Privacy acknowledgement: *	I have read and acknowledge how Council will use and disclose my personal information.
Name: *	Maddi Moore
Email address: *	[redacted]
Phone number *	[redacted]
Date of meeting: *	Tuesday 21 February 2023
Agenda item title: *	6.1 Ministerial Planning Referral: ID-2021-1, 1 Spring Street and 21-25 Flinders Lane, Melbourne
Alternatively you may attach your written submission by uploading your file here:	2023_02_21_national_trust_submission_to_fmc_agenda_item_6.1_1_spring_street.pdf 512.00 KB · PDF
Please indicate whether you would like to verbally address the Future Melbourne in support of your submission: *	No

NATIONAL TRUST

6 Parliament Place
East Melbourne
VIC 3002

Email: conservation@nattrust.com.au
Web: www.nationaltrust.org.au

T 03 9656 9818

21 February 2023

Future Melbourne Committee
City of Melbourne

Submitted online

Re: Future Melbourne Committee Agenda Item 6.1— Ministerial Planning Referral: ID-2021-1, 1 Spring Street and 21-25 Flinders Lane, Melbourne

Dear Councillors,

The National Trust of Australia (Victoria) writes to again express our strong objection to the current plans for the redevelopment of 1 Spring Street and 21-25 Flinders Lane, Melbourne, documented in the above Ministerial Planning Referral.

We understand that the current referral does not provide Council with an opportunity to comment directly on heritage matters, and when the last Ministerial Planning Referral regarding this matter was brought before the Committee, in April 2022, Council confirmed its objections to the Heritage Victoria applications for the proposed development. However, we would like to highlight the unacceptable impacts of this proposal on one of the City's most important heritage places of the modernist period.

Shell House is included in the Victorian Heritage Register as one of the state's most significant modernist buildings. Its architect, Harry Seidler, remains one of the most successful and influential architects in Australia's history. Over a period of 40 years, he redefined our city skylines with a series of innovative and award-winning skyscrapers across Australia. Shell House is the only example of a Seidler-designed skyscraper in Victoria, and remains remarkably intact to its original design. The relationships between the tower and the plazas surrounding it are fundamental to Seidler's scheme.

In March 2021, the National Trust objected to two applications under the *Heritage Act 2017* for permits to construct a new office tower on the northern part of the registered site, including demolition of the northern plaza, level three garden plaza, theatrette and part of the conference centre. Primarily, we believe that the adverse impacts on the building and its setting, including the public plaza and podium plaza on Flinders Lane, would undermine the architectural significance of the place.

In April 2022 we submitted to the Committee our objection to the Ministerial Planning Referral, stating our concern that if this development is approved, it will set a concerning precedent for future developments at heritage sites in the CBD, and undermine the integrity of the state heritage register.

Having reviewed the amended revised plans before you, our concerns regarding these adverse heritage impacts have still not been addressed since the heritage applications were exhibited, and therefore our position is unchanged.

We therefore call on the City of Melbourne to oppose the current proposal on heritage grounds as part of the broader planning process for this site.

Thank you for the opportunity to comment on this Ministerial Planning Referral. For any queries about this submission, please don't hesitate to contact me at [redacted] or on [redacted].

Yours faithfully,

Maddi Moore
Acting Manager—Advocacy
National Trust of Australia (Victoria)

Privacy acknowledgement: *	I have read and acknowledge how Council will use and disclose my personal information.
Name: *	Christine Khor
Email address: *	[redacted]
Phone number *	[redacted]
Date of meeting: *	Tuesday 21 February 2023
Agenda item title: *	Permit number nTP 2018 1174/A

Please write your submission in the space provided below and submit <u>by no later than 10am on the day of the scheduled meeting.</u> Submissions will not be accepted after 10am.

I have met with the planning team and owners of Waterside Hotel and I understand their position. Whilst I empathesise my concerns remain that the construction will impact my investment and cashflow in both the short and long term.

1. Specifically, my view will be obstructed impacting both rental and sales value. Current I have unobstructed view and a lot of natural light which is in high demand in the CBD.

2. During construction I am concern that disruptions will also impact my ability to find tenants and i will need to offer additional incentives to attract tenants to my property.

Please indicate whether you would like to verbally address the Future Melbourne in	No

support of your
submission: *

Privacy acknowledgement: *	I have read and acknowledge how Council will use and disclose my personal information.
Name: *	Mary Kehoe
Email address: *	[redacted]
Phone number *	[redacted]
Date of meeting: *	Tuesday 21 February 2023
Agenda item title: *	6.3 North Melbourne Heritage Review
Alternatively you may attach your written submission by uploading your file here:	hhp_submission_fmc_21.2.23_n_melbourne_heritage_review.pdf 162.84 KB · PDF
Please indicate whether you would like to verbally address the Future Melbourne in support of your submission: *	No

HOTHAM HISTORY PROJECT Inc.

C/o North Melbourne Library, 66 Errol St, North Melbourne, Vic. 3051
Ph: 03 9658 9700 Website: hothamhistory.org.au Estab. 1995
ABN: 89 919 256 977

Future Melbourne Committee 21 February 2023

Re: Agenda item 6.3 North Melbourne Heritage Review – Planning Scheme Amendment C403

The Hotham History Project wishes to congratulate the City of Melbourne and in particular, Councillor Leppert, for his untiring work to recognise and preserve this city's heritage, and for instigating this much needed heritage review of the historic central core of North Melbourne. As already expressed in our submission dated 13 September 2022, we support most of the recommendations contained in the Review and are pleased to see that 588 Victoria Street and 8 Jones Lane are now recommended for upgrading to 'Contributory' and 'Significant' respectively.

We also support the proposal to extend the existing Heritage Overlay HO3 boundary to include the road reserves of Shiel and Melrose streets including the intersection at Canning Street, North Melbourne.

In the case of the properties at 38 and 40-42 Curran Street, although altered, we suggested they warranted an independent review, as in form and material they still contribute to the streetscape of single fronted Victorian cottages. It is our long term lived experience that our heritage is being lost because buildings are permitted to be altered because they are not graded – or lowly graded – and then demolition is allowed because they have been modified. In time, more buildings are permitted to be demolished because the street is no longer intact resulting in the erosion of the heritage streetscape. There needs to be a more sensitive approach to assessing if altered buildings can be restored and, if demolished, to ensure that replacement buildings fit with the heritage streetscape.

The Guidelines for Owners in Urban Conservation Areas produced and distributed by the City of Melbourne in the 1980s was an excellent resource and perhaps could be updated and re-distributed to all residents in the Municipality so that they are aware of what is permitted in urban conservation area.

Lorna Hannan	Mary Kehoe
Chair	Committee Member

21 February 2023

Privacy acknowledgement: *	I have read and acknowledge how Council will use and disclose my personal information.
Name: *	Andrew Tijs
Email address: *	[redacted]
Phone number *	[redacted]
Date of meeting: *	Tuesday 21 February 2023
Agenda item title: *	Submission on behalf of Phil Honeywood, CEO, International Education Association of Australia

Please write your submission in the space provided below and submit by no later than 10am on the day of the scheduled meeting. Submissions will not be accepted after 10am.

1. There is no mention in the paper of providing safe affordable close to campus student accommodation. Given that we have a looming accommodation crisis, it's really important that City of Melbourne be seen to be taking some leadership in this policy area. Perhaps you could recommend the establishment of a Council led Student Accommodation Working Group. Council Planning policies must also have a role in this.

2. Council should initiate an international student Graduation Ceremony strategy with CBD based unis and private colleges. This would be to encourage more graduation ceremonies to take place in the same calendar year that the students finish their courses in order to attract parents and siblings to come to Melbourne as tourists and attend their student's graduation.

3. The employability policy area is very challenging to deliver on. However, what about Council providing or supporting some job interview workshops? Many overseas students don't understand how important it is to present well at job interviews particularly as so many just get their first part time jobs in Australia through word of mouth connections with same culture employers. But when they actually go for a course related job they could benefit from some good interview techniques!

Please indicate whether you would like to verbally address the Future Melbourne in support of your submission: *	No

Privacy acknowledgement: *	I have read and acknowledge how Council will use and disclose my personal information.
Name: *	Torie Brown
Email address: *	[redacted]
Phone number *	[redacted]
Date of meeting: *	Tuesday 21 February 2023
Agenda item title: *	International Education Paper

Please write your submission in the space provided below and submit <u>by no later than 10am on the day of the scheduled meeting.</u> Submissions will not be accepted after 10am.

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.

We have attached a research paper produced last year that shows the economic impact of international students across the three major study destinations – Sydney, Melbourne and Brisbane.

The report shows that residents who live in PBSA in Melbourne have the greatest economic impact of students in any market, with the majority of their spending going back into the economy through food and beverage, hospitality and activities in and around where they live (primarily the Melbourne CBD and Carlton). They spend more on average $4,810 per month – compared with the Australian average of $4,400.

The CoM has a strategic advantage when it comes to attracting international students who choose to study in Melbourne – and that is the availability and ongoing future pipeline of purpose-built student accommodation beds.

We believe that any future marketing campaigns could be strengthened by highlighting the availability of safe, centrally located and professionally managed student accommodation sites, as suggested below:

6.4. Marketing and Promotion

Melbourne is currently the only major city (other than Canberra) where there is still availability and good supply of purpose-built student accommodation beds – we suggest highlighting this fact in any marketing around Melbourne as a destination, given housing insecurity and anxiety is a big issue for international students currently. The fact that CoM still have purpose-built student accommodation beds available differentiates it from all other major study destinations, and could well be the deciding factor for young people keen to secure a safe, professionally managed and vibrant housing option before they arrive in Australia.

Alternatively you may attach your written submission by uploading your file here:	property_council_pbsa_report__final__11.10.22.pdf 8.45 MB · PDF
Please indicate whether you would like to verbally address the Future Melbourne in support of your submission: *	No

The Unsung Hero Underpinning Australia's Largest Service Export

Purpose-Built Student Accommodation

November 2022

PROPERTY COUNCIL of Australia
STUDENT ACCOM. COUNCIL

Foreword

Torie Brown

Executive Director - Student Accommodation Council, Property Council of Australia

Anouk Darling

Chair of Property Council of Australia's Student Accommodation Council, CEO of Scape

Young people who choose to study at Australian universities and institutions are the life-blood of our cities – they live, shop, study, relax and play in CBDs across the nation. Some travel across the world to study in Australia, others from one suburb over, but the impact they have on our education sector and capital cities is the same.

International students who have positive experiences while living in Australia go home as life-long ambassadors for our country, and the Australian students they befriend along the way stay connected with them long after they return home. Students who choose to live in purpose-built student accommodation (PBSA) do so for a variety of reasons. It's safe, they are surrounded by like-minded young people, its close to study and transport 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'd 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. However, PBSA is not just a niche product for international students – it is a vital part of Australia's housing supply chain, and one that needs to grow to support our critical education sector and residential rental market.

This report shows the true role that PBSA plays in our cities, both economically and socially, but it also highlights the role this sector has on adding important housing stock into the market. Without PBSA, tens of thousands of international and domestic students would be competing in the private rental market with other Australians. As Australia faces a looming housing shortage and rental squeeze, the role PBSA plays in alleviating rental pressure and housing our students has never been more critical.

PBSA – good for the student, good for the CBD, and good for the housing market. It's that simple.

Purpose-Built Student Accommodation (PBSA), underpins a vital economic sector that benefits all Australians. Yet little is known about the category, despite it underpinning Australia's largest service industry export international education, which prior to the pandemic contributed around $40b to the economy.

As Australia faces some of the lowest vacancy rates in residential rentals, PBSA can alleviate this pressure whilst providing a fit for-purpose environment, that is created for students to flourish.

PBSA is the backdrop to a rich cultural tapestry that is home to the brightest minds, offering a safe haven and unique environment built around the needs of the customer – the students. However, our current tax structures, Residential Tenancy Acts, council requirements and other regulatory environments are stifling not just economic contribution, but are dampening growth.

This report highlights the strategic pillars that PBSA delivers to enhance a beneficial social and economic outcome and spotlights the current barriers that constrain further advancement. There is a great deal to be done, and The Student Accommodation Council is committed to driving initiatives that support Australia's future, for the benefit of all.

Purpose-Built Student Accommodation (PBSA) is an essential driver of growth for Australia's education industry

The PBSA sector provides students **with an all-inclusive accommodation experience,** and is a **common landing point** for regional, interstate, and international students as they commence their studies and adjust to a new living environment.

PBSA developments also provide significant economic benefits for their local areas – typically dense inner-city regions which were hit hardest by the pandemic. The average PBSA student as tracked by credit bureau Illion **spends just under the equivalent of an average Australian adult ($4,400 per month).** The private PBSA sector provides **76,500 student beds** across Australia in **over 200 PBSA developments** and is a substantial part of Australia's property industry – the 10 founding members of the Student Accommodation Council currently have **more than $20 billion in assets.**

PBSA has stood up to the task of **accommodating rapid growth in demand for Australian universities,** but there are still significant difficulties. To best support the sector in its continued growth, the following actions are essential:

1. **Encouraging investment** from both domestic and international investors by reducing tax barriers to foreign investment and forming a consistent classification of PBSA as an asset class.
2. **Streamlining development, approvals and operations** across all three levels of government by incorporating PBSA into zoning plans and developing PBSA-specific legislation for Residential Tenancy Acts.
3. **Attracting and supporting students** by further marketing Australia as a safe and welcoming destination for international students, this can be achieved through pathways to post-study employment and supporting students during their return to in-person learning.

Australia's PBSA sector at a glance:

4th largest
student market in the world[1]

Over 200
PBSA developments in Australia

76,500
PBSA beds provided for students

$4,400
Spent per month, per student[2]

Source: 1. Statista (2020); 2. Illion data of consumer transactions

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02 PBSA enables the growth of the education sector, Australia's largest services export

03 The PBSA sector supports jobs, local communities and economic growth

04 How to get to best practice regulation

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01 PBSA provides a unique experience for students

PBSA is specially designed for students, tailored to their specific needs

PBSA provides students with a fit-for-purpose accommodation option. The purpose-built nature of PBSA is how the sector differentiates itself from other offerings in the market for Australian students. PBSA only supplies housing to students, and as such caters to the specific need of their market. The physical layout of the building is designed as mixed-use – incorporating retail outlets, communal spaces, study areas, amenities and multiple accommodation formats. PBSA buildings are located in proximity to both universities and education precincts 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 are able to 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 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.

Level 17: communal kitchens and terrace

Ground level: communal space and retail

Yugo Infinity Place, Melbourne

PBSA is a premium offering in the student accommodation market

Level of services provided

Low ◄ ··· ► High

Private rental accommodation

- Students **bear the cost and responsibility of utilities, internet and furnishings**
- Leases are generally 12 months with limited supply at times of year when there is greatest student demand
- Securing a property can be difficult without rental history – leases can be insecure
- Residents are at risk of being taken advantage of by some landlords, due to less understanding of their rights
- Quality of building and responsiveness of landlords/agents varies
- Social connectivity is not guaranteed, and is highly dependent on housemates (if sharehousing)

Family stays / homestays

- Typically more affordable than other accommodation
- Student experience is **highly dependent on family placements** - some provide high levels of support and others provide none
- Generally furnished with some utilities provided
- Location not necessarily close to campus or public transport
- Environment likely not as supportive as residential colleges or PBSA (lack of professional pastoral care, wellbeing services, etc.)
- Risks associated with moving into housing with strangers, especially for younger international students

University residential colleges

- Purpose-built for students, but **restricted capacity and growth prospects** due to limited on-campus land
- Located on campus in close proximity to classes
- Fully furnished accommodation
- Meals are often provided
- Support networks of other students and pastoral care is typically provided
- Social events and activities, including study and peer networks
- Larger share of domestic students than international students

Purpose-Built Student Accommodation

- Purpose-built for students close to universities and inner-city regions, with **greater ability to scale** beds compared to residential colleges
- Fully furnished accommodation, with standard services included (Wi-Fi, kitchen facilities, and security)
- Social events and study support networks promote independent life skills (meals, laundry, etc.)
- May have other services such as gyms, music rooms, cinemas, games rooms, transportation services and cafes
- Pastoral care including mental health and wellbeing services
- Academic and career support including tutoring services, study groups, and career events

PBSA provides students with an all-inclusive service and access to pastoral care services, social events and academic support

Purpose-Built Student Accommodation (PBSA) is built specifically for the needs of students, and is a common landing point for new regional, interstate, and international students. PBSA plays a core role in enabling the continued growth of Australia's education export market, and is essential for the recovery of the sector following the COVID-19 pandemic.

