

**Submission**

**No 70**

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

**Name:** Mr John Alexander MP  
**Position:** Federal Member for Bennelong  
**Date Received:** 10/11/2011



**John Alexander MP**  
FEDERAL MEMBER FOR BENNELONG

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Bennelong*



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The Committee Manager  
Social Policy Committee  
Parliament House  
Macquarie Street  
Sydney NSW 2000

9 November 2011

Dear Mr Notley-Smith

My submission to the Social Policy Committee's inquiry into International Student Accommodation in New South Wales (the "Inquiry") is set out below.

During my time as Federal Member for Bennelong, I have witnessed an increase in the proliferation of illegal boarding houses particularly preying upon overseas students studying at Macquarie University and deterioration in the amenity of local neighbourhoods as a result.

Australia is one of the largest providers of education services to overseas students. Education is our national's fourth largest export earner. It contributed \$17 billion in export earnings in the 2008-09 financial year. Yet we do little, compared to competing nations such as the US, UK and Canada to secure this income.

I have argued, amongst other things, in the attached House of Representative speeches that we should be doing more to provide the "packaged" education experience – a full service, cultural emersion whereby students enjoy not only a great Australian education but Australian hospitality.

Please do not hesitate to contact me or Mr. Josh Bihary of my office if there is anything that you wish to discuss.

Sincerely,

**John Alexander MP**  
Federal Member for Bennelong

# BENNELONG

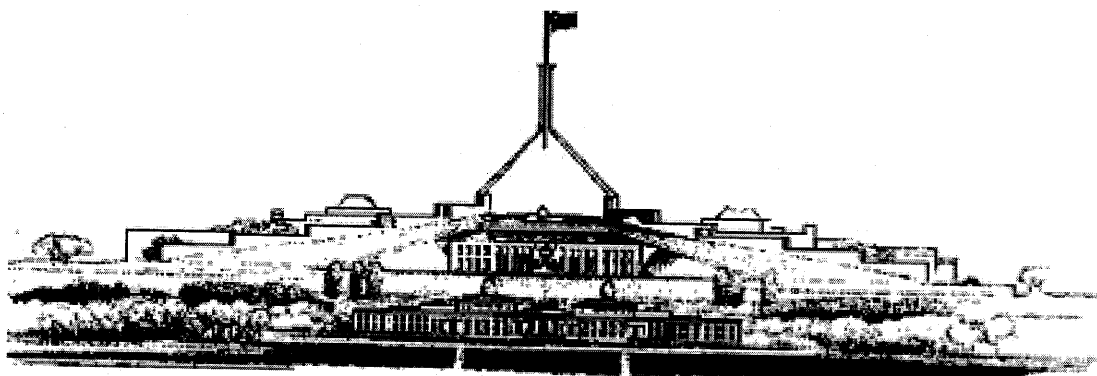


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COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



**HOUSE OF REPRESENTATIVES**

**Main Committee**

**EDUCATION SERVICES FOR  
OVERSEAS STUDENTS LEGISLATION  
AMENDMENT BILL 2010**

**Second Reading**

**SPEECH**

**Thursday, 3 March 2011**

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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## SPEECH

**Date** Thursday, 3 March 2011  
**Page** 2324  
**Questioner**  
**Speaker** Alexander, John, MP

**Source** House  
**Proof** No  
**Responder**  
**Question No.**

**Mr ALEXANDER** (Bennelong) (12.10 pm)—The Education Services for Overseas Students Legislation Amendment Bill 2010 is an important bill both for the electorate of Bennelong and for the nation in general. I support the bill but add reservations that further amendments are required to achieve a better balance between the needs of higher education providers and the legitimate expectations of students.

The changes to this bill arise out of the review, chaired by the Hon. Bruce Baird, delivering the report titled *Stronger, simpler, smarter ESOS: supporting international students*. This bill implements some of the Baird recommendations, adding some further strength and flexibility to the original ESOS Act 2000, as well as the ESOS Amendment Act 2010. The primary purpose of this bill is to: bolster the existing standards for the registration of an education provider; improve the manner in which the industry manages risk; provide the government with the authority to penalise providers financially if they engage in practices considered inappropriate or unethical; and allow a wider scope for the Commonwealth Ombudsman to investigate complaints about education providers. It is my contention that these measures need to be expanded to include enhancement of the student experience, with flow-on benefits to all sectors of the economy—a concept I refer to as ‘edu-tourism.’

