

Executive summary

PhD candidates are crucial to Australia's research and innovation landscape. These candidates contribute to a wide array of sectors such as government, education, healthcare and industry, fostering advancements that strengthen Australia's position as a global leader in research. PhD programs not only enhance Australia's academic reputation but also ( a)9.5 17 422musmanD20cnoc

### Urgent reforms needed: increasing the stipend and adding flexibility

Universities Australia and the Australian Council of Graduate Research have long advocated for increasing PhD stipends — a need that has become urgent with the rising cost of living. Raising the RTP stipend would allow PhD candidates to focus on research and reduce financial barriers, thereby promoting equity and diversity in the PhD landscape. While universities can theoretically increase stipends, doing so without a larger RTP budget reduces the number of scholarships available.

Additionally, RTP indexing lags behind inflation, leaving current stipends inadequate. In response, Universities Australia has previously recommended increasing the base stipend to \$35,000 in 2025, along with an expanded RTP funding pool to maintain the number of scholarships. A more flexible RTP cap on international students would also allow universities to attract talent aligned with Australia's research priorities. Noting that this recommendation was not delivered in the 2024–25 Budget, we now recommend a 2026 base rate of \$36,000, estimating

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### Current risks to Australia's future research workforce

Over the past two decades, domestic PhD completions have increased by 41 per cent, from 4,557 completions in 2000 to 6,447 in 2023, but this growth has not kept pace with the overall population growth of 41 per cent, or the 60 per cent growth in higher education enrolments. From 2018 to 2023, domestic PhD enrolments declined by 8 per cent (43,174 to 39,806), even as the population grew by over 7 per cent. This decrease poses as a serious threat to Australia's research and development capacity.

At the same time, the number of Australian citizens or permanent residents eligible to commence a PhD is larger than ever before. There has been an 195 per cent increase in students completing Honours degrees (27,389 in 2021 compared to 9,297 in 2003), which are often a pathway to PhD programs. This indicates that there is a significant untapped pool of potential PhD candidates who could contribute to Australia's research efforts with the right incentives.

### Who are Australia's PhD candidates in 2024?

<p style="text-align: center;"><b>Perception 1</b></p> <p>PhD candidates are young students continuing directly from undergraduate degrees, so a small stipend and waived course fees are adequate support.</p> <p style="text-align: center;"><b>Reality:</b> The average PhD candidate is 37 years old, often with significant work experience and financial responsibilities like families and mortgages.</p>	<p style="text-align: center;"><b>Perception 2</b></p> <p>PhD graduates have a narrow focus, making them employable only in their specific field of research.</p> <p style="text-align: center;"><b>Reality:</b> PhD programs develop well-rounded beyond research, including problem solving, critical thinking, project management and teamwork, making graduates highly versatile across many industries.</p>
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<sup>2</sup>Department of Education, Student Enrolments Pivot Table, UA Members only.  
Postgraduate research students include HDR students and professional doctorates.



### Why do Australians decide against a PhD?

Several factors contribute to the decline in domestic PhD candidates over the past five years. Key reasons include the strong job market for undergraduates, insufficient financial support during PhD programs and insecure employment prospects in academia after completion. There are also misconceptions about the value of PhD graduates in sectors outside academia, particularly in industry.