PBSA provides more than just a place to stay for residents. PBSA developments provide a welcoming introduction to higher education and a supportive environment immediately after their move to a new and often unfamiliar city. A selection of premium PBSA features are included below.

Students choose PBSA for the following features:

All-inclusive accommodation

PBSA is all-inclusive, which means rent includes a fully furnished space, utilities, Wi-Fi, security, gym facilities and often other services including cleaning and laundry.

Close to campus

PBSA buildings are located close to university campuses and transport options, allowing residents to save travel costs and time and be closer to activities and supports.

Pastoral care services

Mental health and wellbeing is a top priority for providers, who offer 24/7 support staff, pastoral care programs and leverage affiliations with university mental health support services.

Social community and activities

Events and social activities are one of the key pillars of PBSA as they allow students to connect with one another as they transition to living away from home.

Academic and career support

PBSA providers have many study and work-related support systems in place. These include study groups, tutoring, post-study pathway sessions and career counselling.

Facilitating global citizenship

PBSA brings regional, interstate and international students together in one inclusive place, and also actively encourages engagement with local activities and opportunities.

Flexible offerings

Students have more flexibility than other accommodation options and can typically choose between a private studio or a shared apartment on a per semester or annual tenancy.

PBSA is a high growth, high value asset class with many unique characteristics

PBSA is a unique asset class, which differs from both commercial and residential classifications. PBSA is a student housing scheme which is developed in close proximity to tertiary institutions. Unlike commercial and residential buildings, PBSA typically offers semesterly or academic year leases and only tenants enrolled at an education institution are eligible to live in PBSA. These characteristics allow PBSA to provide a unique offering, but have meant that PBSA is not as well understood as other property asset classes in Australia.

PBSA in Australia is typically privately owned and operated, however several providers have agreements and partnerships with universities to provide accommodation as part of a joint venture.

PBSA is relatively new to Australia, and is considered an alternative asset class which has restricted investment and development. The domestic market for PBSA reached scale around 2015 and has continued to grow since.[1] As PBSA is a non-traditional investment category, it is often considered an alternative housing asset class. Given PBSA investment is required at the development level and its historical label as an alternative asset class, it has seen relatively low levels of investment from domestic investors such as superannuation funds, banks, and investment trusts. This has inhibited domestic investment in comparison to more mature markets like the United States and the United Kingdom where PBSA is better understood by investors and has a strong pipeline of both international and domestic investment.

Lifting the national understanding of PBSA and the unique service it provides students will enable growth in domestic investment and help the sector establish itself as a mature asset class in the Australian property sector.

PBSA developers, operators, and investors in Australia

Source: 1. Department of Education, Skills and Employment (2021); Expert interviews

Y Suites on Waymouth, Adelaide

"Love it here! I really have enjoyed my time! The rooms are very nice and their common areas are so good!

They also have a really good events program and I really enjoy going and getting to know people!

The staff are really nice and I have thoroughly enjoyed my experience with them!

Definitely would recommend and I will absolutely be renewing my lease!

- Brock, Brisbane

> I live in a four-bedroom apartment – we have a huge TV for movie nights and a window seat that looks over the city!
>
> I have a cosy room with an ensuite and a desk. It's the perfect balance between living with a great group of friends and still having private space for study and downtime.
>
> - Emily, Melbourne


Scape Abercrombie, Sydney

Case Study

A day in the life...

Kaylie is an international student studying at the University of Melbourne. She lives in Yugo's University Square building in Melbourne.

A day in Kaylie's life gives us a glimpse into the student experience for PBSA residents in Australia and some of the unique benefits that PBSA provides.

6am | Laundry and gym
Kaylie wakes up early and starts her day by doing some laundry and working out at the building gym, which contains cardio and strength training equipment.

8am | Breakfast
After her workout, Kaylie showers and cooks some breakfast in her apartment, before moving to the outdoor communal area to enjoy her breakfast with some fresh air and a view.

10am | University class
Kaylie stops at a nearby café to get a coffee before heading to the University of Melbourne campus for a class, which is just across the street from her building.

1pm | Study
Kaylie makes her way to another Yugo building nearby, Infinity Place, to use one of the study spaces she booked in advance for a few hours.

3pm | Cinema
With some spare time in the afternoon, Kaylie spends some time in the building's communal cinema, where she has free access to Netflix and other subscription services.

5pm | Garden terrace
Kaylie finishes her day by relaxing on the rooftop garden terrace, which has city views and is available to all students to enjoy.

Source: Yugo (2019)

Yugo University Square, Melbourne


Y Suites on Waymouth, Adelaide

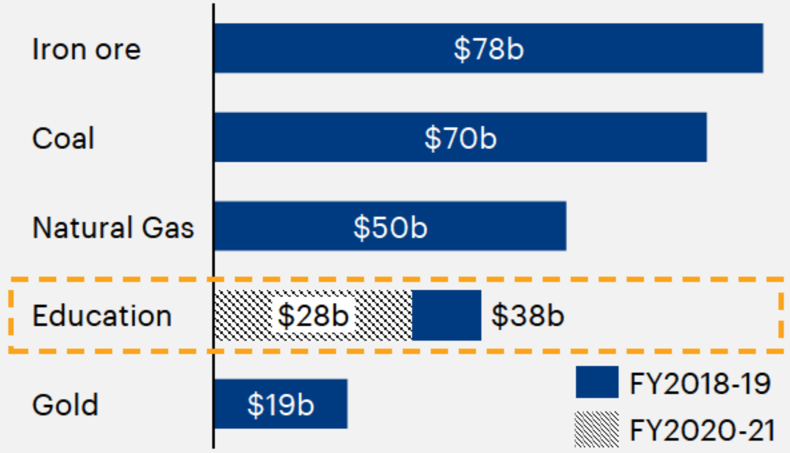
02

PBSA enables the growth of the education sector, Australia's largest services export

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.

Since FY2018-19, education has been Australia's **fourth largest export**, and **top services** export.[2]



Education sector exports are expected to bounce back from a pandemic-related low of $28b in FY2021 to **$33b by FY2025.**

13

Australian universities in global top 200

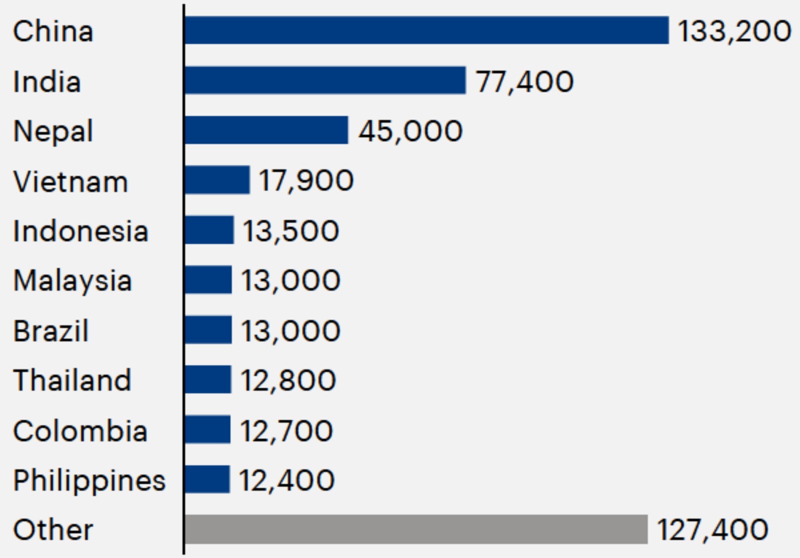
478,000

Australian tertiary international students onshore, YTD 2022[1]

4th

Largest international student market[3]

Australia is home to international students from **over 100 countries**, with **73% coming from the top 10 markets**.

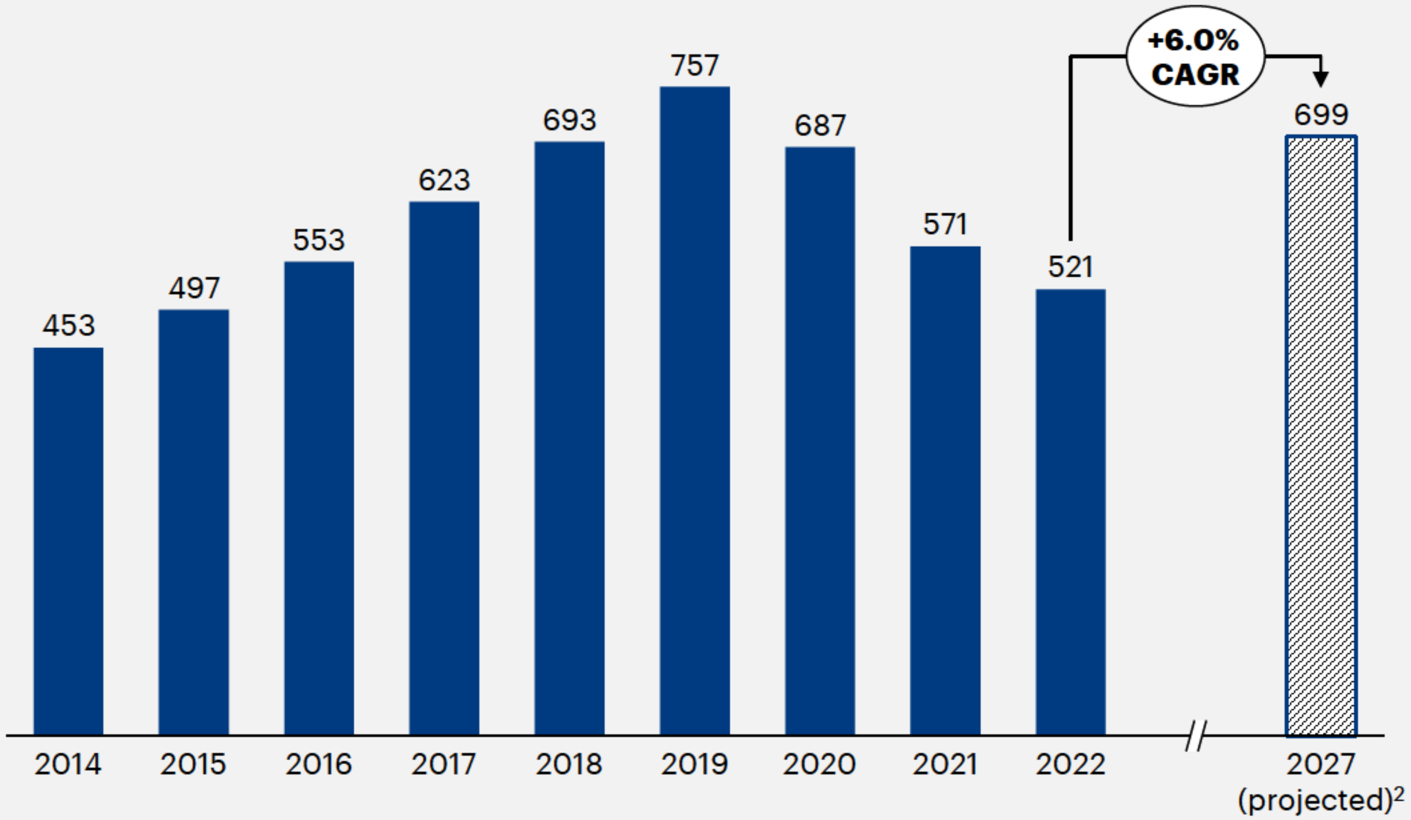


Source: 1. Department of Education (2022); 2. Department of Foreign Affairs & Trade (2022); 3. Statista (2020)

PBSA adds to housing supply to accommodate growing numbers of students, without exacerbating rental shortages in Australia

International student numbers are expected to continue to grow at a pre-COVID rate

Number of international students enrolled in Australia, '000s, per year[1]



International student numbers are expected to recover to near-pre-COVID levels by 2027.

The education sector in Australia is projected to service 699,000 students by 2027, as forecasted by IBISWorld. Approximately 521,000 international students are enrolled and studying in Australia in 2022, which is around two-thirds of pre-pandemic (2019) international student numbers.[2] The number of student visa lodgments was 364,000 for the 2021-22 program year, which is higher than pre-COVID figures.[3] These figures indicate a steady return of international students, which is expected to continue in the next several years.

Australia's international student returns are on par with international competitors.

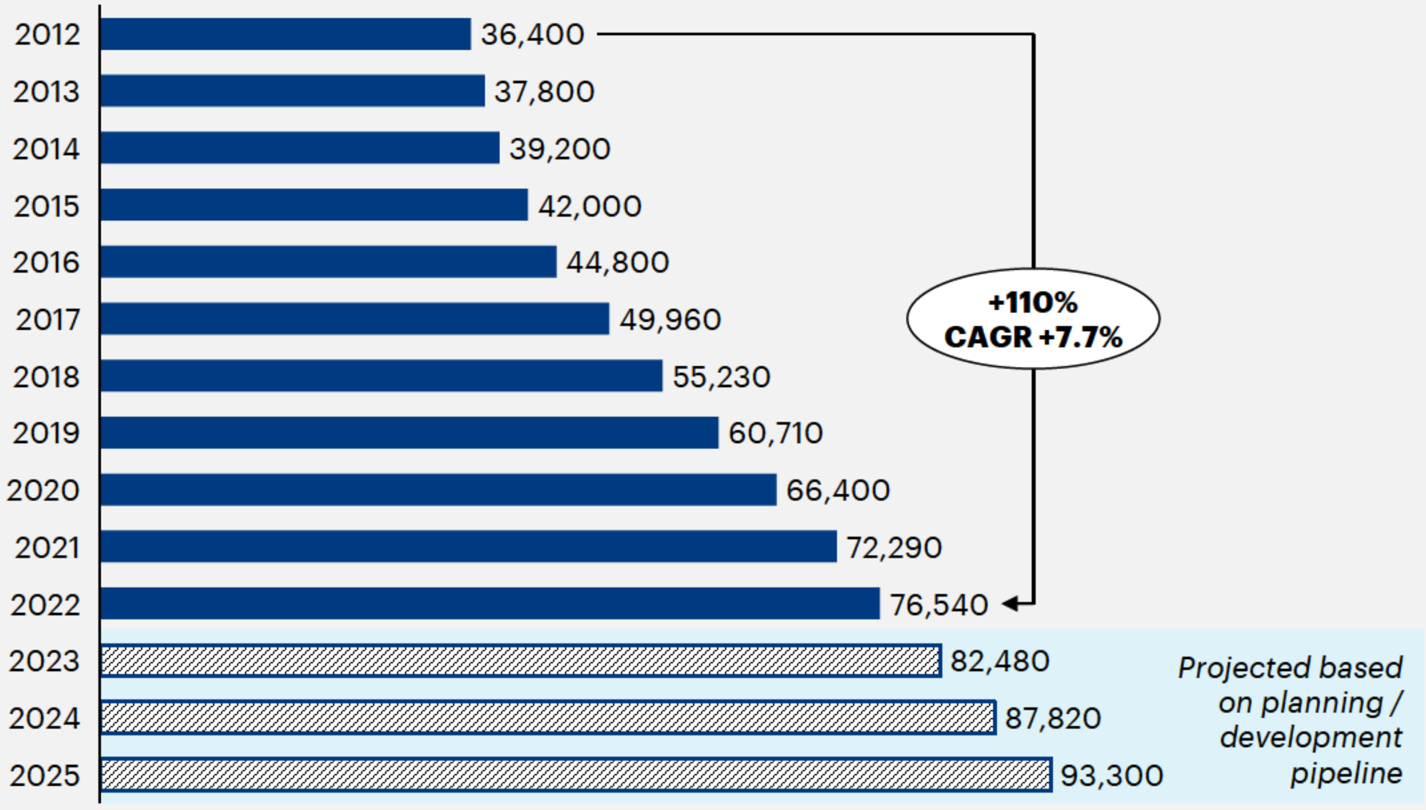
The United States benefitted from the return of international students sooner than Australia, due to fewer border restrictions. The United States is approximately six months ahead of Australia, experiencing a return rate of 68% relative to 2019 figures in the July-December window of 2021. The US international student enrolment figures are now estimated to be at 85% of 2019 figures, lending weight to projections of a recovery in enrollments. The Australian PBSA sector is prepared to play an important role in housing growing numbers of international students, in addition to domestic students relocating from regional areas or interstate.

Source: 1. Department of Education (2022). 2. IBISWorld Number of Foreign Students in Australia (2022), 3. Department of Home Affairs (2022)

The supply of PBSA beds in Australia has doubled since 2012 to meet rapidly growing student demand

Growth in the number of privately operated PBSA beds over the past decade[1]

Number of PBSA beds operational per year[a]



The PBSA sector in Australia has grown strongly over the past decade to meet the rising demand for Australian higher education.

