



Australian Government

INTERNATIONAL STUDENT DIVERSITY AT **AUSTRALIAN UNIVERSITIES**

Discussion Paper
February 2022



The Australian Government acknowledges the Traditional Owners and Custodians of Country throughout Australia and acknowledges their continuing connection to land, water and community. We pay our respects to them, their Elders past, present and emerging, and the continuation of cultural, spiritual and educational practices of Aboriginal and Torres Strait Islander peoples.

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The document must be attributed as the Education Services for Overseas Students Review.



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INTRODUCTION

International education is our fourth largest export and largest services export. In 2019, it contributed \$40.3 billion^{1,2}, to the national economy, supporting around 250,000 Australian jobs prior to the pandemic.

One risk to sustainable growth in international education enrolments is not adequately managing potential overexposure to particular markets. Managing this risk effectively will contribute to a more positive experience for all students, both domestic and international, and assist the university sector to achieve greater business resilience.

Nearly half of the stakeholder submissions that informed the new *Australian Strategy for International Education 2021–2030* (the Strategy) identified partner country diversification as an area requiring increased attention.

Australia has strong relationships with key partner countries. The Australian Government will continue to cultivate these very important relationships and meet the education needs of these countries as Australia continues to be a highly desirable study destination for their students.

That said, through the Strategy, the Government has committed to work with the sector to identify the best ways to diversify student cohorts and source markets to improve business resilience and support an optimal student experience.

This paper seeks views from the sector on next steps to implement diversification actions in the Strategy, including:

- developing and publishing guidelines on the optimal make-up of international student cohorts to inform sector decision-making.
- establishing and publishing an easy-to-understand measure (a Diversification Index) to improve transparency of diversity of international students at public universities.
- developing international student Diversification Action Plans for universities to increase business resilience and improve student experience.



¹ Department of Education and Training 2015, 'The value of international education to Australia', see: <https://internationaleducation.gov.au/research/research-papers/Documents/ValueInternationalEd.pdf>.

² Department of Education and Training 2019, 'Education export income by country 2019', see: <https://internationaleducation.gov.au/research/research-snapshots/Documents/RS%20Education%20export%202019.pdf>.



DIVERSIFICATION OF INTERNATIONAL STUDENT COHORTS AT NATIONAL, INSTITUTION, AND FIELD OF STUDY LEVELS

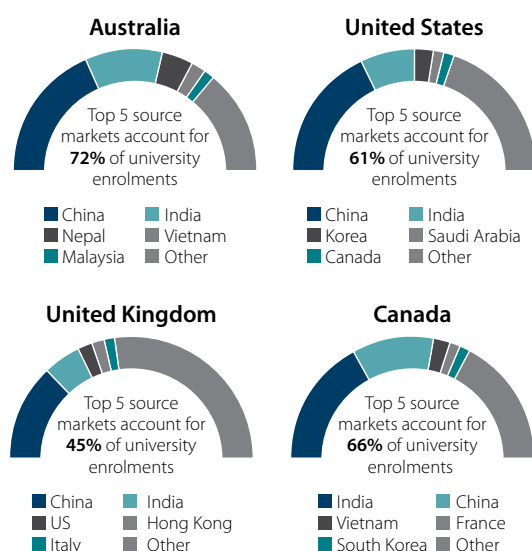
The diversity of international student cohorts can be measured at a range of different levels, including at the national, institution, and field of study levels. At each of these levels, there may be an opportunity to improve student experience through policy interventions which encourage greater diversification.

National level

The top five markets to Australian universities accounted for 72 per cent of enrolments in 2020. This is a significant increase in concentration relative to 2010, where the top five markets accounted for 61.4 per cent.

Over the same period, the share of international students from Australia's top two source countries, China and India, also increased. These markets accounted for 57 per cent of international higher education enrolments in 2020 (Figure i), up from 46 per cent in 2010.

Figure i: Proportion of international student enrolments in competitor markets, sorted by country of origin



Source: The Department of Education, Skills and Employment (2020), Open Doors (2020), HESA (2020), CBIE (2020)

Note: Data is higher education only

In comparable destination markets, such as the United States, the United Kingdom and Canada, the diversification of international student cohorts is increasingly becoming a priority to support sustainable growth in international education enrolments. Like Australia, students choose these markets from a breadth of destinations, with strong demand for international education globally from Chinese and Indian students due to the large population of these countries and their growing economic prosperity.

