

# RMIT University

## Submission to the Australian Government Higher Education Support Amendment (Uniform Student Contribution) Bill 2025

April 2026

### 1. Introduction

RMIT University welcomes the opportunity to provide a submission on the *Higher Education Support Amendment (Uniform Student Contribution) Bill 2025*. RMIT is one of Australia’s largest universities, with a strong commitment to access and equity. A significant proportion of our students come from low socioeconomic status (SES) backgrounds, regional areas, or are first in their family to attend university.

RMIT supports the intent of this Bill to reverse the student contribution increases introduced under the Job Ready Graduates (JRG) scheme and, in its place to establish a uniform maximum student contribution amount across all Fields of Education. We note that this submission addresses the student contribution framework specifically, and does not propose any reduction to the additional Commonwealth supported places that were funded as part of the original JRG package. We have long argued that the JRG scheme, introduced in 2021, is fundamentally inequitable and has failed to achieve its stated policy objectives.

### 2. The Inequity of the Current Funding Model

The JRG scheme created a tiered student contribution system intended, in part, to use price signals to steer students toward fields that the Government considered “job ready” and that were ‘in demand’ In practice, the scheme dramatically increased fees for students studying humanities, social sciences, and communications — in some cases by more than 100% — while reducing contributions for nursing, teaching, and STEM fields.

Under the current arrangements (2025 indexed rates), students in the highest contribution band (Band 4) pay a maximum of \$16,992 per EFTSL, rising to \$17,399 in 2026, while those in the lowest band pay as little as \$4,124. The result is that a humanities student contributes up to 93% of the total course cost, whereas a STEM student may contribute as little as 13%. This differential bears no rational relationship to the cost of course delivery, the student’s capacity to pay, or graduate earnings potential. It is important to note that these are maximum rates; universities may charge less, but the legislated ceiling drives the systemic inequity.

The following table illustrates the disparity:

Field of Education	Maximum Student Contribution (2025)	Fee Increase at JRG Introduction (2020 to 2021)	Student Share of Cost
Humanities, Social Sciences	\$16,992	+113%	~93%
Communications, Journalism	\$16,992	+117%	~90%
Law, Commerce, Economics	\$16,992	+28%	~90%
Nursing, Teaching	\$4,124	-40%	~15%
Engineering, Science	\$8,301	-20%	~30%

*Source: Department of Education, 2025 Indexed Rates; fee increases calculated as the change from 2020 pre-JRG student contribution amounts to 2021 post-JRG amounts (excluding subsequent annual indexation).*

### **3. Evidence of Disadvantage for Low SES Students**

The JRG scheme has disproportionately harmed students from low socioeconomic backgrounds. Low SES students are more likely to enrol in humanities, social sciences, and the creative arts — the very fields that saw the largest fee increases. In 2022, 29,400 low SES students were enrolled in Society and Culture fields, making it the second most popular study area for this cohort after Health.

#### **Declining low SES participation**

The most recent Department of Education statistics (2024 Student Data) show that low SES students comprised just 17.0% of commencing domestic undergraduates in 2024, and the overall proportion of low SES students remains at approximately 15.9%. This is against a population benchmark of 25% — meaning low SES Australians remain significantly underrepresented. Between 2014 and 2019, prior to the JRG, low SES enrolments grew by 16.1%. Since the introduction of the JRG in 2021, this trajectory has stalled. While absolute numbers of low SES commencing students grew modestly (from 66,366 in 2023 to 69,810 in 2024), their proportional share has remained stubbornly flat, and the gap to the Australian Universities Accord’s interim parity target of 20.2% by 2035 remains substantial.

#### **Disproportionate debt burden**

Students from low SES backgrounds are more debt-averse and more sensitive to the perceived cost of education. Under the JRG scheme, a three-year humanities degree now costs approximately \$51,000 in student contributions alone. We acknowledge that Australia’s income-contingent loan (HELP) system means that students do not face upfront costs and repay only once their income, post graduation reaches a relative income threshold. However, research on debt aversion demonstrates that the perceived size of a debt obligation influences behaviour regardless of repayment design. The “sticker price” of a degree matters: it shapes how prospective students — particularly those from families without higher education experience — assess whether university is “for them.”

Such students are more likely to defer, reduce load, remain in employment (even if precarious) and these decisions have 'scarring' effects; harming their long term social/labour market outcomes. The 2024 Australian Universities Accord Final Report found that the scheme “significantly and unfairly increased what students repay” and left students facing “extremely high student contributions and large HELP debts that do not reflect their future earning potential.”

#### **Impact on First Nations students**

In 2022, 4,800 Indigenous students were enrolled in Society and Culture fields — the fields most affected by JRG fee increases. We acknowledge that the Government has taken significant positive steps for First Nations students, including the introduction of demand-driven Commonwealth supported places for all Aboriginal and Torres Strait Islander students from 2024, and the broader 20% reduction in HELP debts. These are welcome measures. However, the underlying fee structure of the JRG still sends a problematic price signal. Universities Australia and senior Indigenous academics have noted concerns that the scheme has widened the gap in higher education for Indigenous students. While demand-driven places guarantee access, the size of the resulting debt remains a deterrent for students from communities where higher education participation has historically been low.

## Impact on first-in-family students

Data from universities with high proportions of equity students shows that between 2019 and 2023, first-in-family enrolments declined by 13% and low SES enrolments declined by 10%. These students lack the family networks and financial safety nets that help more advantaged students navigate the cost of higher education.

