

## *Higher Education Support Amendment (Reverse JRG and End 50k Arts Degrees) Bill – IRU Response, April 2026*

### **Executive Summary**

The Innovative Research Universities (IRU) welcomes the opportunity to provide feedback on this Bill and the important issue of reforming the Job-Ready Graduates (JRG) policy package.

We agree that there is an urgent need to reduce the most expensive student fees for higher education, end \$50,000 Arts degrees and reverse the negative impacts of the JRG. However this Bill does not provide for comprehensive JRG reform and would make current problems worse.

IRU analysis shows the increasing financial and social costs of the JRG, with rising costs and debt for students, and fewer students from low socioeconomic backgrounds enrolling in university, particularly in the most expensive degrees. We believe that pricing some students out of degrees at the point of entry not only undermines their future but also Australia's future. Without urgent reform, JRG will mean that the long-term goals of the Australian Universities Accord for increased participation and equity to meet Australia's future skills needs cannot be met.

Our [most recent paper](#) (from March 2026) shows that under the JRG, students paid up to \$368m more in 2024 than they would have under pre-JRG rates, with students in the most expensive courses paying up to \$1.3b more. In 2024, Government contributed \$1.18b less to the cost of teaching Australian university students, with universities receiving \$813m less in base funding.

This Bill would reduce student contributions without increasing government contributions. It would not just “end \$50k Arts degrees”, it would end Arts degrees and academic careers. Our modelling below shows that the Bill would result in a funding cut to universities of approx. \$1.4b per annum, on top of the \$800m p.a. cut already implemented by the JRG. We estimate that this could lead to job losses and/or work intensification for up to 8,400 university staff.

The IRU has set out clear principles for JRG reform (see summary below) and has costed various reform options (see [here](#)). We welcome Parliament's focus on the urgent need for changes to the JRG and recommend that, instead of this Bill, a comprehensive reform proposal be developed that includes both student and government contributions.

We support the principles and process outlined in the Australian Universities Accord final report:

- Reducing student contribution rates in the highest charging fields and moving towards a student contribution system aligned with lifetime earnings (Recommendation 16a).
- Implementing a simpler system of student and government contributions with sufficient base funding to cover the cost of teaching and scholarship (Recommendation 40).
- Increasing government funding to support STEM courses, to reduce the negative impacts of the JRG package (Recommendation 41d).

JRG is socially regressive and is creating a two-track education system and society. Genuine reform with increased public funding is an investment in young people and Australia's future.

## A \$1,380M university funding cut, on top of a \$800M cut under the JRG

The IRU has led the higher education sector in producing data and analyses of JRG impacts and reform options. Our recent discussion paper [Impacts of the Job-Ready Graduates policy and options for reform](#) outlines the cost of reforming the JRG in line with the recommendations in the Australian Universities Accord final report. The IRU paper [Reforming the JRG in 2026](#) provides further detail, while the IRU paper [JRG impact on student and government contributions 2021 to 2024](#) examines the retrospective financial impact of the JRG. Another IRU paper [JRG student contributions and Low SES enrolments](#) examines the decline in Low SES commencements in the highest charging courses, identifying the urgency for reform to meet the Accord's goals for greater higher education participation through improved equity. Below we estimate the costs of JRG reform based on the Amendment Bill and compare this with the system recommended by the Accord Final Report. We find that the Amendment Bill, if approved, would cut \$1,380M from university budgets.

