

Submission to the Senate Education and Employment Legislation Committee's Inquiry into the Universities Accord (Australian Tertiary Education Commission) Bill 2025 and a related bill, January 2026

The University of Sydney (the University) is pleased to provide a submission to the Senate Education and Employment Legislation Committee's inquiry into the Australian Tertiary Education Commission (ATEC) Bill 2025 and Universities Accord (Australian Tertiary Education Commission) (Consequential and Transitional Provisions) Bill 2025, a critical next step in implementing the Australian Universities Accord reforms.

The University has actively participated in the Universities Accord process since its inception in 2022, engaging meaningfully in government consultations to address the sector's key challenges and explore potential reforms. Recommendations made in our previous submissions to the Accord panel¹ and response to the ATEC consultation paper² provided our rationale and approach to the establishment of the ATEC and are relevant to this inquiry.

We remain committed to the intent of the Bill to establish ATEC as a system steward, working collaboratively with sector stakeholders to support longer term, evidence-based policymaking. We are strongly aligned with the goals of widening access to higher education from disadvantaged cohorts, improving harmonisation of VET and higher education and ensuring better outcomes for students, local communities and the national interest.³

However, there are a number of issues raised in the Bill that warrant further consideration and amendment including strengthening the independence of the ATEC, clarity around its role, function and capacity, further detail around mission-based compacts, including research as part of ATEC's remit and ensuring that student outcomes are central to the ATEC's mission.

The University endorses the recommendations made in the Universities Australia and Go8 submissions.

¹ University of Sydney, Submission in response to the Australian Universities Accord Interim Report, 1 September 2023, [usyd-submission-in-response-to-the-accord-interim-report--1-sept-2023 \(1\).pdf](https://www.usyd.edu.au/content/dam/corporate/documents/about-us/governance-and-structure/university-policies/2023/university-of-sydney-submission-accord-april-2023.pdf)
University of Sydney, Submission in response to the Australian Universities Accord discussion paper, 11 April 2023, <https://www.sydney.edu.au/content/dam/corporate/documents/about-us/governance-and-structure/university-policies/2023/university-of-sydney-submission-accord-april-2023.pdf>

² University of Sydney, July 2024, Feedback on ATEC Consultation Paper, <https://www.sydney.edu.au/content/dam/corporate/documents/about-us/governance-and-structure/university-policies/2024/20240726-university-of-sydney-feedback-on-atec-consultation-paper.pdf>

³ University of Sydney, 2032 Strategy, <https://www.sydney.edu.au/about-us/2032-strategy.html>.

Strengthening the Independence of the ATEC

The independence of the ATEC is fundamental to its success. Higher education is a complex and dynamic sector that requires careful, considered, and evidence-based decision-making. The sector has long advocated for an autonomous higher education policy body to ensure that the sector has policy stability it needs to deliver the education and research outcomes that our students deserve and that the government expects. The Accord Final Report recommended the ATEC be established as a statutory authority to oversee the development of longer-term, strategic higher education policy.⁴

While the Explanatory Memorandum asserts that “[t]he Bill will enable the ATEC to make decisions that are transparent, grounded in evidence and free from undue influence or bias”⁵, under the proposed Bill, it may only “...prepare reports, and provide advice and recommendations if requested by the Minister.”⁶ Furthermore, “the ATEC must seek and obtain the agreement of the Minister before publishing any advice.”⁷ The University suggests that the Bill be amended to enable ATEC to undertake reports, research and to publish advice without the approval of the Minister.

The ATEC should operate as an independent entity similar to the Productivity Commission. This includes being appropriately resourced with a separate Budget line, the ability to hire its own staff, and having standalone annual reporting processes. Given the diversity in the sector, the breadth of regulatory complexity, and the scope of system management that is being proposed, it is essential that ATEC has the expertise and capability among its staff to undertake its work.

Student outcomes as a central tenet

Above all, the success of these reforms will ultimately be measured by their impact on students and whether the system achieves the Government’s target of lifting tertiary education attainment to 80 per cent of working age people by 2050.⁸

Support for student autonomy and choice, and diversity among providers, is critical to achieving this goal. As the failed Job-ready Graduates (JRG) scheme and other attempts to constrain market demand have demonstrated, top-down efforts to manipulate student choices do not work. Students require clear,

⁴ Department of Education, Universities Accord Final Report, Recommendation 30, <https://www.education.gov.au/download/17990/australian-universities-accord-final-report-document/36760/australian-universities-accord-final-report/pdf>, pp. 32-33.

⁵ Universities Accord (Australian Tertiary Education Commission) Bill 2025 Explanatory Memorandum, https://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22legislation%2Fems%2F7416_ems_8589e86c-60a7-4fb9-b54b-6f5186e89c8b%22, p.1.

⁶ Universities Accord (Australian Tertiary Education Commission) Bill 2025, Part 4 Division 2.41.1, https://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22legislation%2Fbills%2F7416_first-reps%2F0000%22;rec=0.

⁷ Universities Accord (Australian Tertiary Education Commission) Bill 2025, https://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22legislation%2Fbills%2F7416_first-reps%2F0000%22;rec=0. Note: “The ATEC must seek and obtain the agreement of the Minister before publishing any advice or recommendations given under this section (see section 69).”

