

More paying more: the rise and rise of student charges (Supplementary material)

Historical HECS periods, 1989 to 2021

1. 1989 to 1996 – Single Band HECS

- Single band of \$1,800 introduced for all fields in 1989, with annual indexation.
- Step increase in 1992 to \$2,250.
- Single rate charge, indexed, remained in place for existing students after 1996.

2. 1997 to 2004 – 3 Stable Bands with annual indexation

- Three discipline group fee bands in 1997:
 - Band 1: arts and humanities; justice, legal studies; social science and behavioural science; visual and performing arts; education; and nursing.
 - Band 2: mathematics and computing; other health sciences; agriculture and renewable resources; built environment and architecture; science; engineering and processing; and administration, business and economics courses.
 - Band 3: law; medicine and medical science; dentistry and dental services; and veterinary science.
- Compared to the previous single rate as indexed, the student contribution increased 33% in Band 1; 90% in Band 2 and 122% in Band 3.
- Bands remained consistent until 2004, with student contributions increasing by indexation each year.

3. 2005 to 2013 – 4 rates with movement of disciplines across the bands

- The three student contribution bands each increased by 25% in real terms in 2005, as part of the Nelson package to improve university funding. A fourth band for National Priorities retained the lowest rate from 2004 indexed.
- The National Priorities student contribution initially applied to Education and Nursing from 2005 to 2009.
- The National Priorities student contribution then applied to Science, mathematics and statistics from 2009 to 2012.
- Business and related units were moved to the top Band 3 from 2008.

4. 2014 to 2020 – 3 Stable Bands with annual indexation

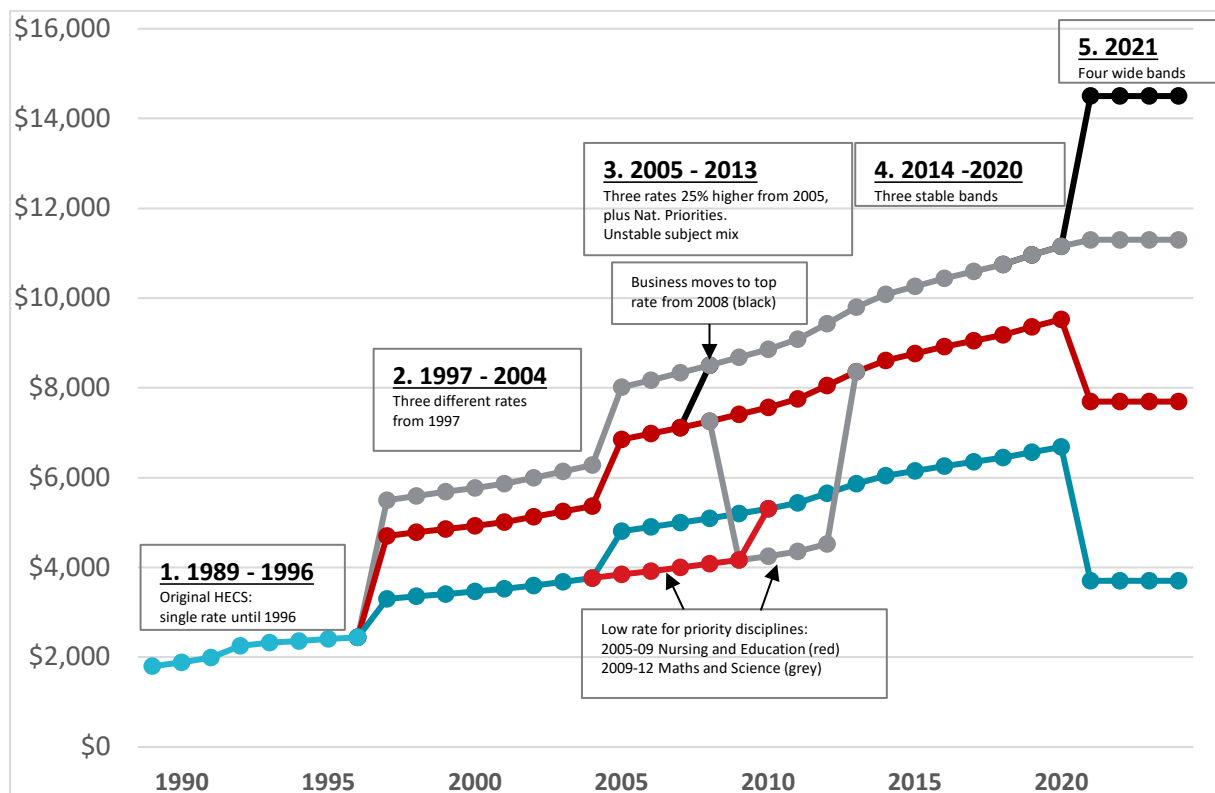
- Three Bands remained stable, with annual indexation.