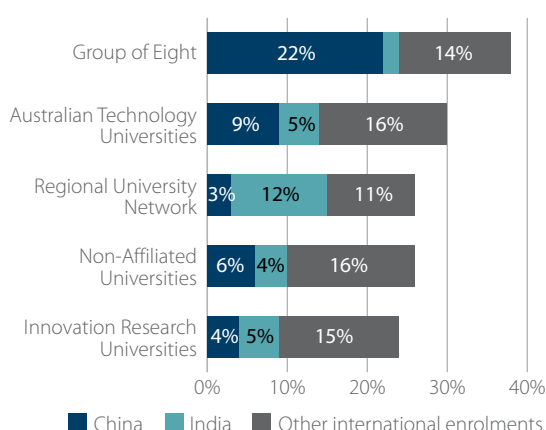
Each comparable destination market implements different strategies to support a diverse cohort of international students, in terms of their countries of origin. The United Kingdom's university sector – the least concentrated in source markets – leverages other domains of diversification of modes of study to reach different cohorts of students. Its 2021 International Education Strategy includes actions to support improved global recognition of digital and hybrid models of learning in the United Kingdom's priority source markets.³ Online study creates a pathway option for international students to transition to further study, including onshore. The rapid shift to online study following COVID-19 reinforces the need to consider the role of online modes in diversifying onshore markets.

³ Department of Education and Department of Trade UK, 'International Education Strategy: 2021 Update: Supporting Recovery, Driving Growth', see: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/958990/International-Education-Strategy-2021-Update.pdf, accessed 24 December 2021.

Institution level

The concentration of student enrolments from select source markets is more prevalent in certain universities and provider types. For instance, the Group of Eight universities enrol the highest percentage of international students, representing on average 38 per cent of the total student body in these institutions (Figure ii).

Figure ii. Percentage of international students as a proportion of total enrolments by university peak body affiliation, 2019



Source: Department of Education, Skills and Employment

Note: Percentages represent the share of international enrolments (includes offshore delivery) as a proportion of total enrolments

Seven universities had more than half of their international students from a single source country within the top five source markets to Australia in 2019 (China, India, Malaysia, Nepal and Vietnam).

A further six universities had more than 20 per cent of enrolments from a single source market, and 12 universities had more than 10 per cent of enrolments from a single source market. Market concentration presents a clear risk to the sustainability of revenue streams for institutions that are dependent on a small number of source countries and have flow on effects for student experience on campuses and in classrooms.

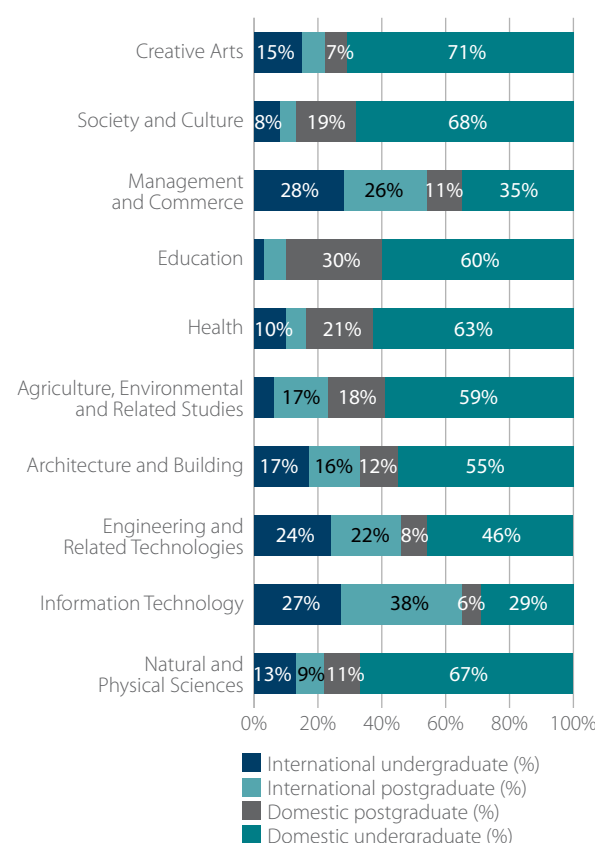
Field of study level

International students have always been an important source of labour for Australia, both while they are studying and through post-study work rights, as well as becoming entrepreneurs and employers themselves. A stronger alignment between Australian skills needs and courses in which international students enrol will support our businesses, industries, and economy.