In 2022, bed numbers in PBSA developments are now more than double what they were in 2012, an annualised growth rate of 7.7%.

This means that a greater number of students now have the opportunity to live in close proximity to tertiary institutions and inner-city areas, providing a supportive, convenient, and comfortable landing point for students moving from regional areas, another state, or another country.

PBSA as an asset class is set to experience further growth as total bed numbers edge closer to 100,000 by 2025, based on projects currently in planning or development stages.

These developments continue to ease pressures on the private rental market, while also revitalising inner-city areas and supporting the CBD regions hit hardest by the pandemic.

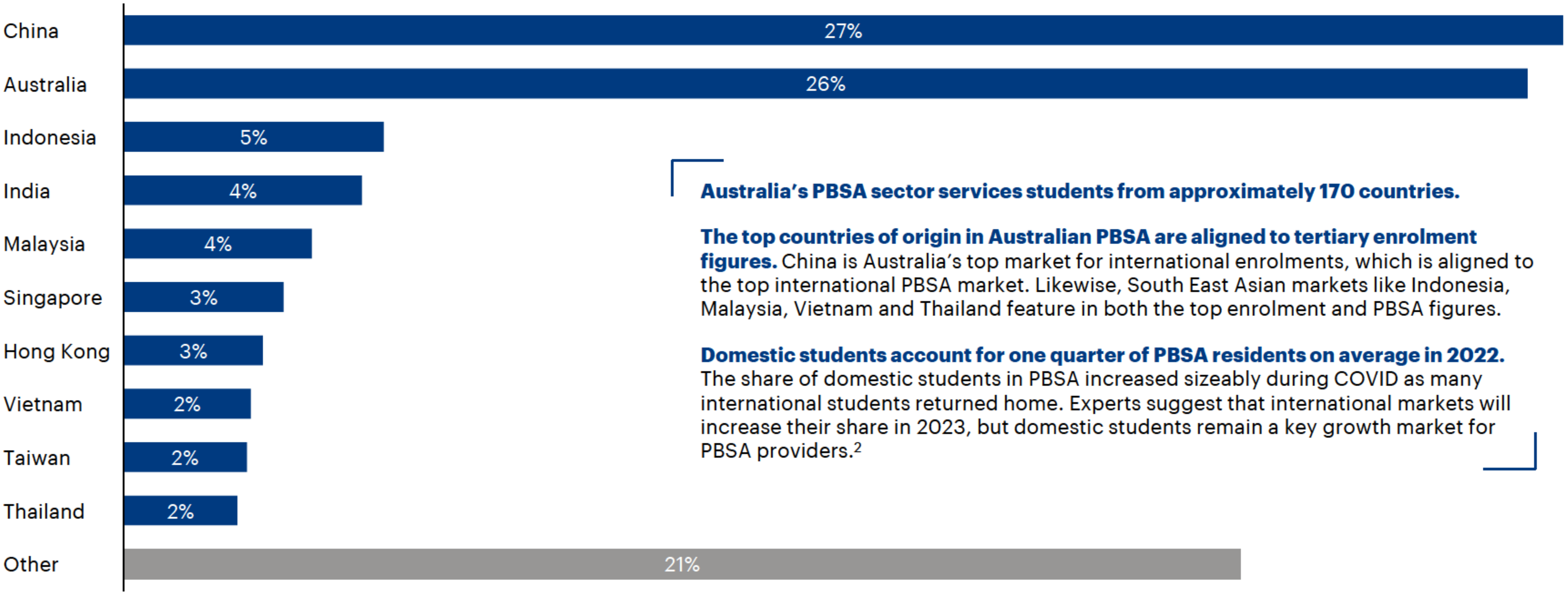
Residents benefit from being in close proximity to services and potential employment opportunities, as providers often run frequent community events and facilitate partnerships with local employers.

Source: 1. Savills Australian Student Accommodation 2020 and Urbis data
Notes: a. Does not include university-owned and operated student accommodation (e.g., residential colleges).

Chinese, Australian and Indonesian students make up almost 60% of the students in Australian PBSA

Leading countries of origin for PBSA residents[1]

Average proportion of student residents living in PBSA, by country of origin



Australia's PBSA sector services students from approximately 170 countries.

The top countries of origin in Australian PBSA are aligned to tertiary enrolment figures. China is Australia's top market for international enrolments, which is aligned to the top international PBSA market. Likewise, South East Asian markets like Indonesia, Malaysia, Vietnam and Thailand feature in both the top enrolment and PBSA figures.

Domestic students account for one quarter of PBSA residents on average in 2022. The share of domestic students in PBSA increased sizeably during COVID as many international students returned home. Experts suggest that international markets will increase their share in 2023, but domestic students remain a key growth market for PBSA providers.[2]

Source: 1. PBSA provider data; 2. Expert interviews

Case Study

Queensland University of Technology (QUT)

PBSAs provide a place for students to study, socialise and work together and allow international students to integrate easily with domestic students. The proximity of PBSAs to campuses is highly attractive for students.

PBSAs remove the need for universities to provide student accommodation and allows universities to focus on education and research.

PBSAs have positively impacted QUT 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.

"PBSAs, through a focus on pastoral care, have greatly enhanced student retention, leading to better education and social outcomes for students and economic benefits for the university and the local region." - QUT representative

Scape Merivale, Brisbane


Student One Adelaide Street, Brisbane

03 The PBSA sector supports jobs, local communities and economic growth

International students study the most in-demand degrees, with 16% staying after their studies, alleviating workforce shortages

University degree	Number of international students studying[1]	Priority migrant ANZSCO occupations Based on Department of Home Affairs' 44 Priority Occupations[3]
Management and commerce	216,000	Chief Executive or Managing Director, Accountant (General), Management Accountant, Taxation Accountant, External Auditor, Internal Auditor
Information technology	76,000	Analyst Programmer, Developer Programmer, Software Engineer, Software and Applications Programmers, ICT Security Specialist
Engineering	56,000	Civil Engineer, Geotechnical Engineer, Structural Engineer, Transport Engineer, Electrical Engineer, Mechanical Engineer, Mining Engineer, Petroleum Engineer
Society and culture	44,000	Social Worker, Veterinarian
Health	42,000	Hospital, Industrial and Retail Pharmacist, Orthotist or Prosthetist, General Practitioner, Resident Medical Officer, Midwife, Psychiatrist, Registered Nurse
Natural and physical sciences	30,000	Medical Laboratory Scientist, Surveyor, Cartographer, Other Spatial Scientist
Creative arts	21,000	Multimedia Specialist
Architecture and building	14,000	Construction Project Manager, Maintenance Planner

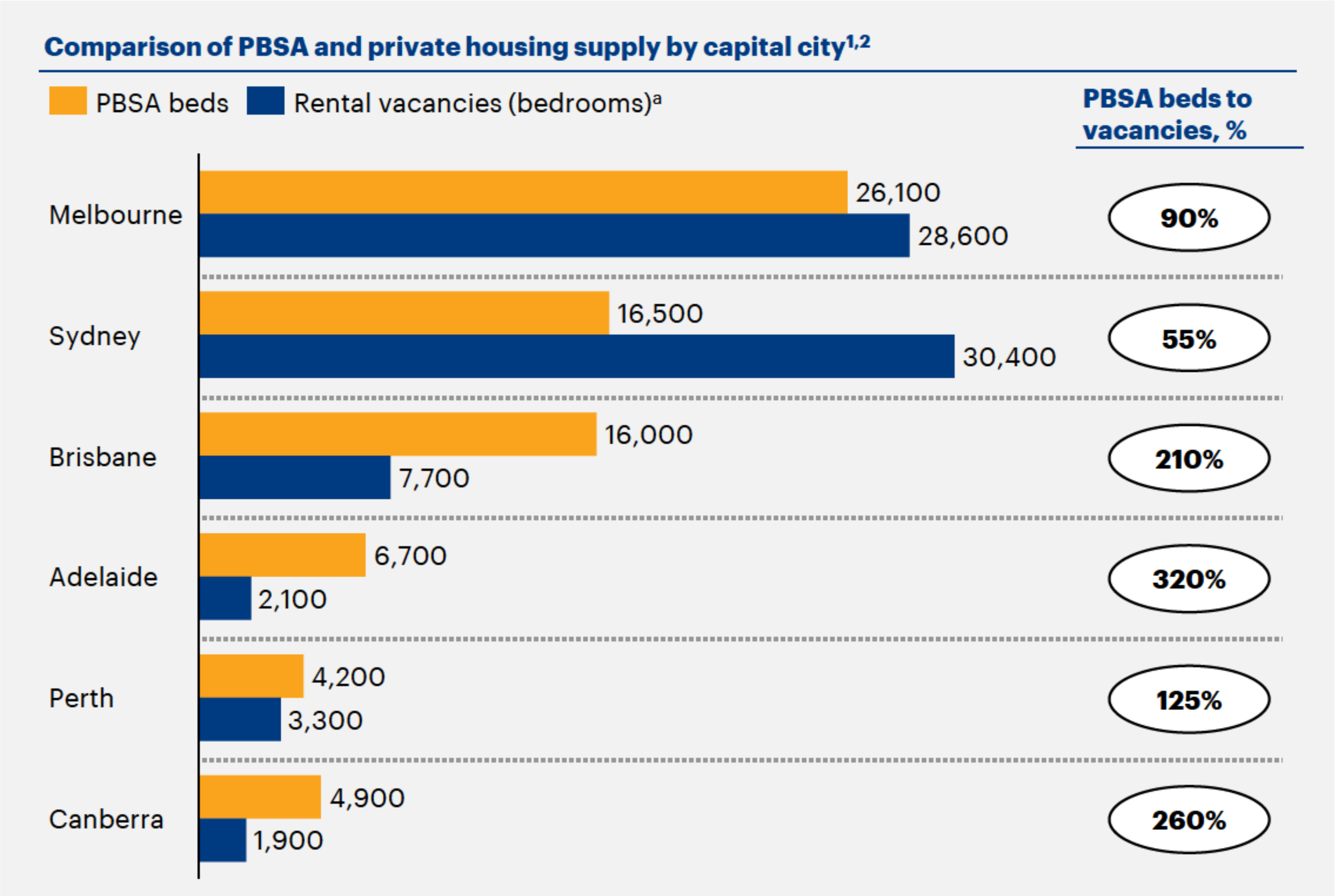
43 out of 44 priority ANZSCO roles fall under the top eight course areas studied by Australian international students.

But, latest data suggests that only 16% of Australian international students stay on to work in the country post-study.

By comparison, approximately 27% of Canadian international students stay on to work in Canada post-study.[2]

Source: 1. UCube Higher Education Statistics (2021); 2. Sydney Morning Herald (2022); 3. Department of Home Affairs 2022

PBSA accommodates the growing number of tertiary students in Australia while helping to alleviate rental shortages



PBSA accommodation provides vital housing supply for Australia's cities, and are essential in providing international students a smooth return to on-campus learning.

This additional housing supply allows international enrolments to continue growing without exacerbating existing rental shortages in the private housing market.

The effects are particularly evident in Canberra, Brisbane, and Adelaide, where the number of PBSA beds outnumbers estimated rental room vacancies by a factor of 2 or more.

In Sydney and Melbourne, PBSA bolsters rental supply by providing additional housing options which equates to around half of vacancies in Sydney and 90% in Melbourne. Without PBSA, there could be significantly fewer vacancies in the private rental market.

Shortages of student accommodation in other markets are a significant barrier for students, creating fear and uncertainty.

Student accommodation shortages in the Netherlands, Ireland, and Canada are creating a housing crunch. For example, some Dutch universities have recently warned international students not to come to the country unless they have secured housing before arriving.[3]

Source: 1. SQM Research: Residential Vacancy Rates (August 2022 data); 2. ABS Census 2021 (average rooms per dwelling); 3. ICEF Monitor (July 2022)
Notes: a. Estimated bedrooms per rental vacancy calculated using 2021 Census data on dwellings. In reality, this likely overstates the number of bedrooms per vacancy as rentals would be more weighted towards properties with less bedrooms (units, apartments, etc.).

Case Study

City of Melbourne

PBSAs have a large footprint within the City of Melbourne and play an important role in providing a safe place for international, interstate and regional students.

The City of Melbourne aims for students to have life-long connection to the city. For the City of Melbourne, international students' contributions are more than just economic. International students add to the vibrancy of the area and often occupied important front-line roles during the pandemic.

Students who feel connected to the city are more likely to contribute to their local communities and maintain a lasting connection with Australia.

PBSAs have contributed to the City of Melbourne by:

- Supporting the international education sector and student events within the municipality
- Helping to integrate international students with domestic students, and assisting in engaging students in local activities
- Providing local employment opportunities and a footing for students in the domestic job market
- Facilitating a sense of connectedness to the city for PBSA residents

"International students are friends and neighbours to many people; they regularly participate in value-add activities such as volunteering and occupy important front-line jobs," – City of Melbourne official

City of Melbourne

Students living in PBSA make significant contributions to the economy and their local communities

"Young people who choose to study at Australian universities and institutions are the life-blood of our cities – they live, shop, study, relax and play in CBDs across the nation. Some travel across the world to study in Australia, others from one suburb over, but the impact they have on our education sector and capital cities is the same."

Torie Brown,

Executive Director – Student Accommodation Council,

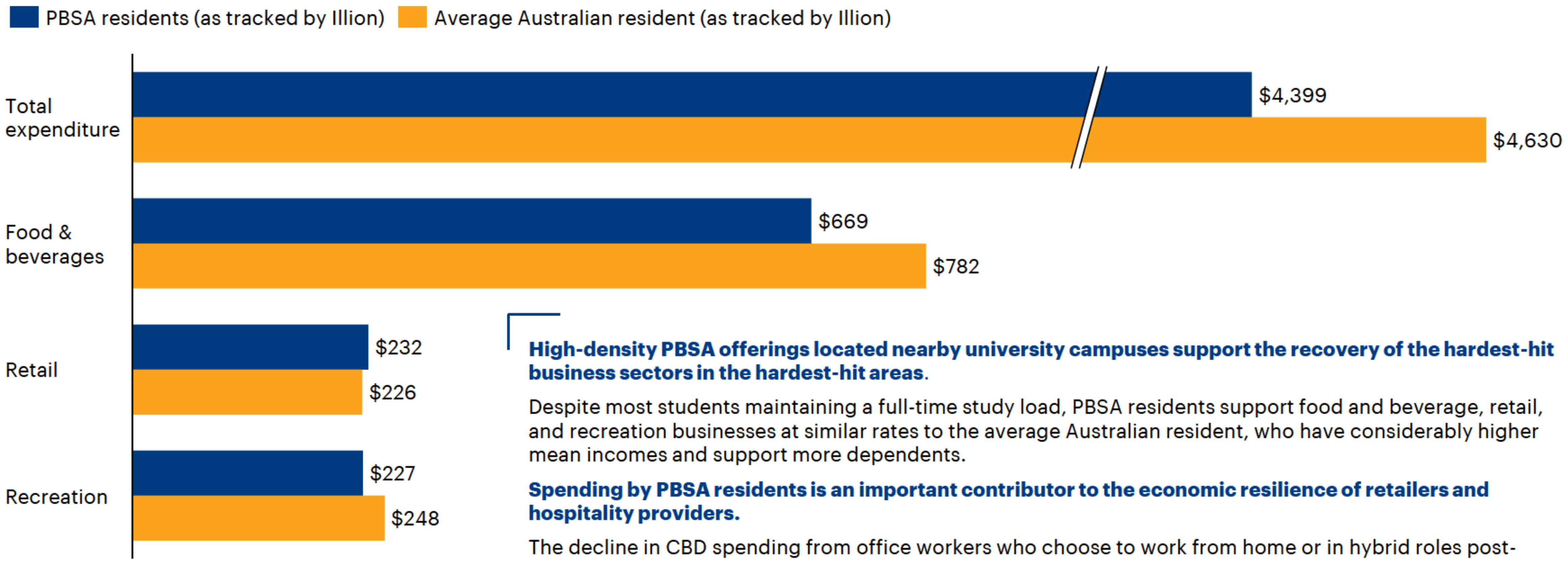
Property Council of Australia

1. **Adding vibrancy to our cities**
2. **Activating spaces**
3. **Supporting local businesses**
4. **Creating cultural experiences**
5. **Easing private rental shortages**
6. **Alleviating workforce shortages**

Despite studying, PBSA residents spend almost as much each month as the average Australian resident

Spending, total amounts and selected categories most relevant to small businesses[1]

Spending per month, semester one 2022, $ AUD



High-density PBSA offerings located nearby university campuses support the recovery of the hardest-hit business sectors in the hardest-hit areas.

