



# Australian Tertiary Education Commission

## Implementation consultation paper

### A new approach to system stewardship

As part of the 2024-25 Budget the Government has committed to establish an Australian Tertiary Education Commission (ATEC) as a steward of the tertiary education system, with the detail of the proposal to be developed in consultation with the sector.

The Final Report of the Australian Universities Accord made the finding that Australia's tertiary education system lacks the coordinated, future-focused and evidence-based decision-making capacity necessary for Australia's future success. It recommended the Australian Government establish an Australian Tertiary Education Commission (Recommendation 30) to take a new leadership and stewardship role.<sup>1</sup>

This paper outlines a proposal for the ATEC for further consideration via consultation, to inform the Government's final decisions on design and implementation of the ATEC.

The Accord Final Report found that the absence of a sector steward has, over time, created a system characterised by:

- persistent under-representation of some student cohorts and failure to meet equity targets
- lack of deep thinking and clarity of direction for the sector to be agile to future needs
- fragmented changes to policy and funding, driven by immediate priorities rather than long-term strategy
- inadequate coordination and planning of effort and resources for growth areas, for example the outer metropolitan areas of major cities.

The ATEC will bring direction, cohesion and stability to policy making and it will have the capacity to drive reforms over the long term.

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<sup>1</sup> [Australian Universities Accord Final Report Document - Department of Education, Australian Government](#) p32-33.

# A statutory office with collaborative leadership

The ATEC is proposed to be established as a new statutory office, established in legislation. An Act of Parliament is a formal and enduring way to embed the ATEC's role in the tertiary education system, formally establish its powers and functions, and set out practical details such as composition, reporting, and administration. The ATEC's enabling legislation would sit alongside the act that describes a new managed funding system. Legislation ensures that the ATEC is established with parliamentary scrutiny and oversight and cannot be dissolved without it.

The ATEC's enabling legislation would adopt a legislated objective that draws from the proposed National Tertiary Education Objective. This objective was recommended by the Australian Universities Accord Panel and it is proposed it will replace the current objectives in the *Higher Education Support Act*, as part of a new *Higher Education Funding Act*. It is proposed the ATEC's purpose be articulated in legislation:

The objective of the ATEC is to underpin and drive:

- (a) equitable opportunity through supporting all Australians to access and participate in high-quality, engaging and transformative tertiary education programs
- (b) a productive economy and society through the delivery of highly skilled and educated graduates, and through facilitating the production and application of new knowledge
- (c) a strong civic democracy through institutions that foster robust debate and critical inquiry and contribute to Australia's cultural and intellectual life.

The ATEC will achieve this purpose through:

- (a) facilitating a strong, dynamic and efficient tertiary education system that has the capacity and capability it needs
- (b) fostering collaborative and purposeful work between all governments, tertiary education providers, industry, employers, communities and unions
- (c) working with other relevant agencies, including Jobs and Skills Australia on the identification of skills needs and the Australian Research Council on research funding
- (d) enhancing collaboration between Commonwealth and States and Territories on tertiary related matters.

