UNIVERSITIES AUSTRALIA

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Students are paying more for everything — including their degree

Five years after Job-ready Graduates, students face higher living costs, greater financial pressure and larger debts.

The world has changed since Job-ready Graduates

The Job-ready Graduates Package (JRG) was introduced in 2021. At the time, Australia was emerging from the COVID-19 pandemic. Inflation was low, rents were significantly cheaper and student debt was not yet a major national policy issue.

Five years later, students are entering university and graduating in a very different Australia. Housing costs have surged, everyday essentials cost more and the cost of living is rising faster than students can keep up.

Yet the highest student contribution rates introduced under JRG remain in place. Some students are now paying more than $52,000 for a three-year degree at a time of significant cost-of-living pressures. This cannot continue.

The cost of living has risen faster than students can keep up

Since JRG was introduced...

Measure	Student rents	Grocery prices	Utility prices	Fuel prices
Change since 2021	↑ 40%	↑ 27%	↑ 39%	↑ 43%

Since 2021, the cost of maintaining a basic student standard of living has increased by 29 per cent — well above economy-wide inflation (24 per cent). Yet students' spending has increased by just 21 per cent.

Despite spending more and reprioritising their budgets towards essentials such as rent, students have been unable to keep pace with the rising cost of maintaining the standard of living they had in 2021. They're cutting back simply to make ends meet — and still aren't keeping pace with rising living costs.

Yet the cost of a degree remains extraordinarily high.

At the very time students are under significant financial pressure, many are still being charged some of the highest university fees in Australia's history.

$17,399
Annual student contribution in some disciplines

$52,000+
Cost of some three-year degrees

90%
Student contribution to the cost of some degrees

Less than 10%
Government contribution to those same degrees

The bottom line

Students are facing a double squeeze. **The cost of living has risen faster than students can keep up**, while the highest university fees introduced under JRG remain in place. Students are paying more to live and more to study.



Government agrees student debt is a problem

Recent HELP reforms acknowledge that student debt has become a growing financial burden.

The government has:

- Reduced HELP balances
- Changed indexation arrangements
- Lifted repayment thresholds
- Committed around $16 billion to debt relief

These reforms recognise a simple reality: **Student debt has become a significant financial burden.**

The contradiction

The government is spending around $16 billion reducing student debt. Yet one of the biggest drivers of excessive student debt remains in place.

Students in some disciplines continue to face annual fees of up to $17,399 and debts exceeding $52,000 for a three-year degree.

If student debt is a problem worth spending $16 billion to reduce, why are we still maintaining a funding system designed to increase debt for many students?

Reducing HELP balances helps today's graduates. Replacing JRG would stop tomorrow's students from accumulating unnecessarily large debts in the first place.

Why this matters

Australia's future prosperity depends on more people gaining the skills and qualifications needed in a modern economy. The Australian Universities Accord recognised this reality and established ambitious participation and attainment targets, which the government has accepted.

Meeting those targets will require removing barriers to higher education, not reinforcing them. Yet students are being asked to take on some of the highest university fees in Australia's history while the cost of living continues to outpace what many students can afford.

Cost matters.

It matters for students from lower-income families.

It matters for regional students.

It matters for students who are the first in their family to attend university.

At a time when Australia needs more people participating in higher education, students face greater financial barriers than when JRG was introduced.

Five years on

Students are paying more for rent, more for groceries, more for electricity and more for fuel. Yet many are still being charged some of the highest university fees in Australia's history.

The government has recognised that student debt has become a problem. The next step is replacing one of the policies that continues to leave students with unnecessarily high levels of debt.

Job-ready Graduates was introduced by one government and has been retained by another.

Five years on, it's a legacy of both governments — and students are still paying the price. **It's time for it to go.**