



## JRG impact on student and government contributions 2021 to 2024

The purpose of this paper is to examine how the Job-Ready Graduates (JRG) package changes in the student contribution and Commonwealth contribution rates in 2021 have impacted total contributions, compared with pre-JRG rates (with indexation) for the same equivalent full-time student load (EFTSL) by field of education in 2024 (the most recent year for student enrolments).

In doing so we intend to estimate:

- Total student contributions under JRG rates compared with pre-JRG rates for 2021 to 2024, including the additional student contributions under JRG rates;
- Total Commonwealth contributions under JRG rates compared with pre-JRG rates for 2021 to 2024, including the reduced Commonwealth contributions under JRG rates;
- The combined total base funding per student under JRG rates compared with pre-JRG rates for 2021 to 2024.

### Summary results:

- Total student contributions increased under JRG compared with pre-JRG rates (indexed) by **\$1,631M** over the 2021 to 2024 period, including **\$368M** in 2024.
- Assuming 2026 EFTSL is similar to 2024, the annual cost of returning student contribution rates to pre-JRG levels would be **\$394M**, a cost borne by universities through reduced base funding.
- Total Commonwealth contributions decreased under JRG compared with pre-JRG rates (indexed) by **\$4,655M** over the 2021 to 2024 period, including **\$1,181M** in 2024.
- Assuming 2026 EFTSL is similar to 2024, the annual cost of returning Commonwealth contribution rates to pre-JRG levels would be **\$1,259M**, a cost borne by Government.
- The combined effect of the JRG changes, compared with pre-JRG rates (indexed), reduced university base funding by **\$3,024M** over the 2021 to 2024 period, including **\$813M** in 2024.
- Assuming 2026 EFTSL is similar to 2024, the annual cost of returning base funding to pre-JRG levels (indexed) would be **\$1,259M** borne by Government, with students contributing **\$393M** less and universities receiving an additional **\$866M** in base funding.

## Background

In 2021 the Job-Ready Graduates (JRG) package modified maximum student contribution rates, Commonwealth contribution rates, and total “base funding” per student in different fields. The highest charging subject contribution band increased from \$11,200 to \$14,500, while the lowest charging subjects decreased from \$6,700 to \$3,900 per year. Commonwealth contributions also changed, with the lowest contribution band dropping from \$2,200 to \$1,100, and the highest contribution band increasing from \$24,000 to \$27,000 per year. The net effect on “base funding” (student + Commonwealth contributions) was to reduce the average funding per student, but also better align base funding with estimated costs of delivery.

