Australian Academy of the Humanities

# Universities Accord (Opening the Doors of Opportunity) Bill 2026

**The Australian Academy of the Humanities is the national body for the humanities in Australia. As one of the nation's five Learned Academies, we are a unique resource for government, working to ensure cultural, creative, and ethical perspectives inform Australia's plans for now and the future.**

The Australian Academy of the Humanities welcomes the opportunity to comment on the Universities Accord (Opening the Doors of Opportunity) Bill 2026, which seeks to amend the Higher Education Support Act 2023 to change the basis of university funding "from the setting of a maximum basic grant amount (MBGA) to a managed growth funding system based on a total number of equivalent full-time student load (EFTSL) places."

The Academy supports in principle the Bill's:

- **equity objectives which keep faith with the Universities Accord recommendations,** namely: "provide scope for additional demand driven higher education places to be allocated to non-Indigenous students, as specified in Needs-based Funding Grants Guidelines, [and] legislate needs-based funding for students from low socioeconomic backgrounds."
- **system-stewardship objectives,** which delegate a role for the Australian Tertiary Education Commission (ATEC) to allocate Commonwealth Supported Places (CSPs) from a pool determined by the Minister.

The competitive market-driven system has not delivered the best outcomes for the nation and its students. The higher education funding landscape is inherently complex. In principle, we consider a 'managed growth' model, with clear guardrails defining the respective roles of the Minister and ATEC, while safeguarding institutional autonomy, to be a more effective way forward.

There are two issues that need to be resolved for the Bill to achieve its objectives:

1. **Job Ready Graduates (JRG) continues to impose the highest student contributions on many of the very students the Bill seeks to attract and retain.**

   The Government should commence, alongside implementation of this Bill, an immediate redesign of student and Commonwealth contribution arrangements to replace JRG with a simpler and more equitable model.

   The evidence is now overwhelming that the JRG Policy is inequitable, poorly targeted and inconsistent with the objectives of the Higher Education Loan Program (HELP). Rather than aligning student contributions with graduates' capacity to repay, JRG imposes the highest debts on many graduates with lower

lifetime earnings and weaker repayment prospects, while reducing contributions for graduates with stronger repayment capacity.[1]

**This Policy undermines the objectives of the 'Opening the Doors of Opportunity' Bill.** There is mounting evidence that enrolments from low-SES student groups have declined since the introduction of the JRG.[2]

Without action, the JRG will continue to undermine the Government's and the Universities Accord's long-term goals for increased student participation and equity in higher education.

2. **If ATEC's planning framework is confined largely to enrolment demand, equity and near-term workforce signals, it will not be able to foster a university system fit for the future.**

   ATEC's allocation and planning functions need to be explicitly matched with powers to identify and grow the full range of disciplinary and intellectual capabilities Australia needs. This is not about ATEC micro-managing course offerings or academic priorities. Universities must remain autonomous academic institutions, free to determine their own teaching and research programs. Rather, ATEC's role should identify **system-level risks that no individual university is responsible for or incentivised to manage**. At present, there is no mechanism through which either ATEC or the sector collectively can assess the nation's disciplinary strengths and vulnerabilities or determine where critical sovereign capability is at risk.

   This gap was recognised by the House of Representatives Standing Committee on Employment, Education and Training in its *Australia's Future: Inquiry into Australia's Regional, Economic and Security Challenges and Australia's Relationship with Asia*, which recommended **a national, coordinated approach to building Australia's Asia capability**.[3] ATEC is the only appropriate entity to undertake this strategic stewardship role, working with universities and the Learned Academies to ensure Australia maintains the breadth of intellectual capability needed for its long-term prosperity, resilience and national interests.

   ATEC's stewardship function in the ATEC Act extends to advice and recommendations to the Minister, the provision of an annual *State of the Tertiary Education System* report, and a statement of strategic priorities and a work plan every two years. (see Part 4 Higher education stewardship).

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[1] Warburton, M, (July 2026), *Fixing JRG: Gender, Lifetime Incomes and the Argument for a Single Rate of Student Contribution* (Working/Occasional Paper, Centre for the Study of Higher Education, The University of Melbourne), https://melbourne-cshe.unimelb.edu.au/__data/assets/pdf_file/0006/5596656/Fixing-JRG-a-single-rate-of-student-contribution.pdf

[2] 2050 Alliance (March 2026) *JRG Student Contributions and Low SES Enrolments*, https://iru.edu.au/wp-content/uploads/2026/03/3.-JRG-student-contributions-and-Low-SES-enrolments-March-2026.pdf

[3] House of Representatives Standing Committee on Employment, Education and Training, *Australia's Future: Inquiry into Australia's Regional, Economic and Security Challenges and Australia's Relationship with Asia* (Parliament of Australia, 2026), https://www.aph.gov.au/Parliamentary_Business/Committees/House/Education/BuildingAsiacapability/Report

We are not suggesting ATEC or the Minister set CSPs for specific courses of study but that the ATEC uses its stewardship functions, together with mission-based compacts, to assess whether Australia's tertiary education system is collectively developing and sustaining the skills, knowledges and disciplinary capabilities the nation requires. This should encompass both current and emerging national priorities, including the capabilities that underpin Australia's democratic, cultural, social, technological and geopolitical resilience.