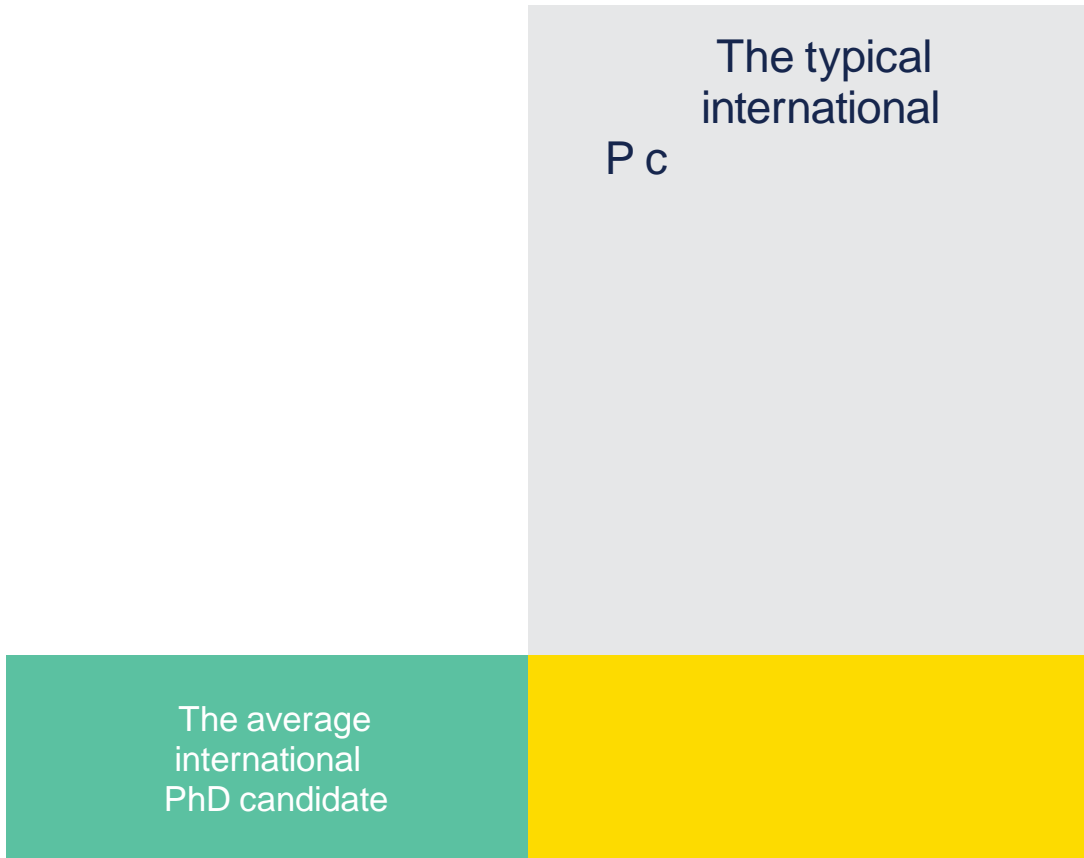
While education is often considered an investment in human capital, the return on investment for PhD studies may not be obvious to many. For those who struggle financially while enrolled and drop out before completion, it is unlikely that they will recover the lost income. Cost-of-living pressures further exacerbate this, making it challenging for many to even consider pursuing a PhD.

PhD candidates are often paid below the poverty line

In 2018, 35 per cent of commencing PhD candidates were supported by a government-funded RTP stipend, which most universities use as a benchmark for other scholarships.

In 2024, the base stipend is \$32,192 (tax exempt if ta, Tw 0 3reIn 20trw tn 2)d, oq-13.9 7uth-19.2 (0t)4.7 (h)0.9 (D(e)-1.6 (\$5 (t (d6)69 (2





Urgent reforms — lift the stipend and add flexibility

For many years, Universities Australia and the Australian Council of Graduate Research have advocated for a higher PhD stipend, but with today's cost-of-living crisis, this need is more urgent than ever. Raising the RTP stipend would enable PhD candidates to focus on research and skills development that benefits Australia. This adjustment would ensure pursuing a PhD is accessible to top candidates, not just those who can afford it, thus promoting equity and diversity in Australia's research landscape.

A common counterargument is that universities are already permitted to increase stipends to \$46,653. However, no Australian university has implemented this maximum rate due to budget constraints; raising stipends would reduce the total number of scholarships available unless the RTP budget itself is increased. As a result, increasing the base stipend without additional funding could lead to a decrease in the number of PhD graduates.

The calculation method for RTP funding also affects PhD candidates, as RTP is indexed in way that fails to keep up with cost-of-living increases — leaving the 2024 stipend only just catching up to inflation from 2022<sup>11,12</sup>. In response to the Universities Accord Interim Report, Universities Australia had called for a modest increase in the base stipend to \$35,000 (alongside an increase in RTP funding to maintain the number of scholarships), as well as improved indexation.

This adjustment acknowledges that stipends have historically fallen short of a living wage, while also recognising that many PhD candidate have families or have left salaried positions to pursue research. While some universities may still need to supplement stipends to approach a living wage, a government backed increase would be a valuable middle ground.

11 RTP stipends have been indexed since 2017 using CPI annual movement to December from two years prior to the relevant academic year. For example, the 2023 base amount = 2022 stipend amount X (1 + December 2021 CPI).

12 <https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/consumer-price-index-australia/jun-quarter-2023>



In addition, we propose a modest relaxation

