

Equity Policy Options: Parity Targets

Final Report

October 2023



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Acknowledgement of Country

The Australian Centre for Student Equity and Success acknowledges Indigenous peoples across Australia as the Traditional Owners of the lands on which the nation's campuses are situated. With a history spanning more than 60,000 years as the original educators, Indigenous peoples hold a unique place in our nation. We recognise the importance of their knowledge and culture, and reflect the principles of participation, equity, and cultural respect in our work. We pay our respects to Elders past, present, and future, and consider it an honour to learn from our Indigenous colleagues, partners, and friends.

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Notes to Reader

1. This report is published by the Australian Centre for Student Equity and Success (ACSES), which was formerly the National Centre for Student Equity in Higher Education (NCSEHE). The change in name occurred in February 2024. This report was submitted by NCSEHE to the Australian Government Department of Education (the Department) in October 2023. A public version of the report has been made available in July 2024 under the ACSES name. The report therefore refers to ACSES in most instances. No other changes to the content of the report have been made since the report submission in October 2023.
2. In this ACSES report, we used the population reference values published by the Department for all equity groups, which includes the 2018 Survey of Disability Aging and Carers (SDAC) reference value for disability. ACSES queried the use of the reference value with the Department as students with disability would be participating at parity using this reference value.

The SDAC reference value has been used in Australian higher education as a measure of the population with disability for at least 15 years, where it has been published along with participation rates. The SDAC reference value was used in the 2008 Bradley Review (Bradley, 2008).

However, the SDAC reference value is limited as it excludes people with profound and severe core activity limitation, and the collection methods and questions differ between the Survey of Disability Aging and Carers and the university data collection and so might not be directly comparable.

ACSES was asked to explain the limitations and issues with this data as part of the report that was provided to the Accord Panel. In this ACSES report, we made several references to the disability reference rate, along with a recommendation that 'Consideration should be given to identifying a population reference value that is comparable to the disability definition used by institutions' (see pages xvii and 36).

Executive Summary

The Australian Universities Accord Review of Higher Education (“the Accord Panel”) has indicated that it will consider parity targets for each priority equity group amongst Table A Provider institutions¹, whereby the representation of the group in **higher education undergraduate participation** (undergraduate enrolment headcount) and **completion** (headcount of ‘first-time’ undergraduate completions) in a year is equal to that of their share of the Australian population aged 15 to 64 years.

This report outlines policy options for the Accord Panel in relation to *parity* targets for four priority equity groups in Australian higher education:

- People from low socio-economic status (low SES) backgrounds (low SES students)
- People from rural and isolated (remote) areas (regional/remote students)
- First Nations (Aboriginal and Torres Strait Islander) Australians (First Nations students)
- People with disability (students with disability)

The initial timeframe for meeting parity targets is by 2035, with a further iteration of the analysis considering the impact of expanding the horizon to 2040 or 2050.

Equity Performance in Australian Higher Education

1. The Bradley Review Targets: The last major review of the Australian higher education, the 2008 Bradley Review, examined measures to address the participation gap issue, including targets (Bradley, 2008). The Review placed educational attainment and equity at the centre of target-setting policy in Australia, notably with the eventual identification of two key targets by 2020:

- **Attainment target:** 40% of 25- to 34-year-olds to have attained a bachelor’s qualification or higher. In 2010, this figure was closer to 32%.
- **Enrolment target:** Students from low socio-economic (low SES) backgrounds to account for 20% of undergraduate domestic enrolment. In 2010, this figure was closer to 16.5%.

¹ ‘Table A’ Providers are the 38 major higher education institutions (as of October 2023) as defined under the *Higher Education Support Act 2003*.

These twin goals underpinned the challenge facing the system in 2010, namely, to increase the low SES share of enrolment, and equity participation more generally, at the same time as overall university participation was increasing.

2. The Demand Driven System and Equity: Bradley’s recommendations, and the Rudd Labor Government’s 2009 response – *Transforming Australia’s Higher Education System* (DEEWR, 2009) – resulted in the introduction of key initiatives to support the ambitious targets established by the Review. This was led by the introduction of the Demand Driven System (DDS) for undergraduate places over 2010-11, which provided funding for Commonwealth Supported Places (CSPs) for non-medical courses at universities, based on institutions meeting demand from students. This occurred alongside measures to widen equity student participation, such as the introduction of the Higher Education Participation and Partnerships Program (HEPPP).

The post-Bradley Review era (2008 to 2021), including the seven years of the DDS, saw domestic undergraduate enrolments expand by 47.3%, or 251,716 additional students, as outlined in Table A.

Table A: Domestic Undergraduate Enrolments, Australia 2008 and 2021, Growth %

	2008	Share (%)	2021	Share (%)	2008 to 2021 Growth (%)	Share of Growth (%)
Undergraduates	532,503	100.0	784,219	100.0	47.3	-
Low SES	86,561	16.3	133,901	17.1	54.7	18.8
Regional/Remote	106,579	20.0	160,542	20.5	50.6	21.4
First Nations	6,820	1.3	16,383	2.1	144.9	3.8
Disability	23,447	4.4	80,769	10.2	246.9	22.8
Equity Group*	176,492	33.1	309,360	39.4	75.3	52.8
<i>Non-Equity</i>	<i>356,011</i>	<i>66.9</i>	<i>474,859</i>	<i>60.6</i>	<i>33.4</i>	<i>47.2</i>

Note: * The *Equity Group* measure is a sum of the four groups under consideration, adjusting for membership of multiple equity groups.

Source: Australian Government Department of Education (2023) and ACSES calculations.

The combination of the DDS and targeted equity support saw both an increase in overall enrolments as well as an increase in equity group representation in the system in the post-Bradley era. The analysis reported here provides projections for parity targets in view of similar conditions – an expansion in overall enrolments and concerted policy efforts to increase equity group participation.

Modelling Parity Targets in Australian Higher Education

1. **Equity Groups:** We undertake an analysis of policy options in relation to equity group parity for the four equity groups (low SES; regional/remote; First Nations; students with disability) and a composite group, *Equity Group*, which is the total enrolment across all four groups after adjusting for multiple group membership (as per Table A above). Low SES and regional/remote students are identified using 'first address', which assigns status to students using their home address at the commencement of their studies.

2. **University Demand Projections:** We base our parity target projections on the Australian Government Department of Education's ("the Department") projections on participation and completion to 2035 for the Accord Panel's Interim Report (Australian Universities Accord, 2023), and confirmed projections to 2040 and 2050 from that work. Those projections draw on the work from BIS-OE which indicate that by 2050 around 55% of all employed persons will require a higher education qualification, compared with 36% presently. The Department's projections for higher education to meet this demand require:
 - a. **Participation:** An increase in Australian undergraduate enrolments from a headcount of around 784,000 in 2021 to 1.07 million in 2035, or an increase in enrolments of 36.4% over a 14-year period. Beyond, 2035, enrolment headcounts to 2040 and 2050 are 1.3 million and 1.8 million, respectively.
 - b. **Completion:** First-time completions will need to rise by 27% from 118,000 in 2021 to 151,000 in 2035, rising to 195,000 in 2040 and 277,000 in 2050.

3. **Achieving Parity:** Population parity targets establish participation and completion shares – formerly known as the **participation rate** and the **completion rate** – targets for equity groups that are identical to their share of population aged 15 to 64 years.

An equity group's **performance ratio** for participation and completion is calculated by dividing the above rates by a **reference value** – the equity group share of population – with a ratio of 1.00 indicating parity has been achieved. Table B below shows the extent of this challenge. For instance, the national low SES share is equal to the 25% of the Australian population who live in the lowest ranked areas (postcodes or statistical collection areas) using Australian Bureau of Statistics (ABS) Census data on education

and occupation status for all areas. However, the low SES participation (17.1%) and completion (14.6%) rates show that low SES students are at two-thirds of population parity for participation with a performance ratio of 0.68, and an even lower ratio of 0.58 for completion, when compared to the national reference value of 25.0%. First Nations students have even lower levels of representation, with low rates of participation and high levels of attrition resulting in a completion performance ratio of just 0.41, implying a completion share that is less than half the First Nation population share.

Table B: Equity Group Population Shares, Undergraduate Participation Rates, and Completion Rates (Per cent) and (Performance Ratios) (2021)

	National Reference Value (%)	Participation Rates % (Performance Ratio)	Completion Rates % (Performance Ratio)
Low SES	25.0	17.1 (0.68)	14.6 (0.58)
Regional/Remote	26.1	20.5 (0.78)	18.8 (0.72)
First Nations	3.4	2.1 (0.61)	1.4 (0.41)
Disability	8.4	10.3 (1.23)	7.8 (0.93)
Equity Group	49.1	39.4 (0.80)	33.6 (0.68)

Source: Australian Government Department of Education (2023) and ACSES calculations.

Overall, we report on a composite measure across all four equity groups, *Equity Group*. As per Table B, this is a sum of the four groups with a correction factor of 0.79 applied to the four-group total to account for equity students being members of multiple equity groups. This provides an overview of the broader equity challenge, with the four groups combining for 49.1% of the population, but only accounting for 39.4% of participation headcount (performance ratio of 0.80) and 33.6% of completion headcount (0.68). This demonstrates the nature of the parity challenge, with this report outlining the required increase in equity group participation and completion headcounts for participation and completion performance ratios to reach parity at 1.00.

4. The Reference Population: Population parity targets depend critically on the reference population. In the Australian context, this includes balancing national policy-setting with the reality that Australian higher education is heavily segmented within state and territory boundaries, as we discuss in this report, whereby 80 to 90% of students attend university (in-person or online) at an institution in the jurisdiction in which they resided when they commenced studies. This creates a rationale for a shift from national population parity targets to state/territory-based targets given differences in equity

group shares across states and territories, as shown in Table C, where for instance, regional/remote population shares vary from 0.1% in the Australian Capital Territory to 100% in Tasmania.

Table C: Selected Equity Group State/Territory Reference Values, 2021, Share of Population (15-64 years) (%)

	Low SES	First Nations	Regional/ Remote	Disability
New South Wales	23.0	3.0	23.1	8.4
Victoria	19.4	0.9	20.8	8.4
Queensland	28.1	4.4	35.6	8.4
Western Australia	22.8	4.0	21.7	8.4
South Australia	30.0	2.6	25.3	8.4
Tasmania	42.3	5.5	100.0	8.4
Northern Territory	23.1	31.3	100.0	8.4
Australian Capital Territory	0.2	1.9	0.1	8.4

Note: The low SES equity reference value uses the 2016 SEIFA IEO estimates (ABS). All other equity reference values are sourced from Australian Government Department of Education (2023b). The Australian Government Department of Education’s equity reference value for disability for each state and territory is the national estimate of 8.4%.

Source: Australian Government Department of Education (2023) and ACSES calculations.

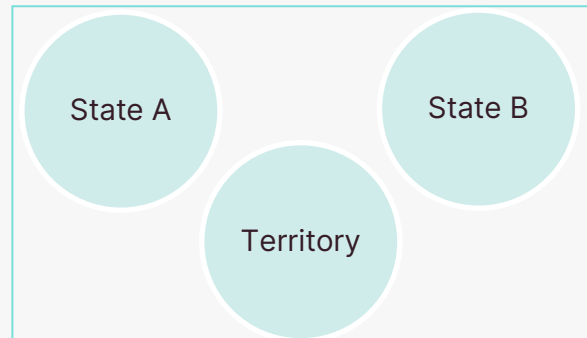
We develop three options for reference populations. These reflect historic approaches to describing parity targets in Australia and emphasise approaches based on shared geography, rather than institutional-specific measures.

Figure A: Three types of Parity Targets

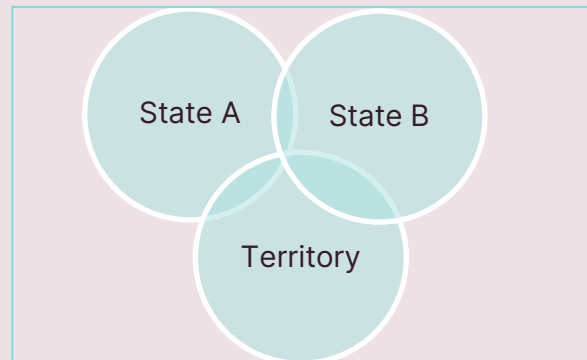
National Parity Targets: Table A Providers are individually or collectively set a target for each equity group whereby its share of the institution's enrolment and completions is equal to the *national* population share.



State/Territory (Home Institution) Parity Targets: Table A Providers are individually or collectively set a parity target for each equity group whereby its enrolment share in the institution's enrolment and completions is equal to the population share reported in their *home* state or territory, as indicated by the location of their main campus. The Australian Catholic University (ACU) is classified as a multi-state university.



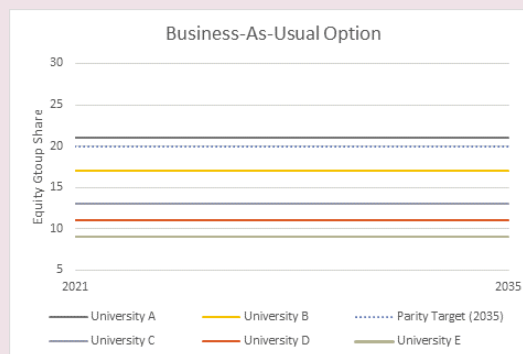
State/Territory (All Institutions) Parity Targets: This approach uses permanent home address data to attribute students to their *home* state/territory, to consider interstate movements among students undertaking 'in-person' or online interstate studies. Table A institutions are individually or collectively set a parity target for each equity group based on *home* state/territory enrolment, but also consider participation and completions achieved by institutions from other states and territories.



