



Innovative  
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IRU submission on the  
*Universities Accord (Australian  
Tertiary Education Commission)*  
Bill 2025

January 2026





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# IRU Submission on the *Universities Accord (Australian Tertiary Education Commission)* Bill 2025

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## Executive summary:

The Innovative Research Universities (IRU) strongly supports the reforms from the Universities Accord designed to achieve a more balanced and innovative higher education system with increased student participation and equity to meet Australia's future needs.

The establishment of a new Australian Tertiary Education Commission (ATEC) is a key recommendation of the Accord. The IRU supports the creation of a Commission with the necessary independence and capability (expertise and resourcing) to deliver on its role to provide improved system stewardship.

In our submission below, the IRU notes positive aspects of the proposed legislation for the new ATEC and recommends that a number of specific amendments be made before the bill is passed. We recommend amendments in four key areas:

1. Independence and capability to ensure that the ATEC can deliver on its stewardship role, including the ability to commission research and provide advice on its own initiative.
2. Clarifying roles and responsibilities to improve alignment between the Objects of the Act and the Functions of the ATEC, including the ability to advise on the cost of higher education to students, as well as the cost to government.
3. Implementing new mission-based compacts to support differentiation among universities as well as greater alignment between local needs and national goals.
4. Improving data and transparency including through the proposed State of the Tertiary Education System report.

The IRU appreciates the opportunity to provide feedback on the proposed *Universities Accord (Australian Tertiary Education Commission) Bill 2025*. This represents a major change to our system which has the potential to drive significant ongoing reforms for students and universities in the years to come.

The seven public universities in the IRU network teach over 200,000 students and employ 18,000 staff across 57 campuses in metropolitan areas, regional/rural areas and overseas.

The first IRU member universities were established in the late 1960s and early 1970s when, under both Liberal and Labor governments, there was an expansion of innovative models of higher education and research. Further expansion occurred through the significant reforms of the late 1980s and early 1990s, with new universities created to ensure that the higher education system could meet the needs of growing communities.

IRU member universities share a commitment to continuing to open up access to higher education, particularly for students from under-represented backgrounds, and to research that delivers impact for our communities across the country.

The establishment of a new Australian Tertiary Education Commission (ATEC) is a key recommendation of the final report of the Australian Universities Accord, released in February 2024.

The IRU supports the Accord's recommendations for a more systematic approach to higher education and research, to deliver a more balanced, equitable and innovative system that can meet Australia's future needs. The IRU also strongly supports the goals set in the final Accord report for long-term national targets to further improve participation, equity and collaboration across the tertiary education system.

These ambitious targets and long-term reforms will require improved system stewardship: business as usual will not deliver the Accord. In his speech in Parliament when tabling the ATEC legislation on 26 November 2025, Education Minister the Hon Jason Clare MP said that the Accord must "break down two big barriers": the "invisible barrier" that prevents poorer students and students from outer suburban, regional and remote areas from accessing the benefits of higher education, and the "artificial barrier" between the higher education and vocational systems.

The IRU agrees that these are vitally important priorities for students and communities across Australia. Achieving these goals will require new ways of working across portfolios and jurisdictions and a new relationship between government and universities.

In our response to the original consultation paper on the establishment of the ATEC in July 2024, the IRU supported the creation of a Commission with the necessary independence and capability (expertise and resourcing) to deliver the goals of the Accord. **The IRU recommends that the current bill be amended before it is passed, to ensure that the new ATEC can deliver on its stewardship role and the Accord.** We set out recommendations for specific amendments in the sections below.

Stewardship of the higher education system arises both from government and also from the staff and students within universities themselves. A properly established ATEC can play a valuable role in improving collaboration and stewardship for the benefit of current and future students, universities and the communities they serve.

## Why do we need a new Australian Tertiary Education Commission?

Since the last major review of the Australian higher education system, the Bradley Review in 2008, participation has increased but progress on national priorities including equity and collaboration across the tertiary system has stalled. Major policy changes, such as the introduction of the Job-Ready Graduates (JRG) scheme in 2021, have made higher education more expensive, complex and unequal for students.

