



Property Council of Australia ABN 13 00847 4422

A Level 7, 50 Carrington Street, Sydney NSW 2000

T +61 2 9033 1900

E info@propertycouncil.com.au

W propertycouncil.com.au

T @propertycouncil



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Professor Mary O'Kane
Chair
Australian Universities Accord Review Panel

Via Accord Submissions website
CC: accordsubmissions@education.gov.au

Submission in response to the Australian Universities Accord – Interim Report

Dear Professor O'Kane,

Please find below the Student Accommodation Council's submission into the Review Panels' *Australian Universities Accord – Interim Report* (Interim Report). It should be noted that this submission supports the comments that have been provided to the Review Panel by the International Education Association of Australia (IEAA).

The Student Accommodation Council is the peak industry group representing purpose-built student accommodation (PBSA), a unique asset class owned and operated by the private sector and currently providing over 76,500 beds to students across Australia in over 200 buildings. The Student Accommodation Council is a newly established division of the Property Council of Australia created to advocate on behalf of this growing sector.

The ten founding members of the SAC account for the majority of PBSA beds in Australia. These members are Scape, Journal Student Living, GSA and Yugo, Iglu, UniLodge, Campus Living Villages, Student One, Wee Hur and Y-Suites, Cedar Pacific and Pamoja Capital, Centurion and Dwell.

Current figures produced by the SAC have shown that eighty per cent of all the PBSA beds owned by our members are home to international students – making the sector a significant stakeholder in providing safe, custom housing and community for international students in Australia.

Whilst our members are not directly involved in the delivery of higher education, PBSA is a significant enabler to our largest service export, and therefore make this submission outlining how our sector contributes to its growth, demonstrate by sharing our own research on how international students contribute to Australia's economic prosperity, and the policy settings needed to ensure the growth of our sector in support of our higher educational institutions.

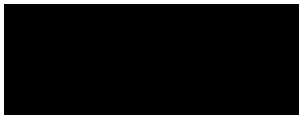
This submission of course seeks to address key issues identified within the Interim Report namely around the following key issues:

- 1. How caps or a levy on international students would be detrimental to the sector and the broader economy;**
- 2. How PBSA can enhance student experience;**
- 3. Proposed Code of Practice for pastoral care; and**
- 4. How higher educational institutions might better engage with the student accommodation sector as recommended in the Interim Paper.**

We thank you for your ongoing commitment to engage with the student accommodation sector, and welcome further input or indeed happy to make ourselves available to provide a more detailed briefing on any of the issues discussed in our submission.

Please feel free to contact me directly.

Kind regards



Adina Cirson
A/g Executive Director

Student Accomodation Council



Introduction

What is purpose-built student accommodation (PBSA)?

PBSA provides a customised and fit-for-purpose accommodation option for domestic and international students studying in Australian cities.

While the sector has long been established in overseas markets like the UK and the US, it is still relatively new in Australia and in its growth phase. As a result of this, the product is not well understood by many in the wider Australian community, although for many international students it is the first port-of-call when organising to move to Australia for study.

The purpose-built nature of PBSA is how the sector differentiates itself from other housing offerings in the market for Australian students, like home-stays or private rentals. It is available only to students enrolled to study in an educational institution and is designed and serviced around the specific needs of a young and mobile resident population.

The physical layout of the buildings are designed as mixed-use –incorporating retail outlets, communal spaces, gyms, study areas, amenities, and multiple accommodation formats. PBSA buildings are in proximity to both universities and education precincts and are usually located close to public transport options.

The level of service and care is superior in PBSA compared to other student accommodation options. PBSA providers offer comprehensive and bespoke care options to student residents, which adds to the unique value of PBSA. Providers work in collaboration with universities to offer pastoral care to students, including mental health and wellbeing services, study assistance, English classes, and social events. Many providers have 24-hour service staff who can engage with students and provide support.