5. 2021 onwards – 4 new Bands (proposed)

- Reclassification into four Bands (from \$3,700 to \$14,500) to align with cost, national interest and “work relevant qualifications”. Social science is split between low and high cost:
 - Band 1: English, Mathematics, Education, Clinical Psychology, Languages, Nursing and Agriculture
 - Band 2: Architecture & Building, IT, Health, Allied health, Creative Arts, Engineering, Science, Environmental Studies, Medical sciences
 - Band 3: Dental, Medicine, Veterinary Science
 - Band 4: Management & Commerce, Law & Economics, Humanities, Society & Culture, Communications

Figure One shows the rates each year, showing the annual indexation in addition to the policy changes to increase or decrease the student contribution for each discipline. Figure One in *More paying more* removes the indexation effect to highlight the policy changes to alter the charge.

Figure 1. The changing student contribution amounts, 1989 to 2024 (actual year dollars)



Student contribution rates: actual and in 2021 terms

[*More paying more: the rise and rise of student charges*](#) examined Government policy changes to student contribution amounts since HECS was introduced in 1989. The rates used are derived backwards from the 2021 values set out in Table 8 of the [*Job-ready Graduates Discussion Paper*](#).

- The current three student contribution rates have not altered, other than for indexation, since 2005
- The rates for 1997 to 2004 were 80% of those for 2005 (that is a 25% increase in 2005)
- The rate for 1992 to 1996, is derived from the 1997 rates in proportion to the actual dollar amounts in 1997 for continuing students and the those paying the three new bands
- The rate for 1989 to 1991 is approximate, based on an estimate of the indexation amount for that year as being comparable with those applied in 1991 and 1993.

The historical HECS rates are available in the Australian Parliamentary Archives ([here](#) for 1989 to 2003 and [here](#) for 1989 to 2017) and more recently from the Government's Funding Clusters and Indexed Rates ([here](#)).

The actual student contributions increased most years in nominal terms (unadjusted for inflation), but fluctuated in real terms (or constant dollars, adjusted for inflation). This is due to a combination of changes to HECS.

- Indexation (annually since 1989);
- Re-basing above indexation (in 1992; 2005);
- Introduction of higher cost bands (in 1997, and proposed for 2021);
- Re-classification of discipline subjects into higher cost bands (e.g. Commerce in 2008) or lower cost bands (temporarily in 2005 and 2009 and proposed for 2021).

