

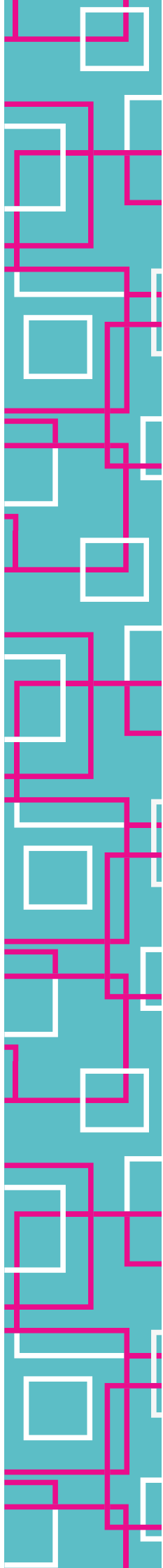


PARSA
ANU postgraduate &
research students'
association

HOME AWAY FROM HOME

**An analysis of the Canberra and
ANU housing affordability crisis**

□ ■ HOME AWAY
■ □ FROM HOME



Foreword

The PARSA accommodation campaign has thus far focused on the issues of supply and student homelessness and there have been great strides made by both the ANU and the ACT government to address these issues. However, after the news at the start of 2019 that Canberra has taken first place as the most expensive city in Australia to rent, we have placed our sights on the clear housing affordability crisis for ANU postgraduate students.

It is not enough for students to have housing available to them, it is unacceptable for this accommodation to be so prohibitively expensive that these students are either forced to turn down offers or go without necessities to afford a roof over their heads.

The Home Away from Home campaign is one that is close to my heart, as I have seen firsthand how difficult it is to secure a home in the expensive and competitive Canberra rental market. I am lucky enough to be in secure housing now, but having a place to call home in Canberra should not be a matter of luck.

PARSA is fighting for safe, accessible and affordable accommodation for all students, no matter their background, ethnicity, gender, sexuality or mobility, and we will keep doing so until our students have their needs met.

I would also like to thank Bernardo Cielo, PARSA Equity Officer, and Tess Corkish, PARSA's Advocacy and Engagement staff member for their hard work, and acknowledge them for both this report and the broader campaign.

Zyl Hovenga-Wauchope
PARSA President

Introduction

This year the ACT took first place in a competition that no-one wants to win: the title of most expensive rental market in Australia. Housing rents in Canberra increased 3.7% from 2018, with asking rents amounting to AU\$560 per week, while unit rents rose to AU\$465 per week. This is an 8.1% increase from the previous year (Bladen & Heagney, 2019).

Affordability in Canberra is a difficult problem. In a growing city with an inelastic housing market and successive governments who have not made sufficient investments in public housing, students with limited income often end up at the bottom of the applications pile in the off-campus market.

But this is not an issue that can be placed solely at the feet of the ACT government, the federal government or even the Canberra housing market. It is an issue that is exacerbated by the exorbitant prices charged by the ANU accommodation providers themselves. Simple maths will tell you that domestic students who are lucky enough to have access to Youth Allowance or Austudy are required to pay almost 100% of their weekly income for the most affordable of on-campus accommodation.

The current housing problem at the ANU is also symptomatic of unmet challenges in the expansion of Australia's education sector.

The ANU has pushed into the global student market without adequately accounting for the logistical implications of housing these students in a city such as the ACT. With the ACT and the ANU in focus, there are a couple of particular issues which have contributed to the current student housing problem.

First, the inundation of students in recent years, combined with the market's inelasticity and underinvestment by government and the University, may have contributed to creating a demand shock in the housing market, which potentially accounts for the rapid increases in renting costs in the ACT.

Second, there is an observable gap in the housing market in the ACT. There are insufficient low-cost housing options for students. More so, current policies are unable to fully account for the unique position of student renters coming in from overseas.

Student housing unaffordability is, in part, a product of the push to capitalise on domestic and international education markets without providing ample support to the students it markets to. Thus, the ANU shares a substantial share of the responsibility in helping students secure affordable accommodation.

