

Submission

No 60

INTERNATIONAL STUDENT ACCOMMODATION IN NEW SOUTH WALES

Organisation: Randwick City Council
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TM (F2011/06574)
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18 October 2011

Bruce Notley-Smith MP
Chair of Social Policy Committee
Parliament of New South Wales
Macquarie Street
Sydney NSW 2000

Dear Bruce,

Inquiry into International Student Accommodation in New South Wales

Thank you for giving Randwick City Council the opportunity to make a submission in response to the Inquiry's terms of reference.

Generally speaking, the inquiry aims to cover a very broad range of issues which could be divided into three separate discussion parts. These are:

- A. Scoping and determining the extent of accommodation shortage; related issues impacting on international students; and ability of relevant authorities to manage/address/resolve issues (TOR No.2, and 5)
- B. Issues relating to building standards provisions (TOR No.3 and 4)
- C. Legislation, Enforcement and Compliance (TOR No.1 and 6)

The University of NSW (UNSW), located in close proximity to the eastern beaches and the Central Business District (CBD) is an attraction point for many young people. According to the 2006 Census, Randwick LGA has a higher proportion of residents aged 18-24 years (13%) than the Sydney Statistical Division (9.9%). The suburbs around UNSW also attract a large number of tourists and backpackers. This places additional pressure on housing and weekly rental costs in our suburbs.

In relation to point A above, there is a need to better understand the extent of the demand and accommodation needs of international students. No information is available to Council in relation to the number of students who require or reside in suburbs near or around UNSW. However, there is anecdotal evidence of accommodation shortage being more prevalent in and around UNSW.

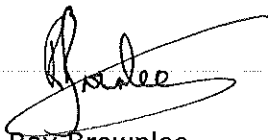
In relation to point B above, in recent years the UNSW has embarked on a building program to increase residential facilities for international students within and around the campus. However, the majority of international students and students from regional areas attending UNSW are accommodated in the private rental sector. As such, it may not be practical to define specific building standards for the range of dwellings being used by student, unless the development has been specifically designed and built as 'student housing'.

Point C naturally follows with potentially the introduction of legislative changes for addressing the Inquiry's key issues e.g. licensing, management and regulation of new and existing supply of student accommodation and dealing with landlords who have broken the law.

Please find attached for the Committee's consideration, Randwick City Council's specific comments addressing each of the Terms of Reference.

If you require additional information, please do not hesitate to contact Mr Roman Wereszczynski for issues relating to building compliance and enforcement on 9399 0947 or roman.wereszczynski@randwick.nsw.gov.au. All other enquires may be referred to Ms Teresa Mok on 9399 0542 or email teresa.mok@randwick.nsw.gov.au

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ray Brownlee', with a large, sweeping flourish underneath.

Ray Brownlee
General Manager

RANDWICK CITY COUNCIL

COMMENTS RELATING TO EACH OF THE TERMS OF REFERENCE POINTS

1. Objectives of Private Members's Bill introduced by the Member of Ryde in the last Parliament (Environmental Planning & Assessment Amendment (Boarding Houses) Bill NSW 2010)

Establishing the factual circumstances in respect to the type of accommodation provided at residential premises has been notoriously difficult for Council officers. Under the EP&A Act (and LG Act) special protection is afforded to residential premises in respect to a council's powers of entry (see s. 118J of the EP&A Act and s. 200 of the LG Act). In general terms, Council's power of entry into a residence is confined to inspecting the premises during the carrying out of approved building work or in the course of assessing an application for a *building certificate*. Outside of these circumstances, unless permission from the owner or the occupier of residential premises is granted, then council officers cannot enter the premises for the purpose of investigating a suspected unauthorised use unless that entry is authorised by a Search Warrant.

To this end the *Environmental Planning & Assessment Amendment (Boarding Houses) Bill NSW 2010* overcomes the current difficulties in gaining access to illegal places of shared accommodation on the grounds that they are used for "residential purposes". The amendments proposed by the Bill to s. 118J are welcomed.

We also support the proposed amendments to s. 124AA in respect to the use of circumstantial evidence, the provision of specific penalties and circumstances of aggravation for the persons operating unlawful places of shared accommodation contained within proposed s. 126A and the reversed presumption with respect to various methods of proof as proposed by s. 156.

In respect to the introduction of the notification and register provision as proposed by introducing s. 156A additional provision should be introduced to ensure that the Director General is satisfied that the Boarding House being registered is an "approved" boarding house.

The object *Environmental Planning and Assessment amendment (Boarding Houses) Bill 2010*, is to provide, among other things, increased powers aimed at 'cracking down' on individuals who breach the law in providing unauthorised and sub-standard places of share accommodation.

