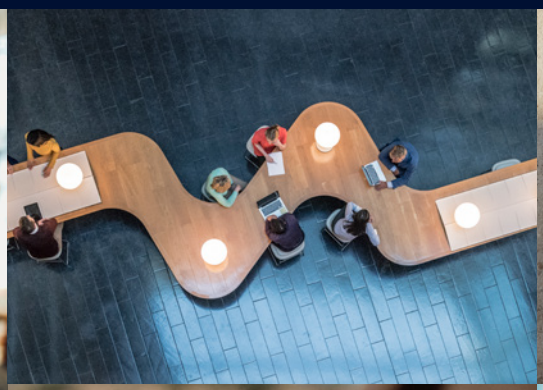
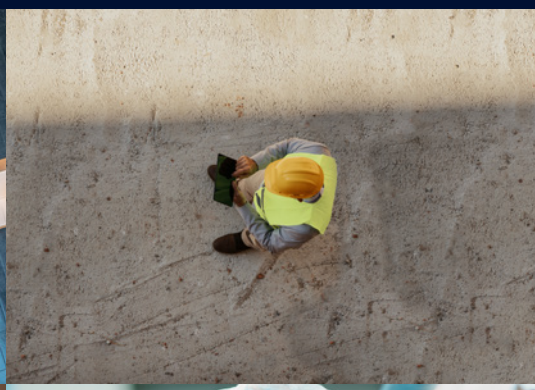
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2027 mission based compacts and allocations Outcomes Report





Acknowledgement of Country

The Australian Tertiary Education Commission acknowledges the Traditional Owners and Custodians of Country throughout Australia and their continuing connection to land, waters and community. We pay our respects to them and their cultures, and Elders past and present.

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Data contained in this report is accurate as of 3 November 2026.

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Commissioners' foreword

Australia's tertiary education system plays a vital role in shaping our nation's future. Through teaching, research, and community engagement, higher education providers generate and share knowledge, develop a skilled workforce, and contribute to Australia's economic prosperity. They contribute to addressing national challenges, including Closing the Gap. Equally, they are critical to building a more socially equitable and culturally rich nation.

Providers are navigating a period of significant change, marked by both challenge and opportunity.

The Australian Universities Accord set out an ambitious blueprint for long-term reform to ensure Australia's higher education system can meet the nation's current and future economic and social needs. The sector has demonstrated a strong commitment to this vision through their engagement with the Australian Tertiary Education Commission (ATEC), and our emerging work program.

At the same time, we have heard from the sector about the challenges they are navigating. Throughout recent negotiations, providers highlighted their student cohorts have a growing need for more diverse support, wellbeing services, and academic support. Providers were clear that meeting these needs requires sustained investment, including to support staff capacity and capability. In addition, the increase in student demand over the last few years has meant the number of fully funded Commonwealth supported places (CSPs) providers need to meet demand from students exceeds the number of funded places available for allocations.



This was particularly notable for providers that have recently transitioned from under-enrolment due to low student demand, to demand in excess of their allocations. These providers are now experiencing the challenges of marginally funded load. Supporting these providers to transition to the new Managed Growth Funding System (MGFS) will be a key focus of the ATEC while it is making decisions regarding Domestic Student Profiles (DSPs) over the next few years.

Providers also flagged challenges associated with declining enrolments in some disciplines and course levels, particularly Higher Degree by Research (HDR) programs. Providers noted that the financial pressures faced by prospective research students, together with broader research funding constraints, are affecting demand and their capacity to grow the research workforce. Providers emphasised the importance of sustainable funding settings to support research training and capability to ensure Australia can continue to meet its future research and innovation needs. The ATEC looks forward to working across government on these matters as part of implementation of ***Ambitious Australia***.

Providers also noted shifts in their international student commencements, with higher levels of visa refusal rates driven by the Australian Government's focus on the quality and integrity of the migration system.

Providers highlighted the importance of international students to their financial sustainability and funding of research activities, as well as more broadly to Australia's national interests. The ATEC looks forward to working closely with higher education providers on their international education strategies as it takes forward the allocation process for international student places from 2028.

> **Addressing these challenges will require coordinated and strategic stewardship of the higher education system. This is why the Australian Government established the ATEC.**

Mission based compacts (compacts) are a key mechanism through which the ATEC undertakes its stewardship function of the higher education sector, aligning institutional activities with national and regional priorities, while supporting the distinctive missions and strengths of each provider. Compacts provide a framework for accountability and shared commitment, supporting outcomes that benefit students, communities and the broader economy and, most importantly, advance the National Tertiary Education Objective (NTEO) enshrined in the *Universities Accord (Australian Tertiary Education Commission) Act 2026* (ATEC Act).

Alongside compacts, the new MGFS will support more deliberate and sustainable management of enrolment growth across the sector. Through compacts, the ATEC will strengthen the alignment between each provider's mission and national priorities for the higher education sector. Together, these reforms will support a more responsive system.

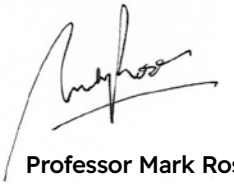
The MGFS, alongside demand-driven Needs-based Funding and other reform measures, will provide an additional $3.6 billion over the next decade, from 2026–27 to 2035–36. This investment will expand CSPs while providing greater support for students from under-represented backgrounds.

We would like to thank each provider for its engagement throughout the 2027 compact process. Over recent months, we have worked closely with each Table A and B provider to negotiate and agree the first compacts since the establishment of the ATEC. This report briefly highlights the outcomes of this engagement, capturing key themes and priorities from the 2027 compact and CSP allocation process, and celebrates some of the impressive initiatives already underway in the sector. The willingness of the sector to collaborate and work towards shared objectives has laid the groundwork for a productive partnership between the ATEC and providers.

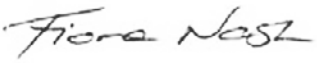
Looking ahead, we will build on the strong foundation established through the inaugural compact process. Insights from this year's engagement with providers will help inform the design of the 2028–31 compact framework and student allocation process, including the new function of allocating international student places.



Professor Barney Glover AM | Chief Commissioner



Professor Mark Rose AM | First Nations Commissioner



The Hon Fiona Nash | Commissioner



Professor Stephen Duckett AM | Commissioner



David Coltman | Commissioner



Mission based compacts – a new era of system stewardship



Why compacts matter

Mission based compacts (compacts) are central to the Australian Tertiary Education Commission's (ATEC) role as steward of Australia's higher education system.

> **At their core, compacts are a partnership between the ATEC and higher education providers (providers), representing a new way of working towards shared outcomes.**

Embedded in the **ATEC Act**, compacts provide a framework for the ATEC to engage closely with the sector, helping to build a deep understanding of each provider's unique mission while also generating system-level insights.

Through the compact process, the ATEC also allocates student places for Commonwealth supported students. This is part of the new Managed Growth Funding System (MGFS) established in the ***Universities Accord (Opening the Doors of Opportunity) Act 2026*** (ODO Act).

Through monitoring of commitments agreed in compacts and ongoing engagement with the sector, the ATEC aims to support a higher education system that is both high-performing and diverse, while also ensuring system sustainability through its allocation of domestic and international student places.

How they work

Compacts are designed to balance institutional autonomy with a shared commitment to pursuing strategic priorities that support our communities, regions, and the nation.

The ATEC is required to publish a Statement of Strategic Priorities (SSP) every 2 years, which articulates the ATEC's priorities and vision for the tertiary education system. As part of this, state and territory governments are consulted, ensuring the priorities reflect not only national objectives, but also the needs of our regions and local communities.

Within each compact, providers outline how they will contribute to these priorities in ways that reflect their distinct mission and strengths. This approach recognises that there is no single model of success and that institutional diversity is a key strength of Australia's higher education system.

Compacts also include a targeted yet meaningful set of measurable performance indicators, providing a consistent and transparent basis for understanding progress at the institutional and system-level.