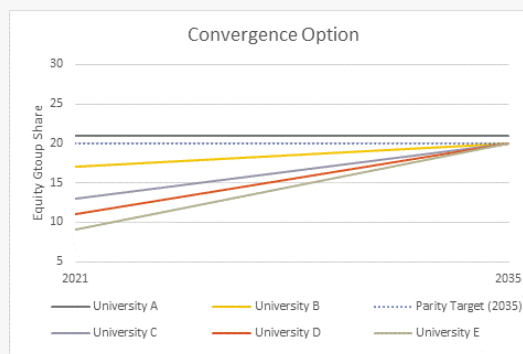
5. **Policy Options:** We develop four options for parity targets (Figure B). The first is a *Business-as-Usual* option which maintains 2021 participation and completion shares and the remaining three are **active** options that emphasise target-setting based on shared geography.

Figure B: Indicative impact of the four Parity Target Policy Options.

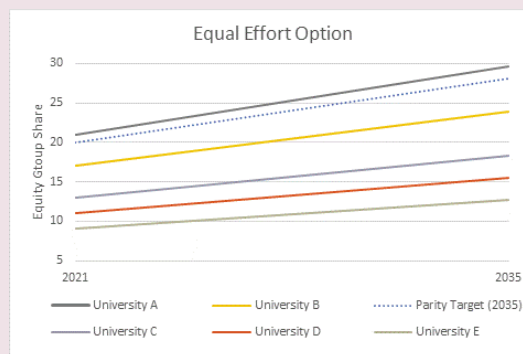
Business-as-Usual Option: Equity group participation and completion shares remain constant between 2021 and 2035, such that enrolment and completion shares in 2035 are identical to those in 2021. This also implies that the share of growth in participation and completion attributable to equity groups mirrors their 2021 shares.



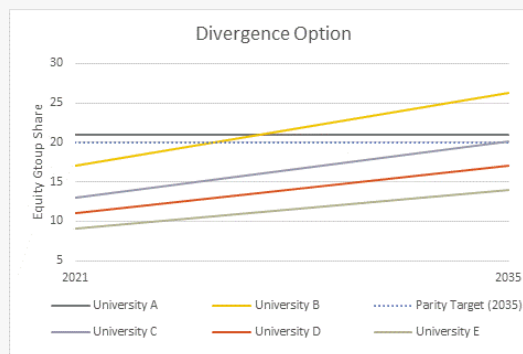
Convergence: Each institution achieves at least equity group parity by 2035, where overall outcomes exceed parity if one or more individual institutions are at parity in 2021. Under this option, the “floor target” for each institution is set at parity or the 2021 level of participation (or completion) – whichever is greater. All institutions below parity in 2021 must meet the parity target, while those above parity in 2021 must at least maintain that share.



Equal Effort: In this option, the parity target is for a jurisdiction. This is achieved through a target of an identical percentage increase in participation/completion outcomes from the 2021 starting point for each institution, equal to the required percentage increase to achieve a parity outcome for the jurisdiction. If the 2021 participation (or completion) rate is higher than the parity target for 2035, the parity target is for institutions to at least match the 2021 performance – as per the Business-as-Usual option.



Divergence: The Divergence option is similar to Equal Effort, but institutions already above the parity target in 2021 are not required to exceed this “ceiling target” to contribute to the jurisdiction target. Instead, the required increase in enrolments to achieve the jurisdiction target is spread across those institutions operating below the parity target in 2021. This is referred to as Divergence as the growth paths on institutional participation/completion differ.



Note: These estimates relate to equity group shares (%), with our reported outcomes being participation and completion headcounts. The *Business-As-Usual* option indicates no variation in the rate, but participation and completion headcounts for equity groups will rise in line with overall enrolments.

Key Findings

1. **Parity targets to 2035 are unrealistic:** The key finding from this analysis is that parity targets to 2035 will be challenging to achieve under all three active policy options, primarily because of the sheer size of the participation gap between equity and non-equity students in comparison with the projected growth in overall enrolments.

As an example, we present findings on the requirements for the system to meet a National Parity Target by 2035, with the implications for institutions under the four policy options.

In all four options to 2035, total participation reaches 1.07 million, representing a 36% expansion in headcount or an additional 285,954 students by 2035. As the 2035 *Business-as-Usual* option sees equity group participation rates remain static at their 2021 levels, the equity share of total growth in the system represents the 2021 share of total enrolment at 39.4%, implying a required expansion in equity students of 112,804.

Table D: Equity Group Enrolment Projections: National Parity Targets Under Four Options to 2035

	2021	Business-As-Usual	Convergence	Equal Effort	Divergence
Undergraduates	784,219	1,070,173	1,070,173	1,070,173	1,070,173
Low SES	133,901	182,726	274,372	267,543	267,543
Regional/Remote	160,542	219,081	334,537	279,315	279,315
First Nations	16,383	22,357	43,566	42,124	42,124
Disability	80,769	110,220	115,079	110,220	110,220
Equity Group	309,360	422,164	606,367	552,370	552,370
<i>Equity Share of Growth (%)</i>		39.4	103.9*	85.0	85.0

Note: *The equity group share of growth exceeds 100% where the increase in equity group participation required exceeds total undergraduate growth.

Source: Australian Government Department of Education (2023) and ACSES calculations.

In contrast, in the *Convergence* option, whereby each institution is required to achieve parity with national population shares in 2035 or retain their equity student shares if above that target in 2021, an additional 297,007 equity students are required between 2021 and 2035. This is equal to 103.9% of the projected increase in overall enrolment to 2035, rendering the *National Parity Targets* impossible to achieve unless undergraduate

enrolments increase even further by 2035 or the target is reached at some point in the future. This includes increases in student enrolments compared with 2021, resulting in 274,372 low SES, 334,537 regional/remote and 43,566 First Nations students, and 115,079 students with disability in 2035.

The *Equal Effort and Divergence* options yield identical estimates in aggregate, as their outcomes represent a parity target for the Australian higher education system (Table A Providers), with institutions making variable contributions because of their 2021 starting points (*Equal Effort*), as well as an additional consideration where institutions already above parity are not obligated to increase their enrolments (*Divergence*). The two options see reduced outcomes, requiring 552,370 equity students (53,997 fewer than under *Convergence*) and a reduced projected equity share of growth at 85.0% of total enrolment growth.

The above finding holds for all parity targets and policy options to 2035, for both participation and completion targets. All nine active policy options (three active options against the three parity targets) require equity group participation and completion growth to 2035 to dominate overall enrolment in both cases.

Table E: Equity Group Share of Total Enrolment Growth to 2035 under Three Parity Targets and Four Policy Options

2035 Parity Target	Business-As-Usual	Convergence	Equal Effort	Divergence
Participation				
<i>National</i>	39.4	103.9*	85.0	85.0
<i>State/Territory (Home Institutions)</i>	39.4	101.1*	86.0	86.0
<i>State/Territory (All Institutions)</i>	39.6	96.0	80.5	80.5
Completion				
<i>National</i>	33.6	125.5*	109.0*	109.0*
<i>State/Territory (Home Institution)</i>	33.6	116.9*	103.5*	103.5*
<i>State/Territory (All Institutions)</i>	37.1	111.5*	92.4	92.4

Note: *The equity group share of growth exceeds 100% where the increase in equity group participation and completion required exceeds total undergraduate growth.

Source: Australian Government Department of Education (2023) and ACSES calculations.

These findings indicate that for equity parity targets to be reached by 2035, overall growth in the higher education system will have to be considerably higher, or additional enrolment growth will have to be almost exclusively concentrated among equity students in the case of participation, with a similar finding holding for completion targets where equity groups are already further away from parity.

2. Parity targets to 2050 are more realistic: To test the extent to which extending the horizon for parity targets makes them more achievable, we also modelled parity targets to 2050 under the Department’s projections for system growth to that year.

The estimates for 2050 parity targets show that in all nine active target-options combinations, the required equity share – the *Equity Group* share – of enrolments is above 50% of total enrolment growth, but these are considerably lower than shares under the 2035 targets, where parity is reached 15 years earlier.

Table F: Equity Group Share of Total Participation and Completions Growth to 2050 under Three Parity Targets and Four Policy Options

2050 Parity Target	Business-As-Usual	Convergence	Equal Effort	Divergence
Participation				
<i>National</i>	39.4	71.5	62.6	62.6
<i>State/Territory (Home Institution)</i>	39.4	70.1	62.9	62.9
<i>State/Territory (All Institutions)</i>	39.6	61.7	55.9	55.9
Completion				
<i>National</i>	33.6	69.8	63.5	63.5
<i>State/Territory (Home Institution)</i>	33.6	66.4	61.2	61.2
<i>State/Territory (All Institutions)</i>	37.1	66.4	59.2	59.2

Source: Australian Government Department of Education (2023) and ACSES calculations.

3. The key criteria for a parity target: The findings from the projection work reported here indicate the following:

Timeframes: The 2021 *Equity Group* participation share of 39.4% and completion share of 33.6%, contrast sharply with the national parity measure for the overall equity grouping of 49.1% (as per Table B above), necessarily implies a high share of additional enrolments to a given target year, be it 2035 or 2050, must be taken up by equity students in a system that is projected to see participation expand by 36.4% to 2035.

Thus, the projections show a mismatch between the level of growth required in equity enrolments to achieve population parity and projected growth in the system overall for all timeframes. Even projections to 2050 require an *Equity Group* share of additional enrolments (participation) ranging across the nine active policy options from 55.9% to 71.5%, with uniformly higher shares for completion, given the lower starting point of 33.6%.

This necessitates the use of 2050 as the target year, but with the potential to include an interim target for 2035 based on the share of growth taking place to that year – 29.3% in the case of participation and 20.8% for completions.

Recommendation on timeframe: We recommend the use of 2050 as the target year, with 2035 serving as an interim target year, where the participation and completion headcount targets are calculated in 2035, based on the percentage of growth in overall enrolments to 2050 that is projected to take place by 2035 – 29.3% in the case of participation and 20.8% for completions.

Reference population: We considered three options in relation to reference population, resulting in three parity targets. The *National Parity Target* results in the greatest requirement in terms of equity share of increased undergraduate enrolment, largely because of differences across states and territories in relation to low SES and regional/remote population shares.

We show that the introduction of *State/Territory* targets can be justified based on the continued geographic segmentation of Australian higher education, with 80 to 90% of undergraduates in each state and territory engaging in studies at an institution whose

main campus is located in their jurisdiction. The utilisation of *State/Territory (Home Institution) Parity Targets* lowers overall parity targets and the resulting equity share of additional participation and completion headcounts.

We find that a further adjustment to the *State/Territory* target – *State/Territory (All Institutions)* – could be appropriate in refining the target through an adjustment for state and territory settings based on student, rather than institutional, location. However, this requires constructing targets for interstate institutions, which introduces a level of complexity that compromises the universal application of targets, when adjustments can be negotiated in special cases instead.

Recommendation on reference population: We recommend the use of the *State/Territory (Home Institution)* to ensure that universities face parity targets that reflect their reference populations.

Policy options: We considered three active policy options: *Convergence*, *Equal Effort* and *Divergence*. The *Convergence* option, where all institutions are required to meet the parity target, is not viable at a system level given the share of the growth in participation and completion headcount it would require, and also on the basis of individual institutional outcomes. The *Equal Effort* policy option sees institutions increasing equity participation and completions by the same percentage. The variation on this option, *Divergence*, where institutions above parity in 2021 can remain at their current participation level while other institutions increase participation and completion outcomes to meet the parity target, could be viable in certain instances, but should not constitute a default position in institutional negotiations.

Recommendation on policy option: We recommend the introduction of the *Equal Effort* policy option, with modified targets possible subject to negotiations between regulators (such as the proposed TEC) and institutions.

4. The recommended option: The recommended policy option in relation to both participation and completion headcount is reported in Tables G and H below. These report the projected headcounts in 2050, the growth in headcount between 2021 and 2050, and each equity group's share of total growth in undergraduate headcount.

Table G: Participation – the Equal Effort Option to meet a *State/Territory (Home Institutions)* Parity Target in 2050.

	2021	2050 Equal Effort	Growth (headcount)	Share of Growth (%)
Undergraduates	784,219	1,761,463	977,244	-
Low SES	133,901	416,354	282,453	28.9
Regional/Remote	160,542	492,025	331,483	33.9
First Nations	16,383	80,002	63,619	6.5
Disability	80,769	181,849	101,080	10.3
Equity Group	309,360	924,481	615,121	62.9

Source: Australian Government Department of Education (2023) and ACSES calculations.

Table H: Completion – the Equal Effort Option to meet a *State/Territory (Home Institutions)* Parity Target in 2050.

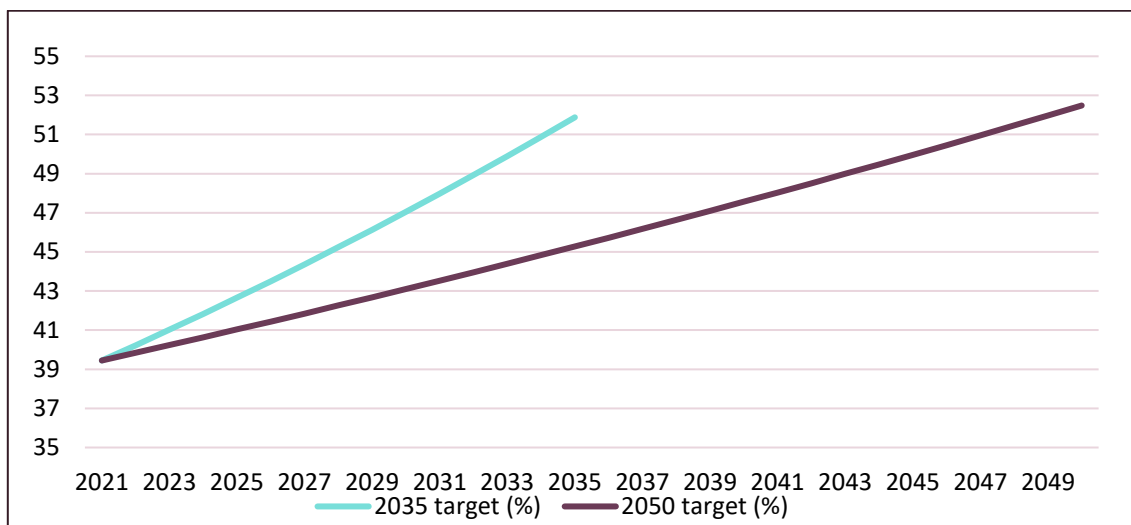
	2021	2050 Equal Effort	Growth (headcount)	Share of Growth (%)
Undergraduates	118,000	276,871	158,871	-
Low SES	17,179	64,412	47,233	29.7
Regional/Remote	22,154	73,597	51,443	32.4
First Nations	1,637	11,439	9,802	6.2
Disability	9,215	23,904	14,689	9.2
Equity Group	39,646	136,948	97,302	61.2

Source: Australian Government Department of Education (2023) and ACSES calculations.