In mid-2024, the government's initial consultation paper on the establishment of the ATEC identified a number of significant problems in the current system, including a lack of long-term system stewardship, fragmented changes to policy and funding, persistent under-representation of some student cohorts and a lack of evidence-based planning.

International evidence supports the role of institutions such as the ATEC in improving tertiary education system. For example, a 2015 Canadian assessment of "intermediary bodies" in different countries found common success factors:

- intermediary bodies do not substitute for the Department or Ministry of Education, but have complementary roles with clearly defined mandates and independence, and specialist staff;
- they can take a longer time perspective and a more integrated system-wide view, as well as looking across the system to proactively identify opportunities for collaboration and improving data, evidence and transparency.

In reviewing the literature on higher education systems in multiple jurisdictions, the Canadian report finds that such bodies play an important role in a move away from simplistic metrics and formulaic funding, towards more negotiated mission-based agreements (such as the new approach to mission-based compact agreements proposed in the ATEC bill). This is "unavoidable given complex goals" and "encourages institutions to focus on distinctive strategies and discourages inappropriate competition".<sup>1</sup>

These shifts are also required in the Australian system. In order to meet the Accord's long-term national goals for increased participation and equity, while recognising the distinct needs of different students and communities, a one-size-fits-all approach to policy and funding will not work. New ways of working across portfolios and jurisdictions will be required, which will be difficult for any one Department to deliver.

It is positive that the ATEC legislation sets out objectives including equitable access, participation and success for all students; improved collaboration between Federal and State governments, and between the higher education and vocational systems; and identifying opportunities for streamlining the regulation of higher education providers. These will all require careful stewardship and an independent entity capable of brokering cross-jurisdictional collaboration and agreement.

In addition, a key goal of the government's current *Strategic Examination of R&D* is greater specialisation and differentiation in university research. This will also require collaboration across portfolios and a link to mission-based compact agreements, with support for genuine negotiation

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

and longer-term planning.

Under current arrangements with the Department of Education, funding decisions and the allocation of international student places are made on an annual basis late in the year, with current compact agreements (for 2025–26) significantly delayed. A key priority for the ATEC should be to stretch out the planning horizon—for universities and government—and to improve data, transparency and trust.

Higher education policy and planning in Australia is currently limited by poor system data, often published late due to delays in administrative processes and approvals. An ATEC with a clear mandate to improve data and transparency (including through the proposed State of the Tertiary Education System report) would be a positive improvement and would support better decision-making by individual students, institutions and Departments.

The government has committed to a new Managed Growth Funding System for universities. The IRU supports a more managed and equitable approach to the allocation of places for both domestic and international students, but this should be overseen by an ATEC with the necessary independence and expertise, to ensure that the funding system is underpinned by robust advice and transparent evidence.

An ATEC with the power to commission research and provide advice to government (crucially including on its own initiative) would play an important role in major policy reforms that have provided difficult for governments in recent years, including the reform of the JRG scheme and setting more stable long-term policy for international education.

The IRU also supports the Accord's recommendations for more differentiation and specialisation among universities, but this is undermined by current approaches to funding and regulation. As set out in the proposed legislation, the ATEC would have an explicit mission to negotiate more meaningful institution-specific compact agreements with universities and also to look holistically at the regulation of the tertiary system (including the interaction of Federal and State government policy and regulation) to identify opportunities for greater collaboration, differentiation and innovation.

Finally, the legislation also proposes getting rid of Higher Education Standards Panel (HESP) and incorporating its work into the ATEC. The HESP provides independent advice to Ministers on the *Higher Education Standards Framework (Threshold Standards)* which underpin the regulation of higher education institutions by the Tertiary Education Quality and Standards Agency (TEQSA). HESP as currently convened is independent of TEQSA and can provide advice at the request of government or at its own initiative. The IRU agrees that it makes sense to combine the work of the ATEC and HESP, but the model proposed in the current legislation would equate to an overall reduction in independence, with a loss of expert independent advice on standards for higher education, which would undermine the quality and performance of the system.