2027 mission based compacts strategic framework

National Tertiary Education Objective (NTEO)

Statement of Strategic Priorities

2027 performance domains

In their 2027 compacts, providers have set out how they will contribute to six interconnected performance domains



National, State/ territory and regional priorities
A tertiary education system which meets Australia's current and future skills and knowledge needs

First Nations
First Nations leadership, access, participation and success

Equity
Increasing access, participation and attainment of under-represented groups and priority cohorts

Quality teaching
Raising the quality and recognition of higher education teaching

Joined-up tertiary system
Strengthening collaboration and coordination between vocational education and training (VET) and higher education

Research
Sustaining national capability and supporting innovation through research and research training

How will performance inform the allocation of student places?

Over time, performance against these commitments will inform the decisions ATEC makes about the allocation of student places, supporting the sector to:

- Meet national and regional needs
- Improve access, equity and participation
- Build a skilled workforce
- Meet student demand

The outcome
A diverse, sustainable and high-performing higher education system



Transitional approach for 2027

The 2027 ‘foundation’ compacts will be in place for one year. This transitional approach reflects feedback from the higher education sector, giving providers and the ATEC time to adapt to this new way of working.

For 2027, compacts are structured around 6 performance domains aligned with the priorities in the interim Statement of Strategic Priorities, creating a clear connection between national, state and territory priorities and the goals and actions of providers (see infographic 1 on page 7).

> **Using a Vision, Action and Measure framework, under each performance domain, providers described their ambitions, outlined the actions they are or intend to pursue, and set targets through performance measures for how success will be tracked.**

For 2027 compacts, some performance domains contained fixed performance indicators, while others allowed providers to nominate indicators that best reflected their activities. Fixed indicators, focused on enrolment, retention, and student success, were applied across the first 3 domains. This provides a common framework for the ATEC and providers to monitor progress towards shared ambitions for student participation and achievement and to facilitate comparison across the sector.

Fixed indicators for 2027 measure outcomes for domestic undergraduate students, reflecting that undergraduate study is the main entry point into higher education and is therefore an important mechanism for increasing tertiary attainment. Commonwealth supported places (CSPs) are also overwhelmingly directed towards domestic undergraduates, strengthening the link between compact performance and student allocations.

While fixed indicators were for domestic undergraduate students, compact meetings included discussion of provider strategies regarding postgraduate CSPs, with the ATEC receiving assurances of the importance of CSPs in health and education postgraduate programs. This will be an ongoing area of discussion between the ATEC and providers.

Flexible indicators were used in some performance domains, where there was a range of ways performance could be measured. This allowed providers to specify their preferred indicators and use their own internal data where available.

Through good faith negotiations on the terms of each compact, the ATEC Commissioners worked with providers to set ambitious milestone targets for 2027. While these targets will be monitored by the ATEC, the purpose is not to penalise providers if they fall short. Instead, they provide a basis for understanding progress and generating insights that support continuous improvement across the sector.

Compacts also require providers to notify the ATEC of course closures and campus changes. This information will help the ATEC understand how the sector is responding to opportunities and challenges that may influence student choice or matters of national and regional significance, and identify broader trends across the sector.

Managed Growth Funding System – a new approach to student place allocations

The new MGFS for CSPs aims to give providers greater certainty about the number of CSPs that are fully funded, to help meet student demand, maintain sustainable growth, and to increase the opportunity of equitable access for all Australians.

Total Allocation Pool

Each year, the Australian Government sets the total number of CSPs available across the higher education system, known as the Total Allocation Pool (TAP).[1] The size of the pool is informed by Australia's long-term workforce, skills, and educational needs, helping ensure the sector is well positioned to meet future demand and support progress towards the Government's goal of 80% of the working age population holding a tertiary qualification by 2050.

Once the pool is set, the ATEC independently administers and allocates places to eligible providers.

Domestic Student Profile

The ATEC distributes places in the TAP by setting an individualised Domestic Student Profile (DSP) for all eligible providers.

Each provider's DSP reflects the total number of fully funded CSPs they have been allocated. The provider will receive the full value of the Commonwealth contribution amount and the student contribution amount for that CSP.

1 The Total Allocation Pool does not include medical places or demand driven places for First Nations students.

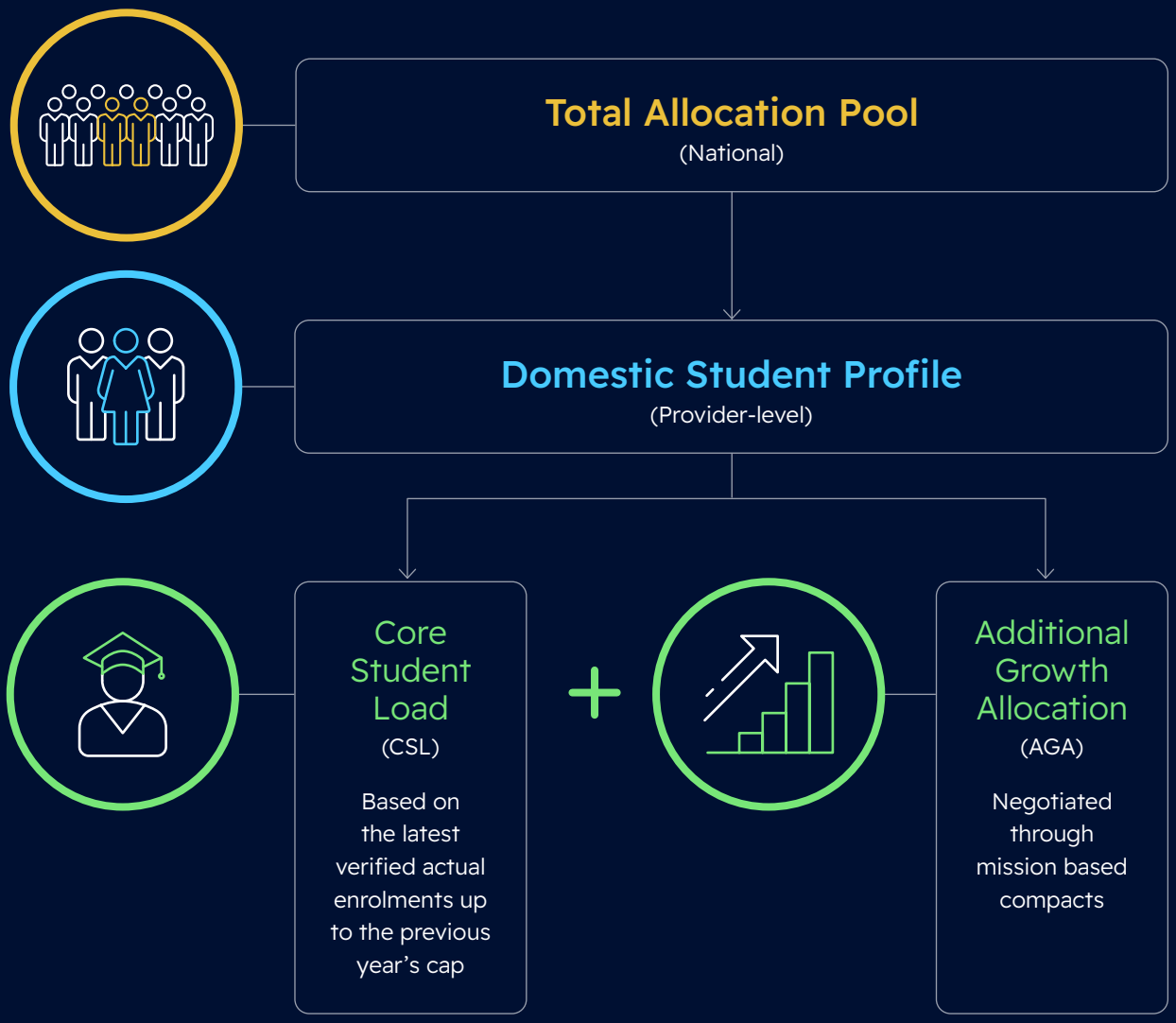


For Table A providers, the DSP is comprised of 2 elements – the core student load, which forms the baseline, and the Additional Growth Allocation (AGA) (see infographic 2 on page 10).