PBSA is well-suited to students who are new to university and want a mid-term accommodation option. PBSA is an all-inclusive and fully-furnished accommodation option, which makes it well suited to house new university students –particularly those coming from overseas or interstate. It is also built around the model that most students only stay a few semesters or years, and at most the full duration of their studies.

It is easy and quick to book a room while still overseas and is often the first thing international students organise once they have been accepted into the education institution of their choice.

Due to the heavy reliance on international students, the sector was significantly impacted during the COVID border closures and has given us a unique perspective into the wellbeing of student residents and the role we have to play in supporting them.

It is important that the role of PBSA operators as critical providers in the experience of international students in Australia is recognised and facilitated, both by higher education providers and policy makers.

1. How caps or a levy on international students would be detrimental to the sector and the broader economy.

International students are critical to the success of our higher education system, and we welcome the Interim Report's acknowledgment of their contribution to our economy and society. International students also provide a rich cultural tapestry and diversity that symbolises a modern and relevant economy enriching all Australians.

The property sector – including PBSA – was heavily impacted by the COVID-19 pandemic, which also means that we are able to provide a unique insight into the impact of the loss of international students, the impact to health and wellbeing of students in the online environment, but critically the broader economic harm that that curbing international students return to studying in Australia would have.

Australia needs to make significant efforts to regain its reputation and reclaim its position as a leading destination for education.

As such, the student accommodation sector has been concerned that the Review Panel was considering a capping of student numbers despite being beyond the scope of the review. This concern stemmed from comments in the media in early June by the Chair, that caps were *'definitely on the table'* and given that no consultation on such a significant policy shift has occurred was very concerning.

We also note that these comments also justified consideration of a cap on international students from coming to Australia – because they can study online – takes a narrow view of the contribution students make to our communities, the economy and relationships within the region.

Whilst we acknowledge that the issue of student caps is not explicitly dealt with in the Interim Report, it does state that the Review has found that increasing numbers of international students can be detrimental to student experience. We disagree with this assumption and deal with this later in this submission.

It is our strong view that any cap or indeed levy on international students would undoubtedly have far reaching consequences. Students are a vital source of life for our CBDs and their return post the pandemic matters in every Australian capital city.

As our [research](#) released in November 2022 found, 16 per cent of students stay on to work in Australia after their study is completed and are critical to alleviating workforce shortages.

Furthermore in 2019, an estimated 300,000 international tourists entered Australia to visit an international student. This tourism activity is estimated to have contributed an additional \$1 billion in spending to the Australian economy.

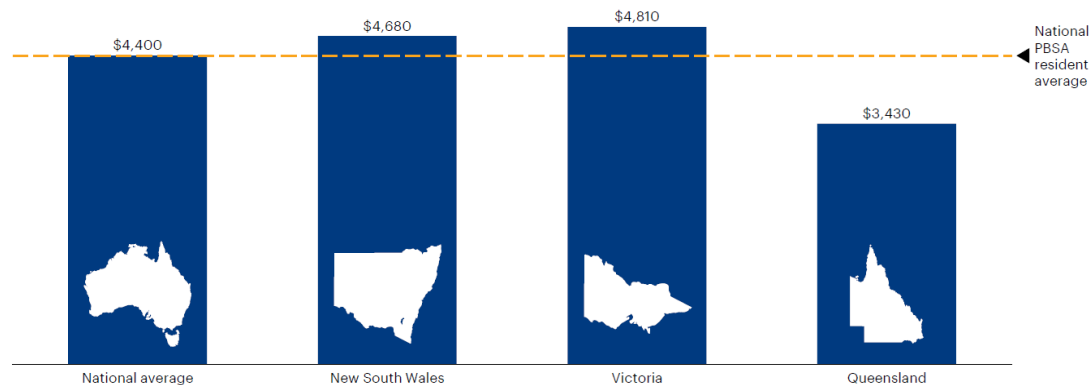
Our research also uncovered the average spend of students living in PBSA.

It found students living in PBSA spend almost as much per month as the average Australian – \$4,400 per month not including tuition, while the average Australian spends \$4,600 including children and dependants – with almost all of this being spent in CBDs.