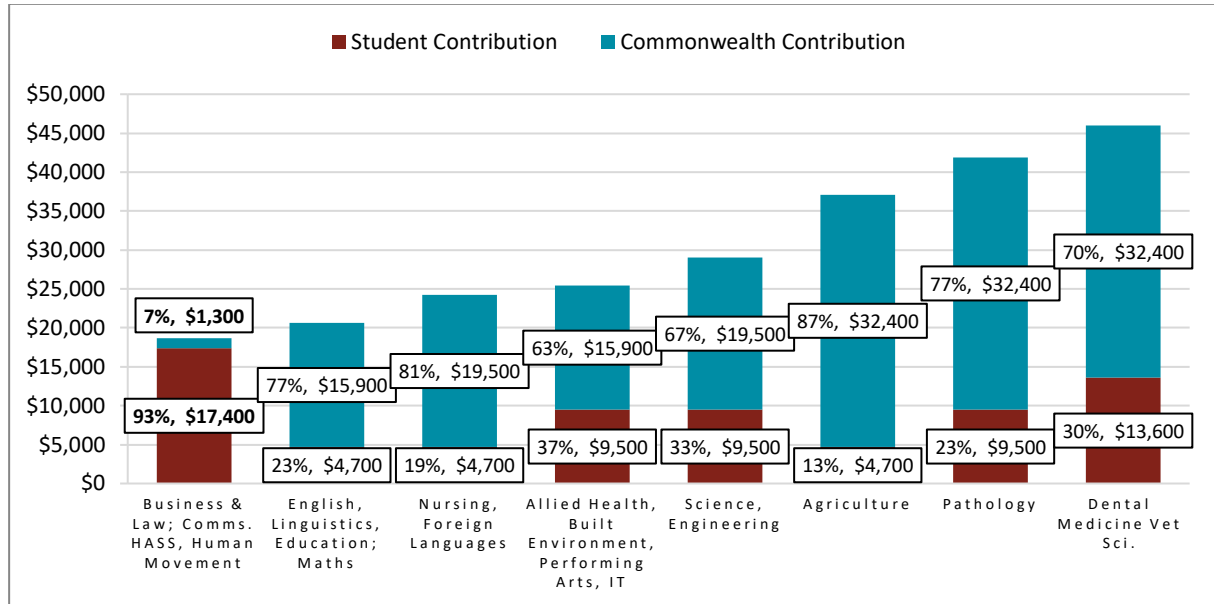
Based on 2024 CSP EFTSL, the Amendment Bill would directly affect 208,502 full-time equivalent students in Commonwealth Supported Places (CSPs) in Business and Law, and Society and Culture (HASS). The Bill proposes to cut student contributions to pre-JRG rates indexed to 2026. This would cut student contributions per EFTSL by \$3,775 in Business and Law (from \$17,399 to \$13,624) and by \$9,235 in other HASS fields (from \$17,399 to \$8,164). Applying the 2024 EFTSL to the proposed rates reduces student contributions by \$1,380M. With no increases in the Government contributions, this is a \$1,380M cut in university base funding (the combined student and government contributions).

The Accord recommended unwinding the JRG impact on HASS, moving back to a three-tiered student contribution system. After removing the top-charging band, the mid-charging band would be \$9,537 in 2026 (\$1,373 more than in the Bill for HASS). The IRU [estimated](#) a \$1,237M cost for removing the top-charging band, reclassifying Business and Law to the next band (\$13,558) and HASS into the mid-band (\$9,537 in 2026). The Accord did not recommend reducing base funding. Therefore, the \$1,237M reduction in student contributions were offset by an increase in Government contributions.

**Table 1. Financial impact of the Amendment Bill compared with the current system and the Accord principles**

		Per EFTSL			Total			
		2024 CSP EFTSL	Students	Govt	Base Funding	Students	Govt	Base Funding
<b>2026 JRG</b>	Business/ Law	99,976	\$17,399	\$1,316	\$18,715	\$1,739M	\$132M	\$1,871M
	HASS	108,526	\$17,399	\$1,316	\$18,715	\$1,888M	\$143M	\$2,031M
	<b>TOTAL</b>	<b>208,502</b>				<b>\$3,628M</b>	<b>\$274M</b>	<b>\$3,902M</b>
<b>Amendment Bill</b>	Business/ Law	99,976	\$13,624	\$1,316	\$14,940	\$1,362M	\$132M	\$1,494M
	HASS	108,526	\$8,164	\$1,316	\$9,480	\$886M	\$143M	\$1,029M
	<b>TOTAL</b>	<b>208,502</b>				<b>\$2,248M</b>	<b>\$274M</b>	<b>\$2,523M</b>
	<b>Difference vs 2026</b>					<b>-\$1,380M</b>	<b>\$0</b>	<b>-\$1,380M</b>
<b>Accord</b>	Business/ Law	99,976	\$13,558	\$5,157	\$18,715	\$1,355M	\$516M	\$1,871M
	HASS	108,526	\$9,537	\$9,178	\$18,715	\$1,035M	\$996M	\$2,031M
	<b>TOTAL</b>	<b>208,502</b>				<b>\$2,390M</b>	<b>\$1,512M</b>	<b>\$3,902M</b>
	<b>Difference vs 2026</b>					<b>-\$1,237M</b>	<b>\$1,237M</b>	<b>\$0</b>

