

Submission

No 15

INTERNATIONAL STUDENT ACCOMMODATION IN NEW SOUTH WALES

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

Dear Chair,

Inquiry into International Student Accommodation in New South Wales

File Ref: LAC11/179

Thank you for your invitation of 16 September to make a submission—which is attached—to the Social Policy Committee Inquiry into International Student Accommodation in New South Wales.

Macquarie University has a significant international student population and appropriate accommodation is of fundamental importance in supporting their learning and academic achievement as well as their engagement with the Australian community.

We would be pleased to provide any further information you might need for your inquiry and to give evidence if you hold hearings. The contact point for these matters is the University's Deputy Vice-Chancellor, Students and Registrar, Ms Deidre Anderson, who can be reached at deidre.anderson@mq.edu.au or by phone at 9850 7638.

Yours sincerely,

Professor Steven Schwartz

Macquarie University Submission

INQUIRY INTO INTERNATIONAL STUDENT ACCOMMODATION

Macquarie University welcomes the invitation to make a submission to the Social Policy Committee Inquiry into International Student Accommodation in New South Wales. It should be noted that difficulties with student accommodation are not only faced by international students but also by domestic and interstate students whilst studying in Sydney.

We commend the Legislative Assembly for undertaking this inquiry as it is an important step towards ensuring that students, a significant group in the New South Wales community (and indeed a major contributor to the State's economy), are living in safe, affordable and accessible housing.

By way of introduction, we should explain that Macquarie University currently provides accommodation for over 1,800 students through accommodation options ranging from one, two and three bedroom apartments to shared arrangements such as the Macquarie University Village.

The University also operates the Macquarie University Accommodation Service to support students with their housing needs. This includes helping them find accommodation in the local community, providing tenancy and welfare support, and giving substantial pastoral care. (For more on the Accommodation Service, please see: <http://www.accommodation.mq.edu.au/>)

A large number of students at Macquarie University are from overseas or interstate and require housing when they move to Sydney. Anecdotal evidence points to a substantial shortfall in the availability of student accommodation. Enrolments at Macquarie University have increased significantly in the past decade and the Accommodation Service has been reporting wait lists of over 400 students.

Students from low socio-economic backgrounds are further disadvantaged because of the high cost of living in Sydney, and are struggling to pay rent at market rates. Discussions with both students and real estate agents have revealed a shortfall in the supply of affordable community housing which could meet the needs of this group.

The remainder of this submission addresses each of the terms of reference of the Inquiry.

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

Macquarie University supports in principle the Private Member's Bill introduced by the Member of Ryde in 2010. Local Councils should have greater authority to deal with illegal boarding houses. This is an important step towards ensuring safe housing.

Unfortunately, the Bill did not go on to address the critical shortage of affordable housing in Sydney. An essential part of the affordable housing market for students and other workers from low socio-economic backgrounds is the availability of shared housing or boarding houses.

The NSW *Residential Tenancies Act 2010* provides very few rights for shared housing or boarding house residents, leaving many of our most vulnerable in the community unprotected. The Affordable Rental Housing State Environmental Planning Policy (ARHSEPP), introduced in July 2009, aimed to encourage social housing providers and developers to invest and provide more affordable housing. Unfortunately, some residents of the City of Ryde strongly opposed affordable housing construction in the area as they consider this to be part of an encroachment of boarding houses on their local community.

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

International student numbers have been growing strongly in recent years. Their economic contribution, as well as their contribution to the culture and lifestyle of the city, is profound. While there are a number of factors, including the strength of the Australian dollar, which are contributing to a downturn in numbers at the moment, the availability of safe, affordable housing for students is a major problem which threatens this export category.

Potential students are comparing the cost of living in Australia with that in competitor countries (particularly the United States and the United Kingdom) and are increasingly likely to decide to study in those countries unless more affordable housing becomes available in Australia and particularly in popular destinations such as Sydney.

Student accommodation is a unique form of residential development with its own distinct issues and considerations. However, within the NSW Planning System there is no clear Student Accommodation Policy and, moreover, student accommodation is not specifically defined. (Instead, it typically tends to be characterised as boarding house accommodation.) This can result in a lack of clarity for universities and other providers in considering development opportunities, designing student accommodation, and preparing development applications. In addition, the lack of clarity means there are no specific incentives offered to universities for the provision of student accommodation, whether on or off campus. Finally, Floor Space Ratios (FSR) don't allow for student needs and do not encourage good design.