Non-Table A providers only receive a DSP as the ATEC determines the allocation of places for these providers according to priority classes of courses approved by the Minister for Education.

The new MGFS allows for a more efficient distribution of fully funded CSPs across the sector than previous settings. The ATEC's role is to ensure fully funded places are more closely aligned with expected student demand and national priorities. By enabling the ATEC to allocate places through a negotiated process and ongoing monitoring, the MGFS will also improve system sustainability.

Composition of Domestic Student Profiles for Table A providers





Managed demand-driven funding for equity students

> **Under the MGFS, the ATEC can request the Minister for Education to increase the TAP to ensure all eligible equity students[2] have access to a fully funded place in the system.**

Any additional TAP agreed by the Minister for Education will be allocated to relevant providers' DSP by the ATEC based on demand from eligible students, while also considering sector dynamics and sustainability.

This does not change the current demand-driven funding model for First Nations students studying at Table A providers, which will continue to operate outside of the Managed Growth Funding system.

Marginally-funded places and transitional arrangements for commencing student load

While enrolments above the DSP are not entitled to receive Commonwealth Contributions, providers will continue to receive student contributions for some additional students beyond the DSP. All providers will receive a default deemed allocation equivalent to 105% of their DSP, which represents the number of CSPs for which they can retain student contributions.[3]

As part of the transition to the new funding model, each Table A provider will have a transitional commencing places limit ('glidepath') set for 2027. Providers that enrol more students than available places in their DSP can retain student contributions for all their enrolments up to their glidepath.

This transition arrangement will continue for each Table A provider from 2027 onwards as long as that provider's actual verified enrolments in each year is greater than 105% of their DSP for that year – i.e. above its default deemed allocation. If a provider's actual verified enrolments are lower than 105% of their DSP in any particular year, this transition arrangement will cease from that year onwards for that provider.

2 Eligible equity students are students from low SES and/or regional and remote areas studying a non-medical Bachelor degree at Table A universities.

3 This is also referred to as the DSP plus a 5% over enrolment buffer.

2027 allocation outcomes

Domestic student allocations for Table A providers

In 2027, the TAP will support 624,590 student places, reflecting the Government's commitment to growing opportunity and meeting Australia's future skills needs. Based on current estimates, the number of available fully funded places will increase by 3.8% from approximately 601,500 places in 2026.

As part of the 2027 compacts process, Table A providers submitted requests for additional places. Requests outlined how their proposed growth aligned to the ATEC and state government priorities, such as those set out in the interim SSP, the reduction of places for which the provider only received student contributions (referred to marginally funded places), and expanding access to FEE-FREE Uni Ready (FFUR) courses.

Providers indicated a strong desire to ensure more students could access fully funded CSPs, with approximately 60% of places requested earmarked for reducing the number of marginally funded places.

A further 24% was focused on supporting enrolment growth aligned with providers' strengths and areas of expertise, while helping to meet national, state, territory, and regional priorities.

The remainder of requests were for expanding FFUR courses, increasing participation and support for students from First Nations backgrounds[4], expanding participation for students from equity backgrounds, and improving tertiary harmonisation.

In considering providers' requests, the ATEC considered a broad range of factors, including but not limited to:

- Historical enrolment trends and projected enrolment growth, including assessing providers' historical funding utilisation and student demand, capacity to deliver in 2027, and alignment with national, state and territory or regional priorities.
- Assessing historical equity performance of each provider as well as ambition to grow equity enrolments in 2027.
- Recognition of individual institutional missions, student cohorts, as well as consideration of extenuating circumstances for each provider (such as historical or ongoing challenges).
- Balancing outcomes across the sector and assessing providers' requests in the context of local market dynamics.
- Applying informed Commissioner judgement drawing on the full body of evidence from the allocation process, together with Commissioners' extensive knowledge of the sector.

The DSPs for all Table A providers allocated CSPs in 2027 are outlined in the Appendix.

4 Due to the ongoing demand-driven funding for First Nations students enrolled at Table A providers in bachelor level or approved medical courses, the Equivalent Full-time Student Load (EFTSL) part of this request for additional places was for First Nations students enrolled in sub-bachelor or postgraduate (non-medical) courses only.

Based on these DSPs and provider projections of 2027 enrolments, it is estimated that the number of fully funded places utilised at Table A providers in 2027 will be 4.7% higher than in 2026. This reflects both growth in the number of places available in the TAP and the allocation of places to providers with demonstrated student demand.

> **As part of the broader 2027 allocations process, the ATEC also set a commencing glidepath for each provider, which considered the contextual and institutional factors noted above, but also the ATEC acknowledgement that it will take time for the TAP to grow sufficiently to fully fund the system.**

During this transition, it is a key priority of the ATEC to ensure that student demand was not unduly constrained. Given this, glidepaths were set relatively high for each provider, to ensure providers have sufficient flexibility to meet the needs of their communities in 2027, and that Australian Tertiary Admission Rank (ATAR) cutoffs and other entry requirements do not need to be significantly altered by providers to manage demand.

International student allocations

In 2027, the ATEC will take forward responsibility for allocating international students for higher education providers. The Australian Government will remain responsible for overall sector settings, including the National Planning Level, and specifying through a Ministerial Determination the matters the ATEC must take into account when making an allocation.

The ATEC will be focused on balancing strong global engagement that continues to support national priorities with sustainable growth, high quality student experience, and strong sector integrity. To achieve this, international student allocations for providers will be linked to compacts, supporting sustainable stewardship of the system that is tied to progress towards outcomes for students and the community.



During the 2027 compacts process, providers described the shifts in their international student commencements, particularly the current higher levels of visa rejections driven by the Government's focus on the quality and integrity of the migration system.

Moving forward, the ATEC will engage with higher education providers on their international strategies and allocations. It will have an important role in assisting the sector to navigate current challenges, move to sustainability, and deliver long-term value for students, institutions, and the nation.



2027 compact and allocations – at a glance

42 mission based compacts agreed

42 negotiation meetings with over **270** attendees from providers

totalling 122 hours over July to September

FEE-FREE Uni Ready (FFUR) commitments:

11,470 places committed to FFUR

expected to support **~29,000** students to participate in FFUR in 2027

Overview of places allocated to Table A providers:

620,798 places allocated to providers as domestic student profiles

584,560 places are providers' core student load

36,238 places are providers' additional growth allocation

Transitional commencing places limits total **269,770****

Places allocated to Table A providers by jurisdiction:

State/Territory	Percentage share of total allocated AGA	Percentage share of total allocated DSP	Percentage share of population*
Australian Capital Territory	3.4%	2.8%	1.8%
New South Wales	32.1%	30.0%	31.1%
Northern Territory	2.3%	0.9%	1.0%
Queensland	20.2%	19.1%	20.6%
South Australia	5.3%	7.2%	6.9%
Tasmania	2.4%	2.2%	2.1%
Victoria	23.9%	27.0%	25.6%
Western Australia	10.5%	10.7%	11.1%

* Population data source: ABS National, state and territory population – March 2026 reference period; Population is noted to be 'Estimated resident population, including all people who usually live in Australia, except for people present for foreign consular or diplomatic reasons.

** This is the sum of each Table A provider's transitional commencing places limit – it is not an allocation of commencing places nor an estimate of commencing places expected to be delivered.

Insights from the 2027 compact process

The 2027 compact process has generated valuable insights into how providers are supporting Australia's national, state, territory, and regional priorities.

When mapped against the priorities in the interim SSP, provider commitments were strongly aligned to priority areas, with particular focus on addressing critical workforce pressures, improving First Nations and equity student outcomes and access, especially for regional students, and supporting a more joined-up tertiary system.

