

**Submission**

**No 26**

## **INTERNATIONAL STUDENT ACCOMMODATION IN NEW SOUTH WALES**

**Organisation:** University of Wollongong  
**Name:** Mr Damien Israel  
**Position:** Acting Vice-Principal (Administration)  
**Date Received:** 7/10/2011



6 October 2011

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

Dear Minister

**RE: Inquiry into the adequacy of regulation of accommodation for students**

Thank you for the opportunity to respond to the Inquiry into International Student Accommodation in New South Wales. We share the concerns of the committee about the potential vulnerability of International students in particular in the very tight rental market applying in major and regional cities in this State.

The objectives outlined by the member in his introductory speech to the Private Members' Bill introduced by the Member for Ryde, and in the Objects listed in the Bill, in so far as they focus on inappropriate and unscrupulous treatment of students in private accommodation, are supported.

We also note the challenges of regulation in this area, and the interaction between the Residential Tenancies Act, and Boarding House regulation. Our submission does not attempt to resolve the drafting difficulties which will arise as the Government seeks to balance the rights of tenants provided under the Residential Tenancies Act, the protection of vulnerable tenants, and indeed the interests of the wider community, but suggests issues for consideration in that process.

The University has firm arrangements for the expansion of University run accommodation in place. This will provide an additional 150 beds in 2012 and 360 beds in 2013. Plans are progressing for a further 350 beds in Central Wollongong in 2015. We have a current application with the Commonwealth Government and NSW Housing which would provide a further 100 apartments under the National Rental Affordability Scheme. However this application relies on support from both parties and we understand that only a very limited number of places are being supported by the NSW Government.

It is not proposed that the expansion of University accommodation will remove student demand for private accommodation, which is complementary for a variety of reasons. We expect that demand by students for private rental properties will continue to be strong, and that students will continue to need protection from inappropriate or unscrupulous behaviours.

It is also noted that as the Illawarra is only one of a number of NSW regions with significant housing stress, there is a need for the State and the Commonwealth Government to consider a range of measures to expand affordable housing stock in areas of significant housing stress.

Yours sincerely

A handwritten signature in black ink, appearing to read 'D Israel', written in a cursive style.

**Damien Israel**  
Acting Vice-Principal (Administration)

## Terms of Reference

To inquire into and develop proposals for legislation, where appropriate, or other measures to address:

- 1) *The objectives of the Private Member's Bill introduced by the Member for Ryde in the last Parliament (Environment Planning & Assessment Amendment (Boarding Houses) Bill NSW 2010).***

The objectives outlined by the member in his introductory speech, and in the Objects listed in the bill, inasmuch as they focus on inappropriate and unscrupulous treatment of students in private accommodation, are supported. We note the challenges of regulation in this area, and the interaction between the Residential Tenancies Act, and Boarding House regulation.

Our view is that properties should only be rented 'in the whole' under the Residential Tenancies Act, wherein tenants can arrange for sharehousing arrangements by mutual consent. These tenants are required to view and sign lease agreements, which must be consented to by the Landlord. Where a single property is not rented in this way, but individual rooms are rented to single applicants, Boarding House regulations should apply.

- 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.***

Students compete for affordable accommodation with low income users. Sydney and Wollongong share both low vacancy rates (< 1.5%) and sharply rising rental pricing.

For most of our students, both domestic and international, a major need is access to affordable housing, whether that be for shared accommodation for under 25's or low cost accommodation for mature aged students and students with dependents. In this respect, their needs are similar to a much broader need within the Wollongong community for low cost accommodation. Unemployment in the Illawarra is higher than both the Australian and NSW averages and also contributes to the need for affordable housing. The University's students and local community members vie for a very limited stock of affordable, centrally located housing.

The NSW Department of Housing has identified Wollongong as a priority 1 Local Government Area for increased affordable housing. Both the NSW and Commonwealth Housing Plans identify Wollongong as existing in a growth corridor, and a number of factors are expected to drive growth including the expansion of Port Kembla. Whilst this may be tempered in the short term by the recent announcement of Bluescope to significantly reduce staff levels, the medium term projections are driven by continued expectations of growth for both the University and the region.

UOW has recognised the need to expand the availability of affordable accommodation for both domestic and international students. We recognise the quality of housing opportunities at

Wollongong are important both for the education export industry, and for Australian residents who are considering relocating from other regions to access higher education.

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However it is not proposed that the expansion of University accommodation will remove demand for private accommodation, which is complementary for a variety of reasons. We expect that demand by students for private rental properties will continue to be strong, and that students will continue to need protection from inappropriate or unscrupulous behaviours.

