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2 April 2026

Education and Employment Legislation Committee

Inquiry into the Higher Education Support Amendment (Reverse Job-Ready Graduates Fee Hikes and End 50k Arts Degrees) Bill 2025

Dear Members of the Committee

Inquiry into the Higher Education Support Amendment (Reverse Job-Ready Graduates Fee Hikes and End 50k Arts Degrees) Bill 2025

Universities Australia (UA) welcomes the opportunity to make a submission to the Education and Employment Legislation Committee's inquiry into the Higher Education Support Amendment (Reverse Job-Ready Graduates Fee Hikes and End 50k Arts Degrees) Bill 2025 (the Bill). UA represents Australia's 38 comprehensive universities. Our members educate more than 1.5 million students each year and play a central role in expanding opportunity, building skills and supporting Australia and Australians to succeed.

The Bill seeks to address the failed Morrison-era Job-ready Graduates Package (JRG), which has left students paying more for their education while delivering less funding to the system. This inquiry goes to the heart of whether university remains accessible and affordable for all Australians. Under current settings, many students are paying significantly more for their degrees without clear benefit. Higher education should open doors, not increase financial barriers.

UA supports reducing costs for students but does not support the Bill as drafted. JRG has already shifted costs onto students while stripping around \$4 billion from higher education since 2021. This Bill, without additional Commonwealth funding, risks cutting a further \$1.3 billion each year, failing to fix the damage caused by JRG and instead compounding it. Rather than restoring balance, it risks entrenching a system where students continue to carry a greater share of the cost.

In a changing economic and geopolitical environment, and as Australia seeks to meet the government's target of 80 per cent tertiary attainment by 2050, we must reduce the financial barriers facing students while ensuring the system is sustainably funded to support their success and to meet Australia's skills and economic needs.

JRG is not working as intended

The Committee's consideration of this Bill comes at a time when students are paying more, taking on higher debt and facing growing barriers to university because of JRG. JRG, introduced by the Morrison government in 2021, sought to restructure higher education funding to better align university



education with future workforce needs, economic recovery and regional growth. It made two fundamental changes that directly increased costs for students and reduced investment in their education:

- sharp increases in what students pay, particularly in arts, humanities, social sciences and commerce, and
- reductions in government funding per student, lowering the overall investment in each student's education.

These changes were designed to encourage students to study in areas of national priority. UA's analysis and sector experience point to three clear outcomes, all of which show students are paying more, facing greater barriers and not receiving better outcomes as a result.

1. Students are paying significantly more for no clear benefit

Students in affected disciplines have seen their fees more than double, rising by up to 117 per cent and pushing total course costs beyond \$50,000. This is one of the largest increases in student costs in decades, shifting more of the burden of higher education onto students without improving outcomes. These increases hit hardest those who can least afford it, disproportionately impacting women, students from low socio-economic backgrounds and First Nations students.

Despite these sharp cost increases, there is little evidence the policy has changed student behaviour. Universities Admissions Centre data shows JRG has had virtually no impact on student choices. Just 1.5 per cent of students changed their preferred field because of fee changes. Even in disciplines with the steepest increases – such as communications and media – only 0.3 per cent chose not to preference these courses. Students are paying more but not choosing differently.

In short, the policy hasn't changed what students study – it has simply made studying more expensive. Instead of steering students into priority fields, it risks pushing them out of university altogether. Rising debt, cost-of-living pressures and a strong labour market are already contributing to declining enrolments in some disciplines, particularly among students from low socioeconomic backgrounds. At a time when Australia needs more graduates, current fee settings risk discouraging participation rather than driving it.

2. Higher costs are putting university out of reach for some students

Higher levels of student debt are becoming a real deterrent to university participation, particularly for students from underrepresented backgrounds. For many prospective students, cost is the single biggest barrier to study. JRG has made that barrier higher at exactly the time Australia needs more people going to university, not fewer. This runs directly counter to the ambitions of the Universities Accord to expand access and lift attainment.



3. University funding has been materially reduced

JRG has reduced the resources available to support students' education. Less funding per student means fewer resources for teaching, support services and learning outcomes. UA's analysis shows students are being asked to pay more while universities receive less:

- universities are already receiving nearly \$1 billion less per year for teaching under JRG, and
- since 2014, average Commonwealth funding per student place has fallen by around eight per cent in real terms.

In total, JRG has cut higher education funding by around \$4 billion since it was introduced, placing pressure on a sector already under financial strain. Recent [analysis by UA](#) shows that almost half of Australia's universities have spent most of the past five years in deficit, while average funding per domestic student has fallen in real terms.

Students are now paying a larger share of the cost of their education, while universities have fewer resources to support them. This is the worst of both worlds – higher costs for students and reduced capacity across the system.

At its core, this is a question of fairness. Higher education should be a shared investment between students and government. Under JRG, that balance has shifted too far onto students.

These funding pressures are not accidental – they are the direct result of deliberate policy choices under the former government. While the Albanese government committed to reforming JRG while in opposition, Labor is yet to move on this after almost four years in power.

Fixing JRG must start with reducing the cost burden on students. That means not only adjusting student contribution amounts but restoring Commonwealth investment so students are not asked to pay more for a system with fewer resources.

