

Submission

No 49

INTERNATIONAL STUDENT ACCOMMODATION IN NEW SOUTH WALES

Organisation: University of Sydney Students Representative Council
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Students' Representative Council The University of Sydney

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Inquiry into International Student Accommodation in New South Wales

I write on behalf of the Students' Representative Council (SRC) of the University of Sydney. The SRC is the representative body for the 32 600 undergraduate students at the University. We welcome this opportunity to make this submission to the Inquiry by the Social Policy Committee of the NSW Parliament.

At the University of Sydney there are 5 821 international undergraduates students; primarily from North East Asia and to a lesser extent South East Asia, the Americas and other areas. There are also 5 011 international postgraduate students.

The SRC represents students and our caseworkers provide extensive independent advice and advocacy to international students. Part of this support is advice and advocacy to International students as users of University Accommodation and as private renters. Our caseworkers provide tenancy advice for students covered by the Residential Tenancy Act and others who are 'Boarders or Lodgers', or simply as consumers.

International students choose to come to Australia for a range of reasons. Future students will choose to come based on Australia's reputation, through word of mouth and the good or bad experiences of existing students. Accommodation is a key factor in that experience and arguably has the greatest impact on the welfare of students outside their education.

There are two main sources of accommodation for international (and other) students at Sydney University: the private rental market, and accommodation provided by the University, associated colleges and affiliated organisations. We will address the issue of Boarding Houses raised by the Bill and will then discuss issues with University housing and private renting.

Yours Sincerely

Donherra Walmsley
83rd President
University of Sydney Students' Representative Council



Summary of Recommendations:

- *Recommendation 1: that the Residential Tenancy Act be reformed to bring boarders and lodgers under its provisions through the modified Occupancy Agreements proposed by the NSW Tenants Union (<http://www.tenants.org.au/publish/marginal-renters/paper-reforming-marginal-renting.php>).*
- *Recommendation 2: that the NSW Government increase investment in social and public housing and provide incentives for institutions and private providers to increase their stock of low cost housing.*
- *Recommendation 3: that the NSW Government continue to support and expand tenancy advice and advocacy services, including student organisations.*
- *Recommendation 4: that the NSW Government investigate ways of better informing international students of their rights and responsibilities while in Australia. This could include but is not limited to an airport welcome service similar to that provided by the state government in Victoria¹.*
- *Recommendation 5: that the NSW Government support any moves to change visa limitations to allow international students to arrive in Australia longer before their course starts.*
- *Recommendation 6: that the NSW Government Department of Fair Trading website be kept more up to date and provide more comprehensive and easily accessible information about scams targeting international students.*
- *Recommendation 7: that the NSW Department of Fair Trading be more active in its investigation of potential accommodation scams.*
- *Recommendation 8: that the NSW Government investigate the possibility of a publicity campaign challenging negative stereotypes and assumptions around international students.*
- *Recommendation 9: that the NSW Government develop an International Student Housing Strategy to facilitate increased student housing; looking at planning law, site acquisition and tax and other incentives.*
- *Recommendation 10: that as part of any International Student Housing Strategy controls are implemented to keep rents to affordable levels. This would benefit these students but also help keep rent levels in the private market at reasonable levels.*
- *Recommendation 11: that the NSW Government grant international students the right to access transport concessions.*
- *Recommendation 12: that universities be included in the provisions of the Residential Tenancy Act.*

¹ See the International Students Strategy for Australia 2010 2014 <http://www.coag.gov.au/> (accessed 12 Oct 2011)



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Section One: The Private Market

1.1. Regulate Boarding Houses, bring Boarders and Lodgers under the Residential Tenancy Act and Increase Levels of Low Cost Housing

The SRC supports the objective of greater regulation of unsafe and exploitative boarding house arrangements.