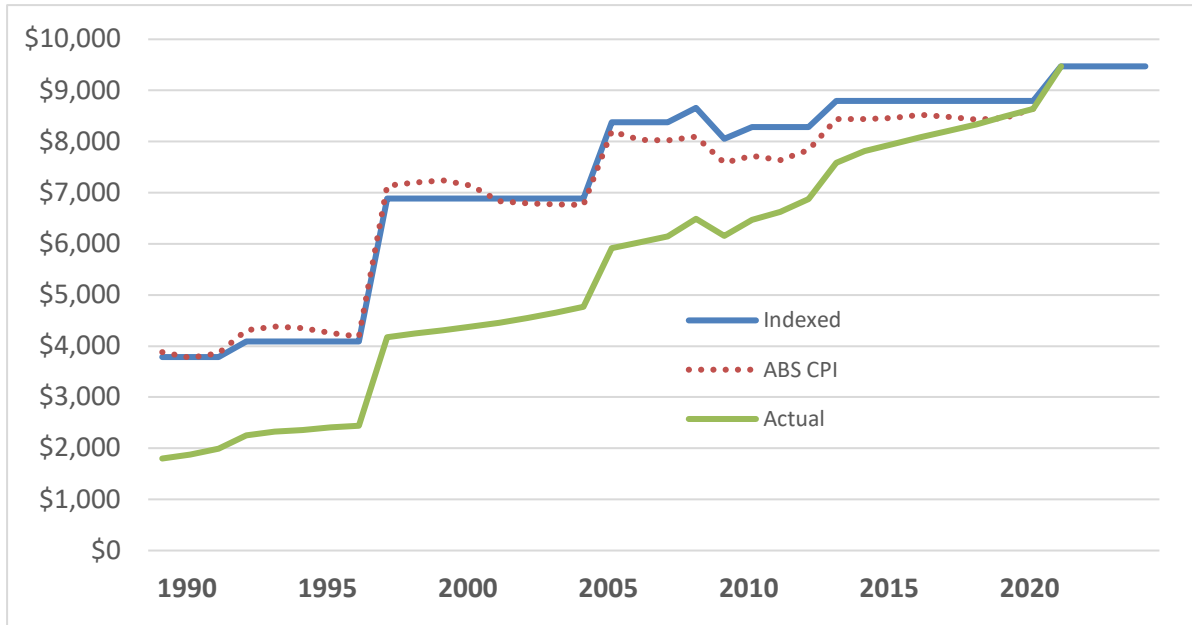
Average student contributions were estimated based on the HECS amount 1989 to 2004 and the maximum student contribution since 2005, multiplied by the proportion of students enrolled in each band. This was based on a snapshot of student enrolments by subjects in 2018 (EFTSL) (See Table 1 in Appendix). This approach ignores shifts in the proportion of students enrolled by subject over time. The intent is to show the average student contribution current students would pay if the various charging arrangements were applied and compare this with the proposed charges. 2018 load is the most recent available.

Student contribution rates can be presented either in nominal dollars for the year in question or adjusted for inflation and presented in constant dollars. There are alternative ways to adjust for inflation.

More paying more takes a policy direct approach by ignoring indexation, starting from the proposed 2021 indexed rates. This represented student contribution rates as flat over time during periods where rates increased only by indexation. For example, according to the Government's *Job-ready Graduates – Higher Education Reform Package* (p. 17) under the current system the high charge Band 3 rate in 2021 would be \$11,355 after indexation. Band 2 would increase to \$9,698 and Band 1 \$6,804. Since 2005, Bands have increased only by indexation. Therefore, the 2021 rates were applied to all periods from 2005 onwards, providing a rough estimate of the nominal/current costs in constant 2021 dollars.

An alternative approach to estimate the real, inflation-adjusted, student contribution is to use the ABS CPI index. The two indexation approaches generate similar results and are presented over time in Figure 2. The CPI deflator confirms the intent of indexation from 2005 to undercompensate for inflation, to encourage annual efficiency. Full results for each year are presented in the Appendix in Tables Two to Four.

Figure Two. Average student contribution charge, 1989 to 2024 (2018 EFTSL)



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Appendix – Additional Tables

Table 1. 2018 EFTSL FOE by HECS Bands, over time

	1989-96	1997-04	2005-08	2009	2010-12	2013-20	2021-24
Single Band	100%						
Nat. Priority – Education, Nursing			17%	17%			
Nat. Priority – Maths, science				14%	14%		
Band 1		43%	26%	26%	43%	43%	24%
Band 2		48%	48%	21%	21%	34%	35%
Band 3		9%	9%	23%	23%	23%	4%
New band 4							38%

Table 2. Student Contributions over time and average (based on 2018 EFSTL), nominal dollars

