



Charles Sturt
University

Australian Government
Department of Education |
Consultation paper to support
the establishment of an
Australian Tertiary Education
Commission (ATEC)

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ATEC 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?

Charles Sturt University supports establishing ATEC as an independent and expert statutory agency, as recommended by the Australian Universities Accord.

We do not support setting up ATEC as, in effect, a division of the Department of Education.

Its initial focus must be developing a new funding model for universities that:

- 1) fixes the financial problems created by sustained underfunding and exacerbated by Job-ready Graduates, and
- 2) is financially sustainable over the long term,
- 3) is tailored to the differing needs, missions and priorities of Australian universities,
- 4) supports institutional autonomy in decisions about their missions, priorities, students and staff, and
- 5) helps achieve the participation, attainment, equity and growth goals of the Accord in line with the Government's plans and priorities.

The wide range of other functions proposed in the paper should be adopted over time if at all, as ATEC develops its capabilities. A heavy workload at the outset would involve a high risk of failure, an outcome not in the national interest. Most of the current reporting and funding arrangements, such as compacts, should remain the responsibility of the Department of Education while ATEC is focused on funding reforms and the future of the higher education sector.

Development of a new funding model will take time and further consultation with providers. In the interim the Government must work with the sector to implement transition arrangements supported by structural adjustment funding.

To achieve these goals ATEC must:

- 1) have its own staff, budget and delegations, a clearly defined role, and an initial work plan developed in consultation with stakeholders,
- 2) have a permanent advisory committee and the power to establish permanent or ad hoc advisory committees on specific issues, and
- 3) recruit staff with appropriate knowledge, skills and experience, including people currently or recently employed in the higher education sector.

It's important that ATEC is led by people who understand the higher education sector. This need not mean recent experience in the sector, but such experience should be seen as an advantage, not as a risk. The folly of seeking to exclude people with recent experience in senior roles in the higher education sector is highlighted by the many examples of university senior executives –

including Vice-Chancellors – being appointed to advisory, regulatory and policy-making roles in government (Chief Scientist, Chief Commissioner of TEQSA, Commissioner of Jobs and Skills Australia), often with only months between one role and the other, and without concerns that they might be too narrow in their views. In such cases the appointees' experience in university roles is seen as an advantage.

Similarly, ATEC should be able to recruit staff with suitable experience. The number of people with detailed knowledge of and experience in higher education policy, funding, regulation, administration and/or delivery is not large, and the Commission will inevitably have to recruit some staff from the higher education sector as well as the Department and other APS agencies. The Commission could protect against bias or perceived bias by developing its own conflict-of-interest policies and procedures rather than relying on those of the Department of Education. In any case ATEC would need to take care to appoint or recruit people from a wide range of providers, potentially including TAFE, as well as peak bodies. This would lend ATEC the credibility it needs to work effectively with (and influence) the higher education sector. Staffing arrangements could include the possibility of short-term secondments for specific projects, an option that would boost the capabilities of ATEC and improve understanding across the sector of how policy and advice is developed in government.

In-house capability (and departmental knowledge) could be complemented by giving ATEC the ability to establish standing or temporary advisory committees on various aspects of university operations, especially teaching and learning. The final report of the Australian Universities Accord recommended that ATEC should be able to draw on the advice of an Advisory Board and a Learning and Teaching Council. The model proposed in the consultation paper is largely silent on both ideas, yet the need for and value of drawing on expertise in the higher education sector is reinforced by the proposal in the needs-based funding model paper for ATEC to rely on the Australian Centre for Student Equity and Success for information and advice about equity measures.

Charles Sturt University suggests that giving ATEC the power to set up advisory committees would help avoid a significant gap in its capabilities and knowledge. This power should be included in the ATEC legislation. Appointments to advisory bodies should come from across the higher education sector so as to represent a diverse range of institutions, needs and views.

More importantly, to be credible and influential with universities, governments and other stakeholders, ATEC will need to be an independent statutory authority, administratively separate from the Department with clearly defined responsibilities, its own budget and financial delegations, the ability to appoint staff, and a more direct line of reporting to the relevant Ministers than has been proposed. This is even more important with the minimalist model outlined in the paper, as a small ATEC, dependent on the department for staff and other resources, could easily end up overwhelmed by departmental priorities and politics.

