

Submission to

Overseas Student Experience Taskforce

Submitter: Toby Archer
Policy and Liaison Worker

Organisation: Tenants Union of Victoria

Address: 55 Johnston Street
Fitzroy VIC 3065

Phone: (03) 9411-1444

Fax: (03) 9416 0513

E-mail: tarcher@tuv.org.au

Overseas Student Experience Taskforce Secretariat
Department of Innovation, Industry and Regional Development
GPO Box 4509
Melbourne VIC 3001



ACN 081 34227
ABN 36 081 348 227

Registered Office
55 Johnston Street
Fitzroy VIC Australia
Mail P O Box 234
Fitzroy VIC 3065
Phone (03) 9411 1444
Fax (03) 9416 051

By e-mail: studymelbourne@diird.vic.gov.au

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Dear Sir or Madam:

RE: Overseas students experience

The Tenants Union of Victoria (TUV) welcomes the opportunity to make a submission to the Overseas Student Experience Taskforce. We wish to make some specific comments on the experience of overseas students in Victoria in relation to housing.

The Tenants Union of Victoria was established in 1975 as an advocacy organisation and specialist community legal centre, providing information and advice to residential tenants, rooming house and caravan park residents across the state. We assist about 25,000 private and public renters in Victoria every year. Our commitment is to improving the status, rights and conditions of all tenants in Victoria.

Overseas students live in a variety of accommodation types, including:

- colleges, halls of residence and dormitories affiliated with their educational institution;
- private rental housing;
- rooming houses
- Homestay arrangements.

In our experience, overseas students are more dependent on specialist student accommodation services and homestay arrangements than domestic students. Significant numbers also reside in private rental accommodation, where they experience many of the broader problems associated with this sector, such as a reduction in affordable rental stock, in addition to a lack of experience and knowledge.

The demand for student housing has continued to rise with the growth in enrolments by overseas students. Student accommodation has historically been provided by universities in the form of colleges and dormitories. In the past decade private investors have rushed to capitalise on this demand and student accommodation can now refer to many diverse forms, including self-contained apartments, hostels, Homestay and shared housing in the private rental market. These options also have varying characteristics in relation to their

built form, provision of meals, length of stay, tenure, fees/costs and forms of management. Whilst this market was initially concentrated in the CBD and North CBD Fringe (primarily Carlton and North Melbourne) significant growth has been witnessed in the suburbs around major university campuses.

Overseas students are particularly vulnerable due to a lack of familiarity with Victoria, the private rental market, residential tenancy laws and regulations, and university support services. They also experience significant discrimination in the provision of rental housing. Many overseas students have very limited experience negotiating the accommodation market. Inexperienced renters lack an awareness of legal requirements and protections and how much rent is appropriate. Students without independent housing experiences will have a limited ability to assess appropriate housing, what questions to ask landlords and property managers to fully assess the suitability of a property.

In addition to this vulnerability, many of the accommodation types commonly used by overseas students are not covered by the Residential Tenancies Act 1997 (RTA). The RTA defines the rights and duties of landlords and tenants as well as providing for dispute resolution.

Specialist Student Accommodation

The RTA specifically excludes accommodation affiliated with educational institutions. This is despite many universities having little direct role in the management of affiliated housing and the persistence of conditions which would be considered unlawful under the RTA. Further, universities do not guarantee the appropriateness of accommodation nor do they have adequate dispute resolution processes in place to deal with problems when they arise.

Overseas students report a range of issues with student accommodation affiliated with educational institutions, including:

- Lack of oversight of affiliated accommodation managers by universities, often permitting private companies responsibility for the setting of rental rates, bonds and conditions of stay;
- Rental rates higher than what is allowed under tenancy legislation;
- Payment of service charges that would not be permitted under the RTA;
- Summary eviction with no recourse available to the student if they wish to dispute the eviction.

We note that many accommodation providers claim to be affiliated with educational institutions are in fact not affiliated. There is no onus to produce affiliation agreements for inspections and they are often claimed to be protected by “commercial-in-confidence”. This claim is made to avoid complying with the RTA. We believe that this prima facie constitutes misleading and deceptive conduct for the purposes of State and Federal consumer protection laws, and that providers that make false claims should be vigorously prosecuted.

Consumer Affairs Victoria commenced work on a Residential Accommodation Strategy in 2007 as part of the State Government’s commitments detailed in A Fairer Victoria. An issues paper was distributed to stakeholders for consultation which detailed the issue of this exception. Consumer Affairs Victoria is yet to release any findings.

Homestay accommodation

Homestay accommodation, like affiliated accommodation, is a preferred housing option for many overseas students. However, current arrangements for Homestay students are not adequate. Most Homestay arrangements are excluded from the operation of the RTA as they do not meet the definition of a rooming house. There is also very little information outlining the rights and responsibilities for students considering or residing in Homestay, and there is no industry regulator or code of practice for providers and agents.

