Dear Ms Sandercock,

International Student Diversity at Australian Universities Discussion Paper

Thank you for the opportunity to provide feedback on the issues raised and three new policy measures proposed in DESE’s International Student Diversity at Australian Universities Discussion Paper, released for consultation 4 February 2022. The University of Sydney contributed to the Universities Australia and the Group of Eight submissions and broadly endorses them.

We have prepared our attached submission to reinforce some key points from our perspective as a leading internationally-engaged public Australian university. In doing so, we have consulted extensively with our experts to obtain some of the information the Department has sought to inform the development of the Government’s policy framework. This includes insights about the key drivers influencing Australian universities’ international student cohort mixes and references to research on the relationship between international student diversity, learning and graduate outcomes.

The University has enrolled international students for almost 100 years. We have an overseas alumni network of more than 50,000 graduates who are champions for the University and Australia. We have the largest student mobility program of any Australian institution; proudly attract students from over 150 countries and currently draw around 80 per cent of these from China. We deeply value all our international students, whether studying physically in Australia or offshore due to the pandemic travel constraints. Our international students bring diversity, excitement, dynamism and social benefits to our campuses and classrooms. Their presence exposes our domestic students to different viewpoints, languages and cultures. They challenge our domestic students to lift their horizons, provide opportunities for cross-cultural understanding and the forging of life-long friendships and networks that benefit individuals, Australia and the world.

We must preface our responses to the Discussion Paper’s questions by stressing that the University of Sydney is acutely aware of the educational and financial risks associated with enrolling high proportions of students from a single or small number of source countries. We would welcome the opportunity to brief the Department on our diversification and financial risk mitigation strategies and hope this may be possible in our upcoming compact discussions, if not before. In advance of such talks, please be assured that we are investing heavily and working extremely hard to both diversify the countries from which we attract students, and to improve the quality of the learning experience for all our students.
Our diversification plan includes introducing scholarships for targeted diversity markets and international student quotas in subjects of high demand, as part of a comprehensive strategy to achieve a more balanced distribution of international students across our faculties. We are actively pursuing opportunities to grow our enrolments from target diversity markets in India, South-East Asia and the Americas, and have a comprehensive financial shock recovery plan in place.

Steps we have taken recently to support diversification include: introduction of the Sydney Scholars India scholarship program and Sydney International Student Award (which offers significantly reduced degree fees to candidates from diversity markets); strengthened marketing and recruitment campaigns in diversity markets; a University-wide commitment to global mobility with a 50 per cent target for all students, and the inbound component bringing significant diversity to our classrooms and campuses.

While there are early signs of improvement for our 2022 intake, meaningful diversification will take time and there is a large gap to bridge between numbers from China and the rest of the world. For the types of courses we offer, China is likely to remain a major market well into the latter half of this decade for both onshore and online delivery. However, as the Business Council of Australia noted in its recent Living on Borrowed Time report, with Asia’s middle class expected to reach 3.5 billion people by 2030, enormous opportunities will present for Australian educational institutions to capitalise on this growth over the next decade. We therefore welcome the Department’s suggested five to 10-year timeframe for institutions to demonstrate progress on diversification appropriate to their particular circumstances.

For the reasons set out in our submission, we do not believe the three proposed policy measures are necessary to ensure Australia’s universities are taking diversification and financial risk management seriously. As outlined above, this is already true for the University of Sydney and we believe this is the case across the Group of Eight universities and beyond. Nevertheless, understanding that the Government has committed to introducing each of these measures, we have provided some suggestions to improve their design and implementation. For example, regarding the proposed Diversification Action Plans, we recommend that the Government utilises existing legislative mechanisms such as the mission-based compacts, the Performance-based Funding component of the Commonwealth Grant Scheme, as well as institutional annual reports (as it is doing for freedom of speech and foreign interference), rather than create additional complexity by establishing new stand-alone requirements for international student diversification activities.

Finally, we acknowledge and welcome the range of positive measures, supported by $10 million in funding, which the Government announced on 23 February 2022 to help improve diversity in Australia’s international higher education sector.

We trust our feedback is helpful and look forward to discussing these issues with you at your convenience.