Despite most students maintaining a full-time study load, PBSA residents support food and beverage, retail, and recreation businesses at similar rates to the average Australian resident, who have considerably higher mean incomes and support more dependents.

Spending by PBSA residents is an important contributor to the economic resilience of retailers and hospitality providers.

The decline in CBD spending from office workers who choose to work from home or in hybrid roles post-COVID has greatly impacted the viability of many retail, recreation and hospitality businesses in these areas.

Source: 1. Illion data of consumer transactions; Accenture analysis

PBSA residents in New South Wales and Victoria outspend the national average

PBSA resident spending (excluding tuition) as tracked by Illion, by state[1]

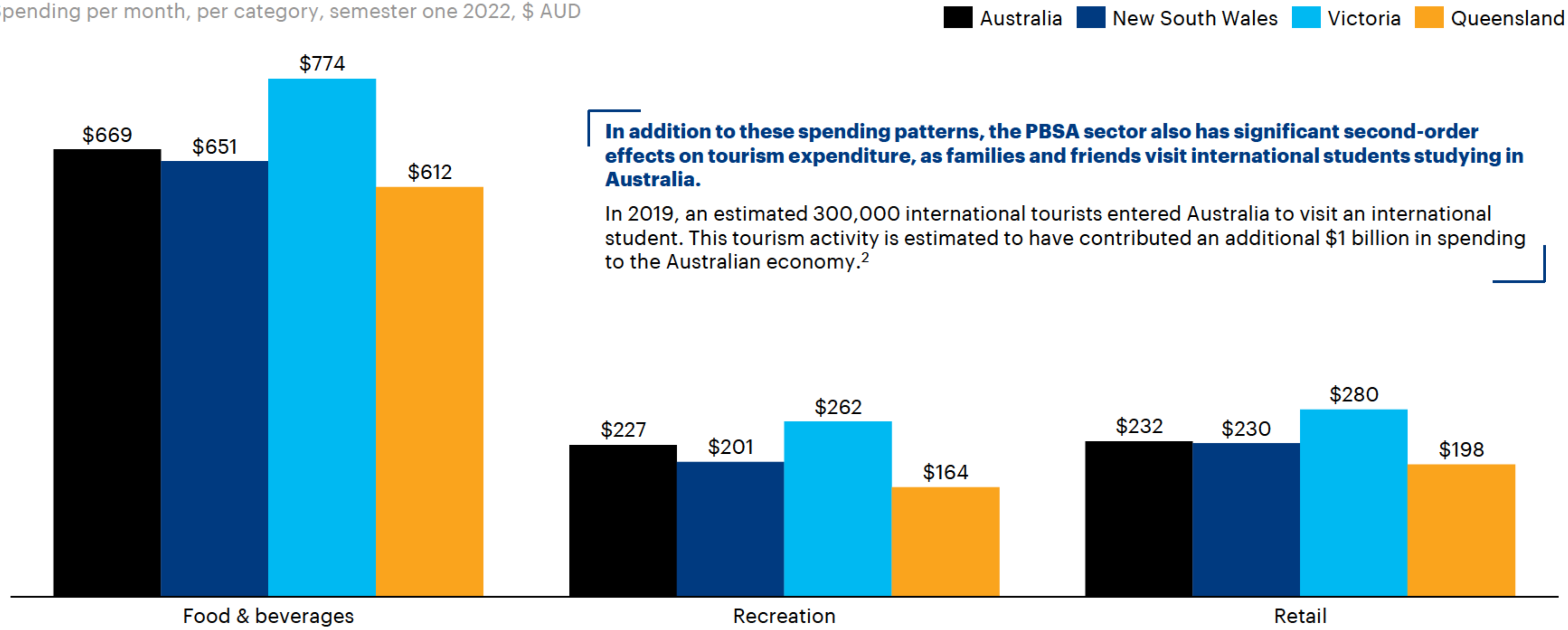
Spending per month, semester one 2022, $ AUD

Source: 1. Illion data of consumer transactions; Accenture analysis

Victorian PBSA residents outspent the national average across food and beverages, recreation and retail

PBSA resident spending as tracked by Illion, by state and category[1]

Spending per month, per category, semester one 2022, $ AUD



In addition to these spending patterns, the PBSA sector also has significant second-order effects on tourism expenditure, as families and friends visit international students studying in Australia.

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.[2]

Source: 1. Illion data of consumer transactions, Accenture analysis; 2. International Education Association of Australia (2020)

04 How to get to best practice regulation

Encouraging investment, streamlining development, and attracting students are key challenges for the PBSA sector

Encouraging investment

Key recommendations:

1. **Reduce tax barriers to foreign investment** such as foreign owner surcharges and **harmonise tax policies between jurisdictions**
2. **Form a consistent classification of PBSA to incentivise domestic investment**

Dwell Student Living

Streamlining development, approvals and operations

Key recommendations:

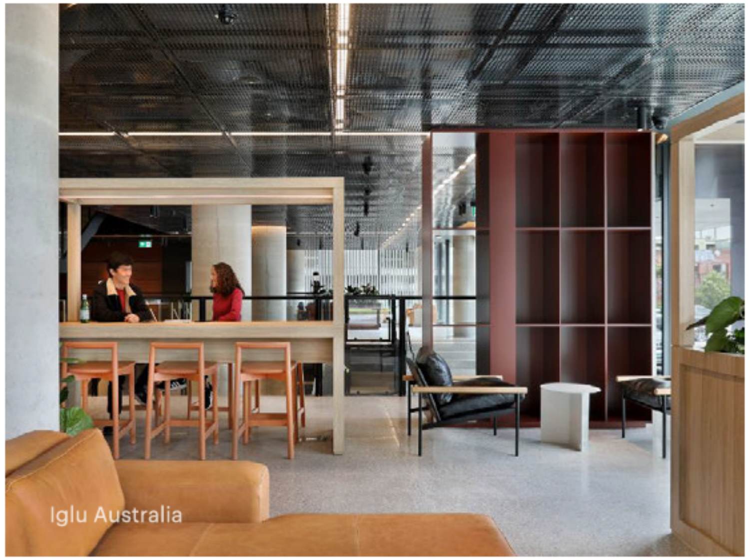
1. **Incorporate PBSA into zoning plans,** particularly around tertiary education providers
2. **Develop PBSA-specific legislation for Residential Tenancy Acts** that cater to the unique needs of the asset class and the additional benefits it provides

Yugo Australia

Attracting and supporting students

Key recommendations:

1. **Focus on pathways to post-study employment** to help ease domestic workforce skills shortages
2. **Support international students** as they return to study in person and on campus at Australian universities



Iglu Australia

Encouraging investment from both domestic and international investors is vital for the growth of Australia's PBSA sector

Encouraging investment

To encourage investment, state and territory governments should consider exempting the PBSA sector from foreign-owner land tax and stamp duty surcharges, and tax policies should be harmonised between states and territories. Government should also form a consistent classification of PBSA to incentivise domestic investment.

Australia's PBSA sector has traditionally relied on foreign investment, as there is limited domestic experience with the asset class. Domestic investors have historically been less interested in PBSA due to perceptions of short-term tenancies, but this can be alleviated through a unified classification of PBSA which clearly defines the sector, thereby incentivising local investment.

Australia has seen high levels of interest from foreign investors in the PBSA sector, enabling strong growth over the past decade. However, Australia continues to have fees and charges that generally disincentivises foreign buyers from purchasing established dwellings, including foreign owner stamp duty surcharges, land tax surcharges, and high Foreign Investment Review Board (FIRB) fees. For example, if PBSA developments are not specifically designated for a particular university, they are charged residential FIRB fees rather than commercial FIRB fees. This can effectively increase fees almost a hundred-fold, the FIRB transaction fees for a $50 million residential property are over $1 million, but just $13,200 for a commercial property.[1] While there have been some GST and Managed Investment Trust supports for PBSA, the sector still faces headwinds which can be aided by further supports.

By removing barriers to investment in Australian PBSA, domestic and foreign investment can be unlocked to ensure a strong outlook for the sector as it continues to grow. With student enrolments recovering after the pandemic, PBSA buildings full across the country and a positive outlook for Australia's education sector, specific support for PBSA could contribute significantly to growth in the education export sector, reduce workforce shortages and help ease private rental market pressures.

Key activities

- **Encouragement of foreign and domestic investment into properties in development**, which will help grow the sector.
- **Attracting investment from key international corporations and global investors** in PBSA to Australia, including GIC, Cedar Pacific, Wee Hur, and Brookfield.
- **Inception of the Property Council of Australia's Student Accommodation Council** in 2022, which regularly engages with industry and advocates on behalf of the sector.

Source: 1. Foreign Investment Review Board Guidance Notes: Fees

Reducing barriers to investment will help the sector grow, which will help ease private rental market shortages

Encouraging investment

Recommendations

Reduce tax barriers to foreign investment and harmonise taxation policies

Alleviating pressures on foreign investors will make PBSA investment more accessible and unlock future growth. Historically, Australia's PBSA sector has mostly relied on foreign investment, but many levies and taxes around the country disincentivise international investment. Most states and territories levy one or both of stamp duty surcharges and land tax surcharges on foreign investors. International investors also pay high application fees to seek approval from the federal government's Foreign Investment Review Board. In addition to removing disincentives, harmonising tax treatments between Australia's states and territories would reduce uncertainty and make PBSA a more attractive asset class for investment.

Form a consistent classification of PBSA to incentivise domestic investment

Having a consistent definition and classification of PBSA as an asset class would incentivise further domestic investment. The PBSA sector would benefit from harmonisation of the classification of PBSA as an asset class between different states and territories. This classification influences the stamp duty, land tax, and foreign owner surcharges that PBSA developers and operators are currently liable to pay. Increasing investment in the Australian PBSA sector would in turn incentivise further growth in developments, supporting students studying in Australia and alleviating rental market shortages.

Examples

- PBSA is one of the UK's leading asset classes. The government applies no stamp duty to PBSA developments. Lower barriers to entry for foreign investors has allowed the UK better access to funds, with deal volumes in PBSA up 12% in 2020-21, and 58% of total investment in the domestic PBSA sector coming from overseas.[1]

- Victoria's tax classification of PBSA is as commercial residential property. Classifying PBSA in this way nation-wide would eliminate stamp duty surcharges and reduce net taxation.
- NSW offers a a set of guidance notes about how the government expects to see PBSA treated under different aspects of legislation, including land tax, stamp duty, Rental Tenancy Agreements and more.

Source: 1. Knight Knox (2022)

Ensuring that development is accessible and efficient for PBSA providers is imperative in securing the future of the sector

Streamlining development, approvals and operations

State governments and local councils should ensure that zoning and development approvals are transparent, accessible, and prompt. State governments should also legislate provisions for the PBSA sector in Residential Tenancy Acts.

Accessibility of development is a key prerequisite of growth for the PBSA sector. Availability of land in proximity to universities thus far has enabled Australian PBSA providers to deliver over 76,500 private PBSA beds to date. In the last decade, development of PBSA in Australia has seen a sharp increase, with over 40,000 new PBSA beds delivered in Australian cities. More than 15,000 additional beds are expected to be delivered by the end of 2025 to support growing demand.[1]

Australian PBSA providers have historically been able to access and develop sites that are in close proximity to university campuses. As a result, PBSA has a major presence in Australia's capital cities, such as Iglu and Scape in Sydney's CBD, as well as Scape, Yugo and Journal in Melbourne CBD sites. PBSA also has a presence in regional Australia, with UniLodge Lismore developed and managed for Southern Cross University and UniLodge Mildura built and operated for La Trobe University.

PBSA providers are governed by Residential Tenancy Acts (RTAs) which often do not separately define the asset class. This means that tenancy agreements are often treated identically to private rentals or boarding houses, despite significant differences between PBSA and these two forms of accommodation. Moving forward, state governments should support the ongoing operations of PBSA providers by legislating specific provisions for the PBSA sector in RTAs.

Key activities

- Development of over 200 **PBSA properties** across Australia.
- Delivery of more than **76,500 PBSA beds in Australian properties** to date.
- PBSA providers have been able to **access Australia's closest and most attractive sites around university campuses**.
- **Highest ratio of international students in the world** in Australia, at 29%, paving the way for strong development needs as international students return to pre-pandemic numbers.[2]

Source: 1. Savills (2021); 2. Project Atlas (2021)

Increased specificity around PBSA in planning and tenancy agreements could help accelerate the sector's future growth

Streamlining development, approvals and operations

Recommendations

Incorporate PBSA into zoning plans

Australia should look to incorporate PBSA into future zoning plans to support the education sector and reduce the pressure on the private rental market. Australian zoning frameworks currently designate education precincts, but PBSA is not currently accounted for specifically in and around these areas. The PBSA sector is expected to see rapid growth in the coming years, so accounting for PBSA in zoning plans would help states and territories plan for the growing number of students arriving in their cities. Supporting the growth of PBSA in zoning plans will ensure that housing options for students keep pace with the growth of the education sector – alleviating the risk of further housing shortages for young people.

Develop PBSA-specific legislation for Residential Tenancy Acts (RTAs)

Australia should identify PBSA as a unique asset class, and embed PBSA-specific legislation to reduce barriers for sector development. Tenants in Australia are covered by RTA legislation but the criteria are often not relevant to PBSA, as RTAs have been designed around general residential tenancies. Day-to-day operations like maintenance, repairs and bond agreements are impacted by the lack of PBSA-specificity in RTAs. For example, PBSA provides a much more inclusive service than private rentals, but is required to give 24 hours notice to residents before maintenance can be conducted. Similarly, eviction terms are treated the same for PBSA providers as for private rentals, which in extreme circumstances can impact a provider's ability to provide a safe space for their residents.

Examples

- PBSA is built into zoning plans in the UK – the National Planning Guidance stipulates that local authorities must have to account for student housing in city plans, and newly constructed PBSA developments are required as they count towards local and national housing targets. The UK government recognises that PBSA is a high-density asset class, and its presence in key cities with universities reduces pressure on private rental markets and provides superior care to students.

- In 2022, the UK government is exploring a Renters Reform Bill on private student accommodation supply.[1] Reforms would align PBSA regulations with university residential colleges, replacing the current Private Rented Sector (PRS) legislation, which is comparable to RTAs in Australia. Similar reforms to align PBSA more closely to operational rules applied to residential colleges could benefit Australian PBSA providers, and subsequently the quality of care and services they are able to provide to student residents.

Source: 1. UK Government (2022)

Government should strengthen pathways to employment for international students and support returning students

Attracting and supporting students

The federal government should strengthen pathways to transition from study to employment for international students. Following the government's recommendation that face-to-face learning requirements are resumed from June 2023, international students should be supported as they return to study on campus and in person.

Attracting higher education students to Australian states is a key challenge for the PBSA sector. Australia competes with other comparable economies including the US, UK and Canada, and Australia's slower reopening of Australian borders relative to other peer countries has posed further challenges for universities and PBSA providers who both rely on steady streams of new students. Australia has also suffered some reputational damage from strict treatment of international students during the pandemic which has slowed the return of international students.

Australian federal policy has supported the return of international students to Australia since borders reopened in early 2022. The Commonwealth's strong response in adjustments to international student visa settings as borders reopened has allowed the sector to begin its recovery. The package included several incentives to attract students back to Australia, such as reduced student visa work restrictions, an extension of the post-study work visa and cash incentives.

The development of new PBSA assets needs to be considered in conjunction with policies to increase and grow Australia's share of international students and the supports surrounding international education. Otherwise, the government is encouraging students to move into competition with existing Australian residents within the private rental market without increasing student housing options.

Key activities

- The federal government extended the **post-study work visa** in November 2021, **giving students greater flexibility** to find work upon course completion.[1]
- A **cash incentive** in the form of a $630 AUD **rebate on visa costs** was offered to international students returning to Australia between January 19 and March 19, 2022.[1]
- The **relaxation of the 20-hour student visa work limit** in January 2022 has incentivised foreign student returns and continues to help in addressing the national workforce shortage.[2]
- Australian universities have made progress on **reinvigorating face-to-face learning** through hybrid course offerings in 2022.

Source: 1. Study International (2022); 2. Department of Education, Skills, and Employment (2021)

Strengthening visa pathways and supporting students' return to in-person study will support further growth of the PBSA sector

Attracting and supporting students

Recommendations

Focusing on pathways to post-study employment

Increasing skilled migration caps will increase demand from international students and support PBSA. A recent study showed that behind cost of study and quality of education, access to post-study work rights was the third most important factor for international students when selecting a study destination.[1] Australia has made a positive start in increasing post-study work rights, but can improve on supporting pathways to residency and citizenship.