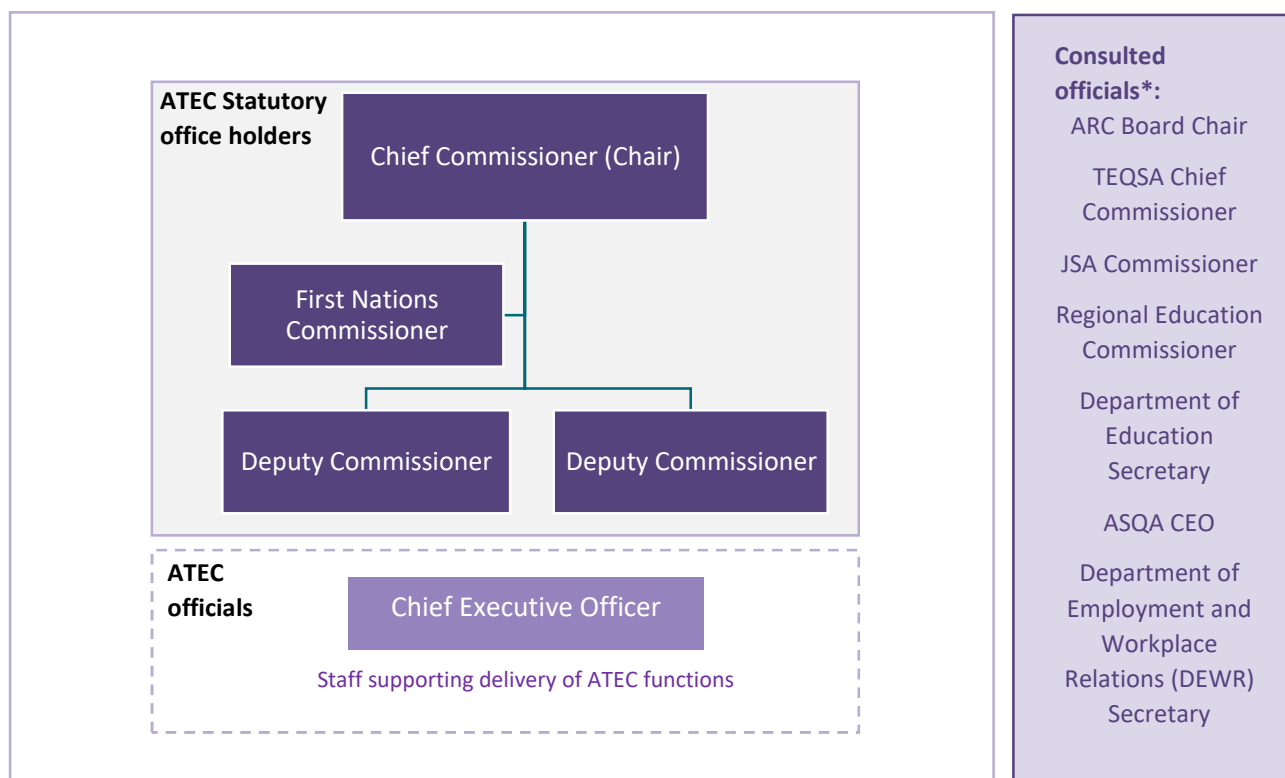
It is intended the ATEC be established in an interim capacity from 1 July 2025, and formally established from 1 January 2026, subject to the passage of legislation. To ensure the ATEC is meeting its objectives, it is proposed it be subject to an external review after several years of operation.

## Commissioners with skills and experience to steward the sector

The ATEC will need strong and independent leadership, supported by skilled and capable staff. As illustrated in **Figure 1** on the following page, it is proposed the ATEC would be led by a full-time Chief Commissioner, assisted by two part-time Deputy Commissioners, and a part time First Nations Commissioner. This position must be occupied by a First Nations representative (this does not preclude a First Nations person occupying any of the other Commissioner positions).



**Figure 1: Proposed ATEC structure.**



\* This list is not exhaustive

Appointment criteria will stipulate that Commissioners will need to be recognised leaders. Collectively the Commissioners will bring expertise and understanding of policy, regulatory, funding, equity and governance arrangements in the tertiary, industry or government sectors, a history of delivering public administration outcomes, as well as a strong commitment to consultation and engagement.

To ensure Commissioners are able to make decisions and provide advice in the national interest, legislation will establish criteria for their appointment, including requirements that:

- the Commissioner positions must be held by people that can demonstrate their independence from the tertiary sector, for example by not having worked in a leadership position in the tertiary sector within a set number of years
- the First Nations Commissioner position must be held by a First Nations Australian
- appointees will need to demonstrate an ability to work in the national interest and retain sufficient distance from narrow, sectoral views.

To provide advice to Government on behalf of the ATEC, the four Commissioners would operate collectively as the Commission.

To assist the Commission make decisions, ATEC Commissioners will be able to consult with and draw on the expertise of other officials, including but not limited to the Regional Education Commissioner, the Australian Research Council (ARC) board chair, the Tertiary Education Quality and Standards Agency (TEQSA) Chief Commissioner, the Australian Skills Quality Authority (ASQA) CEO and the Jobs and Skills Australia (JSA) Commissioner on matters the ATEC Commissioners determine to be related,



such as regional, rural and remote education, research policy, regulatory settings and national skills needs and shortages.