It is also noted that as the Illawarra is only one of a number of NSW regions with significant housing stress, there is an urgent need for the State and the Commonwealth to support a range of measures to expand affordable housing stock in areas of significant housing stress.

### ***3) The appropriateness of existing standards for affordable student and other accommodation used by students.***

Standards within the Residential Tenancies Act are limited, but important:

To be given a copy of the residential tenancy agreement, a condition report completed by the landlord/agent and the NSW Fair Trading *New tenant checklist*

- to have premises rented to you in a reasonable state of cleanliness and fit to live in
- to be given rent receipts (unless you pay rent into a nominated bank account)
- to be offered at least one means of paying the rent for which you do not incur a cost
- to be given 60 days written notice of a rent increase
- to have quiet enjoyment and use of the premises – the landlord/agent must not interfere with your possession of the premises
- to have reasonable peace, comfort and privacy
- to have reasonable locks and security
- to have reasonable repairs and maintenance done
- to be repaid for any urgent repairs that you have paid for – up to \$1000
- to apply to the CTTT for orders if the landlord has broken the tenancy agreement
- to be given written notice of the landlord wanting to end the tenancy agreement
- to be notified of the change of name and address of the landlord or their agent
- to refuse the landlord access except in certain circumstances and with proper notice
- not to be unlawfully evicted.

(source: Factsheet 01, Tenants NSW)

It could be argued that the usage and enforcement of these minimum standards would have resolved many of the complaints and abuses which have been the subject of the reports leading to the Inquiry.

It is also arguable that these standards should remain limited, on the basis that individuals should generally be free to enter into residential leases based on their particular preferences, and resources. However, we recognise the potential problems of unauthorised subletting, and would favour strengthening of landlord or council authority to access facilities to detect unauthorised subletting.

We do not believe that the renting of multiple individual rooms by owners of properties should be permitted. Renting of this type should bring the property within the purview of Boarding House regulation, to ensure that minimum standards of safety are managed. The Building Code of Australia in general provides appropriate requirements and standards for Boarding Houses, particularly in the area of fire safety.

Care needs to be taken in drafting to allow the continuation of lodging type arrangements, where a student (or other person) makes an arrangement with a householder to occupy an existing, unmodified room within that house. This is a popular and useful arrangement for new international students (these arrangements are often characterised as 'Home Stay'). It would seem sensible to set a limit of three lodgers for that type of arrangement.

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

In residential properties, 6:1 access to common facilities (Bathroom/ kitchen/ lounge) except where these facilities were designed for higher volume usage would be an appropriate ratio. Boarding House regulations to cover other arrangements, but must include lockable bedrooms/ storage spaces.

We are unsure of the reasoning behind the private member's bill for the allowance of a maximum 3 residents per bedroom. We are not opposed to tenants /boarders choosing share arrangements, but twin shares are more manageable, for medium term residencies. We see no particular objection to larger numbers in appropriate sized rooms (backpacker/ dormitory style) for short stays. However, reasonably sized, lockable storage spaces for each resident should be a minimum requirement.

***5) The current extent of unauthorised student accommodation operations in NSW.***

We note the coverage of 'unauthorised student accommodation' by ABC Stateline, in particular. That report focused on Ryde and inner city properties, and provided evidence of highly inappropriate accommodation operations, allegedly by syndicated operations.

UOW has not received evidence or complaints of that type or on that scale. However, we have received complaints from neighbours about evidence of overcrowding of residential properties. Whilst we have supported those concerned residents with legal advice and recommended referral to the Wollongong City Council, we understand that the council is significantly constrained in its capacity to investigate and/ or prosecute.

Through our Housing Office we have received few documented complaints of overcrowded student housing. Most complaints are about evasion of existing RTA requirements such as a written lease, failure to refund bond, etc. These complaints are able to be reviewed within the existing RTA framework.

We have received anecdotal advice about overcrowded accommodation being offered or used by students, with partitioning within existing residential buildings of bedrooms, and/or common facilities. However, we believe that there is a significant level of under reporting. International students in particular are often unaware of their rights, and often reluctant to make formal complaints of any kind.

***6) The appropriate framework for the on-going operation of affordable student accommodation and other accommodation used by students, including the adequacy of local government powers to identify unauthorised operations and enforce compliance with the relevant laws.***

UOW agrees that the current inspection and enforcement rights of local government authorities are inadequate. The Private Members Bill provides for a significant upgrade of these powers. We note that such inspection could potentially identify both unauthorised Boarding Houses, and unauthorised sub-letting of private residences. The latter could then be dealt with within the RTA provisions, by the landlord.