In addition to being more credible, an independent ATEC would be better able to work across government – and with state and territory governments – than one that is simply part of the Department of Education. In recognition of this independence the legislation for ATEC should specify that the Ministers can give only general rather than particular directions to the Commission. The Minister's general directions should be captured in a public statement of expectations.

Is the ATEC's proposed legislated objective (page 2) comprehensive?

Yes, as it follows the objective proposed by the Australian Universities Accord.

Does the proposed structure of the Commission, including consultation with other relevant stakeholders (pages 3-4), allow for an effective decision-making process?

No. ATEC would be better able to consult and work with relevant stakeholders if it was set up as an independent statutory agency with its own budget and staff, including a CEO, and a board or advisory committee.

The structure and governance arrangements proposed in the paper are very different from those the higher education sector discussed in submissions to the Accord, or those proposed by the Accord Panel. We have instead a model for which the primary drivers seem to be minimal cost and growing departmental control rather than robust consultation and effective decision-making. The paper does not make clear whether the ATEC is subject to the directions of the Secretary of the Department, including as to the advice that the ATEC will provide or the decisions it will be empowered to make on sector matters. Such an arrangement would be fatal to the credibility of the ATEC and would not provide the Minister with the appropriate distance from the independent advice the ATEC should be able to provide.

The model for a smaller number of commissions as proposed is very similar to the 'Core TEC' outlined in the '[Stewardship of the Tertiary Education Sector](#)' report prepared by Nous Group. In that paper Nous set out some of the benefits and risks of a model with few commissioners. More streamlined decision-making is offset by an increased decision-making burden on the commissioners. While there may be greater agility, clearer communication, and lower costs possible with a 'Core TEC' model, there is also a higher risk of conflicts of interest, less diversity of opinion, and less opportunity to specialise. Neither the benefits nor the risks are considered in the consultation paper.

A smaller ATEC may be able to make decisions more quickly but its limited resources mean it will not be able to consult as fully as is desirable. A smaller ATEC housed within the Department of Education will struggle to work with other Australian Government agencies compared to one that sits outside the department. Nor can it function effectively when it is dependent on the Department for resources (staff, IT access, use of funds).

Some of the issues of expertise and knowledge can be addressed through the creation of a formal advisory group or Board, and by giving ATEC the ability to set up specialised advisory groups as required. (as discussed above). The formal advisory group would involve mostly those identified in the paper as 'consulted officials' (a role not found in the Commonwealth Governance Structures Policy). Charles Sturt University suggests that the advisory group could also include the CEO of the NHMRC, and representatives of the Department of Health and the Chief Scientist, in recognition of universities' importance to STEM education and research.

Similarly, the consultation framework for ATEC could be extended to include bodies like the NHMRC and the National Science and Technology Council. Ex officio appointment of the Commissioner to the latter would be useful, as would an explicit requirement for the Commissioner and/or CEO to meet regularly with higher education peak bodies including Universities Australia,

the NTEU, the National Union of Students, and the Council of Australian Postgraduate Associations. ATEC will benefit from drawing on the perspectives of staff and students as well as senior executives.

ATEC's relationship with Ministers is critical. The Commissioner should report directly to the Ministers rather than through the Secretary of the Department. This will ensure timely and unfiltered information for the Commissioner and Ministers. Discussions before and after key meetings e.g. Education Ministers Meetings, will be useful, ensuring the highest-level stakeholders have the best understanding of what is going on in the higher education sector and how universities are responding to government priorities and other issues.

What does effective stewardship look like for the ATEC? What levers should the ATEC have to steward the sector?

ATEC needs clearly defined roles and responsibilities that do not overlap with or duplicate those of other agencies (particularly TEQSA). Stewardship should be understood as providing advice, support, and guidance rather than direction and control. Most of the stewardship role as described in the paper – for example monitoring and setting tertiary targets or negotiating and implementing compacts – would be undertaken via engagement and consultation with universities as partners.