Meeting Australia's workforce needs

Australia's workforce is experiencing significant transformation. Rapid technological changes, including in artificial intelligence, are reshaping skills needed across all industries. At the same time, an ageing population that is living longer, the transition to sustainable energy, and increased demand for housing are fuelling demand for workers in health, clean energy, and construction.

Many of these occupations are facing shortages as demand outpaces the supply of workers with the required qualifications, employability skills, and relevant experience.[5]

5 Jobs and Skills Australia (JSA), ***2025 Occupation Shortage Drivers Report***, 2025.



Higher education providers play a critical role in addressing workforce shortages and their responsiveness to Australia's workforce priorities emerged as a clear theme from the 2027 compact process. Through their compacts, providers outlined initiatives to:

- Expand the skills pipelines and support workforce growth in areas of critical need, particularly in health, aged care, disability support, and education.
- Equip graduates with the skills and experience to contribute to the workforce.
- Strengthen connections with industry.
- Enable life-long learning to ensure workers are supported to upskill and reskill as labour markets shift.

These contributions are already making a difference. Throughout negotiations, Commissioners heard inspiring examples of providers partnering with local communities and employers to address workforce and service delivery challenges and trial innovative programs.



CASE STUDY 1
A new dentistry program focused on access and equity at the University of Newcastle

The University of Newcastle will establish a regional dental school and clinic on the Central Coast, supporting NSW and Australian Government workforce priorities in health and equity. Working with the NSW Government, the goal is for students to provide care to public dental patients, benefiting both learners and the community. The program will feature strong pathways, including articulation from FFUR programs and TAFE into the Bachelor of Oral Health Therapy. Students may graduate as qualified Oral Health Therapists or continue into a 2-year Master of Dentistry. The program will increase dentists for regional Australia and from under-represented backgrounds, particularly First Nations students.

Image from University of Newcastle, 2026

In their compacts, providers included enrolment, retention, and success measures across nominated Fields of Education to demonstrate their contribution to areas of skills and workforce need. During negotiations, Commissioners were interested in patterns of student retention and success, especially in national priority disciplines and areas where retention rates appeared lower than expected given workforce demand.

This focus reflects the ATEC's recognition that increasing enrolments alone will not be sufficient to address Australia's workforce challenges. Improving retention and supporting students to successfully complete their studies will be equally important to ensuring a sustainable pipeline of graduates in areas of need.

> **The 2027 compact negotiations were an important first step in the ATEC's stewardship role, providing a foundation for constructive engagement with providers on the factors that influence student outcomes and, ultimately, workforce supply.**

Responding to state and territory priorities

Through the interim SSP, states and territories also put forward strategic priorities for their respective jurisdiction. While there were differences in many of the challenges jurisdictions face, there were also common themes in the priorities put forward.

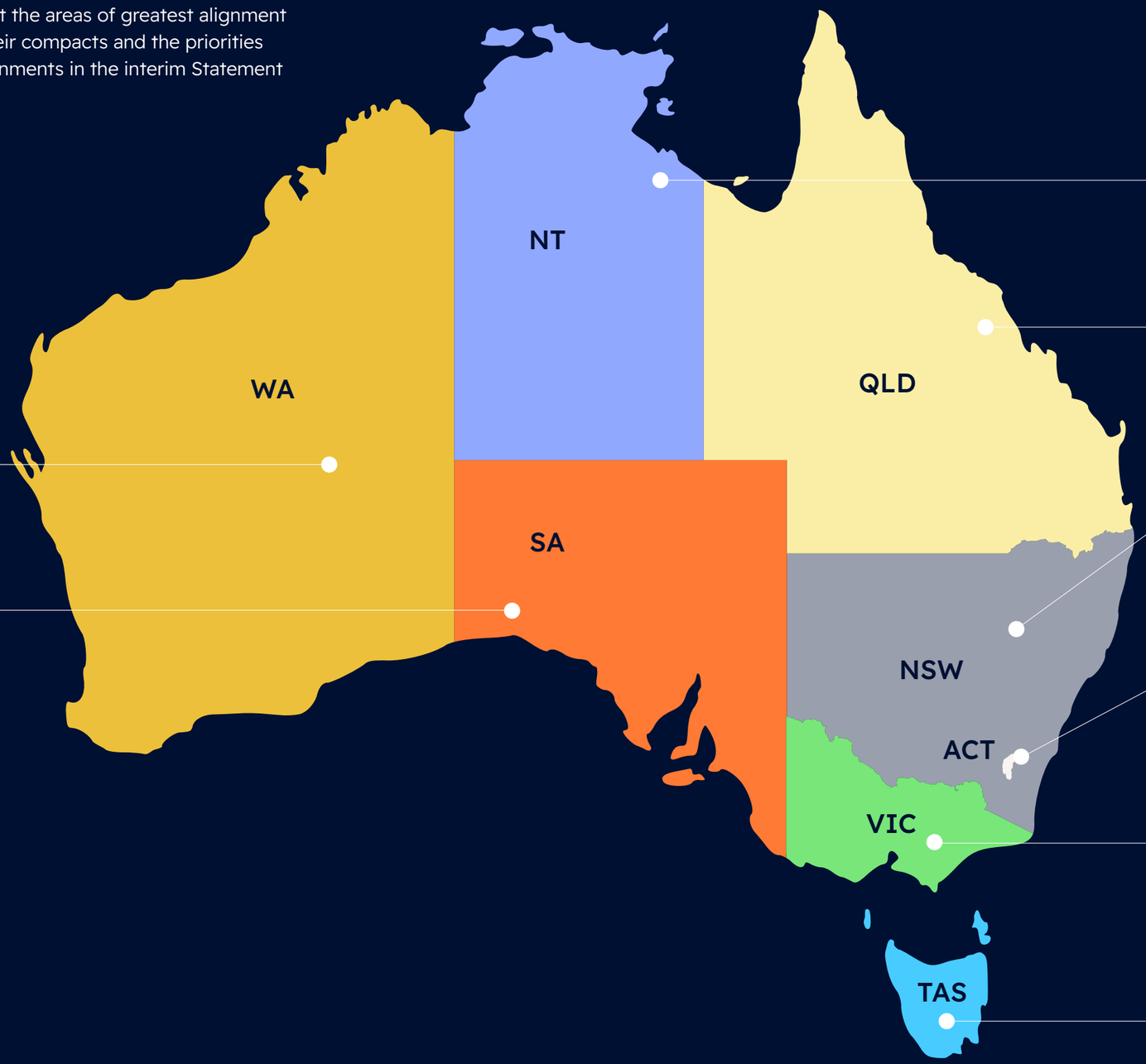
States and territories emphasised the importance of workforce and skills, equity, access and student success, driving better outcomes for First Nations staff, students and communities, credit recognition and tertiary harmonisation, regional participation, and research and innovation.

Again, providers responded strongly to state and territory priorities, highlighting their contributions to their jurisdiction and local communities.

04

2027 state and territory priorities

The priorities outlined below represent the areas of greatest alignment between provider commitments in their compacts and the priorities identified by state and territory governments in the interim Statement of Strategic Priorities.



Northern Territory

- Strategic workforce alignment
- Frontline professional workers

Queensland

- Contribute to skills and knowledge for workforce needs
- Regional and demographic needs

Western Australia

- Health and clean energy workforce
- Tertiary harmonisation
- Equity access to higher education

New South Wales

- Credit recognition
- Tertiary harmonisation
- Facilitation of world-class research

South Australia

- Skilled workforce development
- Stronger education-industry partnerships
- Regional provision and workforce needs

Australian Capital Territory

- Credit recognition
- Co-designed units of training

Victoria

- Credit recognition
- Health technologies and medical research
- Progression of professional skills

Tasmania

- Collaboration between providers, VET and industry

Our regions

As noted in the 2025 Regional Education Commissioner Annual Report, there remains a persistent gap between the educational outcomes of regional students and their metropolitan counterparts, with regional Australians almost half as likely to obtain a university degree by age 35.[6] This gap is driven by a range of factors, including unequal access to early childhood education and schooling, teacher shortages that can affect academic preparedness, financial barriers to participation, and less opportunities to study closer to home.[7]

Providers operating across regional Australia told the ATEC how they are supporting students through these barriers, including through financial scholarships and initiatives to improve access, ensuring they feel confident to progress through their studies.

