Innovative Research Universities

Impacts of the Job-Ready Graduates policy and options for reform

March 2026

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Key points:

IRU analysis shows increasing financial and social impacts of the Job-Ready Graduates (JRG) policy. Students are paying more for their education, with a three-year Arts degree now costing $52,000. At the same time, government is contributing less and universities are receiving less funding overall to teach and support students.

The Australian Universities Accord called for "urgent remediation" of the JRG and the IRU has costed JRG reform in three steps in line with the Accord's recommendations. Taking the first step, leaving no student worse off would require a 10% increase in Government investment.

Without urgent action, the JRG will undermine the Accord's long-term goals for increased student participation and equity in higher education. Our analysis shows that the impacts of the JRG are particularly affecting students from low socioeconomic backgrounds, contributing to increased segregation across fields of education.

Between 2020 and 2024, total domestic Bachelor commencements declined by 3.5%, but low SES student commencements were down 9.8% compared with a 2.2% decline for non low SES students. For courses with the highest student contribution rates (including Humanities, Commerce and Law), low SES commencements declined 19.7%.

In the fields with the lowest student contribution rates (including Education, Nursing and Languages), low SES commencements were up 2.1% from 2020-2024, while commencements by non low SES students were down 5%.

In 2024, compared to pre-JRG rates and adjusted for inflation and student load:

- Overall, students paid up to $368 million more.
- Students in the highest charging band paid up to $1.3 billion more.
- Government contributed up to $1.18 billion less.
- Universities received up to $813 million less.

IRU analysis shows increasing financial and social impacts of the Job-Ready Graduates (JRG) policy. In 2026 university students are paying more for their education, but universities are receiving less funding overall to teach and support students. This is due to reductions in Government funding under the policy. The impacts are socially regressive, with fewer students from low socioeconomic backgrounds (low SES) enrolling in university, especially in the highest charging fields. Without urgent reform, the Universities Accord goals for increasing student participation and equity will fail.

The financial impact of the JRG

Examining student, Government and total contributions under the JRG compared with pre-JRG rates (indexed for inflation) we find:

- Students paid up to **$368 million more** in 2024 (with student contributions at $6,446 million in total) compared with what they would have under pre-JRG rates for 2024 (indexed; $6,077 million in total). Students in the highest charging band paid up to $1.3 billion more in 2024, while students in the lowest charging band are paying less.
- Government contributions were up to **$1,181 million less** in 2024 ($7,255 million in total) compared with what they would have been under pre-JRG rates for 2024 (indexed; $8,436 million in total).
- Universities received up to **$813 million less** in 2024, or 6% of base funding.

Unwinding the JRG, leaving no student worse off

IRU modelling estimates the total cost of proceeding with JRG reform in 2026, in line with the Accord recommendations, would be an additional $1,917 million p.a. This comprises three steps:

1. Restore the three band student contribution system by reclassifying fields currently in the top-charging band to the second highest band (estimated additional cost of **$801 million p.a.**)
2. Restore the humanities and related fields to pre-JRG rates (additional cost **$436 million p.a.**)
3. Restore STEM to pre-JRG funding rates (additional cost of **$680 million p.a.**)

To achieve full JRG reform would require an increase in Government investment of 25% on top of the existing $7,733 million p.a. invested in Commonwealth Supported Places. But to proceed step-by-step, starting in the first instance with option one, would only be a 10% increase in funding.

Effects of JRG on Low SES commencements and student choice

Bachelor commencement data from 2020 to 2024 suggest a stronger impact of student contribution rates on low SES students, contributing to increased socio-economic segregation across fields.

- Total domestic Bachelor commencements declined by 3.5% from 2020 to 2024, but Low SES student commencements were down 9.8% compared with a 2.2% decline for non-low SES. Low SES commencements declined from 16.8% of total commencements in 2020 to 15.7% in 2024.
- For courses in the highest charging band, low SES commencements declined 19.7% from 2020 to 2024, compared with an 8.2% decline for non-Low SES. In 2024, low SES commencements comprised only 15.7% in Humanities and Social Sciences, 10.9% in Commerce and 13.4% in Law.
- In the lowest charging bands (including Education, Nursing and Languages), low SES commencements were up 2.1% from 2020-2024, and comprised 23.5% of the total. Commencements by non-low SES students in these fields were down by 5% over the same period.