By its very nature, student accommodation must be affordable for international (and local) students and so returns to developers are likely to be lower than from other forms of residential development. This means development of student accommodation must be efficient and cost-effective in order to proceed. To facilitate the provision of student accommodation, both on and off campus, universities and student housing providers would benefit from a Student Accommodation Policy included within the NSW Planning System that enables and promotes the development of a range of purpose-built student housing in suitable, sustainable locations. (Appropriate locations, off campus, may include areas adjacent to neighbourhood shopping centres, along transport corridors and within close proximity to the educational institutions.)

The current incentives offered under the ARHSEPP (and perhaps those under the National Rental Affordability Scheme (NRAS) Scheme) should be reviewed and extended to encourage the delivery of sustainable, appropriate student accommodation. The parameters around the provision of incentives should be defined so as to support the best development outcome for students. This means encouraging an appropriate mix of accommodation to cater for students seeking everything from self-supporting studio style accommodation to a share arrangement that may provide smaller spaces for sleep and private study, but with larger shared spaces that encourage social interaction and shared learning.

There is a strong case for the NSW Government, education providers and private industry to work together—this Inquiry could well be the starting point—to find a way of providing on-campus and affordable community accommodation for students in Sydney. Appropriate incentives could include the provision of a bonus Floor Space Ratio (FSR), tax rebates, interest free loans, land grants (or extended leases), reduction in Section 94 contributions, and NRAS or similar contributions. The University would support the introduction of an FSR bonus for student housing on sites located within 800m of the Campus. We suggest that a 30 per cent bonus would be a suitable level to encourage appropriate development.

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

Universities throughout Sydney are investing significantly in student accommodation. Macquarie University is actively working on several projects to increase the number of student rooms available on and near campus. On campus accommodation designs, drawing and feasibility studies have been completed. Access to funding such as that from NRAS will play an important role in building accommodation, especially to ensure it is affordable for students.

However, purpose built student accommodation represents only a part of the accommodation mix required to house all the students in today's universities. Many students prefer to live independently with other students and to rent in the local community within close proximity to shopping, restaurants, entertainment and employment. The local rental market does not allow for enough protection or flexibility for international students.

We encourage the New South Wales Parliament to develop proper guidelines for shared and boarding houses. The University believes shared housing provides an important part of the accommodation mix for students as it provides independent and affordable options for student living. There has been extensive research and collaboration between government, councils and tertiary educations in Victoria into shared student housing over the past decade and we believe this could be the basis for approaches which could be introduced in New South Wales.

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

There are many types of housing suitable for student accommodation and residences. They range from the single room rented from a landlord, to share houses, institutional residential colleges, hostels and rooming houses, with or without catering and other services, and freehold ownership of houses or apartments.

While in all of these categories, various building codes and regulations control building standards, they do not specifically provide for student housing, nor is the term defined in the planning context. Student housing implies a generic form of housing that offers specific amenities. If a developer wishes to describe a project as student housing, the development must conform to appropriate standards designed with the student occupant in mind.

Extensive minimum standards for new purpose-built student housing, including detailed design principles in collaboration with tertiary educations providers, have been developed by the City of Melbourne and these could be a model for New South Wales .

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

It is difficult to identify unauthorised student accommodation in NSW. And there is a risk that in most cases, what is simply a house shared by a group of students may be mistakenly considered as unauthorised.

However, unfortunately, there are a small number of unscrupulous landlords taking advantage of the lack of affordable housing in NSW and providing students with poor and unsafe living environments.

We are also aware of many law-abiding landlords who are providing accommodation preferred by students due to the affordability and shared nature with other students. These landlords are not protected by the current housing policies and we would welcome Government policies to clearly define shared and boarding houses together with processes for registration and to enforce minimum standards.

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

Solving the student accommodation issue in New South Wales will need a multi-faceted approach, involving tertiary education providers, both public and private, as well as local and state governments, and the private sector.

Government can ensure more affordable housing is available in close proximity to large university campuses. This can be encouraged through flexible regulations and funding allowing for both the public and private sectors to build affordable housing to be suitable and used by students.

Housing shared by students should be encouraged but with both policies and minimum standards to ensure safety and the students' wellbeing and learning in mind and regulation to protect both the students and the landlord. This shared housing should be registered and standards maintained and enforced under a sector regulation code and best practice. The *Residential Tenancies Act 2010* should be revised accordingly.