The National Skills Commission has identified our greatest skills needs in emerging fields that will drive growth in the future. These include data and digital specialists, health professionals, and engineers. Increasing enrolments in these areas, through both domestic and a broader range of international enrolments, will ensure Australia is equipped with the skilled workers we need for the future.

Currently, there is a concentration of international students – including students from certain source markets – in particular fields of study. While international students account for 29 per cent of total enrolments at Australian universities, international students account for 46 per cent of enrolments in engineering, 54 per cent of enrolments in management and commerce, and 65 per cent of enrolments in information technology (Figure iii). This demonstrates that Australia's international education is helping students meet their education and career goals, and there is potential to expand this achievement to other fields of study.

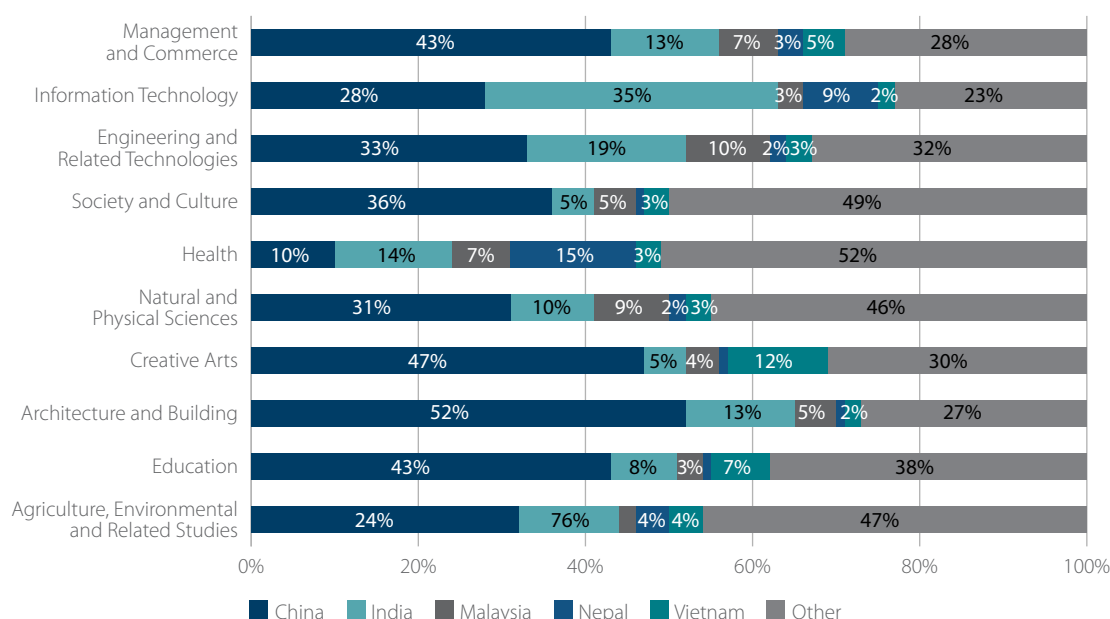
Figure iii: Proportion of international and domestic enrolments by field of study



Source: Department of Education, Skills and Employment (2019)

Note: Given low enrolments numbers for the Food, Hospitality and Personal Services field of study, it is excluded. Mixed field programs and non-award programs which do not map to a field of study have also been excluded. The undergraduate data includes Bachelor and Sub-Bachelor courses of study, and postgraduate includes Postgraduate by Coursework and Postgraduate by Research courses of study.

Figure iv: Concentration of enrolments from Australia's top five source markets, by field of study



Source: Department of Education, Skills and Employment (2019)

Note: Given low enrolments numbers for the Food, Hospitality and Personal Services field of study, it is excluded. Mixed field programs and non-award programs which do not map to a field of study have also been excluded. The undergraduate data includes Bachelor and Sub-Bachelor courses of study, and postgraduate includes Postgraduate by Coursework and Postgraduate by Research courses of study.