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 band increased from $11,200 to $14,500, while the lowest charging subjects decreased from $6,700 to $3,900 per year. Government contributions also changed, generally decreasing, to align with estimated costs of delivery.

Figure 1. Student contributions since original HECS system introduced, 1989 to 2026

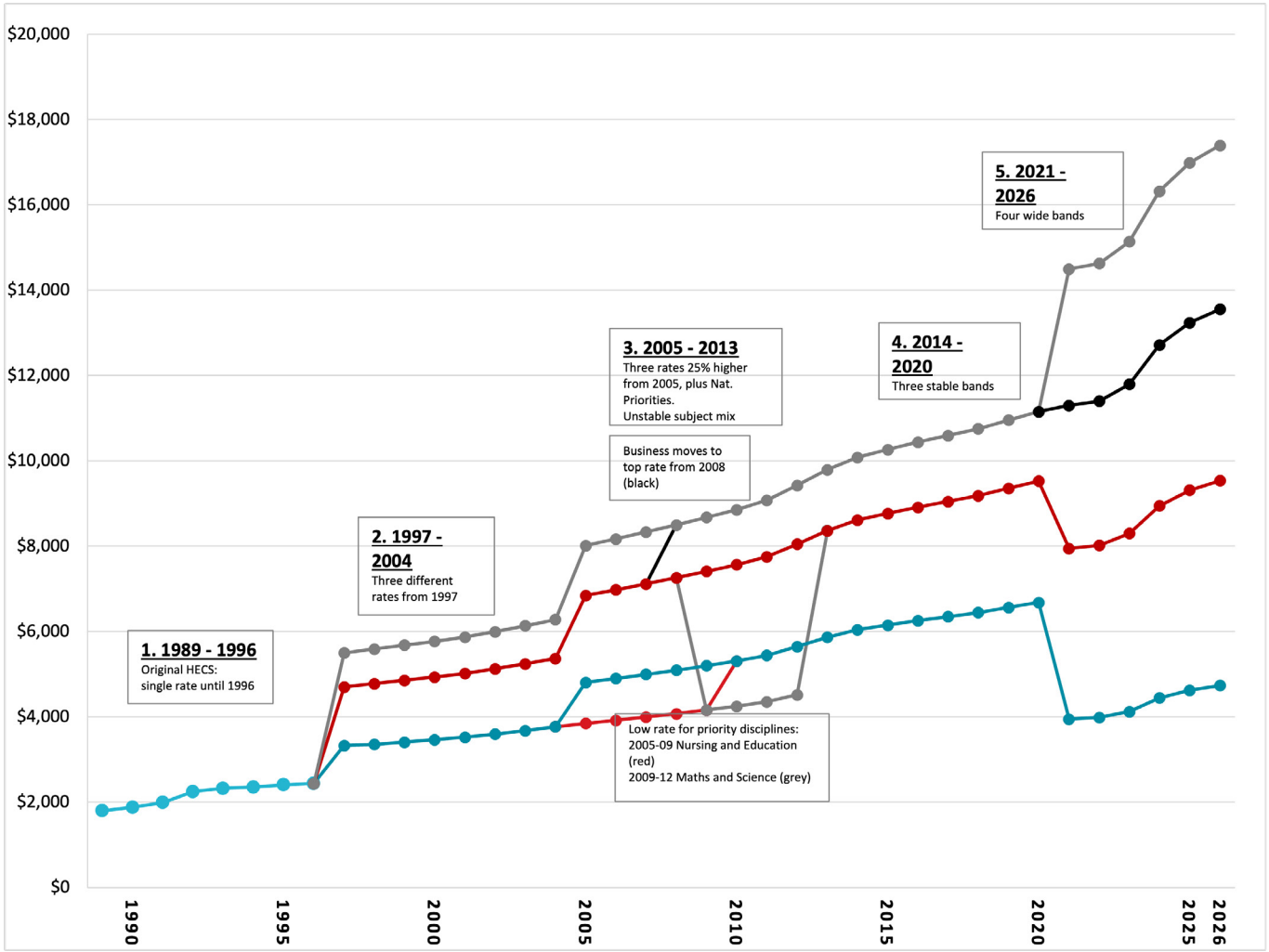
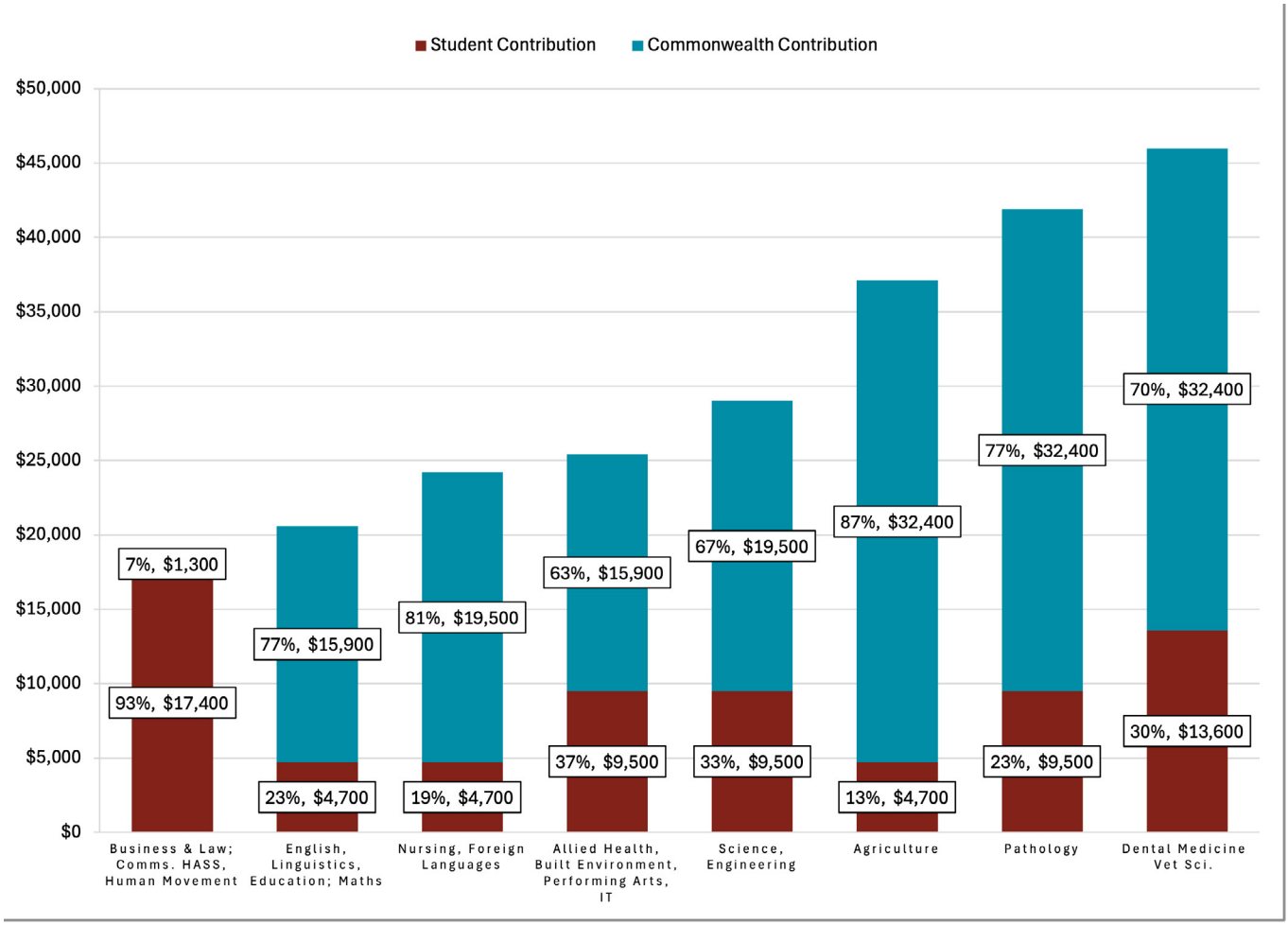
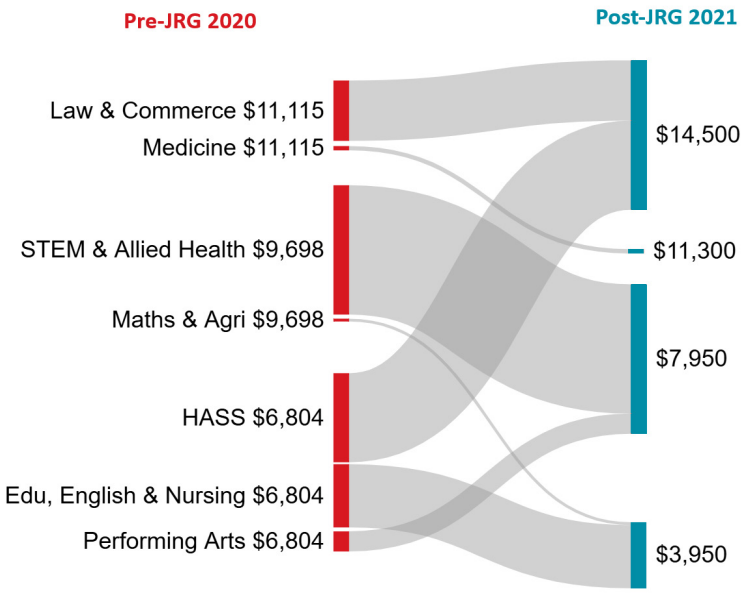