However, and whilst the additional powers proposed by the *Environmental Planning and Assessment amendment (Boarding Houses) Bill 2010* are in Council officers' views necessary, the other equally important factor is the current barriers which limit the supply of this type of accommodation.

In this regard, Council officers are of the view that there may be the opportunity for existing private residential premises to be used as "small scale" or "low impact" places of shared accommodation with the introduction of sensibly drafted *complying development* criteria to the *State Environmental Planning Policy (Exempt and Complying Development Codes) 2008* ("SEPP Codes"). As such, similar criteria could be adopted to that which applies to "Bed and Breakfast" accommodation as provided for in Part 4A – General Development Code of the SEPP Codes. Introducing this type of low scale development into the existing fast track Complying Development Certificate approval regime (and involving the nearby University as a student referral point), may assist in alleviating the existing shortage of student accommodation.

2. Factors affecting the supply of and demand for affordable student accommodation and other accommodation used by students, particularly in relation to international students and implications for the export education industry

This relates to affordable housing supply and demand in general. Key issues for all housing apply include:

- The shortage of appropriate and affordable rental housing is a key factor in maintaining high rental rates in the private housing market - forcing students (domestic and international) into overcrowding situations. This is not an issue applicable only to Sydney. Melbourne also suffers from high housing rental costs, and experiences similar problems.

Competition between domestic and international students and the younger population's desire to live in proximity to Sydney's beaches keeps the costs of renting in the private sector high. It is the high rental in the inner city across the board that is limiting the availability of housing for international and domestic students. The issue relating to Macquarie University typically reflects the lack of rental housing supply in that locality.

- Lack of affordable campus student housing. The issue of overcrowding in rental accommodation, among overseas students is common as many are on tight budgets. Inner city campuses lack space to expand and need to plan for academic/teaching space more critically than housing space.
- Given the high currency exchange value of the Australian dollar, the Australian education industry may be less attractive as an education destination. In other words, the export education industry is affected by factors other than accommodation standard and costs.
- The impact of taxation policies, and other related influences on the housing market affects supply.
- Other policy and infrastructure e.g. transport improvements may see students living further from campuses if travel is efficient, cheap and reliable.
- Universities (and government) strategic planning for additional and affordable housing, on and near campus. The UNSW additional housing provided in recent years has NOT been affordable, and usually offered as part of an education package. This has priced out many students from living on campus, and created over-crowding in the surrounding suburbs, together with increased traffic volume and parking demands around universities.

3. Appropriateness of existing standards for affordable student and other accommodation used by students

The critical question is, *What types of accommodation constitute 'student accommodation'?* Given that students live in all forms of accommodations, this potentially implies a review of all housing standards across NSW. Students are people of all ages and deserve to live in standards consistent with community expectations, established by the Building Code of Australia. The new Boarding House standards in the Affordable Housing SEPP require certain levels of amenity to be achieved for new boarding houses. It is however noted that the SEPP standards may make it more expensive to rent out, given the higher amenities standards e.g. ensuite bathroom and kitchenette.

On the other hand, local residents have expressed concerns to the Council about the small dwelling size permissible under the SEPP, and the potential impacts to the surrounding neighbourhood, in terms of traffic, parking and general amenity levels.

4. Appropriate or minimum standards for student accommodation, and the adequacy of current legislation in ensuring that such standards are achieved.

As noted above, the issue of supply and standards are interconnected. The proposed approach for greater regulation/enforcement may be less necessary if supply is addressed.

Nevertheless, it is the *Building Code of Australia* (BCA) that predominately sets building standards, including sanitary, health and safety requirements, having regard to the building's classification under the BCA. In addition, cl. 22 of the *Public Health (General) Regulation 2002* made under the *Public Health Act 1991 Act* sets "sleeping room" sizes having regard to the length of stay of the occupant. Council officers are of the view that the current requirements are adequate for places of shared accommodation.

5. The current extent of unauthorised student accommodation operation in NSW

Sourcing accurate information will be difficult. As noted previously in this submission, Randwick LGA also attracts large numbers of backpackers on extended holidays and members of the younger population in general. The Council receives only a small number of complaints regarding the use of premises as illegal backpacker accommodation. In Randwick's experience, illegal or unauthorised use only come to light upon carrying out an inspection, in response to complaints received from neighbours about excessive noise, anti-social behaviour, parking and waste management issues.

6. Appropriate framework for operations/enforcement

Again, this could be framed in terms of looking at ways of promoting supply rather than regulating/restricting supply. Possible examples include a licensing program for private dwelling being offered as student lodgings, whereby empty nesters with a spare room or two can take in lodgers. Such a system will need the involvement of Universities to take on either a brokerage or referral point for students.

Following up on enforcement actions is a time consuming and labour intensive process. The Council would not support a scheme that requires it to implement a compliance/enforcement regime without additional resources being made available to it.