Supporting students who are returning to study in person

Increasing face-to-face contact hours at university provides more social interaction and welfare touchpoints, which positively influences student's mental health. The spread of COVID-19 caused a profound shift in the provision of university education in Australia to a purely online model, and more recently, hybrid models of learning. Attracting students back to university campuses has been a challenge for the sector in 2022. With the government's recent announcement that face-to-face learning requirements would return from June 2023, returning and commencing international students should be supported as they begin their in-person studies.

Examples

- On average, only 16% of international students who study in Australia stay on to work afterwards.[2]
- By comparison, 30% of international students who study in Canada go on to become permanent residents.[3]

- The Italian Government is currently running a grant program for foreign and Italian students living abroad who study in-person in Italy next year.[4]

DEAKIN UNIVERSITY

- In 2021, Deakin University created a pathway program for students to start studying online and transition to on-campus study when they arrive in Australia, students received a 25% tuition bursary incentive.[5] Similar programs may help ease the transition into in-person learning in 2023.

Source: 1. Macro Business (2022); 2. Sydney Morning Herald (2022); 3. ApplyBoard (2022); 4. Study in Italy (2022); 5. Deakin University (2022)

Case Study

PBSA in the United Kingdom

The UK is one of the world's leading tertiary education and PBSA providers. The PBSA sector in the UK supplies over 700,000 beds (including private and university-owned beds) and is expected to be worth over £72 billion by the end of 2022.[1]

The UK is supported by a strong education sector, with 10% of its universities ranked in the top 500 globally.[2] The UK is home to a large student market with over three million students in 2022, and 22% of enrolments coming from overseas students.[3]

Despite being smaller than the US and many European markets, the UK receives the second highest amount of investment into PBSA, behind the US. Investment from Asia alone totalled $400 million in 2021.[1] Policy settings in the UK have supported the growth of the PBSA sector to date. Supportive actions include:

1. **Exempting PBSA developers from stamp duty**
2. **Including PBSA as an asset class in zoning plans and housing targets**
3. **Recognition of PBSA as a unique asset class and adapting rental legislation accordingly**
4. **Fast student visa application approval times**

Source: 1. Knight Frank (2022); 2. QS University Rankings (2022); 3. Universities UK (2022)

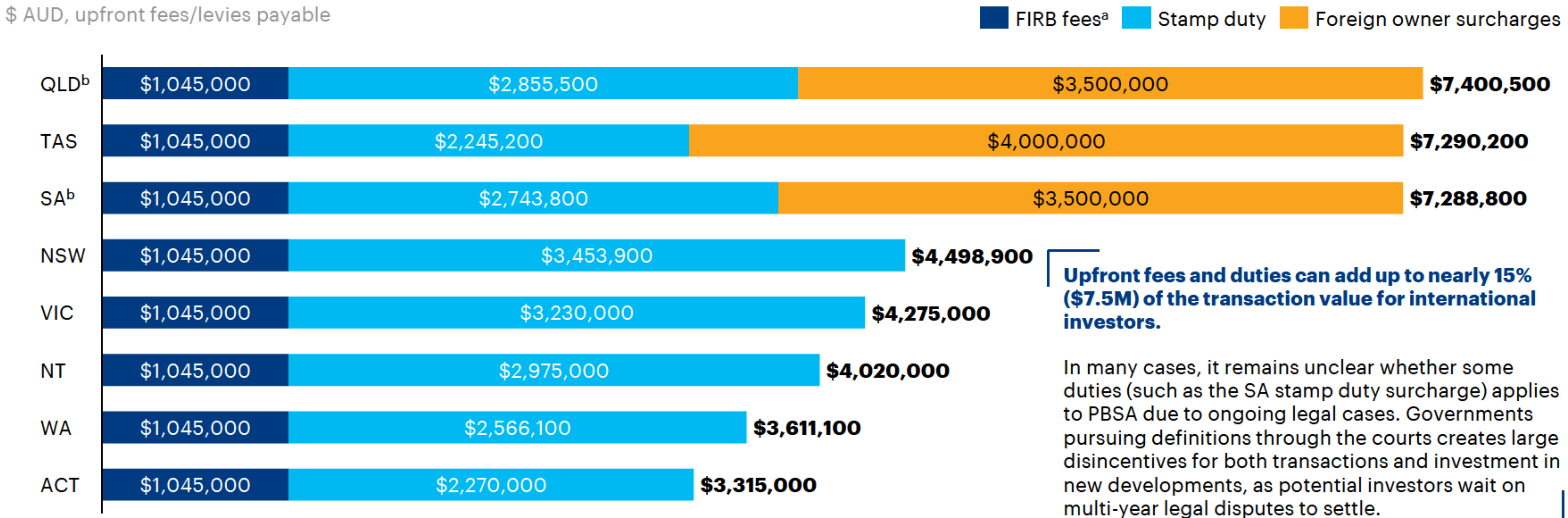
Iglu Flagstaff Gardens, Melbourne

05 The state and territory policy landscape

Case Study

Purchasing a PBSA development worth $50 million would cost an international investor nearly $7.5 million in upfront fees in some states

Upfront fees required for an international investor to purchase a PBSA development valued at $50 million[1,2,3]



Upfront fees and duties can add up to nearly 15% ($7.5M) of the transaction value for international investors.

In many cases, it remains unclear whether some duties (such as the SA stamp duty surcharge) applies to PBSA due to ongoing legal cases. Governments pursuing definitions through the courts creates large disincentives for both transactions and investment in new developments, as potential investors wait on multi-year legal disputes to settle.

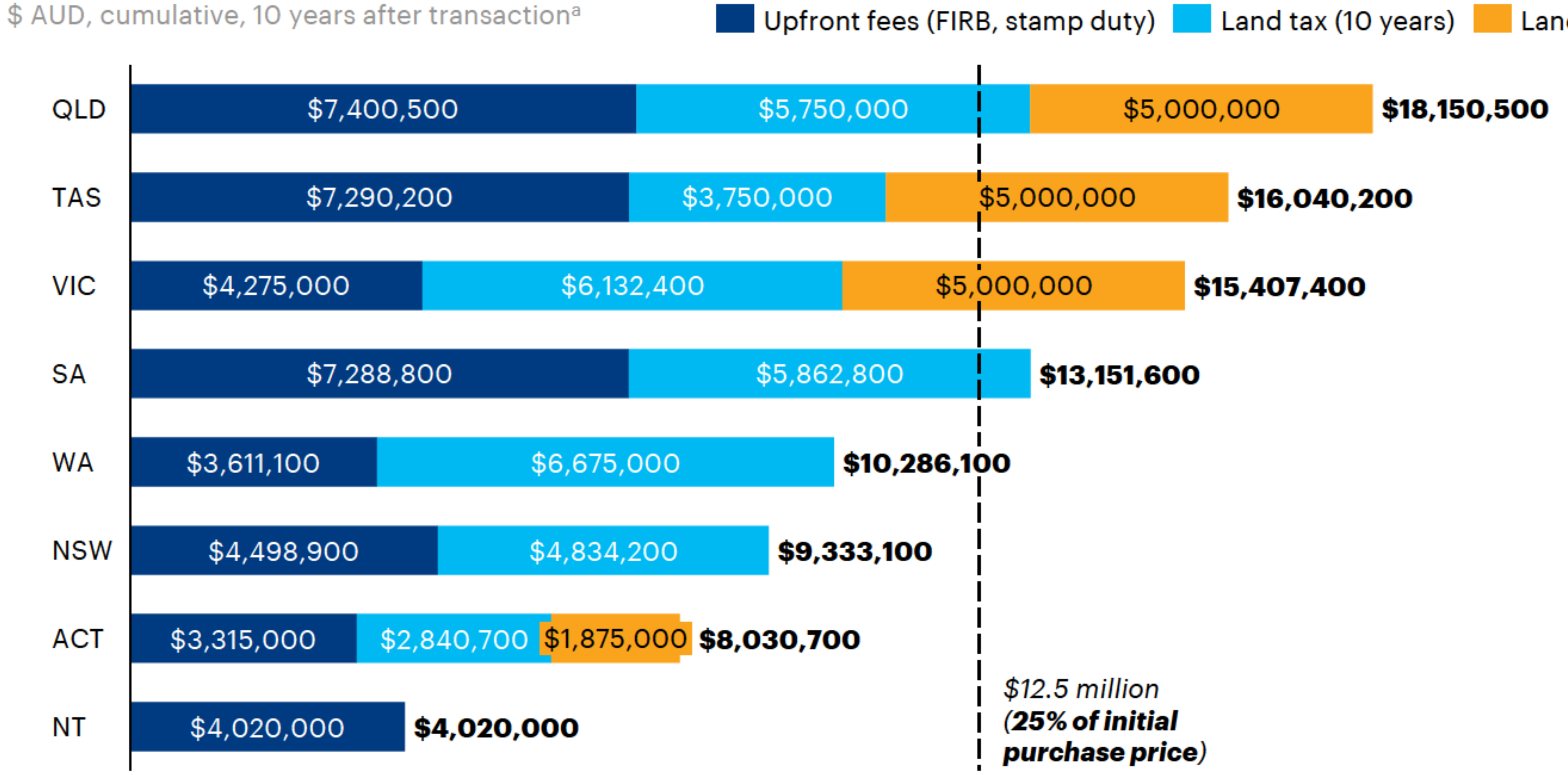
Source: 1. Respective state revenue office (or equivalent) policies; 2. Shine Wing Australia: Foreign Owner Duty Surcharges (2020); 3. Foreign Investment Review Board Guidance Notes: Fees
Notes: a. FIRB fees are less for "accommodation provided … exclusively for students connected with a particular educational institution," as they are charged the considerably lower commercial rates rather than residential rates. As most PBSA developments are not provided exclusively for one university (and thus can not access the lower commercial rates), we have used the higher residential fees in this analysis; b. Whether PBSA attracts foreign-purchaser duty surcharges in these states is variable. However, based on recent experiences of SAC members we have included these to represent the potential fees that PBSA purchasers need to consider when evaluating investment options. Stamp duty is payable in SA on the basis that the exemption for commercial land transactions does not apply – although the definition of PBSA as residential has been challenged successfully legally and is currently being appealed by the SA government.

Scape Redfern, Sydney

Case Study

After 10 years, the same international investor would have paid over $12.5 million in duties, fees and land taxes in four states

Initial and ongoing fees and duties for a $50 million PBSA transaction, selected states[1]



In most states, the majority of the medium-term (10 year) tax hit takes place over a decade of land tax and land tax surcharges.

High land tax surcharges levied against international investors can push the total 10-year tax take to a quarter of the initial investment.

Some land tax surcharges have uncertain applications, such as in Victoria where many PBSA providers found that long-standing exemptions to the absentee owner land tax surcharge were discontinued.

When land tax determinations can vary year-by-year by a substantial amount, it limits investor confidence and appetite for the sector, thus decreasing future developments.

Source: 1. Respective state revenue office (or equivalent) policies
Notes: a. Assumes that the unimproved land value of the site is 50% of the transaction price (i.e., $25 million). Does not account for changes in land valuation or land tax rates.

Iglu Brisbane City, Brisbane

The Victorian PBSA market has the highest number of beds in Australia and has embedded plans for further growth

Victoria has the largest PBSA sector of all states and territories, with over 26,000 beds and a student-per-bed ratio of 17.

26,100 PBSA beds

17 students per bed[a]

1.4% rental vacancy rate in August 2022[1]

Victoria is the nation's largest PBSA market. The state has nine universities, including the University of Melbourne which is the top university in Australia and 33rd in the world in 2022.[2] The majority of higher education is based in Melbourne, but there is also a smaller presence in regional Victoria.

There are more than 60 PBSA buildings in the City of Melbourne, and the state in total provides over 26,000 beds.[3] There are 17 students for every PBSA bed in the state, which is marginally better than the national average of 19. International student enrolments are currently at 68% of 2019 figures.[4] The state government has developed a $53 million five-year plan to bring back international students, which includes increased state representation overseas to promoting Victoria as a study location. Victoria has a 1.4% rental vacancy rate in August 2022, which is the highest in the country, suggesting that private rental market shortages are less severe than in other jurisdictions.

Victoria should focus on:

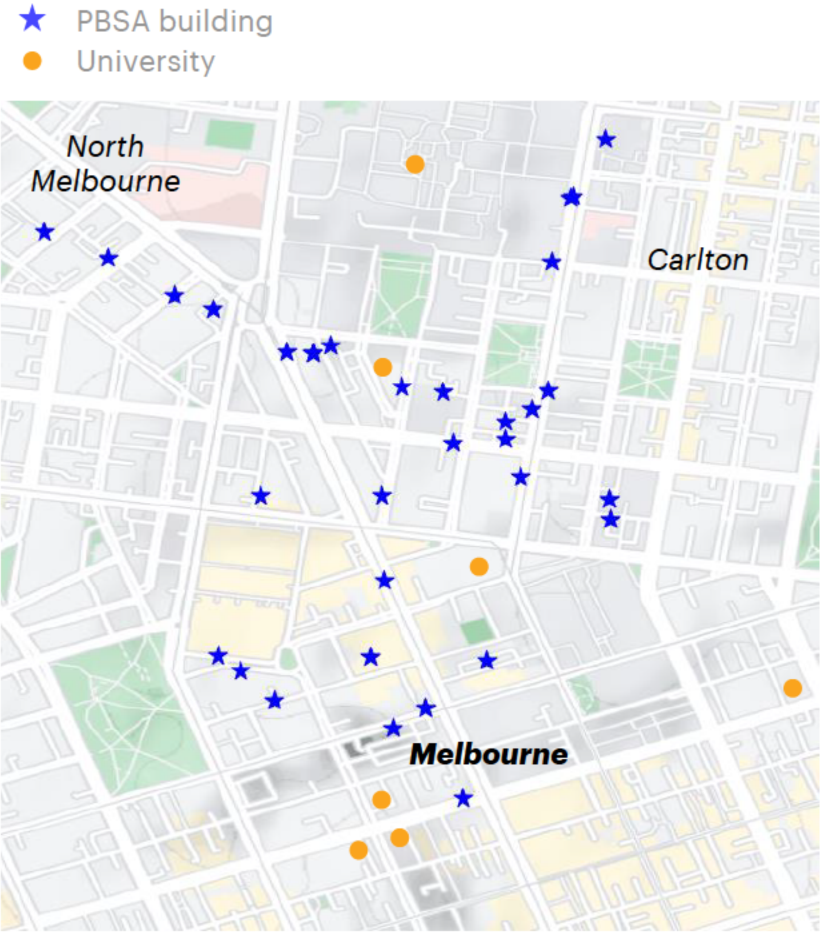
Encouraging investment

By **reducing monetary barriers to foreign investment**, particularly the absentee owner land tax surcharge and restrictive Wholesale Unit Trust tests on institutional investment.

Attracting and supporting students

By **lobbying for increased skilled migration caps** for international students graduating **and for continuation of vital rental subsidies** for domestic students.

PBSA and universities in Melbourne



The commercial residential classification of PBSA in Victoria is supporting growth, but support should be improved by reducing barriers to foreign investment.

Victoria has made a positive start when it comes to identifying PBSA as a unique asset class and has also developed a strong program to attract students back to the state following the pandemic.

The large number of sites obtained and developed by PBSA providers in the state has been aided by the classification of PBSA as commercial residential property, which exempts international purchasers from stamp duty surcharges. The relatively lower cost to enter in Victoria also enables PBSA operators to bid more effectively with residential developers for site locations in proximity to universities. Investment in PBSA primarily takes place at the development stage, where the vast majority of PBSA transactions would attract a 5.5% rate of stamp duty, which is lower than most other jurisdictions, including NSW.

However, the sector's growth in Victoria is inhibited by land tax settings which increase uncertainty and disincentivise foreign investment. On top of annual land tax base rates, foreign owners can be charged an additional 2% absentee owner surcharge for properties valued at over $250,000. While many providers received exemptions from this surcharge historically for providing significant contributions to the Victorian economy, these exemptions have become less certain over time which decreases investor confidence.

The foreign owner land tax surcharge is applied annually to individual foreign investors, corporations with more than 50% foreign voting power or shareholders or absentee trusts that purchase land in Victoria. When combined with base land tax rates, these charges are higher than those in NSW, Queensland and the ACT and threatens to inhibit growth of the PBSA sector and investment in new housing developments.

Cedar Pacific's Lincoln House in Melbourne

Victorian PBSA providers should look to attract both domestic and international students to secure ongoing growth potential.

Post-study work opportunities are a key decision driver for international students considering overseas study. A recent study showed that students in Asia ranked access to post-study work rights as the number one factor influencing choice of study destination.[1] However, only 16% of international students stay in Australia after graduating.[2] The two-year post-study work right extension for international students announced at the Jobs and Skills Summit proposes a step in the right direction.