We have received a number of enquiries and complaints from Homestay students about inappropriate housing conditions and intrusive and culturally insensitive conduct by providers. Issues reported to the Tenants Union include:

- Homestay providers failing to issue receipts for rent paid, and then accusing students of falling behind in their payments;
- Housing in which students are asked to pay hourly rate to use heating and air conditioning appliances;
- Unreasonable curfews being imposed on students;
- Insufficient provision of food, or food that is of very poor quality or culturally inappropriate for students;
- Students having to asking permission to use household appliance such as washing machines and the television;
- Providers who become guardians of minor Homestay students and abuse their control of students finances;
- Providers not respecting the students' privacy.

We believe improved monitoring of Homestay arrangements by educational

Private rental accommodation

There are a range of issues affecting overseas students in the private rental market. Overseas students experience the issues commonly experienced in the private rental market, including accessibility, affordability and appropriateness. In addition to these issues, international students face particular difficulties arising from limited knowledge of their new place of study. These students have reported instances of exploitation, non-compliance with the RTA and threats of harassment and intimidation.

There remains evidence of discriminatory behaviour by landlords and real estate agents, especially for vulnerable and disadvantaged groups. Even where discrimination is evident, the lack of integration between the RTA and the Equal Opportunity Act 1985, means that tenants who believe they have been discriminated against are less likely to make a formal complaint as the property they were seeking to rent has almost certainly been let by the time their complaint as been heard.

Many overseas students have low incomes. These students confront a combination of increasing rents and a chronic undersupply of low cost housing, particularly in close proximity to educational institutions. Overseas students are poorly placed to compete for properties in a rental market typified by historically high rents.

Housing should enhance the health and wellbeing of occupants. Available evidence suggests that most of the dwellings in the private rental market are older and in a poor state of repair, particularly at the lower cost end of the market and in the rooming house sector. Currently, the most affordable tends to be concentrated at a distance from education providers. In addition to this, the poor quality of property management by real estate agents impacts upon the housing experience of overseas students.

Increasingly, overseas students unable to access mainstream private rental properties are finding accommodation in unsafe and overcrowded private rooming houses. The Tenants Union of Victoria has received a growing number of complaints from overseas students reporting severe overcrowding in rental properties, including 48 Nepalese students living in a 6 bedroom property and 12 students living in a single room of a western suburbs home.

Overseas students, many by virtue of their youth and inexperience, face difficulties navigating the Victorian housing market for the first time. Many do not have the skills to assess the standard and amenity of properties in order to select an affordable and appropriate dwelling. Furthermore, overseas students may be unaware of their rights and responsibilities in relation to their housing, and are more likely to enter into agreements binding them with unfair terms.

Increasingly many international students use specialist websites such as easyroommate.com and mainstream real estate websites such as realestate.com.au to find and apply for private rental properties. Over the past three months the Tenants Union of Victoria has received more than twenty reports from students and support workers of online rental scams. In each case overseas students have been lured by the promise of cheap rent for an inner city apartment. The landlord has claimed to be an Australian living overseas and has instructed the student that payment for first months rent and a bond must be paid into an overseas bank account before the property can be viewed or keys issued. Overseas students without an understanding of Victorian rental practices or advice from support workers have acted on this advice, losing up to two thousand dollars as a consequence. Overseas students are generally unprepared for such conduct. We anticipate such scams will continue to proliferate as the rental market remains tight.

Inexperienced renters need to be particularly clear about what must be provided by law and how much rent is appropriate. Any overseas student with limited independent housing experience will not know what appropriate housing is, what questions to ask landlords and property managers to fully assess the suitability of a property.

Conclusion

Affiliated and Homestay accommodation is sometimes preferred by international students as there is a perception that they provide a safer, more regulated environment for young people. International students contribute more than \$4.2 billion to the Australian economy annually, representing our eighth largest export sector. If Victoria wants to capitalise on this opportunity then accommodation should ensure that it is regulated in a way that protects the welfare of students.

When a course of study is endorsed by the Victorian Government to overseas students, educational institutions are required by s. 6 of the Tertiary Education Act 1993 to outline the accommodation options that are available to prospective students and the manner in which this information will be conveyed to students. Currently, these provisions are not being applied adequately and students are not being properly informed of appropriate

accommodation options or their rights as tenants. We understand that student housing officers are often aware of these problems but may have some difficulty, given their employment by the institutions, in raising such issues publicly.

The state government should develop performance benchmarks for the industry and develop a code of practice to which Homestay providers should comply. The Victorian Government should also work with education institutions and invest some of the profits generated by the international student market into better resourcing advocacy services for international students to ensure that information provided is complete and accommodation options are appropriate.

The Tenants Union of Victoria would welcome the opportunity to discuss these matters further. I can be contacted on 9411 1413 or by email at tarcher@tuv.org.au.

Yours sincerely,

Toby Archer
Policy & Liaison Worker
Tenants Union of Victoria