## Recommendations for amendments to the ATEC legislation

The IRU recommends that the current bill be amended before it is passed, to ensure that the ATEC can deliver on its role and responsibilities, and that the tertiary system can achieve the long-term goals set by the Accord.

**Based on our reading of the legislation as tabled by the Minister, we recommend amendments in four key areas, which we outline in more detail below:**

1. **Independence and capability**, to ensure that the ATEC can actually deliver on its stewardship role, including the ability to commission research and provide advice on its own initiative.
2. **Clarifying roles and responsibilities**, to improve alignment between the Objects of the Act and the Functions of the ATEC, including the ability to advise on the cost of higher education to students, as well as the cost to government.
3. **Implementing new mission-based compacts**, to support differentiation among universities as well as greater alignment between local needs and national goals.
4. **Improving data and transparency**, including through the proposed State of the Tertiary Education System reporting.

### 1. An ATEC with the necessary independence and capability to deliver on its role

The model for the ATEC proposed in the bill is clearly less independent than the model recommended in the final Accord report, and with less capability than the model originally proposed by the Department in 2024. In contrast to the Accord's recommendation for a stand-alone national statutory body (see recommendation 30 in the final Accord report), the bill sets out a secondary statutory model. As drafted, the legislation places significant restrictions on the ATEC's ability to provide and publish advice, to appoint staff, commission research and collaborate with the tertiary sector.

The IRU believes that with specific amendments as set out below, the proposed model would still be an improvement on current arrangements. We agree that there is a need for improved stewardship of the tertiary system, with a more managed and equitable approach to funding and the allocation of places, with greater room for differentiation, collaboration and innovation. In particular, the ATEC should have the ability to commission analysis and provide advice on its own initiative—this is consistent with international best practice for similar bodies.

#### Recommended amendments:

- Section 11 states that one of the functions of the ATEC is “to prepare reports, and provide advice and recommendations if requested by the Minister... in relation to the higher education system and the tertiary education system”. Section 69 states that the ATEC “must seek and obtain the agreement of the Minister before publishing any advice or recommendations given by the ATEC to any person”. The legislation should be amended to make it clear that the ATEC can undertake

work, commission research and provide advice to government on its own initiative. This will be essential for proactively managing the system in line with the long-term national goals of the Accord and identifying and responding to emerging issues. This would not prevent the ATEC from agreeing protocols with relevant Ministers and Departments for the public release of any such advice.

- The functions of the ATEC at Section 11 also include the responsibility for providing advice and recommendations (to the Minister and TEQSA) on the higher education standards – this is the only area within the legislation as drafted where the ATEC is permitted to provide advice at its “own initiative” (Section 11f). Under the current model, this represents a loss of independent advice with the abolition of the Higher Education Standards Panel. The legislation should be amended (Section 25) to make it clear that the ATEC will have an advisory committee to provide it with advice on higher education standards and regulation. The legislation should also specify that the ATEC is required to consult with TEQSA about the implementation of the standards (among other matters).
- As set out in Section 15, the Minister is required to consult with other Federal Ministers before giving direction to ATEC, but there is no mention of State/Territory Ministers despite the focus on the tertiary system. It is positive that a direction from the Minister must be published, but Section 15 should also be strengthened to make it clear that the Minister has a responsibility to consult with the ATEC before making major higher education policy decisions.
- Sections 16-21 (and 56–59) state that the ATEC is to be led by two full-time and one part-time Commissioners, including a First Nations Commissioner. This differs significantly from the model presented by Department in February 2024, which was for an ATEC that included six Commissioners as well as the TEQSA Chief Commissioner and ARC Board Chair. (As a point of comparison, the New Zealand Tertiary Education Commission has six Commissioners for a smaller system.) The IRU recommends that the legislation be amended to allow for at least two more Commissioners, to ensure that the ATEC has the capability and expertise to deliver on its broad functions and responsibilities.
  - » The First Nations Commissioner has specified responsibilities in relation to Aboriginal and Torres Strait Islander people, but it is not clear why these should be only the responsibility of this Commissioner.
  - » Section 59 states that ATEC Commissioners must have expertise in certain areas, including “higher education”, but this is not defined. The legislation should be amended to make it clear what is included in “higher education”, so that it is clear that this incorporates regional education, university research and international education.
- Sections 22–24 state that the appointment of staff and “other people assisting the ATEC” (including “contractors and consultants”) will be managed by the Secretary of the Department. The bill should be amended to make it clear that the ATEC can itself bring in external assistance (within its agreed budget and functions), including through secondment or partnership arrangements with tertiary education institutions.
- Finally, while this may not necessarily be reflected in legislation, the IRU recommends that the ATEC have its own budget for investing with institutions to incentivise collaboration and innovation in line with national priorities. International best practice (for example in the negotiation of Strategic Mandate Agreements between the Ontario Government and