This year we are calling on the university to provide more accommodation bursaries and subsidies, as well as securing deals with real estate agents and other stakeholders to get students a better deal in the Canberra market. In addition to this, we are asking the university to ensure equitable access to accommodation by rectifying administrative policies which leave students with disabilities and culturally and linguistically diverse students particularly vulnerable.

Bernardo Cielo
PARSA Equity Officer

Education and Student Housing

Education represents a significant portion of the Australian economy. In 2016, education was Australia's largest service export, and third largest export overall, sitting right behind iron ore and coal (Dodd, 2017).

The value of the education industry stems from an active push from both government and academic institutions to capitalise on the Australian education system in order to secure a greater share of the international education market. Universities Australia, the peak body representing the universities sector, stated that the influx of international students which hinges on the "quality" and "global reputation for excellence" of universities in Australia is "absolutely critical to Australian prosperity" (Dodd, 2017).

In 2017, export income from education services amounted to AU\$30.3 billion, a far cry from the AU\$17.5 billion earned just five years prior (Department of Education and Training, 2018). Rapid growth in the international student population can be observed over the years, resulting in billions in income for Australian institutions, particularly for universities.

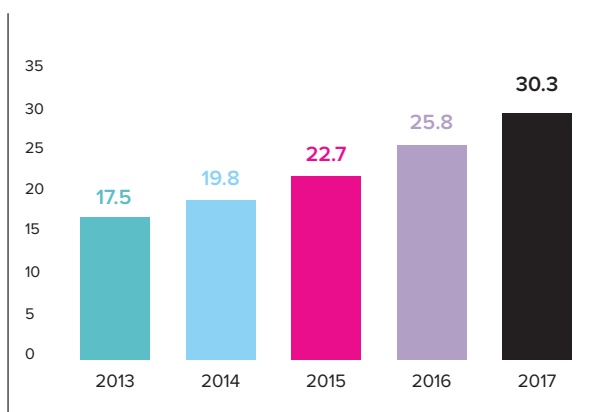


Figure 1: Onshore in Australia: Export Income from Education Services from 2013 to 2017

The focus on global competitiveness and Australia's economic position in providing the educational services needs for the global market has led to a rapid increase in student populations across Australia and particularly at the ANU.

Canberra's vacancy rate of 0.6% in October 2018 was considerably lower than the national average of 2.0% (Christopher, 2018), and the number which is broadly considered to be healthy; a 3% vacancy rate. This

suggests that it is relatively harder to secure accommodation in the ACT than in most other areas of Australia, and that it is particularly difficult to obtain a rental property in Australia.

Having fewer properties available for rent can have a significant impact on the price of accommodation. This potentially explains the recent increase in yearly median asking rents in the ACT. Over a span of 10 years, yearly median asking rents increased from AU \$319.38 per week to AU\$465 per week, a 45.6% increase (Bladen & Heagney, 2019). Furthermore, yearly median asking rents have been consistently increasing since 2015 at an average rate of 5.2% per year.

Student numbers have increased in the past seven years as the ANU has made a significant push into especially the Asian market, yet the decreasing vacancy rate is more reflective of the fact that the market cannot keep up with the increasing population of Canberra and the university's unwillingness to confront the immediate infrastructural needs of a growing student population.

In 2017, 865,000 international students were enrolled in courses in Australian universities (Dodd, 2017). This accounts for a 15% increase from the previous year. By 2018, this number grew to 690,468, an 11% increase from 2017 (Department of Education and Training, 2018). 46% of the international students enrolled in 2018 were enrolled in higher education institutions, which in itself increased by 14% from 2017.