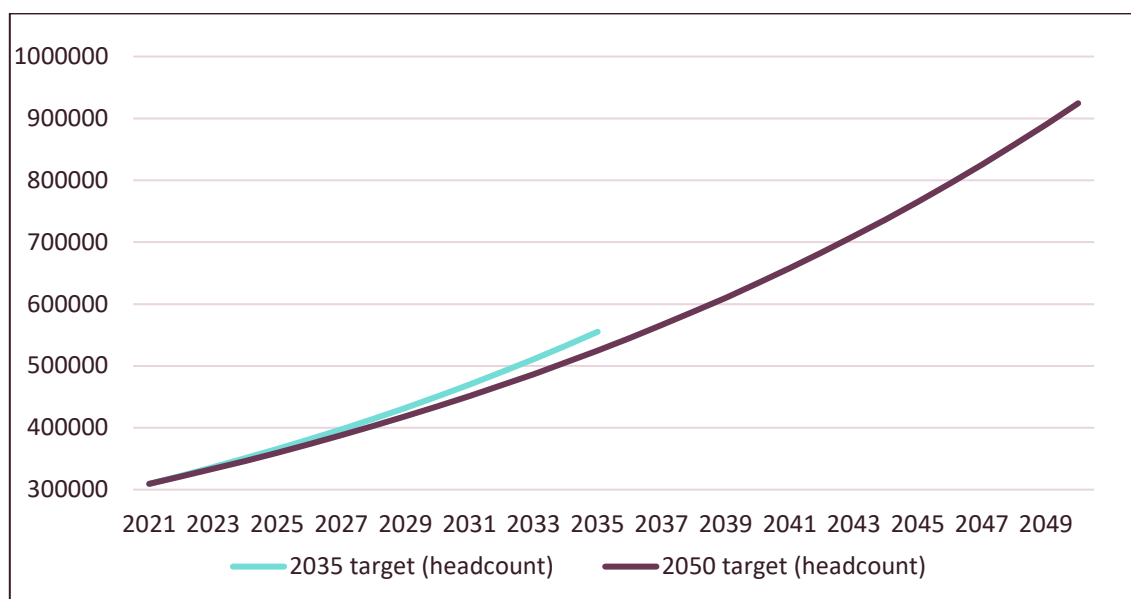
By way of example, Figure C reports the growth paths in the *Equity Group* student participation rate and enrolments required under the *Equal Effort* policy option with a *State/Territory (Home Institution)* parity target, for timeframes to 2035 and 2050. The participation rate plot in particular demonstrates the difference in the gradient of expansion between 2035 and the longer timeframe, with the enrolment time paths demonstrating the implication this has for equity student numbers to 2035 under both timeframes.

Figure C: *Equity Group Student Outcomes under a State/Territory (Home Institution) Target under the Equal Effort Policy Option: (a) Participation Rate and (b) Enrolments, 2035 and 2050 timeframes.*

(a) Participation Rate



(b) Enrolments



Interim Targets in 2035

The interim targets for 2035 represent growth in equity group participation and completion headcount that is equivalent to the share of overall growth in undergraduate enrolments that is projected to take place to 2035 under the *Equal Effort* option that meets the parity target goal in 2050.

Table I: Participation – The Equal Effort Option to meet a *State/Territory (Home Institutions)* Parity Target in 2035.

	2021	2035 Equal Effort*	Growth (headcount)	Share of Growth (%)
Undergraduates	784,219	1,070,173	285,954	-
Low SES	133,901	216,550	82,649	28.9
Regional/Remote	160,542	257,538	96,996	33.9
First Nations	16,383	34,999	18,616	6.5
Disability	80,769	110,346	29,577	10.3
Equity Group	309,360	489,352	179,992	62.9

Note: This represents a target in 2035 under the 2050 timeframe, when 29.3% of the growth in participation headcount to 2050 takes place.

Source: Australian Government Department of Education (2023) and ACSES calculations.

Table J: Completion – the Equal Effort Option to meet a *State/Territory (Home Institutions)* Parity Target in 2035.

	2021	2035 Equal Effort*	Growth (headcount)	Share of Growth (%)
Undergraduates	118,000	150,973	32,973	-
Low SES	17,179	26,982	9,803	29.7
Regional/Remote	22,154	32,831	10,677	32.4
First Nations	1,637	3,671	2,034	6.2
Disability	9,215	12,264	3,049	9.2
Equity Group	39,646	59,841	20,195	61.2

Note: This represents a target in 2035 under the 2050 timeframe, when 20.8% of the growth in participation headcount to 2050 takes place.

Source: Australian Government Department of Education (2023) and ACSES calculations.

Other Considerations

Equity Group Definitions

- **Current Group Definitions:** Equity group membership data need to be collected consistently for parity targets to be effectively used as benchmark reference values or to compare across higher education institutions. In particular, the collection of data on First Nations and disability status relies on self-reporting by students and there is enough inconsistency between institutions in the collection of these data to result in over- or under-reporting across institutions.
- **Multiple Equity Group Membership:** Multiple group membership, which captures the effect of cumulative or compounding disadvantage should be explicitly measured and reported on.

Parity Population Data and Definitions

- **Population Data:** Effective target-setting will require an evaluation of the collection and reporting of population-level data on equity groups that is used to establish parity targets.
- **Disability:** The ABS data on disability that is used as a national population reference value is not comparable to disability data collected by higher education institutions. This contributes to the disability reference value of 8.4% being *lower* than the 2021 national participation share of students with disability (10.3%) – effectively implying that participation parity has already been achieved in the system. Consideration should be given to identifying a population reference value that is comparable to the disability definition used by institutions.
- **Low SES:** Measure of low SES may need to be refined to better reflect a student's family background. Noting that not all people living in low SES areas face disadvantage, and that people in non-low SES areas may also face disadvantage.

Parity Targets

- A key issue is the tension between national and state/territory targets. The modelling in the report demonstrates that Australian higher education is still very much comprised of 'state/territory markets' although the position of the Territories and Tasmania is less certain, as is the case of two equity groups, First Nations and

regional/remote, who appear to have considerably higher interstate enrolment levels than the overall system. This issue requires further examination.

Policy Options

- The evidence on policy options is a little clearer. Targets that mandate each institution achieve each equity group target are fraught given the existing differences in equity group participation and completion outcomes across institutions. The *Equal Effort* policy option addresses this issue, proving institutions with targets that are proportional to their outcomes in 2021 – representing changes flowing from both the increase in undergraduate participation and completion over the previous decade but also changes in policy.

Targeting Participation and Completion

- While separate participation and completion targets can be established at the institutional level, the two are linked by completion performance, that is the ability of institutions to raise the retention and success of equity students in combination with a greater number of such students undertaking courses in their institutions. The two targets are necessarily linked as completion requires retention of students before first year and therefore necessarily bolsters participation outcomes. The setting of targets needs to recognise this and incorporate associated targets that link outcomes in both domains.

Broader Policy Responses

- Although the modelling does not include the impact of changes in other policies on outcomes under parity targeting, it not difficult to appreciate that overall context of higher education policy can affect institutions' capacity to meet parity targets. This includes *general* policy responses, such as: better secondary education outcomes for equity students; changes to student income support; improved careers advice; and more transparent admissions systems. In addition, *specific* policy responses for each of the four equity groups will be critical.

Introduction

This report outlines policy options for the Accord Panel in relation to *parity* targets for four priority equity groups in Australian higher education:

- People from low socio-economic status (low SES) Backgrounds (low SES students)
- People from rural and isolated (remote) areas (regional/remote students)
- First Nations (Aboriginal and Torres Strait Islander) Australians (First Nations students)
- People with disability (students with disability)

The Accord Panel has indicated that it will consider parity targets for each equity group among undergraduates in Table A Providers², whereby the representation of each group in terms of *participation* (undergraduate enrolment headcount) and *completion* (headcount of ‘first-time’ undergraduate completions) in a year is equal to that of their share of the Australian population aged 15 to 64 years.

The initial timeframe for meeting targets is by 2035, with the reporting of findings focusing on this timeframe. However, a further iteration of the analysis, which considers the impact of expanding the horizon to 2040 or 2050 was also undertaken in view of work on funding options for the Accord Panel which outlined a reform agenda to 2050.

Defining Equity Group Populations

The last 15 years of equity policy constitute something of a ‘second half’ of the last 30 years of equity policy in Australia. This period commenced with the release of a major report on disadvantage and underrepresentation in higher education, *A Fair Chance for All* (DEET, 1990) and the subsequent introduction of equity performance indicators by the 1994 *Review of Equity and General Performance Indicators in Higher Education* (“the Martin Review”; Martin, 1994). This work led to the establishment of the equity reporting system that has since underpinned policy and research on underrepresentation in Australian higher education (Harvey, Burnheim and Brett, 2016).

² Table A’ Providers are the 38 major higher education institutions (as of October 2023) as defined under the *Higher Education Support Act 2003*.

A core feature of this response was the creation of formal “equity student” groups in Australia that have characterised the discussion around widening participation and success in the lead up to, and subsequent implementation of reforms, to address disadvantage and underrepresentation in Australian higher education (Koshy, 2016).

The Martin Review identified priority equity groups in Australia (current terms in brackets):

- People from Socioeconomically Disadvantaged Backgrounds (Low SES students)
- People with Disability (Students with Disability)
- Indigenous People (First Nations students)
- People from Rural and Isolated (Remote) Areas (Regional/Remote students)
- Women in Non-Traditional Areas (WINTA students)
- People from Non-English Speaking Backgrounds (NESB) (NESB Students).

The low SES and regional/remote groups were defined based on the current address location of a student’s household, with socioeconomic status and regionality being assigned using the Australian Bureau of Statistics’ *Socio-Economic Index for Areas (SEIFA)* (Education and Occupation Index) for postcode (later, Statistical Area 1 – SA1) (ABS, 2012), and geographical remoteness classification system (ABS, 2015), respectively. This has continued to this day, with the one policy-related change being the introduction of the ‘first address’ measure which assigned status to students using their home address at commencement (Koshy, 2018; 2020). The WINTA group was defined using female share of enrolments in defined ‘non-traditional areas’ which strongly overlap with a more recent focus on enrolments in the STEM (Science, Technology, Engineering and Mathematics) areas. The other groups – students with disability, First Nations students, and NESB students – are defined via self-identification questions in university student data collection systems.

The recommendations of the Martin Review led to the establishment of data collection across equity groups, coupled with reporting of various student outcomes ranging from access rates (share of commencing enrolments) and participation rates (share of all enrolments) to retention, success (number of subjects passes) and completion rate³ (share

³ We use the term “completion rate” throughout to refer to an equity group’s share of completions. This is analogous to the “participation rate” in relation to overall enrolments. In Australian higher education data collection, the official term for this measure is the “attainment rate”, which we do not use as the Interim Report refers to attainment exclusively in relation to attainment in the general population. Similarly, the “completion rate” should not be conflated with the “cohort completion rate” indicator in Australia or the standard “completion rate” indicator in the US, both of which refer to the share of an entering cohort who subsequently complete a qualification.

of completions). Each indicator was accompanied by a population reference value against which it could be judged. The most common of these was in relation to participation, where the reference value was the equity group share of population aged 15 to 64 in each population.⁴

Trends in equity indicators in the first 15 years (1993 to 2018) of equity data can be seen in a comparison of participation rates (enrolments shares) across equity groups between 2001 and 2007, as per Table 1 below. This demonstrates the most immediate measure of underrepresentation of equity students in higher education, with all equity groups reporting participation rates below their population reference values or *population parity*. For instance, the national low SES reference value was equal to its population share of 25%, but the low SES participation rate was 16.2% in 2007.

Table 1: Historic Equity Group Higher Education Participation Rates, 2001 to 2007, Undergraduates, Various Years and 2006 Population Reference Value

	2001	2003	2005	2007	Reference Value (2006)
Low SES	16.8%	16.5%	16.0%	16.2%	25%
Students with a disability	3.4%	3.9%	4.3%	4.4%	8%
First Nations	1.2%	1.3%	1.2%	1.3%	2.3%
Regional	20.2%	19.8%	19.1%	19.1%	25.4%
Remote	1.3%	1.2%	1.1%	1.0%	2.4%
WINTA	21.0%	20.7%	19.9%	19.1%	-
NESB	3.2%	3.1%	3.1%	3.2%	3.7%

Source: Koshy (2016).

The 2008 Bradley Review and the Low SES Participation Target

The first 15 years of equity performance measurement in Australia were characterised by a recognition that equity group participation fell considerably short of what would take place under parity. It was in this context that the 2008 *Review of Australian Higher Education* (the ‘Bradley Review’) (Bradley, 2008) examined measures to address the participation gap issue, including targets. The Review placed educational attainment and equity at the centre of

⁴ One exception was for low SES students where the reference value was high SES student share, although the population share (25% at the national level) was commonly reported. In this paper, we use a reference share for low SES equal calculated at the *national* level that resides in each state and territory. As per Table 5, this leads to variation around 25% in the low SES population share across states and territories.

policy-targeting setting in Australia, notably with the eventual identification of two key targets by 2020:

- **Attainment target:** 40% of 25- to 34-year-olds to have attained a bachelor's qualification or higher. In 2010, this figure was closer to 32%.
- **Enrolment target:** Students from low socio-economic (low SES) backgrounds to account for 20% of undergraduate domestic enrolment. In 2010, this figure was closer to 16.5%.