UA's position on the Bill

UA supports the intent of the Bill to reduce student contribution amounts and acknowledges the Greens' advocacy in highlighting the inequities created by JRG. Reducing the financial burden on students, particularly in disciplines that have experienced the largest increases, is necessary and overdue.

However, as currently drafted, the Bill reduces student contributions without increasing Commonwealth funding. This would result in:

- an expected reduction in university funding of around \$1.3 billion each year, and
- an average impact of up to \$38 million per public university annually.



This would deepen, not fix, the structural funding shortfall created by JRG, further straining university finances when many institutions are doing it tough. This comes at a time when many universities are already operating in deficit and facing sustained financial pressure, limiting their capacity to absorb further funding reductions.

In effect, the Bill would deliver relief for students on one hand while reducing the quality and availability of support that students rely on in their education on the other. Students may pay less, but the underlying funding problem remains.

The core policy problem

Australia's higher education system operates on a shared funding model between students and government. Under JRG:

- student contributions increased in some disciplines
- Commonwealth contributions decreased across many fields, and
- total funding per place fell.

The Bill proposes to:

- reduce student contributions, and
- leave Commonwealth contributions unchanged.

This creates a clear and concerning outcome: less funding per student overall. Without correction, this would:

- constrain universities' capacity to offer places in affected disciplines
- reduce investment in teaching quality and student experience, and
- potentially lead to cross-subsidisation pressures across institutions.

This is the central flaw in the Bill as currently drafted.

Why this matters

Higher education is not simply a private benefit – it's a national economic and social asset. Universities produce the skilled workforce required across all sectors of the economy, support productivity growth and innovation, and underpin Australia's long-term economic resilience. Yet they are being asked to do more with less. Declining per-student funding and sustained operating deficits are placing real limits on the system's ability to expand and meet national priorities.

In the coming decades, Australia's higher education system must expand, not contract, if the nation is to meet its future workforce and economic needs. In the 2024–25 federal budget, the Albanese government committed to a national target of lifting tertiary education attainment to 80 per cent of



working age people by 2050. Achieving this will require a significant increase in university participation, particularly among students from low socio-economic backgrounds, regional and remote Australians, and First Nations students.

This is not simply a social objective – it’s an economic imperative. The government’s own modelling shows that meeting the attainment target could add around \$240 billion in additional income to the Australian economy by 2050. This is one of the most significant long-term economic opportunities available to Australia. It is also an opportunity to expand access to university for hundreds of thousands of Australians who would otherwise miss out.

Policy settings that increase the cost of a degree or deter students from enrolling have real and immediate consequences for individuals – closing off opportunity, increasing financial pressure and limiting choice. When students are discouraged from pursuing higher education, Australia loses the skilled graduates it needs to drive productivity and economic growth. Any reform to JRG must make university more affordable while ensuring the system is properly funded. This Bill, without amendment, risks doing neither.

A better path

UA strongly supports replacing JRG, but it must be done properly and sustainably, including restoring the public investment that has been taken out of the system in recent years. Any reform to JRG that does not restore the funding removed after its introduction will simply entrench the problem it was meant to solve.

Isolated or partial changes risk compounding existing issues. As an interim measure, UA supports:

- removing the highest student contribution tier (currently \$17,399 in 2026), and
- moving those courses to the second-highest tier (\$13,558).

This would:

- eliminate the most extreme fee outcomes (including \$50,000+ degrees)
- reduce student debt burdens, and
- maintain funding per student place, if accompanied by around \$770 million in Commonwealth investment.

In the longer term, Australia needs a comprehensive reset of higher education funding, including:

- discipline funding based on the full cost of delivery, and
- Commonwealth contributions as the balancing component to ensure sustainable funding.

This work should be informed by the Australian Tertiary Education Commission’s (ATEC) costing and pricing analysis.



Recommendations

Recommendation 1: We encourage the Committee to recommend that the Bill be amended to ensure that any reduction in student contribution amounts is fully offset by an increase in Commonwealth funding, so that total funding per student place is maintained or improved. This should include restoring the public investment removed under JRG.

Recommendation 2: We encourage the Committee to recommend that the government develop and implement a comprehensive replacement for JRG, aligned with the Australian Universities Accord and the ATEC's pricing work.

Conclusion

UA supports the objective of making higher education more affordable and equitable for students. This Bill would reduce student contributions. However, without replacement funding, it would remove up to \$1.3 billion from the system each year, ultimately putting pressure back onto students in other ways, not to mention the impact on universities.

Cutting funding without more investment merely shifts the pressures. At best, it means fewer resources, reduced access to opportunities and a diminished student experience. At worst, it means fewer people going to university at a time we need to be expanding access. If we are to meet the goal of 80 per cent tertiary attainment by 2050, policy settings must lower barriers for students and ensure they are supported to succeed, not introduce new risks to access, quality and outcomes.

The Committee has an opportunity to advocate for reduced costs for students while protecting the quality of their education. That means getting the balance right – reducing student contributions while restoring Commonwealth investment so students are not left to suffer the shortfall. Getting this right matters for students and for the nation's future.

UA thanks the Committee for the opportunity to make this submission and would welcome further engagement as the inquiry progresses.

Yours sincerely

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