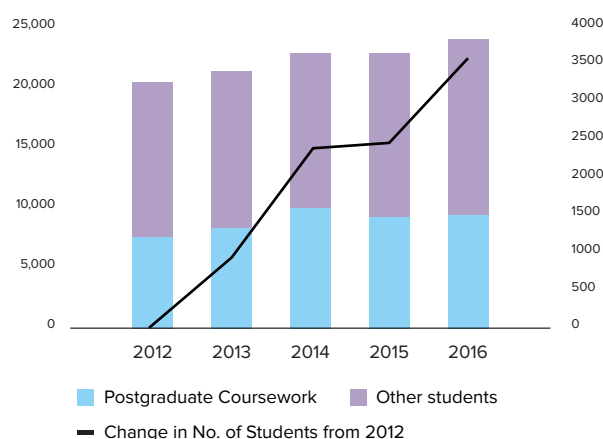


Figure 2: Number of Students in ANU from 2012 to 2016

These students make easy prey for the increasingly difficult rental market, as they are at a distinct disadvantage when presenting applications. They often do not have a local rental history or a steady income, and are burdened by a limited capacity to offer higher than the asking rent, a tactic which anecdotally occurs frequently in Canberra.

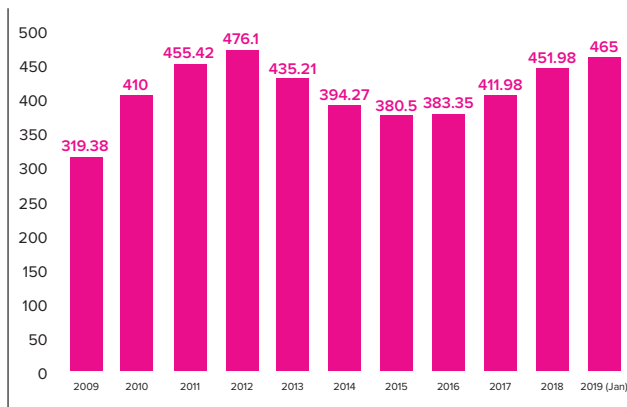


Figure 3: Yearly Median Asking Rent (All units) in ACT from 2009 to 2019 (Ishac, 2019)

Dedicated student accommodation does not provide a haven from the expensive and demanding Canberra rental market. Rents for on-campus accommodation

have followed the same upwards trend, and weekly rents across all student accommodation at the ANU increase annually. Tariffs increased between AU\$6 per week to AU\$30 per week in 2019 (Morgan, 2019). This was after rates increased by up to AU\$33 per week in 2018 (Tinessea, 2018).

This year studio accommodation breached the AU\$300 per week mark, a fact underrepresented in the accommodation cost comparison tables published by the university (see table 1, Postgraduate Accommodation Cost Comparison as published by ANU).

The ANU only published the minimum weekly tariff per student accommodation, effectively neglecting to show the full range of potential costs students would pay should they be granted offers for on-campus accommodation. This, coupled with the current accommodation application process which allows for students to be granted offers from colleges and lodges they did not apply for, could render some students to receive accommodation offers that they cannot afford.

Residence	Weekly tariff amount	Registration fee	Refundable deposit	Building maintenance levy	Residential community fee	Other costs or inclusions
Burgmann College Postgraduate Village	From \$269.00 per week in 2018, for up to 46 weeks.	\$447	\$1,000	\$221	\$200	Communication fee - \$323
						Internet access - included
						Laundry facilities - included
						Utilities - included
Davey Lodge	From \$255.89 per week in 2019, for up to 52 weeks.	\$300	Included	Included	\$100	Refundable deposit - Four weeks rent
						Laundry facilities - \$3 per wash/dry
						Utilities - included
						Phone & Internet connection - included
						Data - included
Gowrie Hall	From \$241.90 per week in 2019, for up to 43 weeks.	n.a.	Included	Included		
Graduate House	From \$274.00 per week in 2019, for up to 52 weeks.	\$300	\$500	Included		Phone & internet connection - included
						Data - included
						Laundry facilities - included
						Personal accident insurance - included
						Resident Committee Fee - included
						House Dinner, one per week – included
Kinloch Lodge	From \$266.11 per week in 2019, for up to 52 weeks.	\$300	Included	Included	\$100	Refundable deposit - Four weeks rent
						Utilities - included in tariff
						Laundry - \$3.00 per wash / dry
						Phone & Internet Connection - included
						Data - included