These twin goals underpinned the challenge facing the system in 2010, namely, to increase the low SES share of enrolment, and equity participation more generally, at the same time as overall university participation was increasing. Bradley's recommendations, and the Rudd Government's 2009 response – *Transforming Australia's Higher Education System* (DEEWR, 2009) – resulted in the introduction of key initiatives to support the ambitious targets established by the Review. This was led by the introduction of the Demand Driven System (DDS) for undergraduate places over 2010-11, which provided funding for Commonwealth Supported Places (CSPs) for non-medical courses at universities, based on institutions meeting demand from students. Over the seven years of its operation to 2017, the DDS resulted in an expansion of undergraduate enrolments of around 35%, with growth slowing after its discontinuation in that year.

In addition, the low SES target was supported through the creation of the Higher Education Participation and Partnerships Program (HEPPP), which provided annual funding of around \$130 million to institutions to create and support programs to increase low SES student enrolment and retention, with activities under HEPPP spanning pre-access programs in schools to retention programs within universities (NCSEHE, 2013; 2014).

The post-Bradley Review era (2008 to 2021), including the seven years of the DDS, saw domestic undergraduate enrolments expand by 47.3%, equal to 251,716 students, as per Table 2.

Table 2: Domestic Undergraduate Enrolments, Australia 2008 and 2021, Growth %

	2008	Share (%)	2021	Share (%)	2008 to 2021 Growth (%)	Share of Growth (%)
Undergraduates	532,503	100.0	784,219	100.0	47.3	-
Low SES	86,561	16.3	133,901	17.1	54.7	18.8
Regional/Remote	106,579	20.0	160,542	20.5	50.6	21.4
First Nations	6,820	1.3	16,383	2.1	144.9	3.8
Disability	23,447	4.4	80,769	10.2	246.9	22.8
Equity Group	176,492	33.1	309,360	39.4	75.3	52.8
<i>Non-Equity</i>	<i>356,011</i>	<i>66.9</i>	<i>474,859</i>	<i>60.6</i>	<i>33.4</i>	<i>47.2</i>

Source: Australian Government Department of Education (2023) and ACSES calculations.

Enrolments among *Equity Group*⁵ students (all four groups, taking cross-membership into consideration) increased by 75.3% over this period, accounting for just over half of all growth in enrolments (52.8%). Three groups saw increases in their enrolment shares: low SES; First Nations; and students with disability. The regional/remote group showing a decline in enrolment share from 20% in 2008 to 18.8% in 2021. Importantly, the overall growth in equity student numbers, driven by above-average growth in low SES enrolments and rapid growth in the smaller First Nations (144.9%) and students with disability (246.9%) groups resulted in the *Equity Group* share among total undergraduates increasing to 39.4% in 2021 from 33.1% in 2008.

Given the focus on participation over the past decade, it is instructive to examine the extent to which the system achieved the low SES target. On this basis, it is not clear that the low SES target was a policy failure. A projection by Phillimore and Koshy (2010) of the likely expansion in low SES enrolments needed to meet the 20% target by 2020 is instructive. As Table 3 shows, in 2008 there were 532,503 domestic undergraduates in Australian universities, of who 86,561 were from low SES areas, constituting 16.3% of total enrolments. Phillimore and Koshy (2010) looked at two broad options, both involving a 31% increase in overall demand for undergraduate places. The first saw Australian higher education retain its low SES student share of 16.3% by 2020, and the second, an increase in low SES share to 20% of domestic undergraduate enrolment. The actual data for 2020 shows a near 49.5% increase in enrolments, with low SES enrolments growing slightly faster at 53%. This translated into a marginal improvement in the low SES share to 16.6% by 2020. However,

⁵ The *Equity Group* measure is a sum of the four groups under consideration. It provides a more accurate representation of the total across the four groups, with a correction factor of 0.79 being applied to the four-group total to account for equity students being members of multiple equity groups (Tomaszewski, 2020).

the growth in low SES enrolment saw this segment of the student population reach 95% of the projected required share of 139,327 enrolments in 2020 under the 20% share option. Essentially, the targeted participation level (but not rate) of low SES students was almost reached because of greater-than-projected enrolments in higher education.

Table 3: 2009-10 Projections of 2020 Domestic Undergraduates and Low SES Undergraduate Enrolments – Two Options: *Stable Share* and *Target Share*; and Actual 2020 Outcomes

	All Domestic Undergraduates	% Growth from 2008	Low SES Undergraduates	% Growth from 2008	% Low SES
2008 Actual	532,503	-	86,561		16.3%
<i>2020 Option*</i>	696,633	30.8%	139,327	61.0%	20.0%
2020 Actual**	796,192	49.5%	132,415	53.0%	16.6%

Source: * The 2020 Low SES Enrolment options are from Phillimore and Koshy (2010): * Low SES Share at 20% of undergraduate enrolments. **Actual 2020 Data. All domestic and Low SES undergraduate numbers and % Low SES data are from ACSES (2023).

The Recent Policy Context

In this context, in 2017-18 the Australian Government announced that it was capping Commonwealth Grant Scheme (CGS) funding for bachelor-level places at 2017 levels for 2018 and 2019, with funding to grow in line with population growth in the 18-64 years age bracket, subject to universities meeting performance requirements. This culminated in the 2019 *Review of Performance-Based Funding for the Commonwealth Grant Scheme* (Wellings et al., 2019) which included an equity group participation measure for Indigenous (First Nations), low SES and regional/remote students.

In its review of the impact of the DDS, the Productivity Commission (2019) found that the funding system increased the number of young people participating in higher education, but its analysis of data from the Longitudinal Surveys of Australian Youth (LSAY) indicated that this was confined to students from low SES backgrounds in younger cohorts, with marginal changes in regional and remote participation and among First Nations people – although an increase was reported overall in the latter case (Koshy, 2020).

However, the more substantive discussion around the low SES target was in relation to the effectiveness of non-DDS policy in promoting low SES participation, notably the programs funded under HEPPP. The 2017 ACIL Allen Consulting evaluation of HEPPP identified the extent to which funding created infrastructure to engage with low SES students, most notably in the pre-access and access areas, but indicated that a true evaluation of the national program was not possible in the absence of a framework to demonstrate the effectiveness of approaches being undertaken (ACIL Allen Consulting, 2017).

Following this work, the Institute for Social Sciences Research (ISSR) was engaged to co-design a *Student Equity in Higher Education Evaluation Framework (SEHEEF)*, with its 2021 report outlining how the SEHEEF could be deployed to construct an evidence base and analytical system for quality improvement and evaluation of HEPPP programs (Robinson, et al., 2021).

Finally, policy settings on widening participation through targeted programs was expanded to include equity groups other than low SES, resulting in the creation of the Indigenous, Regional and Low SES Attainment Fund (IRLSAF) to encompass HEPPP and other equity support and assistance programs, as part of the Job-ready Graduates Package in 2020 (DESE, 2020).

The Parity Target Challenge

Despite the policy activity and progress reported above, equity students are still largely underrepresented in Australian higher education in comparison with their equity reference values. Table 4 reports participation and population reference values for each equity group and estimates for *Equity Group*. The ratio of the participation share to the reference is referred to as the Equity Performance Ratio. Population parity implies the shares are identical to the reference values, with a performance ratio equal to 1.00.

The students with disability group have achieved parity with a performance ratio of 1.23. In contrast, the other groups are lagging. For instance, the First Nations group's enrolment share of 2.1% is less than two-thirds of its national population share of 3.4%, with the performance ratio of 0.62 indicating the distance from parity. Overall, an indicative calculation for the *Equity Group* indicator indicates an overall share of enrolments of 39.4% compared with a population share of around 49.1%, with the performance ratio of 0.80 implying that the share of enrolments across the groups would have to expand by a quarter (0.20 of 0.80) for their enrolment shares to reach parity.

Table 4: Equity Group Population Shares, Undergraduate Participation Rates, and Completion Rates (Per cent) and (Performance Ratios) (2021)

	National Reference Value (%)	Participation Rate % (Equity Performance Ratio)	Completion Rates % (Equity Performance Ratio)
Low SES	25.0	17.1 (0.68)	14.6 (0.58)
Regional/Remote	26.1	20.5 (0.78)	18.8 (0.72)
First Nations	3.4	2.1 (0.62)	1.4 (0.41)
Disability	8.4	10.3 (1.23)	7.8 (0.93)
<i>Equity Group*</i>	49.1	39.4 (0.80)	33.6 (0.68)

Note: *This is indicative only, as it assumes that cross-membership of equity groups in the general population is identical to that in the student population.

Source: Australian Government Department of Education (2023) and ACSES calculations.

By way of comparison, Table 4 also reports completion rates for equity groups – the equity group's share of undergraduate completions, as well as the relevant performance ratios. This shows that completion rates are uniformly lower than participation rates across all equity groups, with an overall performance ratio of 0.68, compared with 0.80. Completion rates are noticeably lower for First Nations students and students with disability.

The presence of gaps in both participation and completion serves as an impetus for expanding the focus on parity across the student life cycle, with these core measures of engagement serving as key performance indicators for university activities across the life cycle, ranging from access and outreach work, to retention, and to work-integrated learning initiatives that promote equitable rates of completion.

Equity Parity Targets: Projections and Policy Options

Overview

The current briefing report outlines a series of options in relation to target-setting for parity. The focus is primarily on the identification of parity targets and an analysis of the policy options in relation to target-setting. It is envisaged that this work will inform and complement other work for the Accord Panel on funding and other policy delivery options.

The targets are for equity groups in relation to domestic undergraduate participation and completion. This follows Australia's historic and continuing focus on domestic student equity at the undergraduate level. The analysis is in relation to the four traditional equity groups:

- Low SES students.
- Regional/remote students.
- First Nations students.
- Students with disability.

For this reason, the analysis should be viewed as an instructive, rather than a restrictive exercise in applying parity targets to student groups, with potential applications in the future being directed in favour of identified groups not explicitly included here.

Any analysis of the parity targets requires information and assumptions around a complex series of interacting variables. These include:

- The projected demand for undergraduate degrees.
- The timeframe for reaching parity.
- The choice of reference population for the parity target.
- A range of policy options to reach a given parity target.

The sections below outline the approach taken in relation to these considerations.

The Demand Projections

The modelling in this report uses demand projections from the Accord Panel and the Australian Government Department of Education ("Department of Education"). In its Interim Report, the Accord Panel presents modelling work by BIS-OE which indicated that by 2050

around 55% of all employed persons will require a higher education qualification, compared with 36% presently (Australian Universities Accord, 2023).

Work by the Department of Education for the Accord Panel indicates that this would require an expansion in Australian undergraduate enrolments from a headcount of around 784,000 in 2021 to 1.07 million in 2035, an increase in enrolments of around 36.4% over a 14-year period, with first-time completions needing to rise by 27% from 118,000 to 151,000 in 2035. Enrolment counts for 2040 and 2050 would need to be 1.3 million and 1.8 million, respectively, with first-time completion counts of 195,000 and 277,000 for 2040 and 2050.

In the absence of forecasts at the state and territory level, we assume *uniform growth* in the Australian undergraduate system across all 38 Table A providers, based on the above projections. Future work that looks at inter- and intra-state and territory differences in population growth and university demand will necessarily moderate some of the findings from this work.

The Timeframe: 2035, 2040 and 2050

The demand projections underpinning the discussion in the Interim Report are discussed in reference to two timeframes – a shorter-term timeframe to 2035 and a longer-term period to 2050. Other work for the Accord Panel indicates that initial planning and activity will occur in the period to the end of 2025 or thereabouts for both.

In this work we undertake initial estimates for 2035 as the “target year” but extend this to 2040 and 2050. As outlined in the reporting on projections, the relative scale of adjustment required to meet parity targets tends to require longer term targets to 2050, but with targets to 2035 serving as “interim” targets on the path to 2050.

Reference Population and the Parity Target

We examine two broad frames of reference in relation to reference population: *National* and *State/Territory*. We consider a further option in relation to *State/Territory* which looks at enrolments based on the location of students rather than institutions.

National Parity Targets

The simplest approach to developing parity targets is to project increases in equity student populations such that the participation and completion shares match the equity group proportions of the national population (aged 15 to 64), as reported in Table 3. This approach

formed the basis for the Bradley Review targets, which were based on the national attainment target. The strength of using a *National Parity Target* is its simplicity, with one target for each group against which an institution will be judged regardless of its location.

State/Territory Parity Targets

As proposed in Phillimore and Koshy (2010), the dispersion of equity group shares across Australia’s states and territories created a strong rationale for the policy frame of reference to shift towards area targets at the state/territory level. This rationale still exists today. Table 5 identifies population shares (parity targets) for the four equity groups. With the exception of disability, which the Department of Education identifies as having a uniform national target for the population in focus (15- to 64-year-olds), there is a divergence in equity group populations across Australia, notable in the case of Tasmania, which is 42.3% low SES and 100% regional/remote and the Northern Territory, where 31.3% of the population is First Nations Australian and also wholly regional/remote.

Table 5: Selected Equity Group Reference Values, 2021, Share of Population (15-64 years) (%)

	Low SES	Regional and Remote	First Nations	Disability
New South Wales	23.0	23.1	3.0	8.4
Victoria	19.4	20.8	0.9	8.4
Queensland	28.1	35.6	4.4	8.4
Western Australia	22.8	21.7	4.0	8.4
South Australia	30.0	25.3	2.6	8.4
Tasmania	42.3	100.0	5.5	8.4
Northern Territory	23.1	100.0	31.3	8.4
Australian Capital Territory	0.2	0.1	1.9	8.4

Note: Low SES equity reference value uses the 2016 SEIFA IEO estimates (ABS). All other equity reference values are sourced from Australian Government Department of Education (2023b). The Australian Government Department of Education’s equity reference value for Disability for each state and territory is the national estimate of 8.4%.

Source: Australian Government Department of Education (2023) and ACSES calculations.

