Meeting the demand for higher education and a 20% low SES target by 2030

Executive summary

- An important part of increasing equity in Australia's higher education system is improving opportunity for people from low socio-economic (low SES) backgrounds. Low SES enrolments in higher education are currently 25,000 short of the target of 20% of total enrolments.

- To meet the 20% target by 2030, low SES enrolments will need to grow by around 58,000. 35% of all new enrolments will need to be low SES, more than double the current rate of 17%.

- This will require significant change in practice, policy and funding. The current funding model does not prioritise regions with the greatest disadvantage or population growth and current performance metrics do not account for the geography of low SES populations.

- A focus on equity highlights the existing diversity across the higher education system – 15 universities already meet or exceed the 20% low SES target ("equity intensive" universities), while others are so far below the target that it will be impractical to reach 20% by 2030.

- The purpose of this paper is to examine a number of policy options for meeting future demand for higher education while also increasing equity by meeting the 20% low SES target.

- Given the diversity across the sector, a one-size-fits-all approach to equity will not work. For example, under a uniform national approach to meeting the 20% low SES target, the substitution of low SES enrolments between universities, rather than overall expansion in participation, is likely. Targets proportional to State/Territory populations may be more appropriate.

- Achieving 20% low SES completions will be even more challenging. 71% of students from low SES backgrounds complete their bachelor degree or are still enrolled after six years, compared to 75% and 81% respectively of those from medium SES and high SES backgrounds. Universities with the highest completion rates are typically least representative of their low SES populations.

- Universities also differ in satisfaction and completion rates for students from low SES backgrounds, indicating that these students may be better supported at some universities than others. Targeting funding to institutions and regions that have the best chance of increasing the participation and success of students from low SES backgrounds will require better data and evidence on student support and satisfaction.

- Students from low SES backgrounds are only one group that is under-represented in higher education. Indigenous Australians, regional/remote populations, gender diverse people and people with disabilities and caring responsibilities all face challenges in accessing higher education. Efforts to target and better support under-represented groups need to more accurately account for the diversity and intersectionality of disadvantage.

Policy options for increasing low SES participation

In 2009 the Labor Government committed to a goal of 20% of higher education enrolments at undergraduate level for people from low socio-economic (low SES) backgrounds. At the time, and for most of the 2000s, the low SES participation had remained flat at around 16%. In 2009, 95,000 out of 588,000 domestic undergraduate students had permanent home residences in low SES areas, which was 23,000 short of the 20% target. During the 2010s, higher education enrolments increased for all groups of students and the definition of low SES status changed, but by 2021 the proportion of students from low SES areas was still only 17%. In 2021, 142,000 out of 835,000 domestic undergraduate enrolments came from addresses in low SES areas. The shortfall remained at around 25,000 behind the 20% target.

In 2022, Labor committed a further $485 million over the forward estimates for 20,000 extra university places, targeted towards disadvantaged groups and fields of education considered national priorities or skills shortage areas. This was in addition to the previous Coalition government commitment through the Job-Ready Graduates (JRG) package to fund an extra 39,000 university places by 2023 and almost 100,000 places by 2030.

If higher education participation grows by 2% per year to 2030 (see analysis of ABS data on the following page), domestic undergraduate enrolments will need to increase by 163,000 or 20% compared to 2021 levels. To reach the Bradley Review's 20% low SES target, 58,000 new enrolments would need to be from low SES backgrounds and 105,000 from other backgrounds. Low SES enrolments would therefore need to increase by 41%, with 35% of all new enrolments being low SES, which is more than double the current rate of 17%. This will require a substantial shift in practice, policy and funding. Targeting more new places to universities already meeting the 20% target ("equity intensive" universities) would improve equity performance (in the absence of shifts in admissions policies), but would raise other questions about equity across the sector as a whole (see discussion of options below).

The purpose of this briefing is to consider options for how the higher education sector may accommodate an additional 163,000 enrolments and achieve the 20% low SES target by 2030. This requires either a proportionate increase in low SES participation across the board, or a disproportionate increase from "equity intensive" universities or those below the 20% target.

Possible options include:

1. Uniform low SES participation across all institutions (i.e. 20% low SES enrolments at all);
2. Differential increases in proportion to current levels of low SES enrolments (i.e. every institution does more, but maintains current differences in equity intensity across universities);
3. Differential increases in proportion to current levels of domestic enrolments (i.e. every institution does more, but differences in equity intensity narrow across universities);
4. Differential increases proportional to the share of the low SES population located within each state and territory (i.e. state-weighted benchmarks).

Universities also differ in low SES completion rates, student experience and costs of delivery. In principle, prioritising growth at universities with track records for supporting low SES students is desirable. However, further research is required to understand student experience and other factors that contribute to success, and the different types of low SES cohorts at different universities.

Population and higher education policy context

Australia's population is expected to grow by around 1.2% per year over the coming decade reaching 30 million by 2030, a 15.7% increase compared to 2020. To accommodate this growth, in 2019 the previous Coalition government announced that funding for bachelor-level places would grow in line with this population growth. The indexation to population growth sets the baseline funding for the sector over the coming decade.

The 1.2% population growth rate likely underestimates demand for higher education. It does not account for the greater population growth in the school leaver cohort or growing higher education participation from mature aged cohorts. The school leaver cohort of 17- to 18-year-olds is expected to grow by around 1.8% each year, reaching 720,000 by 2030, an increase of 19.8% compared to 2020. This exceeds the 15.7% increase in the general 18-64 cohort. Given the importance of the school leaver cohort and growth in mature aged student demand, we estimate 2% annual growth or roughly a 20% increase in higher education participation over the 2020 decade (estimates for 1% and 3% growth are also included Table 1 below). For this to be achieved, domestic undergraduate enrolments would need to increase from 835,000 in 2021 to 998,000 by 2030, and low SES enrolments from 142,000 to 200,000.