In some fields of study, the concentration of enrolments from Australia's dominant source markets is particularly pronounced (Figure iv). Information technology courses have the highest concentration of enrolments from Australia's top five student source markets with an average of around 77 per cent. While other fields of education, such as Architecture and Building and Creative Arts have the highest share of enrolments from a single source market. This should be considered alongside the total number of enrolments and total international student enrolments, as these figures will also impact what the international student make-up looks like in the classroom.

Students from Australia's top two source markets, China and India, are most represented in postgraduate courses of study, particularly in Information Technology courses which have the highest concentration of enrolments from one student source market. The following top contributing countries, Nepal, Vietnam and Malaysia, are most represented in undergraduate courses of study.

Each level of the international education sector has its own unique circumstances when it comes to the diversity of their student cohort. However, across the board there has been an increase in concentration of students from select source countries. Consultations undertaken to inform the Strategy highlighted this was a key area of concern for the sector due to its implications for student experience and business resilience, and one which required further engagement to identify the best way forward.

We invite views on:

1. What are the drivers that influence an institution's international student cohort mix?
2. How does a diverse international student mix, or a concentrated one, impact student experience at the national, institution and field of study levels?
3. What methodologies or strategies could be used to help individual institutions determine their optimal make-up of international student cohorts?



THE BENEFITS OF A DIVERSE INTERNATIONAL STUDENT COHORT

Benefits to international and domestic students

This section considers the benefits of diversification to students, which include:

- a welcoming and uniquely Australian student experience, which reflects the multicultural society our universities operate in.
- a learning experience, which equips both domestic and international students with skills necessary to succeed as global citizens.

Students on campus

Research conducted internationally suggests that education outcomes benefit from high levels of diversity.⁴ International studies recognise the benefits of culturally diverse classrooms for all students, even if they do not personally engage with a diverse range of students.^{5, 6} These studies have also revealed that students benefit from culturally diverse institutions, even if these high levels of diversity do not extend to all courses. Increasingly, internationally competitive employers are seeking their employees to be globally-conscious and open-minded, and it is important that our institutions prepare students for these opportunities. A diverse campus exposes domestic and international students to different ways of thinking and learning, which is critical to both domestic and international graduates in an interconnected and global society.

A diverse community is part of a uniquely Australian study experience and is key to the success of Australia's universities. When asked about the top reasons for their choice of institution, 53 per cent of international students rated 'institution teaching quality' and 'how welcoming the institution is to international students' as among the most important factors.⁷ Diversification within our institutions will serve to strengthen Australia's reputation as being a welcoming and inclusive society for international students.

An international classroom and campus can foster greater cultural awareness and enable long-term global partnerships at the student, community and provider level. A lack of diversity in international student cohorts also potentially exposes providers to the impacts of unexpected changes in market dynamics, including economic shocks and changes in bilateral relationships.

Students in classrooms

The different cultures and perspectives international students share in classrooms and campuses enriches the learning experience of Australian students and prepares them to enter a globalised workforce. A research report conducted by the Department of Education, Skills and Employment explores the impact the presence of international students has on domestic students' learning experience. The report found that only five per cent of domestic students responded negatively to their experiences in culturally diverse classrooms (figure v). Addressing practical considerations, such as English language proficiency and time zone issues, supports domestic students to feel enthusiastic about having international students in their classes.⁸

4 Denson, N & Chang, MJ 2009, 'Racial Diversity Matters: The Impact of Diversity-Related Student Engagement and Institutional Context', *American Educational Research Journal*, vol. 46, no. 2, pp. 322–353.

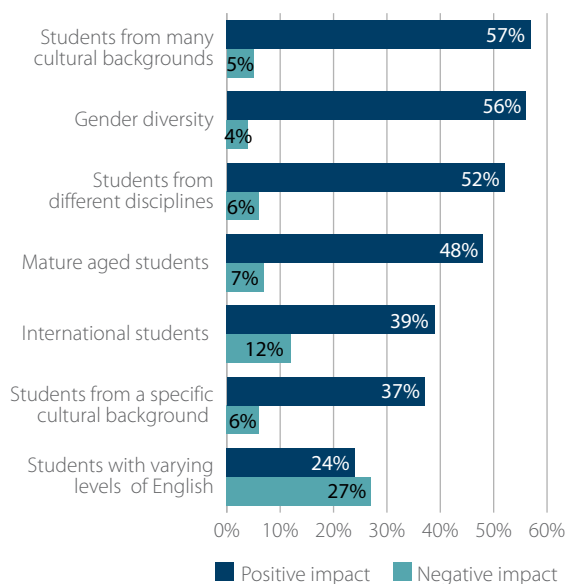
5 Chang, MJ, Denson, N, Sáenz, V & Misa, K 2006, 'The Educational Benefits of Sustaining Cross-Racial Interaction among Undergraduates', *The Journal of Higher Education*, vol. 77, no. 3, pp. 430–455.

