The Hon Jason Clare MP
Minister for Education

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Professor Barney Glover AO
Chief Commissioner

Professor Mark Rose AM
First Nations Commissioner

The Hon Fiona Nash
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Australian Tertiary Education Commission
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By email: Commissioners@atec.gov.au

Barney, Mark, Fiona, David & Stephen

Dear Commissioners

I am writing to outline my strategic priorities for the tertiary education system, in line with section 15 of the *Universities Accord (Australian Tertiary Education Commission) Act 2026* (ATEC Act). These priorities reflect the significant contribution the tertiary education system must make in building the skilled workforce Australia needs now and into the future for a stronger, more productive and inclusive economy. A strong and dynamic tertiary system delivers benefits for the students who participate, the businesses and industries tertiary graduates work in, and the economy and society more broadly including by addressing intergenerational inequity, boosting productivity, lifting living standards and creating more opportunities for Australians.

Establishment of the ATEC is an important milestone and delivers a key recommendation of the Australian Universities Accord (the Accord). I expect the ATEC to play a critical role in driving reform to build the higher education and tertiary education system to meet Australia's future skills needs. Enhanced mission-based compacts are pivotal to this transformation, with four-year compacts to commence from 2028, informed by experience establishing compacts in 2027.

I expect the ATEC to account for the following strategic priorities as it undertakes its functions as the independent steward of Australia's higher education sector:

> ***Delivering Australia's skills needs:*** It is critical that tertiary education qualifications build a skilled and adaptable workforce that meets Australia's labour market needs. To drive tertiary attainment aligned with critical workforce needs, the ATEC will need to work with Jobs and Skills Australia (JSA) to identify priority areas, and with higher education providers to ensure these are being met at the system level. This includes in areas of national significance like care services, education, digital technologies, sovereign capability, food security, housing and construction, and the transition to a net zero economy. More broadly, I expect the Government's commitment to lift tertiary attainment to 80 per cent of the working-age population by 2050 will be central to the ATEC's work, recognising in doing so the importance of both higher education and VET to meeting Australia's labour market needs.

Equity and participation: Achieving the tertiary attainment target requires an immediate focus on improving participation and outcomes of groups facing systemic barriers to education, including persons of a low socioeconomic background, Aboriginal and/or Torres Strait Islander persons, and those living in regional and remote Australia. Increasing participation and attainment among other traditionally under-represented cohorts, including persons with disability, is also critical to improving broader equity outcomes. The ATEC's strong system stewardship and coordinated effort will be vital to seeing real, sector-driven progress in access and participation, student retention, and completions for students from under-represented groups. I expect the ATEC to set high standards for improving equity outcomes and integrate these expectations across system settings.

The ATEC should work in partnership with the Department of Education, supporting its implementation of reforms to improve equity and attainment outcomes. This includes further consideration of how students from a low socioeconomic background are defined in Needs-based Funding and providing advice on alternative options based on evidence and benefits for under-represented students, as appropriate.

Advancing First Nations Outcomes: Consistent with Commonwealth and state and territory governments' commitments under the National Agreement on Closing the Gap, improving outcomes of First Nations students and promoting First Nations self-determination in higher education is a high priority. The establishment of the First Nations Advisory Committee within the ATEC is to be an immediate priority. The Committee should explore the effectiveness of existing supports and programs in the higher education sector and consider opportunities for increased First Nations participation, completion and representation within higher education, as well as opportunities to enhance First Nations leaders' self-determination in university governance and leadership.

Managed Growth Funding System: An immediate priority is progressing key funding reforms recommended by the Accord, including the transition to the Managed Growth Funding System and its full commencement from 2027. In implementing these reforms, I expect the ATEC to prioritise delivery of Australia's workforce and skills needs, particularly in areas of national significance. I also expect the ATEC to respond to student demand and the need to increase the number of students from low-SES backgrounds and from regional and remote communities in higher education.

I expect the ATEC to help drive a system-level approach to achieving national outcomes. This includes leveraging Commonwealth supported place allocations to improve connected tertiary pathways, strengthen higher education provision across regional Australia, and encourage collaboration and innovation between universities to achieve these ends. I also expect the ATEC to reduce marginally funded load to address known issues with the current funding system, including with a view to support delivery of courses in areas of national significance.