Figure 1. JRG Commonwealth and maximum student contribution rates by field in 2026



The JRG changes introduced in 2021 increased base funding in some fields and decreased funding in others, but the overall per student funding declined for universities. In addition to the wider range of maximum student contributions (\$4,700 to \$17,400 per year in 2026), the JRG widened the range of Commonwealth contributions as a proportion of base funding (7% to 87%). HASS and Business and Law became almost exclusively student contribution funded, with only 7% of funding from Government following cuts of around \$5,000 and \$1,000 in funding per EFTSL in 2021. Restoring the pre-JRG student contribution rates in these fields without restoring the Government contribution rates will cut university funding by \$1,380M, but under the current JRG funding rates university funding is already below pre-JRG funding rates by around \$800M.

Table 2 demonstrates the \$800M funding loss under JRG by multiplying the CSP EFTSL in each year by the JRG funding rates from 2021 to 2024, and comparing this against what the funding would have been under the pre-JRG rates, with indexation for each year. Compared with pre-JRG rates, 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. Note that these estimates do not consider grandfathered places for students enrolled prior to 2021, or the effect of the Maximum Basic Grant Amount and caps in place for total Commonwealth contributions. This likely over-estimates that differences, especially in 2021 and 2022 (further details [here](#)).

Table 2. Comparison of university revenue between JRG and pre-JRG rates (indexed), 2021 to 2024

Year	CSPs EFTSL	JRG			Pre-JRG Indexed			Difference		
		SC Total	Govt Total	Revenue	SC Total	Govt Total	Revenue	SC Total	Govt 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

## Base funding far below cost of teaching in HASS

The Bill proposes to reduce base funding from \$18,715 per EFTSL to \$9,480 in Society and Culture, and to \$14,940 in Business and Law. This is far below the cost of teaching domestic undergraduates in these fields. It would reduce base funding to only 53% of the cost of teaching in Society and Culture (which includes Law), and only 80% of the cost of teaching in Management and Commerce. Almost no university will be able to cover the cost of teaching. This would further entrench the gap between large universities with other (non-government) sources of funding, and smaller suburban and regional universities that serve larger numbers of students from equity group backgrounds.

The 2022 Transparency in Higher Education Expenditure report found that the average cost of delivering teaching and scholarship for Bachelor degrees was 88% of (pre-JRG) base funding in 2020. This left only 12% of base funding to cover non-teaching costs, such as research support and time for staff. Universities are research and teaching integrated institutions, but not funded for most of the research in the fields they teach into. The report was criticised, but mostly for *underestimating* true costs. It measured cost based on expenditure, rather a normative threshold for quality, research-informed teaching. It also did not consider the extra costs of teaching students from under-represented backgrounds, though this has since been considered through Needs-based Funding.

The 2022 expenditure report found many fields had average costs greater than base funding, including Management and Commerce (16% greater). Across all 37 universities in the exercise, only seven had average costs below base funding. Base funding for Society and Culture was roughly at average costs, covering 98% of costs, but most universities were funded below cost (20 of 37).