Beyond increasing participation, providers are vital for regional development and economic prosperity. They support regional, rural, and remote communities through student education, employment, partnerships with local businesses, and by attracting students and staff to the region. Providers also help meet local workforce needs, particularly but not exclusively through the graduates they produce and the clinical placements they facilitate.

During compact discussions providers also outlined the challenges of operating in a regional context, including the high cost of delivery. The ATEC will continue to work closely and collaboratively with providers to build its knowledge of regional challenges and opportunities to support regional delivery.

6 Regional Education Commission (REC), ***Regional Education Commissioner Annual Report 2025***, Department of Education, 2025, p. 8.

7 Department of Education, ***Australian Universities Accord Final Report***, Department of Education, Australian Government, 2024, p. 266.



CASE STUDY 2
Regional education supporting a stronger health system in North-West Tasmania

Supported by Australian Government Rural Health Multidisciplinary Training funding, the University of Tasmania is creating local health training pathways at its Cradle Coast campus in Burnie. More than 140 nurses completed their degrees in the North-West during 2024 and 2025, and all graduates from Burnie's first pharmacy cohort now work locally. In 2025, the University welcomed its first cohort of medical students able to complete their degree in Burnie, with First Nations students comprising 20% of first- and second-year medicine students. These outcomes demonstrate how targeted regional investment can support local careers, greater First Nations participation, and a more accessible and sustainable health system.

Image from University of Tasmania, 2025



Improving access and participation

The Australian Universities Accord identified a future in which Australia's workforce will require substantially higher levels of education and skills.

The ATEC recognises that reaching this target requires increasing access for a more diverse student cohort – including people who reside in lower socioeconomic communities, First Nations people, people with disability, and regional, rural, and remote students. The Australian Centre for Student Equity and Success suggests that to achieve parity with the overall population by 2035, these student cohorts would need to make up 86% of all enrolment growth.[8] Achieving this is a core goal for both the ATEC and the sector.

Through their compacts, providers demonstrated a strong commitment to improving student access, retention, and success. This is a well-established and mature area of activity across the sector, with many providers outlining comprehensive strategies to broaden participation and improve outcomes for priority cohorts of students.

Across Australia, providers are partnering with other higher education providers, schools and local organisations to raise aspirations and strengthen pathways into higher education.

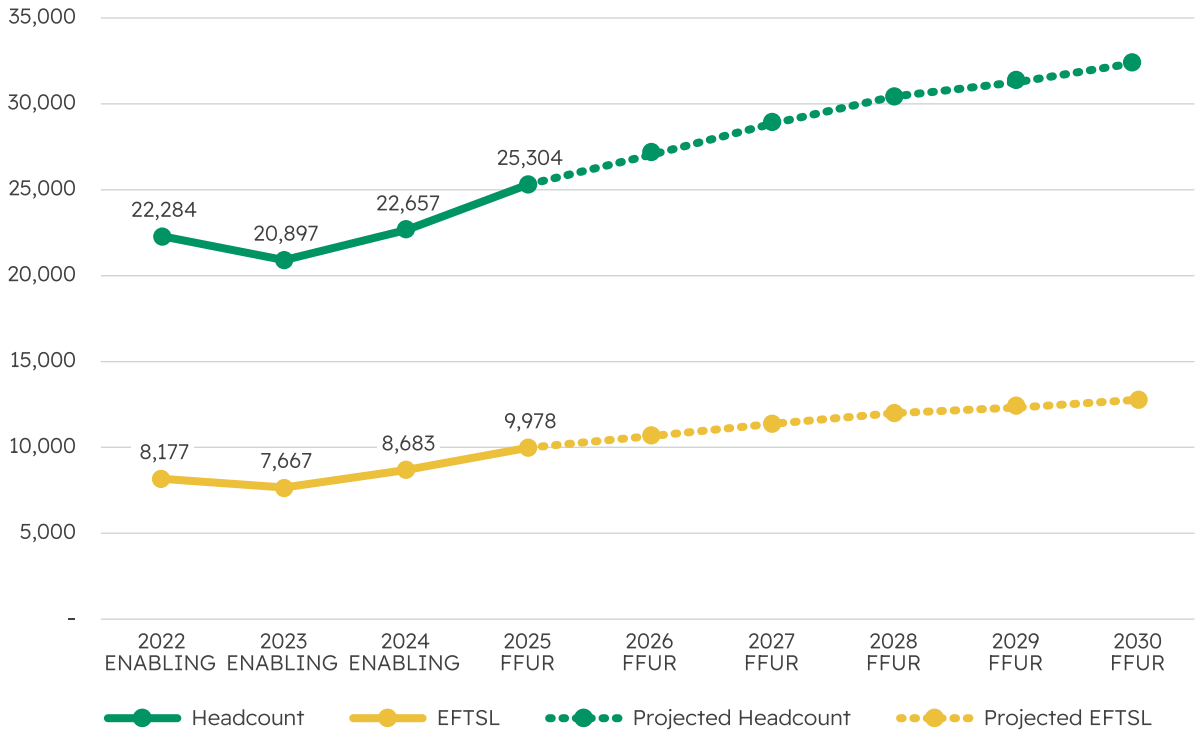
Targeted scholarships and financial assistance are helping reduce barriers to participation, while tailored support services are ensuring more students can remain engaged in study and achieve their aspirations.

8 Department of Education, ***Australian Universities Accord Final Report***, p. 119.

Fee-Free Uni Ready (FFUR) is an important mechanism for widening participation in higher education, providing a supported pathway to university for people who may not otherwise have considered, or been prepared for, tertiary study. The 2027 compact and allocation process demonstrated the sector's strong appetite to expand FFUR offerings nationally, with nearly all providers seeking to grow their FFUR delivery.

Through the compact process, providers have committed to delivering approximately 11,470 FFUR places in 2027. Based on current participation patterns, this is expected to support approximately 29,000 students to participate in FFUR in 2027 and represents almost a 30% increase in enrolments since 2022. Enrolments are on track to double participation by 2040, helping build a larger and more diverse pipeline into higher education.

Figure 1. Actual and projected Fee-Free Uni Ready places – EFTSL and headcount





CASE STUDY 3

Opening pathways and strengthening futures for First Nations Australians at Batchelor Institute of Indigenous Tertiary Education

Batchelor Institute is opening new pathways for First Nations Australian learners through its return to all higher education teaching levels.

Owning our Future, a 6-month Fee-Free Uni Ready program, builds foundational skills and confidence for undergraduate study, with Commonwealth supported places helping make further study more affordable.[9]

From 2027, 3 Graduate Certificates will offer professionals opportunities to strengthen culturally responsive employment, leadership, and research practices through 12 months of part-time study. Drawing on Batchelor's 'both-ways' philosophy, these initiatives connect First Nations and Western knowledge, supporting learners to pursue their aspirations while building capability within workplaces and communities.[10]

Image from Batchelor Institute of Indigenous Tertiary Education, 2022

9 Batchelor Institute of Indigenous Tertiary Education (Batchelor Institute), https://www.batchelor.edu.au/courses/owning-our-future/, Batchelor Institute, 2026.

10 Batchelor Institute https://www.batchelor.edu.au/about/both-ways-learning/, Batchelor Institute, 2026.



Emerging priorities for the ATEC

Throughout negotiations, Commissioners identified several areas of strategic importance that the ATEC will continue to monitor closely. These include opportunities to strengthen student retention, support First Nations self-determination, foster a more connected and cohesive tertiary education system, and enhance professional practice in teaching across the sector.