Macquarie University is based in the Bennelong suburb of Marsfield and recently ranked ninth in the Australian Education Network’s ranking of Australian universities. Like many higher education providers, Macquarie University’s financial viability is inextricably linked to the health of our overseas student market, which is responsible for a large proportion of their tuition income. Australia is one of the largest providers of education services for overseas students. Education is our nation’s largest services export industry and is currently our fourth largest export earner overall, following coal, iron ore and gold.

In 2008-09, education contributed more than \$17 billion to our national export earnings and it is linked to the employment of approximately 120,000 people. The total value-add generated by international higher education students was \$9.3 billion. On average, each international higher education student studying in Australia contributes over \$50,000 to our economy each year. Two-thirds of this amount is spent on goods and services, injecting vital income into the economy and generating more jobs. Many overseas students will remain in Australia, contributing to our nation in a variety of economic and cultural ways. Others will return home and share their affection for their second home as a legitimate business, study and tourist destination.

In short, government inaction or poor policy can have massive repercussions on our nation’s economic wellbeing, on each education provider’s financial viability and on the costs of tertiary study for our own citizens, thereby impacting on the professional and intellectual capacity of our future generations.

Over the past few years we have observed a sharp decline in commencement numbers of international students. In 2009-10, the number of visas granted for the higher education sector dropped by 11.5 per cent, compared to the previous year. A John Curtin Institute of Public Policy report, dated August 2010, found that overseas enrolments in higher education could slide by up to 100,000 places by 2015, costing up to \$7 billion in fees and risking up to 8,800 university jobs.

This serious issue has been widely linked to a variety of factors, including the global financial crisis; competition from improved domestic networks, specifically those choosing to use English as the language of tuition; recent changes to the General Skilled Migration Program; the increasing strength of the Australian dollar; the collapses of local providers found to be dodgy through improved checking mechanisms; and incidents of violence perpetrated on overseas students, which attained sensational press in their home markets. I agree that these factors, many of which are out of our control as policymakers, have been largely influenced by global events. Any efforts we can implement to right the ship and improve our position will be of great benefit. But these efforts should not be limited to just trying to take things back to how they were prior to the GFC.

A key reason for the current situation is the increased competition we face from other countries, particularly the United States, Canada and the UK, who offer international students the package experience of studying

in a foreign country. This is the idea that education institutions provide a holistic experience which includes not only a high quality of teaching from the provider but also the living and cultural elements associated with the national experience. In countries such as the UK and Canada, it is normal practice to accommodate first-year students, as a minimum, within the university's portfolio of accommodation. Almost all US colleges and universities provide their students with the option to live in campus residences or dormitories. Australia must compete with these countries by taking a more proactive role in securing student accommodation and ownership of the broader student experience and development. At the very least, larger education providers should take responsibility for finding first-year foreign students suitable accommodation, preferably on campus but possibly in private accommodation.

In addition, Australia must ensure that we give foreign students a holistic experience of life in Australia by ensuring that they have access to affordable public transport and to the social aspects of life on campus which make studying in another country so enjoyable. We must nurture these individuals so that they either remain in Australia as skilled workers and contribute to our society or return to their home country with genuine praise and affection for our country. We need to be creative. We need to fully utilise the opportunities available to us to improve the overall student experience. We need to move away from just viewing overseas students as purely economic assets. We need to take a wider perspective on the overall impact of this industry on our local community as well as our broader economy.

Macquarie University is a very large provider of education services to overseas students. As the local MP I have witnessed firsthand the impact that an inadequate system can have on the local community. As I mentioned in my maiden speech to the House, since my very first day of campaigning for this position over a year ago I have observed and participated in the protest actions of a community group called MARS—Marsfield Against Residential Suffocation. Coincidentally, I will be addressing a MARS rally this coming Sunday afternoon in Dunbar Park. MARS was formed by residents neighbouring the university who have witnessed a sharp escalation in the number of illegal boarding houses providing cheap and substandard accommodation options to overseas students. Some reports have up to 15 students sharing a three-bedroom unit, leading to a degree of physical and psychological abuse by those choosing to prey on the students' ignorance of the Australian way of life. The flow-on impact on infrastructure, services and detriment to the quality of life of the community cannot be overstated.