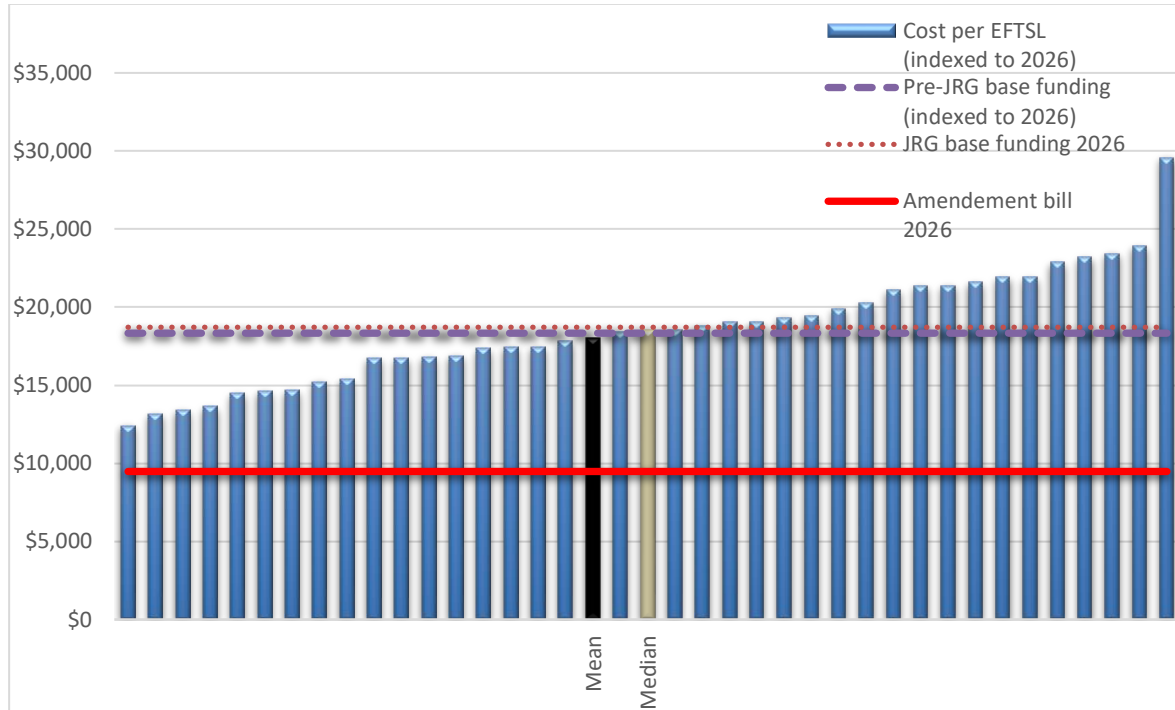
The expenditure data was used by Government to guide the 2021 base funding rates under the JRG, increasing base funding for fields with relatively high average costs (including Management and Commerce), and reducing base funding for others (including STEM fields). This was achieved by dramatically increasing maximum student contributions in some fields and reducing government contributions overall.

The JRG changes meant that base funding in Management and Commerce increased (from \$13,353 in 2020 to \$15,600 in 2021), covering average costs for around 22 of the 37 universities (compared with only seven universities prior). The impact for Society and Culture was more complicated due to aggregation of multiple funding clusters with different reported teaching costs and base funding, but on average, the changes likely did not change base funding substantially (which was, on average, \$15,092 in 2020, and \$15,600 for most HASS units in 2021).

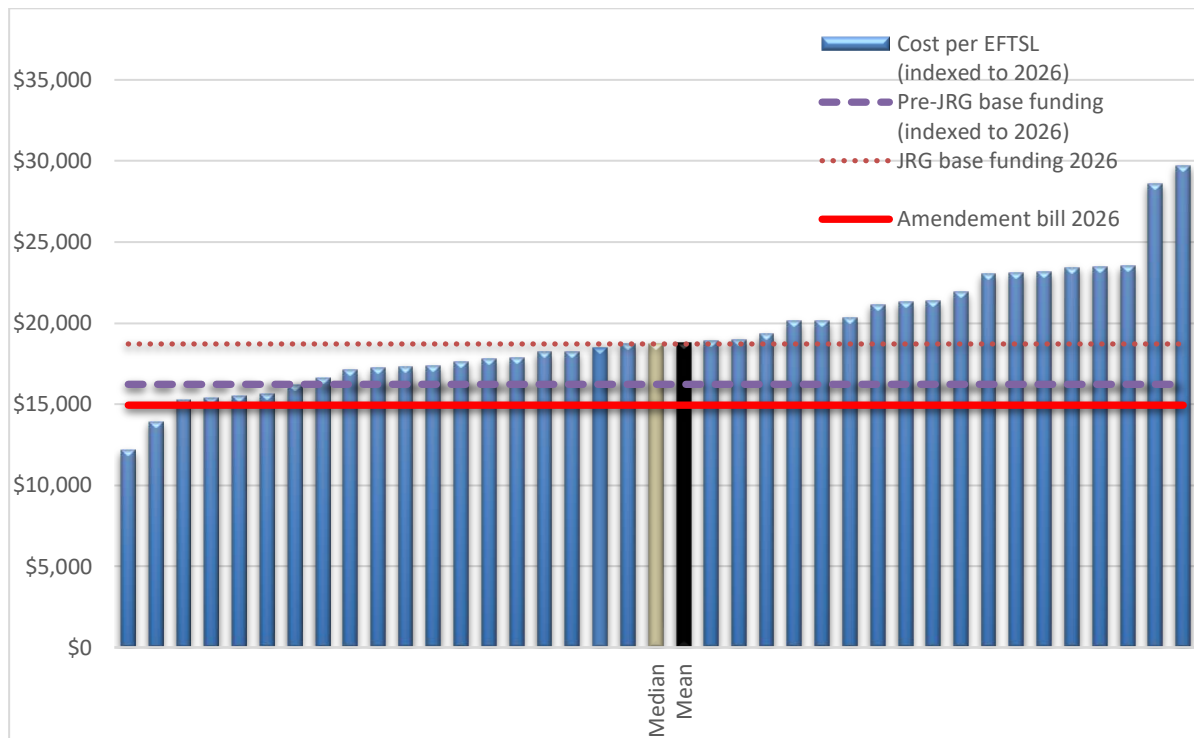
The Amendment Bill cuts base funding in Commerce, and Society and Culture, to below their pre-JRG rates. Figures 2 and 3 show the cost per EFTSL (Bachelor) in Society and Culture and Management and Commerce by university based on the expenditure report, taking the 2020 costs and indexing these to 2026. We compare this against the current JRG base funding rates in 2026 (red dotted line) and the base funding rates proposed in the Amendment Bill (solid red line). The gap between the lines is the funding cut. For illustrative purposes, the figures also show the pre-JRG base funding rates (indexed to 2026), demonstrating the increase in base funding in these fields post-JRG.