Table 1

PBSA resident spending (excluding tuition) as tracked by Illion, by state¹

Spending per month, semester one 2022, \$ AUD



The benefits of attracting international students are critical to our economic recovery and curbing their return, would create great uncertainty about maintaining Australia’s highest performing service export – valued at some \$40 billion prior to the pandemic.

As such we request that caps or levies to be taken off the table until genuine engagement with those who will be most impacted, and the long-term consequences of such a recommendation, can be seriously considered.

2. How PBSA can enhance student experience

2.1 International students experience in PBSA

International students who live in PBSA in Australia will spend more time in these buildings than they will on campus, out socialising or exploring their new cities. For this reason, PBSA operators play a vital role in ensuring students go home with positive life experiences and as life-long ambassadors for our nation.

PBSA provides a place for students to study, socialise and work together and allows international students to integrate easily with domestic students.

Students who choose to live in purpose-built student accommodation do so for a variety of reasons. It’s safe, they are surrounded by like-minded young people, they are close to study and transport connections and they are protected and supported by professional staff 24 hours a day.

Some make the decision on where to live with their parents long before they arrive in our country, others decide they would prefer their own studio apartment and gymnasium over a share-house at the end of the train track. Regardless, the demand for PBSA is growing.

In a report prepared for the Student Accommodation Council by Accenture, one Queensland based university said PBSA had positively contributed to the lives of their enrolled students by :

1. **Helping to improve student retention**, leading to economic and revenue benefits for universities. PBSAs have provided important pastoral care which complements university

services, which has noticeably reduced the rate of regional and remote students withdrawing to return home.

2. **Providing an orientation** for regional, interstate and international students to the campus and area, which helps students to acclimatise to a new city.
3. **Improving the educational and social outcomes** of students through the all inclusive PBSA offering.

The representative interviewed went on to say that PBSA had increased university retention rates through their focus on pastoral care – which had led to better educational and social outcomes.

There is no doubt that students who live in PBSA have a superior experience while studying in Australia. While it is not the housing choice of all students, it should be grown as an offering to ensure that any international student who wants to live in PBSA can find a bed close to where they study.

With current vacancy PBSA rates in some capital cities below zero, it is imperative that the supply of PBSA beds grows to accommodate the return of international students post-COVID-19.

2.2. Importance of the retention of face-to-face learning

The return of international students to Australian shores has been promising, and the PBSA sector has rebounded faster than initially anticipated. From buildings with occupancy rates of zero in January this year, we are now seeing occupancy rates of upwards of 90 per cent in many PBSA buildings.

The return of students to 'second-tier' cities which did not suffer the reputational damage of prolonged lockdowns has been particularly strong, with Brisbane and Adelaide seeing above average rates of return and zero per cent vacancy rates in 2022.

Our members have reported however, that mental health issues in students returning have been more prolific than they were prior to 2020 and as a result extra mental-health trained staff and community building/pastoral care programs have been strengthened.

The lack of face time and contact hours on university campuses has been a driving factor in the challenges faced by PBSA operators, who are now seeing students spend significantly more time in their rooms and communal areas – sometimes 24 hours a day without the driver of attending classes on campus. The increased isolation of students who are undertaking much of their tuition online has meant PBSA operators have had to expand their programs designed to facilitate socialisation and train their staff in identifying mental health warning signs.

The risk of a heavy reliance on online course work creates a disengaged international student cohort who do not get the 'full Australian experience' while studying, and who are less likely to return to their nations as life-long ambassadors for our country.

The Student Accommodation Council would like the Review Panel to be aware that while technology has allowed online learning to evolve in unprecedented ways, it should not be seen as a viable solution to ongoing growth of the sector at the expense of face-to-face learning.

Engaging in online learning fails to provide the authentic experience of studying in Australia, leading to worse outcomes for students. Students need to be together with their peers experiencing our culture through face-to-face educational learning, and the experiential benefits of living and working whilst studying in Australia.

