%	20.07%	

Source: HOS Questionnaire

This information shows similar trends to that provided by accounting academics (see Table 12, page 26).

3.4.2 Level of Appointment and Vacancies

	Level E	Level D	Level C	Level B	Level A	Response Count
2009	55	66	125	239	92	19
	10%	11%	22%	41%	16%	
2006	30	34	93	142	85	13
	8%	9%	24%	37%	22%	

Source: HOS Questionnaire

All universities who responded to the questionnaire were able to provide information on the levels of appointment for 2009. Thirteen were able to provide information for 2006 but 3 of those indicated some reservations about the data. Nevertheless there was not major change in the proportions at any level. The responses highlight the relatively small proportions at the senior levels. The information shows similar trends to that provided by accounting academics (see Table 13, page 27).

3.4.3 Staff Qualifications

	PhD qualified	Enrolled in PhD	Response Count
2009	287	112	18
2006	30	34	9

Source: HOS Questionnaire

Whilst there appears to be very large increases in both PhD qualified staff and those enrolled in PhDs, this needs to be qualified by the fact that only half of the respondents were able to provide data for 2006. Also, some of those not able to provide data for 2006 had the largest numbers of PhD qualified and enrollees in 2009.

3.4.4 Gender

	Male	Female	Response Count
2009	297	194	15
	60%	40%	
2006	30	34	9
	60%	40%	

Source: HOS Questionnaire

3.4.5 Remuneration

Refer Challenges section of report Part 4 *The profile of accounting academics*.

3.4.6 Strategies to attract new PhDs

Refer Challenges section of report Part 4 *The profile of accounting academics*.

3.4.7 Strategies to attract new entrants to academy

Refer Challenges section of report Part 4 *The profile of accounting academics*.

4. Funding

Refer Challenges section of report Part 1 *The vulnerability of funding models particularly related to international income*.

5. Teaching Models

HOS who responded to the questionnaire reported the usual variety of delivery modes - lectures, tutorials, workshops, seminars and distance learning. The majority of universities have tutorials with an average size of 20 to 25 students and seminars of up to 50 students. There is variation with one university reporting some postgraduate tutorials that average 10.

6. Other Matters

6.1 Extra demand to achieve the 2020 and 2025 Federal Government targets

Of the 19 HOS that responded, two reported that they would have no problem reaching the 2020 target of 20% of undergraduate enrolments from people with a low socio-economic background. The others highlighted the additional resources required, both physical and human, in order to service extra demand.

6.2 Quotas on international students

Of the 19 HOS that responded, 16 indicated that there are no quotas on the number of international students at the undergraduate level. The other three indicated that there was monitoring, targets or quotas. This situation is the same for postgraduate except that there is one additional University that has a negotiated cap.

6.3 Mechanisms in place to assist in coping with volume of international students

HOS reported a variety of mechanisms in place. Refer Challenges section of report Part 3 *Unmet demand for accounting graduates and issues such as poor communication skills.*

6.4 Emerging issues

Refer end of Challenges section of report *Emerging Issues*

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Appendix 3 - Accounting Academics Questionnaire

An online questionnaire was developed to obtain information and assess the perceptions of accounting academics in relation to some of the challenges facing accounting education. It was implemented using Survey Monkey and was distributed to the 605 members of AFAANZ who are currently employed as accounting academics. 185 (31%) responses were received. The demographics of the respondents were generally consistent with the demographic information of accounting academic population provided by HOS - included in **Appendix 3**.

The questionnaire comprised a combination of closed and open-ended questions. The response rate was very pleasing as was the extent to which respondents answered open ended questions. The questions can be broadly categorised as seeking information in relation to:

- Demographics (age, gender, level of appointment, planned retirement/departure from academia, area of accounting expertise, length of academic service)
- Perceptions (changes during academic service, attractiveness of accounting academia as a career)
- Academic Concerns (proportions of domestic versus international students, impact of international students on quality of accounting education, standards of English among different student groups)
- Comments (communication skills among different student groups, impact on students, impact on staff)
- Employer perceptions
- Pressure on academic standards

Many of the responses are included in the main body of the report and reference is made below to the relevant sections in the report.

1. Age

Refer Challenges section of report Part 4 *The profile of accounting academics* **Table 12**, page 26.

2. Gender

	Male	Female	Response Count
	57.3% (106)	42.7% (79)	185

3. Position

Refer Challenges section of report Part 4 *The profile of accounting academics* **Table 13** and **Figure 6**, page 27.

4. Retirement

Refer Challenges section of report Part 4 *The profile of accounting academics* **Table 14**, page 28.