Figure 2. JRG funding rates in 2026



Subjects were also re-classified across bands, most notably Humanities and Social Sciences (HASS) subjects moving into the new highest charging band with Law and Commerce, Medicine remaining at pre-JRG rates, and Mathematics, Statistics and Agriculture joining Nursing and Education in the new lowest charging band.

Figure 3. Maximum student contributions by field, before and after the introduction of the JRG



Accord recommendations for JRG reform

The JRG changes in 2021 shifted more of the cost of higher education onto students and made student contributions more complex, unequal and socially regressive. JRG disproportionately increased the cost of education for low SES, female and Indigenous students due to the course choices they make.

The final Universities Accord report recommended "urgent remediation" of the JRG package by:

1. Reducing student contribution rates in the highest charging fields (humanities, human movement, society and culture, and communications) (Recommendation 16a).

2. Progressively moving towards a student contribution system aligned with lifetime earnings, with humanities courses moved into the middle of three bands (Recommendations 16a and 40).

3. Increasing government funding to support science, technology, engineering and mathematics courses (STEM), to reduce the negative impacts of the JRG package (Recommendation 41d).

Three steps to unwind the JRG

1. Restore the three band student contribution system by reclassifying fields currently in the current top-charging band ($17,000) to the second highest band ($14,000). **(estimated additional cost of $801M p.a.; $417M p.a. for HASS and $384M p.a. for Law and Commerce)**

2. Restore the humanities and related fields to their pre-JRG rates by reclassifying these from the current second highest band ($14,000) to the mid-charging band ($10,000). **(estimated additional cost $436M p.a.; cumulative total cost $1,237M p.a.)**

3. Restore STEM to pre-JRG funding rates by increasing government funding in STEM by $5,000. **(estimated additional cost of $680M p.a.; cumulative total cost $1,917M p.a.)**

Restoring the three band student contribution system would simplify the system and narrow the gap between what different students pay for their degrees, reducing the cost of the most expensive three year bachelor degree from $52,000 to $41,000. This would immediately benefit around 285,000 students, alleviate public concerns around the costs of higher education and support the Accord's and Government's vision for greater higher education participation through equity.

The three changes above progressively unwind the JRG reforms, shifting the proportion of costs borne by students from 47% under the current system, to 42% under a three band system, 39% with restoration of HASS to a mid-charging student band, and 37% with the restoration of STEM funding. Around 285,000 domestic students in CSPs would benefit from lower fees and a further 185,000 students enrolled in STEM courses would benefit from better funded places under these changes. This represents around 56% of the total CSP cohort or 470,00 students.

To achieve full JRG reform, this would require an increase in Government investment of 25% on top of the existing $7,733M per annum invested in Commonwealth Supported Places. But to proceed step-by-step, starting in the first instance with option one, would only be a 10% increase to the CGS.