Some of this matter relates to powers administered by the state government, particularly those relating to tenancy laws. My New South Wales state colleague Victor Dominello, the member for Ryde, introduced a private member's bill late last year to impose significantly increased sanctions on operators of these illegal boarding houses and to set a cap on student numbers per room permitted under the legislation. Unfortunately this private member's bill did not proceed through the Legislative Assembly prior to the New South Wales parliament being prorogued. I am very grateful to Mr Dominello and hopeful that he will serve as a government MP later this month and that this bill will become part of the new government's legislative agenda.

Under the federal government's authority, as exemplified by the bill we are debating, it has become increasingly clear that action is not being taken to protect one of our greatest industries—one that has every potential for sustainable growth. We are in the early stages of suffering a syndrome that those of us in Sydney's north-western suburbs know only too well whereby appropriate action is not taken in a timely manner in the form of infrastructure investment to provide dividends for generations to come.

Several weeks ago I inspected the clever yet simple prefabricated budget student accommodation buildings constructed over the past few years at the Australian National University. ANU has taken proactive measures to provide real options to the overseas student market and has markedly reduced the rental pressure on the surrounding residential neighbourhoods in the process. It gave me no surprise to learn that the ANU is ranked as the No. 1 university in Australia on the ranking guide mentioned earlier.

I also note that several days ago the University of Canberra announced their intention to follow the lead set by ANU and convert a block of offices in neighbouring Belconnen into student accommodation. Aside from the obvious and immediate assistance this would provide to the university's standing in the overseas student market, the Vice-Chancellor of the University of Canberra, Professor Stephen Parker, was quoted by ABC News as saying:

In many ways it's the big issue for Canberra about Tertiary education and for the community, because if you've got students out there renting houses that aren't really suitable for them, then they're making housing less available, less affordable for members of the community.

It is imperative that a program is commenced to provide high-standard budget student accommodation with a unique Australian experience for our overseas students. This will serve to broaden their educational experience and create a distinct point of difference and superiority to the conditions and services offered by other countries in an increasingly competitive overseas student market. This opportunity should not be missed.

I understand this bill is the first of two amendment bills on the legislation which will be debated in this House over the coming months and that the next bill also has correlation to the issues I am addressing today. I will be working to ensure that preliminary negotiations on the future legislation include discussions on a university's duty of care to their overseas students, including access to budget accommodation options of sufficient quality. Incorporation of these standards can assist in the development and improvement of the ranking or grading system of universities to include the quality of the students' overall university experience, thereby assisting those providers to promote their services in international markets. The focus of our parliament must not be to promote unnecessary regulation or bureaucracy and other burdens which weigh down the strong performers. Instead, we must motivate our great schools of learning to be proactive in attracting the best young minds of the world, giving them the standard of support they deserve and assisting them to reach their full potential. The flow-on benefits to our country will be significant.

The measures covered in this bill will go a small way towards addressing these numerous issues. With the key role that Macquarie University plays in Bennelong, and the important position that the industry holds in our national economy, I will be working towards implementation of greater and further reaching reforms into the future. I commend this bill to the House.



## SPEECH

**Date** Thursday, 18 August 2011  
**Page** 35  
**Questioner**  
**Speaker** Mr ALEXANDER

**Source** House  
**Proof** Yes  
**Responder**  
**Question No.**

(Bennelong) (NaN.NaN pm)

Mr ALEXANDER (Bennelong) (12:55): I rise today to speak on the Education Services for Overseas Students (Registration Charges) Amendment Bill and the related bill. These bills seek to amend the ESOS charges act to create a new fee structure for higher education providers who apply for registration on the Commonwealth Register of Institutions and Courses for Overseas Students, or CRICOS. Registration on CRICOS is necessary for providers to be able to offer recognised courses to overseas students. This is an area of particular interest to me due to the large population of overseas students enrolled in courses at Macquarie University in my electorate of Bennelong.

