

Brief for Parliament

31 August 2020

Job-Ready Graduates bill: amend it to make it work ready

The Job-Ready Graduates (JRG) bill must be amended to work for Australia's future. JRG has three major weaknesses. The IRU has set out solutions consistent with the JRG package.

Rejecting the bill is not an option.

The current university funding system cannot continue. Each year university funding covers fewer students. Demand is rising due to population growth and the added hit of Covid-19 demand.

We need to encourage all Australians to seek the knowledge and skills they need to be best prepared for the post Covid-19 economy.

Job-Ready Graduates would put a long-term floor under Government support for universities. It would increase the floor for inflation. It provides growth to cover some, but not all, population growth.

The student charges

The changes to student charges would take the current twofold difference between the lowest and highest and make it fourfold. The top charge would rise from \$11,355 to \$14,500 a year.

The proposed top rate targets generalist degrees that are the entry pathway for many, including 40% of the units Indigenous students study. No longer would select high graduate income professions pay the most.

Every \$4,000 of HELP to repay is a year in a mid-career \$80,000 full-time job.

The top rate increase is not necessary to raise the overall student contribution. If cheaper charges for some subjects improved outcomes the strongest graduates would be teachers and nurses – which have always paid the lowest or near lowest amount.

IRU Option One reworks the student charges so that no unit is subject to a charge higher than the current highest rate. It keeps the Government's grouping of subjects, lowers the charge for those subjects the Government likes and achieves the same fiscal outcome.

Maintaining university revenue

The JRG would reduce university revenue per student in engineering and science by \$4,798 a year, reduce revenue in nursing by \$1,729 a year and reduce revenue in agriculture by \$3,444 a year.

The Government claims that that is what universities spend now. Its figures ignore the capital cost of labs and equipment. JRG would fund teaching in facilities as they now are, whether last renewed in 2009 or 2019. There is no allowance for the future.

IRU Option Two reworks the Government's funding levels to avoid reductions to sciences, engineering, nursing and education but keeps the Government's simplified grouping of subjects.

Enough places to meet demand

JRG has growth built in but not enough to meet the Covid-19 jump in demand. The Minister needs to allocate 10,000 more National Priority places on top of the population driven increase.

iru.edu.au

Support information: IRU briefing for Parliament

The complete set of IRU briefings on the Job-Ready Graduates Package is at <https://www.iru.edu.au/JRG/>

Both options below have not yet been adjusted for the change of band for some psychology and social work units. They remain indicative examples of how to improve JRG.

1. IRU Option One

Adjust government and student rates to improve outcomes for students and disciplines, while retaining the proposed JRG total level of government and student payments.

Disciplines	Government	Student	University
Management & Commerce, Arts, Humanities (excl. languages), Law, Economics & Communications	\$ 2,200	\$ 11,400	\$ 13,600
Teaching, Postgraduate Clinical Psychology, Maths & English	\$12,700	\$ 6,600	\$ 19,300
Nursing, Languages	\$ 13,700	\$ 6,600	\$ 20,300
Health, Architecture, Information Technology, Creative Arts	\$ 12,700	\$ 9,100	\$ 21,800
Engineering, Environmental Studies & Science	\$ 17,000	\$ 9,100	\$ 26,100
Agriculture	\$ 26,700	\$ 6,600	\$ 33,300
Medical, Dental & Veterinary Science	\$ 26,700	\$ 11,300	\$ 38,000

2. IRU Option Two

Maintain the revenue per student for universities through lower saving to government funding, combined with revamp of student charges.

Disciplines	Government	Student	University
Management & Commerce, Arts, Humanities (excl. languages), Law, Economics & Communications	\$ 2,400	\$ 11,400	\$ 13,800
Teaching, Postgraduate Clinical Psychology, Maths & English	\$14,000	\$ 6,600	\$ 20,600
Nursing, Languages	\$ 15,900	\$ 6,600	\$ 22,600
Health, Architecture, Information Technology, Creative Arts	\$ 14,000	\$ 9,100	\$ 23,100
Engineering, Environmental Studies & Science	\$ 20,000	\$ 9,100	\$ 29,100
Agriculture	\$ 27,000	\$ 6,600	\$ 33,600
Medical, Dental & Veterinary Science	\$ 27,000	\$ 11,300	\$ 38,300



IRU contacts

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About the IRU

The IRU is a network of seven comprehensive universities committed to inclusive excellence in teaching and research in Australia. Its members are Charles Darwin University, Flinders University, Griffith University, James Cook University, La Trobe University, Murdoch University and Western Sydney University.