Yours sincerely,

(signature removed)

Mark Scott

Attachment The University of Sydney submission in response to the International Student Diversity at Australian Universities Discussion Paper, February 2022
25 February 2022

The University of Sydney submission in response to the International Student Diversity at Australian Universities Discussion Paper, February 2022

Our submission addresses priority questions (8-11, and 7) first before returning to cover the remaining questions in order.

The Government’s proposed policy measures (Discussion Paper Questions 8-11)

Of the three policy measures the Government proposes to apply to public universities only the University of Sydney views the first (voluntary guidelines on achieving an optimal student mix) as unnecessary because we - and all of Australia’s public universities - already understand the risks of concentration and are actively pursuing strategies to diversify our international enrolments. Regarding the second proposed measure (publication of a single ‘Diversification Index’), the index outlined in the Discussion Paper risks unintended consequences by misleading students and the wider community about the true extent and nature of diversity and internationalisation present at each institution. Finally, rather than create additional stand-alone reporting and other compliance requirements for institutions around their diversification strategies (Diversification Action Plans), the Government should use existing measures like the mission-based compacts, the Performance-based Funding element of the Commonwealth Grant Scheme and institutional annual reports to enhance transparency, and to further support and incentivise diversification.

Nevertheless, if the Government is committed to proceeding with the three proposed measures, we provide the following feedback for consideration in relation to their design and implementation:

- To ensure consistency with the Government’s overarching commitment to competitive neutrality by providing level regulatory playing fields for entities competing in the same industry sectors, the three proposed measures should be applied consistently to all CRICOS-registered higher education providers (public and private) operating in the school, vocational and higher education sectors. If this is not acceptable, then, at the very least, the measures should apply to all CRICOS-registered higher education providers that receive Commonwealth funding through the Commonwealth Grant Scheme (CGS). In this regard it is important to note that following the passage of the Government’s Job-ready Graduates Package and related changes to the CGS Guidelines, many public and private non-university higher education providers (NUHEPs) now receive Commonwealth-supported places on the same basis as public universities.

- There is policy inconsistency in the Government’s desire for growth in offshore and online offerings, particularly transnational education (TNE) alongside diversity in providers’ international student intakes. TNE is, by its nature, far from diverse and often feeds cohorts from a single nationality into programs offered physically in Australia. If the proposed Diversification Index is not to include TNE, then to ensure transparency and equality in what is being measured and published, institutions must also be required to include data on their TNE activities when reporting for their Diversification Action Plans.

- Any measure of student diversity must also include students involved in learning abroad. Study abroad and mobility programs are key programs of internationally-engaged universities, which they invest heavily in to ensure their students (both domestic and international) benefit from global experiences. Mobility students bring so much to the classroom experience and as such must be included in any measure of diversity.

- Similarly, the Discussion Paper and proposed policy measures do not consider the diverse international engagement that occurs beyond the origins of its students. Additional indicators of diversity could include: the cultural backgrounds of staff; the numbers/proportion of students participating in mobility experiences; students’ levels and fields of study – including numbers and proportions of international higher degree by research students noting their particular importance in terms of talent acquisition and growing international research collaboration.
Q.7 What are the policy interventions that will best support institutions to build and sustain diversity within their international student cohort?

For Australia to achieve diversity in the make-up of international students studying onshore, it will need to make studying in Australia more attractive than in competitor countries. The Australian Government has a key role to play, including through wider community engagement and policy interventions that cross into other sectors. Some examples of interventions that would help include:

- Focus in 2022 and 2023 on facilitating the recruitment and movement of international students to Australia, rather than suppressing demand from certain markets. As part of this, include a Government-supported campaign to enhance the social licence for international education in Australia and overseas. It could actively support and publicise the benefits international education brings to Australia through campaigns targeted at international and domestic audiences. The campaign should also seek to make international students feel valued by Australia through a welcoming government narrative.
- Increased and sustainable investment in overseas hubs, like the British Council, to provide support for exporters in key diversity markets and to engage the local governments and communities in the value proposition of an Australian education (including through working with local business and industry to improve graduate employability outcomes for Australian graduates). There is a need for greater Australian Government specialised international education lobbying capability in diversity markets to facilitate changes to local legislation governing financial aid and other assistance for their outbound students.
- Establish clear visa points to increase the attractiveness of an Australian education to students from diversity markets in recognising they are often drawn to a destination based on the possibility of migration post-graduation. This should link with employer sponsorship frameworks and the Government’s proposed agenda to grow international student enrolments in areas of current and predicted critical workforce shortage identified by the National Skills Commissioner.
- Related to the above point, work with the sector and employers to help address the sizeable challenge that international students face securing work experience in their chosen fields, during and after their studies. Specifically, work with State and Territory public and private health and hospital systems to develop new, sustainable and mutually beneficial models to increase the availability of mandatory clinical placements for international students studying professional health courses with Australian providers and to open clear pathways for them to enter the Australian workforce after graduation. The potential to grow international student enrolments (including from diversity markets) in health professional courses and regional areas experience acute workforce shortages is substantial. However, this will require a fundamentally different approach to placements for international students.
- Expand funding and participating countries for Australia Awards scholarships, expand the New Colombo Plan (NCP) and reinstate the Endeavour Awards.
- Increase funding for international Research Training Program (RTP) scholarships.
- Work with the sector and philanthropists to establish an Australian version of the US Fulbright or UK Chevening Scholarship to attract extremely talented students from diversity markets to Australia.
- Develop a single ‘Australian High School Certificate’ as the recognised national qualification for students completing secondary school to Year 12 would guarantee the quality of an Australian high school qualification. If this certificate was attainable from international schools in other countries, this would contribute to the diversification of source countries of international students. While Australian international schools deliver the curriculum/s for Australian state-based certificates, others focus on the SAT, IB and A-Levels. Australian governments would need to negotiate the inclusion of this ‘Australian High School Certificate’.

Q1. What are the drivers that influence an institution’s international student cohort mix?

Market recognition of the quality of higher education

International education is a competitive global market enabled by advances in air travel, information technology and the recognition of formal educational qualifications between nations and professions operating within jurisdictions or internationally. Students with the financial means to study overseas may apply for places with institutions anywhere in the world, meaning that Australian providers are competing for students with each other as well as with institutions overseas.
The Quality Indicators for Learning and Teaching (QILT) 2020 International Student Experience Survey confirms the range of factors that influence the study choices of those international students who ultimately decided to study with an Australian institution. Key reasons include: the reputation of the qualification offered; the availability of courses the student wants to study; perceptions of personal safety and security; the reputation of the education provider and the quality of its teaching and research; the reputation of Australia’s education system; tuition and other costs; and employment prospects after completing a course.

The University of Sydney’s experience is that Chinese students are particularly attracted to studying some of the courses we offer because these courses match their interests and because of the strong reputation that these courses and the University have in China. Levels of student satisfaction and graduate outcomes are strong and graduates value the skills and networks they gain from studying with us. We are also certain that the relative strength of demand for our courses from Chinese students reflects the enormous relative size and quality of the Chinese international student market and the extensive investment and effort we have dedicated over the last thirty years to tailor and promote our course offerings in response to demand from this market. Throughout this period our approach to growing our international education activities has been encouraged by the strategies and funding drivers that have been set by successive Australian governments as summarised below.

Meeting full operating costs
The Government’s policy approach needs to acknowledge that a key driver of Australian universities’ international education strategies over the last three decades has been their need to increase and diversify their revenue streams to meet the significant and growing shortfalls they face in meeting the full economic costs of delivering their core teaching, research, research training and translation functions, as well as providing and maintaining the necessary hard and soft support infrastructure. For example, the University of Sydney currently invests around $750 million annually from discretionary funds to cover the full costs of its research. This is the equivalent of $1.50 for every dollar of external funding earned from the Commonwealth, industry and other sources for specific research purposes. The more Government can do to help universities meet the full costs of delivering their research, research training and support infrastructure, the less incentive they will have to increase international student numbers, and the more capacity they will have to invest in the quality of the learning experience for both domestic and international students.

Responding to Australian Government policies and strategies
The Government’s approach also needs to recognise that Australia’s universities have pursued their international education growth strategies in alignment with the proactive policies of successive Australian Governments, since the decision was taken in the early 1990s to allow public universities to enrol full-fee paying international students at scale. More specifically, diversification is impacted by tensions between governmental policy promoting diversification and the inherent limits that are set by migration measures such as the Simplified Student Visa Framework (SSVF), which serve to restrict the entry of international students from regions based on a simple numeric scale. This scale places countries in key risk categories and has the effect of narrowing possibilities for diversity in some international markets. Addressing the diversification challenge facing Australia’s higher education sector requires a holistic, whole-of-government approach, which is pursued through ongoing dialogue and collaboration with all levels of the education sector.