Table 1. Change in total funding ($M) under modelled options compared to 2026 rates

	1. Restore 3 Band Student Contributions			2. Restore HASS to mid-Band			3. Restore STEM funding		
	CGS	Student	Total	CGS	Student	Total	CGS	Student	Total
JRG 2026 Reference	$7,733 m	$6,872 m	$14,605 m	$7,733 m	$6,872 m	$14,605 m	$7,733 m	$6,872 m	$14,605 m
% of total by source	52.9%	47.1%	100.0%	52.9%	47.1%	100.0%	52.9%	47.1%	100.0%
Proposal $	$8,533 m	$6,071 m	$14,605 m	$8,970 m	$5,635 m	$14,605 m	$9,650 m	$5,635 m	$15,285 m
% of total by source	58.4%	41.6%	100.0%	61.4%	38.6%	100.0%	63.1%	36.9%	100.0%
Change in $	$801 m	-$801 m	$0 m	$1,237 m	-$1,237 m	$0 m	$1,917 m	-$1,237 m	$680 m
Change in % of $	10.4%	-11.7%	0.0%	16.0%	-18.0%	0.0%	24.8%	-18.0%	4.7%

The financial impact of the JRG

Below we examine how the JRG changes in 2021 impacted student, government and total contributions, compared with pre-JRG rates (with indexation) for the same equivalent full-time student load (EFTSL) by field of education. 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.

We also extrapolate out to 2026 using 2024 CSP EFTSL and funding rates for 2025 and 2026. Our analyses do not apply grandfathered rates, which apply to students who commenced their course in 2020 and prior. We also assume all universities are fully-funded for all CSPs. These two assumptions generally overestimate revenue impact of JRG in initial years. Unlike the IRU proposal to unwind the JRG, which leaves no student worse off, the below analysis compares the JRG to pre-JRG rates for all students, including those where change would leave some students, universities and courses worse off.

Summary results:

- Total student contributions increased under JRG compared with pre-JRG rates (indexed) by **$368M** in 2024 and **$1,631M** over the 2021 to 2024 period.
- Assuming 2026 EFTSL is similar to 2024, the annual cost of returning student contribution rates to pre-JRG levels would be **$393M**, a cost borne by universities through reduced base funding. Students currently in lower charging courses would face contribution increases to pre-JRG levels.
- Total Commonwealth contributions decreased under JRG compared with pre-JRG rates (indexed) by **$1,181M** in 2024, and **$4,655M** over the 2021 to 2024 period.
- 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, reduced university base funding by **$813M** in 2024, 6% of base funding, and **$3,024M** over the 2021 to 2024 period.
- 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.

Table 2. Comparison of university revenue between JRG and pre-JRG rates (indexed), 2021 to 2026

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

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

JRG impact on low SES commencements and student choice

In 2021 the JRG package increased maximum student contribution rates in the highest charging fields and decreased them in the lowest charging fields. The Government has stated that the JRG hasn't reduced the number of people studying HASS ("If the intention was to reduce the number of people doing arts degrees, then that hasn't happened"). We test this claim, focusing on changes in domestic Bachelor commencements in the highest and lowest charging fields, where we would expect greatest effects, particularly for low SES students. We also present results for mid-charging fields.

This provides a complete picture of changes in commencements and student choice since the introduction of the JRG, particularly among a key student group currently under-represented in higher education. Lifting participation among key under-represented groups is essential for meeting the Accord's goals for participation and equity.

Summary results:

- Total domestic undergraduate commencements declined by 3.5% from 2020 to 2024, but low SES student commencements were down 9.8% compared with a 2.2% decline for non-low SES. This has contributed to a declining share of low SES commencements from 16.8% of total commencements in 2020 to 15.7% in 2024.
- The effects of JRG on student preferences are mixed. Commencements in the highest charging fields have declined sharply since 2020, but there have also been declines in the lowest charging fields, alongside some increases in mid-charging fields that appear unrelated to JRG.
- Contrary to the Government's claims, there are now fewer people studying HASS, but this has been driven by a disproportionate decline for low SES students. For courses in the highest charging band—HASS, Commerce and Law—low SES commencements declined 19.7% from 2020 to 2024, compared with an 8.2% decline for non-low SES.
- In 2024, low SES commencements comprised only 15.7% in HASS, 10.9% in Commerce and 13.4% in Law, far below population parity (25%). In the lowest charging bands (including Education, Nursing and Languages), low SES commencements were up 2.1% from 2020-2024, while non-low SES were down 5.0%.