State-sponsored skilled visas remain more attractive options to prospective students as they offer the possibility of permanent residency. Victoria's number of state sponsored places trails behind NSW at only 11,570 places in 2022.[3] Advocating for an increase in the number of places for 2023 and increasing the list of eligible occupations would materially benefit the PBSA market by attracting more international students, which would assist with alleviating skilled workforce shortages in the state.

A strong push for domestic student enrolments into PBSA is another avenue to increase and diversify the student base. The benefit of increasing domestic students in PBSA is two-fold: it boosts overall tenancy, but also increases the attractiveness of PBSA to international students who want a more 'Australian' experience, which is bolstered with higher domestic student occupancy rates. Partnerships with universities and the state government can be leveraged to market PBSA to students in regional Victoria and other states. The National Rental Affordability Scheme (NRAS) was also a strong support for domestic student enrolments. Ongoing subsidies to support Australian students in PBSA should be considered, as the end of the NRAS will make it harder for many domestic students to live in the asset class, seek education and subsequent post-study employment opportunities.

Source: 1. Macro Business (2022); 2. Sydney Morning Herald (2022); 3. SBS (2022)

Students of Journal Uni Place, Melbourne

NSW is home to the second largest number of PBSA beds and remains a key target market for investment and development

NSW is home to a similar number of students as Victoria but has almost 10,000 fewer beds, so the state remains an investment and development priority for the sector.

16,500 PBSA beds

31 students per bed[a]

1.3% rental vacancy rate in August 2022[1]

The NSW PBSA market supplies 16,500 beds to students, which is considerably lower than Victoria. There are 11 universities in NSW, including two universities in the leading Group of Eight Australian universities – the University of Sydney and the University of New South Wales (UNSW). NSW has a PBSA presence both in the capital city of Sydney, but also spread throughout the regions, including cities such as Lismore, Newcastle and Wollongong.

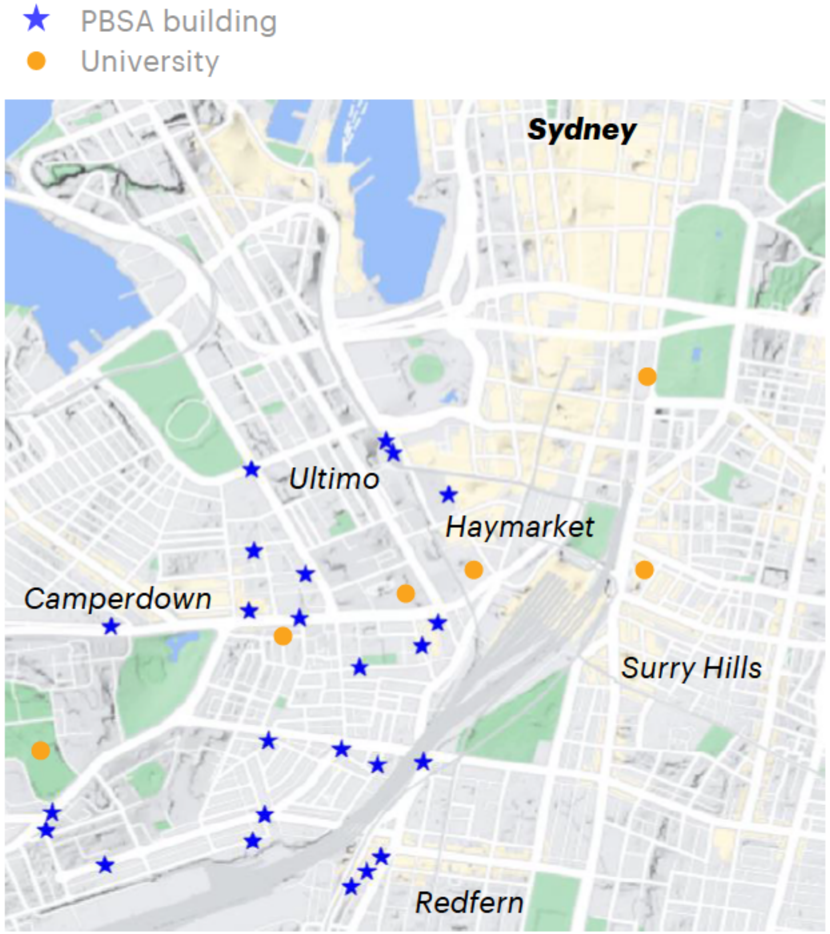
NSW has 31 students per PBSA bed, which is considerably worse than the national average ratio of 19. The rental vacancy rate in Sydney is 1.3% which is the second highest capital city, just behind Melbourne at 1.4%. Considering the relatively low bed supply in Sydney, industry experts expect continued investment and development growth in the state, as student numbers recover post-COVID.

NSW should focus on:

Streamlining development, approvals and operations

Accessibility of development is the leading challenge for the PBSA market in NSW. The state should **focus on reducing barriers to development**, including reducing acquisition costs by reducing tax penalties, incorporating PBSA into state zoning plans and introducing PBSA-specific development requirements to increase the availability of land and pace of development.

PBSA and universities in Sydney



Source: 1. SQM Research (2022)
Notes: a. Students per bed ratio is calculated using only privately owned beds and does not include university-owned or residential college beds.

NSW is home to the largest education and second largest PBSA sectors in the country.

NSW has a large and diverse PBSA offering which helps accommodate students studying in the largest state education sector in the country, with almost half a million students studying at NSW universities.[1] The PBSA sector has responded by supplying 16,500 beds, but the state still has untapped potential to increase the supply of PBSA beds, particularly as international student numbers rebound and international enrolments increase. NSW's student to bed ratio is 31, which is considerably worse than the national average student to PBSA bed ratio of 19, further stressing the need for additional supply.

To support the return of students, NSW hosted the International Arrivals Pilot Program, as part of a partnership between the NSW Government and universities in the state. 500 students participated, and the success of the program supported the return of international students nation-wide in early 2022.

Since borders officially reopened to international students, NSW has recovered 66% of its 2019 international student figures. NSW has also increased its share of the total Australian international student market from 38% in 2019 to 40% in 2022.[2]

The NSW government has legislated a best practice approach to defining PBSA as an asset class. Unlike other states and territories such as the ACT, South Australia, Queensland and Western Australia, where the definition of PBSA is unclear, NSW has a set of guidance notes about where the state expects PBSA to fit and comply under different aspects of legislation, including land tax, stamp duty, and Residential Tenancy Acts (RTAs). However, international investors are still liable to pay foreign-owner land tax surcharges on PBSA assets, which disincentivises investment.

International students return to Sydney under the International Arrivals Pilot Program

Source: 1. University Review (2022); 2. Department of Education, Skills, and Employment (2022)

Improving the accessibility of land for PBSA and improving the development planning process will help NSW to scale up PBSA.

The NSW PBSA market is primarily challenged by the accessibility of land, reducing barriers to acquisition of land and improving the planning and development process in the state would allow the NSW sector to grow and meet its full potential.

The NSW property market is one of the most competitive and expensive in the world. PBSA developers are challenged by these market conditions, in conjunction with high tax levies including stamp duty, land tax and foreign investor surcharges. These levies make it hard for PBSA to compete in bidding against residential developers and other high-yield asset classes. The overall high cost of acquisition and ongoing operations in NSW and Australia more broadly means foreign investors look to invest in other international markets, which perpetuates PBSA’s limited ability to expand in NSW.

Currently, PBSA is not accounted for in NSW state zoning or local planning. As a result, PBSA providers frequently compete with private buyers on sites around universities, which in NSW is mostly in or near the Sydney CBD. Thus, competition is affecting the availability of land accessible for PBSA providers. Including PBSA in city planning and zoning would allow greater accessibility of land for providers in proximity to universities. Enabling PBSA development in Sydney would relieve the some of pressure on the private rental market.

Understanding PBSA as a development will further assist NSW on the challenge presented by planning regime resubmissions. Alignment on the requirements of PBSA in development stages will allow reduced delays and speed up approval times, which mutually benefits both the government and the PBSA sector.


Campus Living Villages, UNSW Village, Sydney

The Queensland PBSA market has a strong base in Brisbane and supplies 16,000 beds for students in the state

Queensland has a growing PBSA sector, which is currently heavily focussed around the education precinct in Brisbane.

16,000 PBSA beds

14 students per bed[a]

0.7% rental vacancy rate in August 2022[1]

Queensland PBSA providers have developed over 40 PBSA buildings in Brisbane alone, with the state servicing 16,000 beds in total.[2] The largest PBSA development in Australia was built by Wee Hur (operated by UniLodge), housing up to 1,576 students. There are several PBSA providers operating in Queensland, including Scape, Iglu, StudentOne, and UniLodge. Queensland currently has a very tight private rental market, with vacancy rates at just 0.7% in August.

Queensland has 14 students per PBSA bed, considerably better than the national average of 19 which indicates that the state has more supply than most other jurisdictions. The high PBSA bed supply in Queensland can be attributed to low development barriers relative to other states, lower average property prices and a selection of world-class universities. PBSA owners report zero vacancies across their Brisbane assets – showing a strong demand for beds in a tight rental market.

Queensland should focus on:

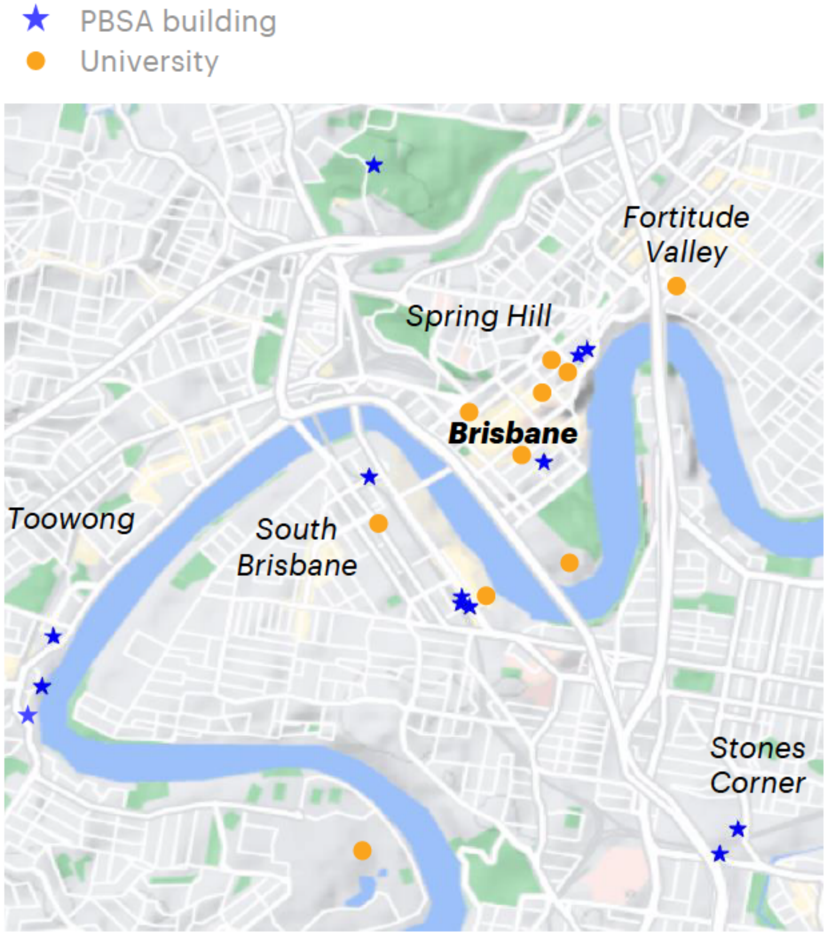
Encouraging investment

By **creating a more consistent and PBSA-specific set of legislation** within the state, including land tax settings which affect the decisions of providers and investors.

Attracting and supporting students

Queensland has seen a slower **return of enrolments from international students** than other states and should seek to meet the national average to keep pace.

PBSA and universities in Brisbane



Source: 1. SQM Research (2022); 2. RMIT (2020)
Notes: a. Students per bed ratio is calculated using only privately owned beds and does not include university-owned or residential college beds.

The PBSA market in Queensland is supported by positive development and planning regimes.

Queensland is the fourth largest PBSA market by number of beds in Australia. It is home to over 224,000 tertiary students and has over 16,000 PBSA beds.

Queensland's current position has been supported by positive planning and development settings. Queensland has distinct education zones built into state zoning plans, which enable PBSA to be developed in and around these areas. This has benefitted providers and supported their ability to expand their offerings in Queensland.

Industry experts suggest that the planning regime around education precincts in Queensland outpaces other states and territories and implementing this approach nationally would have a sizeable impact on the pace of growth of the education and PBSA sectors.[2]

While Queensland has made some progress in incorporating PBSA into legislation, creating a more consistent and stable legislative environment for the sector will help unlock further growth.

In recent years, PBSA providers in Queensland have been challenged by changing legislation. In 2019, the Queensland government introduced a foreign investor land tax surcharge of 2%, which PBSA providers were generally liable to pay given high levels of international investment.


The Queensland University of Technology's Brisbane campus

Source: 1. Informed Decisions (2022); 2. Expert interviews

PBSA in Queensland could benefit from greater consistency in legislation and attracting more international students.

Rapidly shifting taxation plans, such as the recent announcement and retraction of land tax ownership assessments have also contributed to uncertainty for providers and investors in the state. The proposed method of determining the rate of land tax levied against investors with interstate portfolios went beyond existing forms of stamp duty surcharges and land tax surcharges. Although the Queensland government has retracted this policy, these announcements and plans can create a lasting impact on investor confidence.

Queensland can also look to bolster efforts in attracting more international students to PBSA. Currently 27% of Queensland's tertiary students are international students, compared to 33% nationally.[1] Increasing international student numbers to meet the national average will allow Queensland's education sector to grow and help to address the states skilled and unskilled labour shortages.

One successful initiative delivered by Study Queensland was a unique international social media competition, which offered prize-winners from 10 countries the opportunity to study in Queensland for 20 weeks. Half of the recipients were accommodated in PBSA beds in Brisbane for the duration of their stay. Experts have suggested that similar programs repeated in 2023 would be well placed to support the return of international students and to showcase Queensland PBSA to the world.

Source: 1. Department of Education (2022)

Residents of StudentOne Wharf Street, Brisbane

The South Australian PBSA market is well-serviced after strong investment and development during the pandemic

South Australia has a smaller PBSA market than other states, but will be well serviced by a larger number of PBSA beds as students return post-pandemic.

6,700 PBSA beds

13 students per bed[a]

0.3% rental vacancy rate in August 2022[1]

There are 23 PBSA developments in the City of Adelaide alone, and the state supports 6,700 beds in total.[2] The state is home to four universities, providing a strong student base from which PBSA can attract residents.[3] Most universities and PBSA buildings are situated in the capital city of Adelaide.

The number of PBSA beds in South Australia is relatively high compared to the number of students in the state, due to a number of sites completions during the COVID-19 pandemic. There are 13 tertiary students per PBSA bed, one of the best ratios in the country. PBSA beds are helping to support housing options in Adelaide, which has the tightest rental market in Australia with just a 0.3% vacancy rate. International student enrolments have rebounded quickly with South Australia seeing 77% of pre-pandemic enrolments as at July 2022, which is higher than both Victoria and New South Wales.[4] Private PBSA providers are currently reporting almost zero vacancies across their Adelaide city assets.

