Tuesday, 2 May 2023

Jobs and Skills Australia

Clean Energy Capacity Study Team

Via email: CleanEnergyWorkforce@jobsandskills.gov.au

Dear Clean Energy Capacity Study Team

Clean Energy Capacity Study

Chartered Accountants Australia and New Zealand (CA ANZ), CPA Australia and the Institute of Public Accountants (IPA) welcome the early opportunity to make a submission in response to the discussion paper on the Jobs and Skills Australia's (JSA) Clean Energy Capacity Study (the **Study**).

We have addressed selected questions in the discussion paper and provided our views on other matters relevant to the Study including the definition of Australia's clean energy workforce, the role of accountants and the professional accounting bodies, the sector-specific skills required, the role of technology, education, training and professional development pathways and labour supply factors.

CA ANZ, CPA Australia and IPA represent over 349,000 accounting and finance professionals in Australia and around the world. We make this submission on behalf of our members and in the public interest. Our members work in and support the viability and growth of businesses, organisations and communities, and the economy in general, across all sectors.

Discussion questions

Is the conceptual definition of the clean energy workforce ambiguous? If so, how could it be more clearly defined?

We recommend that the JSA conceptual definition on page 8 of the discussion paper be broadened and made clear to better represent the diverse and growing group of individuals that will be involved either directly or indirectly in Australia's clean energy transition across a wide range of occupations and industries.

Beyond what is already covered in the conceptual definition with regard to 'clean energy supply', the Study should also consider people who are employed in manufacturing renewable energy and other clean energy technologies. In regard to 'clean energy use', workers involved in 'operating' the technology could also be added.

The wide range of occupations and industries involved in the clean energy sector could also be referred to in the definition. For example, construction, engineering, manufacturing, research and development, solar panel installers and technicians, wind turbine technicians and engineers, energy efficiency auditors and consultants, green finance advisers, valuers and consultants, electricians and electrical engineers specialising in renewable energy, energy storage system installers and technicians, hydrogen fuel cell technicians and engineers, and bioenergy production and processing specialists.

The role of accountants, auditors and financial professionals in the clean energy workforce is included in the reference to 'green finance advisers, auditors, valuers and advisers' referred to in the proposed amendments to the definition above and discussed further below. **Are there any emerging occupations and industries in clean energy that aren't well captured by current definitions?**

The role of accountants, auditors and financial professionals

Accountants, as trusted advisers, have an important role in Australia's transition to a clean energy economy by providing financial expertise, advice and guidance to businesses, organisations, governments, regulators and standard-setters. This includes advising on business strategy and operating models, as these adapt in response to the clean energy transition. Furthermore, accountants also are involved in and advise on the measurement, reporting and assurance of information, education and training.

CA ANZ, CPA Australia and IPA do not support the statement on page 11 of the discussion paper that says accountants are amongst the many roles across the economy which support the clean energy workforce **that do not require skillsets specific to the sector**.

We also do not support the classification of the ANZSCO Occupation Accountants (2211) and Accountant (General (221111) as '**adjacent – partial – enabling'** in Attachment C – Draft ANZSCO Mapping. Accountants can also be found in roles directly related to the clean energy sector that could be categorised as '**transitioning**' or '**clean energy**'.

Further, we believe the ANZSCO Occupations of Finance Manager (132211), Management Accountant (221112), External Auditor (221213) and Internal Auditor (221214) are relevant to the clean energy workforce and should also be added to the Draft ANZSCO Mapping in Attachment C.

Specific skillsets of accountants, auditors and financial professionals directly relevant to the clean energy sector include:

1. Providing advice on the financial implications of transitioning to clean energy, such as the costs and benefits of renewable energy sources and energy efficiency measures.
2. Helping organisations to identify and access funding opportunities for clean energy and sustainability projects, such as government grants, incentives and tax concessions, private equity, and other sources of capital and investment.
3. Conducting financial analyses and modelling to evaluate the financial viability of clean energy projects and assisting with the preparation of business cases and financial plans.
4. Advising on accounting, measurement and reporting requirements for sustainability initiatives, such as greenhouse gas emissions reporting and carbon credits accounting.
5. Incorporating sustainability into an organisation's broader risk management framework to provide a holistic view of the risks and opportunities that arise from material environmental, social, and governance (ESG) factors.
6. Supporting climate change mitigation and adaptation efforts including respond to increasing demand for sustainability-related disclosures, as well as the assurance of these disclosures.

Furthermore, Treasury's *Climate-related financial disclosure* consultation paper highlights the knowledge and skills that accountants will need to possess in this area, consistent with the list above.

The role of professional accounting bodies

Professional accounting bodies in Australia have an important role to play in the transition to a clean energy economy. We provide guidance, education and training, tools, resources and support to our members.

Some of the specific roles accounting professional bodies can play in this transition include:

1. Providing training and education to accounting professionals and others on sustainability accounting, reporting and assurance, as well as other key areas related to the transition to a clean energy economy.
2. Advocating for policies and regulations that support the transition to a clean energy economy, such as carbon pricing, renewable energy targets, and other incentives and regulations.
3. Encouraging members to adopt sustainable business practices, such as reducing energy consumption and emissions, and promoting sustainable supply chain management.
4. Equipping members with the relevant sustainability skills to continue to act as trusted advisers to the clients that they service, particularly in the small- and medium-sized enterprise sector.
5. Developing and promoting sustainability accounting standards and guidelines that can help organisations to measure and report their environmental and social impacts.
6. Advocating for the harmonisation and simplification of international sustainability reporting and assurance standards.
7. Supporting research and development in the areas of business considerations and strategic responses to sustainability, including sustainability accounting, reporting, measurement and assurance.

How do workers obtain skills that are unique to the clean energy workforce (VET/Higher Education/on-the-job skilling/other)?

As the clean energy sector is continually evolving, so too is the skillset needed to be able to respond to stakeholder demand. In Australia, individuals and organisations are working to develop these capabilities. However, domestic capability will take time to develop.

Currently, there is an ongoing and critical shortage of sustainability and clean energy professionals both in Australia and globally. Skilled migration may be able to provide part of an immediate solution to this shortage, particularly while domestic talent develops. However, Australia will be competing with other countries for these skillsets.

A well-functioning migration system is attuned to where there are new and growing skill needs, such as data analytics, sustainability and digital skills, as well as where technology evolves and jobs transform due to the structural impacts on the economy caused by climate change and the energy transition.

Such a system provides access to these skills from countries that are leading the way. This provides some time for Australia to develop specialised courses and enables local Australian workers to learn from working alongside global experts.

CA ANZ, CPA Australia and IPA would be pleased to participate in the Project Steering Group and contribute to the Study through further submissions and stakeholder forums.

If you require further information or would like to discuss the views expressed in this submission, please contact [redacted]

Yours faithfully,

[redacted]