Table 3. Bachelor Commencements by SES, change from 2020 to 2024 by student contribution (SC) band

		Low SES		Others		Total	
Max SC		#	%	#	%	#	%
High	**1. HASS, Commerce & Law**	**-3,175**	**-19.7%**	**-7,240**	**-8.2%**	**-10,415**	**-10.0%**
	1a HASS (& Human movement)	-2,158	-20.9%	-8,068	-15.5%	-10,226	-16.4%
	1b&c. Commerce & Law	-1,017	-17.7%	828	2.3%	-189	-0.5%
	1b. Commerce	-1,103	-23.5%	-644	-2.1%	-1,747	-5.0%
	1c. Law	86	8.1%	1,472	24.7%	1,558	22.2%
Medium	**2 & 3. Others**	**-1,054**	**-7.3%**	**4,475**	**5.7%**	**3,421**	**3.7%**
	2. Dentistry, Medicine, Vet. Science	5	1.1%	274	9.4%	279	8.3%
	3. STEM, Allied health, Perf. Arts	-1,059	-7.5%	4,201	5.5%	3,142	3.5%
Low	**4. Agri, Maths, English, Edu, Nursing**	**212**	**2.1%**	**-1,781**	**-5.0%**	**-1,569**	**-3.4%**
	4a. Agriculture, Maths	-55	-16.2%	-339	-18.3%	-394	-18.0%
	4b. English, Languages, Clin. Psych	19	22.4%	128	26.9%	147	26.3%
	4c&d. Education & Nursing	248	2.5%	-1,570	-4.7%	-1,322	-3.1%
	4c. Education	313	6.8%	-239	-1.5%	74	0.4%
	4d. Nursing	-65	-1.2%	-1,331	-7.8%	-1,396	-6.3%
	Total	**-4,017**	**-9.8%**	**-4,546**	**-2.2%**	**-8,563**	**-3.5%**

Figure 3. Domestic Bachelor Commencements, 2014 to 2024 by Funding cluster (# and % of total)