In addition, the Universities Accord Panel recommended that the ATEC should seek the views of a wide range of stakeholders in the tertiary education system, including through establishment of a First Nations Council.

The ATEC would have a full-time Chief Executive Officer, who would undertake the day-to-day management of the ATEC.

For the purposes of the finance law and to utilise organisational efficiencies, the ATEC would be housed within the Department of Education, enabling it to leverage the physical, digital, and corporate footprint of the Department and minimise establishment and operating costs. The Secretary of the Department of Education would be the accountable authority for the purposes of the finance law, including annual and financial reporting.<sup>2</sup> Formal outcome and financial reporting to Parliament will form part of the Department's Annual Report.

The Commission will be required to take part in Parliamentary processes such as inquiries or Senate estimates. To strengthen accountability for funding arrangements and delineate the ATEC's role and resourcing from that of the Department, establishing a new outcome in the Portfolio Budget Statements (PBS) will be considered.<sup>3</sup> This will provide transparency through the PBS for the funding appropriated to support ATEC activities. The Commission would – through staff of the Department working on ATEC functions – be able to commission additional advice or expertise as required to carry out functions and responsibilities.

The ATEC will be publicly accountable for delivering higher education and specified tertiary education outcomes, including delivering on Government objectives. The Minister could have statutory powers to direct the ATEC on particular matters and would determine an annual statement of expectations. The ATEC would report on higher education outcomes through an annual *State of the Sector* report.

## The ATEC will engage across Government

In pursuit of a new national tertiary education objective, the ATEC will be empowered to engage broadly with different portfolios as required and levels of government. Initially, the ATEC will focus on delivering key reforms to the higher education system and early work on tertiary harmonisation. It is proposed that ATEC's higher education role would include potential roles in implementing Managed Growth funding for universities, implementing needs-based funding for underrepresented cohorts, and preparing the higher education sector for improved tertiary harmonisation. In addition, targeted work on specific tertiary harmonisation projects would involve the Vocational Education and Training (VET) sector.

Over time, it is proposed the ATEC's initial, more moderate tertiary focus would extend to achieving broader reforms in the tertiary realm, bringing greater involvement from the VET sector, VET providers, relevant agencies, and state and territory governments.

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<sup>2</sup> To fulfil requirements of the *Public Governance, Performance and Accountability Act 2013*.

<sup>3</sup> Portfolio Budget Statements set out agency outcomes and programs together with agency resourcing. The ATEC would become a unique program area within the Department of Education.



While higher education is primarily the policy and funding responsibility of the Commonwealth, VET is a shared responsibility with Federal, state and territory governments, under a National Skills Agreement. The ATEC will foster connections and alignment between the two sectors and will work with all levels of Government. It is proposed the ATEC would report to the Minister for Education and, on skills related matters, to the Minister for Skills and Training, with the reporting structure to be described in legislation. In particular:

- advice on **tertiary education** matters shall be provided to the Minister for Education, Minister for Skills and Training, and, where relevant, all state and territory education and skills ministers. Examples could include matters such as meeting tertiary attainment targets or the Australian Qualifications Framework
- decisions relating solely to the **higher education sector** will be accountable to the Minister for Education. Examples could include higher education provider compacts
- decisions relating to the **tertiary system in a single jurisdiction** will be accountable to and must be made with agreement from the Minister for Education, Minister for Skills and Training, and that jurisdiction's education and skills ministers. Examples could include a new dual sector provider to be established in a particular state or territory.

## The ATEC will lead and drive reform

It is proposed the ATEC will lead and manage Australia's higher education system, including promoting a more harmonised tertiary education system by breaking down barriers between the higher education and VET sectors. It will be responsible for providing stronger governance, rigour and oversight of public funding for higher education in Australia.

The ATEC will undertake coordinated strategic planning to deliver on the measures announced in the 2024-25 Budget, including driving growth through equity, making sure Australia's national higher education targets are met, and improving tertiary alignment.

