

**Submission**

**No 19**

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

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## **Submission to the Inquiry into International Student Accommodation**

### **Benefits that international students provide to NSW**

The international student industry is a very substantial export industry for Australia. This industry has a very large presence in NSW and provides considerable economic and social benefits to the state of NSW.

The economic benefits to NSW include:

- significant revenue generation from student tuition fees paid to NSW higher education and vocational education and training (VET) providers, including full cost recovery and profit dividends;
- international student fees create significant and essential income flows for both government funded (universities and TAFE NSW) and private providers;
- higher effective full-time student contact hours and education and training outcomes are therefore achieved by NSW providers;
- international students' fees provide significant cross-subsidisation of the costs of delivering education and training to domestic students, whose fees are also often greatly subsidised by government;
- increased class sizes, due to enrolment of international students, result in greater cost efficiencies in resource allocation and usage by NSW providers which reduces the institution's actual average costs of provision per student;
- significant additional numbers of academic and support staff are employed at NSW institutions, which contributes to additional payroll tax revenue for the state of NSW and additional GST collections which flow back to the state of NSW;
- significant spending by international students on their living expenses (including accommodation, food, transport, books, stationery, entertainment, health care etc) benefits businesses in NSW, which then contributes to additional payroll tax revenue for the state of NSW and additional GST collections which flow back to the state of NSW;
- part-time work by international students fills many casual employment gaps for lower skilled jobs that many Australians are unwilling to take, which assists NSW businesses and then also contributes to additional payroll tax revenue for the state of NSW and additional GST collections which flow back to the state of NSW; and
- parents and relatives attending graduation ceremonies also contribute significant revenue for the NSW tourism industry.

The social benefits to NSW include:

- the educational, cultural and social experiences of domestic students are enriched and they are exposed to a wider view of the world and their future role in the world;
- domestic students are able to develop friendships, contacts and networks in Asia and other countries which will benefit them and the state of NSW socially and economically in future; and
- Sydney's status as a multicultural and international city is greatly enhanced which is good for business and international tourism, which will then contribute to additional payroll tax revenue for the state of NSW and additional GST collections which flow back to the state of NSW.

## **Background factors effecting international students**

The families of many international students make considerable sacrifices to fund the education of their children in NSW institutions. They trust and presume that their children will be well looked after by their chosen educational institution and the government, as they are used to educational institutions providing a wider duty of care than Australian parents would expect. Unfortunately this natural expectation of these parents appears to be not fulfilled as many international students are exploited by unscrupulous landlords and employers. Unlike domestic students, these students are unable to call upon their families to help redress these wrongs, they are unaware of their rights in a foreign country and they do not have an independent advocate to turn to for assistance and support. These international students speak and use English as their second or third language which makes it even more difficult for them to access local advice, assistance and support which then further exacerbates the exploitation and discrimination that they experience.

Most international students come from cultures where young people are not as forthright as Australian young people nor are they as accustomed to protesting publically when wrongs or discrimination occurs against them. They are much more vulnerable than their Australian peers. Thus the Social Policy Committee should proactively contact and seek out comment and input from international student associations, local student associations and student welfare officers on these issues.

## **Negative impact of NSW government policy on affordable international student accommodation**

International students provide significant revenue to businesses in NSW and generate considerable additional tax revenues for the state of NSW. Despite this, the state of NSW exploits them by requiring them to pay full fares on public transport, whereas the domestic students (who are subsidised by both the international students and government) only pay student fares. This government exploitation and discrimination against international students in the state of NSW does not occur in the jurisdictions of Queensland, South Australia, Western Australia, Tasmania or the Northern Territory.

The discriminatory and exploitive transport policy of the NSW government actively discourages international students from using public transport and so they are generally forced to seek accommodation in close proximity to their educational institution. This creates a greater demand for scarce accommodation within walking distance of educational institutions which results in undersupply, overcrowding and further exploitation of these vulnerable young people. The NSW government's discriminatory transport policy is thus a significant factor in contributing to this regrettable exploitation. If international students were able to pay the same transport fares as domestic students they would be better able to seek affordable accommodation further away from their educational institution, which would reduce the demand and overcrowding in scarce accommodation stocks close to the educational precincts.