universities) demonstrates that even a small fund can have a large impact in driving change and differentiation in the tertiary system. At present, the ATEC's main lever for incentivising institutional change would be through the allocation of domestic and international student places, but this is a limited means for achieving the broad range of goals (see the Objects of the Act at Section 3) set out in the bill.

## 2. Clarifying ATEC's role and responsibilities

As drafted, there are inconsistencies in the legislation between the Objects of the Act, the Functions of the ATEC and the specific areas that ATEC is tasked with providing advice on. The IRU recommends the following amendments to clarify the ATEC's stewardship role:

- There is confusion between the ATEC's focus on the tertiary education system and the stated Objects of the Act which focus solely on higher education. Section 3 should be amended to make it clear that the ATEC will have an advisory role for the tertiary system as well as a decision-making role for the higher education system.
- Section 4 provides more detail but only says that the ATEC will "enter into mission-based compacts with Table A and Table B providers"—it does not fully explain ATEC's role in allocating domestic and international student places or the distinction between its higher education/tertiary system roles. The IRU understands that ATEC's power to allocate domestic student places will need to come through separate and subsequent amendments to the *Higher Education Support Act (HESA) 2003*, but Section 11 of this bill should be amended now to make it clear that the functions of the ATEC will include the allocation of both domestic and international student places.
- Section 11(d) sets out specific areas where the ATEC can provide advice and recommendations to the Minister. These include the "efficient cost of higher education... and in relation to the Commonwealth contribution amounts" but no mention is made of student contribution amounts. This is a critical issue for reform of the Job-Ready Graduates (JRG) policy package. The legislation should be amended to make it clear that the ATEC can advise on the cost to students, recognising the inter-dependencies between government and student contributions in the funding of higher education and in efforts to increase participation and equity. It will also be important that ATEC has the ability to provide advice more broadly on pricing and costing, and on the financial sustainability of institutions and the system as a whole.
- The Objects of the Act mention research but then focus only on ensuring that the higher education system has the "capacity and capability to meet Australia's current and future student, skills and workforce demand". By contrast, Section 41, which sets out issues on which the ATEC must provide advice to the Minister, does include "knowledge" as well as "skills". Section 3(1)(c) should be amended to include "knowledge" and Section 3(1)(b) should be amended to remove "internationally competitive". The Functions of the ATEC (Section 11) should be amended to include reference to research as a key part of the mission of universities, and of the higher education system more broadly.
- As currently drafted, there is no mention in Objects of the Act or Functions of the ATEC of the goal of increasing differentiation among higher education providers: the legislation should be amended to include this.

- Section 13 states that the ATEC “must have regard to the National Tertiary Education Objective”, but the Objective does not include any definition of the bounds or scope of “tertiary education in Australia” or higher education within that. The legislation should be amended to provide clear definitions of the tertiary system and higher education.

### 3. **Implementing new mission-based compacts**

The IRU supports the ATEC taking on the role of negotiating more meaningful mission-based compacts with each university. These will help to ensure that funding and the allocation of places are aligned to the needs of different students and communities, ensuring that the Accord’s long-term goals for increasing participation and equity can be achieved without requiring a one-size-fits-all approach across the country. The IRU also supports the proposal in the legislation (Section 43) that the ATEC would publish a statement of strategic priorities to make clear at a national level its objectives for the tertiary system.