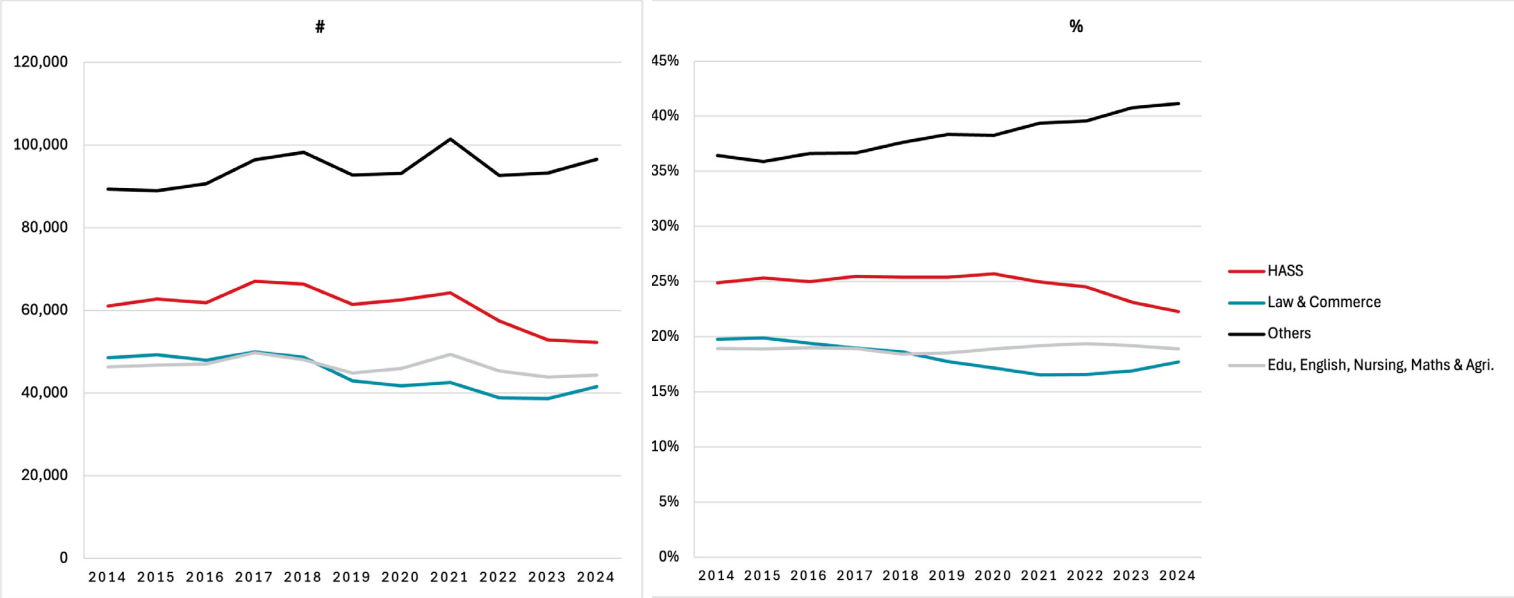
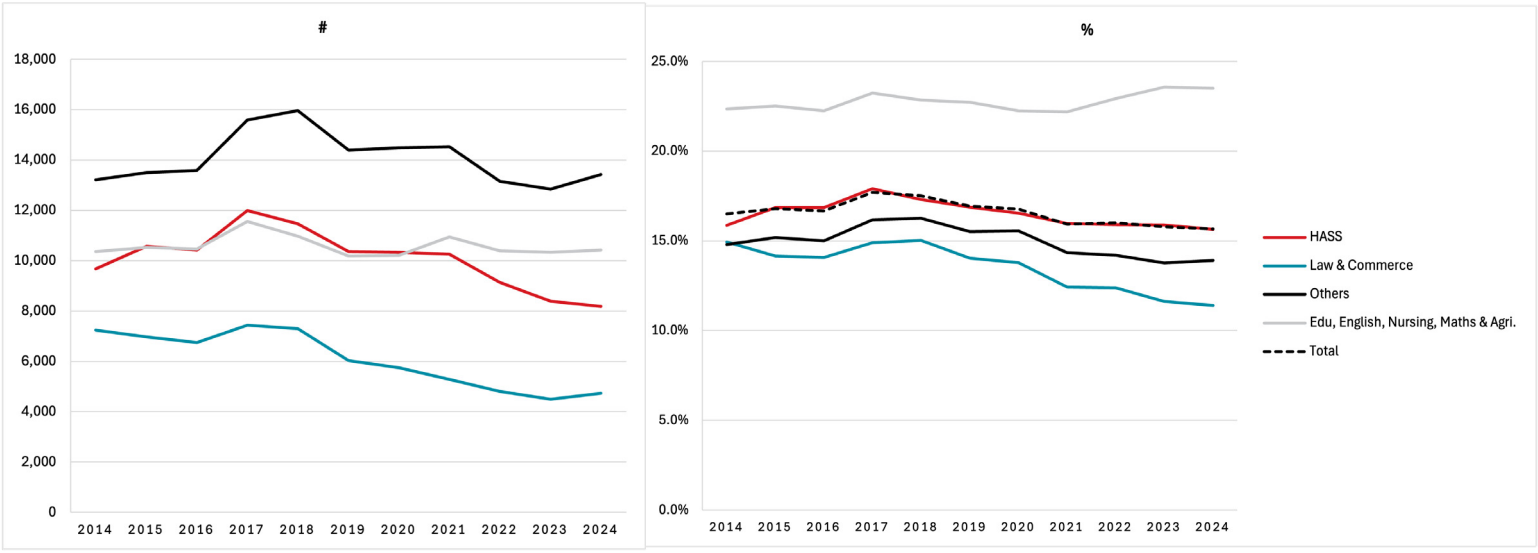


Figure 4. Low SES Bachelor Commencements, 2014 to 2024 by student contribution band (# and % of total)



About the IRU

The Innovative Research Universities (IRU) is a network of seven public research universities across Australia, committed to inclusive education that expands access and opportunity, and research with impact that advances our communities.

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