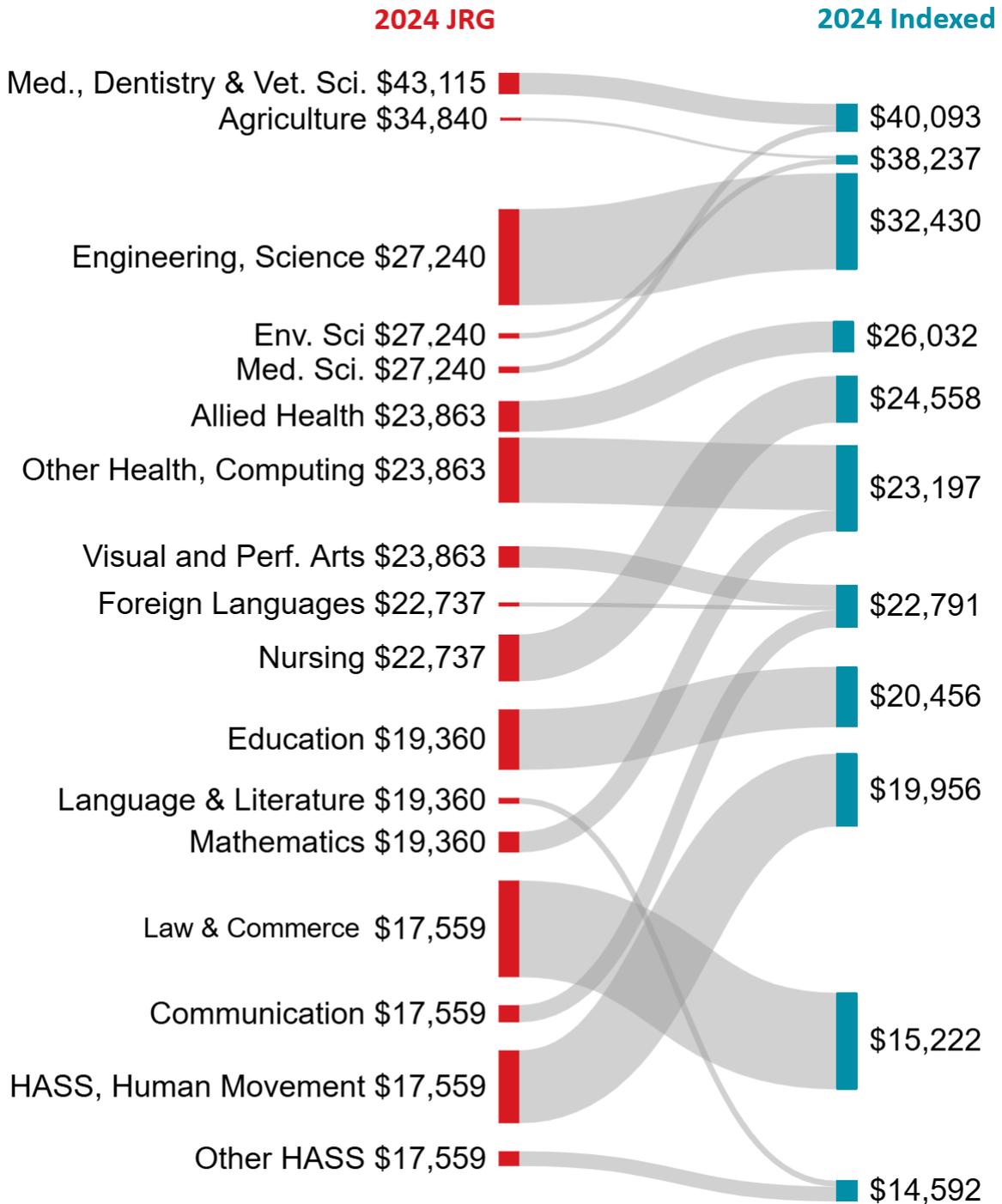
Subjects were re-classified across bands, most notably with most Humanities and Social Sciences (HASS) subjects moving from a \$6,700 student contribution and \$10,800 Commonwealth contribution in 2020, to a \$14,500 student contribution and \$1,100 Commonwealth contribution in 2021. This led to an 11% decline in base funding for most HASS subjects (from \$17,500 in 2020 to \$15,600 in 2021). Base funding also declined by 15% for Engineering and some Science subjects (from \$28,400 to \$24,200), and a small number of Medical Science subjects declined by 31% (from \$32,500 to \$24,200). However, although Law and Commerce are funded at the same rate as HASS from 2021 onwards, the JRG changes *increased* base funding for these subjects by 16% (from \$13,400 to \$15,600). Other subjects, such as Language and Literature, also increased in base funding by 34% (from \$12,800 to \$17,200).

## Methodological approach

We model the financial impact of the JRG changes from 2021 to 2024 by multiplying the equivalent full-time student load (EFTSL) in Commonwealth supported places (CSPs) by the student and Commonwealth contribution rates for 2021 to 2024 under the JRG changes. We then compare this with the pre-JRG rates by multiplying the CSP EFTSL to the 2020 funding rates for the same subjects, indexed each year (cumulative indexation of 14% from 2020 to 2024) and sum the differences. Effectively we model the restoration of pre-JRG funding with some courses increasing and others decreasing funding. The base funding rates by subject is shown in Figure 1 (excluding very small fields of education).

For example, in 2024 under the JRG rates Law and Commerce subjects receive \$17,559 base funding per EFTSL comprising \$16,323 in student and \$1,236 in Commonwealth contributions. Had the Law and Commerce funding rates remained at the 2020 levels but indexed each year, in 2024 Law and Commerce subjects would have received \$15,226 base funding per EFTSL comprising \$12,720 in student and \$2,506 in Commonwealth contributions. In 2024, there were just under 100,000 CSP EFTSL in Law and Commerce subjects, generating \$1,775M in base funding under the JRG rates, comprising \$1,632M in student and \$124M in Commonwealth contribution. Under the pre-JRG rates indexed to 2024, these 100,000 CSP EFTSL in Law and Commerce subjects would have generated \$1,522M in base funding, \$223M less than under JRG, with students contributing \$360M less and Government contributing \$127M more.