### Functions and ways of working

The ATEC will achieve this role through delivering stewardship, policy and performance functions, which will be informed by regular communication and engagement with the sector as detailed in **Figure 2** below. The ATEC will work with relevant entities to deliver its functions, for example, with JSA, DEWR and relevant regulators on tertiary matters. It is proposed the ATEC will influence and inform:

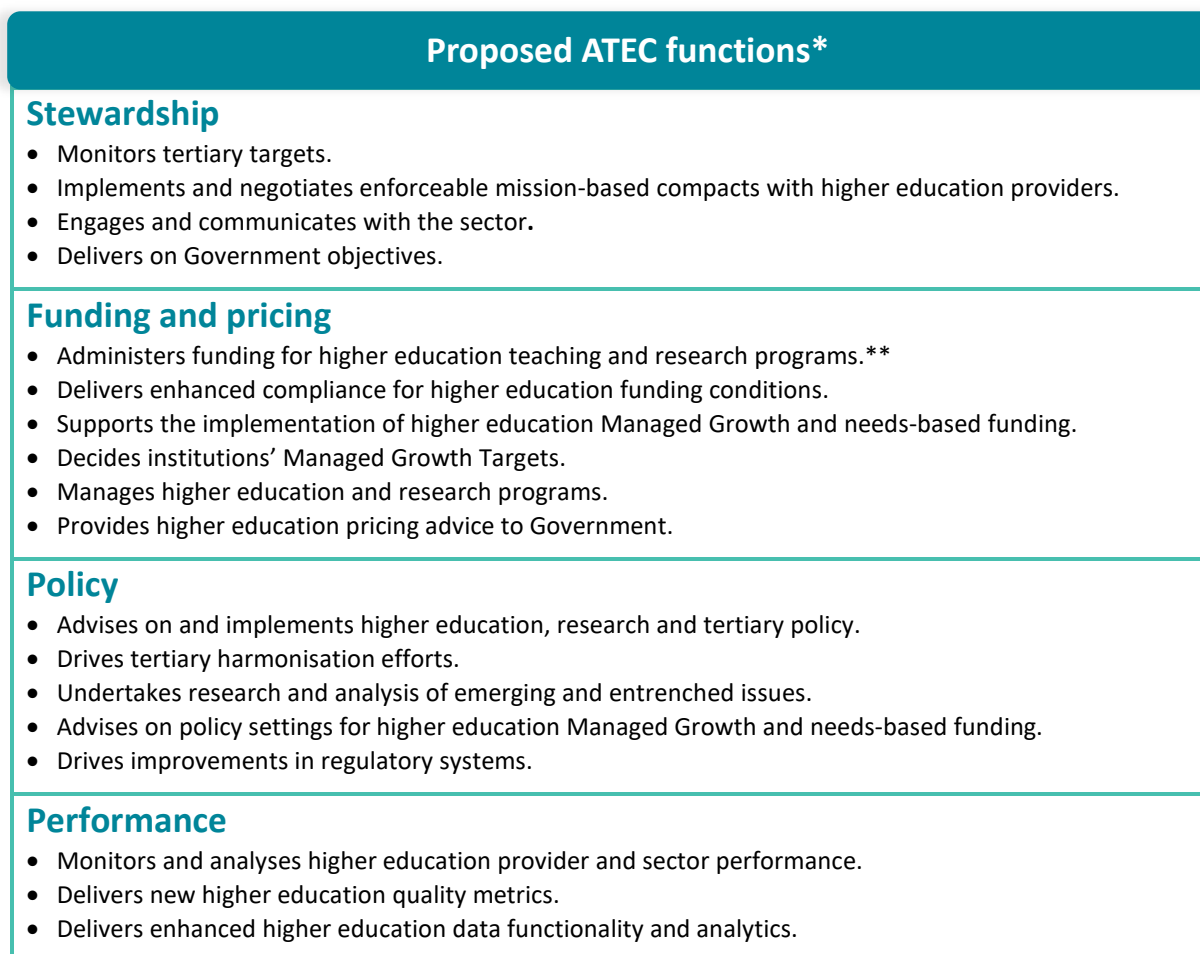
- government policy
- national skills planning in the higher education sector informed by JSA analysis
- tertiary education settings, including the monitoring of higher education targets and their attainment
- student choice
- provider performance and quality.