6 Bowman, NA 2010, 'College Diversity Experiences and Cognitive Development: A Meta-Analysis', *Review of Educational Research*, vol. 80, no. 1, pp. 4–33.

7 QS, *International Student Survey Report - Volume 2: Information and Influence (2020)* <http://www.qs.com/portfolio-items/international-student-survey-2020-report-volume-2-information-and-influence/>, accessed 13 October 2021.

8 The Department of Education, Skills and Employment 2021, 'Research Report: Census data for higher education courses', Where To, p. 30.

Figure v. Influences on Undergraduate Student Experiences in Australia, 2021



Source: F1. How would you describe how the following impacts your learning experiences?

Base: Undergraduate university students who reported an impact, unweighted, n=2,003.

A 2013 survey of Canadian domestic university students also reported benefits associated with being engaged with a diverse international student cohort⁹:

- 74 per cent of students said that a growing international student presence led to increased cross-cultural awareness among students on campus.
- 64 per cent of students reported that their perspectives about the world had been enriched since making international friends at university.

Understanding how best to support the student experience through diverse cohorts is also a point of focus in Australia's competitor markets. In the United Kingdom, the Higher Education Academy, the national body for learning and teaching in higher education, released a paper as part of their 'teaching international students' project which considered strategies at the classroom level to enhance domestic and international student collaboration and interaction.¹⁰

A diverse international cohort is a characteristic of high performing universities worldwide. An internationalised sector can foster greater cultural awareness among learners, enable long-term global partnerships at the student, community, and provider level, and support the development of cross-cultural collaborative skills, which are critical to solve complex problems.

Further research on the domestic student experience

The Government recognises that understanding the domestic student perspective is important to make progress in identifying the optimal student make-up. The 2020 Quality Indicators for Learning and Teaching (QILT) Student Experience Survey (SES) captures international and domestic student learning and living experience, including student support, learning resources and making friends. However, questions on the diversification of international student cohorts are currently not within the scope.

The Government is considering amending the QILT SES to include changes that address the subject of diversification amongst international and domestic students. As diversification can make notable differences to the classroom experiences of students, this survey could be a useful tool in understanding how students view studying at a diverse institution. These additional questions could help further evidence the beneficial links between culturally diverse classrooms and the educational experiences of domestic and international students. The data could also be useful for universities as they consider their own diversification narratives.

We invite views on:

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

⁹ Lambert, J & Usher, A. 2013 *Internationalization and the Domestic Student Experience*. Toronto: Higher Education Strategy Associates.

¹⁰ Higher Education Academy 2014, 'Mixing, learning and working together', see: www.heacademy.ac.uk/sites/default/files/resources/mixing_learning_and_working_together.pdf, accessed 13 October 2021.

BENEFITS TO UNIVERSITIES

This section considers the benefits of diversification to universities. The benefits include that:

- universities' business models will be less exposed to the risks of economic shocks.
- universities can continue to offer a rich student experience, where students are part of a multicultural cohort.

Business resilience

A strong international education sector is resilient to demand shocks. By nature, the international education sector is exposed to risks from changes in the global environment, including economic shocks, changing bilateral relations, or as recent experience highlights, health crises.

A lack of diversity further exposes providers to the impacts of unexpected changes in market dynamics. A diverse student cohort minimises universities' exposure to the risks associated with economic shocks, shifts in student preference changes or regulatory changes in source markets. The challenges presented by the COVID-19 pandemic reiterate the value of being resilient to these risks.

Economic diversification across Australia's trade sectors more broadly promotes positive economic growth and development, whilst mitigating the risks of drawing from only a limited number of markets. For the university sector, which enjoys significant revenue gained by full fee-paying international students, sourcing students from a wider range of countries will build greater resilience in case of unexpected market shocks.