Figure 1. Year-On-Year Population Growth by Age Group – Australia (ABS 3222.0, Series B)
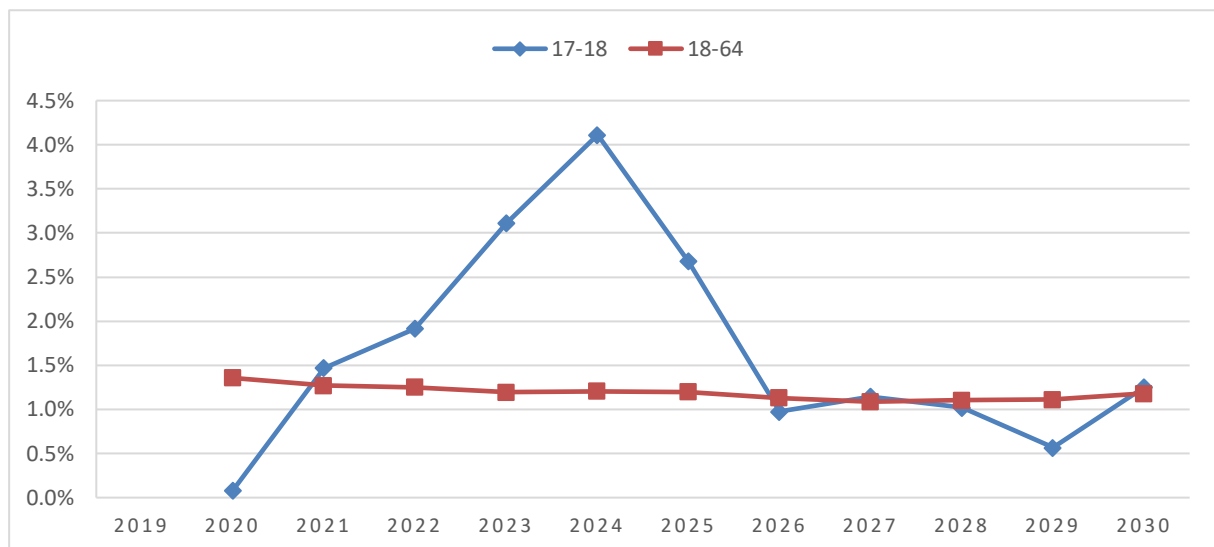
A second challenge is the overall quantum and appropriate distribution of growth funding between institutions. The current indexation of funding to 1.2% population growth fails to account for inflation in the cost of delivery. Essentially if higher education participation grows by 1.2% per year, universities will face declining per student revenue in real terms.

Under the previous Coalition government policy, the distribution of growth funding between institutions follows two key principles: regionality/population growth in campus regions; and university performance on participation and educational outcomes. Growth funding is weighted towards universities in regional areas (3.5% weighting) over high growth metropolitan (2.5% weighting) and low growth metropolitan areas (1.0% weighting). Universities in regional and remote areas receive 3.5% growth in funding, irrespective of population growth. This assists those in

Tasmania, NT, parts of Queensland and parts of Victoria (as few universities have campuses in regional WA or SA). It also aligns with capacity to serve low SES populations, but only indirectly. Low growth metropolitan areas are more likely to contain medium and high SES populations, but some states with low SES populations and relatively lower attainment rates may receive growth of only 1% due to low population growth benchmarks.

The second distributional principle is university performance. The previous Coalition government planned for 60% of growth funding to be guaranteed, but 40% to be contingent on meeting specified performance-based funding (PBF) requirements across four core measures (i.e. each worth 10% of growth funding). One measure is equity group participation, and low SES is one of three input metrics (Indigenous and regional/remote students being the others). The other three core measures relate to education performance (graduate employment outcomes, student experience and student success). Therefore, performance on low SES participation could affect around 3.3% of growth funding (one third of the 10% of growth funding at stake). The quantum of growth funding at stake is set to increase over time, but low SES participation is only a minor contributor. The minimum low SES participation threshold target is not contextualised to the state or territory population (some states have a higher proportion of low SES areas) and is so low (needing to be at least two standard deviations below the sectoral average) that no university would lose all funding at stake, and only around five universities would likely lose any funding due to poor low SES participation performance.

One important caveat about the quantum of growth funding required to meet population and low SES participation targets is that the historical growth in demand for higher education is uncertain. Growth funding and the PBF impact funding for the supply of places. This is practically irrelevant if there is insufficient demand. 2022 domestic school leaver applications for higher education appeared to decline in all Australian states and territories. Most universities appear to be below their maximum CGS funding cap and low unemployment may further encourage prospective students of all ages towards full-time work over study (see recent analysis by Andrew Norton [here](#)). The impact of this for the low SES target is also complicated by the wide differences in vocational education and training (VET) engagement by SES background. Low SES students are more than twice as likely to complete VET qualifications compared to high SES students, and less than half as likely to complete higher education (see previous IRU briefing [here](#)). Current skills shortages may increase demand for and government supply of VET courses, and this may have disproportionate effects by SES. The recently announced 20,000 additional university places – targeting equity groups and skills shortage areas – may encourage universities to supply more places to low SES students in vocationally oriented fields, but will only have impact if there is insufficient demand. The Australian Universities Accord will also likely have an impact on how the university and VET sectors work together.

It is also possible that the Accord will impact the relationships between universities, university colleges and other non-university higher education providers (NUHEPs). However, with the university sector currently enrolling roughly 95% of all domestic undergraduate students, universities are likely to remain the key organisations over the coming decade. NUHEPs also have considerably lower completion rates and are unlikely to effectively accommodate the growth without considerable consequences of non-completion. At NUHEPs, 54% of low SES bachelor students complete or are still enrolled after 6 years, well below the 71% at universities. NUHEPs have different cohorts of students compared to universities and possibly have cohorts of low SES students that are, on average, less prepared for study. Such differences are also likely within the university sector.