The ATEC will also:



- manage international student profiles for public universities
- play a role advising on and monitoring overall tertiary education targets.

**Figure 2: The ATEC’s proposed functions.**



\* Items listed in this diagram are not exhaustive

\*\* This does not include research grants administered by the research councils

## The ATEC will drive system improvements

The ATEC will provide advice to Government and make decisions to drive system improvements. The ATEC’s functions will enable it to effectively govern the higher education sector and deliver policy settings for better alignment between the higher education and VET sectors. The ATEC will use its advisory or decision-making powers to deliver on the following outcomes:



**Provide for a diverse sector that better meets student demand** through allocating Managed Growth Targets for places to individual institutions, within the system-wide pool of Commonwealth supported places (CSPs) determined by Government.\*



**Deliver growth through equity** through advising the Government as it considers higher education equity targets, monitoring sector progress toward achieving targets, working with individual providers to ensure any agreed targets are met and providing advice on and delivering needs-based funding.\*



**Foster greater tertiary alignment** between the higher education and VET systems through driving collaboration with tertiary stakeholders to develop solutions to structural problems, such as credit recognition.



**Establish a pricing framework** for estimating the cost of delivering higher education and advising Government on the efficient prices paid for course-based and needs-based components. The Government will remain the final decision maker on pricing.



**Ensure the sector is delivering positive outcomes** by meeting national objectives set by Government, developing enforceable mission-based compacts with links to funding and performance outcomes that take account of institutional and community priorities, and collaborating with the sector through extensive engagement.



**Steward the sector through disruptions or crises** through providing policy advice to Government and the sector and supporting any changes in policy settings in response to emerging and entrenched issues, such as the COVID-19 pandemic or the emergence of generative artificial intelligence.



**Improve the quality and reputation of Australian higher education** through developing and delivering new quality metrics for teaching, learning and research excellence.



**Drive a high-performing sector** through robust analysis of sector performance, supported by improving the quality and currency of data across the sector, including filling critical data gaps.



**Promote transparency and accountability of public funding** provided to universities through more robust assurance and compliance functions, with powers to manage non-compliance.

\* Pending finalising the detail of implementation through separate consultation processes on managed growth and needs-based funding.

## The ATEC's operating model will be outcomes focused

The ATEC's operating model will require it to work closely with the sector and seek regular information and advice from the sector, stakeholders and other Government agencies, including:

- universities' strategic goals and missions, such as their teaching and research goals, growth and expansion plans
- the needs and aspirations of First Nations staff and students to ensure their needs are at the heart of the higher education system
- student perspectives and preferences, including for specific courses or institutions
- student data and success markers, including completion and attrition rates from institutions
- estimates of student load across funding clusters for both domestic and international students
- institutions' demand and equity forecasts
- data and projections about changing demographic and population patterns
- skills and demand forecasts including occupations that are in shortage and future demand for occupations in Australia.

This will enable the ATEC to make good decisions, provide advice to Government, and deliver better outcomes for the sector, students and the wider community.

## Implementation issues for consideration

- How can the ATEC be set up so that it has sufficient expertise in the higher education sector while maintaining its focus on decision making that is in the national interest, rather than sectoral interest?
- Is the ATEC's proposed legislated objective (page 2) comprehensive?
- Does the proposed structure of the Commission, including consultation with other relevant stakeholders (pages 3-4), allow for an effective decision-making process?
- What does effective stewardship look like for the ATEC? What levers should the ATEC have to steward the sector?
- How can the ATEC seek the regular information and advice it needs to operate, while ensuring minimal additional regulatory burden on the sector?
- What does a successful tertiary future state look like and how can the governance of the ATEC help to achieve this?
- How can the ATEC be designed to maximise harmonisation between the two tertiary education systems?
  - What are the steps needed for harmonisation and how should they be timed/staged?
  - How should States and Territories be engaged in this process?