The relevance of state/territory targets can be seen in the distribution of the domestic higher education population, comparing the state or territory they resided in when applying to attend university and the state or territory in which their enrolling institution has its main campus. Historically, Australian higher education has been characterised by a “commuter culture” whereby its undergraduate population attend universities in their home states and territories. The extent to which targets continue to be differentiated by sub-national

jurisdiction depends on the level of geographic segmentation within Australian higher education currently. Assigning students to jurisdictions based on their permanent home address indicates a relatively strong degree of geographic segmentation persists in Australia. As Table 6 shows, around 14.9% of all domestic undergraduate students undertake studies at an institution in another state or territory – either as a result of moving interstate or through online enrolment. There is considerable variation in interstate enrolments – both from student movements and online enrolments – ranging from 42.3% of students in the Northern Territory enrolled outside their home jurisdiction, compared with just 9.1% of undergraduates in Western Australia. At the national level, interstate enrolment rates for low SES students (14%) and students with disability (14%) are similar to overall rates, with regional/remote (20.9%) and First Nations (19.4%) students more likely to be enrolled at interstate institutions.

Table 6: Undergraduate enrolment headcount among Table A Providers, by institutional main campus location, 2021

	All Students	Enrolled at Home Institution	Enrolled at Interstate Institution	External %
New South Wales	252,167	208,971	43,196	17.1
Victoria	198,331	174,255	24,076	12.1
Queensland	159,183	134,100	25,083	15.8
Western Australia	77,994	70,929	7,065	9.1
South Australia	55,516	49,512	6,004	10.8
Tasmania	15,391	12,101	3,290	21.4
Northern Territory	5,776	3,335	2,441	42.3
Australian Capital Territory	17,119	11,859	5,260	30.7
Australian Undergraduates	781,476	665,062	116,414	14.9
Low SES students	133,782	115,051	18,732	14.0
Regional/Remote students	160,827	127,228	33,599	20.9
First Nations students	16,436	13,241	3,195	19.4
Students with Disability	80,649	69,319	11,330	14.0

Note: The aggregate measure of enrolments here differs partially from the standard measures in Table 2 due to the suppression of some data.

Source: Australian Government Department of Education (2023) and ACSES calculations.

Generally, undergraduates in Australia reside in areas where between 80 and 90% of domestic undergraduates (Table A Providers) are enrolled at an institution whose main campus is located in their home jurisdiction. Given the strong preference among students for attending institutions in their home jurisdictions, these can be thought of as being the

primary draw pool for institutions, and therefore, equity targets should be established based on group shares of population within the state or territory, rather than at the national level. In addition, as interstate institutions contribute to equity participation and completion within state and territory jurisdictions, a previously ignored aspect of equity targeting policy, that may require recognition in the setting of state/territory targets.

Defining Parity Targets

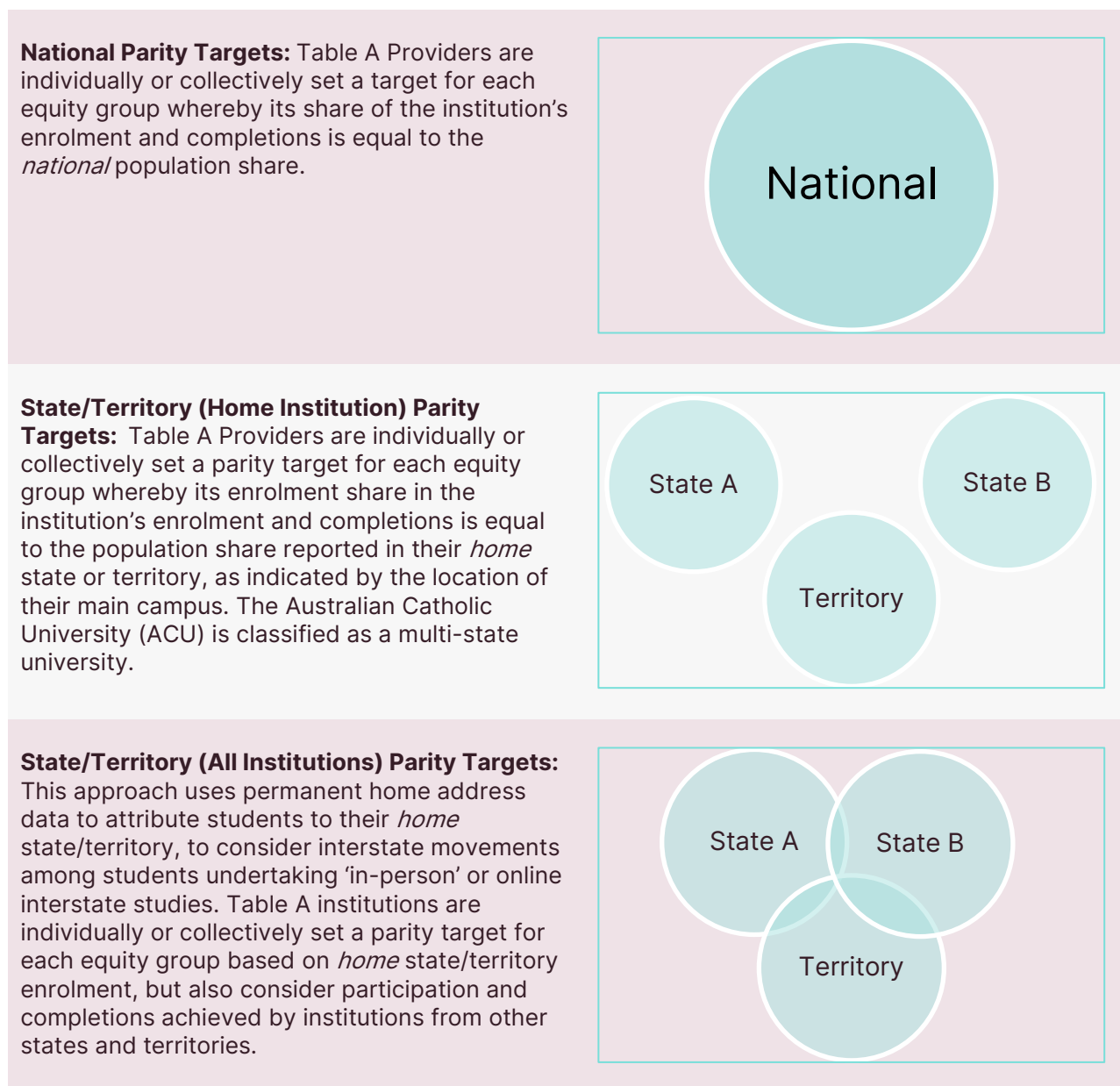
Given this mix of considerations, this report reports a parity target policy analysis across both national and state/territory targets that apply to both participation and completion targets:

1. **National Parity Targets:** Table A Providers are individually or collectively set a target for each equity group whereby its enrolment share in the institution's enrolment and completions is equal to the *national* population share, based on those reported in Table 3. In the case of low SES students, regional/remote students, and students with disability, due to the relatively static population shares of the equity group (low SES and regional/remote students) or uncertainty about its growth in the 15- to 64-year-old cohort (disability), the targets for 2035 are identical to the population shares for 2021. In the case of First Nations students, trend growth in the Department of Education's state and territory First Nations populations shares was used to forecast the First Nations' share of population in 2035.
2. **State/Territory Parity Targets:** In relation to state/territory targets we make a distinction between jurisdiction parity targets that only apply to institutions with main campuses in the state or territory ("home institutions") versus parity targets that apply to all institutions with enrolments in the jurisdiction ("all institutions").
 - **State/Territory (Home Institution) Parity Targets:** Table A Providers are individually or collectively set a parity target for each equity group whereby its enrolment share in the institution's enrolment and completions is equal to the population share reported in their *home* state or territory. This approach assigns a state/territory-specific target to institutions regardless of students' original location.

- **State/Territory (All Institutions) Parity Targets:** This approach uses permanent home address data to attribute students to their *home* state or territory, to consider interstate movements among students undertaking ‘in-person’ or online interstate studies. Table A Providers are individually or collectively set a parity target for each equity group based on *home* state/territory enrolment, but also consider participation and completions achieved by institutions from other states. This approach focuses on institutional performance in relation to the enrolment and completion activities of students in that state only.

Figure 1 below highlights the differences between the three types of targets.

Figure 1: Three types of Parity Targets



The Policy Options

Policy options reflect the extent to which parity targets are intended to be met by all institutions or at a system level on the basis of a target for a geographical (national or state/territory) area. In relation to the parity targets, four broad policy options are considered, including a *Business-as-Usual* option that tracks existing (2021) outcomes and three **active** parity policy options that set equity group participation and completion targets equal to parity at either the institutional (*Convergence*) or jurisdiction (*Equal Effort*; *Divergence*) levels.

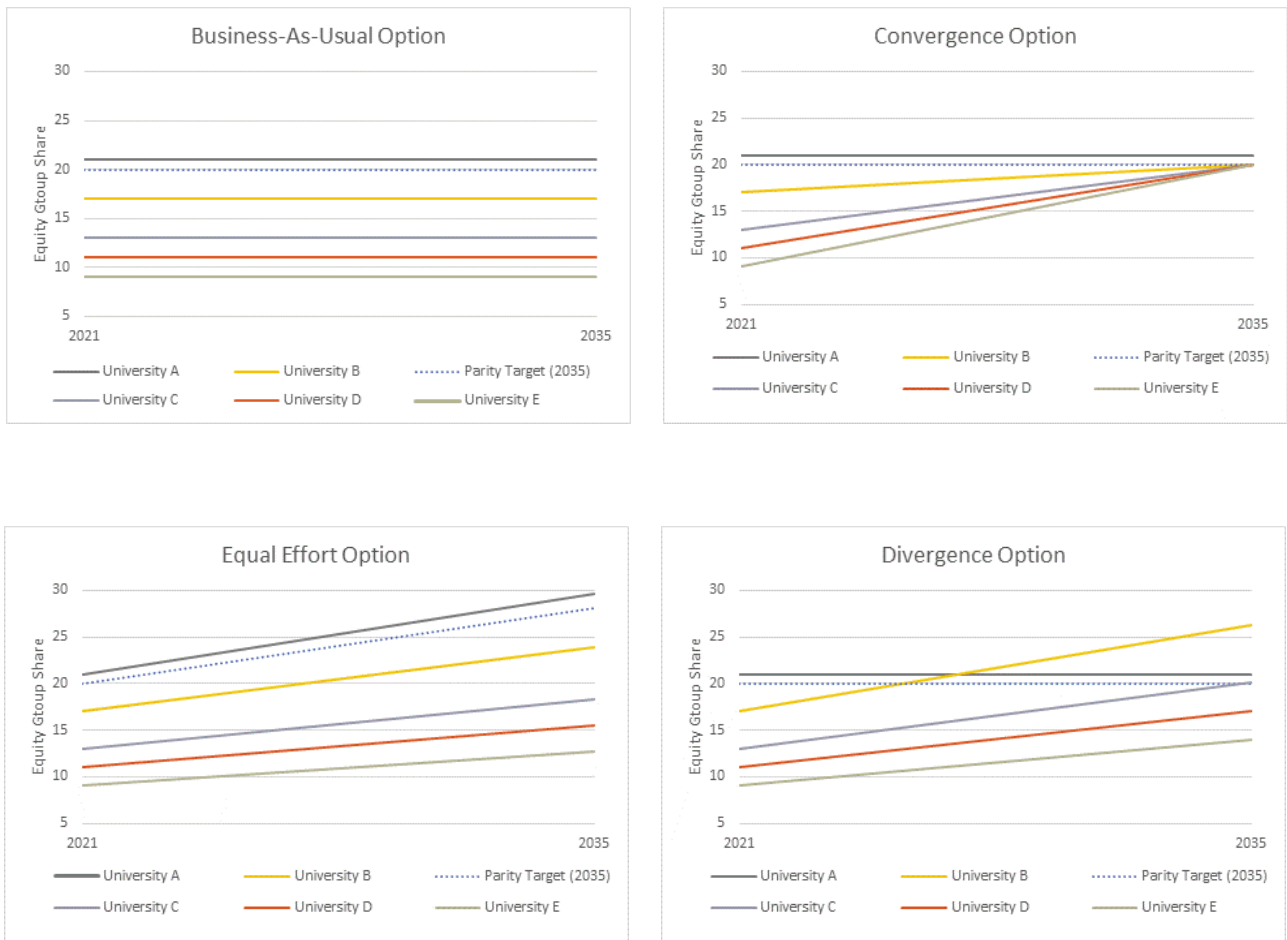
1. ***Business-as-Usual***: Equity group participation and completion outcomes remain constant between 2021 and target time frame (e.g., 2035), such that participation and completion shares in the target year are identical to those of 2021, with their share of growth being identical to the 2021 share.

The three **active** policy options are:

2. ***Convergence***: Each institution achieves *at least* equity group parity by the target year, where overall outcomes exceed parity if one or more individual institutions are at parity in 2021. Under this option, the “floor target” for each institution is set at parity or the 2021 level of participation (or completion) – whichever is greater. This implies that all institutions below parity in 2021 must increase their equity share to meet the parity target, while those above parity in 2021 must at least maintain that share.
3. ***Equal Effort***: In this option, the parity target is for a jurisdiction. This is achieved through a target of an identical *percentage increase* in participation/completion outcomes from the 2021 starting point for each institution, equal to the required percentage increase to achieve a parity outcome for the jurisdiction. If the 2021 participation (or completion) rate is higher than parity in the target year, then institutions must at least match the 2021 performance – as per the *Business-as-Usual* option.
4. ***Divergence***: This option is similar to *Equal Effort*, but institutions already above the parity target in 2021 are not required to exceed this “ceiling target”. Instead, the required increase in enrolments to achieve the jurisdiction target is spread across those institutions operating below the parity target in 2021. This is referred to as *Divergence* as the growth paths on institutional participation (completion) differ by jurisdiction.