The IRU makes the following recommendations for amendments to the bill to support better alignment between national priorities and institution-level strategies and missions.

- It is positive that the ATEC’s statement of strategic priorities must be tabled in Parliament and must be informed by open consultation, including with higher education institutions. However the legislation states that the statement of strategic priorities must relate to a two-year period, while mission-based compacts will cover a period of up to four years. This could create problems for four-year compacts if national system-level priorities change significantly within that period. The legislation should be amended to give the ATEC flexibility to issue a statement of strategic priorities that covers a longer period.
- Section 28 clearly states that the purpose of mission-based compacts is to give universities the flexibility to deliver on their own mission and goals, while also contributing to national priorities and meeting the needs of their students and community. This is positive, but it is not clear in the legislation what the ATEC will bring to the negotiation (ie. the allocation of student places and other funding). The legislation should be amended to make it clear that universities will be provided with an indication of their allocations over the four-year horizon, to support longer-term planning.
- It is positive that Section 29 gives the ATEC flexibility when negotiating the form and terms of mission-based compacts, but also sets out factors that it must consider, including the strategy, community and geography of the university, academic freedom and (at Section 30) any “matter reasonably outside the provider’s control”. The list at Section 29(2) would be improved by including reference to the university’s founding legislation, set in almost all cases by the State Government.
- Section 33 provides for the suspension of a compact agreement by the ATEC if it believes that the provider “has failed to meet, or has breached, a term of the compact”, will be unable to meet a term of the compact, has failed to provide information requested by ATEC or is not negotiating in good faith. Making the entire compact agreement dependent on a single term will drive overly conservative behaviour, undermining innovation and progress towards the goals of the Accord. Section 33(4) does set out factors that the ATEC must take into account when

making a decision about suspension, but this should be amended to make it clear that the ATEC has the discretion to agree with the institution a process for review, escalating concerns and agreeing mitigation measures, before proceeding straight to suspension.

- As recommended above, the ATEC should also have a funding pool that it can deploy in compact negotiations with institutions, to support and incentivise new forms of delivery that will contribute to national priorities and goals.

#### 4. Improving data and transparency

As set out above, problems with the timeliness and transparency of existing data are undermining effective decision-making for the tertiary system. The IRU supports the role of the ATEC in improving and integrating data, and publishing an annual State of the Tertiary Education System report.

- Section 42 of the bill, which sets out the scope of the ATEC's State of the System report, should be amended to include a clear feedback loop between national system-level reporting and institution-level compact agreements, so that the ATEC reports on the impact of compact agreements with individual universities on the system as a whole.
- There is no mention in the legislation as drafted of the data and information that the ATEC will need to deliver on its responsibilities (including advice to government and the State of the System report), other than in the section on mission-based compacts (Division 2). If compacts are used as the ATEC's primary data gathering mechanism, there is a serious risk that they will drive homogeneity instead of differentiation, and that they will become large and overly bureaucratic documents focused on reporting and compliance, rather than mission and performance improvement.
- The bill should be amended to clarify what data the ATEC will need to deliver on its functions and responsibilities, and where it will get it from. The legislation should give the ATEC the power to collect and integrate data from the Department of Education and other government agencies (such as Jobs and Skills Australia and the ABS) and to publish this without requiring Ministerial approval for each data release. (Other agencies have agreed protocols with relevant Ministers and Departments for the release of data and research reports without requiring prior approval.) The ATEC will presumably also need the ability to work across jurisdictions, for example with State and Territory governments. The goal should be improved real-time data and greater transparency – the legislation should clearly state that this is an important function of the ATEC.

#### About the IRU

The Innovative Research Universities (IRU) is a network of seven public research universities across Australia, committed to inclusive education that expands access and opportunity, and research with impact that advances our communities.



#### Innovative Research Universities

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