As such we are very concerned that it has suggested that online learning should be utilised to replace the return of students to Australia.

3. Proposed Code of Practice for pastoral care

The Interim Paper also makes comment on student wellbeing and safety, citing New Zealand as a case study for a code of practice related to pastoral care and recommends *'considering development of a national student charter to ensure a consistent national approach to the welfare, safety and wellbeing of all students.'*

We agree with the comments made by the IAEE that Australia already has a globally respected regulatory and legislative framework that covers the same areas, as well as compliance with which providers are regularly audited, and share their concern if there was, yet another layer added via the introduction of a new Code.

Moreover, PBSA providers prioritises student wellbeing through pastoral care services and offers academic and career support with tutoring services and career events. PBSA operators strive to ensure that their buildings and operations meet the high expectations of the student residents, aiming to provide students with quality accommodation.

In a report released last month by one of our largest members – the [Year13 and Scape's 2023 Gen Z Wellbeing Index](#) found that student wellbeing was far more positive improving overall wellbeing, particularly when moving into dedicated student accommodation.

71 per cent of students living in Scape PBSA noted that friendships and making new friends came easily to them, as compared to the 41 per cent of average Australian students who struggled to make friends. Scape residents also reported less chance (30 per cent) of suffering from loneliness than the average Australian student.

From neighbourhood events and networking opportunities to adulting courses and safety and security applications, one of the big differences for students living in purpose-built accommodation is that they gain satisfaction through independence and, importantly, that it's easier to make friends. What the data indicates is that this is having a positive flow-on effect and improving overall wellbeing of those students with programs and support services guided by students.

Our members understand the critical importance of wellbeing support and provide a unique offering that far exceeds any regulatory approach that would be taken, likely to be akin to the New Zealand Code.

4. How higher educational institutions might better engage with the student accommodation sector as recommended in the Interim Report.

We note the Interim Report notes that that there needs to be greater engagement by institutions with local community stating;

Higher education institutions also need to consider community perceptions of large international cohorts. This includes exploring greater engagement with community services, such as accommodation and social support, to better integrate international students into their local communities, help improve the student experience and support an educationally sustainable increase in the international student intake (page 93).

We wholeheartedly agree with this recommendation and our research has shown how PBSA as an enabler to the growth of the higher education sector.

International education is Australia’s largest services export and its continued growth is enabled by PBSA

International education is a leading export for Australia, and a key driver of economic growth. Education is Australia’s fourth largest export, and Australia’s largest non-commodity export. Prior to the pandemic, exports were valued at almost \$40b each year, around 2% of Australia’s Gross Domestic Product. Australia’s higher education offerings are supported by over 40 universities, 13 of which are in the world top 200. Australia currently supports over half a million international student enrolments from over 140 countries, with the majority (90%) studying onshore in Australia.¹ For these students, Purpose-Built Student Accommodation (PBSA) is a common landing point as it provides an all-inclusive living experience which tailors to the needs of tertiary students.



Source: [https://www.propertycouncil.com.au/submissions/the-unsung-hero-underpinning-australias-largest-service-export#:~:text=Launched%20in%20November%202022%2C%20the,\(pre%2Dpandemic%20valuation\)%20](https://www.propertycouncil.com.au/submissions/the-unsung-hero-underpinning-australias-largest-service-export#:~:text=Launched%20in%20November%202022%2C%20the,(pre%2Dpandemic%20valuation)%20).

Our members are proactively sharing information, particularly around student wellbeing and welfare, but we would welcome a greater, and more formalised agreement around two-way information sharing.

We want to make sure the growth of our international education service export is supported wherever possible. Creating greater communications channels between the universities and PBSA providers in all markets is essential to achieve mutually beneficial outcomes. For example, if we could better understand where universities are seeking globally to attract students from, we could work to create a cohesive customer journey for the student in genuine partnership with the universities. If the eco-system was more transparent, we could provide greater engagement from the source countries in which we also have a presence.