⁸ Department of Education, Universities Accord Final Report, Recommendation 2a (Attainment targets), <https://www.education.gov.au/download/17990/australian-universities-accord-final-report-document/36760/australian-universities-accord-final-report/pdf>, p.17.

accessible data on course quality, graduate outcomes, and costs to make informed decisions. ATEC could play an important role ensuring system-wide data is available to students.

Embedding student success should be a central goal of the tertiary education system. The University fully supports the Bill's focus on improving access for equity groups, but notes there is a distinct lack of focus on student success in the Bill. This creates a risk that ATEC will focus too heavily on commencements rather than broader student outcomes. Mechanisms for student consultation should be included in ATEC's governance and decision-making processes throughout the Bill, ensuring that policies reflect the lived experience of learners.

Greater clarity around mission-based compacts

Under the current system, funding allocations, performance requirements, and compliance mechanisms are embedded in legislation or subject to parliamentary instruments, ensuring parliamentary oversight and avenues for review. In contrast, the ATEC Bill 2025 delegates these powers to an unelected body, concentrating authority in bureaucratic processes with limited transparency and review. This change risks diminishing accountability to Parliament and the public, replacing open legislative debate with administrative discretion.

As Andrew Norton explains, the proposed ATEC framework will reduce parliamentary scrutiny of higher education policies by shifting key decisions from legislated settings under the *Higher Education Support Act 2003* to the Commission, operating through compacts and internal determinations.

*"The current system provides some parliamentary protection and means that the rules are clearly known in advance and, in theory, subject to judicial review if the government acts outside its legislated authority (although universities rarely take the government to court). Neither the minister's strategic priorities nor ATEC's priorities statements are legislative instruments: sections 15(6) and 43(8). Under the new system ATEC will be able to divide and conquer with separate compacts with each university. ATEC's control over funding will effectively give it a large amount of power subject to light legislative constraint."*⁹

The proposed Bill establishes ATEC as more than a system 'steward' providing expert advice. ATEC is intended to be a negotiator of mission-based compacts with universities, and an assessor of performance against the compact terms. Future amendments are expected to establish ATEC as a distributor of both domestic and international commencements. These additional intended powers will provide ATEC with significant scope to determine the size, shape and composition of universities, increasing the need for greater legislative scrutiny to be built into this and future legislation.

Division 2 of the Bill outlines ATEC's role in negotiating mission-based compacts, which must include "measurable performance indicators relevant to the provider's goals or mission" and the methodologies for assessing performance against those terms. However, the Bill provides comparatively little detail on what compacts will entail. In contrast, much of the Bill focuses on penalties for poor performance, including variation to, suspension of, and default compacts.

⁹ <https://andrewnorton.id.au/2025/11/27/the-australian-tertiary-education-commission-legislation-part-2-mission-based-compacts/comment-page-1/>

Notably, the Bill does not include a review or appeal process for providers to challenge ATEC decisions. The University recommends that the Bill include greater clarity on how the ATEC will engage in the compact negotiations, beyond the current reference to 'in good faith' discussions. We suggest that establishing clear processes for review and appeal of ATEC decisions would strengthen the Bill and provide transparent guidelines for all parties.

Simplifying governance and reducing administrative burden

The ATEC has the potential to deliver a more coherent, transparent, and responsive governance framework. The Accord Final Report recommended that the "...establishment of the Commission should simplify overall governance arrangements in the sector, including through bringing TEQSA and the ARC into the Commission, as independent agencies."¹⁰ The Bill does not implement this arrangement, instead allowing for the ATEC to provide advice and make recommendations to TEQSA. It is not clear how TEQSA will interact with ATEC, nor how TEQSA's assessments relate to those by ATEC.

It is worth noting that universities will be required to report annually to ATEC, as well as regularly to the Department of Education, to TEQSA and to respective state governments. The University would welcome the government's statement of expectations for ATEC to include prioritisation of initiatives to reduce administrative burden and simplify governance requirements.

Research

Research is a core function of every university. To effectively negotiate mission-based compacts and address persistent structural funding challenges, ATEC must have the capacity to consider research activities within its remit. However, research is currently excluded from the areas on which ATEC may provide advice and recommendations to the Minister (Part 4, Division 2, Section 41). While the Bill notes that ATEC 'may' consult with the Minister for Research and other Ministers on strategic priorities, this is insufficient. The University recommends explicitly including research within ATEC's advisory role to ensure a holistic approach to system stewardship and policy development.

Conclusion

The ATEC Bill 2025 represents a pivotal opportunity to strengthen Australia's tertiary education system. We are confident that with further clarity in the proposed Bill, a more independent and appropriately resourced ATEC can fulfil its role as a system steward, safeguarding and strengthening Australia's world-class higher education system.

¹⁰ Department of Education, Accord Final Report, '6.3.3 Form and composition of the Commission', <https://www.education.gov.au/download/17990/australian-universities-accord-final-report-document/36760/australian-universities-accord-final-report/pdf>, p.234.