Other drivers of institutions’ international student cohort mixes
It is also important that the Government’s policy approach acknowledges that attracting students can be challenging due to global market factors, including:

- Perception of competitor countries – the USA is often held up as an economic powerhouse for example. Some countries consider UK or US education to be of higher value, similarly Canada is seen to be more welcoming and easier to find opportunities post-graduation.
- Price – tuition fees, cost of living as compared to competitors.
- Source country exposure to Australia – proximity, knowledge/exposure to place are important factors. European students are drawn more to the UK and Latin American students to USA/Canada for example.
- Perceived welcome – anti migration sentiment, low levels of public acceptance of the value of international education/students to Australia.
- Perceived access to migration outcomes – for many diversity markets this is a key consideration and cannot be ignored. Canada is seen as more open with easier pathways to migration.
• Diaspora/family connections in Australia compared to competitor countries.
• Availability of scholarships – often competitor countries offer very enticing scholarships to attract students both from institutions and government levels.
• Availability of quality work-integrated learning opportunities for international students during their studies, and quality employment options in-country after graduation. This is especially acute in the health disciplines where graduation requires the completion of clinical placement, while registration in disciplines such as medicine relies on the availability of internships in the public health and hospital system.

Q.2 How does a diverse international student mix, or a concentrated one, impact student experience at the national, institution and field of study levels?

There is no doubt that student diversity can improve student learning experiences. However, it is also not uncommon for non-diverse university classes at the University of Sydney to return high satisfaction scores in student experience surveys. The reality is that the presence of cultural diversity within an institution or classrooms is not a prerequisite for high-quality learning experiences and outcomes. Nor does achieving student diversity alone guarantee that the benefits of an international education will be gained by all students. To realise the full benefits that a culturally diverse campus can bring, recruitment efforts must be combined with interventions to ensure opportunities for the development of intercultural competence.

A comparative study of international student satisfaction measured via International Student Barometer (ISB) results (Ammigan & Jones, 2018) found that students’ levels of satisfaction with the learning experience impact most significantly on the overall satisfaction with their university experience. Creating a high-quality global educational experience has a direct impact on student experience and exposing students to experiences of difference which stretch their comfort zones, coupled with openness and curiosity, are core to the development of intercultural competence.

Diversity is certainly important for improving the language and communication skills of international students, by reducing their reliance on fellow students from the same countries and by encouraging the use of English in everyday life. Student diversity also helps leverage classroom activities by facilitating opportunities for friendships to develop within structured classroom activities that foster cross-cultural communication and exchange of ideas and worldviews. A rich and diverse campus life relies on diverse cohorts and institutions that are committed and well-equipped to facilitate peer interaction both within and outside the classroom.

Long lasting benefits come when intercultural dimensions are intentionally integrated into the ‘purpose, functions and delivery’ of higher education, contributing to enhanced teaching, learning, research, and global citizenship (De Wit et al, 2015). This process involves all students, regardless of their country of origin, and all university staff. Diversity indexes based on demographic statistics of student cohorts capture the cultural diversity of students, however, they do not provide an accurate picture of internationalisation as defined above.


Q.3 What methodologies or strategies could be used to help individual institutions determine their optimal make-up of international student cohorts?

As noted above, research shows that students’ satisfaction with the learning experience has the most significant impact on their overall satisfaction with their university experiences. Institutional performance in student satisfaction surveys should therefore play a part in helping institutions determine their optimal make-up of international student cohorts. If students in courses or units with high concentrations of international students from a small number of cultural backgrounds record strong or improving satisfaction with their learning and university experience, this may support the maintenance of these class profiles and the institution’s strategies to facilitate cross-cultural engagement opportunities. On the other hand, if students report low or declining levels of satisfaction, this may support an institution’s need to adjust its recruitment profile or to take other steps to improve cultural diversity and other key contributors to a quality learning experience.