# 1. Getting the equity settings right

## 1.1 Job Ready Graduates remains an impediment to 'managed growth' and equity objectives

The Bill describes Managed Growth Funding as effectively demand-driven for low-SES, regional and remote students and Needs-Based Funding as additional support to help those students complete. The Bill also gives ATEC the capacity to grow the university system and directs additional resources towards students who have historically been excluded. These are important reforms, and the Academy supports the Bill's shift towards funding students according to need.

However, a **Bill intended to open the doors of university cannot leave in place a funding model that places the highest financial impost on large parts of the humanities, arts and social sciences.** (The Bill reproduces the Job-Ready Graduates funding clusters at proposed section 33-7 at item 5 of Schedule 1).

It is inconsistent to recognise that disadvantage requires additional public investment while retaining a student contribution system that imposes extreme and arbitrary price differentials unrelated to teaching cost, graduate earnings or demonstrated workforce need. Australia cannot build a fair or future-ready tertiary system by adding places and supports while retaining JRG's inequitable price distortions.

The accumulated evidence demonstrates that **JRG is not only ineffective – it is economically inefficient, socially regressive, and strategically misaligned with Australia's future needs.**

JRG has had a disproportionate effect on precisely the cohorts that this Bill purports to help including low-SES, regional and remote, women and Indigenous students. IRU analysis shows that the Job-ready Graduates package is hitting low-SES students hardest:

- Society and Culture is one of the largest fields of study for students from low-SES backgrounds, with around 30,000 enrolments. For many, a HASS degree is their first pathway into higher education.
- Between 2020 and 2024, low SES student commencements were down 9.8% compared with a 2.2% decline for non-low-SES students. For courses with the highest student contribution rates (including Humanities, Commerce and Law), low SES commencements declined 19.7%.

- As the 2050 Alliance has argued**,** "the disproportionate declines in Low SES commencements in the highest charging courses, combined with increases in Low SES commencements in the lowest charging courses, are indicative of greater price sensitivity and impact of JRG for Low SES students".[4]

JRG has neither appreciably redirected enrolments towards so-called priority fields nor reflected actual graduate and labour-market outcomes.

There are credible alternatives to work from: Mark Warburton's proposal for flat fees[5], Andrew Norton's proposal which argues exceptions for teachers and nurses,[6] and IRU/2050 Alliance's proposal to reclassify top bands, restore baseline rates, increase public investment, and protect equity.[7]

There are also 'stop-gap' or interim measures for relief that would send the right signals, such as capping the highest band – if that had happened five years ago it would have arrested the prospect of $54,000 arts degrees and spiralling student debt. Staged measures are possible and workable. As we have argued in previous submissions on this issue, the UK provides the clearest real-world example of what happens when a high-fee, high-loan model becomes the dominant financing mechanism: the burden does not stay confined to students; it progressively distorts institutions and ultimately reappears on the public balance sheet.[8]

We continue to call for the Government to **address the extreme funding differentials in student contributions and develop a fair, evidence-informed funding model that restores equity,** balanced by increases to Commonwealth contributions to ensure adequate funding on the university side, informed by teaching costs; equity and participation; graduate and lifetime outcomes; public value; transferable skills; and national capability requirements.

## 1.2 ATEC's administrative burden will negatively impact equity cohorts

The Academy agrees that the forecasting task ahead for ATEC to prevent over-enrolment is overly bureaucratic (as referenced in the Bill Digest, drawing on Andrew Norton's analysis, pp. 8-9). One major area of concern for us is the availability to the ATEC of robust and timely data. There needs to be clear provisions for the Department of Education to make this available. Information lags will impact the ability to provide an accurate forecast initially, and the subsequent process for 'corrections' laborious and ill-timed.

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[4] Innovative Universities (March 2026) *JRG Student Contributions and Low SES Enrolments*,
[5] Mark Warburton (July 2026) *Fixing JRG - Gender, lifetime incomes and the argument for a single rate of student contribution*.
[6] Andrew Norton (April 2026) Political compromise to end the worst of Job-ready Graduates, https://andrewnorton.id.au/2026/04/08/political-compromise-to-end-the-worst-of-job-ready-graduates/
[7] Innovative Universities (March 2026) *Impacts of the Job Ready Gradates policy and options for reform*, https://iru.edu.au/wp-content/uploads/2026/03/Impacts-of-the-Job-Ready-Graduates-policy-and-options-for-reform-IRU-analysis.pdf
[8] Australian Academy of the Humanities (April 2026) Higher Education Support Amendment (Reverse Job-Ready Graduates Fee Hikes and End 50k Arts Degrees) Bill 2025, https://humanities.org.au/wp-content/uploads/2026/04/260410-AAH-JRG-Bill_Final.pdf

The financial modelling environment for universities will also become more obscure as a result. It is generally considered desirable to support students to reduce their enrolment if they are struggling or over-enrol for short periods to complete faster. However, the degree of Departmental reporting required to assess whether a university is over or under a cap of EFTSL, together with hard caps on international student numbers, will make forecasting even more challenging.