Figure 1. Comparison between 2024 JRG base funding and 2020 pre-JRG rates (14% indexation)



## JRG impact on student and government contributions

Compared with pre-JRG rates (indexed), the JRG changes reduced university base funding by \$813M in 2024, comprising a \$1,181M reduction in Commonwealth contributions and an increase of \$368M in student contributions. Assuming 2026 EFTSL is similar to 2024, the annual cost of returning Commonwealth contribution rates to pre-JRG levels would be \$1,259M, while students would contribute \$368M less, for a combined increase in base funding of \$813M for universities.

Over the 2021 to 2024 period, total Commonwealth contributions were \$4,655M less under JRG compared with pre-JRG rates, and student contributions were \$1,631M more, combining for \$3,024M less base funding. However, these estimates do not consider the effect of grandfathered places for students enrolled prior to 2021, and nor do they consider the effect of the Maximum Basic Grant Amount and caps in place for total Commonwealth contributions. This greatly over-estimates that differences, especially in 2021 and 2022.

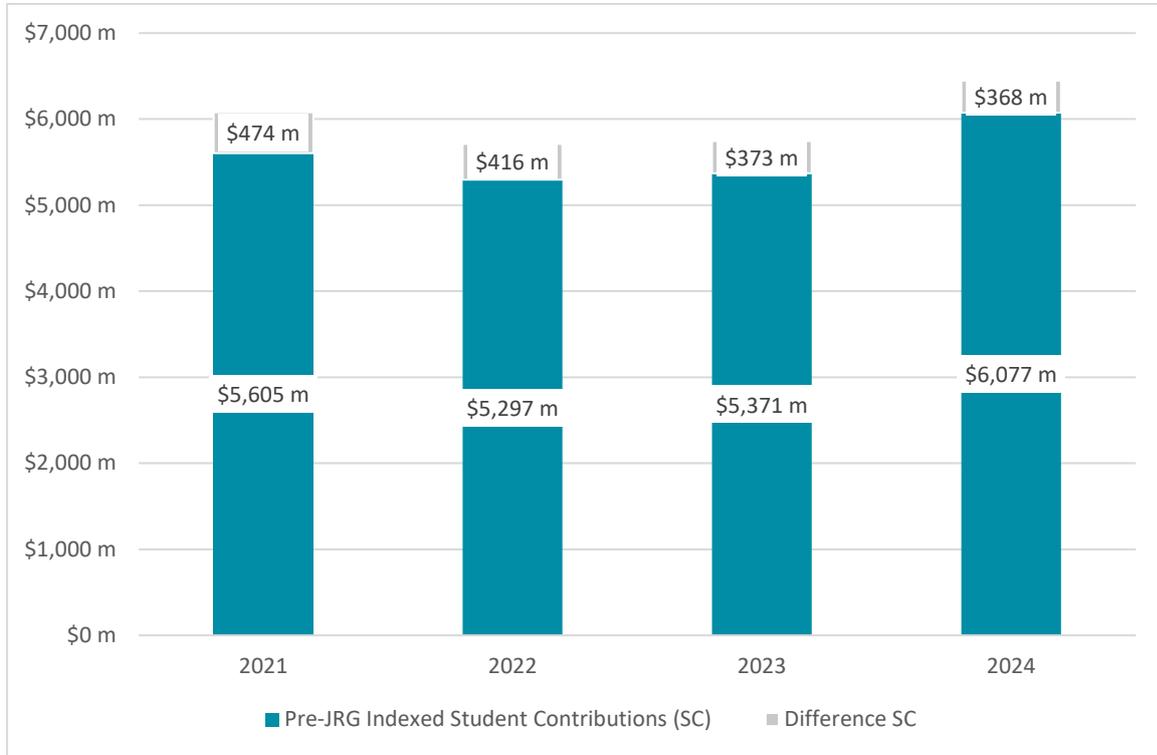
**Table 1. Comparison of university revenue between JRG and pre-JRG rates (indexed), 2021 to 2026**