Projecting low SES student enrolments by 2030

If demand for higher education grew by 2% per year, enrolments would need to expand by 162,000 by 2030, with total university enrolments reaching 953,000 and NUHEP enrolments reaching 46,000, for a combined 998,000 enrolments. To meet the low SES target, low SES enrolments would need to increase by 54,000 in the university sector, reaching 190,000 by 2030. A further 3,000 low SES enrolments would be needed at NUHEPs, for a combined 58,000 increase in low SES enrolments.

Figure 2. Australian university domestic undergraduate enrolments 2010-2021, and projected enrolments 2022-2030 based on 1%, 2% and 3% annual participation growth
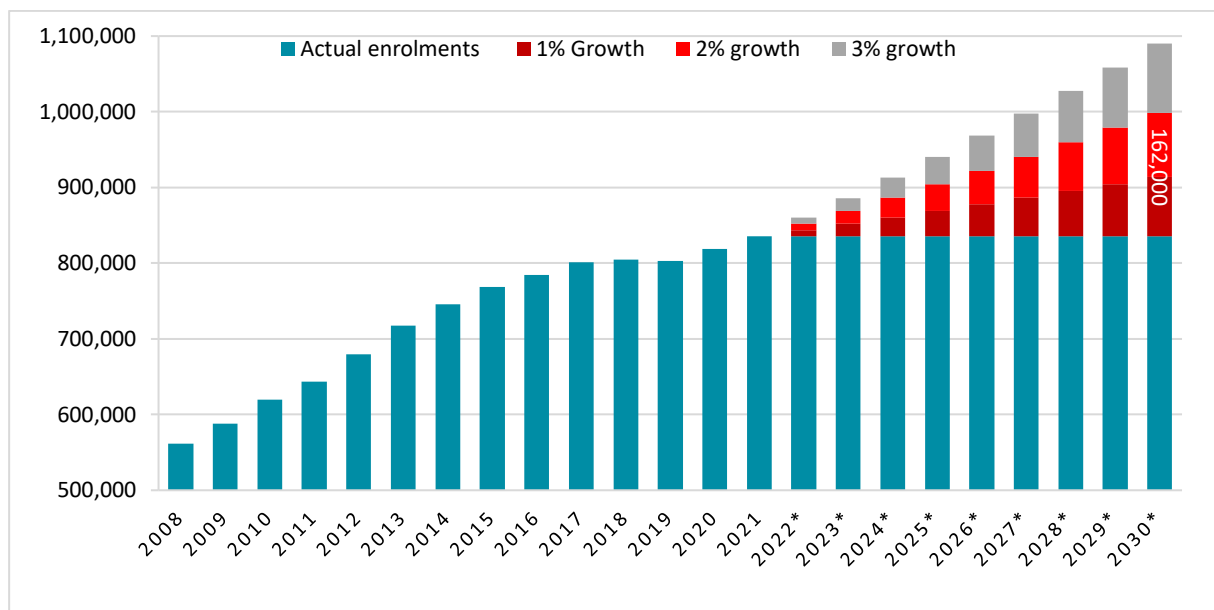
If higher education enrolments were to increase by 2% per year to 998,000 by 2030, achieving 20% low SES participation across all provider types would require low SES enrolments to increase by 58,000 or 41% compared to 2021. Other enrolments would need to increase by 105,000 or only 15% compared to 2021. 35% of all additional enrolments would need to be from low SES backgrounds, more than double the current rate of 17%. Most of the additional 58,000 low SES enrolments would need to be at Table A universities (52,000 compared to 2,000 at Table B and 3,000 at NUHEPs). The proportion of students from low SES backgrounds is comparable in Table A universities (17%) and non-university higher education providers (16%), but somewhat lower at Table B providers (13% at Bond, Divinity and Torrens). Therefore, the greatest proportional increases in low SES enrolments would need to be at Table B universities if all provider types achieved the 20% low SES participation target (an increase of 79% at Table B versus 39% at Table A and 50% at NUHEPs).

Adjusting the higher education participation growth rate assumptions upwards (i.e. broadening access, such as through demand-driven funding) or downwards (restricting access, such as by maintaining or further tightening MBGAs) changes the challenges, rather than resolving them. If participation grew by only 1% per year, only an additional 41,000 low SES enrolments (or 29% increase compared to 2021) would be required to meet the 20% low SES target. However, this would require a dramatic shift in admissions practices. 52% of all additional enrolments would need to be low SES to meet the 20% target, rather than 17% of enrolments today. This would be difficult to

achieve without capable students from middle and upper SES areas missing out. A 3% growth rate would require low SES enrolments to increase by far more, by 76,000 or 54% compared to 2021, but only 30% of all additional enrolments would need to be low SES. This would require fewer changes to admissions practices, but require accommodating far more low SES students. The growth rates by provider type are presented in Table 1 below.

Table 1. Domestic Undergraduate student enrolments by Low SES background in 2021 and projected for 2030, by provider type, based on 1%, 2% and 3% participation growth

Rate	Group	2021			2030					
		Low-SES	Domestic UG	Low-SES %	Low-SES	Domestic UG	Low-SES %	Growth in Low SES	Growth Low SES (%)	Growth other UG (%)
2%	**NUHEP**	6,000	38,000	16%	9,000	46,000	20%	3,000	50%	14%
	Table A	133,000	777,000	17%	186,000	928,000	20%	52,000	39%	15%
	Table B	3,000	21,000	13%	5,000	25,000	20%	2,000	79%	10%
	Sector	142,000	835,000	17%	200,000	998,000	20%	58,000	41%	15%
1%	**Sector**	142,000	835,000	17%	183,000	914,000	20%	41,000	29%	5%
3%	**Sector**	142,000	835,000	17%	218,000	1,090,000	20%	76,000	54%	26%

Option 1. Uniform increases across all institutions to 20%

The theoretically simplest way to achieve the 20% target would be for all universities and NUHEPs to enrol 20% of their students from low SES backgrounds. However, this is not practical because 15 universities currently meet or exceed the 20% low SES target (what we describe as "equity intensive" universities),[1] while others are so far below the target that it would be impractical to reach 20% by 2030. Uniform university-level low SES participation targets based on being above or below the sectoral average, such as those proposed for the used for the PBF of the CGS, are also impractical because they fail to account for the unequal distribution of low SES areas across states and territories (discussed in further detail in Option 4, below). Although it is possible that some students currently at equity intensive universities would be better served by enrolling at other universities, it is also possible that their enrolment reflects preferences, such as enrolling at a university in local proximity.