The challenge of navigating this level of regulation may most seriously impact the target student cohorts because they may need to drop or re-take courses or seek some other form of flexibility. Equity cohorts are:

- more likely than higher SES/urban students to be studying part time while working and to be caring for family members while studying;
- more likely to need good support for the transition to university of their prior school/TAFE experience did not prepare them well for university;
- less likely to know how to access student support early in their degree (if they are first in family, not accustomed to seeking (or getting) help, not able to navigate online university support services without human help, etc);

These students are not the cohort that HECS/HELP architect Bruce Chapman describes as unconcerned about student fees where they are attached to income conditional repayments, for these students the debt is experienced as a genuine disincentive to study if they are concerned they will themselves racking-up debt with a lower chance of a degree (i.e. dropping out with student loans debt).

Compacts with universities should work from a basis of seeking to support the success of students from the demand driven cohort, not penalising them or their universities through heavy-handed regulation.[9]

We are asking the Government, ATEC and the Department of Education to **ensure that mechanisms for accounting for over and under enrolment do not penalise students who need flexibility to allow for their personal circumstances nor universities for seeking to provide that flexibility and support.**

## 2. National capabilities agenda for ATEC to foster a university system fit for the future

A funding system (such as JRG) built around static assessments of “job readiness” is especially unsuited to a period in which occupations and tasks are being rapidly reconfigured. A policy that assigns punitive prices to broad fields of study based on assumed links to particular jobs is incompatible with this.

[9] Recall the impact of the 50% pass rate, which sought to penalise students by withholding Commonwealth assistance for students who were deemed to be "not a genuine student" (that the Accord successfully recommended rolling back as one of its "urgent" recommendations). The Department of Education acknowledges that "The Australian Universities Accord Report found that the practical effect of this requirement has fallen disproportionately on students from First Nations, students from low socioeconomic status backgrounds, and other underrepresented or educationally disadvantaged cohorts", https://www.education.gov.au/support-students-policy/support-students-policy-frequently-asked-questions

Jobs and Skills Australia's emerging skills-first approach recognises that qualifications embody transferable capabilities that are not always visible in occupational classifications. A more sophisticated understanding of skills, qualifications and future workforce adaptability is needed for future national resilience.[10]

Complex problem-solving, creativity and ethical judgement as increasingly important as AI and automation absorb routine technical tasks. These are capabilities substantially developed through humanities education.

## 2.1 ATEC should have the responsibility to track national need

The Bill gives ATEC responsibility for allocating CSPs, including annual additional growth allocations, while the Minister sets the overall pool. The Government describes this as giving ATEC the tools to grow the system "where it's needed".

However, ATEC cannot appraise and foster growth intelligently without a national view of the knowledge and disciplinary capabilities the country needs. It is our view that Jobs and Skills Australia's role is to identify long term trends and workforce gaps and that ATEC should determine whether the tertiary system has the educational, disciplinary and intellectual capacity to address them. To build a holistic picture of national 'need', Australia also requires a view of:

- disciplinary provision;
- concentrations and gaps in expertise;
- geographical distribution of teaching;
- fragile and nationally significant fields;
- teaching pipelines into research, government, diplomacy, education and cultural institutions;
- capabilities that individual universities have little commercial incentive to maintain.

The Universities Accord process and the establishment of ATEC are re-setting the focus and ambition for Australian universities to deliver on a legislated tertiary education objective, to: "promote a strong, equitable and resilient democracy; and drive national, economic and social development and environmental sustainability." This underscores the distinct educational role of universities and challenge us to reassess education value and graduate employability.[11]

As we have argued in successive submissions, there is no entity in the current system responsible for tracking national priority areas, gaps and opportunities. It is our view that ATEC is best positioned to take on this role and be resourced to monitor sovereign capability across the disciplines for the nation and set benchmarks through mission-based compacts.

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[10] Jobs and Skills Australia (June 2026) *Skills, Mobility and Productivity: Why Australia needs a skills-first tertiary education system*, https://www.jobsandskills.gov.au/publications/skills-mobility-and-productivity

[11] Australian Academy of the Humanities (June 2026) Australian University Graduates, https://humanities.org.au/wp-content/uploads/2026/06/AAH-Australian-University-Graduates_Submission_June2026.pdf, p.2.

**ATEC is uniquely placed to draw on disciplinary and sector expertise to undertake 'capability mapping' to inform compacts**, to ensure Australia maintains and grows its sovereign capabilities, including:

- maintaining nationally significant disciplines that are institutionally fragile;
- rebuilding priority languages and area studies;
- ensuring adequate regional and national distribution of specialised programs;
- supporting collaboration where no single university can sustain provision;
- monitoring teaching and research pipelines;
- preventing uncoordinated closures that cumulatively damage national capability.

**ATEC's annual report should explain how allocation and compact decisions have:**

- addressed student demand and equity;
- responded to skills needs;
- maintained disciplinary diversity;
- protected or developed sovereign intellectual capability.