

# Response to the Australian Tertiary Education Commission implementation consultation paper

July 2024



## Universities Australia welcomes the opportunity to provide feedback on the proposal for the Australian Tertiary Education Commission (ATEC), as outlined in the Department of Education's implementation consultation paper.

The ATEC was a key recommendation from the Australian Universities Accord and will be central to setting the tertiary education sector up for the future, acting as a system steward and driving reform over the longer term.

Establishing the ATEC is a significant and complex undertaking. Previous major sector reforms were designed over longer periods and with far more extensive consultation with universities than has so far occurred in implementing the ATEC.

As a result, Universities Australia does not believe that the proposed ATEC, as outlined in the implementation consultation paper, can deliver the strong leadership and stewardship of the higher education sector that the Accord panel indicated was necessary for the following reasons:

- 1 **The ATEC would not be independent** of the Department of Education and the Minister of the day. The consultation paper states that the ATEC will sit within the department and the Secretary of the department will be the accountable authority for the purposes of the finance law. This would make ATEC staff officers of the department and it would make the Secretary responsible for decisions on the use and management of relevant public resources and for outcomes. This would not be an environment in which the ATEC would be independent.
- 2 **The ATEC would not have sufficient capability.** The consultation paper does not appear to indicate that the ATEC would have any additional resources or expertise, except for what would be contributed by the full-time Chief Commissioner and three part-time Commissioners. Further, the ATEC would have access to only some of the department's current higher education resources.
- 3 **The ATEC would not have a clearly defined and achievable work program.** The program implied by its functions is likely too large and complex. It is being made responsible for further major policy changes within constrained timeframes and with little planning or sequencing.

The size of the challenges to be met by the ATEC should not be underestimated.

The proposals in the consultation paper suggest the ATEC will be responsible for:

- all of the teaching and research programs currently delivered by the department, including monitoring of compliance.
- some of the new policy implementation work being undertaken by the department (it is unclear precisely which exercises the ATEC would have responsibility for and which ones the department would retain).
- development of major reforms to support the Government's policy agenda (including new funding models and international student profiles).
- driving broader reforms towards a unified tertiary sector as envisaged by the Accord.

The ATEC would be assuming these responsibilities at a time when the sector is already unstable, in large part due to poor policy decisions over the last seven years and pandemic consequences. This turbulent period has put the future viability of some institutions and of some institutional specific activities at risk. The challenges the sector has and continues to face include:

- the end of the demand driven system, resulting in student places not being fully funded.
- further reductions in funding for domestic students under the Job-ready Graduates Package (funding guarantees given by the Government have not shielded the sector from the funding reductions).
- less international student revenue during the COVID-19 pandemic (limiting universities' ability to invest in teaching, research and infrastructure).
- a range of adverse impacts associated with the post-pandemic economic environment, in particular the impact of skills shortages, inflation and cost of living pressures.
- the ongoing impact of the Government's poorly implemented visa processing changes amid its push to reduce international student numbers (putting considerable pressure on university operations and revenues).



Universities Australia believes that a high degree of due diligence and care is required to ensure that the Accord's proposals do not exacerbate the difficulties already being experienced by universities in managing these challenges to their operations.

The Government has acknowledged the need to rebuild capability across the Australian Public Service. The Department of Education, like many Commonwealth agencies, was subject to considerable staffing constraints over an extended period of time. While there are competent and skilled staff in the department, it does not have the capability that is required to manage current challenges, implement a completely new vision for the sector and continue to fulfil the ongoing functions of a Commonwealth department.

The ATEC should be focused on the new vision for the sector. Its development should expand public sector capability as this will be necessary to create the unified and effective tertiary sector envisaged by the Accord. This additional capability will not arise from applying an ATEC label to existing capability.

The Accord final report recommended that the Government outline a staged approach to implementation of its recommendations (Recommendation 47). It also recommended the establishment of an Implementation Advisory Committee (Recommendation 44) to begin building new stewardship for the tertiary education sector and to provide advice on the implementation of the Accord's recommendations.

Universities Australia fully supports both these recommendations.

We welcome the Government's initial response to the Accord final report (through the 2024-25 Budget) and encourage the Government to now outline how it proposes to stage the Accord's recommendations, including staging the development of the ATEC.

## **To ensure the ATEC is set up to succeed, Universities Australia recommends:**

### **Recommendation 1**

The Government release a revised proposal for the ATEC for consultation. The Government should also release, and consult on, an exposure draft of any related legislation prior to it being introduced to Parliament.

### **Recommendation 2**

The development of the ATEC be phased to give it maximum chance of succeeding. There should be a plan for how the ATEC's role might be developed over time to achieve the Accord's longer term objectives for reform of the tertiary education sector. The ATEC should be given time to acquire and develop additional expertise.

### **Recommendation 3**

The ATEC be established as an independent authority, separate from the Department of Education. The Australian Research Council is a useful model.

### **Recommendation 4**

The ATEC be given sufficient resources to perform its functions. In the initial stages, its functions should be matched to the resources the Government is prepared to allocate to it.

### **Recommendation 5**

The ATEC be able to recruit experts from the sector. The consultation paper over emphasised the need to guard against 'narrow sectoral views' of people recently employed in the sector. Employees from the higher education sector are able to carry out new roles professionally. There will be a limited number of experts from outside of the sector who would be available to the ATEC.

### **Recommendation 6**

The department initially retain responsibility for ongoing program delivery, compliance monitoring and minor new policy development.

### **Recommendation 7**

The ATEC initially concentrate on what will most valuably contribute to the creation of the unified and effective tertiary sector envisaged by the Accord. In the first instance, the ATEC should be asked to advise on:

- > the current financial state of the higher education sector and the major threats to viability for the different types of universities
- > the implications for current funding (including needs based funding) that arise from this financial analysis, and
- > recommended next steps in the development of a unified tertiary sector.



**Universities Australia**

1 Geils Court, Deakin ACT 2600

**P** +61 2 6285 8100

**E** [contact@universitiesaustralia.edu.au](mailto:contact@universitiesaustralia.edu.au)  
[universitiesaustralia.edu.au](http://universitiesaustralia.edu.au)