We support reform of the Residential Tenancy Act to bring Boarders and Lodgers under its provisions, perhaps through modified Occupancy Agreements proposed by the NSW Tenants Union. As they argue:
“Marginal renters, such as boarders and lodgers, are not covered by NSW residential tenancies legislation. As a result, these renters are without effective legal rights. They face:

- * termination and eviction with little or no notice
- * rent increases with little or no notice
- * no means of getting repairs done
- * no means of resolving disputes.”²

We are not in a position to comment on the specific legal provisions of the Private Members Bill (Environmental Planning Assessment Amendment (Boarding Houses) Bill NSW 2010. Some form of extended registration of high density lodging arrangements would make great sense and would improve the safety and amenity of students and others. Provision of reasonable minimum amounts of space, light and level of services such hot water should be enforced as basic elements of regulation. We have identified times when all these are missing. However we have a number of qualifications about relying on the Bill to deal with many problems faced by international students who rent.

Not all high density arrangements are in Boarding Houses. Some are in Apartments in the CBD and elsewhere where as many as 10 students share a 2 bedroom apartment, using every space that is available, including converted balconies in high rise apartments. Other arrangements include multiple students sharing bedrooms who are renting in large terrace houses at exorbitant rates – prices landlords charge because of the vulnerable situation of some international students. They may not be in a ‘Boarding House’ but they are not ‘tenants’ under the NSW Residential Tenancies Act. These exploitative situations will not be addressed by the Bill.

The SRC is concerned that unscrupulous landlords may close their boarding houses in response to this legislation, potentially leaving financially stressed and vulnerable members of society homeless. The SRC believes that the regulation of Boarding Houses should go hand in hand with the expansion of public and social housing and incentives to provide low cost private rental. Conditions in boarding houses need to improve and registration is a useful step, but increased investment in social and public housing and incentives to increase the stock of low cost housing is needed to provide opportunities for these vulnerable renters. SHELTER NSW have written extensively on the need for more low cost housing . They have argued that:

“In 2006, there was a shortage of 44,500 private rental dwellings that were both affordable and available for very low income households in Sydney, a shortage of 5,900 in Newcastle and a shortage of 3,200 in Wollongong. 7 As at June 2010, there were 60,444 applicants waiting for public housing in New South Wales.”³

² <http://www.tenants.org.au/publish/marginal-renters/index.php>

see also the attached proposals for Occupancy Agreements (Accessed 12 Oct 2011)

³ <http://www.sheltersnsw.org.au/publications.shtml>

(Accessed 6 Oct 2011 - NSW Housing factsheet See also its proposals to deal with this in its document ‘Issues for the NSW election 2011.’)



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Increased levels of low cost housing stock will also make rents more affordable. Greater affordability will improve conditions for International students. Current median rents in Sydney around the University are very high. For example the Department of Fair Trading figure for the median rent for a single bedroom dwelling in NSW in the 2011 June quarter is \$350 a week. In the inner ring of Sydney it is \$450- a week.⁴

Recommendation 1: that the Residential Tenancy Act be reformed to bring boarders and lodgers under its provisions through the modified Occupancy Agreements proposed by the NSW Tenants Union (<http://www.tenants.org.au/publish/marginal-renters/paper-reforming-marginal-renting.php>).

Recommendation 2: that the NSW Government increase investment in social and public housing and provide incentives for institutions and private providers to increase their stock of low cost housing.

1.2 Recognise the Vulnerability of International Students in the Private Rental Market and take Action

In the experience of our caseworkers international students are some of the most vulnerable of renters. The reasons can be grouped into three main categories:

A lack of or inadequacy of information and/or understanding:

Lack of familiarity with the local housing market can and does lead to students choosing the wrong type or location for their accommodation. The SRC has with other student organisations and the Council attempted to provide information for these students.⁵

Youth and therefore inexperience with contractual matters combined with isolation from family members who could provide advice can lead to issues such as students signing up to legal but onerous rents and conditions.

A lack of familiarity with the NSW legal system and their rights often leads to the exploitation of international students. For example, it is not uncommon for international students to be provide their passports as 'security' to landlords.

For many, having English as their second language can lead to students being unclear about contractual obligations, for example what was said or written in relation to agreeing to rent.

Recommendation 3: that the NSW Government continue to support and expand tenancy advice and advocacy services, including student organisations.