There is also opportunity to grow Australia's market share by expanding and diversifying Australian high-quality education offerings to online and offshore markets at different price points and into new markets. Diversifying and expanding online and offshore products will enable the sector to become more resilient, create new opportunities for growth and support an optimal and tailored student experience. The Government looks forward to working with the sector on support measures to assist in the creation and expansion of these new educational opportunities.

Providers in competitor markets have also signalled an increased interest in diversification, to manage risk. In August 2020, Universities Canada's federal budget submission report, *Building Back Better* set out a series of recommendations to stabilise and protect the sector. These recommendations from the sector included diversifying international student recruitment efforts to non-traditional sources and scaling up and accelerating recruitment and diversification efforts.¹¹

We invite views on:

6. How can diversification contribute to the uniquely Australian international education experience?
7. What are the policy interventions that will best support institutions to build and sustain diversity within their international student cohort?

¹¹ Universities Canada, 'Building back better', see: <https://www.univcan.ca/wp-content/uploads/2020/08/Building-back-better-investing-in-Canadas-universities-for-a-sustainable-covid19-recovery-august-2020-3.pdf>, accessed 13 October 2021



POLICY MEASURES

This section sets out new measures to increase the diversity of international student cohorts at Australian universities, as outlined in Action 1.1 of the Australian Strategy for International Education 2021–30. These measures seek to address the Government and sector’s shared goal of diversification and ensuring a quality student experience for both domestic and international students.

The Australian Government, through the Department of Education, Skills and Employment (DESE), invites feedback and views to inform development and implementation of these new measures, including responses to the discussion questions throughout this paper.

1. Guidelines on achieving an optimal student mix

The Government recognises diversification will look different across the sector, with universities implementing their own strategies in line with their own needs. The forthcoming Guidelines will be guiding principles to assist Australian public universities in their diversification of international student cohorts and source countries. They will support universities to develop new tools and frameworks to diversify international student cohorts and build sector resilience against market fluctuations.

The Guidelines will be voluntary and applied relative to each universities’ specific circumstance. These Guidelines are not intended to introduce unnecessary burdens on universities. Each university will be encouraged to consider the Guidelines in line with their unique circumstances and own requirements for an optimal student mix that ensures positive student experience and increased business resilience. This will help universities identify their own objectives and actions to help prioritise resourcing and apply mitigations, where appropriate. Once finalised, these guidelines will be publicly released on the DESE website and shared with the sector.

2. Publication of an international education transparency measure

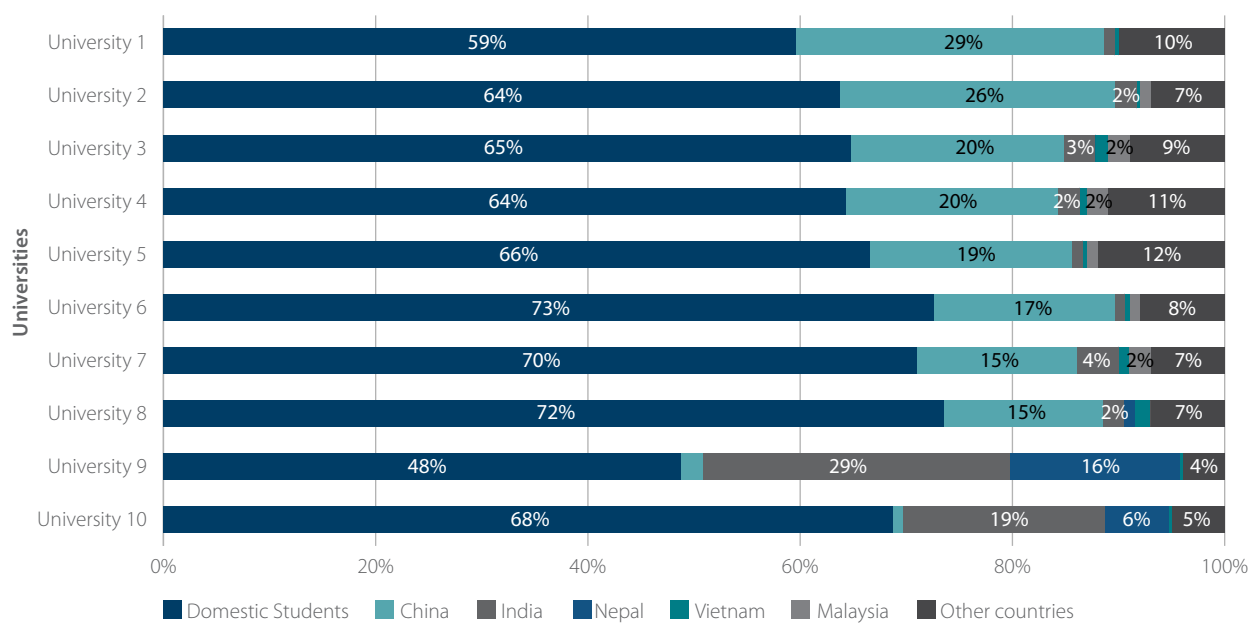
Publicly available data on the make-up of student cohorts in Australian public universities is abundant, including the breakdown of domestic and international student enrolment data by country of origin. The Government seeks to present this data in a more transparent way through a mechanism such as a Diversification Index to better inform prospective students and stakeholders of the makeup of student cohorts. The Index will be a transparent resource published on the DESE website, which outlines the proportion of cohorts within each university’s total student cohort. The Index will be updated annually to reflect changes in student and enrolment numbers.