## 4. The JRG Scheme Has Failed Its Stated Objectives

The original intent of the student contribution is that would represent the earnings potential of the course (and hence capacity to repay the student loan). It is not possible to claim that this still applies, given the changes to funding bands over time. However, we do not believe (in most cases) that the pursuit of a particular course is deterministic with regard to future career and earnings. Law graduates may pursue careers in corporate law firms with high earning outcomes, or participate in the non-profit sector, which much more modest outcomes. Similarly, maths graduates may choose to work as teachers, or in the finance sector.

The JRG scheme had two stated objectives: to create additional Commonwealth supported places and to use differential pricing to steer students toward fields deemed to be of national priority. While the additional places were a welcome investment, the pricing mechanism has demonstrably failed to shift enrolment patterns. Research published in 2023 found that only 1.5% of students changed their course preferences in response to fee changes. Demand for humanities, law, and creative arts has remained stable — students choose fields based on passion, aptitude, and career aspirations, not price. This does not mean, however, that fees have no effect. While price signals have failed to redirect course choice, they do affect decisions about whether to participate in higher education at all, particularly for students from disadvantaged backgrounds who are more sensitive to the overall perceived cost of study.

The 2024 Australian Universities Accord Final Report described the scheme as requiring “urgent remediation.” The Accord found that the scheme failed to shift enrolment patterns while imposing severe financial penalties on students in disciplines that are essential to a well-functioning democracy and economy — including education, social work, public policy, and the creative industries.

## 5. A Fairer Funding Model

RMIT contends that students do not make choices about which course to study based on the pricing of the course, nor would we want them to. Students should be encouraged to study in areas in which interested, informed by knowledge of possible career outcomes, and should be equally supported to do so.

We also contend that JRG is an overly-complex funding model, which is impossible to explain on any basis of “fairness”. A key objective to replacing JRG, should be that the new model is simpler, and easier for the government and institutions to explain to students and parents.

RMIT University supports the principle of a uniform student contribution and proposes a funding model built on three pillars:

### Pillar 1: Uniform student contribution across all Fields of Education

All students undertaking a Commonwealth supported undergraduate degree should pay the same maximum student contribution regardless of their field of study. Australia is unusual internationally in setting different student contributions for different fields of study (cf the United Kingdom, where a single fee cap applies). This removes the inequitable cross-subsidisation where students in lower-cost disciplines effectively pay more than their share

of delivery costs, while STEM students pay less. A uniform rate should be set at a level that is affordable and does not deter participation by students from disadvantaged backgrounds. The rate proposed in the Bill (approximately \$8,301 per EFTSL) would be a reasonable starting point, representing a significant reduction for students currently in the highest band while maintaining students' shared investment in their education. RMIT notes that this proposal aligns with the broader work being undertaken across the sector, including through the Government's pilot sites exploring alternative funding and costing models, and we would welcome the opportunity to contribute institutional modelling to inform the final rate setting.

## **Pillar 2: Commonwealth Grants to cover differential delivery costs**

The actual cost of delivering education varies significantly across disciplines. Laboratory-based sciences, clinical placements in nursing and medicine, and studio-based creative arts all have higher delivery costs than lecture and tutorial-based programs. Under our proposed model, the Commonwealth Grant Scheme should be adjusted so that the Government covers the difference between the uniform student contribution and the cost of delivery, ideally through a simplified structure of no more than three funding bands. This approach, which has been advocated by multiple sector bodies, ensures universities are adequately funded to deliver high-quality education across all fields without cross-subsidisation from students in lower-cost disciplines. We recognise that defining delivery costs precisely is complex, and support the use of the Accord pilot site findings to inform appropriate funding levels.

## **Pillar 3: Targeted scholarships for national priority areas**

Where the Government wishes to drive demand in specific fields — such as nursing, teaching, social work, and allied health — it should do so through positive incentives rather than punitive pricing. RMIT proposes the establishment of a National Priority Scholarships Program that would waive or significantly reduce the student contribution for students enrolling in designated priority fields. Such scholarships should be Commonwealth-funded (not drawn from institutional student contribution revenue) and designed to complement, rather than duplicate, the new demand-driven Needs Based Funding arrangements being introduced from 2026. Where a student qualifies for both Needs Based Funding support and a priority field scholarship, the benefits should be stackable to maximise the incentive for underrepresented students to enter shortage fields. This is a more effective and equitable mechanism than differential pricing because it targets the specific policy objective (increasing enrolments in shortage areas) without penalising students who choose other fields. Scholarships can also be targeted to equity groups, further amplifying their impact on low SES participation.

## **6. Conclusion and Recommendations**

RMIT University strongly supports the intent of the *Higher Education Support Amendment (Uniform Student Contribution) Bill 2025*. The evidence is overwhelming that the current JRG funding model is inequitable, has failed its stated objectives, and has disproportionately disadvantaged students from low SES backgrounds, First Nations students, and first-in-family students.

We recommend:

1. The principle of a uniform maximum student contribution for all Commonwealth supported undergraduate places be adopted, and that the Government work with the sector to implement this reform in a manner consistent with the broader Accord agenda.

2. Commonwealth Grant amounts be recalibrated to ensure appropriate funding levels across Fields of Education, drawing on the costing work currently underway through the Accord pilot sites, so that universities can maintain quality across all disciplines.
  3. A National Priority Scholarships Program be established to reduce or waive contributions for students in fields of workforce shortage, including nursing, teaching, social work, and allied health, alongside increased clinical placements, additional industry collaboration incentives, and clinical payments as part of a coherent industry skills support approach.
  4. Scholarship eligibility criteria include provisions targeting low SES, First Nations, regional, and first-in-family students to maximise equity outcomes.
  5. The Government commit to achieving the Australian Universities Accord's interim parity target of 20.2% low SES undergraduate participation by 2035, with the reformed funding model as a foundational element of the broader strategy to reach population parity by 2050.
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