

IRU response to the Universities Accord implementation consultation paper on the Australian Tertiary Education Commission

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The Innovative Research Universities (IRU) welcomes the opportunity to provide feedback on the Australian Government's proposed approach to the establishment of a new Australian Tertiary Education Commission (ATEC).

The creation of the ATEC – announced as part of the government's response to the recommendations of the final Universities Accord report in the May 2024 Federal Budget – is an important part of the integrated set of policy and funding reforms needed to meet the goals of the Accord. A Commission with the necessary independence and capability (expertise and resourcing) will be critical in achieving a bigger and fairer tertiary education system, with more room for innovation and differentiation among universities, matched with appropriate accountability.

The approach proposed in the implementation consultation paper has a number of positive aspects, including the focus on long-term system stewardship, with more coordinated planning and management, and improved data to underpin more transparent and evidence-based decisions. However, the model set out in the paper will not deliver the independence or capability that the ATEC would need to deliver on its proposed functions. **The IRU recommends that government further develop the model in consultation with the sector and allocate dedicated funding through the 2024-25 mid-year Budget process to ensure that the ATEC is set up for success.**

Why do we need an Australian Tertiary Education Commission?

Throughout the Universities Accord process, the IRU has called for a more systematic approach to higher education and research, to ensure a more balanced, equitable and innovative system to meet Australia's future needs. The IRU supports the goals set in the final Accord report, for long-term national targets to further improve participation and equity in Australian tertiary education.

In order to meet these targets, while recognising the distinct needs of different communities and fostering innovation and differentiation among universities, a one-size-fits-all approach to policy and funding will not work. The ATEC would play a critical leadership role, incentivising universities to focus on their communities and missions, while maintaining system-level oversight for national targets. The IRU supports the establishment of the ATEC if it is set up to deliver on this role.

An independent ATEC – autonomous but accountable – would be able to take this whole-of-system view, identifying opportunities for increased collaboration (for example between universities and TAFEs/the VET sector), ensuring alignment with the priorities of Federal and State/Territory governments. It would build trust and provide a strong, credible voice for the positive impacts of public investment in higher education and research.

To do this will require improvements in data and transparency to underpin an evidence-based approach. An independent and expert ATEC would be well-placed to drive collaboration and innovation, commissioning independent research to inform best practice and providing impartial advice to governments. This should explicitly include international best practice, to put the priorities and performance of the Australian system in global context.

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The international evidence supports this approach – for example, a Canadian assessment of “intermediary bodies” in different higher education systems found several common characteristics:

- intermediary bodies are not a substitute for the Department of Education, but should have a clearly defined and complementary role with specialist staff with deep sector expertise;
- intermediary bodies can take a longer time perspective and an integrated system-wide view;
- they can improve data and evidence, including of the long-term impacts of investment; and
- they can look across the system to identify opportunities for collaboration, as well as beyond the system to identify emerging issues.

In reviewing the literature on higher education systems in multiple jurisdictions, the Canadian report finds that intermediary bodies play an important role in a move away from simplistic (largely quantitative) formulae and metrics towards more negotiated mission-based agreements. This is “unavoidable given complex goals and wide-ranging sources of information” and “encourages institutions to focus on distinctive strategies and discourages inappropriate competition”.¹

The proposed approach

The consultation paper clearly identifies problems in the current tertiary education system that a new ATEC would be designed to address. These include a lack of long-term system stewardship, “persistent under-representation of some student cohorts”, a lack of evidence-based planning and “fragmented changes to policy and funding”.

In addition to these existing issues in the system, the government’s response to the recommendations of the final Universities Accord report adds significant new responsibilities for system governance and oversight. The government has announced that it is introducing a range of new programs to better support students (such as the new “fee-free Uni Ready” courses), plus a new “managed growth” funding model for universities (through mission-based compacts), which will incorporate a new approach to “needs-based funding”, as well as a new approach to managing the allocation of places (for both domestic and international students) to universities.

