INDEPENDENT HIGHER EDUCATION AUSTRALIA FAST FACTS

REGULATION

UNIVERSITIES ACCORD (OPENING THE DOORS OF OPPORTUNITY) BILL 2026

Schedule 1 – Amendments to the Funding of Higher Education

Part 1: Managed Growth Funding System (rewrites Part 2–2 of HESA

- Replaces Commonwealth Grant Scheme (CGS) funding agreements with a statutory Managed Growth Funding System under HESA.
- Establishes **Total Allocation Pool** determined annually by the Minister for Education.
  - Minister determines separate Total Allocation Pools for Table A and eligible non–Table A providers.
- **Allocation of Commonwealth supported places (CSPs)** by ATEC through Domestic Student Profiles.
- Establishes **Priority Classes of Courses** for eligible non–Table A providers, with ATEC allocating CSPs only within Minister determined Priority Classes.
  - Minister determines which non–Table A providers eligible to receive CSPs through the CGS Guidelines.
- Provision for **Designated Higher Education Courses** where specific allocations are required.
- **Publication of provider allocations.**
- Continued **Ministerial responsibility for demand driven higher education** courses and medicine.
- **Financial adjustments may apply** where providers enrol CSP students above their allocated domestic student profile.

Part2: Needs–based Funding (new Part 2–2B of HESA

- **Only providers approved to receive CSPs** are eligible to receive Needs–based Funding in respect of eligible students.
- The new funding stream provides additional Commonwealth assistance for eligible CSPs, including:
  - **Students from low socioeconomic backgrounds.**
  - **First Nations students.**
  - **Students studying at regional campuses.**
- Program intention is to **improve participation, retention, completion and educational success** while recognising additional costs associated with supporting students from equity groups and operating regional campuses.
- Operates **separately from the Managed Growth Funding System** and complements existing CSP funding arrangements.

Other Funding Changes

- Most amendments commence on **day after Royal Assent**, with new **Needs–based Funding** provisions commencing on **1 January 2027**.
- Act includes **consequential and application amendments** to HESA to implement the **Managed Growth Funding System** and revised CGS funding arrangements.
- As part of implementation for Managed Growth Funding, a **temporary funding floor applies for Table A universities until the end of 2031,** which guarantees these universities **97.5 per cent of their previous year's CGS funding,**

Schedule 2 – Amendments Relating to Allocations of International Student Places

Amends the *Universities Accord (Australian Tertiary Education Commission) Act 2026* (ATEC Act)

- **Establishes legislative framework for ATEC to allocate international student commencements** where the Australian Government determines that an allocation framework will apply.
- **Enables the Minister** to make a legislative determination **establishing the overall allocation framework** and matters ATEC must consider.
- Requires **ATEC to allocate international student commencements** within Government planning settings.
- **Provider allocations may be varied by ATEC** in accordance with the legislative framework.
- **Provider allocation decisions will be published.**
- **Supports ATEC's statutory role** in administering any allocation framework established by the Minister.

Schedule 3 – Amendments Relating to Compacts

Amends ATEC Act

- Supports **four year Mission–based Compacts between ATEC and eligible Table A and Table B providers.**
- Strengthens **connection between institutional planning, Government priorities and Commonwealth funding arrangements**.

Schedule 4 – Amendments Relating to Information

Amends ESOS Act 2000, TEQSA Act 2011 and Ombudsman Act 1976

- **Expands information sharing powers** to support funding administration, system stewardship, regulatory oversight and student protection.
- **Supports coordination between ATEC, TEQSA, the Department of Education and the National Student Ombudsman (NSO).**

Implications for Independent Higher Education Providers

- **Independent providers eligible for Commonwealth funding will transition to new funding allocation arrangements administered by ATEC.**
- **Providers that are not approved to receive CSPs remain outside the Managed Growth Funding System and are not eligible to receive Needs–based Funding,** despite operating under same national quality assurance framework.
- **Independent providers registered under the ESOS Act may become subject to international student allocations** where the Government determines an allocation framework will apply.
  - **Only Table A and Table B providers are afforded an equivalent statutory consultation** mechanism before ATEC determines their international student commencement allocations.
- **All registered higher education providers will be subject to enhanced information sharing** between ATEC, TEQSA, the Department of Education and the NSO.