It is not clear that ATEC's stewardship role requires 'levers' beyond funding. If ATEC is focused on the health and diversity and strength of the higher education system as a whole (the sector) rather than what is happening within universities – provided they are meeting their regulatory and reporting obligations, achieving targets and contributing to agreed national goals and priorities – then levers may only be needed in instances where there is a gap or opportunity that needs to be addressed.

As described in our opening comments, the University supports the establishment of the ATEC as per the Accord recommendation. However, regarding the ATEC construction proposed in this consultation paper, we recommend that the ATEC should not have the power to impose fines or penalties on providers. Instead, it may make a recommendation to that effect to the Minister, but only in accordance with a set of published guidelines and procedures that include options for providers to address any concerns identified by ATEC.

We are also of the firm view that there are key areas the ATEC needs to focus on initially that are in the sector's and our national interest and need to be addressed as a priority (refer to question 1). Once these items are addressed, other areas can be focused on, including those suggested by Charles Sturt University in our submissions to the Australian Universities Accord.

For example, the University suggested languages and cultural competency as an example of how a body like ATEC can steward the sector. Left to themselves universities will respond to declining local enrolments or rising costs by cutting a subject or course. Cuts to teaching and research in language and linguistics, literature in languages other than English, history and cultural studies have left Australia with seriously diminished capability to understand and relate to our near neighbours, allies, and trading partners, to the extent that in strategically and economically important languages like Mandarin, Japanese, Russian, Bahasa Indonesia and others we are reliant on migrants from the relevant countries rather than home-grown capability.

ATEC can work with universities to ensure continued provision of these courses, for example via collaborative delivery arrangements, work with states to build students' interest in these fields, and back up their efforts with targeted funding. The same principle extends to low enrolment and/or high-cost STEM subjects.

This is even more important in regional areas, where the combination of low enrolments, high costs and underfunding (exacerbated by JRG) is putting nationally and regionally critical courses like veterinary science and podiatry at risk. Limited and ageing teaching facilities are also an issue. Through its price-setting and advisory roles ATEC can ensure that these courses – and the associated infrastructure – are properly funded. Through its stewardship role ATEC can work with regional universities, TAFEs, Regional Study Hubs and other providers to ensure that rural, regional and remote students have access to the same range of courses and opportunities as their metropolitan peers.

Whatever the scope of its stewardship role, though, ATEC will need credibility to carry out that role, and credibility in turn would require independence from government and the bureaucracy, respected and experienced leadership, and an approach to communication and consultation that ensures the sector can see its concerns and needs are being listened to or met – and when not, that there is a good reason.

How can the ATEC seek the regular information and advice it needs to operate, while ensuring minimal additional regulatory burden on the sector?

A formal board or advisory committee combined with the power to established specialised advisory committees would provide ATEC with access to up-to-date information and advice – and expert knowledge – without adding to the regulatory burden for universities.

Other options include:

- the ability to commission research on issues, options, models &c – ideally by engaging research teams/institutes in the higher education sector, an approach that proved useful during the Accord process,
- making effective use of existing data collections, including data collected but not reported by universities, and
- routine and genuine consultation with stakeholders – for example via campus visits, meetings with peak bodies, events.

Above all, though, ATEC can avoid adding to the regulatory burden for the sector by having no role in regulation. That role should remain with TEQSA, though it may draw on advice or information from ATEC.

What does a successful tertiary future state look like and how can the governance of the ATEC help to achieve this?

In our submission on the Accord interim report, Charles Sturt University outlined a 'future state' for the Australian higher education system, one that includes an oversight or stewardship role for ATEC:

In the short term – by 2025 – all the legislative and regulatory reforms driven by the Accord should be in place, along with the main elements of a new funding model and initial steps towards new governance arrangements for universities. If the requisite funding is in place, we should also see better student teaching and learning support arrangements commence, and a measurable increase in participation by regional, First Nations, low SES, disadvantaged and other equity students. Some universities will have new mission-based compacts in place. A Tertiary Education Commission will be ready to begin work.