An indicative policy treatment of a small group of institutions in one jurisdiction under the *Business-As-Usual* options and the three active policy options is provided in Figure 2 below.

Figure 2: Indicative impact of each Parity Target Policy Option.



Note: These estimates relate to equity group shares (%), with our reported outcomes being participation and completion headcounts. Hence, the outcomes reported under the *Business-As-Usual* option all indicate no variation in the rate, although participation and completion headcounts for equity groups will rise in line with overall enrolments and in accordance with these shares over time.

Modelling to 2035: Participation

We provide an initial focus on the outcomes from the modelling of undergraduate participation as this has been the core target indicator for equity policy since the Bradley Review and is the indicator identified by the Wellings Review in relation to performance-based funding.

National Parity Targets

The estimates for this type of target-setting are reported in Table 7. In all four options to 2035, total participation reaches 1.1 million, representing a 36.4% expansion in headcount, or an additional 285,954 students by 2035.

As the 2035 *Business-as-Usual* option sees equity group participation rates remain static at their 2021 levels, the equity share of total growth in the system represents the 2021 share of total enrolment at 39.4%.

Table 7: Equity Group Enrolment Projections: National Parity Targets Under Four Options to 2035

	2021	Business-As-Usual	Convergence	Equal Effort	Divergence
Undergraduates	784,219	1,070,173	1,070,173	1,070,173	1,070,173
Low SES	133,901	182,726	274,372	267,543	267,543
Regional/Remote	160,542	219,081	334,537	279,315	279,315
First Nations	16,383	22,357	43,566	42,124	42,124
Disability	80,769	110,220	115,079	110,220	110,220
Equity Group	309,360	422,164	606,367	552,370	552,370
<i>Equity Share of Growth (%)</i>		39.4	103.9*	85.0	85.0

Source: Australian Government Department of Education (2023) and ACSES calculations.

In contrast, in the *Convergence* option, where each institution is required to achieve parity with national population shares in 2035 or retain their equity student shares if above that target in 2021, an additional 297,007 equity students are required. This is equal to 103.9% of the projected increase in overall enrolment to 2035, rendering the *National Parity Targets* impossible to achieve unless undergraduate enrolments increase even further by 2035, or

the target is reached at some point in the future. This includes increases in student enrolments compared with 2021, resulting in 274,372 low SES, 334,537 regional/remote and 43,566 First Nations students, and 115,079 students with disability in 2035.

The *Equal Effort and Divergence* options yield identical estimates in aggregate, as their outcomes represent a parity target for the Australian higher education system (Table A Providers), with institutions making variable contributions because of their 2021 starting points (*Equal Effort*), as well as an additional consideration where institutions already above parity are not obligated to increase their enrolments (*Divergence*). The two options see reduced outcomes, requiring 552,370 equity students (53,997 fewer than under *Convergence*) and a reduced projected equity share of growth at 85.0% of total enrolment growth.

Differences across the States and Territories: Regional/Remote as an example

In the latter options, it is noticeable that the regional/remote enrolment target is particularly affected by the shift from institutional to area targets. This is largely because of the marked differences in regional/remote population shares across the states and territories, as shown in Table 8.

Table 8: Regional/Remote Enrolment Projections: National Parity Targets Under Four Policy Options to 2035, States and Territories

	Business-As-Usual	Convergence	Equal Effort	Divergence
Australia	219,081	334,537	279,315	279,315
New South Wales	54,015	96,731	68,866	63,279
Victoria	45,569	72,341	58,098	63,969
Queensland	56,576	72,858	72,131	69,135
Western Australia	13,117	28,666	16,723	20,660
South Australia	13,889	20,135	17,708	21,877
Tasmania	20,602	20,602	26,266	20,602
Northern Territory	7,521	7,521	9,588	7,521
Australian Capital Territory	4,688	7,459	5,976	7,383

Source: Australian Government Department of Education (2023) and ACSES calculations.

A comparison between Western Australia and Tasmania is instructive. Western Australia has the second lowest regional/remote population share among the states and territories after Victoria, while Tasmania's entire population is classified as regional/remote (see Table 5). In

addition, Western Australia's relative concentration of higher education infrastructure in Perth results in it having a relatively low share of regional/remote students.

The effect of these factors is apparent in comparing the two states in relation to the *Business-as-Usual* option, with Tasmania (essentially, The University of Tasmania) projected to enrol 20,602 regional/remote students compared to 13,117 in Western Australia, assuming both states' institutions see similar levels of undergraduate growth and their regional/remote student group participation rates remain constant at 2021 levels. However, under the *Convergence* option, where institutions must either reach the national target of 26.1% (as per Table 3) or maintain their *Business-as-Usual* participation share in 2021 where they are already above parity, the University of Tasmania maintains its enrolment at 20,602, while Western Australia's institutions are required to increase their regional/remote enrolment to 28,666 – with each institution having a regional/remote share of 26.1%.

Looking at the *Equal Effort* and *Divergence* options, Tasmania increases its regional/remote enrolment to 26,266 in proportion to the overall increase needed to meet the parity target (*Equal Effort*), but under *Divergence* it sees a target for enrolment of 20,602 – equal to its *Business-as-Usual* enrolment as its participation rate already exceeded the national target. In contrast, the Western Australian institutions see lower regional/remote enrolments under the *Equal Effort* option, when compared with *Convergence*, but an increase under the *Divergence* option where institutions already above national parity, such as the University of Tasmania, see no increase in their regional/remote participation rate, with the required adjustment instead distributed to institutions operating under parity in 2021.

State/Territory Parity Targets

The State/Territory Parity Targets assign targets to institutions on the basis of the location of their main campus.

State/Territory (Home institutions) Parity Targets

In the first instance, we re-analyse the four policy options under the *State/Territory (Home Institutions)* targets, with total enrolment of home institutions (both in their jurisdiction and in other states and territories). The results of this modelling are reported in Table 9 below.

The initial observation about outcomes under state/territory targets is that outcomes across options do not alter dramatically in terms of the requirement to enrol equity group students. For instance, under the *Convergence* option, the equity share of the required increase in

enrolment load is around 101.1%, marginally lower than that seen at the under the *National Parity Target* (103.9%), with commensurately lower levels of share for the *Equal Effort* and *Divergence* options still applying – both requiring equity students to account for 86.0% of additional students. Again, these high proportions of enrolment reflect the relatively small increase in overall enrolments relative to the projected growth in equity student numbers under parity.

Table 9: Equity Group Enrolment Projections: State/Territory (Home Institution) Targets Under Four Options to 2035

	2021	Business-As-Usual	Convergence	Equal Effort	Divergence
Undergraduates	784,219	1,070,173	1,070,173	1,070,173	1,070,173
Low SES	133,901	182,726	261,507	252,955	252,955
Regional/Remote	160,542	219,081	338,812	298,929	298,929
First Nations	16,383	22,357	42,017	40,423	40,423
Disability	80,769	110,220	115,079	110,482	110,482
Equity Group	309,360	422,164	598,358	555,203	555,203
<i>Equity Share of Growth (%)</i>		39.4	101.1*	86.0	86.0

Note: *The equity group share of growth exceeds 100% where the increase in equity group completions required exceeds total undergraduate growth.

Source: Australian Government Department of Education (2023) and ACSES calculations.

The nature of these targets is substantially more refined compared with the national frame of reference. In the *Divergence* option, the *Equity Group* requirement is comparable to that under the *National Parity Target* (555,203 compared to 552,370 in Table 7), however, the enrolment target for regional/remote is higher, but lower for low SES and First Nations students, as institutions are required to contribute to a state/territory target which is lower than the national target.

State/Territory (All institutions) Parity Targets

The second state/territory target option only relates to students with a permanent home address in the jurisdiction, including those enrolled by interstate institutions. Adjusting for student location sees the proportion of *Equity Group* students increase to 39.6% in 2021. Noticeably, the inclusion of enrolments within a jurisdiction by interstate institutions reduces the required task for achieving targets under all policy options, such that in each case the required expansion in equity participation to 2035 is below that of the projected overall growth in numbers in the system.

Table 10: Equity Group Enrolment Projections: State/Territory (All Institution) Targets Under Four Options to 2035

	2021	Business-As-Usual	Convergence	Equal Effort	Divergence
Undergraduates	781,476	1,069,480	1,069,480	1,069,480	1,069,480
Low SES	133,782	183,086	261,085	251,186	251,186
Regional/Remote	160,827	220,097	326,295	285,155	285,155
First Nations	16,436	22,493	39,821	38,308	38,308
Disability	80,649	110,371	114,320	110,371	110,371
<i>Equity Group</i>	309,437	423,477	585,801	541,166	541,166
<i>Equity Share of Growth (%)</i>		39.6	96.0	80.5	80.5

Note: The aggregate measure of enrolments here differs partially from the standard measures in Table 2 due to the suppression of some data.

Source: Australian Government Department of Education (2023) and ACSES calculations.

The inclusion of interstate institutions reduces overall targets marginally across the three active strategies compared with the *State/Territory (Home institutions)* option (Table 9), with required equity student growth lower, and with larger reductions in the requirement for the regional/remote and First Nations groups.

Modelling to 2035: Completion

The modelling of parity targets for first-time undergraduate completion headcount follows that of participation, with the three parity targets and four policy options being assessed. The parity targets are identical to the projected population shares used for participation, with parity occurring where the completion rate (share of completions) for an equity group is equal to its share of population (the parity target).

National Parity Targets

Total undergraduate first-time undergraduate completions totalled 118,000 in 2021, rising to 151,110 in 2035. In the case of the *Business-as-Usual* option, equity group completions track total completions, so the equity group share of growth in completions is equal to the 2021 equity share of completions, equal to 33.6 per cent in the case of all *Equity Group* students.

Table 11: Equity Group Completion Projections: National Targets Under Four Options to 2035

	2021	Business-As-Usual	Convergence	Equal Effort	Divergence
Undergraduates	118,000	151,110	151,110	151,110	151,110
Low SES	17,179	21,999	38,316	37,778	37,778
Regional/Remote	22,154	28,371	44,565	39,440	39,440
First Nations	1,637	2,096	5,958	5,948	5,948
Disability	9,215	11,801	13,959	12,723	12,723
Equity Group	39,646	50,771	81,211	75,752	75,752
<i>Equity Share of Growth (%)</i>		33.6	125.5*	109.0*	109.0*

Note: *The equity group share of growth exceeds 100% where the increase in equity group completions required exceeds total undergraduate growth.

Source: Australian Government Department of Education (2023) and ACSES calculations.

Again, the *National Parity Targets* require stronger growth in equity student completions than forecast overall, such that the growth in *Equity Group* student completions is equal to 125.5% under the *Convergence* option, where each institution is required to meet the national parity target.

State/Territory Parity Targets

Given identical *State/Territory Parity Targets*, the changing distribution of required changes to equity student completions reflect the changes in participation.

State/Territory (Home institutions) Parity Targets

Local targets reduce the overall requirement for an expansion in equity student numbers and marginally shift requirements across equity groups.

Table 12: Equity Group Completion Projections: State/Territory (Home institutions) Targets Under Four Options to 2035

	2021	Business-As-Usual	Convergence	Equal Effort	Divergence
Undergraduates	118,000	151,110	151,110	151,110	151,110
Low SES	17,179	21,999	35,783	35,154	35,154
Regional/Remote	22,154	28,371	44,232	40,168	40,168
First Nations	1,637	2,096	5,201	5,198	5,198
Disability	9,215	11,801	13,959	13,046	13,046
Equity Group	39,646	50,771	78,349	73,917	73,917
<i>Equity Share of Growth (%)</i>		33.6	116.9*	103.5*	103.5*

Note: *The equity group share of growth exceeds 100% where the increase in equity group completions required exceeds total undergraduate growth.

Source: Australian Government Department of Education (2023) and ACSES calculations.

State/Territory (All institutions) Parity Targets

The inclusion of all institutions to meet *State/Territory Parity Targets* for completions reduces the overall requirement for an increase in equity student completions, particularly under the *Equal Effort* and *Divergence* options.

Table 13: Equity Group Completion Projections: State/Territory (All institutions) Targets Under Four Options to 2035

	2021	Business-As-Usual	Convergence	Equal Effort	Divergence
Undergraduates	117,869	150,942	150,942	150,942	150,942
Low SES	18,649	23,881	36,261	35,320	35,320
Regional/Remote	24,568	31,461	45,852	40,037	40,037
First Nations	1,821	2,331	5,322	5,203	5,203
Disability	10,344	13,246	14,604	13,508	13,508
Equity Group	43,751	56,027	80,612	74,313	74,313
Equity Share of Growth (%)		37.1	111.5*	92.4	92.4

Note: *The equity group share of growth exceeds 100% where the increase in equity group completions required exceeds total undergraduate growth. The aggregate measure of enrolments here differs partially from the standard measures in Table 2, and in Table 12 above, due to the suppression of some data.

Source: Australian Government Department of Education (2023) and ACSES calculations.

Completion Headcount versus Completion Rates

In this analysis we report completion outcomes by headcount. The implicit target is that the level of completions is such that the completion rate equals the parity rate for each equity group. In practice, the completion rate could also be targeted directly.

The rationale for this is that completion headcount targets will in part be met by an expansion in participation headcount, with the attendant challenge for institutions residing in their capacity to retain and ensure successful outcomes for students that translates to increased completion headcount.

Completion rates are an important related consideration in assessing institutional performance. The critical issue in their use is the lag between increases in participation by first-year students and their eventual completion, and in the case of equity students, the likelihood that they will take longer to complete their degrees for a variety of reasons, including their greater participation in enabling programs, reduced levels of retention in first year and higher rates of work commitments (Tomaszewski et al., 2020).

Table 14 demonstrates the nature of this challenge through a comparison of cohort completion rates for the 2013 commencing cohort. This shows that 56.9% of all undergraduates completed their degrees within six years (by or during 2018) and 61.6% did so in nine years (by or during 2021), with equity groups trailing this outcome in both instances, but with the gap closing over the nine-year time horizon.