Recommendation 4: that the NSW Government investigate ways of better informing international students of their rights and responsibilities while in Australia. This could include but is not limited to an airport welcome service similar to that provided by the state government in Victoria⁶.

⁴ <http://www.housing.nsw.gov.au/About+Us/Reports+Plans+and+Papers/Rent+and+Sales+Reports/Latest+Issue/> (accessed 7.10.11)

⁵ <http://www.src.usyd.edu.au/?q=node/24> (accessed 12 Oct 2011)

⁶ See the International Students Strategy for Australia 2010 2014 <http://www.coag.gov.au/> (accessed 12 Oct 2011)



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Recommendation 5: that the NSW Government support any moves to change visa limitations to allow international students to arrive in Australia longer before their course starts.

Legal limitations

A general lack of protection (such as warning and real remedies) from scams. For example, students losing all deposit/bond when they have to exit sub standard accommodation. This needs to be addressed by increased information to international students. We commend the University of Sydney Accommodation Service web site⁷ which gives a number of pertinent warnings and useful links to services.

Relative transience leads to difficulty dealing with problems through Tribunals or Courts over time. For example, international students stopping CTTT action and losing money as they need to return home. Here we reiterate the importance of recommendation 3.

A lack of protection under NSW tenancy law if they (as with many others) are treated as Boarders and Lodgers. Here we reaffirm our support for reforms to the Residential Tenancy Act to bring Boarders and Lodgers under its provisions.

Recommendation 6: that the NSW Government Department of Fair Trading website be kept more up to date and provide more comprehensive and easily accessible information about scams targeting international students.

Recommendation 7: that the NSW Department of Fair Trading be more active in its investigation of potential accommodation scams.

Constraints of being an international student

A lack of time to find accommodation before classes start often leads to poor choices. For example, students sometimes agree to a 'contract' without them being able to inspect the dwelling in person.

A lack of housing stock and pressure on market leads to students making unreasonable and sometimes unhealthy compromises. For example, many students sharing very small apartments. The current Council regulations allow for only a minimum of 5.5m of space per person in 'short term' accommodation.⁸ Here we reiterate our support for recommendations 1 and 2 as a means of addressing this issue.

Relative transience and so sometimes a lack of trust by landlords seeking tenants. For example, international students being constantly rejected when applying for leases.

Often requiring accommodation for less than a full year or half year. For example, international students returning home at the end of their course or over the 14 week summer non teaching period while being locked into continuing to pay rent to the end of the calendar year. This can only really be addressed by the provision of more student specific housing.

⁷ http://sydney.edu.au/current_students/accommodation/tenancy.shtml
(accessed 12 Oct 2011)

⁸ <http://www.rlc.org.au/publications.html>

see Page 20 of the Redfern Legal Centre Boarders and Lodgers Legal Information kit



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Recommendation 8: that the NSW Government investigate the possibility of a publicity campaign challenging negative stereotypes and assumptions around international students.

Recommendation 9: that the NSW Government develop an International Student Housing Strategy to facilitate increased student housing; looking at planning law, site acquisition and tax and other incentives.

Section Two: the University market

2.1 Consider the Limits of Current University Provision

The University of Sydney owns a fairly limited stock of student accommodation (with some 79 being 'low cost')⁹, but has affiliations with a range of Residential Colleges and other providers such as Sydney University Village. There is also a small amount of social housing (STUCCO), though this is not available to International students. One relatively expensive part of the University associated housing stock is specifically for international students.¹⁰ Some accommodation providers set out to be student accommodation and may be mis-identified as part of the University but are instead specialist private rental businesses.

Overall the University and its affiliates do not go close to meeting the needs of its either its nearly 11 000 international students, or the local students who need low cost University provided accommodation. The current number of beds available at the University is a mere 2 600, which is around 6% of the total student population.

This forces students into private accommodation where they sit in a competitive market against employed people and people with previous rental histories. Similarly they are often younger than other renters and therefore sometimes considered less financially and socially responsible. All this makes getting suitable accommodation very difficult.

We note too that international students have no access to social housing associated with the University.

We also note that some international students find the I model of some residential colleges the unfamiliar or culturally inappropriate.