For simplicity, we focus on the impact of Option 1 at a university group level, but note that the impact may vary between institutions within each group. As a group, RUN members exceed the national benchmark with 26.9% of students from low SES backgrounds, while IRU universities exceed the 20% target with 21.0% of students from low SES backgrounds. Assuming that it is undesirable for universities to reduce their low SES participation rates, if RUN and IRU maintained their low SES shares and expanded by 2% per year (i.e. 20% by 2030), other universities would need to achieve a 19% equity participation rate for the sector to meet the 20% target. For Go8 members, this would mean a 123% increase in low SES students (by 21,000) and only a 8% increase in others (by 12,000). In effect, almost two thirds (63%) of all new enrolments at Go8s would need to be low SES for this group to meet their 19% target, compared to current rates of 10%. This may be an unrealistic target

---

[1] Equity intensive universities in 2021 were: CQU (39%), USQ (31%), WSU (31%), Federation (27%), JCU (25%), UniSA (25%), VU (25%), CSU (24%), Tasmania (24%), Newcastle (23%), UNE (23%), USC (23%), SCU (21%), Murdoch (21%), Flinders (20%).

or lead to possible unintended consequences, such as recruiting low SES students from equity intensive universities with no direct impact on overall low SES participation.

The substitution of low SES students between universities, rather than overall expansion in participation, is more likely under a uniform target approach for meeting the 20% low SES target. Selective, research-intensive universities generally have greater financial capacity to support low SES students, including through scholarships. Increases at selective universities will help equalise the distribution of low SES students, but it will not increase overall participation without commensurate increases at less selective universities. It also raises concerns that, if low SES students and other under-represented groups are expressing a preference towards equity intensive universities (e.g. IRU and RUN members) due to their track record for teaching such students at scale with dedicated resources, a uniform target may discourage alignment with student demand.

On the other hand, equalising the distribution of low SES students across the sector may have positive societal effects, with more low SES students from disadvantaged schools entering selective universities. A critical mass of low SES students at selective universities may also contribute to better student support for all students at these universities, countering the tendency towards lower student satisfaction at the most selective universities. Selective universities also typically have higher completion rates for low SES students.

Table 2. Domestic undergraduate student enrolments by Low SES background in 2021 and projected for 2030, by university group under Option 1

| Group | 2021 | | | | | | 2030 | | |
	Low-SES	Domestic UG	Low-SES %	Low-SES	Domestic UG	Low-SES %	Growth in Low SES	Growth in Low SES (%)	Growth other UG (%)
IRU	29,000	136,000	21%	34,000	163,000	21%	6,000	20%	20%
Go8	17,000	174,000	10%	39,000	207,000	19%	21,000	123%	8%
ATN	30,000	172,000	17%	38,000	206,000	19%	9,000	30%	17%
RUN	26,000	98,000	27%	32,000	117,000	27%	5,000	20%	20%
NG	34,000	217,000	16%	48,000	259,000	19%	14,000	42%	15%
NUHEP	6,000	38,000	16%	8,000	46,000	19%	2,000	40%	16%
Sector	**142,000**	**835,000**	**17%**	**200,000**	**998,000**	**20%**	**58,000**	**41%**	**15%**

Option 2. Stable shares target for low SES enrolment

The 20% low SES target could be achieved by all universities increasing their low SES enrolments in proportion to their current share of the sector's low SES enrolments. This would mean all universities increasing their low SES enrolments by 41%. Every institution does more, even the equity intensive universities, with the current unequal rates between universities maintained. For example, the Go8 members currently enrol 12% of all low SES students and could enrol 12% of the additional 58,000 low SES enrolments needed to meet the 20% target by 2030. IRU, ATN and RUN members currently enrol roughly 20% of all low SES students, and could each enrol 20% of the additional 58,000 low SES enrolments. By 2030 the 20% low SES target would be met, with no change to the distribution between universities.

Option 2 would achieve the low SES target with the least amount of change within the university sector, but would maintain a distinction between equity intensive and other universities. Whether this is a positive outcome would depend on if low SES students are best served by current differential levels of low SES participation across universities and groups, of if a more equal distribution would be desirable. We do not model the possibility of a more unequal distribution, such as Go8 members reducing their 10% low SES participation rate by 2030 (with equity intensive universities teaching more low SES students).

Table 3. Domestic undergraduate student enrolments by Low SES background in 2021 and projected for 2030, by university group under Option 2

Group	2021 Low-SES	2021 Domestic UG	2021 Low-SES %	2030 Low-SES	2030 Domestic UG	2030 Low-SES %	2030 Growth in Low-SES	Growth in Low-SES (%)	Growth in other UG (%)
IRU	29,000	136,000	21%	40,000	163,000	25%	12,000	41%	14%
Go8	17,000	174,000	10%	24,000	207,000	12%	7,000	41%	17%
ATN	30,000	172,000	17%	42,000	206,000	20%	12,000	41%	15%
RUN	26,000	98,000	27%	37,000	117,000	32%	11,000	41%	12%
NG	34,000	217,000	16%	48,000	259,000	18%	14,000	41%	16%
NUHEP	6,000	38,000	16%	9,000	46,000	19%	2,000	41%	16%
Sector	**142,000**	**835,000**	**17%**	**200,000**	**998,000**	**20%**	**58,000**	**41%**	**15%**

Option 3. Increase low SES enrolment in proportion to domestic enrolments, equalising low SES distribution between universities

The 20% low SES target could be achieved in conjunction with an equalisation in low SES participation across universities if all increased their low SES enrolments in proportion to their current share of the sector's *total domestic enrolments*. This would require all universities to shift their low SES participation rate upwards, with the greatest increases at institutions that currently under-enrol low SES students. It is an option that sits between Options 1 and 2. Every institution does more, but more of the increase would be at the least equity intensive universities. For example, the Go8 members and ATN members each currently enrol 21% of all domestic undergraduate students and each could enrol 21% of the additional 58,000 low SES enrolments needed to meet the 20% target by 2030. Given that ATN members also enrol 21% of all low SES students, the there is no substantive difference between Option 2 and 3 for ATN as a group. Nor is there much difference for ATN members compared to Option 1 because they are close to the sectoral average for teaching low SES students. But for Go8 members Option 3 would increase their share of the sector's low SES students to 15% compared to 12% in Option 2 (and low SES students would increase from 10% of all Go8 enrolments to 14% by 2030).