By 2030, we will see increased investment in research. Collaboration between universities and with industry partners, already an essential characteristic of the higher education system, will become the default, and will be driven by a range of quality and impact indicators. Academic careers will be more secure even as more staff undertake secondments outside the university. A better and simpler system for student financial support will be in place, and available to more students, with a measurable increase in completion rates and a significant drop in the number of students dropping out for financial reasons. The Tertiary Education Commission will have released its first tranche of reports, evaluations, and recommendations. Student numbers will be significantly higher than they are now, with many students completing their degrees via multiple modes of delivery including work integrated learning. Strong growth in equity student participation and attainment coupled with good employment outcomes will attract even more students to higher education.

By 2035 Australia will have an anywhere, everywhere, for everyone higher education system. Participation and attainment among equity students, and especially among First Nations people, will be on target to reach parity with the wider population, and stay there even as more people choose university study. Early dividends from increased investment in research and greater collaboration across the economy will boost research funding and innovation activity to the top tier of the OECD, with Australia a recognised world leader in various fields, and in research translation. Above all, Australian higher education will involve standards of teaching and learning, academic support, community and industry engagement, and sustainable operations that set the benchmark for the rest of the world and underpin a thriving economy and society.

We stand by this vision, adding that:

- Australian universities have improved their standing in global rankings,
- Australia remains a destination of choice for international students,
- there is increased diversity in the system, including new providers and new kinds of providers, and more multi-sector providers,
- funding for teaching, research and infrastructure is, for the most part, sustainable, secure and predictable, and
- student choice is paramount.

ATEC can help achieve this state by:

- (1) operating as an independent statutory authority staffed by people with experience, expertise and knowledge of government and higher education,
- (2) drawing on local and international knowledge through advisory committees and commissioned research,
- (3) promoting and leveraging successful initiatives at the institutional level, and

- (4) strengthening universities' autonomy within a framework of appropriate accountability for their use of public funding.

How can the ATEC be designed to maximise harmonisation between the two tertiary education systems?

i) What are the steps needed for harmonisation and how should they be timed/staged?

An ATEC established as proposed will struggle to harmonise Australia's tertiary education system as it will be overly dependent on Department of Education staff who have little experience with the VET sector; limited capacity to address that knowledge gap; and, in the short term, will have to focus the limited resources it has on implementation of the higher education measures arising from the Accord.

To achieve this goal ATEC would need to be independent of the department and properly resourced. One of the two Deputy Commissioners should be charged with shepherding the VET sector, supported by staff with the appropriate knowledge and experience. This might include recruiting from the VET sector, peak bodies, or state and territory government agencies. A 'sector harmonisation working group' or similar might be required. It could be tasked with developing a work plan for harmonisation of the higher education and VET sectors, in collaboration with the States and Territories.

As a first step ATEC could also look at the missed opportunities offered by the Noonan Review of the AQF. As noted in the final report of the Australian Universities Accord, there has been little progress towards implementation of the Noonan Review since it was released in 2019. Reform of the AQF is a pre-requisite for harmonisation of the higher education system.

ATEC would need to draw on the experience of existing dual sector providers – another argument in favour of the Commission being able to recruit staff with the experience and knowledge it needs to perform its roles effectively.

ATEC could also look at the findings of recent state reviews of VET and TAFE systems in Victoria and NSW. ATEC could enlist the help of the leaders of those reviews – the Hon Jenny Macklin AC (a former Minister and member of the Accord Panel) and Dr Michele Bruniges AM (a former state and Commonwealth Secretary for Education and a member of the Australian Universities Accord Ministerial Reference Group) – to jump-start the process.

A short-term (12 to 18 month) goal would be the identification of legislative and regulatory changes needed to drive harmonisation.

ii) How should States and Territories be engaged in this process?

The ATEC Commissioner should be a regular attendee of Education Ministers Meetings (and similar groups, e.g. Health ministers, when required).

ATEC should have the independence and capability to work with state and territory agencies, including those that employ high numbers of university graduates (e.g. education and health) or rely on university expertise and resources (e.g. primary industries, innovation, environment).