The Amendment Bill proposes funding rates so far below the cost of teaching as to lack any credibility. While the changes reverse the JRG for student contributions and “End 50k Arts Degrees”, they exacerbate the overall impact of the JRG funding cuts and create an unsustainable base funding system for HASS courses. The outcome would be severe job losses and declining student experience.

**Figure 2. Cost per EFTSL for Society and Culture (Bachelor) in 2026 (2020 costs, indexed to 2026)**



**Figure 3. Cost per EFTSL for Management & Commerce (Bachelor) in 2026 (2020 costs, indexed to 2026)**



## Impact of a \$1,380M cut ≈ up to 8,400 full-time equivalent job losses

The extent of the job losses associated with the Amendment Bill will depend on how the funding cuts are absorbed by universities. But the impact on HASS academics will be devastating. In 2024 universities spent \$23.9B across 143,000 full-time equivalent (FTE) staff, around \$167,000 per FTE. Therefore a \$1,380M funding cut represents up to 8,400 full-time equivalent jobs.

Given that these funding cuts are targeted exclusively to Commerce, Society and Culture, the impact will primarily be on the 9,000 full-time equivalent academic staff currently teaching in these fields. As demonstrated above, most universities will not be able to meet the costs of teaching domestic Bachelor students in these fields. Average teaching costs are also higher for smaller, regional and outer-metropolitan universities, those universities that typically teach more students with greater needs and from under-represented backgrounds. Such universities also have far more limited scope for supporting the cost of teaching domestic undergraduate students through funding from full-fee international or postgraduate domestic students in the same fields. The outcome of a 20% to 50% funding cut per student for these universities will be course closures and complete faculty closures. The associated financial and emotional costs of staff redundancy processes would also be immense.