The ATEC is committed to working collaboratively with providers to share best practice, learn from successful initiatives, and identify opportunities for improvement. This includes understanding the factors that enable strong performance, as well as identifying common challenges and barriers that may require system-level responses.

Retention

Improving student retention is a key focus for the ATEC and providers. Strong retention outcomes help ensure students can realise the full benefit of their investment in higher education and successfully progress towards completing their studies.

Retention rates are calculated based on the number of students who started a course in a given year, did not complete in that year (or the following year) and continued studying at the same Table A or B provider in the following year.

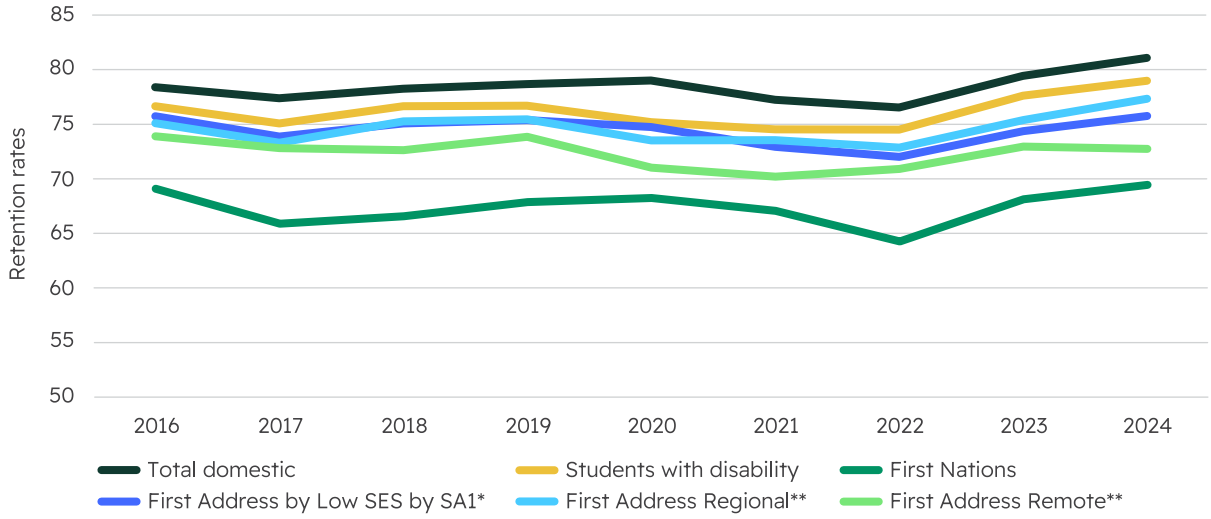
Retention rates declined across most student cohorts between 2020 and 2022, broadly reflecting the disruption associated with the COVID-19 pandemic, before beginning to return to pre-pandemic rates. Since then, sector-wide retention rates have steadily improved for most cohorts. This is a positive result and reflects the ongoing efforts of providers to support student outcomes.

While the ATEC encourages continued improvement, it is important to recognise that student retention is influenced by a complex range of factors, many of which may be beyond a providers control.[11] Consequently, retention rates provide a valuable indicator of student outcomes, but do not, on their own, provide an accurate picture of provider performance.

Throughout negotiations, providers advised Commissioners about initiatives underway to strengthen retention, particularly for students from groups that historically have been under-represented in higher education. These efforts ranged from tailored student support services and peer mentoring programs to targeted engagement strategies that help students remain connected, succeed in their studies, and progress towards completion.

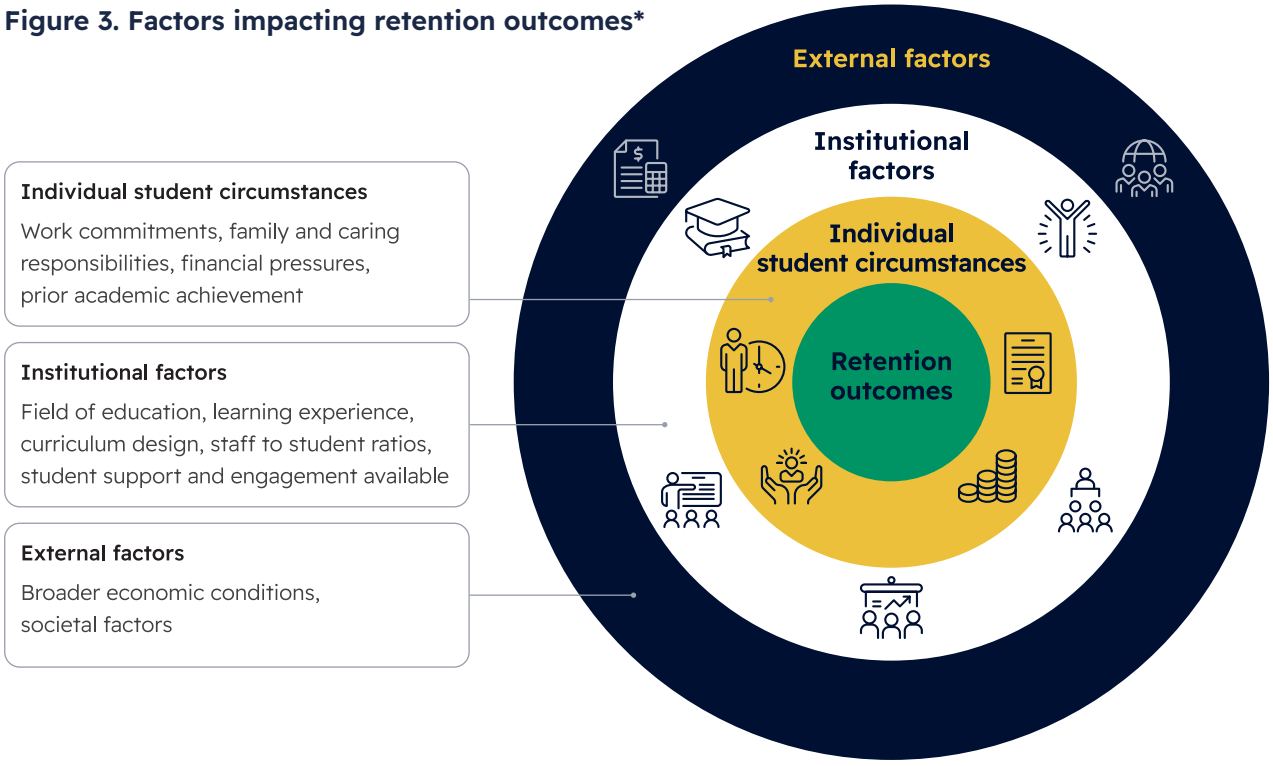
11 A McMahon, K Charlton, K Lambert, Y Probst, K Kent, K Walton, J Russell, K Austin and G O'Flynn, ***Towards a financially inclusive higher education system***, Australian Centre for Student Equity and Success (ACSES), 2026; I Cherastidtham and A Norton, ***University attrition: what helps and what hinders university completion?***, Grattan Institute, 2018.

Figure 2. Table A and B retention rates for all domestic undergraduate students by First Nations and equity cohorts from 2016–2024



* SA1 based on 2016 SEIFA. From 2021 onwards, the definition uses 2021 SEIFA.
** Based on 2016 ASGS. From 2021 onwards, the definition uses 2021 ASGS.

Figure 3. Factors impacting retention outcomes*



* A McMahon, K Charlton, K Lambert, Y Probst, K Kent, K Walton, J Russell, K Austin and G O'Flynn, Towards a financially inclusive higher education system, Australian Centre for Student Equity and Success (ACSES), 2026; Cherastidtham and A Norton, University attrition: what helps and what hinders university completion?, Grattan Institute, 2018. Department of Education and Training Higher Education Standard Panel, *Discussion Paper on Improving Completion, Retention and Success in Higher Education*, Australian Government, 11 April 2018.