In order to address all of these priorities, the final report by the Accord review panel recommended:

To deliver on the National Tertiary Education Objective and establish a public sector steward for the tertiary education system, the Australian Government establish an Australian Tertiary Education Commission as a statutory, national body reporting to the Minister for Education and the Minister for Skills and Training (Recommendation 30).

The approach proposed in the consultation paper is for a statutory ATEC, established in legislation. The Minister would provide an Annual Statement of Expectations to the ATEC to clearly set out high-level government priorities. The proposed ATEC functions include a strong focus on stewardship (including national targets and mission-based compacts), funding and pricing, policy (including driving “improvements in regulation”) and performance (including improved data). The IRU supports an independent ATEC set up to deliver on these core functions – we also welcome the proposed role for ATEC in producing an annual *State of the Sector* report to improve transparency.

¹ Trick, D. (2015) *The Role of Intermediary Bodies in Enhancing Quality and Sustainability in Higher Education*, Toronto: Higher Education Quality Council of Ontario.

Issues with the proposed approach

The approach proposed in the consultation paper requires further development if the new ATEC is to be able to deliver on its proposed functions and “lead and drive” long-lasting reform that can deliver “growth through equity”. Specific issues include:

- **Level of independence:** the proposed model is for a statutory office, housed within the Department of Education to “minimise establishment and operating costs”, rather than the statutory national body recommended by the Accord panel. The consultation paper proposes that the ATEC would for example commission advice or expertise “through staff of the Department”, but in order to achieve its role in the system, the ATEC must have the independence to commission its own research and provide its own advice. A stand-alone ATEC – autonomous but accountable, under its own legislation – is in line with international best practice.
- **Capability and resourcing:** the model proposed in the consultation paper has been scaled down considerably from the model recommended by the Accord review panel and the model previously presented by the Department. As yet, the government has not committed any dedicated budget for the ATEC. A new ATEC will not be able to deliver on its proposed role and functions without additional resourcing and staff – there are many new policy and funding responsibilities that go beyond business as usual that will require new budget. The IRU recommends that the position of First Nations Commissioner should be a full-time role (rather than the proposed part-time role) and that the position of Equity Commissioner (which has been dropped in the most recent model) should be reinstated.
- **Governance structure:** further work is required on the ATEC structure, to clarify the responsibilities of, and the relationship between, the Chief Commissioner and Chief Executive Officer. The list of “consulted officials” also needs further clarification – for example, do they have a formal advisory role? The IRU supports the establishment of a First Nations Council to provide advice to government, but its role in the proposed ATEC structure is unclear and it will also need to be resourced properly. Advisory structures should be inclusive of the breadth and diversity of the tertiary system, including students.
- **Collaboration with the sector:** the proposed approach misses an opportunity for genuine collaboration between government and the sector in setting up an effective ATEC with deep expertise. The consultation paper insists on appointees to the Commission “not having worked in a leadership position in the tertiary sector within a set number of years”, to ensure that appointees “work in the national interest and retain sufficient distance from narrow, sectoral views”. International evidence is clear that bodies such as the ATEC rely on specialist staff with deep sectoral expertise. Within a sufficiently independent governance framework, it should be possible for ATEC to work productively with the sector, for example to second staff in flexible ways to contribute their expertise to its work.
- **Priorities that are missing from the proposed model:** the consultation paper has a narrow view of research, which is a core university mission alongside teaching. The ATEC should have the capability to take a whole-of-system view of university research (that includes but goes beyond the Australian Research Council), including research translation and research training. This also highlights the lack of discussion in the paper of workforce issues and the importance of a long-term view of tertiary sector workforce planning.

- **Phasing implementation:** the consultation paper proposes that the ATEC commence with an initial focus on “delivering key reforms to the higher education system and early work on tertiary harmonisation”. The IRU supports a staged approach to implementation and this is consistent with examples of international best practice. But in order to be successful, this will require clarity about the budget/resourcing available for the establishment of the ATEC, as well as greater clarity about the order in which key reforms will be implemented. The risk of not doing this from the beginning is a confusion between an initial focus on higher education and the broader tertiary system mission of the ATEC, and a lack of confidence that it is leading and delivering on an integrated, long-term reform agenda. It will need to be clear from the outset that the ATEC has the mandate and resourcing from government to build its work over time in line with agreed long-term national goals.