	Single Rate									
1989	\$	1,800				\$	1,800			
1990	\$	1,882				\$	1,882			
1991	\$	1,993				\$	1,993			
1992	\$	2,250				\$	2,250			
1993	\$	2,328				\$	2,328			
1994	\$	2,355				\$	2,355			
1995	\$	2,409				\$	2,409			
1996	\$	2,442				\$	2,442			
	Band 1	Band 2	Band 3	Priorities	Average					
1997	\$	3,300	\$	4,700	\$	5,500	\$	4,172		
1998	\$	3,356	\$	4,779	\$	5,593	\$	4,243		
1999	\$	3,409	\$	4,855	\$	5,682	\$	4,310		
2000	\$	3,463	\$	4,932	\$	5,772	\$	4,378		
2001	\$	3,521	\$	5,015	\$	5,870	\$	4,452		
2002	\$	3,598	\$	5,125	\$	5,999	\$	4,550		
2003	\$	3,680	\$	5,242	\$	6,136	\$	4,653		
2004	\$	3,768	\$	5,367	\$	6,283	\$	4,764		
2005	\$	4,808	\$	6,849	\$	8,018	\$	3,847	\$	5,917
2006	\$	4,899	\$	6,979	\$	8,170	\$	3,920	\$	6,029
2007	\$	4,996	\$	7,118	\$	8,333	\$	3,998	\$	6,149
2008	\$	5,095	\$	7,260	\$	8,499	\$	4,077	\$	6,485
2009	\$	5,201	\$	7,412	\$	8,677	\$	4,162	\$	6,155
2010	\$	5,310	\$	7,567	\$	8,859	\$	4,249	\$	6,464
2011	\$	5,442	\$	7,756	\$	9,080	\$	4,355	\$	6,625
2012	\$	5,648	\$	8,050	\$	9,425	\$	4,520	\$	6,876
2013	\$	5,868	\$	8,363	\$	9,792			\$	7,586
2014	\$	6,044	\$	8,613	\$	10,085			\$	7,813
2015	\$	6,152	\$	8,768	\$	10,266			\$	7,953
2016	\$	6,256	\$	8,917	\$	10,440			\$	8,088
2017	\$	6,349	\$	9,050	\$	10,596			\$	8,208
2018	\$	6,444	\$	9,185	\$	10,754			\$	8,331
2019	\$	6,566	\$	9,359	\$	10,958			\$	8,489
2020	\$	6,684	\$	9,527	\$	11,155			\$	8,641
Proposed	Band 1	Band 2	Band 3	Band 4	Average					
2021	\$	3,700	\$	7,700	\$	11,300	\$	14,500	\$	9,471

Table 3. Student Contributions over time and average (based on 2018 EFSTL), indexed 2021 dollars

Single Rate					
1989	\$	3,785			\$ 3,785
1990	\$	3,785			\$ 3,785
1991	\$	3,785			\$ 3,785
1992	\$	4,087			\$ 4,087
1993	\$	4,087			\$ 4,087
1994	\$	4,087			\$ 4,087
1995	\$	4,087			\$ 4,087
1996	\$	4,087			\$ 4,087
	Band 1	Band 2	Band 3	Priorities	Average
1997	\$ 5,443	\$ 7,758	\$ 9,084		\$ 6,886
1998	\$ 5,443	\$ 7,758	\$ 9,084		\$ 6,886
1999	\$ 5,443	\$ 7,758	\$ 9,084		\$ 6,886
2000	\$ 5,443	\$ 7,758	\$ 9,084		\$ 6,886
2001	\$ 5,443	\$ 7,758	\$ 9,084		\$ 6,886
2002	\$ 5,443	\$ 7,758	\$ 9,084		\$ 6,886
2003	\$ 5,443	\$ 7,758	\$ 9,084		\$ 6,886
2004	\$ 5,443	\$ 7,758	\$ 9,084		\$ 6,886
2005	\$ 6,804	\$ 9,698	\$ 11,355	\$ 5,443	\$ 8,377
2006	\$ 6,804	\$ 9,698	\$ 11,355	\$ 5,443	\$ 8,377
2007	\$ 6,804	\$ 9,698	\$ 11,355	\$ 5,443	\$ 8,377
2008	\$ 6,804	\$ 9,698	\$ 11,355	\$ 5,443	\$ 8,663
2009	\$ 6,804	\$ 9,698	\$ 11,355	\$ 5,443	\$ 8,053
2010	\$ 6,804	\$ 9,698	\$ 11,355	\$ 5,443	\$ 8,283
2011	\$ 6,804	\$ 9,698	\$ 11,355	\$ 5,443	\$ 8,283
2012	\$ 6,804	\$ 9,698	\$ 11,355	\$ 5,443	\$ 8,283
2013	\$ 6,804	\$ 9,698	\$ 11,355		\$ 8,796
2014	\$ 6,804	\$ 9,698	\$ 11,355		\$ 8,796
2015	\$ 6,804	\$ 9,698	\$ 11,355		\$ 8,796
2016	\$ 6,804	\$ 9,698	\$ 11,355		\$ 8,796
2017	\$ 6,804	\$ 9,698	\$ 11,355		\$ 8,796
2018	\$ 6,804	\$ 9,698	\$ 11,355		\$ 8,796
2019	\$ 6,804	\$ 9,698	\$ 11,355		\$ 8,796
2020	\$ 6,804	\$ 9,698	\$ 11,355		\$ 8,796
Proposed	Band 1	Band 2	Band 3	Band 4	Average
2021	\$ 3,700	\$ 7,700	\$ 11,300	\$ 14,500	\$ 9,471