CASE STUDY 4
University of Canberra's Coaching for Success program

Coaching for Success addresses lower retention and success rates among equity cohorts, replacing traditional transactional service delivery with a proactive, relationship-based model.

Student Success Coaches provide personalised guidance, early intervention, and coordinated access to support throughout transition and first year at university. By establishing a trusted single point of contact and bringing support to students, the program has increased engagement with services, strengthened belonging and confidence, and improved retention, progression, and academic success outcomes for participating students. In 2025, UC delivered more than 1,000 one-on-one coaching sessions, resulting in approximately 90% of students being retained into second year of study.

Image from University of Canberra, 2026

First Nations self-determination

The Australian Universities Accord called for major reform to create a fairer tertiary education system, including for First Nations peoples. First Nations self-determination is central to that reform.

For the ATEC, self-determination means First Nations peoples having genuine authority and influence over the decisions that affect their education.

It recognises First Nations peoples not only as students and participants, but as leaders and decision-makers in university governance, strategy, resource allocation, and accountability. This is essential to improving access, participation, retention, and success, and to ensuring the tertiary education system better reflects the aspirations of First Nations peoples and their communities. The ATEC's well-respected and deeply experienced First Nations Commissioner, Professor Mark Rose, underpins the ATEC's ability to advance First Nations self-determination and leadership.

> **There has been encouraging recent progress. First Nations enrolments at universities increased by nearly 11% from 2022 to 2024.[12] However, approaches to self-determination vary across the sector, and sustained improvement will require stronger First Nations leadership, clearer accountability, and commitments that can be measured over time.**

12 This includes First Nations enrolments at all course levels.



CASE STUDY 5
Supporting First Nations self-determination through the Monash Indigenous Congress

The Monash Indigenous Congress advises the Vice-Chancellor and Monash Council on matters affecting First Nations students, staff, and communities. Its 30 members – comprising academic and professional staff alongside undergraduate and postgraduate student representatives – ensure First Nations perspectives inform University governance, strategy, and decision-making. Congress offers reports directly to the Vice-Chancellor and Council and may receive requests from either for information, advice and guidance on First Nations matters.

Highlighting this commitment, First Nations senior leadership appointments grew from 7 in 2022 to 16 in 2026, including elevating the Pro Vice-Chancellor (Indigenous) role to Deputy Vice-Chancellor (Indigenous) and Senior Vice-President, alongside appointing a Senior Director, Indigenous Employment.

Image from Monash University, 2025

During the 2027 compact negotiations, Commissioners focused on how self-determination operates in practice. Discussions explored First Nations participation in university governance and decision-making, authority over priorities and resources, senior First Nations leadership, and the effective use of Indigenous Student Success Program funding.

Commissioners also encouraged providers to set focused and ambitious goals, supported by measurable actions, to improve First Nations student success and retention, as well as senior executive leadership and workforce representation.

There is no single model for self-determination. Effective approaches must respond to the distinct communities, relationships, and responsibilities of each provider.

> **Through the compacts, the ATEC will work with providers and First Nations peoples to strengthen leadership, accountability, and shared decision-making, and to support lasting improvements for students and communities.**

A joined-up tertiary system

Recent JSA research shows that 90% of new jobs created over the next 10 years will require a vocational education and training (VET) or higher education qualification. Australia's tertiary education system will require reforms to ensure learners can continue to upskill or reskill as workforce and skills demands change.[13]

> **Achieving a more joined-up tertiary system requires drawing on the distinct strengths and complementary roles of VET and higher education, while strengthening how they work together to expand learning opportunities for students and deliver the skills, knowledge, and innovation Australia needs for its future prosperity.**

Providers are contributing to this goal in different ways, reflecting the diversity and autonomy of Australia's higher education sector.

Some providers, such as dual sector providers, already have strong links between higher education and VET provision and mature credit recognition approaches, while others are developing new partnerships and pathways.

Some providers are sharing infrastructure and facilities and others are developing new types of qualifications that combine elements of both VET and higher education. The breadth of work being undertaken by providers to support a more joined-up tertiary system is reflected in each institution's compact.

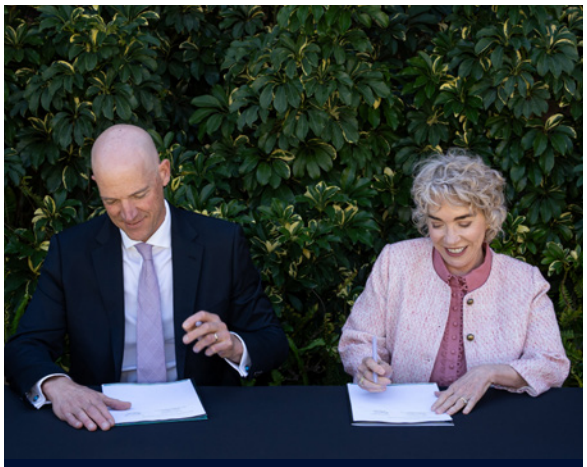
13 JSA, *Opportunity and Productivity: Towards a Tertiary Harmonisation Roadmap*, JSA, 2025.



CASE STUDY 6
Earn while you learn at Central Queensland University: one journey, two qualifications

CQUniversity's Bachelor of Health Science demonstrates what a joined-up tertiary system can look like in practice. A Certificate IV in Allied Health Assistance is built into the degree, with VET and higher education teaching teams coordinating curriculum and assessment across both qualifications. In 2026, 13 students gained the Certificate IV without adding time to their degree, enabling them to work as allied health assistants while continuing their studies, earning income, and building valuable industry experience. By designing vocational and higher education together, CQUniversity has created a single, connected student journey rather than requiring students to navigate separate qualifications and pathways.

Image from Central Queensland University, 2026



CASE STUDY 7
Edith Cowan University-TAFE partnerships: tertiary integration in action

Through a formal partnership, Edith Cowan University and South West Regional TAFE are building a place-based, joined-up and industry-connected regional tertiary education model. This innovation will create employment opportunities for students while they study by building easier pathways that bridge TAFE and university. This will give students more opportunities to learn from employers and give employers a greater role in developing the regional workforce.

ECU's long-standing partnerships with South West, North and South Metropolitan TAFEs provide credit pathways into Education, Cyber Security, Computer Science, IT and Western Australian Academy of Performing Arts (WAAPA) degrees. In 2026, 26% of ECU undergraduates were VET-pathway students, on average shaving almost a year off their undergraduate course. ECU-TAFE partnerships build the priority skill-needs of WA, such as in health, clean energy, and defence.

Image from Edith Cowan University, 2026

Teaching quality

High-quality teaching gives students the confidence to succeed, the skills to build rewarding careers, and the capacity to contribute to Australia's future.

> **In late 2025 and early 2026, the ATEC engaged Emeritus Professor Liz Johnson to consult across the higher education sector on how to strengthen teaching capability. Her report, publicly released by the ATEC in August 2026, found deep expertise and commitment across universities, but no consistent system-wide approach to developing and recognising high-quality teaching.[14]**

Teaching and learning are also becoming more complex. Providers must support more diverse student cohorts, narrow persistent equity gaps, respond to cost-of-living and wellbeing pressures, and deliver strong learning outcomes across online, hybrid, and on-campus settings. Educators are also redesigning courses and assessments as artificial intelligence changes how students learn and demonstrate knowledge. At the same time, uneven access to professional development, casual and fixed-term tenure, limited recognition of teaching, and competing workload pressures can make it difficult to embed and share effective practice across the sector.

14 Prof L Johnson, ***Enhancing Professional Practice in Australian Higher Education Teaching***, ATEC, 2026.

The ATEC's compact negotiations showed widespread commitment to improving teaching quality, with initiatives ranging from educator training; professional development and promotion pathways; Advance HE fellowships and higher education qualifications; peer observation and feedback; communities of practice; and teaching excellence awards.