Table 14: Cohort Completion Rates, Domestic Undergraduates and Equity Group Students, 6-Year and 9-Year Rates

	6-Year	Ratio to All Undergraduates	9-Year	Ratio to All Undergraduates
Undergraduates	56.9	1.00	61.6	1.00
Low SES	50.5	0.89	55.2	0.90
Regional	52.9	0.93	57.6	0.94
Remote	47.6	0.84	53.1	0.86
First Nations	37.7	0.66	44.0	0.71
Disability	47.8	0.84	53.2	0.86

Note: Estimates are for the domestic undergraduate commencing cohort in 2013, with the 6-year rate reported in 2018 and the 9-year completion rates in 2021. Estimates for regional, remote and low SES students are on the basis of the 'current' home address definition for this group, as the first address definition did not exist in 2013.

Source: Australian Government Department of Education (2023) and ACSES calculations.

A target-setting regime that focuses on completion headcount could also utilise cohort completion data to set targets for institutions as a linking target between with participation and completion headcounts.

Extending Parity Targets to 2040 and 2050

To test the extent to which extending the horizon for parity targets makes them more achievable, we also modelled parity targets to 2040 and 2050 under the Department’s projections for system growth to those years.

The required equity share (the four groups combined) of growth in participation and completion headcount to 2040 and 2050 under the nine active target-options combinations are summarised in Tables 15 and 16. These estimates show a declining share of growth over time, however, in each case the *Equity Group* share of the increase in headcount exceeds half of the total increase.

The explanation for this is simple. The task of achieving equity group parity, particularly in relation to completion, is sufficiently great that it requires a longer timeframe or particularly pronounced growth in equity enrolments to achieve by 2035, on any measure. The overall growth in enrolments projected to take place by 2050 is sufficiently large to encompass the robust growth rates in participation and completions among equity students to approach parity.

This suggests that parity targets are most realistic for 2050, with interim targets set for 2035.

Table 15: *Equity Group* Share of Participation and Completion Headcount Growth to 2040 under Three Parity Targets and Four Policy Options.

2040 Parity Target	Business-As-Usual	Convergence	Equal Effort	Divergence
Participation				
<i>National</i>	39.4	81.6	69.4	69.4
<i>State/Territory (Home Institution)</i>	39.4	79.7	70.0	70.0
<i>State/Territory (All Institutions)</i>	39.6	76.6	66.6	66.6
Completion				
<i>National</i>	33.6	85.3	76.2	76.2
<i>State/Territory (Home Institution)</i>	33.6	93.5	84.0	84.0
<i>State/Territory (All Institutions)</i>	37.1	78.9	68.4	68.4

Source: Australian Government Department of Education (2023) and ACSES calculations.

Table 16: *Equity Group* Share of Participation and Completion Headcount Growth to 2050 under Three Parity Targets and Four Policy Options.

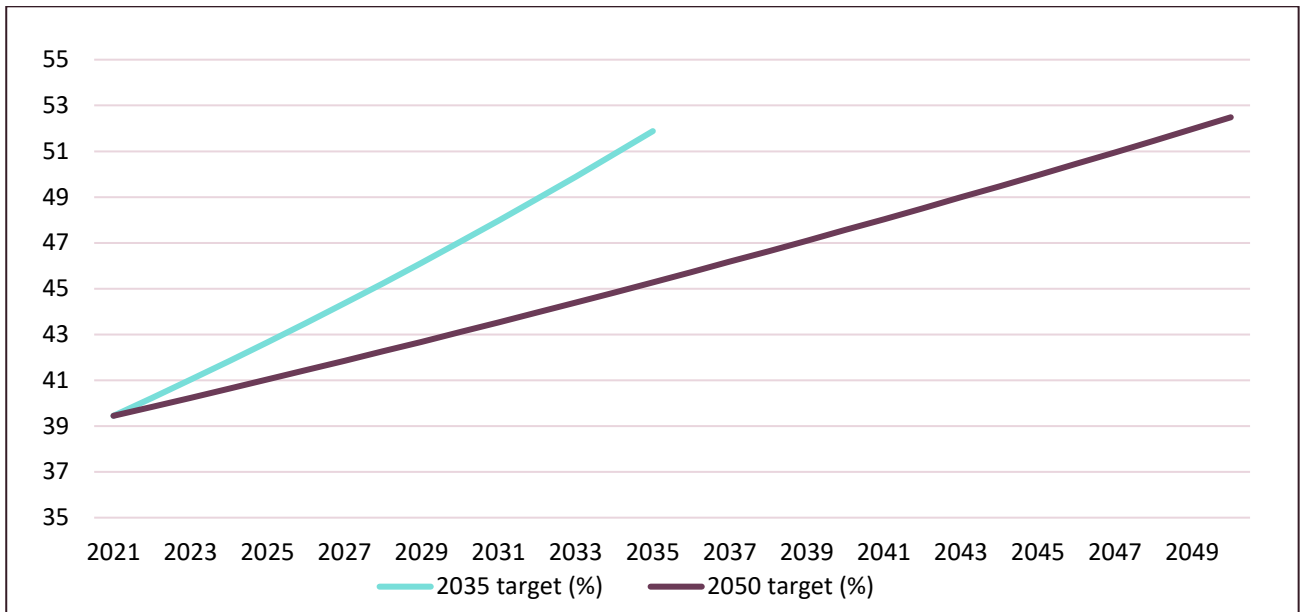
2050 Parity Target	Business-As-Usual	Convergence	Equal Effort	Divergence
Participation				
<i>National</i>	39.4	71.5	62.6	62.6
<i>State/Territory (Home Institution)</i>	39.4	70.1	62.9	62.9
<i>State/Territory (All Institutions)</i>	39.6	61.7	55.9	55.9
Completion				
<i>National</i>	33.6	69.8	63.5	63.5
<i>State/Territory (Home Institution)</i>	33.6	66.4	61.2	61.2
<i>State/Territory (All Institutions)</i>	37.1	66.4	59.2	59.2

Source: Australian Government Department of Education (2023) and ACSES calculations.

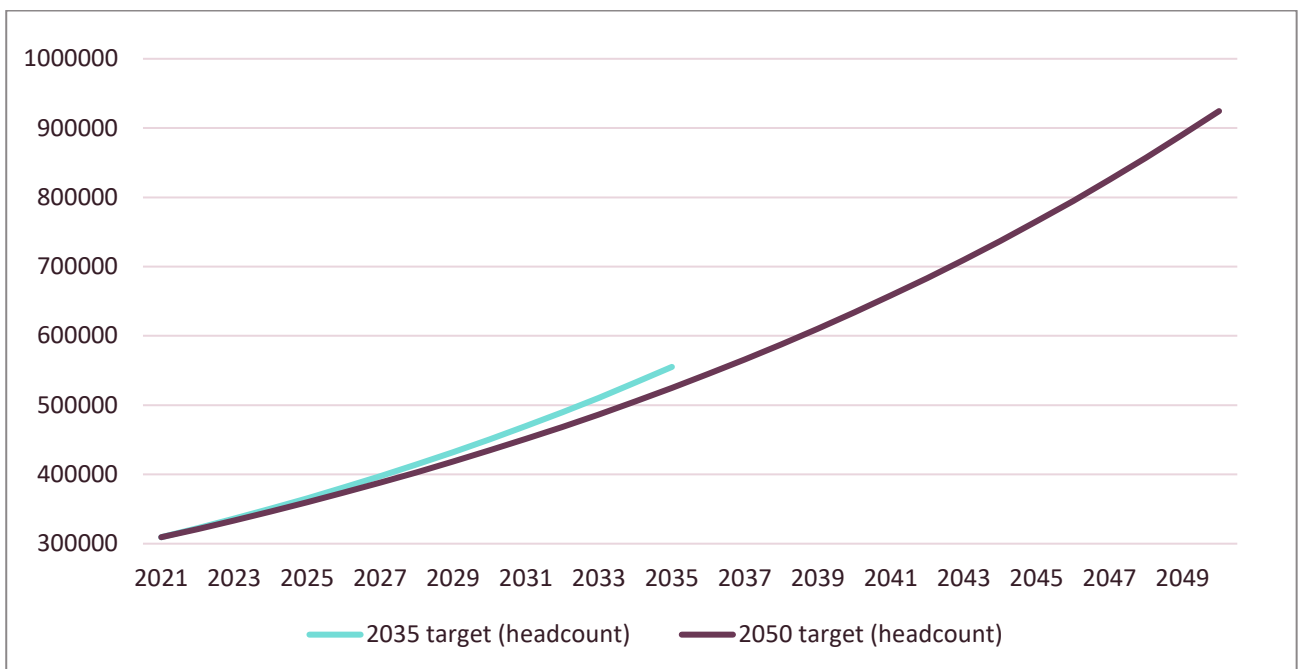
By way of example, Figure 3 reports the growth paths in the *Equity Group* student participation rate and enrolments required under the *Equal Effort* policy option with a *State/Territory (Home Institution)* parity target, for timeframes to 2035 and 2050. The participation rate plot in particular demonstrates the difference in the gradient of expansion between 2035 and the longer timeframe, with the enrolment time paths demonstrating the implication this has for equity student numbers to 2035 under both timeframes.

Figure 3: Equity Group Student Outcomes under a State/Territory (Home Institution) Target under the Equal Effort Policy Option: (a) Participation Rate and (b) Enrolments, 2035 and 2050 timeframes.

(a) Participation Rate



(b) Enrolments



The Recommended Parity Target Option

The dominant consideration in setting a parity target is the extent to which it can be realistically met in view of overall changes in the system (in relation to both participation and completion) and for individual institutions.

Considerations

The findings from the projection work reported here indicate the following:

- **Timeframes:** As shown in Table 4, the observed participation (39.4%) and completion (33.6%) shares for *Equity Group* in 2021 contrast sharply with the national reference value for *Equity Group* of 49.1%, which serves as the national parity target. This necessarily implies a high share of additional enrolments to a given target year, be it 2035 or 2050, must be taken up by equity students in a system that is projected to see participation expand by 36.4% and completion by 27% to 2035.

Thus, the projections show a mismatch between the level of growth required in equity enrolments to achieve population parity and projected growth in the system overall for all timeframes. Even projections to 2050 require an *Equity Group* share of additional enrolments (participation) ranging across the nine active policy options from 55.9% to 71.5%, with uniformly higher shares for completion, given the lower starting point of 33.6%.

This necessitates the use of 2050 as the target year, but with the potential to include an interim target for 2035 based on the share of growth taking place to that year: 29.3% in the case of participation and 20.8% for completions.

Recommendation on timeframe: We recommend the use of 2050 as the target year, with 2035 serving as an interim target year, where the participation and completion headcount targets are calculated in 2035, based on the percentage of growth in overall enrolments to 2050 that is projected to take place by 2035: 29.3% in the case of participation and 20.8% for completions.

- **Reference population:** We considered three options in relation to reference population, resulting in three parity targets. The *National Parity Target* results in the greatest requirement in terms of equity share of increased undergraduate enrolment, largely because of differences across states and territories in relation to low SES and regional/remote population shares.

We show that the introduction of *State/Territory* targets can be justified based on the continued geographic segmentation of Australian higher education, with 80 to 90% of undergraduates in each state and territory engaging in studies at an institution whose main campus is located in their jurisdiction. The utilisation of *State/Territory (Home Institution) Parity Targets* lowers overall parity targets and the resulting equity share of additional participation and completion headcounts.

We find that a further adjustment to the *State/Territory* target – *State/Territory (All Institutions)* – is useful in further refining it, through the setting of targets for state and territory jurisdictions based on student rather than institutional location. However, this requires constructing targets for out-of-state institutions, which introduces a level of complexity that compromises the universal application of targets, when adjustments can be negotiated in special cases instead.

Recommendation on reference population: We recommend the use of *State/Territory (Home Institution)* to ensure that universities face parity targets that reflect their reference populations.

- **Policy options:** We considered three active policy options: *Convergence*, *Equal Effort* and *Divergence*. As per previous work, it is clear that *Convergence*, where all institutions are required to meet the parity target, is not viable at a system level given the share of the growth in participation and completion headcount it would require, and also on the basis of individual institutional outcomes. The *Equal Effort* policy option sees institutions increase equity shares of participation and completions from their current starting point, with all institutions increasing shares at the same rate. The variation on this option, *Divergence*, where institutions above parity in 2021 can remain at their current participation level while other institutions increase participation and completion outcomes to meet the parity target, could be viable in

certain instances, but should not constitute a default position in institutional negotiations.

Recommendation on policy option: We recommend the introduction of the *Equal Effort* policy option, with modified targets possible subject to negotiations between regulators (such as the proposed TEC) and institutions.

The Recommended Option

The recommended policy option in relation to both participation and completion headcount is reported in Tables 17 and 18 below. These report the projected headcounts in 2050, the growth in headcount between 2021 and 2050, and each equity group's share of total growth in headcount.

Table 17: Participation – the Equal Effort Option to meet a *State/Territory (Home Institutions)* Parity Target in 2050.

	2021	2050 Equal Effort	Growth (headcount)	Share of Growth (%)
Undergraduates	784,219	1,761,463	977,244	-
Low SES	133,901	416,354	282,453	28.9
Regional/Remote	160,542	492,025	331,483	33.9
First Nations	16,383	80,002	63,619	6.5
Disability	80,769	181,849	101,080	10.3
Equity Group	309,360	924,481	615,121	62.9

Source: Australian Government Department of Education (2023) and ACSES calculations.

Table 18: Completion – the Equal Effort Option to meet a *State/Territory (Home Institutions)* Parity Target in 2050.

	2021	2050 Equal Effort	Growth (headcount)	Share of Growth (%)
Undergraduates	118,000	276,871	158,871	-
Low SES	17,179	64,412	47,233	29.7
Regional/Remote	22,154	73,597	51,443	32.4
First Nations	1,637	11,439	9,802	6.2
Disability	9,215	23,904	14,689	9.2
Equity Group	39,646	136,948	97,302	61.2

Source: Australian Government Department of Education (2023) and ACSES calculations.