If the NSW government's discriminatory student transport policy was eliminated there would also be strategic value in the NSW government then liaising with universities to investigate how affordable student accommodation precincts might be developed a further distance away from a university campus on well serviced public transport routes. This would then provide practical options to permanently redress these considerable issues of suitable and affordable student accommodation for universities.

The financial exploitation of full-fee paying international students by unscrupulous landlords or employers, and the unfair discriminatory transport fare practice of the NSW government against international students, tarnishes the image and reputation of NSW and the NSW government in the eyes of the international students, their families and friends. These practices do not help to develop positive and long term, mutually beneficial relationships between NSW and these impressionable young people and their families and friends. It is therefore imperative that the NSW government redresses these wrongs and inequities within the powers and responsibilities of its jurisdiction.

### **Other related issues of exploitation of international students**

It is quite probable that international students and their families are unaware of the high costs, scarcity and questionable standards of accommodation that are actually available in Sydney. Thus there would be value in the Committee auditing the advertising and promotional materials produced by NSW institutions, and their overseas agents, to ensure that they do not inadvertently provide inaccurate or misleading information or impressions of the actual standards, costs and availability of suitable international student accommodation. The Committee might then be able to check and verify their audit findings during *in camera* hearings with international students. Educational institutions should be required to demonstrate that they provide an additional duty of care to their vulnerable, full fee paying international students.

The hearings of the Committee might also reveal that before they travel to Australia that many international students book their accommodation using Australian websites, and that many of these websites provide inaccurate or misleading information concerning the actual standard of accommodation that is provided. If this is the case, then it is possible that Australian consumer laws have been breached by unscrupulous landlords, or their agents, and the Committee would then need to determine what actions the NSW government should take to redress and prosecute such unlawful activities and fraud.

There have also been suggestions and media reports that some international students in NSW may have been:

- sexually exploited by unscrupulous landlords;
- exposed to significant OHS risks in their accommodation;
- working part-time to help pay for their high accommodation costs but have not had income tax deductions taken from their pay, nor payroll tax contributions paid, by some unscrupulous employers;
- put at risk by not being covered by workers' compensation insurance by their employers nor provided with OHS protection, in breach of NSW's WorkCover legislation.

Thus there would be value in the NSW and federal governments collaborating to investigate these issues where crimes appear to have occurred and vulnerable international students have been the hapless victims. Such an investigation might then demonstrate the need to establish an inter-governmental committee or taskforce to cooperatively prosecute and redress these apparently unlawful matters.

## Recommendations

To ensure that NSW establishes a reputation for being a highly preferred educational destination for international students in the South-East Asian and Pacific Region, it is recommended that the Social Policy Committee:

1. requests representatives of international and domestic student associations and student welfare officers to give both written and oral evidence to the Committee;
2. asks international and domestic student associations for their assistance in encouraging international students to give oral evidence before *in camera* hearings of the Committee;
3. requests the NSW government to change its student transport policy to eliminate its unfair exploitation of, and discrimination against, international students;
4. suggests to the NSW government that an international student accommodation task force be developed with the universities to facilitate the establishment of affordable and accessible student housing precincts in convenient locations on well serviced public transport routes;
5. considers the establishment of a research project within the Ministry of Education and Communities to investigate accommodation and other issues impacting on international students more fully so that NSW government policies are developed and refined to ensure that international students are not exploited by business, educational institutions or government;
6. considers the establishment of an International Student Ombudsman in NSW to ensure that vulnerable international students are empowered to be able to access advice and redress against discrimination and exploitation in accommodation and other student welfare issues; and
7. considers the establishment of an inter-governmental committee or taskforce to investigate potential discrimination against, and exploitation of, international students and to cooperatively develop actions to prosecute all unlawful activities which exploit international students and result in the sullyng and tarnishing of the reputation of NSW, the NSW government and educational institutions in NSW.