Residence	Weekly tariff amount	Registration fee	Refundable deposit	Building maintenance levy	Residential community fee	Other costs or inclusions
Lena Karmel Lodge	From \$244.11 per week in 2019, for up to 52 weeks.	\$300	Included	Included	\$100	Refundable deposit - Four weeks rent
						Utilities - included in tariff
						Laundry facilities - \$3 per wash/dry
						Phone & Internet Connection - included
						Data - included
SA7 - Fenner Hall	From \$290.00 per week in 2019, for up to 43 weeks.	\$300	\$1,000	Included	\$220	
Toad Hall	From \$226.90 per week in 2019, for up to 43 weeks.	\$300	\$1,000	Included	\$140	Phone & internet connection - included
						Data - included
						Laundry facilities - included
						Personal accident insurance - included
						Utilities - included
University House	From \$225.40 per week in 2019, for up to 52 weeks.	\$300	\$500	Included		Phone & internet connection - included
						Data - included
						Laundry facilities - included
						Personal accident insurance - included
						Resident Committee Fee - included
House Dinner, one per week - included						
Ursula Hall Laurus Wing	From \$285.75 per week in 2019, for up to 52 weeks.	\$300	\$1,000	Included	\$175	Phone & internet connection - included
						Data - included
						Laundry facilities - included
						Personal accident insurance - included
						One meal per week at Brian Francis Hall - included
Utilities - included						
Wamburun Hall	From \$288.10 per week in 2019, for up to 43 weeks.	\$300	\$1,000	Included		Other costs TBA and subject to confirmation
Warrumbul Lodge	From \$241.10 per week in 2019, for up to 52 weeks.	\$300	Included	Included	\$100	Refundable deposit - Four weeks rent
						Utilities - included in tariff
						Laundry facilities - \$3 per wash/dry
						Phone & Internet Connection - included
						Data - included

Table 1: Postgraduate Accommodation Cost Comparison as published by ANU

In addition, accommodation costs are likewise underrepresented in the cost of living estimates published by the ANU. The estimates show a range of AU\$155 to AU\$245 per week for accommodation (see table 2, Cost of Living Estimates as published by ANU) when self-catered Colleges can cost well above AU\$300 per week.

Even when using the minimum weekly tariff published by the university, only 5 out of the 12 self-catered colleges fall within the range provided, with no college with shared facilities offering unit rent rates below AU \$200 per week. The information provided online underplays the actual cost of studying at the ANU, and students entering the university often carry with them unrealistic expectations around cost of living which is reinforced by the information provided by the university.

Accommodation (per week)	\$155 (sharing) - \$245 (self-catered College)
Food/Groceries	\$90 - \$125 Cost of Living Estimates as published by ANU
Travel	\$33
Phone and internet/other bills	\$25 - \$50
Electricity & gas	\$40
Stationery, postage	\$10
Average Expenditure	\$390 per week

Table 2: Cost of Living Estimates as published by ANU

The ANU plays a part in creating the problem of student housing unaffordability. By capitalising on the demand driven system with uncapped enrolments, the university's strong overseas marketing campaign, especially in India and China, led to significant increase in students which, when combined with underinvestment in housing, has played a major part in driving up demand for housing in the ACT and on campus.

Furthermore, increasing the student population without the sufficient infrastructure to house them has led to the sorts of outcomes found by PARSA's 2018 Accommodation Survey. Among other significant findings, the survey identified that 57% of

respondents did not have secure accommodation before their arrival in Canberra. 31% of these students took between one and two months to find secure accommodation, with 13% taking longer than two months. (Hovenga-Wauchope, 2018)

Lastly, information provided to incoming students is insufficient, providing an incomplete picture of the actual cost of living while studying at the ANU. While the ANU has put in significant work to help address some of these issues, there is still much to be done.

PARSA calls on the ANU to address these critical issues through the recommendations in this report.

Recommendations

The following recommendations are designed to address the most pressing and widely felt issues around student accommodation at the university.

These are informed by PARSA's research through the 2018 Accommodation Survey, the accommodation proposals published the same year, and the lived experiences of postgraduates as reported to PARSA over the past year.