Interim targets in 2035

The interim targets for 2035 represent growth in equity group participation and completion headcount that is equivalent to the share of overall growth in undergraduate enrolments that is projected to take place to 2035 under the *Equal Effort* option that meets the parity target goal in 2050.

Table 19: Participation – The Equal Effort Option to meet a *State/Territory (Home Institutions)* Parity Target in 2035.

	2021	2035 Equal Effort*	Growth (headcount)	Share of Growth (%)
Undergraduates	784,219	1,070,173	285,954	-
Low SES	133,901	216,550	82,649	28.9
Regional/Remote	160,542	257,538	96,996	33.9
First Nations	16,383	34,999	18,616	6.5
Disability	80,769	110,346	29,577	10.3
Equity Group	309,360	489,352	179,992	62.9

Note: This represents a target in 2035 under the 2050 timeframe, when 29.3% of the growth in participation headcount to 2050 takes place.

Source: Australian Government Department of Education (2023) and ACSES calculations.

Table 20: Completion – the Equal Effort Option to meet a *State/Territory (Home Institutions)* Parity Target in 2035.

	2021	2035 Equal Effort*	Growth (headcount)	Share of Growth (%)
Undergraduates	118,000	150,973	32,973	-
Low SES	17,179	26,982	9,803	29.7
Regional/Remote	22,154	32,831	10,677	32.4
First Nations	1,637	3,671	2,034	6.2
Disability	9,215	12,264	3,049	9.2
Equity Group	39,646	59,841	20,195	61.2

Note: This represents a target in 2035 under the 2050 timeframe, when 20.8% of the growth in participation headcount to 2050 takes place.

Source: Australian Government Department of Education (2023) and ACSES calculations.

Future Policy Considerations

This analysis raises a series of considerations around the use and collection of appropriate data on equity group status and in relation to population parity estimates.

Equity Group Definitions

Equity group membership data need to be collected consistently for parity targets to be effectively used as benchmark reference values or to compare across higher education institutions. In particular, the collection of data on First Nations and disability status relies on self-reporting by students and there is enough inconsistency between institutions in the collection of these data to result in over- or under-reporting across institutions.

Multiple group membership, which captures the effect of cumulative or compounding disadvantage should be explicitly measured and reported on.

Parity Population Data and Definitions

Effective target-setting will require an evaluation of the collection and reporting of population-level data on equity groups that is used to establish parity targets, with particular reference to disability and low SES status.

The ABS data on disability that is used as a national population reference value is not comparable to disability data collected by higher education institutions. This contributes to the disability reference value of 8.4% being *lower* than the 2021 national participation share of students with disability (10.3%) – effectively implying that participation parity has already been achieved in the system. Consideration should be given to identifying a population reference value that is comparable to the disability definition used by institutions.

The measure of low SES may need to be refined to better reflect a student's family background. Noting that not all people living in low SES areas face disadvantage, and that people living in non-low SES areas may also face disadvantage.

Parity Targets

A key issue is the tension between national and state/territory targets. Modelling in this report demonstrates that Australian higher education is still very much comprised of 'state/territory markets' although the position of the territories and Tasmania is less certain, as is the case of two equity groups, First Nations and regional/remote, who appear to have considerably higher interstate enrolment levels than the overall system. This issue requires further examination.

Policy Options

The evidence on policy options is a little clearer. Targets that mandate each institution achieve each equity group target are fraught given the existing differences in equity group participation and completion outcomes across institutions. The *Equal Effort* policy option addresses this issue - providing institutions with targets that are proportional to their outcomes in 2021 representing changes flowing from both the increase in undergraduate participation and completion over the previous decade but also changes in policy.

Targeting Participation and Completion

While separate participation and completion targets can be established at the institutional level, the two are linked by completion performance, that is the ability of institutions to raise the retention and success of equity students in combination with a greater number of such students undertaking courses in their institutions. The two targets are necessarily linked as completion requires retention of students before first year and therefore necessarily bolsters participation outcomes. The setting of targets needs to recognise this and incorporate associated targets that link outcomes in both domains.

Broader Policy Responses

Although the modelling does not include the impact of changes in other policies on outcomes under parity targeting, it not difficult to appreciate that overall context of higher education policy can affect institutions' capacity to meet parity targets. This includes *general* policy responses, such as: better secondary education outcomes for equity students; changes to student income support; improved careers advice; and more transparent admissions systems. In addition, *specific* policy responses for each of the four equity groups will be critical.

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Appendix A: Equity Group Participation Rates, Table A Providers by State and Territory

Participation

Table A1: New South Wales Equity Group Undergraduate Participation Rates, 2021, %

	Low SES	Regional and Remote	First Nations	Disability
NSW Equity Reference Value	23.0	23.1	3.0	8.4
Charles Sturt University	24.1	52.3	4.2	8.1
Macquarie University	9.7	4.3	1.2	9.6
Southern Cross University	22.1	43.8	4.6	9.1
The University of New England	23.2	43.9	4.6	19.0
The University of Newcastle	23.3	17.1	4.4	16.6
The University of Sydney	9.0	4.9	0.9	10.5
University of New South Wales	10.8	5.2	1.2	7.9
University of Technology Sydney	12.7	2.9	0.9	7.8
University of Wollongong	17.4	29.0	3.1	11.1
Western Sydney University	30.5	3.9	2.1	5.1

Note: The Equity Reference Value refers to the equity share of state/territory population.

Source: Australian Government Department of Education (2023).

Table A2: Victoria Equity Group Undergraduate Participation Rates, 2021, %

	Low SES	Regional and Remote	First Nations	Disability
VIC Equity Reference Value	19.4	20.8	0.9	8.4
Deakin University	13.2	19.1	1.3	14.8
Federation University Australia	27.3	55.9	1.2	13.8
La Trobe University	18.4	26.8	0.9	13.4
Monash University	11.0	8.0	0.7	8.6
RMIT University	15.2	7.6	0.5	11.5
Swinburne University of Technology	16.7	18.8	1.5	7.2
The University of Melbourne	6.7	10.4	1.2	9.5
Victoria University	24.8	8.7	1.1	6.9

Source: Australian Government Department of Education (2023).

Table A3: Queensland Equity Group Undergraduate Participation Rates, 2021, %

	Low SES	Regional and Remote	First Nations	Disability
QLD Equity Reference Value	28.1	35.6	4.4	8.4
CQUniversity	38.7	69.6	4.7	7.4
Griffith University	15.8	9.2	2.9	10.1
James Cook University	25.4	88.6	6.7	7.3
Queensland University of Technology	11.4	7.9	2.2	6.9
The University of Queensland	10.5	13.9	1.4	14.5
University of Southern Queensland	31.2	45.2	4.0	10.6
University of the Sunshine Coast	22.8	23.1	3.6	12.4

Source: Australian Government Department of Education (2023).

Table A4: Western Australia Equity Group Undergraduate Participation Rates, 2021, %

	Low SES	Regional and Remote	First Nations	Disability
WA Equity Reference Value	22.8	21.7	4.0	8.4
Curtin University	16.5	12.1	1.5	7.6
Edith Cowan University	18.0	13.0	1.7	7.5
Murdoch University	21.4	8.1	2.2	9.8
The University of Notre Dame Australia	9.0	3.9	1.2	9.5
The University of Western Australia	10.3	9.0	1.4	13.8

Source: Australian Government Department of Education (2023).

Table A5: South Australia Equity Group Undergraduate Participation Rates, 2021, %

	Low SES	Regional and Remote	First Nations	Disability
SA Equity Reference Value	30.0	25.3	2.6	8.4
Flinders University	20.1	17.5	1.7	8.5
The University of Adelaide	15.7	11.0	1.4	14.6
University of South Australia	25.1	17.3	1.6	16.7

Source: Australian Government Department of Education (2023).

Table A6: Tasmania Equity Group Undergraduate Participation Rates, 2021, %

	Low SES	Regional and Remote	First Nations	Disability
TAS Equity Reference Value	42.3	100.0	5.5	8.4
University of Tasmania	23.8	64.2	2.9	8.0

Source: Australian Government Department of Education (2023).

Table A7: Northern Territory Equity Group Undergraduate Participation Rates, 2021, %

	Low SES	Regional and Remote	First Nations	Disability
NT Equity Reference Value	23.1	100.0	31.3	8.4
Charles Darwin University	19.4	57.1	7.3	10.6

Source: Australian Government Department of Education (2023).

Table A8: Australian Capital Territory Equity Group Undergraduate Participation Rates, 2021, %

	Low SES	Regional and Remote	First Nations	Disability
ACT Equity Reference Value	0.2	0.1	1.9	8.4
The Australian National University	3.3	13.3	1.0	17.7
University of Canberra	6.3	15.9	2.8	7.7

Source: Australian Government Department of Education (2023).

Table A9: Multi-State Equity Group Undergraduate Participation Rates, 2021, %

	Low SES	Regional and Remote	First Nations	Disability
NSW Equity Reference Value	23.0	23.1	3.0	8.4
Australian Catholic University	12.3	8.9	2.1	8.0

Note: ACU is a multi-state university and as such, there is not one state/territory reference value. Reference values for New South Wales are shown for illustrative purposes.

Source: Australian Government Department of Education (2023).

Appendix B: Equity Group Completion Rates, Table A Providers by State and Territory

Completion

Table B1: New South Wales Equity Group Undergraduate Completion Rates, 2021, %

	Low SES	Regional and Remote	First Nations	Disability
NSW Equity Reference Value	23.0	23.1	3.0	8.4
Charles Sturt University	20.4	42.7	3.5	5.3
Macquarie University	8.6	4.7	0.9	7.3
Southern Cross University	18.2	35.9	3.5	7.4
The University of New England	18.0	41.1	2.8	14.3
The University of Newcastle	20.1	17.5	3.0	11.4
The University of Sydney	8.0	5.9	1.0	7.6
University of New South Wales	8.6	6.7	1.0	6.0
University of Technology Sydney	10.7	3.4	0.8	5.0
University of Wollongong	16.6	28.3	2.6	11.5
Western Sydney University	28.8	4.8	1.9	4.1

Note: Completion rates here refer to the equity group share of undergraduate degree completions. The Equity Reference Value refers to the equity share of state/territory population.

Source: Australian Government Department of Education (2023).

Table B2: Victoria Equity Group Undergraduate Completion Rates, 2021, %

	Low SES	Regional and Remote	First Nations	Disability
VIC Equity Reference Value	19.4	20.8	0.9	8.4
Deakin University	12.3	19.8	0.8	10.9
Federation University Australia	24.6	58.4	0.8	9.1
La Trobe University	17.0	26.5	0.6	9.0
Monash University	10.8	9.4	0.5	6.8
RMIT University	13.1	7.8	0.5	8.3
Swinburne University of Technology	12.2	16.1	0.8	6.8
The University of Melbourne	6.7	10.4	0.9	7.2
Victoria University	21.0	9.1	0.9	4.3

Source: Australian Government Department of Education (2023).

Table B3: Queensland Equity Group Undergraduate Completion Rates, 2021, %

	Low SES	Regional and Remote	First Nations	Disability
QLD Equity Reference Value	28.1	35.6	4.4	8.4
CQUniversity	36.6	65.6	3.0	5.6
Griffith University	14.2	10.0	2.2	7.2
James Cook University	21.1	67.8	3.2	6.1
Queensland University of Technology	11.2	10.0	1.8	5.7
The University of Queensland	9.4	12.0	1.0	11.4
University of Southern Queensland	28.2	44.4	2.8	9.3
University of the Sunshine Coast	18.8	26.2	2.2	8.2

Source: Australian Government Department of Education (2023).

Table B4: Western Australia Equity Group Undergraduate Completion Rates, 2021, %

	Low SES	Regional and Remote	First Nations	Disability
WA Equity Reference Value	22.8	21.7	4.0	8.4
Curtin University	13.9	9.6	1.0	5.5
Edith Cowan University	15.9	14.7	1.0	5.9
Murdoch University	18.1	8.2	1.4	5.3
The University of Notre Dame Australia	9.9	7.1	0.6	7.4
The University of Western Australia	8.6	6.9	0.6	9.7

Source: Australian Government Department of Education (2023).

Table B5: South Australia Equity Group Undergraduate Completion Rates, 2021, %

	Low SES	Regional and Remote	First Nations	Disability
SA Equity Reference Value	30.0	25.3	2.6	8.4
Flinders University	17.2	20.0	1.1	5.4
The University of Adelaide	14.9	12.0	1.0	10.8
University of South Australia	24	16.0	1.1	13.1

Source: Australian Government Department of Education (2023).

Table B6: Tasmania Equity Group Undergraduate Completion Rates, 2021, %

	Low SES	Regional and Remote	First Nations	Disability
TAS Equity Reference Value	42.3	100.0	5.5	8.4
University of Tasmania	20.8	56.2	2.0	4.9

Source: Australian Government Department of Education (2023).

Table B7: Northern Territory Equity Group Undergraduate Completion Rates, 2021, %

	Low SES	Regional and Remote	First Nations	Disability
NT Equity Reference Value	23.1	100.0	31.3	8.4
Charles Darwin University	16.8	61.2	4.9	8.2

Source: Australian Government Department of Education (2023).

Table B8: Australian Capital Territory Equity Group Undergraduate Completion Rates, 2021, %

	Low SES	Regional and Remote	First Nations	Disability
ACT Equity Reference Value	0.2	0.1	1.9	8.4
The Australian National University	4.5	10.7	1.7	14.1
University of Canberra	6.1	13.7	1.9	7.3

Source: Australian Government Department of Education (2023).

Table B9: Multi-State Equity Group Undergraduate Completion Rates, 2021, %

	Low SES	Regional and Remote	First Nations	Disability
NSW Equity Reference Value	23.0	23.1	3.0	8.4
Australian Catholic University	13.0	12.3	1.2	6.7

Note: ACU is a multi-state university and as such, there is not one state/territory reference value. Reference values for New South Wales are shown for illustrative purposes.

Source: Australian Government Department of Education (2023).