

Australia’s Higher Education system compared to the OECD OECD at a glance 2021 (2018 data)

According to the 2021 OECD Education at a Glance country report for Australia:

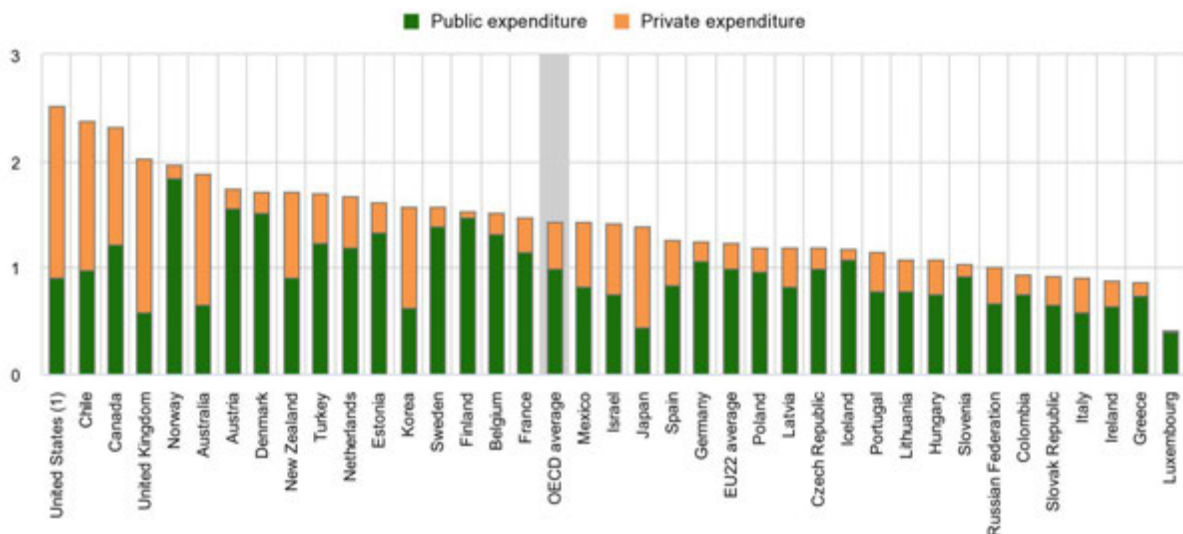
- Tuition fees in public institutions in Australia are among the highest for a bachelor's programme across countries with available data. National students were charged USD 5 024 per year for a bachelor's degree in 2018, 6% more than they were charged on average in 2008. (note – this is prior to the introduction of the Jobs Ready Graduate program, which has seen on average, tuition cost for students increase by 8%).
- Australia has the second-lowest public expenditure on tertiary education institutions in the OECD, after the UK. Only 35% of tertiary education spending is publicly funded in Australia. More than 55% of total expenditure of tertiary education is privately sourced in Australia.
- At the tertiary level, capital costs represent 17% of tertiary education spending, higher than the average across OECD countries of 11%.
- In Australia, staff compensation represents 60% of current expenditure on tertiary institutions compared to 76% at non-tertiary levels. On average across OECD countries, the share is 68% at tertiary level and 77% at non-tertiary level.

Spending as a proportion of GDP (2018 levels)

Below is also the latest on total expenditure on education institutions as a percentage of GDP – it shows clearly the small levels of public expenditure compared to private (HECS/HELP) at tertiary ed level.