Table 4. Domestic undergraduate student enrolments by Low SES background in 2021 and projected for 2030, by university group under Option 3

| Group | 2021 | | | | | | 2030 | | |
	Low-SES	Domestic UG	Low-SES %	Low-SES	Domestic UG	Low-SES %	Growth in Low-SES	Growth in Low-SES (%)	Growth in other UG (%)
IRU	29,000	136,000	21%	38,000	163,000	23%	9,000	33%	16%
Go8	17,000	174,000	10%	29,000	207,000	14%	12,000	69%	14%
ATN	30,000	172,000	17%	41,000	206,000	20%	12,000	40%	15%
RUN	26,000	98,000	27%	33,000	117,000	28%	7,000	26%	17%
NG	34,000	217,000	16%	49,000	259,000	19%	15,000	44%	15%
NUHEP	6,000	38,000	16%	9,000	46,000	19%	3,000	43%	15%
Sector	142,000	835,000	17%	200,000	998,000	20%	58,000	41%	15%

Option 4. State-weighted target

In student data collections, low SES refers to students with a first address (prior to the commencement of study) in the bottom quartile of statistical areas (SA1). Parity or perfect equity in higher education participation would equate to 25% enrolments from low SES/SA1 areas, whereas the Bradley Review target was 20%. An important limitation is that low SES areas are not equally distributed across states and territories. Universities recruit domestic undergraduate students primarily from their local state or territory, which means low SES participation rates at a university-level is driven by their local low SES geography. For example, according to the 2016 ABS Census, only 3% of the ACT population live in low SES areas. Consequently, universities in the ACT cannot realistically enrol 20% of their students from low SES areas. This places such universities at an enormous disadvantage under the PBF metrics that makes growth funding partly contingent on ACT university performance against the national average. South Australia and Tasmania have relatively high rates of low SES areas, which means universities may easily achieve the national average.

An alternative to a national target is to use state or territory weighted targets. Phillmore and Koshy (2010)[2] describe this as the "effort-opportunity ratio": the extent to which universities enrol low SES students in proportion to their population catchment areas. For example, in 2021 the WA universities had a 15.7% low SES participation rate compared to a 18.8% low SES state population. Stated as an effort-opportunity ratio, the WA universities achieved 83% of their low SES population target or an effort-opportunity ratio of 0.83 (15.7/18.8=0.83). The Bradley Review 20% low SES target could be achieved if higher education providers in all states and territories achieved an effort-opportunity ratio of 0.80 or 80% (20.0/25.0=0.80). Though not meeting their state population benchmark, WA universities enrol roughly in proportion to what would be required to meet the Bradley Review target based on state-weighted low SES population (slightly exceeding it by 501 enrolments).

It is in most of the remaining states and territories where the state-weighted targets are unmet. Although Tasmania has the highest low SES participation rate of 23.8%, it would need a 32.3% low SES participation rate to achieve its target 0.80 effort-opportunity ratio, leading to a current shortfall

---

[2] Phillimore, J., & Koshy, P. (2010). Meeting the Rudd government's equity targets for universities: Three scenarios. *People and place*, 18(1), 1-18.

of around 2,000 low SES enrolments. Victoria, due to its size and having the lowest effort-opportunity ratio in Australia (0.51), has a current shortfall of 16,000 low SES students. The low SES enrolments for each state and territory, their current effort-opportunity ratios and comparisons to their national targets are shown in Table 5.

Table 5. Low SES population (2016) and higher education participation comparisons (2021)

State	Low SES share of the state/territory population (2016)	Low SES (SA1) enrolments (2021)	Low SES as % of Enrolments (2020)	Effort-opportunity ratio	Low SES target (based on 0.80 effort-opportunity ratio)	Low SES compared to target effort-opportunity ratio
ACT	3.0%	1,006	4.8%	1.59	2.4%	501
NSW	27.0%	41,589	18.1%	0.67	21.6%	-8,173
NT	29.1%	1,832	19.3%	0.66	23.3%	-374
QLD	26.7%	27,519	18.7%	0.70	21.4%	-3,981
SA	31.8%	14,060	20.7%	0.65	25.4%	-3,226
TAS	40.4%	5,652	23.8%	0.59	32.3%	-2,025
VIC	29.1%	29,138	14.9%	0.51	23.3%	-16,314
WA	18.8%	12,631	15.7%	0.83	15.0%	512
Multi-state	-	8,572	14.4%	-	-	-
Australia	**25.0%**	**141,999**	**17.0%**	**0.68**	**20.0%**	**-25,063**

Whereas 15 universities are equity intensive in terms of meeting the 20% low SES target (see Option 1 above), 17 universities could be classified as equity intensive relative to state-weighted targets, achieving an effort-opportunity ratio of at least 0.80 or 80%.[3] This ranges from Canberra (effort-opportunity ratio 2.36) and CQU (1.47), to Melbourne (0.25) and Bond (0.17). The classifications mostly overlap, but with notable exceptions for Tasmania and ACT universities. Due to relatively extreme differences in low SES state and territory populations, University of Tasmania's effort-opportunity ratio is 0.61 despite having 24% low SES participation. Due to the very low number of low SES persons in the ACT, Canberra and ANU easily exceed their 0.80 effort-opportunity ratio target and even their population benchmark despite only 6% and 3% low SES participation. Figure 3 shows university performance against the 20% low SES participation target and state/territory weighted 80% effort-opportunity ratios.