Improving the quality of the overall student learning experience is already one of four priority areas for the Australian Government through DESE’s Performance-based Funding component of the

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Commonwealth Grant Scheme, as well as the Department’s mission based compacts with Australian universities. Both the PBF and compacts are mechanisms the Government can use to help institutions determine their optimal make-up of international student cohorts. They can also be used to monitor the progress of individual institutions’ diversification strategies, allowing them flexibility to tailor performance metrics relevant to their individual strategies and goals.

The Government's approach also needs to recognise that Australia’s higher education providers operate in a competitive global international education sector, providing education services in response to demand from diverse cohorts of students who are seeking different types of learning experiences and outcomes. Due to the nature of the market and the dominance of a small number of countries, diversifying will take many institutions time, and realistic targets and timeframes will be essential. The Discussion Paper’s proposed five to10-year timeframe for institutions shifting their profiles is realistic.

Q.4 What can we learn about the make-up of international student cohorts from other countries and institutions that have high levels of student satisfaction?

Public recognition and cultural acceptance of the economic and wider benefits of migration, internationalisation and international students is an important factor in competitor countries where international students report higher levels of satisfaction than in Australia. For example, Canada’s relatively high levels of student satisfaction mirror the wider positive views held by Canadian society about the value of internationalisation and migration. OECD reports show Canada to have one of the highest levels of public acceptance of migration with the largest number of skilled migrants admitted in the OECD in 2019.

The Australian Government can do much more, over a sustained timeframe, to improve public understanding of the value of migration and diversity to Australia. It could, for example, improve policies to celebrate diversity and drive social cohesion in the Australian community. Focusing only on international education will not be enough. International students’ levels of satisfaction with their education experience in Australia are likely to improve once the community welcomes and accepts them warmly as valuable contributors to the economy and society.

Moreover, compared to competitors in the US, Canada and UK, Australian higher education institutions have often been seen as leaders in international recruitment. In the 1990s, the UK and US were widely regarded as stronger in student mobility (study abroad and exchange) with Australia leading the way in recruitment and transnational education. Competitors in these countries learnt from the successes of Australian institutions and pursued similar strategies. In some areas like TNE, as Australia tightened its regulatory controls, competitors made more inroads into markets that were previously dominated by Australian institutions. Government-sponsored trade missions to target key diversity markets are also essential – to allow us to compete on a more equal footing with Canada, US, UK and EU.

Q.5 What is the relationship between diversity and student outcomes? What research or evidence is available on this relationship?

Please see our response to question 2 above. Diversity can certainly be beneficial to the student learning experience, but students can nevertheless report positive learning experience and achieve sound academic, employment and career outcomes from learning in environments that lack diversity according to certain metrics. Below is a list of some relevant research on the relationship between diversity and student outcomes.

Spencer-Oatey, H. & Dauber, D. (2019). Internationalisation and student diversity: how far are the opportunity benefits being perceived and exploited? Higher Education, 78(6), 1035–1058. https://doi.org/10.1007/s10734-019-00386-4. Argues that diversity can foster students’ ‘personal growth in intercultural competence and sensitivity’ (p.1055). However, it also finds that to have an impact on the development of students’ cultural competence, this must also be accompanied by them perceiving diversity as beneficial.

and their attitudes towards diversity fostered 'the development of key attributes needed to function effectively in a global society, namely positive intergroup attitudes and civic engagement.' (p. 555)

Finds that positive experiences with curricular activities that support engagement with diversity, and positive interactions with diverse peers, contribute to the development of the key attributes of intergroup attitudes and civic engagement. Also reveals that negative diversity experiences have an adverse impact on the development of these key attributes.

Denson, N. & Zhang, S. (2010). The impact of student experiences with diversity on developing graduate attributes. Studies in Higher Education (Dorchester-on-Thames), 35(5), 529–543. https://doi.org/10.1080/03075070903222658, Another Australian-based study. Explores whether student experiences with diversity impact on the development of selected graduate attributes and whether this relationship differs between international and local students at one Group of Eight (Go8) university. The findings demonstrate that student experiences with diversity have a positive impact on problem-solving, ability to work with others, and appreciation of and respect for diversity. The magnitude of these relationships, however, differs between international and local students (p.529).

