# Australia's China Challenge

#### Abstract

Australia's universities have long relied on international students, who form one-fourth of total enrollments. Forty percent come from China. But the US-China cold war, US pressure on allies to align themselves accordingly, and the impact of COVID-19 travel restrictions on the capacity of Chinese students to return to Australia and resume their studies, have severely disrupted universities. Continuing cold war polarization could damage bilateral relations in higher education and research.

# **Anthony Welch**

**T** wo features stand out in the Australian university system; each bears on higher education and research relations with China. Although a relatively small system, with a total enrollment of 1.6 million, the country lists six universities among the world's top 100, according to Shanghai Jiaotong's ARWU ranking. This is more than Canada, for example, with a much larger population. The second feature is the unusually high proportion of international enrollments—27 percent of total enrollments in 2019. By far the largest contingent are mainland Chinese students. These two features are in fact related, since 27 percent of university revenue stemmed from international student revenue in 2019, and it has been estimated that a quarter of total university expenditure on research came from international student revenues.

#### International Enrollments in Australia

International enrollments have grown vigorously for decades, making international education Australia's fourth largest export industry. But this has made Australian universities heavily dependent on international student revenue, particularly from China. In turn, this was due to persistent underfunding of higher education, which drove universities to seek other income sources, notably by energetically expanding fee-paying international student numbers, particularly from mainland China.

Australia's location—the only substantial English-language education system in the South Pacific—means all top 10 source countries for international students are Asian. Of the overall total income of AUD 32.4 billion (USD 22 billion) derived from international education in 2017–2018, Asia contributed AUD 22.2 billion (USD 16.6 billion). Much of this came from China. At the national level, mainland Chinese students comprised 40 percent of all international enrollments, but in some universities, particularly the research-intensive Group of Eight (Go8), the proportion was much higher. At the University of Sydney, mainland Chinese students alone accounted for 24 percent of total enrollments. The university earned AUD 885 million (USD 664 million) in international student fees in 2018, accounting for 35 percent of overall revenue. Prior to COVID-19, more Chinese students studied at the three inner-Sydney universities than in all 33 public universities in California.

## **Skilled Chinese Migrants**

Australia's longstanding bias toward skilled migration means Chinese migrants are now among the most high-skilled categories, something which has important consequences for higher education. Nationally, over 15 percent of the current Australian academic workforce now stem from Asia, with data showing that the number of academic staff from China tripled between 2005 and 2015. The Chinese knowledge diaspora, many of whom came to Australia to undertake their doctorates and have subsequently settled there, is a growing force in Australian higher education, often with well-established links to the powerful Chinese research system and its leading universities.

## **COVID-19 Consequences**

The onset of the COVID-19 pandemic in early 2020 disrupted most of these patterns. Travel restrictions shuttered international student mobility, especially from China. Over 60 percent of the 170,000 Chinese international student-visa holders, many of whom had travelled home for the Spring Festival in early 2020, were caught outside Australia. Persisting travel restrictions meant that most were still unable to return to Australia by late 2021. This had major consequences for many universities, particularly those with high proportions of mainland Chinese students. Notwithstanding a swift transition to online teaching and learning, which was initially accepted but was replaced by a growing desire to resume the on-campus experience, total revenue losses across the sector were estimated at AUD 1.8 billion for 2020, and were projected to amount to a further AUD 2 billion in 2021. It is predicted that between 2020 and 2024, the sector will lose AUD 6.4 billion-7.6 billion in discretionary income available for research.

The abrupt, ongoing loss of revenue prompted a halt to building programs, cuts to discretionary spending, and a selling-off of property, particularly student accommodation that now often lay empty. Despite this major revenue loss and job losses that were, by late 2021, estimated to total 35,000, the federal government repeatedly withheld financial support to universities from a scheme purposely designed to support employment across all industries during the pandemic. A series of interviews with public servants, vice-chancellors, ministers, and former ministers in 2021 identified a common explanation: "It's not that complicated. The government hates universities." (See also <u>William Locke</u>, "Australian Higher Education, The Perfect Storm?" in IHE #107).

## **Collaboration and Culture Wars**

US-China tensions and increasing polarization also influenced higher education and research relations with China. While Australia had long been keen to enroll hundreds of thousands of Chinese students, the increasingly rancorous and rivalrous relations between the two world powers, and pressure from the United States on its allies to align themselves accordingly, had a definite impact. Pressure for decoupling from China intensified, especially regarding research collaboration, reversing an established pattern of growing bilateral collaboration that saw China become Australia's leading research partner in mathematics, engineering, and chemistry. China's scientific rise means that it is now ranked second only to the United States in citations according to the Web of Science (WoS) database, and by 2019, second in the list of highly cited authors. This made it an increasingly attractive research partner; as such coauthored articles yielded higher average citation counts than purely Australian publications in those subject areas. Many such coauthored papers, numbers of which involved the Chinese knowledge diaspora in Australian universities, now featured mainland Chinese colleagues. In fact, Australian papers coauthored with Chinese colleagues rose from 4 percent of the total in 1996 to 14 percent in 2009.

This was particularly important, given that the Australian ratio of international coauthored papers, at 45 percent, was significantly higher than the worldwide average of 35 percent. Hence, broad restrictions on China–Australia academic relations would impede scientific progress, limit higher education relations between the two countries, and contribute to increased polarization. In a 2018 speech on university governance, the chancellor of the University of Queensland (a Go8 institution) and former secretary of the department of foreign affairs and trade outlined the extent of scientific collaboration between his university and China. He pointed to more than 3,000 copublications, the Category Normalized Citation Impact (CNCI) count of which was almost three times the world average. But in the face of a rising climate of anti-China sentiment and a broader securitization of policy, a national audit of university links with China was instituted, provoking complaints by universities about both its blunt framing and administrative burden. Amid concerns that it could fuel anti-Chinese prejudice and "Reds under the bed" paranoia, foreign interference legislation was also introduced, with plans to train both academic staff and students how to spot projects of concern.

Although bilateral collaboration at the individual level mostly continues, institutional collaborations, especially in high-tech areas, are now subject to much greater scrutiny. While legitimate security concerns have been pointed to, it is to be hoped that the current cold war climate of polarization and rancor does not result in a sledgehammer being used to crack a nut, endangering a broader productive relationship. Pressure for decoupling from China intensified.

Anthony Welch is professor of education, University of Sydney, Australia. Email: anthony.welch@sydney.edu.au. 45