Managed Growth in International Education: International education settings support managed growth, system integrity, and maintaining Australia's reputation as a high-quality study destination. I expect the ATEC will support these objectives through allocations of international student places to higher education providers. In performing this role, I also expect the ATEC to maintain a system-wide view of higher education providers, ensuring a high-quality international education sector which operates sustainably in Australia's national interest.

Joined-up Tertiary System: I expect the ATEC's Tertiary Roadmap for a more joined-up tertiary system to identify actions for the Government and providers to strengthen alignment between higher education and vocational education and training (VET). The Roadmap should present a phased approach, building on initiatives already underway, to improve credit arrangements, enhance tertiary learner pathways for both higher education and VET, and support Australia's future skills needs. I expect the Roadmap to set out a reform pathway with clear actions for governments to consider over time that help build a more connected, responsive tertiary system. The Roadmap should also outline actions higher education and VET providers can take within the current regulatory environment to enhance flexible student pathways in the tertiary system. I expect the Roadmap to be provided to governments before the end of 2026, along with advice from the Tertiary System Advisory Council on implementation and initial actions that can be taken.

National Credit Recognition Framework: The development of this Framework alongside the Roadmap will help to streamline student pathways between VET and higher education. I expect the ATEC to provide this framework to Commonwealth and state and territory governments by the end of 2026 in time for implementation from the start of 2027. I expect future allocation processes to prioritise available additional Commonwealth supported places to universities that adopt this framework.

Costing and Pricing: I expect that the ATEC will continue to prioritise work to better understand the costs of higher education teaching and learning and to provide me advice on overall higher education funding levels per student.

Teaching quality: I appreciate the initial work the ATEC has undertaken on enhancing the professional practice of teaching at universities, through the recently published report by Emeritus Professor Liz Johnson. I understand the ATEC is establishing a Higher Education Teaching and Learning Advisory Committee to engage relevant experts on taking this work forward. The Committee should consider teaching quality and student learning; educator capability and educational leadership; curriculum, assessment and inclusive practice; relevant technological changes; sector capability and guides; and measures of improvement. I ask you to prioritise this work and provide me with advice on implementation of improvements to capability, professionalism, and quality of teaching at universities by mid-2027.

Research: Strengthening Australia's higher education system includes ensuring universities continue to deliver internationally competitive research and research training. Universities should be able to build scale in their areas of competitive and comparative advantage, and I expect the ATEC to support the delivery of world class Australian research, including in support of a Future Made in Australia.

I expect the ATEC to provide me with advice in 2026 in respect of enabling research specialisation, consistent with the *Ambitious Australia* report's recommendation, and incorporating clear, proportionate research security governance expectations in the Higher Education Standards Framework (Threshold Standards) 2021.

I expect the ATEC to consider these strategic priorities for Australia's tertiary education system in the context of the Government's broader strategic priorities in relation to boosting productivity. The Government is also committed to responsible fiscal and economic management. As such, I expect the ATEC's advice to be conscious of broader fiscal pressures and consistent with the Government's overarching fiscal strategy.

I further expect the ATEC to deliver advice that is independent, evidence-based, strategic, informed by a deep understanding of the tertiary education system, grounded in a whole-of-system perspective, and that contributes to the Government's policy agenda.

In delivering these priorities, I expect the ATEC will undertake inclusive stakeholder engagement and collaboration with universities, VET providers, students, industry, Commonwealth agencies, and governments. In collaborating within Government, I expect the ATEC to recognise the distinct roles of other entities, such as JSA and the National Resilience and Science Council when established.

I also ask the ATEC to work with my portfolio department to support the development of higher education, international education and research policy, and the delivery of related Government programs. The ATEC must also work collaboratively with the Department of Employment and Workplace Relations on VET matters.

While the ATEC does not have a regulatory role, as system steward, I expect you to engage with regulators along with Government agencies to avoid duplication and advise on opportunities to streamline and reduce unnecessary regulation, including as a member of the Better Regulation Working Group.

I thank you for your leadership and I look forward to continuing to work with you to build a better and fairer education system.

Yours sincerely

JASON CLARE

4 / 11 / 2026

Cc. The Hon Andrew Giles MP, Minister for Skills and Training
Senator the Hon Tim Ayres, Minister for Industry and Innovation, Minister for Science