We on this side of the House will not be opposing these bills as we support the improvement in processes that arise from the Baird review. Yet this change today is reflective of the possible improvements that could be made if this government genuinely understood the nature of the problems in this important industry. The financial measures implemented by these bills need to be expanded.

The sharp increase in overseas student numbers over the past decade or two has seen a marked change to the leafy suburban areas surrounding Macquarie University. I am not sure of the correct collective noun, but, just like the industrious beaver, I will say that a 'lodge' of boarding houses has popped up throughout my local area, leading to the development of a community action group, MARS—Marsfield Against Residential Suffocation. These concerned residents are campaigning not against the students but against the lack of involvement by the higher education institution in providing for and, indeed, protecting the students. The lack of suitable and affordable accommodation has led to these illegal boarding houses, sometimes with up to 15 people crammed into a three-bedroom apartment. The impact this has on the infrastructure and the amenity of the area cannot be overstated.

Allegations have been made of students with poor English language skills being taken advantage of, sometimes financially and sometimes sexually, in return for accommodation. This is an issue that the higher education providers are not required to take responsibility for through a formal duty of care. As a result we have seen incidents at and around a multitude

of Australian universities that have precipitated a massive fall in numbers.

Australia is one of the largest providers of education services for overseas students. Education is our nation's largest services export industry and currently our fourth largest export earner overall, following coal, iron ore and gold. I have talked of this in this place in the past and will repeat it to emphasise the importance of further changes in this field. In 2008-09, education contributed more than \$17 billion to our nation's export earnings and was linked to the employment of approximately 120,000 people. The total value-add generated by international higher education students was \$9.3 billion. On average, each international higher education student studying in Australia contributes over \$50,000 to our economy each year. Two-thirds of this amount is spent on goods and services, injecting vital income into the economy and generating more jobs. any overseas students will remain in Australia, contributing to our nation in a variety of economic and cultural ways. Others will return home and share their affection for their second home as a legitimate business, study or tourist destination. In short, government inaction, or poor policy action, can have massive repercussions for our nation's economic wellbeing, on each education provider's financial viability and on the costs of tertiary study for our own citizens, thereby impacting on the professional and intellectual capacity of our future generations.

Over the past few years we have observed a sharp decline in commencement numbers of international students. One of the great failings by our higher education providers, those bodies that will be registered under CRICOS through this legislation, is that they do not prioritise the package education experience for international students as we see in the United States, Canada and the UK. In these countries it is common for first-year students to receive accommodation on campus in order to assist their transition into a new country and culture. Our providers must compete with these countries and take a more proactive role and responsibility for the broader student experience. Accommodation in the first year should be a minimum requirement, a starting point from which to launch the rest of the package experience. This may occur in private accommodation close to the university, but it should at least be administered and monitored



by the provider to ensure that the student and their experience are being protected. I understand that these matters operate alongside the specific matters raised in these bills, yet I cannot ignore the fact that we are willing to go down the path of amendment legislation to alter the fee structures for higher education providers to overseas students but not consider measures to save this important dwindling export industry.

Some of the issues I have raised relate to state and local government powers, yet, just as the federal government has the authority to amend the fee structures through these bills, it also has the ability to implement a duty of care, a standard of values that we expect our institutions to follow. The focus of our parliament must not be to promote unnecessary regulation and bureaucracy to hinder the performance of our great institutions, but the importance of this industry to our national economy is too great to rely solely on self-regulation. We have a responsibility to motivate our great schools of learning to be proactive in attracting the best young minds of the world, giving them the standard of support they deserve and assisting them to reach their full potential. The flow-on benefits to our country will be significant.

As mentioned earlier, we on this side of the House will not be opposing this bill. We support the improvements in the processes that arise from the Baird review, but, just as the Baird document is titled, we are craving a stronger, simpler and smarter system for the provision of education services to overseas students. As I mentioned in my maiden speech in this place, I will remain committed to this goal. For the important role this industry plays in our local economy, for the individual students being taken advantage of and for the residents in Marsfield being suffocated by boarding houses, I hope that the resident of our other Lodge treats this issue with the seriousness it deserves.