Table 4. Student Contributions over time and average (2018 EFSTL), CPI adjusted 2020 dollars

Single Rate						
1989	\$	3,885			\$	3,885 0.46
1990	\$	3,771			\$	3,771 0.50
1991	\$	3,864			\$	3,864 0.52
1992	\$	4,312			\$	4,312 0.52
1993	\$	4,380			\$	4,380 0.53
1994	\$	4,352			\$	4,352 0.54
1995	\$	4,259			\$	4,259 0.57
1996	\$	4,188			\$	4,188 0.58
	Band 1	Band 2	Band 3	Band 4	Average	2020 CPI
1997	\$ 5,643	\$ 8,037	\$ 9,405		\$ 7,135	0.58
1998	\$ 5,696	\$ 8,112	\$ 9,493		\$ 7,201	0.59
1999	\$ 5,727	\$ 8,156	\$ 9,545		\$ 7,240	0.60
2000	\$ 5,643	\$ 8,037	\$ 9,406		\$ 7,135	0.61
2001	\$ 5,407	\$ 7,701	\$ 9,014		\$ 6,836	0.65
2002	\$ 5,374	\$ 7,654	\$ 8,959		\$ 6,795	0.67
2003	\$ 5,356	\$ 7,630	\$ 8,931		\$ 6,773	0.69
2004	\$ 5,348	\$ 7,618	\$ 8,918		\$ 6,762	0.70
2005	\$ 6,659	\$ 9,486	\$ 11,105	\$ 5,328	\$ 8,195	0.72
2006	\$ 6,524	\$ 9,295	\$ 10,881	\$ 5,221	\$ 8,030	0.75
2007	\$ 6,517	\$ 9,285	\$ 10,870	\$ 5,215	\$ 8,021	0.77
2008	\$ 6,363	\$ 9,067	\$ 10,614	\$ 5,092	\$ 8,100	0.80
2009	\$ 6,405	\$ 9,127	\$ 10,685	\$ 5,125	\$ 7,580	0.81
2010	\$ 6,341	\$ 9,036	\$ 10,579	\$ 5,074	\$ 7,719	0.84
2011	\$ 6,276	\$ 8,944	\$ 10,471	\$ 5,022	\$ 7,640	0.87
2012	\$ 6,436	\$ 9,173	\$ 10,739	\$ 5,150	\$ 7,835	0.88
2013	\$ 6,530	\$ 9,307	\$ 10,897		\$ 8,442	0.90
2014	\$ 6,529	\$ 9,304	\$ 10,894		\$ 8,440	0.93
2015	\$ 6,547	\$ 9,331	\$ 10,925		\$ 8,463	0.94
2016	\$ 6,590	\$ 9,393	\$ 10,998		\$ 8,520	0.95
2017	\$ 6,561	\$ 9,352	\$ 10,950		\$ 8,483	0.97
2018	\$ 6,524	\$ 9,299	\$ 10,887		\$ 8,434	0.99
2019	\$ 6,543	\$ 9,326	\$ 10,920		\$ 8,459	1.00
2020	\$ 6,684	\$ 9,527	\$ 11,155		\$ 8,641	1.00
Proposed	Band 1	Band 2	Band 3	Band 4	Average	CPI
2021	\$ 3,700	\$ 7,700	\$ 11,300	\$ 14,500	\$ 9,471	1.00