---

[3] In order of effort-opportunity ratio: Canberra, CQU, ANU, Murdoch, USQ, WSU, ECU, Federation, JCU, CSU, Curtin, Newcastle, USC, UNE, VU, SCU, UniSA.

Figure 3. Effort-opportunity ratio for universities based on 2021 Low SES enrolments and 2016 Census low SES population, and % of students from low SES backgrounds by university
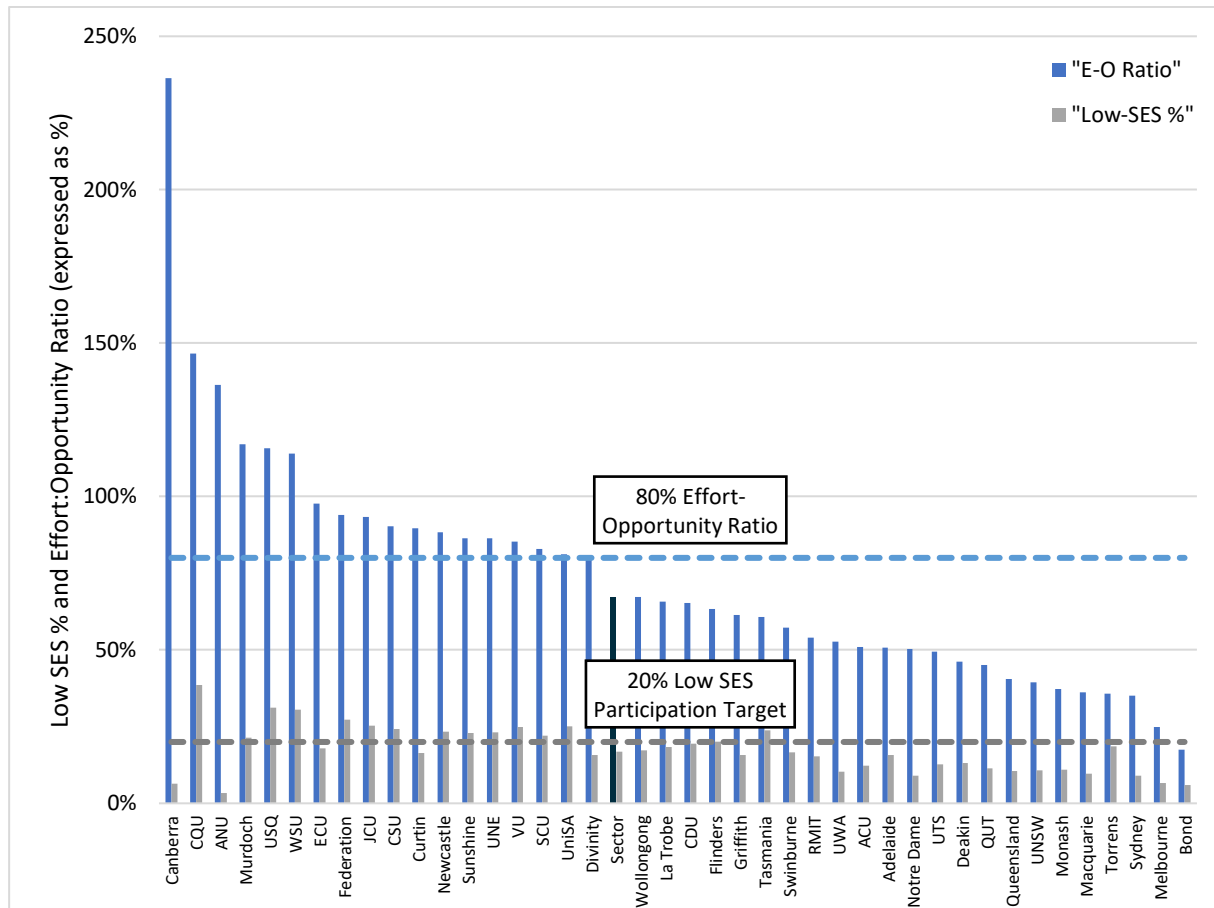
Discussion

Meeting future demand for higher education will require sufficient funding for the supply of higher education places. Demand-driven funding meant that all capable Australians had access to a university place and that growth in participation matched areas of demand. The reintroduction of caps on CGS funding necessitated a PBF framework for distributing growth funding according to anticipated future demand by region and university performance. The system intended for implementation in 2024 neither prioritises the regions with greatest disadvantage or population growth, and nor do the performance metrics account for local population geography in terms of low SES populations. It is not credible that only 3% of the ACT population face socio-economic disadvantage. Nor is it desirable that universities in relatively disadvantaged states, such as South Australia, have limited capacity to grow. In its submission to the Universities Accord process, the National Centre for Student Equity in Higher Education (NCSEHE) states that the simplest and most effective means for meeting future demand for higher education, including from low SES populations, remains a demand-driven system.

Meeting the 20% target for low SES participation is not as straightforward. Demand driven funding did not achieve the target, not because low SES students were missing out on places, but because demand for places was relatively greater from medium and high SES populations. If universities had refused to offer sufficient places to medium and high SES students, the 20% low SES participation target could have easily been met, but at a cost of a less educated Australian population. Under constrained funding, places could be targeted towards universities achieving national targets (e.g. 20% low SES participation or sectoral averages via the PBF). However, setting state and territory-based or institutionally contextualised targets are a more effective means for encouraging the university sector to better reflect their local populations.

Low SES persons are only one group that is socially disadvantaged and under-represented in higher education. Indigenous Australians, regional/remote populations, gender diverse, carers and persons with disabilities also face difficulties accessing higher education. Certain sub-groups of the low SES population also appear to have great difficulty accessing any post-school education, such as young low SES males. Targeting and expanding access to under-represented groups needs to account for the diversity and intersectionality of disadvantage.