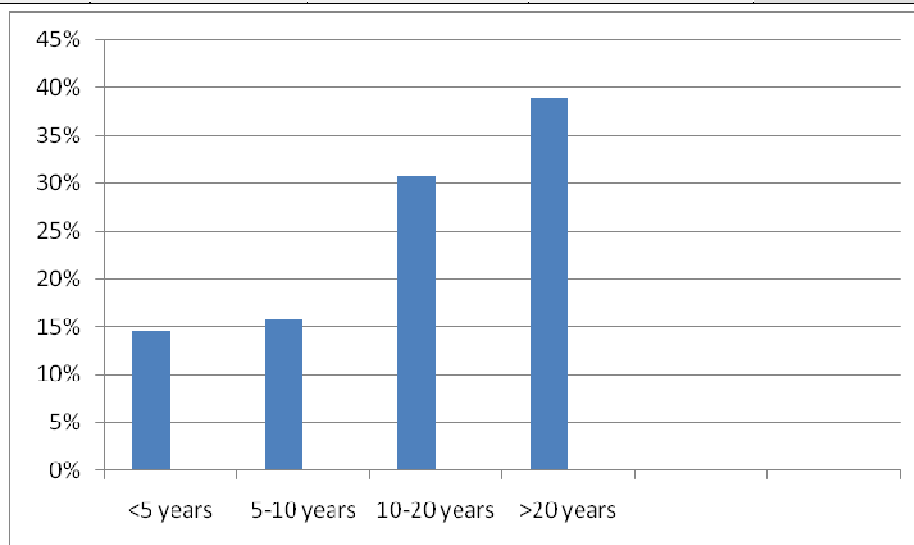
5. Expertise

Refer Challenges section of report Part 4 *The profile of accounting academics* **Table 15**, page 28.

6. Years of Experience

Table 27: How many years have you been employed as an accounting academic?

	<5 years	5-10 years	10-20 years	>20 years	Response Count
	14.6% (27)	15.7% (29)	30.8% (57)	38.9% (72)	185



7. The two biggest changes in your time as an accounting academic

Refer Challenges section of report..

8. Working conditions and attractiveness of accounting academia as a career

Refer Challenges section of report Part 4 *The profile of accounting academics*.

9. Perceptions

9.1 Relative proportion of domestic students compared to international students

Refer Challenges section of report Part 2 *Falling numbers of domestic students and the impact of international student enrolments* **Table 6** and **Figure 2**, pages 16 and 17.

9.2 Impact of international students on the overall quality of accounting education

Refer Challenges section of report Part 2 *Falling numbers of domestic students and the impact of international student enrolments* **Table 7** and **Figure 3**, page 17.

9.3 Standard of English among the international students studying

Refer Challenges section of report Part 3 *Unmet demand for accounting graduates and issues such as poor communication skills* **Table 9**, page 21.

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- 9.4 **Standard of English among the local students who have English as a second language**
Refer Challenges section of report Part 3 *Unmet demand for accounting graduates and issues such as poor communication skills* **Table 10**, page 22.
 - 9.5 **Standard of English among the local students who have English as a first language?**
Refer Challenges section of report Part 3 *Unmet demand for accounting graduates and issues such as poor communication skills* **Table 11**, page 23.
 10. **Comment on standard communication skills among the international students**
Refer Challenges section of report Part 3 *Unmet demand for accounting graduates and issues such as poor communication skills – Underneath* **Table 9**, page 21.
 11. **Comment on standard communication skills among the local students with English as a second language**
Refer Challenges section of report Part 3 *Unmet demand for accounting graduates and issues such as poor communication skills – Underneath* **Table 10**, page 22.
 12. **Comment on standard communication skills among the local students with English as a second language**
Refer Challenges section of report Part 3 *Unmet demand for accounting graduates and issues such as poor communication skills – Underneath* **Table 11**, page 23.
 13. **Comment on impact of communication skills on students**
Refer Challenges section of report Part 2 *Falling numbers of domestic students and the impact of international student enrolments – Underneath* **Table 7** and **Figure 3**, page 17.
 14. **Comment on impact of communication skills on staff**
Refer Challenges section of report Part 2 *Falling numbers of domestic students and the impact of international student enrolments – Underneath* **Table 7** and **Figure 3**, page 17.
 15. **Comment on perceptions of employers views on unmet demand for quality graduates and poor communication skills**
Refer Challenges section of report Part 3 *Unmet demand for accounting graduates and issues such as poor communication skills*.
 16. **Comment on any pressure to achieve a certain pass rate**
Refer Challenges section of report Part 2 *Falling numbers of domestic students and the impact of international student enrolments* **Pressure on academic standards**.
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