2.2 Promote Increased Levels of University Housing and Develop an International Student Housing Strategy

The best outcome for students and other low cost renters would be for as many international and other students as is possible to get on-campus student housing, and thus to be taken out of the private market. This is the responsibility of education providers but needs the planning support and investment of Local, State and Commonwealth Governments.

Universities and Governments should re-invest some of the \$18.6 billion (in 2009) that International students contribute to the Australian economy each year.¹¹

⁹ http://sydney.edu.au/invest_capital_mgmt/university_owned_student_housing/camperdown_darlington.shtml#lowcost

¹⁰ The details of the provision of on-campus housing can be found at:
http://sydney.edu.au/current_students/accommodation/on_campus.shtml

¹¹ See page 5 of the Council of Australian Governments ' International Students Strategy for Australia 2010-2014 at <http://www.coag.gov.au/> (accessed 6 Oct 2011)



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The University of Sydney has for some time talked of the need for increased its student housing stock and has made various attempts to find appropriate sites for a large scale project. We understand it may be in negotiation over the North Everleigh site adjacent to the University. We would encourage the NSW Government through the Redfern Waterloo Authority to do all it can assist the University in its endeavors (consistent with community needs and development controls) to increase student housing on this site.

Here we reiterate our support for recommendation 9.

2.3 Set some Controls on the Cost of University Housing

There is a need for student housing to be 'low cost'. Definitions of low cost need to be realistic relative to the income of all students. It is widely accepted that housing stress will impact on a person's welfare when rents exceed 30% of a person's income. For example a local independent student on Youth Allowance that suggest lower than current market rents.

Assumptions that International students have significant financial capacity to pay high rents are not well founded. These student's family's incomes often change over time in an unstable world economy. For example our caseworkers have identified a recent noticeable trend in financial stress (created by job loss of the primary family earner) with families of students from Korea. It is also been announced that the financial capacity requirements for Student Visas will be loosened following the Knight Review into Student Visa's. Minister Bowen recently said "so we are reducing the financial requirements for some applicants, with students now needing around \$36 000 less in the bank when applying for a visa'. For many this will be a benefit, but when unexpected financial events happen at home it may lead to financial stress and consequent impact on a student's study and general experience.¹²

Recommendation 10: that as part of any International Student Housing Strategy controls are implemented to keep rents to affordable levels. This would benefit these students but also help keep rent levels in the private market at reasonable levels.

2.4 Consider Location, Transport (Concessions) and Safety

Increased student housing near or on campus would improve the experience of International students by improving their safety. Assaults when getting to and from distant housing late at night have been a concern for international students. Being able to obtain housing in the local area would address some of these concerns. University security services could also contribute to safety in these circumstances.

The lack of transport concessions for international students limits flexibility in the choice of housing location. The NSW Government should meet the long standing demand for equity in access to Public Transport concessions. This would improve Sydney's reputation, but also potentially improve safety for these students by greater use of this form of transport.

Recommendation 11: that the NSW Government grant international students the right to access transport concessions.

¹² <http://www.minister.immi.gov.au/media/cb/2011/cb172439.htm>
<http://www.immi.gov.au/students/knight/>
(accessed 6 Oct 2011)



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2.5 Improve Tenancy Rights at Universities

Students renting from the University face a power imbalance as these students are dealing with an institution that is simultaneously landlord, migration compliance officers and academic decision maker. This makes some students uncomfortable in asserting their rights in contractual arrangements that currently exists. The SRC believes the Education providers such as the University should not be exempt from the provisions of the Residential Tenancy Act, as they are under the current Act Regulations. The Act balances reasonable and explicit rights and responsibilities for all parties. Short of removing the exemption the State should facilitate arrangements whereby Universities and other providers can opt into the standard provisions of the Act; including access to mediation at the Consumer Trader and Tenancy Tribunal. For example they could offer modified Occupancy Agreements suggested by the NSW Tenants Union.¹³

Recommendation 12: that universities be included in the provisions of the Residential Tenancy Act.

¹³ <http://www.tenants.org.au/publish/marginal-renters/index.php>