Year	CSPs	JRG			Pre-JRG Indexed			Difference		
		SC Total	CC Total	Revenue	SC Total	CC Total	Revenue	SC Total	CC Total	Revenue
2021	640,370	\$6,079 m	\$6,527	\$12,606	\$5,605	\$7,767	\$13,372	\$474 m	-\$1,239 m	-\$765 m
2022	599,142	\$5,713 m	\$6,239	\$11,952	\$5,297	\$7,374	\$12,671	\$416 m	-\$1,136 m	-\$720 m
2023	585,772	\$5,744 m	\$6,389	\$12,132	\$5,371	\$7,488	\$12,859	\$373 m	-\$1,099 m	-\$726 m
2024	613,132	\$6,446 m	\$7,255	\$13,700	\$6,077	\$8,436	\$14,513	\$368 m	-\$1,181 m	-\$813 m
2025*	613,132	\$6,710 m	\$7,552	\$14,261	\$6,326	\$8,781	\$15,107	\$383 m	-\$1,230 m	-\$846 m
2026*	613,132	\$6,870 m	\$7,733	\$14,603	\$6,478	\$8,992	\$15,469	\$393 m	-\$1,259 m	-\$866 m

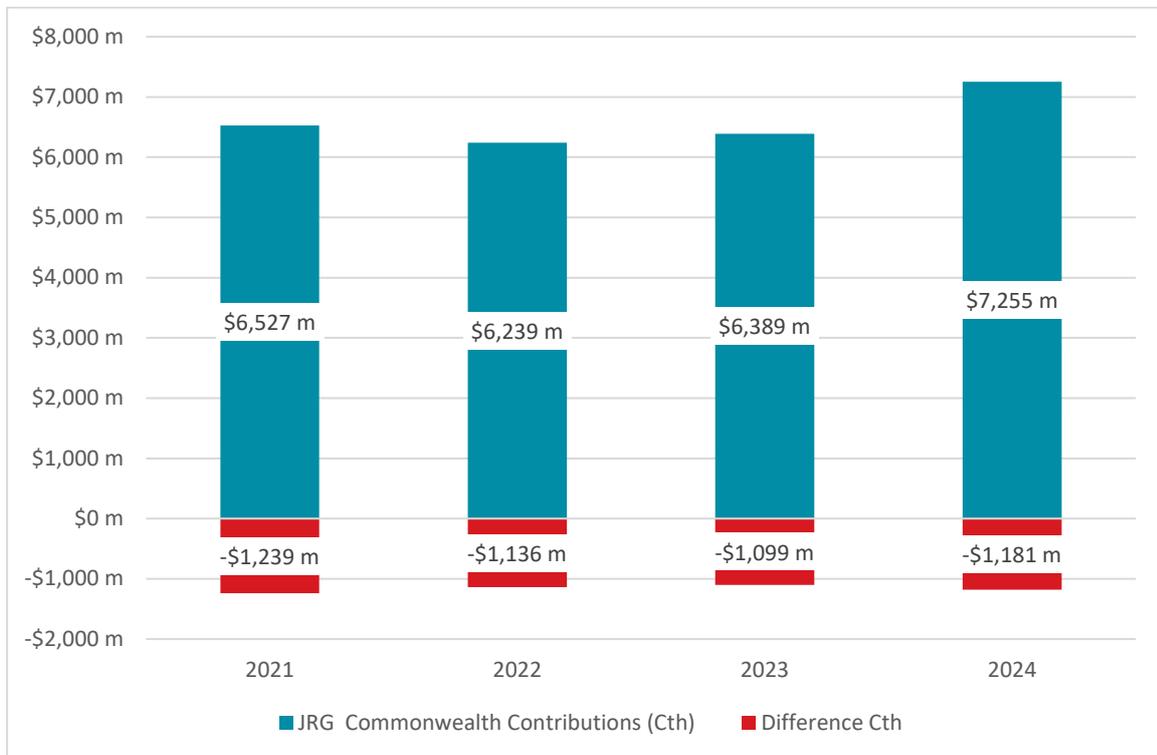
Note: \* 2024 CSP EFTSL is applied to 2025 and 2026 funding rates for illustrative purposes.

In 2024, students enrolled in the highest maximum student contribution band – Law and Commerce, and HASS – contributed \$1,305M more under the JRG rates compared with the pre-JRG rates indexed to 2024, while the Government contributed \$1,298M less. Across other student contribution bands, students contributed \$936M less and Government contributed \$117M more.

**Figure 2. Additional student contributions under JRG**



**Figure 3. Reduced government contributions under JRG**



**Figure 4. Reduced base funding under JRG**