Conclusion and IRU recommendations

The original aim of the Universities Accord process was for a positive and productive partnership between universities, government and the community, to set the system up for the future to meet Australia’s needs. The Australian university system has grown significantly over the last 30 years, and while this has delivered many benefits for the nation (such as increased participation and skills), the IRU agrees that there are system-wide issues (such as unfinished business on equity) that require attention. Universities and government have a shared interest in collaboration for a more equitable, integrated and innovative system for the future.

In order to meet the ambitious, long-term goals of the Accord, policy reform and additional public investment are required, underpinned by improved data and transparency. The IRU supports the move to a system with improved stewardship, more coordinated planning and management, and more room for universities to focus on their differentiated missions and innovation. This will lock in the gains achieved over the last 30 years – for example, the expansion of education and research in outer suburban and regional areas – and ensure a sustainable system that has the flexibility to meet emerging future needs.

A long-term reform agenda cannot be done all at once and thus requires stewardship. A new ATEC can play a critical role in strengthening leadership, oversight, collaboration, trust and accountability. However, the model as set out in the consultation paper will not deliver the independence or capability that the ATEC would need to deliver. **The IRU makes the following recommendations for next steps – these are threshold conditions for the establishment of a successful ATEC:**

1. That government further develops the ATEC model in consultation with the sector, with a focus on its statutory role and independence, governance structure, and priorities that are not adequately reflected in its functions as currently defined.
2. That government allocates specific funding for the establishment of the ATEC in the 2024-25 mid-year Budget process, with resourcing to support its scale-up over time.
3. That government provides a consolidated response to all of the recommendations from the Accord review report, which clarifies priorities and how implementation will be staged over time. This should also clarify which priorities the ATEC will be tasked with progressing once it is established and which (for example, reform of the Job-Ready Graduates package) can be prioritised and progressed in parallel by the Department.

Attachment: additional IRU responses to specific questions posed in the consultation paper

- 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?
 - In line with the points made above, the IRU recommends that the ATEC be established with a higher degree of independence than the model proposed in the consultation paper, with the ability to then draw on expertise from both government and the sector to inform its work and advice. It is also important to ensure that this supports a more integrated view of the tertiary system, with clear staging of work that is focused on higher education within the broader tertiary mission of ATEC.
- Is the ATEC's proposed legislated objective comprehensive?
 - The ATEC objective should include a reference to student success (in addition to access and participation) and to university research that goes beyond the role of the ARC on research funding. It should also mention the ATEC's role to improve data and evidence, including of the impact of public investment in education and research.
- Does the proposed structure of the Commission, including consultation with other relevant stakeholders, allow for an effective decision-making process?
 - More detail is required on the structure and the interaction of key positions within it, including the advisory role/responsibilities of consulted stakeholders.
- What does effective stewardship look like for the ATEC? What levers should the ATEC have to steward the sector?
 - The independence and capability (expertise and resourcing) to take a long-term system view, improving data and analysis to build consensus and collaboration. The ability to provide oversight and management of the system towards agreed long-term goals while ensuring sustainability and creating more room for institutional differentiation and innovation. Clearly defined roles and responsibilities in relation to the Department and regulators such as TEQSA.
- How can the ATEC seek the regular information and advice it needs to operate, while ensuring minimal additional regulatory burden on the sector?
 - In addition to existing information sources, the ATEC will require new forms of data and analysis to deliver on new ways of planning and managing the tertiary system to meet long-term national goals. (For example, the ability to link existing data sets for more detailed, place-based population/demographic modelling and new ways of determining need and assessing progress on equity.) To minimise the regulatory burden, the ATEC should as a priority undertake a national review of regulation/reporting (across Federal and State/Territory governments) to streamline existing requirements and reduce duplication.