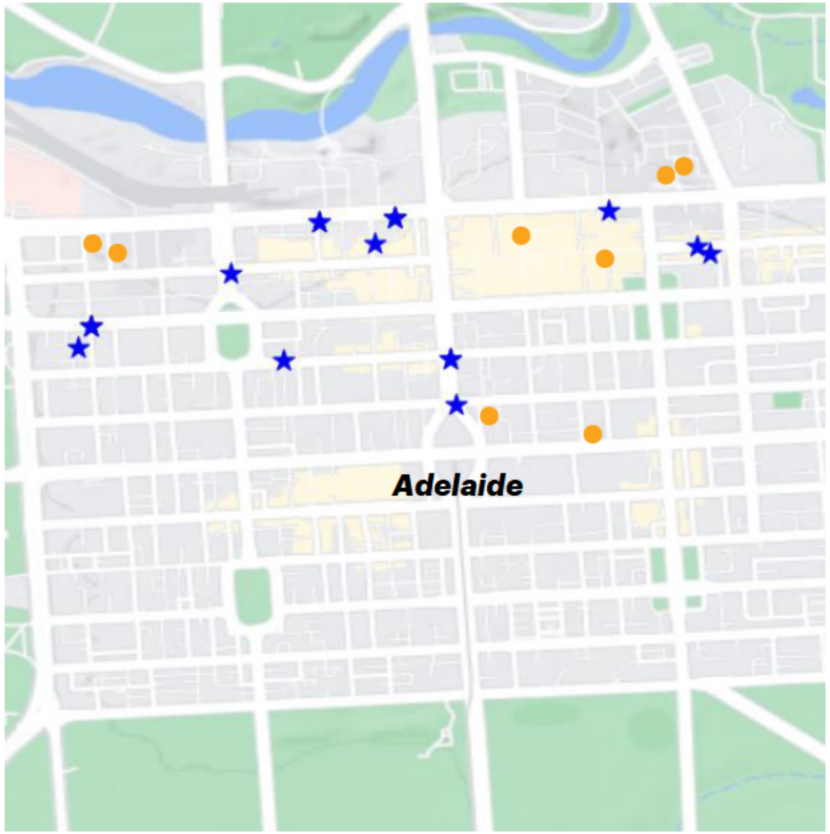
South Australia should focus on:

Encouraging investment

South Australia currently has one of the highest upfront fees for international investors hoping to purchase or invest in PBSA. To solidify its PBSA presence, South Australia should look to **increase investment by reducing tax barriers** across stamp duty, foreign-owner surcharges and land tax.

PBSA and universities in Adelaide

★ PBSA building
● University



Source: 1. SQM Research (2022); 2. RMIT (2020); 3. Times Higher Education (2022); 4. Department of Education, Skills, and Employment (2022)
Notes: a. Students per bed ratio is calculated using only privately owned beds and does not include university-owned or residential college beds.

South Australia has a strong education sector, which attracts students to the state's PBSA options.

South Australia has a proportionally high number of PBSA beds relative to the number of students in the state. South Australia has approximately 13 students per bed, which is better than most other Australian states and territories.

Pre-COVID, investment in the PBSA sector was rapidly increasing. As a result, several sites completed construction in 2020-2021, contributing to a higher bed supply.

PBSA developments in South Australia benefit from high demand from both international and domestic students in South Australia. Universities in Adelaide, the state's major student hub, rank in the top 2% of universities worldwide, which has driven demand for PBSA. Rankings are a particularly important decision-making factor for international students, who make up 12.5% of South Australia's tertiary students population. Domestic students comprise the remaining 87.5%, made up predominantly by students from Adelaide and regional South Australia. Adelaide is the destination of choice for regional South Australians, as 93% move to Adelaide while just 7% move interstate for university.[1]

South Australia has implemented a strong regime to attract students to the state, both pre- and post-pandemic. Adelaide has been rated one of the most liveable cities and the lower relative cost of living has further increased the state's attractiveness to students. [2] Post-pandemic, the state has expanded the list of skilled migrant occupations for state sponsorship, up from 380 in 2021-22 to over 500 for 2022-23. Expanding this program is a key step in accessing higher international student numbers, which will help the state's education and PBSA sectors to grow.

Wee Hur's newly-developed Y Suites on Waymouth property in Adelaide

Source: 1. Study Adelaide (2022); 2. Adelaide Economic Development Agency (2021)

South Australia can solidify its PBSA presence by reducing barriers to investment.

In December 2019, education overtook wine to become the state's number one export by revenue.[3] Historically, South Australia has serviced 5-6% of Australia's international student population. However, with a number of the country's leading universities and a sizeable PBSA market opportunity, South Australia should look to increase its PBSA bed supply.

While the South Australian sector has seen high levels of investment pre-COVID, with many developments being completed the past two years, high tax penalties could affect future development opportunities.

South Australia has a stamp duty levy on foreign investment. A 7% foreign owner surcharge is applicable to overseas investors, in addition to the current 5.5% stamp duty charge, taking the total to 12.5% of the value of the property.

The classification of PBSA in South Australia and whether it is liable for the 7% foreign owner stamp duty surcharge is currently being determined through court cases. While the outcome is still uncertain, governments pursuing definitions through the courts creates large disincentives for both transactions and investment in new developments, as potential investors wait on multi-year legal disputes to settle. In a recent high-profile case, this additional duty has reportedly cost a PBSA provider in excess of $7 million on a single transaction.

Australian states and territories compete with other international markets for foreign investment, and South Australian legislation must aim to keep pace with the efforts of other leading regions to remain competitive and attract foreign investment into South Australia.

Source: 1. Study Adelaide (2022); 2. Adelaide Economic Development Agency (2021); 3. ABS (2022)

Yugo Adelaide City opened in 2022 with 750 new beds

The ACT has a very well-supplied market, with the highest supply of PBSA beds relative to the number of students in the country

The number of ACT tertiary students per PBSA bed is the best in the country, indicating a strong supply in the nation's capital.

4,900 PBSA beds

7 students per bed[a]

0.9% rental vacancy rate in August 2022[1]

Despite its small size, Canberra accommodates a relatively large number of students in PBSA, providing vital housing supply, which eases pressure on the private rental market. The median weekly rental price in Canberra is $700 – the highest of all Australian state and territory capital cities.[2] The ACT has 28 PBSA developments which provide 4,900 beds, bringing the state's ratio to seven students per bed.[3]

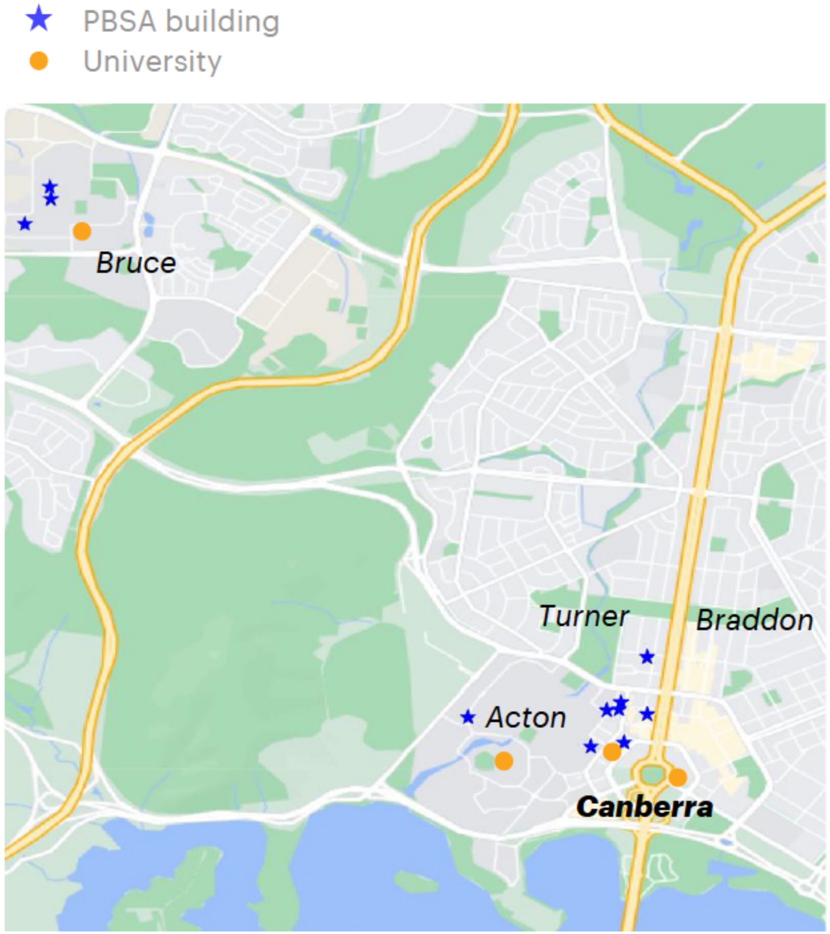
The ACT's PBSA sector is made up of entirely university-owned assets. PBSA in Canberra largely supports the Australian National University (ANU), University of Canberra (UC), Charles Sturt University (CSU), an Australian Catholic University (ACU) campus and the University of New South Wales' (UNSW) Canberra campus. Over 30% of the ACT's student population are international students, and Canberra has been ranked in the world's top 20 student cities.

The ACT should focus on:

Encouraging investment

The ACT depends on PBSA bed supply to house thousands of students, and should **consider matching PBSA to residential college tax concessions to encourage investment** and ease the pressure on the ACT rental market. In addition, working with universities to secure partnerships to develop beds and facilities will support the case for PBSA and unlock further investment opportunities.

PBSA and universities in Canberra



Source: 1. SQM Research (2022); 2. ABC (2022); 3. RMIT (2020)
Notes: a. Students per bed ratio is calculated using only privately owned beds and does not include university-owned or residential college beds.

Canberra is a leading student city, supported by a strong education sector, a large number of university-owned residential colleges and an expanding PBSA market.

The Canberra PBSA environment is challenged by strong competition from residential colleges. However, residential colleges do not have sufficient capacity to accommodate growing numbers of domestic and international students due to the limited availability of on-campus land.

PBSA has an essential role to play in the future growth of the ACT's strong tertiary education market, particularly as international students return to on-campus learning. Experts suggest that PBSA bed supply should triple to support the strong return rates of international students.[1]

Residential colleges for students in Canberra have had a long history dating back to the 1960s. ANU has seven residential colleges, a mix of catered and self-catered lodgings for undergraduate and postgraduate students.[2] PBSA faces strong competition from these well-established colleges in the student market, particularly for domestic students. Likewise, as residential colleges are tied to universities, they receive tax concessions, which allow them to access greater cost efficiencies than PBSA. As such, PBSA is frequently outcompeted by residential colleges in the ACT market.[3]

In markets like the ACT, where most universities offer their own affiliated residential colleges, PBSA providers struggle to promote their offering to students. Both ANU and the University of Canberra offer accommodation guarantee programs for first year and international students, but PBSA is frequently placed as a second alternative in these scenarios, as well as across publications and information provided about student accommodation for prospective students at Canberra universities.

UniLodge operates Lena Karmel Lodge in partnership with ANU

Source: 1. The Urban Developer (2022); 2. ANU (2022); 3. ATO (2022)

The PBSA market in Western Australia has a high student to PBSA bed ratio, indicating a relative undersupply

The PBSA sector in Western Australia is undersupplied relative to the number of students studying in the state, but it has grown in recent years to its current offering of 4,200 beds.

4,200 PBSA beds

27 students per bed[a]

0.4% rental vacancy rate in August 2022[1]

Five universities are based in Western Australia, including The University of Western Australia, Curtin University, Murdoch University and Edith Cowan University, which are located in Perth, and the University of Notre Dame in Fremantle. Two of these – the University of Western Australia and Curtin University, rank in the top 200 universities globally.[2]

The state has eight PBSA buildings, which house over 4,000 beds. The PBSA offering in Western Australia is primarily based around the universities in Perth. There are 27 tertiary students for every PBSA bed in Western Australia which is considerably worse than average (19), suggesting a relative undersupply compared to other states and territories. Perth also has the second lowest vacancy rate in Australia at 0.4% and increasing PBSA bed supply would help to alleviate these rental pressures. PBSA providers are also reporting zero vacancy rates in their Western Australian assets.

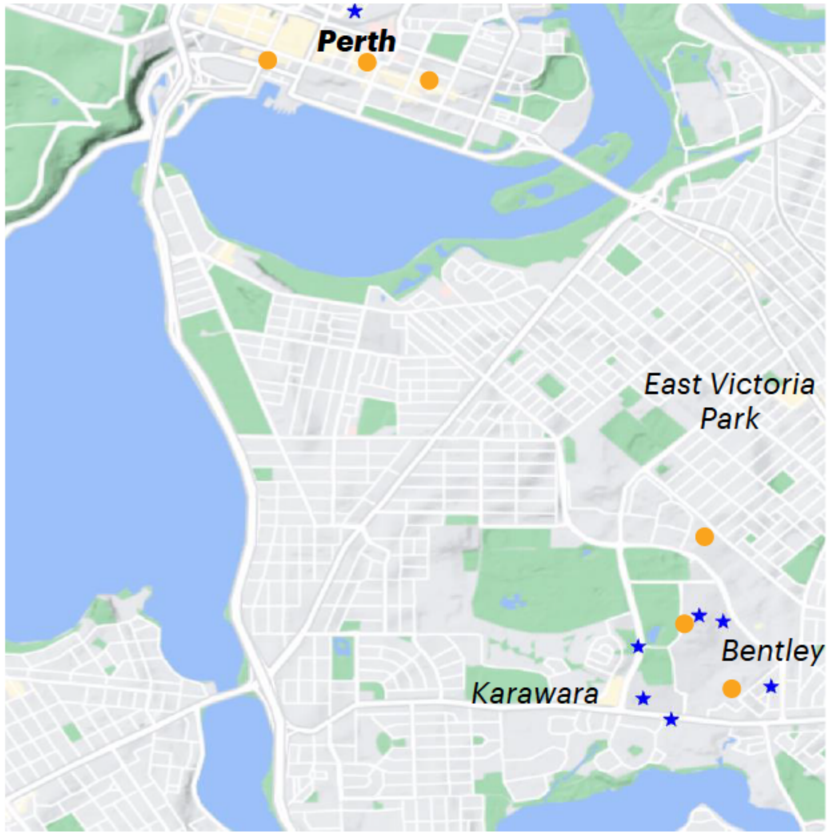
Western Australia should focus on:

Attracting and supporting students

The Western Australian government should **work with universities to incentivise on-campus, face-to-face learning experiences** for students to assist with the recovery of the tertiary sector following Western Australia's strict COVID-19 policies. Government should work with PBSA sector to ensure student growth strategies align with future housing supply.

PBSA and universities in Perth

★ PBSA building
● University



Source: 1. SQM Research (2022); 2. QS University Rankings (2022)
Notes: a. Students per bed ratio is calculated using only privately owned beds and does not include university-owned or residential college beds.

The Western Australian government should incentivise further development of private sector PBSA to ensure suitable housing choice for students who are returning to study

In September 2022, the McGowan Government committed $16.8 million to encourage international students to study in Western Australia.[1] The program dedicated $10 million to the Agent Incentive Scheme in 2022-23 to promote Western Australia as the Australian study destination of choice to prospective international students and $6.8 million for the continuation of the International Student Accommodation Subsidy and ELICOS Bursary. These commitments come in addition to the government's funding of $41.2 million for international education initiatives in the 2022-23 State Budget.

Enrolment figures indicate that Western Australia is starting to recover from their relatively prolonged border closures, which has impacted the physical return of both interstate and international students. While the University of Western Australia reports 80% of pre-COVID student enrolments as of semester one 2022, international student enrolments are currently at just 62% of pre-COVID figures.[2]

Given the low amount of PBSA beds in WA, the tight residential rental market and the renewed focus on attracting students back to Perth, the Government needs to ensure that there is a pipeline of PBSA supply coming online to ensure that appropriate housing options are available for students.

At the University of Western Australia, almost half of international students remain overseas and are studying online. Support programs in the lead up to on-campus learning requirements resuming in June 2023 will help support students as the transition from remote/hybrid learning to a face-to-face format.

Source: 1. Western Australian Government (2022); 2. ABC (2022)

Yugo The Boulevard, Perth

The Northern Territory market is one of the smallest in Australia, with only one PBSA development

Darwin is the epicentre for tertiary education in the Northern Territory, and the PBSA offering is supported wholly by UniLodge.

300 PBSA beds

33 students per bed[a]

0.6% rental vacancy rate in August 2022[1]

The Northern Territory is a unique PBSA market, as its sector is relatively small and services a limited base of students. The primary university in the Northern Territory is Charles Darwin University, with campuses in Darwin City and Casuarina.

The Northern Territory houses only one PBSA development – UniLodge Darwin, which services Charles Darwin University and offers 300 student beds. The student accommodation offering from UniLodge houses a considerable proportion of the territory's students, at a rate of 33 students per bed. Relatively small investment incentives could help improve this ratio, and provide enough supply to reach the Australian average of 19 students per bed. There is likely sufficient student demand, as the Northern Territory has reached 91% of pre-pandemic international student enrolments in 2022, which is the highest rate in the country.