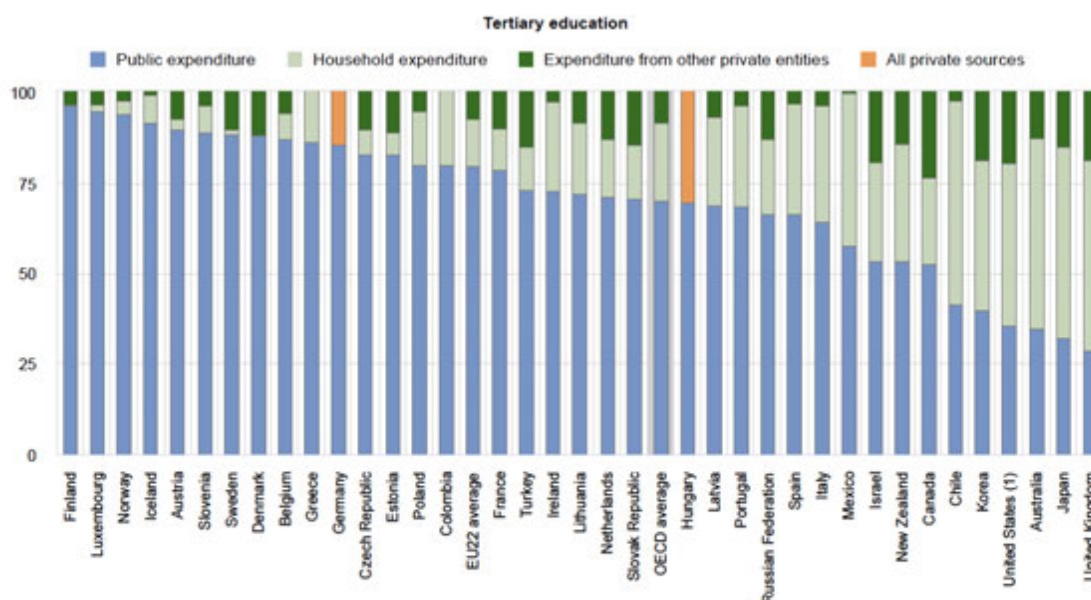
Figure C2.2b. Total expenditure on educational institutions as a percentage of GDP, by source of funds (2018)

Tertiary education, after transfers, in per cent



According to the OECD report, Australia expends 2.4% of GDP on tertiary education, which is above the OECD average of 1.4%. However 1.2% of that expenditure being sourced from private means (through tuition fees) – considerably higher than the OECD average of 0.4%. The OECD average for public expenditure is 1%, and Australia falls far short of this at 0.7%.

Public and Private expenditure on tertiary education (2018)



Note: International expenditure is aggregated with public expenditure for display purposes.
 1. Figures are for net student loans rather than gross, thereby underestimating public transfers.
 2. Primary, secondary and post-secondary non-tertiary education includes pre-primary programmes.
 Countries are ranked in descending order of the proportion of public and international expenditure on educational institutions.
 Source: OECD/UIS/Eurostat (2021), Table C3.1. See Source section for more information and Annex 3 for notes (https://www.oecd.org/education/education-at-a-glance/EAG2021_Annex3_ChapterC.pdf).

The figure above shows the levels across the OECD for the distribution of public and private expenditure on education institutions – for Australia, its primarily funded through private, household income (making us the third highest in the OECD).

Public to Private transfers

It also worth noting what proportion of public funding is going to private higher education via students, or other means. Australia is again, one of the highest in the OECD for public to private transfers.

Distribution of transfers and public and private expenditure on educational institutions (2018)

Country	Public-to-private transfers	Public expenditure	Private expenditure
United Kingdom	25	29	47
Australia	19	35	47
Korea	16	40	44
Chile	11	41	47
New Zealand	16	53	30
Mexico	1	58	42
Italy	12	64	24

Spain	3	66	31
Portugal	-	68	32
OECD average	8	70	22
Slovak Republic	4	71	25
Lithuania	0	72	28
Ireland	21	72	6
Turkey	-	73	27
France	3	78	19
EU22 average	5	80	16
Poland	10	80	10
Estonia	-	82	18
Czech Republic	-	83	17
Greece	-	86	14
Belgium	4	87	9
Denmark	-	88	12
Sweden	0	88	11
Slovenia	1	89	10
Austria	0	89	10
Norway	2	94	4
Luxembourg	1	94	5
Finland	0	96	4

Source: OECD link here: <https://stat.link/41xmk3>

In 2018, on average across OECD countries, public to private transfers represented 8% of the total funds devoted to tertiary institutions. Countries with the highest transfers are also those that tend to have the highest tuition fees. Transfers exceeded 19% of total expenditure on tertiary institutions in Australia, Ireland and the United Kingdom, where annual tuition fees for a bachelor's programme exceeds USD 5 000.