1. The publication of a communications plan and policy document which includes a formal commitment to the first-year postgraduate accommodation guarantee by February 2021, designating a clear responsible ANU staff member

PARSA recognises the efforts of the university in committing to providing on-campus accommodation for postgraduate students, particularly in its decision to retain the operations of old Fenner Hall (now renamed Gowrie Hall) for the next two years (Morgan, 2019), and in informally committing to a first-year postgraduate accommodation guarantee by February 2021. However, the ANU needs to put in a conscious effort to inform the student population of what measures the university has taken and will be taking to resolve student accommodation issues in the long term. Likewise, designating an ANU staff member for student housing will show their commitment to ensuring accessible and affordable accommodation for students.

2. The establishment of a university liaison office to facilitate affordable, accessible and adequate off-campus accommodation for students

Securing off-campus accommodation has become increasingly challenging. The University currently has insufficient resources to house all of its students. In 2018, 57% of students arrived in Canberra without securing accommodation (Hovenga-Wauchope, 2018). Students who come with their families must compete to secure rental homes in a scant market as the ANU has no family-friendly accommodation on-campus. Without comprehensive Australian work histories, postgraduate students are often put at the bottom of the pile. Having a liaison office at the university will provide students with more gravitas for their applications, and ensure they are sufficiently competitive and are not left with insecure accommodation for such long periods of time. Additionally, a liaison office will help protect students from unfair contracts and dodgy providers. It will give them more clout when asking for urgent repairs, and will encourage providers to ensure they are meeting all of their legal requirements.

3. The provision of sufficient temporary accommodation for July 2019 for arriving students, which is available for the first two months of semester (the Accommodation Gap)

ANU caters to a unique student population in that most of the students at the ANU are not from Canberra. PARSA's 2018 Accommodation Survey found that the first two months after arrival are the most critical for students, and the period of time that they are most likely to be homeless or at risk of homelessness. Thus, providing sufficient temporary accommodation for

the first two months of the semester is crucial for helping students adjust to their new environment and to find a permanent home to settle in.

4. The provision of more affordable on-campus housing options for students who are reliant on scholarships, stipends and Centrelink payments

As the Canberra rental market becomes more and more inaccessible to low-income members of the community, the most vulnerable segments of the student population tend to lose out the most. Additionally, current Centrelink rates are as such that students relying on Austudy or Youth Allowance would be spending at least 50% of their weekly income on the cheapest of ANU accommodation options. Students who rely on scholarships, stipends, and Centrelink payments have fewer options and increasing access to cheap accommodation can help reduce student homelessness, and accommodation and financial stress.

5. The exploration of establishing more accommodation bursaries and subsidies for low-income students

Another approach to addressing housing unaffordability is by exploring the establishment of more accommodation bursaries and subsidies for low-income students. A means test can be used to measure the financial capacity of students who apply for these bursaries and grants. PARSA is aware of students who would fit the category of low-income and who have been rejected for financial assistance, forcing them to pay almost 100% of their income a week in accommodation costs. The ANU can and should look into a variety of possible policy options from different universities abroad.

6. The prioritisation of the on-campus accommodation applications of students with disabilities, and for all on-campus accommodations to be retrofitted to meet the needs of students with access requirements

PARSA has received information that the current on-campus accommodation application does not currently prioritise the needs of students with disabilities. Currently, students are asked about any mobility issues when applying for accommodation, but that this information is not, in practice, taken into account unless they have also registered with Access and Inclusion, a situation which is not communicated during the application process. Therefore, if they are offered a place in a residence which

cannot accommodate their needs, they are then summarily informed that they will need to seek accommodation elsewhere (or, most commonly, they are just rejected). Additionally, students have been placed in accommodation which doesn't meet their needs, and have previously been either stranded in foyers or trapped in their accommodation for days when elevators have been out. This has led to the disenfranchisement of students with mobility issues in securing homes near their place of study. The ANU must recognise its role in ensuring equitable access for students with disabilities in pursuing their education. Thus, the ANU plays a unique role in providing accessible accommodation for students with disabilities.