Providers are also responding to artificial intelligence, reforming curricula and assessment, and strengthening collaboration with industry and communities.

The negotiations also revealed differing approaches to defining quality teaching and measuring progress, with many providers relying heavily on the Quality Indicators for Learning and Teaching (QILT) Student Experience Survey data, indicating scope to diversify how institutions assess progress and demonstrate impact. Commissioners encouraged providers to adopt internal measures that reflect their mission, teaching capability, and professional development priorities, while more clearly demonstrating the impact of their actions.



CASE STUDY 8
Stronger together: building teaching excellence at Flinders University

The Flinders Learning and Teaching Academy brings together educators, professional staff and students to strengthen learning and teaching across the University.

Through its central hub, college and portfolio groups, and communities of practice, the Academy supports mentoring, fellowships, awards, grants, and professional development. These initiatives help staff share ideas, learn from peers, build capability and put new approaches into practice, strengthening teaching quality and recognising excellence in teaching.

In 2025, The Academy delivered 36 professional learning events attended by 467 people, supported 4 national teaching citations, and helped staff pursue international fellowships. Together, these activities build teaching capability and support Flinders University's commitment to continuously improving the student learning experience.

Growth, infrastructure and system planning

During compact discussions, Commissioners sought to build a clearer picture of each provider's demand projections. Population growth, changing patterns of student demand, and efforts to improve access in growing metropolitan and regional communities are driving institutions to expand their physical footprint and explore new delivery models. Providers highlighted plans for significant investment, particularly for new campuses, research infrastructure, and industry-connected precincts.

> **Infrastructure projects often involve substantial costs, requiring long term planning and strategic decisions that impact a provider's future for decades. At the same time, providers are also operating in competitive environments, particularly in high-growth areas where providers seek to attract similar student cohorts.**

This raises important questions about how growth can be coordinated across the system to ensure student demand and choice are met while supporting the sustainable development of the higher education sector.

Over time, the ATEC will build a system-wide understanding of future growth, workforce needs and student demand, positioning it to support greater coordination across the sector where appropriate, while preserving institutional diversity and autonomy.



The ATEC will need to ensure that provider decisions to expand their physical footprint are likely to lead to increases in higher education access, particularly in skills shortage areas and for under-represented cohorts. Significant infrastructure decisions that are reliant on future student load need to be made in consultation with the ATEC to ensure alignment between these decisions and future allocations.

Looking to 2028 and beyond

The inaugural compact cycle has laid a strong foundation for a more strategic and collaborative relationship between the ATEC and the higher education sector. Through negotiations, providers shared valuable insights into their priorities, challenges, and contributions, giving the ATEC a richer understanding of both institutional and system-wide issues. These lessons are already informing the ATEC's broader work program.

The next compact will cover 2028–31, providing greater certainty for providers and enabling a stronger focus on long-term planning, continuous improvement, and the achievement of shared outcomes. Over time, the structure and content of the compacts will evolve, including the performance domains and indicators.

This recognises that both the higher education sector and the ATEC's priorities will continue to change, and that the compact framework must remain responsive to the needs of students, communities, and the nation.



The next phase will also reflect the ATEC's growing stewardship role. From 2028, the ATEC will take on the allocation process for international student places alongside domestic CSPs. The ATEC will make international allocations under the National Planning Level determined annually by Government and as per the directions of the Minister. Each provider's compact will help inform both types of allocations. Bringing these functions together will strengthen the ATEC's ability to support a sustainable, high-quality, and globally competitive higher education system.

Appendix

The 2027 allocations determined by the ATEC for each provider, including their CSL, AGA, DSP, as well as the transitional commencing places limit and estimates of managed demand-driven equity (MDDE)-eligible EFTSL for 2027 determined for each provider, are shown below in Table 1.

Table 1. 2027 Allocations for Table A providers, by elements

Provider	2027 Core Student Load	2027 Additional Growth Allocation	2027 Domestic Student Profile	2027 Transitional Commencing Places Limit	2027 Equity estimates for MDDE-eligible EFTSL
Adelaide University	29,726	588	30,314	11,687	8,882
Australian Catholic University	20,095	529	20,624	8,286	3,269
Batchelor Institute of Indigenous Tertiary Education	0	80	80	55	0
Charles Darwin University	4,707	740	5,447	2,820	2,671
Charles Sturt University	13,675	1,524	15,199	6,429	7,977
CQUniversity	8,822	522	9,344	3,840	6,205
Curtin University	21,961	1,606	23,567	11,889	6,061
Deakin University	25,139	675	25,814	10,327	6,760
Edith Cowan University	12,156	577	12,733	5,641	3,113
Federation University Australia	5,971	964	6,935	3,356	3,200
Flinders University	11,779	1,296	13,075	7,100	4,124
Griffith University	22,664	864	23,528	10,750	5,742
James Cook University	6,185	1,813	7,998	2,450	5,045
La Trobe University	19,846	1,245	21,091	9,205	5,672
Macquarie University	20,784	1,391	22,175	9,410	2,425
Monash University	29,011	1,623	30,634	12,049	4,990
Murdoch University	6,144	732	6,876	2,293	1,803
Queensland University of Technology	26,857	896	27,753	12,281	5,726
RMIT University	24,260	1,722	25,982	11,689	4,993
Southern Cross University	6,901	455	7,356	3,750	2,900

Provider	2027 Core Student Load	2027 Additional Growth Allocation	2027 Domestic Student Profile	2027 Transitional Commencing Places Limit	2027 Equity estimates for MDDE-eligible EFTSL
Swinburne University of Technology	15,749	266	16,015	5,228	5,430
The Australian National University	8,258	523	8,781	3,707	1,123
The University of Melbourne	22,504	1,119	23,623	9,970	2,791
The University of New England	8,298	848	9,146	3,718	3,614
The University of Newcastle	16,742	923	17,665	8,040	6,226
The University of Queensland	23,204	1,263	24,467	9,676	4,899
The University of Western Australia	12,899	458	13,357	6,065	1,932
The University of Wollongong	12,338	752	13,090	6,106	4,478
University of Canberra	7,164	683	7,847	3,180	1,425
University of New South Wales	22,283	1,286	23,569	10,239	2,791
University of Notre Dame Australia	7,406	373	7,779	3,350	942
University of Southern Queensland	9,657	570	10,227	4,471	5,250
University of Sydney	24,008	1,344	25,352	10,200	3,100
University of Tasmania	12,438	858	13,296	7,031	5,407
University of Technology Sydney	20,281	1,483	21,764	9,102	2,482
University of the Sunshine Coast	10,334	1,279	11,613	5,218	3,805
Victoria University	10,994	925	11,919	5,850	2,400
Western Sydney University	23,320	1,443	24,763	13,312	4,525
Total	**584,560**	**36,238**	**620,798**	**269,770**	**154,178**

Table 2 below shows the share of total AGA and DSP allocations for Table A providers across each state and territory and the share of population in each state and territory.

Table 2. Proportion of AGA and DSP allocations by jurisdiction

State/Territory	Percentage share of total allocated AGA	Percentage share of total allocated DSP	Percentage share of population*
Australian Capital Territory	3.4%	2.8%	1.8%
New South Wales	32.1%	30.0%	31.1%
Northern Territory	2.3%	0.9%	1.0%
Queensland	20.2%	19.1%	20.6%
South Australia	5.3%	7.2%	6.9%
Tasmania	2.4%	2.2%	2.1%
Victoria	23.9%	27.0%	25.6%
Western Australia	10.5%	10.7%	11.1%

* Population data source: ABS National, state and territory population – March 2026 reference period; Population is noted to be 'Estimated resident population, including all people who usually live in Australia, except for people present for foreign consular or diplomatic reasons.'

** Table A providers are grouped into each state and territory based on their headquartered campus and do not include Australian Catholic University which operates in multiple states.