If the higher education funding system is to remain constrained, growth funding should ideally be targeted towards universities with demonstrated commitment and success in supporting low SES students. For example, 75% of low SES students are satisfied with their overall student experience, which is below the rates of satisfaction for other students (76% for high SES and 77% for medium SES), but ranges from 65% to 92% across the sector. At a smaller number of universities low SES students report greater satisfaction than other students. It is beyond the scope of this discussion paper to analyse the evidence in detail (see Appendix A for an initial overview), but it would appear that support for low SES students varies by university and warrants further investigation.
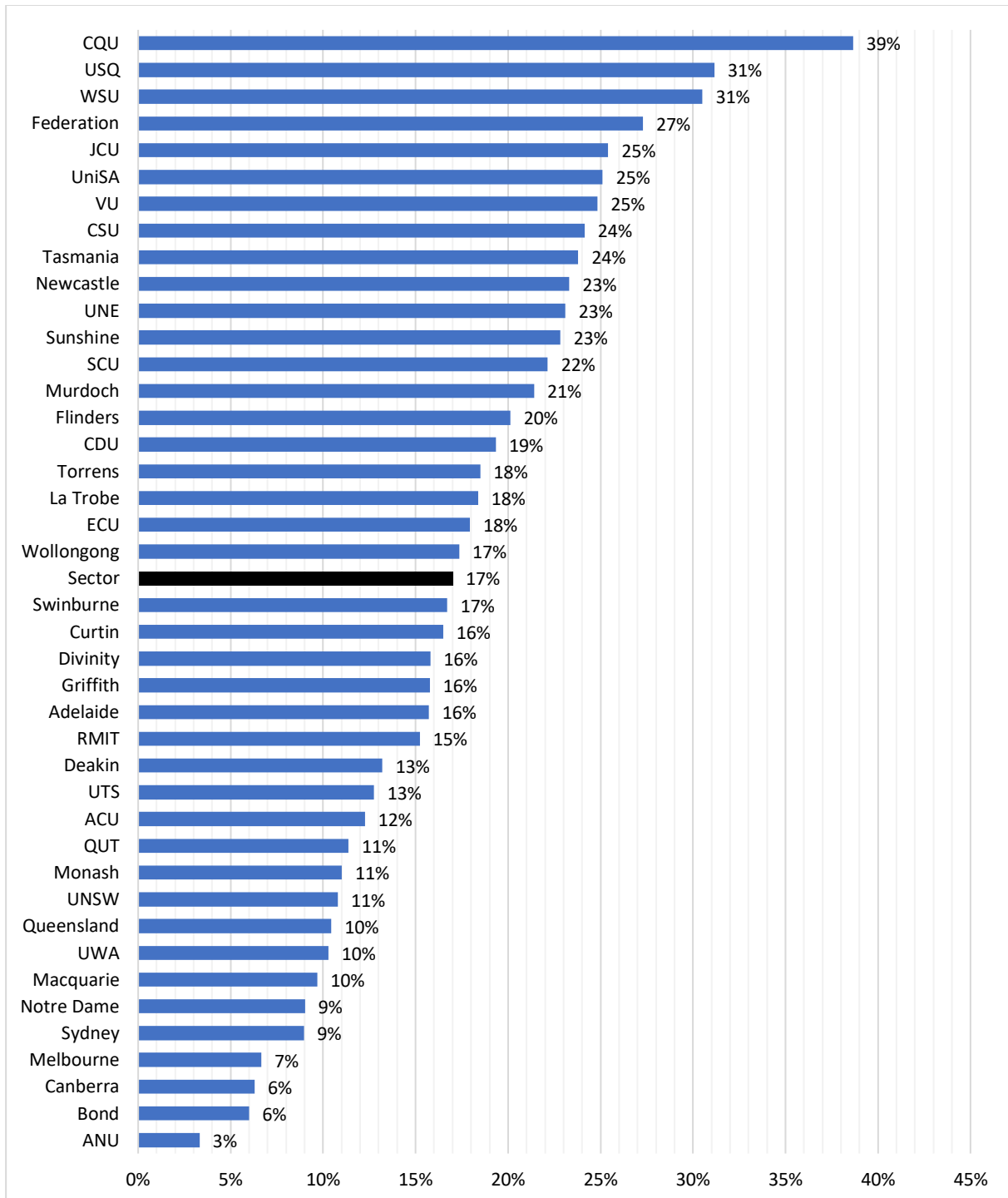
Universities also differ in their low SES completion rates, ranging from 57% at Swinburne to 92% at The University of Melbourne (Divinity has 100% completions but is very small; see Figure 6). However, low SES is a broad and complex category that interacts with other factors that affect student success, such as preparedness for study (e.g. ATAR) and mode of study. Universities with the highest completion rates are typically least representative of their populations in terms of their effort-opportunity ratios and have high minimum ATAR admission standards. Low SES participation growth will likely require more lower ATAR and non-ATAR admissions. Further research is required to understand student experience and other factors that contribute to success for this particular cohort.