## Principles and options for JRG reform

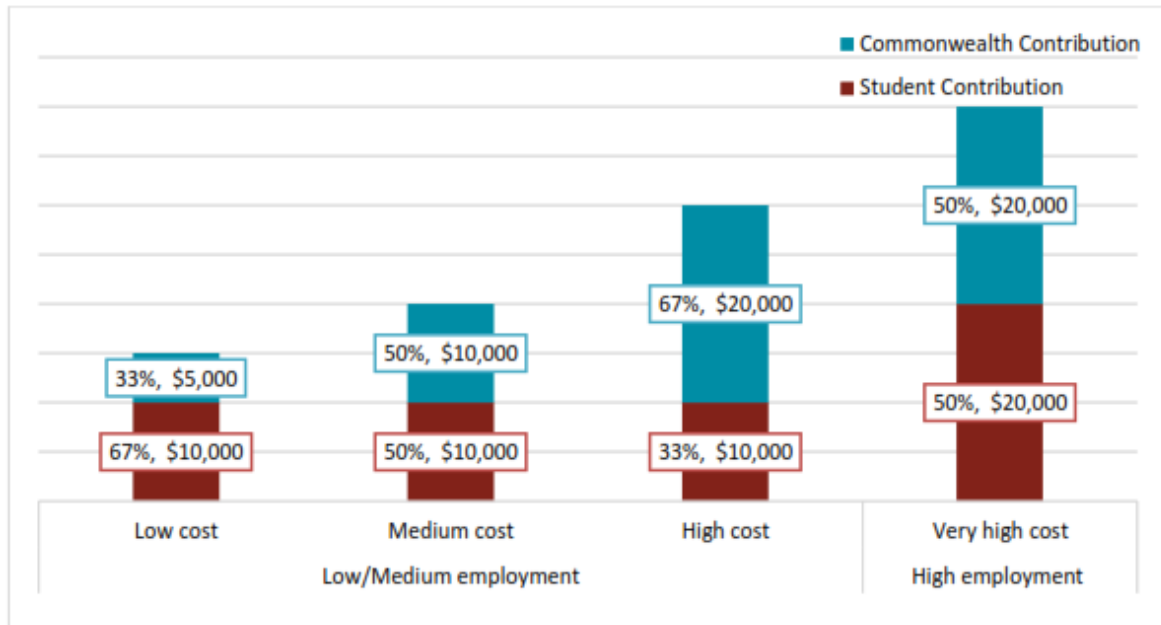
The Amendment Bill does not offer a credible pathway to a sustainable higher education funding system. It should be rejected and redeveloped in line with the principles outlined in the Australian Universities Accord for a new funding model.

The Accord is unequivocal that base funding for CSPs should include a student contribution aligned with lifetime earnings, and a government contribution that ensures base funding reflects the cost of delivery, including for research. This is consistent with the IRU principles for JRG reform, as stated in our [submission](#) to the Australian Universities Accord, that:

- Funding for student places in higher education should continue to be a mix of public and private contributions, with student contributions supported by an effective and equitable HECS-HELP income-contingent loan scheme.
- Given variation in the cost of delivery for different courses/institutions, and in graduate employment outcomes for students, there should continue to be a system of differentiated government and student contributions rather than one flat rate.
- Student contributions should be aligned with graduate employability and government contributions aligned with the cost of delivery, with universities funded for the total cost of teaching each course, including supporting the research mission.

In line with these principles, the simplest system would be for a two-tier student contribution and a three-tier government contribution that would broadly restore funding to pre-JRG levels. This aligns with Graduate Outcomes Survey (GOS) and GOS-Longitudinal results which show graduate full-time earnings are positively skewed by short-term and medium-term outcomes for graduates in Medicine and Dentistry (most other courses lie within one standard deviation of the mean). Similar results are evident in earnings 10-years after graduation, with Medicine as an outlier (see [here](#)). A case could also be made for a three-tiered student contribution, with lower rates for Creative Arts due to its exceptionally low graduate earnings. An example two-tier student contribution system is provided below, with students and government typically covering 50% of the costs.

**Figure 4. Example of student contributions differentiated by employment and government contributions differentiated by cost of delivery**



The JRG package cut overall public funding to universities for teaching and supporting domestic students. The challenge is that a simpler, two or three-tiered student contribution system cannot now be achieved without additional public funding or requiring some students to pay more for their education so that others can pay less. If the intention is that student contributions align with lifetime earnings, then \$50,000 degrees in HASS fields, with moderate graduate earnings, cannot continue. Such students should be charged moderate contributions. The IRU paper [Reforming the JRG in 2026](#) estimated that removing these from the top-charging student band would cost Government \$801M per annum if base funding was maintained, or \$417M per annum if only for HASS (excluding Commerce and Law).

If the highest student contribution bands are for courses with the highest lifetime earnings, then Medicine, as the outlier high earning field, must be classified into the highest student contribution band. Reclassifying Medicine, Dentistry and Veterinary Sciences into the highest contribution band would save Government \$80M per annum, if base funding was maintained.

Finally, the lowest charging student contribution band should be for courses with the lowest lifetime earnings. Currently this cluster includes a mix of moderate earning courses, such as Nursing and Education. Reclassifying these into the (current) second lowest student contribution band would reduce Government costs by \$704M per annum, increasing student contributions by the same amount (doubling student contributions from \$4,700 to \$9,500).

JRG reform is essential to achieve a higher education system that is fairer and simpler for students, and that can deliver on the long-term goals of the Universities Accord for increased participation and equity. However this Bill will not achieve these goals.