7. The streamlining of on-campus accommodation policies such as 48 vs. 52 week contracts, temporary guests and contract transfers

A consistent area of concern raised with PARSA is on policy inconsistencies across on-campus accommodations. Students have raised concerns around existing policies where some colleges require them to pay for accommodation even after they have graduated from their programs. Further, rules around contract transfers, contract length, and temporary guests are inconsistent across the different colleges and lodges. Rationalising these policies across the different on-campus accommodations, and providing more amenable rules on contract variations is vital in reducing the overall cost of accommodation for students.

We acknowledge and appreciate the university's commitment to addressing accommodation issues for postgraduate students. However, PARSA recognises that there is much work to be done in order to fully address housing unaffordability at the ANU. We recognise that extensive studies need to be conducted in order to develop effective accommodation policies and applying an incremental policy approach is ideal in reducing undesirable outcomes.

ANU policies need to be sufficiently flexible and adaptive to respond to urgent issues as they arise. The ANU must show a stronger commitment to ensuring that the students they admit have access to safe, ample, and affordable accommodation for the duration of their study. To this end, PARSA is committed to maximising our resources to help the ANU to devise ways to address student housing unaffordability.

Acknowledgement

This report was prepared by Bernardo Cielo II, PARSA Equity Officer and Terese Corkish, PARSA Advocacy & Engagement Officer, with input from Zyl Hovenga-Wauchope, PARSA President. Design work was performed by Waleed Mushtaq.

We would also like to acknowledge the contributions of all the PARSA staff, and the work of PARSA representatives both past and present who have tirelessly advocated for a better deal for students.

References

Australian National University ANU Student Data Summary Report. (2018). (rep.). *ANU Student Data Summary Report*. Retrieved from https://services.anu.edu.au/files/guidance/ANU_student_statistics_July_2018.pdf

Bladen, L., & Heagney, M. (2019, January 9). Canberra rental prices are now the highest of all the capital cities for houses. *Allhomes*. Domain. Retrieved from <https://www.allhomes.com.au/news/why-canberra-is-now-the-most-expensive-capital-city-to-rent-a-home-793387/>

Christopher, L. (2018, October 16). Vacancy Rates Steady [web log]. Retrieved from <https://propertyupdate.com.au/vacancy-rates-steady/>

Dodd, T. (2017, October 8). Education revenue soars to become Australia's \$20 billion export. *Australian Financial Review*. Nine News Co. Retrieved from <https://www.afr.com/leadership/education-exports-are-worth-28-billion-a-year-nearly-20pc-more-than-we-thought-20171005-gyvc8v>

International Research and Analysis Unit. Export income to Australia from international education activity in 2017, Export income to Australia from international education activity in 2017 (2018). Department of Education and Training. Retrieved from https://internationaleducation.gov.au/research/Research-Snapshots/Documents/Export_Income_CY_2017.pdf

Ishac, A. (2019, February 7). SQM Research - Canberra Rent & Vacancy Rates. Sydney: North Sydney.

Hovenga-Wauchope, Z. (2018). *Home Away from Home (rep.)*. *Home Away from Home*. ANU Postgraduate and Research and Students' Association. Retrieved from <https://parsa.anu.edu.au/pageassets/advocacy/report/Home-Away-from-Home-Report-FINAL.pdf>

Morgan, C. (2019, February 7). Dilapidated Fenner Hall building to house ANU postgrad students. *Canberra Times*. Nine News Co. Retrieved from <https://www.canberratimes.com.au/national/act/dilapidated-fenner-hall-building-to-house-anu-postgrad-students-20190205-p50vu5.html>

Tinessea, A. (2018, February 22). Rents raised for residences in 2018. *ANU Observer*. Retrieved from <https://anuobserver.org/2018/02/22/rents-raised-residences-2018/>

□ ■ HOME AWAY
■ □ FROM HOME



PARSA
ANU *postgraduate & research* students'
association

Melville Hall
Building 12, Ellery Crescent
Australian National University
Acton 2601

E: parsa@anu.edu.au T: 02 6125 4187



parsa.anu.edu.au



[parsaanu](https://www.facebook.com/parsaanu)



[parsaanu](https://twitter.com/parsaanu)



[parsa.anu](https://www.instagram.com/parsa.anu)