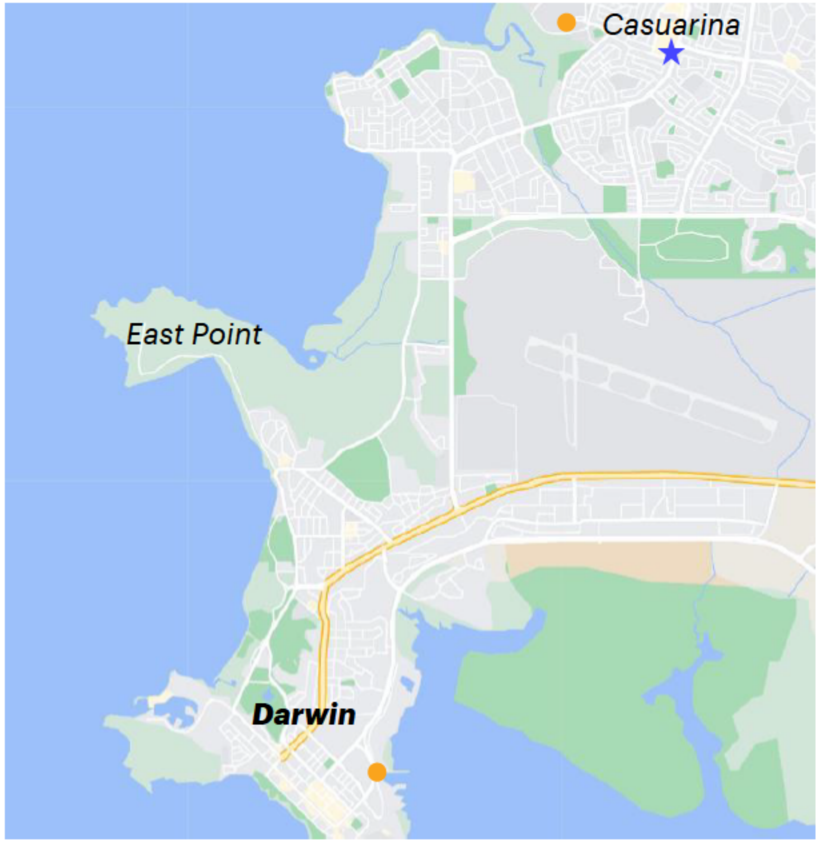
The Northern Territory should focus on:

Encouraging investment

While the PBSA offering and market size in Darwin is small, the student per bed ratio indicates an opportunity for further supply in the Northern Territory. The sector can look to **encourage additional investment in Darwin to meet the growing demand**, supported by a leading post-pandemic international student enrolment rate in the Northern Territory.

PBSA and universities in Darwin

★ PBSA building
● University



Source: 1. SQM Research (2022)
Notes: a. Students per bed ratio is calculated using only privately owned beds and does not include university-owned or residential college beds.

The Tasmanian market has no PBSA buildings, but a strong education sector indicates an opportunity for private supply

Tasmania has no designated private PBSA buildings despite supporting a strong education sector, but is serviced by a relatively large number of university-owned beds.

0 PBSA beds

10 university-owned buildings

0.6% rental vacancy rate in August 2022[1]

Tasmania's university students are centered around the state's flagship university, the University of Tasmania, which has campuses in both Hobart and Launceston. There is a relatively high supply of university-owned beds in Tasmania, with 10 developments and almost 2,100 beds. Despite a relatively high number of well-established university-owned student accommodation, there are no large-scale privately owned and operated PBSA buildings in Tasmania.

International student enrolments have rebounded in Tasmania, with 64% of 2019 international student enrolments having returned by July 2022.[2] Tasmania has a strong tertiary education sector and is continuing its post-pandemic recovery, which presents an opportunity for the PBSA sector to enter the market and complement existing university-owned offerings.

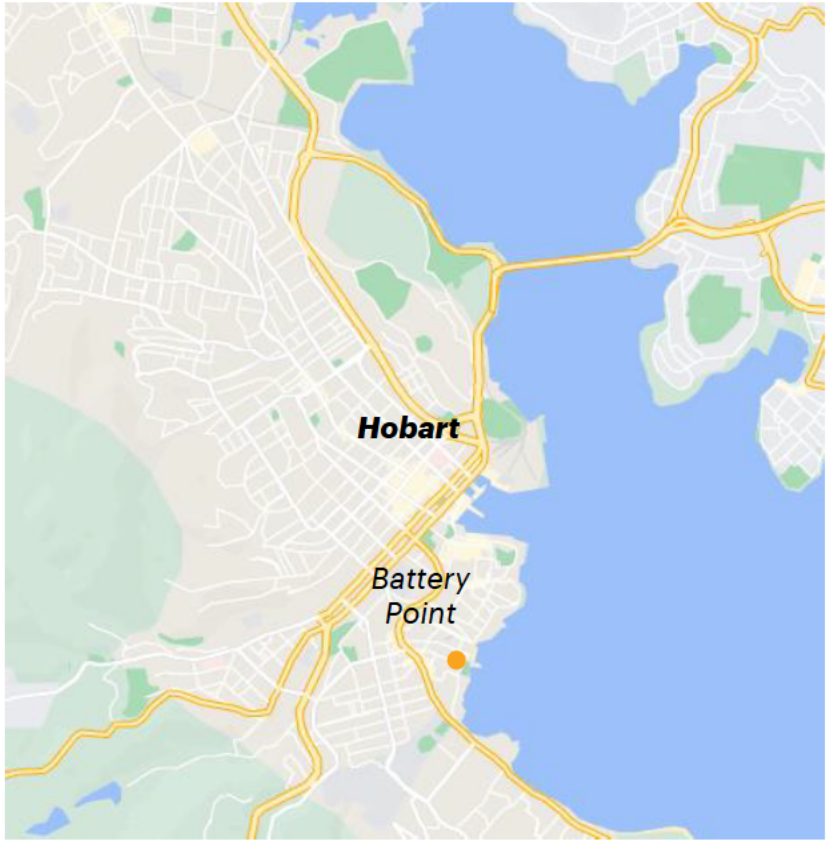
Tasmania should focus on:

Encouraging investment

Tasmania is one of two jurisdictions (along with SA) which does not have foreign-owner stamp duty surcharge exemptions for PBSA developments. With no privately owned and operated PBSA developments and a growing number of students enrolling at the University of Tasmania, **the Tasmanian government should ease this tax burden to encourage investment in the sector.**

PBSA and universities in Melbourne

★ PBSA building
● University



Source: 1. SQM Research (2022); 2. Department of Education (2022)
Notes: a. Students per bed ratio is calculated using only privately owned beds and does not include university-owned or residential college beds.

Acknowledgments

This report was informed by extensive consultation with the PBSA sector, tertiary education institutions and Australian government.

The Property Council of Australia would like to acknowledge and thank all of those who contributed to this report:

Campus Living Villages	City of Melbourne
Cedar Pacific	Queensland University of Technology
Dwell	RMIT University
Iglu	
Journal Student Living	
Scape	
Student One	
UniLodge	
Wee Hur	
Yugo	

About Property Council of Australia

The Property Council of Australia is the leading advocate for Australia's $600 billion property industry. Property Council members invest in, design, build and manage places that matter to Australians: our homes, retirement villages, shopping centres, office buildings, industrial areas, education, research and health precincts, tourism and hospitality venues and more. Find out more at www.propertycouncil.com.au.

About The Student Accommodation Council

The Student Accommodation Council is a newly formed (May 2022) division of the Property Council of Australia. It exists to provide advocacy for the growing Purpose-Built Student Accommodation Sector Australia wide.

The Council has been formed off the back of consistently strong industry growth, which, over the last five years, has delivered 31,000 purpose-built student beds with an estimated value of $9.3 billion.

The Council's 10 founding members account for almost 50,000 of the 76,500 private purpose-built beds across Australia, with current assets valued at more than $20 billion, and many more projects in the pipeline.

PROPERTY COUNCIL of Australia

STUDENT ACCOM. COUNCIL

Privacy acknowledgement: *	I have read and acknowledge how Council will use and disclose my personal information.
Name: *	Chris Thrum
Email address: *	[redacted]
Phone number *	[redacted]
Date of meeting: *	Tuesday 21 February 2023
Agenda item title: *	Agenda Item 6.4 – Making Melbourne the world's best city for student experiences – 2023 priorities

Please write your submission in the space provided below and submit <u>by no later than 10am on the day of the scheduled meeting.</u> Submissions will not be accepted after 10am.

Dear City of Melbourne Future Melbourne Committee

This is a written response in regards to Agenda Item 6.4

21 February 2023

6.4 Making Melbourne the world's best city for student experiences – 2023 priorities

First, thanks to Andrew Wear and the Council officers involved in all the great work in building up this report full of mighty ideas.

It's appropriate to endorse the proposed priorities for 2023 that would enable Melbourne to be the world's best city for student experiences.

Focusing in on the night time economy, international students are an important contributing factor to the vibrancy of the Melbourne night life. International students in New York City experience a 24 hour music experience.

Melbourne should reassert its ambition to be a 24 hour city, open for activity and business 24 hours every 24 hours. City of Melbourne should consider extending liquor licences deeper into the night.

If you want to be the best, you have to match New York City.

New York has the US Open

We have the Australian Open

We have the Royal Botanic Gardens. That matches up very well with Central Park.

Plus, our Herbarium, founded by Ferdinand Mueller, with the infamous Sonder collection,is superior to anything in New York.

Call me old fashioned, but we should promote the RBG and the Mueller Herbarium.

Having a clutch of music events in March at the RBG, and Mueller Hall to help the Lord Mayor welcome international students would rock.

Talk to JPY about making Cherry Bar the official "unofficial" rock music venue for international students.

Bring in musos from the Australian National Academy of Music to perform at Angel Bar and upstairs at Butchers Diner.

Have Daryl Braithwaite perform outside at Pellegrini's and the European Cafe on Spring Street like he did a few years ago.

Have musical events at that new classy hotel that stands where the Palace Theatre was.

Talk to Marriner and the other theatrical impressarios about organising discount tickets for international students.

Encourage international students to become part of the busking community.

Get that Lord Darth Vader to perform on the balcony of Town Hall to promote welcoming international students who are musicians.

Organise with the VRC at Flemington to give discount tickets for the races to international students.Melbourne is a great horse racing city in the world, it's a true ace up the sleeve.

Have a V8 Drag Racing spettacolo around Docklands, to rev up the vibe in the city.

A bientot

Best regards

Chris Thrum

Please indicate whether you would like to verbally address the Future Melbourne in	Yes

support of your submission: *	
If yes, please indicate if you would like to make your submission in person, or via a virtual link (Zoom) to the meeting. Please note, physical attendance will be limited in accordance with City of Melbourne security protocols and COVID-safe plans and be allocated on a first registered, first served basis. *	I wish to make my submission in person

Privacy acknowledgement: *	I have read and acknowledge how Council will use and disclose my personal information.
Name: *	LY TRAN
Email address: *	[redacted]
Phone number *	[redacted]
Date of meeting: *	Tuesday 21 February 2023
Agenda item title: *	Submission for City of Melbourne for Future Melbourne Committee
Alternatively you may attach your written submission by uploading your file here:	submission_to_city_of_melbourne_council_21022023.pdf 174.22 KB · PDF
Please indicate whether you would like to verbally address the Future Melbourne in support of your submission: *	Yes
If yes, please indicate if you would like to make your submission in person, or via a virtual link (Zoom) to the meeting. Please note, physical attendance will be limited in accordance with City of Melbourne security protocols and COVID-safe plans and be allocated on a first registered, first served basis. *	I wish to make my submission in person

Submission for City of Melbourne for Future Melbourne Committee

Ly Tran, Diep Thi Bich Nguyen, Jill Blackmore, Danielle Hartridge, Helen Forbes-Mewett & Renata Aldana

This submission provides a discussion of employability and work-integrated learning for international students, barriers and enabling factors to supporting employability development. It uses an evidence-based approach, drawing on the following data sets from two projects:

(1) The impact of temporary graduate visas project involving a survey with 1,156 international graduates on temporary graduate 485 visas and 50 in-depth interviews with employers, education providers, international graduates and agents.

(2) The Best Practice in International Student Engagement project involving (i) 10 consultation workshops (with 199 stakeholders who are from education providers, government bodies, communities and professional organisations), (ii) three surveys (with 2,478 international students; 1,352 international graduates; and 915 stakeholders) and (iii) a desktop analysis.

Employability

Graduate employment has been ranked fourth, after institutional reputation, affordability, quality of education, and safety in international students' decision about their study destination (Gai, Xu, & Pelton, 2016; ICEF, 2016; McLeay et al., 2020; Min & Falvey, 2018; IDP Connect, 2019). International students rank graduate employability and post-study work rights highly when choosing study destinations. Our survey with 1,156 international graduates on temporary graduate 485 visas shows 76% considered Australia's temporary graduate visa an important factor in their decision to study in Australia. Both our international student and graduate surveys for the Best Practice project found that the top four areas they need support are (1) finding jobs, (2) employability, (3) work-integrated learning and internships and (4) employment related concerns such as payment, exploitation and discrimination at the workplace, which are followed by mental health and wellbeing.

Growing support for international students' employability and work integrated learning

The Best Practice project shows that over the past decade, support services beyond the education sector targeting employability and work integrated learning (WIL) for international students have been on the rise, compared to other areas such as engagement between international student and local community, intercultural communication, English language, and wellbeing. This might be driven by three main factors: the increased weight international students and families attach to employment outcomes in choosing study destinations; international students have a rising demand for WIL and employability support but they often find it challenging to secure work placements and internships; universities tend to be reluctant or struggle to arrange WIL because it is expensive and complex, involving partnerships with industry and stakeholders which often take significant time and commitment to develop.

Barriers

- Many employers lack understanding of the temporary graduate visa or hold misconceptions of complex paperwork or sponsorship involved.
- There has been a lack of information within corporate sector around what it will be like to take an international student as an intern or to support them through their learning. Many employers are not aware of international students' rights in the context of working in Australia. There might be misinformation and inaccurate information especially regarding how to engage with international students.

- Employers often use visa status to filter job applicants and prefer those with permanent residency (PR) or citizenship. It's common to see an international graduate on a two-year temporary graduate visa apply for a one-year contract job who was assessed by the employer as a good fit for the job but finally not being hired. Often, they are given the advice; "Please reapply once you get PR".
- The chicken or egg situation around the nexus between migration, local work experience and employment still exists. Without PR, international graduates' access to the Australian labour market would be hampered due to the preference of employers for those with permanent status. But without employment relative to their field of study, it would be difficult for international graduates to secure PR or qualify for other skilled visa pathways.
- Similarly, employers want local work experience. It's challenging for many international graduates to get a foothold in their field of study without local work experience, but without a job, there's no possibility of them getting Australian work experience.
- Students are not being aware of career support programs. There are many good programs and resources provided by universities and study clusters or city councils but many international students don't know how to get information. A big cohort of international students are not aware of the support services especially during the pandemic.
- There is a lack of trust from students: not all universities in Australia are good at facilitating career development for students, making students feel insecure and have doubts that career advisors at universities understand their visa issues, employability needs and cultural language issues.
- Some international students might be reluctant to report the problems they face in their workplaces in Australia due to the fear of losing their visa or delay in their study program. Usually international students only dare to speak up when they have finished the program.
- Language barrier, unfamiliarity with work culture in Australia and lack of both social and professional networks

Enabling Factors:

- Educating students about employability: it is important for education providers and stakeholders to communicate information about employability development in a nice, neat and plain English way. Universities should educate students that it is important to get internship opportunities, and more importantly make themselves employable by equipping them with discipline-specific knowledge, soft skills, attributes and experiences.

- Effective coordination across key stakeholders and better policy making are needed to encourage more domestic employers to take on international students and graduates. There is a critical need to educate employers and raise their awareness of (1) international students' and graduates' work rights, the temporary work visa, and its purpose (2) the possibilities and process of recruiting international students and graduates on temporary graduate visas and (3) importantly, international students' values to local businesses.

- Internship programs and industry and community projects: Different partners of the university, e.g. KPMG, Deloitte can provide students with the opportunity to experience the project formulation process in these companies.

- Universities and other providers can introduce and integrate WIL earlier in the curriculum

- WIL is time and labour intensive and needs to be valued through providing teachers, academics, coordinators and those involved in arranging WIL for international students with additional support.
- Engagement with institutional career services: Students who reach out to career support services benefit greatly and tend to gain more success, especially Asian students who are not necessarily strong students, but when they reach out, involve with the community, and take part in volunteering, this makes a great difference in them.
- Social media is very important for international students to secure internship opportunity as well as work upon graduation.
- Expectation management: many international students hope to take part in internship programs at big companies such as Deloitte or KPMG, and don't want to apply for internship opportunities in small companies. However, big companies prefer domestic students because they think international students have less communication skills than domestic students. It is important for international students to have appropriate expectations.
- The significant role of pre-arrival and orientation programs in raising international students' awareness of the importance of developing employability and building a professional portfolio early in their study program.
- A more holistic and long-term strategy is needed to enhance both the sustainability of the international education sector and work readiness for international students without the over-dependence on and protectionism provided by post-study work as a major drawcard to international students.