Figure 4. Relationship between effort-opportunity ratio and low SES completion/retention
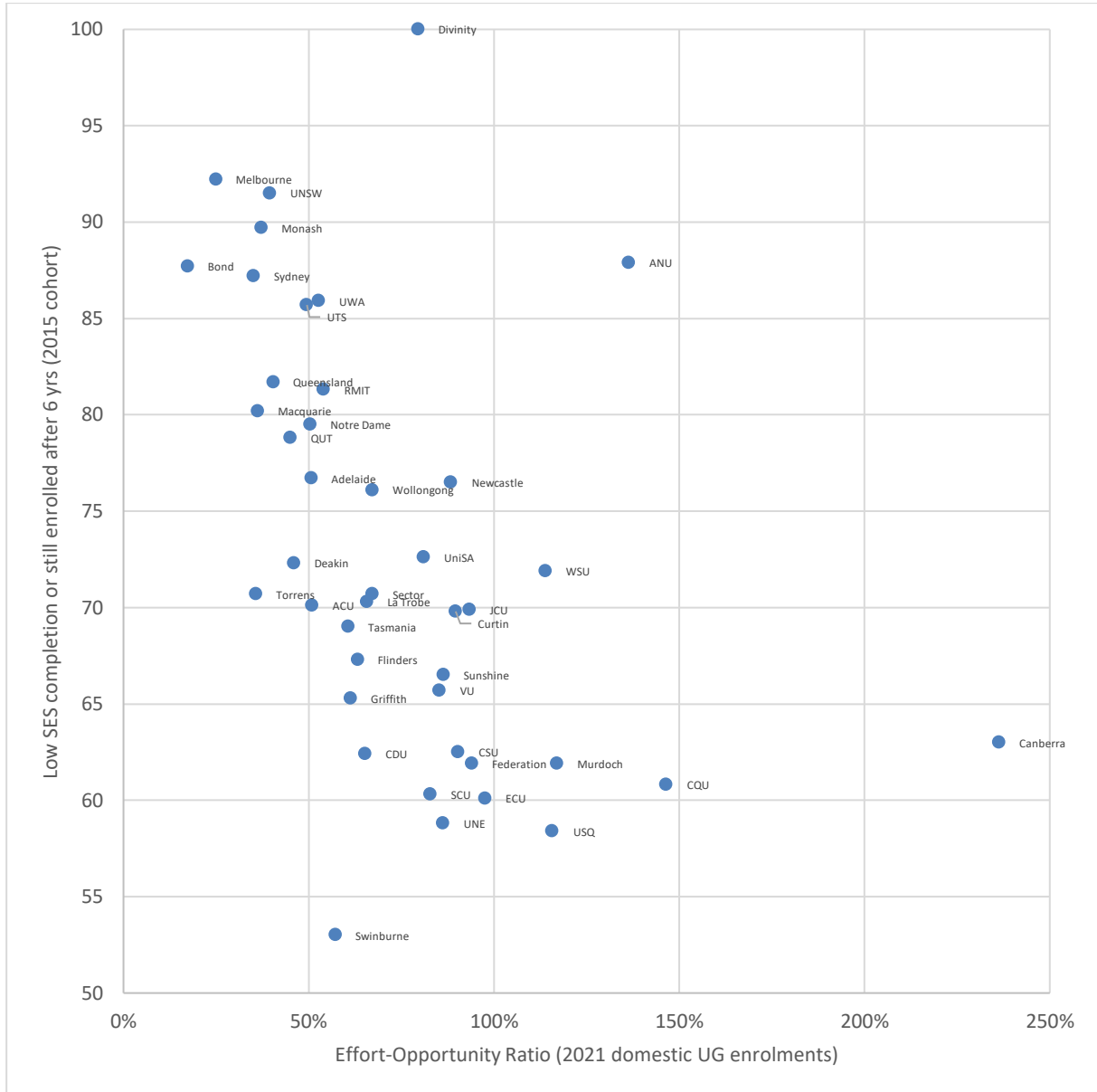
Appendix A – Overview of current low SES enrolment rates by institution

Figure 5. Low-SES as % of enrolments in 2021 by university

University	Low-SES %
CQU	39%
USQ	31%
WSU	31%
Federation	27%
JCU	25%
UniSA	25%
VU	25%
CSU	24%
Tasmania	24%
Newcastle	23%
UNE	23%
Sunshine	23%
SCU	22%
Murdoch	21%
Flinders	20%
CDU	19%
Torrens	18%
La Trobe	18%
ECU	18%
Wollongong	17%
Sector	17%
Swinburne	17%
Curtin	16%
Divinity	16%
Griffith	16%
Adelaide	16%
RMIT	15%
Deakin	13%
UTS	13%
ACU	12%
QUT	11%
Monash	11%
UNSW	11%
Queensland	10%
UWA	10%
Macquarie	10%
Notre Dame	9%
Sydney	9%
Melbourne	7%
Canberra	6%
Bond	6%
ANU	3%

Appendix B – Are low SES students better supported at some universities more than others?

The QILT Student Experience Survey contains 107,000 responses from low SES students on their overall satisfaction with their student experience from 2017 to 2021. 75% of low SES students were satisfied with their experience across the sector. Low SES student satisfaction ranges from 92% to 65%, but the high satisfaction outliers are typically small providers with few low SES students and unlikely to be able to accommodate a larger intake of low SES students. The highest satisfaction for low SES students among comprehensive universities is 83%. This broad range across comprehensive universities (65% to 83%) is indicative that low SES students may be better supported at some universities over others.

Low SES satisfaction levels can also be compared to satisfaction from medium and high SES students. Some universities may have particular geographical, demographic or disciplinary contexts that could affect their low SES student satisfaction compared to other universities. At a sectoral level, low SES students report slightly lower satisfaction, one percentage point lower compared to high SES students (76%), and two percentage points lower than medium SES students (77%). This is consistent across most universities, but six universities appear to provide an advantage to low SES students compared to high SES students, ranging from +5% satisfaction to +1%. It is possible that these six universities offer greater support to their low SES students, though one is below the sectoral average for low SES student satisfaction (71% vs 75%), despite having slightly higher satisfaction among low SES students compared to high SES students.

Institutional level student satisfaction survey data has limitations for directing where future higher education expansion for low SES participation could be targeted. For example, satisfaction may vary by field of education, demographics or mode of study, and low SES demand may not be geographically aligned with institutions with higher satisfaction. There is also no certainty that universities would maintain current satisfaction levels after expanding, particularly given that the universities with higher satisfaction tend to be smaller, and this could contribute to their current levels of satisfaction. However, it would be reasonable to assume that some universities are particularly less suitable for accommodating more low SES students. Those being universities with a combination of lower levels of low SES satisfaction compared to the sectoral average, and lower levels of low SES satisfaction compared to high SES students at the same university. These institutions are typically the larger metropolitan universities.

Figure 6. Relationship between overall low SES student satisfaction and low SES (dis)advantage