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Driving business success for consulting firms in the built and natural environment

17 Aug 20

Higher Education (HE) Reform team
Department of Education, Skills and Employment
Australian Government
hereform@dese.gov.au

Dear HE reform team,

Job-ready Graduates Package proposed legislation consultation

I write on behalf of Consult Australia regarding the Department of Education, Skills and Employment's consultation on the *Job-ready Graduates Package* proposed legislation. Given the short consultation timeframe provided by the Department, this letter outlines our submission which focuses on the policy changes being proposed rather than providing scrutiny on the drafting of proposed legislation.

Consult Australia is the industry association that represents the business interests of consulting firms who provide design, advisory and engineering services for the built and natural environment. We represent an industry comprising some 48,000 firms across Australia, ranging from sole practitioners through to some of Australia's top 500 firms, with a combined revenue exceeding \$40 billion per year.

Our interest in university funding

Our interest in this topic stems from skill challenges experienced in our industry, and the emerging trends on future workforce demands and challenges they pose to Australia's skills development approach and various education systems.

In order to have the right mix of skills on hand to respond to changing demands, our industry has a number of dependencies on the education policies of governments across Australia. We rely on the formal education system as the foundation for our industry's ability to develop the professional skills needed to meet demand and contribute to our country's productivity.

The growing demand for future talent, noting the level of competition for these skills across the broader economy, highlights the importance of university funding that delivers strong outcomes relating to the quality and uptake of science, technology, engineering and mathematics (STEM) education, and ensuring education policy settings are aligning to broader objectives and policies of Australian governments.

Feedback on proposed policy changes

Below is our feedback on the proposed policy changes that have been reflected in the proposed legislation.

- In principle, we welcome a redesign of Commonwealth Grant Scheme (CGS) subsidies and student contribution amount bands (SCAs) to better reflect modern demands on the university system. However, we have significant concerns about the Department's proposed changes for some degree types that results in lower overall funding as outlined in the table below (i.e. the combined funding per student from the CGS subsidy and the SCAs). For degree types such as engineering, which makes up a significant cohort of employee skills needed in our industry, we are concerned that these changes will reduce the quality of this education. Our [recent report](#) on

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STEM education challenges highlights a strong correlation between quality and participation rates, particularly for underrepresented groups such as females in STEM.

- **Recommendation:** the Australian Government’s university funding should be informed by the Department’s [skill shortage list](#) to ensure that the relevant degree types are not disadvantaged by a reduction in overall combined funding, and any gap should be addressed by increasing the CGS subsidy.

| Degree types | CGS subsidy | | SCAs (max) | | Combined (max) | |
|--|-------------|----------|------------|----------|----------------|----------|
| | Current | Proposed | Current | Proposed | Current | Proposed |
| Engineering, science and environmental studies | \$18,920 | \$16,500 | \$9,527 | \$7,700 | \$28,447 | \$24,200 |
| Mathematics | \$10,821 | \$13,500 | \$9,527 | \$3,700 | \$20,348 | \$17,200 |

Green – what we view as a positive outcome; red – what we view as a negative outcome

- We welcome the concept of a National Priorities and Industry Linkage Fund (NPILF), and increasing STEM graduates and their employment outcomes being a key focus. Encouraging universities to further engage with industry to ensure curriculum and teaching focuses on skills needed in today’s and tomorrow’s workplaces is a positive step. If well designed, the NPILF could address some of our concerns about the reduction in CGS subsidy and the maximum combined funding for degree types such as engineering, science and environmental studies. However, it is difficult to support the proposed legislation and the implications for these degree types if we do not know if, and how effectively, concerns are being offset by the NPILF and its funding decisions. A risk we see is that the NPILF is not sufficiently addressing these concerns, and this is only known after legislation on the package as a whole is finalised.
- **Recommendation:** the Department should further consult, and provide further information, on the design of the NPILF to ensure its effectiveness is being considered at the same time as broader university funding changes. This should be a broad-based consultation, rather than only targeting particular stakeholders, because these policy changes can have far reaching long-term effects.
- We strongly support the proposal to have work experience in industry (WEI) units eligible for funding under the CGS subsidy. Universities should be strongly encouraged to blend the delivery of education with practical and real-world experiences that can be provided through strong industry partnerships. An added benefit from this proposal is that it will also help students develop workplace skills and a greater understanding of career opportunities.

Feedback on concerns with this consultation process

Finally, we would like to provide feedback on our concerns with the consultation process for the proposed legislation. We believe the Department should have:

- Looked for opportunities to consult more widely on the proposed policy changes before this consultation on proposed legislative changes;

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- Provided a longer timeframe for this consultation on proposed legislative changes – we believe less than a week is not adequate or aligns with the Australian Government’s recommendations on [best consultation practices](#), particularly in the current environment; and
- Included an explanatory document for the proposed legislation, and an analysis or statement on regulatory impacts. Given the long-term implications these changes can have on graduate outcomes in our industry, a rigorous and best practice policy development approach is critical.

Consult Australia thanks you for the opportunity to contribute to this consultation. I invite you to contact me directly at nicola@consultaaustralia.com.au to discuss our input further.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Nicola Grayson", with a long horizontal flourish extending to the right.

Nicola Grayson
Chief Executive