Jenny Shaw (2009) The diversity paradox: does student diversity enhance or challenge excellence? Journal of Further and Higher Education, 33:4, 321-331, DOI:10.1080/03098770903266018, Explores the conflict between the benefits and challenges of diversity. Examines the circumstances under which it can be demonstrated that diversity contributes to excellence in higher education and considers the relationship between ‘diversity’ and ‘excellence’ in higher education. Finds that institutions need to challenge traditional assumptions about what constitutes excellence in higher education teaching if they are to make the most of cultural and linguistic diversity. The benefit of diversity is to be found in learning to value difference as contributing to richness rather than assuming that it creates deficits.

Gurin, P et al (2002). Diversity and Higher Education: Theory and impact on Educational Outcomes. Harvard Educational Review, 72(3), 330 366. https://doi.org/10.17763/haer.72.3.01151786u134n051, An American focused study, however, useful in discussing the link between diversity and the promotion of learning outcomes such as ‘active thinking skills, intellectual engagement and motivation, and a variety of academic skills’ (p.334). The paper also highlights the link between diversity and ‘democracy outcomes’ such as ‘perspective-taking, citizenship engagement, racial and cultural understanding, and judgment of the compatibility among different groups in a democracy’ (p.334).

Q.6 How can diversification contribute to the uniquely Australian international education experience?

Australia is a multicultural society and its classrooms in our school, vocational and higher education sector institutions should be diverse, reflecting the cultural make-up of the communities they serve. While the University of Sydney and many other Australian universities have more work to do before their student and staff profiles truly reflect Australia’s diversity, international students bring pedagogical and social benefits into our classrooms and onto our campuses and add to the globalised experience of domestic students. International students are multilingual, resilient and globally mobile. Their presence exposes Australian students to different perspectives, challenges them to lift their horizons and provides opportunities for cross-cultural understanding.

Our geographic position and demographic profile offer students a unique experience and competencies that enable them to compete in the global employment market and become truly global citizens. The uniqueness of the Australian experience comes from our cultural diversity, our distinctive landscape, flora and fauna and Australia’s First Nations culture. By appropriately reflecting Indigenous culture and teachings in our curricular and non-curricular activities, we can give students an extraordinarily unique experience that couples the enduring sense of place, identity and sustainability central to Indigenous practices, with contemporary and cutting-edge teaching and learning.

Linkages between international students and their domestic peers, teachers and the broader community have deep benefits for all students and for our country. For students, it allows for the development of social capital and cultural competence to complement their practical skills, which are increasingly important for the future of work and sought after by employers. We need to focus on facilitating meaningful interactions and life-long bonds, so that each international graduate of an Australian institution boasts enduring ties to Australia. Providers will need support from the
Government to ensure that linkages are established beyond classrooms and campuses, and to put in place mechanisms for forging consistent connections to communities, professional networks and industry.

The vast majority of international graduates of Australian higher education institutions (more than 80 per cent) indicate that they see the world differently after studying in Australia (International Graduate Outcomes Survey, 2018). Our liberal education system, supported by principles of institutional autonomy, academic freedom and freedom of speech, creates cultural and learning environments where people can have robust discussions and where staff and students from diverse backgrounds and cultures are empowered to express their individual views. Our student population brings a multitude of views and experiences through which they learn to embrace diversity, welcome the views of others and act in an inclusive way. These are skills that will stand them in good stead to participate productively in globalised and multicultural organisations and societies. We also know that international students recognise and value the distinct qualities obtained from studying in Australia, or with an Australian institution.

Q.7 What are the policy interventions that will best support institutions to build and sustain diversity within their international student cohort?
Q.8 The proposed draft policy measures and way they could best be implemented
Q.9 The suitability of the policy options to increase diversity in the international student cohort
Q.10 Additional policy options that could be considered, consistent with the objectives of encouraging transparency and action on diversification

We have provided our responses to these questions at the top of this submission.

Q.11 Timelines for implementing Diversification Action Plans in institutions

There is an historical path dependency in the country-of-origin profile that providers cannot be expected to change overnight. The suggested five to 10-year timeframe is reasonable as achieving meaningful diversification will involve shifting whole market perceptions and priorities. As emphasised at the start of our submission, the implementation timelines should acknowledge that providers, particularly public universities, are already working on their international student diversity and investing heavily in it.

Ends/