Domestic and international student enrolment data collected by the Government through the Higher Education Information Management System (HEIMS)¹² is proposed to be the basis of the Index. It will show each universities’ proportion of onshore domestic and international student cohorts by country of origin. It is proposed the Index will be limited to onshore enrolment data, in recognition that offshore campuses and delivering courses offshore are more likely to attract international students from its location/country. An example of how a Diversification Index could be presented, based on 2019 data, is at Figure vi. Universities have been de-identified, but would be listed by name in a final Diversification Index.

¹² HEIMS is an information system that contains a range of student data submitted by higher education providers. From 2020, HEIMS is gradually being replaced with the Tertiary Collection of Student Information (TCSI) and HEIMS will be decommissioned once TCSI is fully operational and providers have transitioned.



Figure vi. Proposed Diversification Index based on the proportion of international onshore student enrolments by country of origin of total enrolments



3. International education Diversification Action Plans

The Government wants to work with the sector on the development of individual international student Diversification Action Plans to increase business resilience.

The Government recognises each university has its own unique set of circumstances and encourages universities to work towards diversifying international student cohorts in a way that is appropriate to their circumstances. In recognition of this, the Government is considering developing a Diversification Action Plan template for universities to adopt. The Action Plan may ask universities to consider what they expect their student cohort to look like in five to 10 years and how this will be achieved. This Action Plan can sit alongside or be incorporated into current business plans for universities.

To assist in the development of individual Plans, the Government is considering the following questions:

1. How are you ensuring business resilience in your institution?
2. What efforts are you taking to diversify your student cohort?
3. What efforts are you taking to diversify your modes of delivery?

The Government proposes including objectives and actions universities can take to support diversification of international student cohorts. Institutions should feel free to add to or subtract objectives and actions, dependent on their unique circumstances, to improve the experience of both domestic and international students on campus.

Suggested strategies for goals that might be included in the Diversification Action Plan include:

- increasing institutional visibility in under-represented target markets
- expanding modes of product offerings to support offshore and online deliver to meet the needs of diverse student cohorts
- increasing enrolments in under-subscribed courses through international marketing to target markets
- increasing institutional visibility overseas by partnering with offshore universities in under-served target markets for research collaboration
- increasing the visibility of commitment to diversification of international cohorts
- improving the sense of safety and inclusivity on campus to increase attractiveness to international students.

The Government will work closely with the sector to ensure appropriate support and assistance is in place to assist universities in meeting their diversification goals.

Universities already have measures in place, such as student satisfaction surveys, to measure the success of their objectives. Each university should consider its unique circumstances and goals for diversification, to best prepare for business resilience and to create an optimal student experience for both domestic and international students. The Action Plan template will be published on the DESE website.

Sector consultation

The Government will undertake a consultation process with the sector to support development of the diversification policy measures.

We invite any written feedback by Friday 25 February 2022 to the Department of Education, Skills and Employment at Education-IES@desse.gov.au.

In addition to the discussion questions throughout this paper, we also invite views on:

8. The proposed draft policy measures and ways they could best be implemented
9. The suitability of the policy options to increase diversity in the international student cohort
10. Additional policy options that could be considered, consistent with the objectives of encouraging transparency and action on diversification
11. Timelines for implementing Diversification Action Plans in institutions

