

Tenancy and Tenancy Reform in Troubled Times: Covid-19 and Renting



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Parity

Australia's national homelessness publication

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September: Implementing the Royal Commission into Domestic and Family Violence

October: Homelessness Among Older Women

November: Responding to Homelessness in WA (TBC)

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The Pandemic and International Students in the Private Rental Sector

Professor Alan Morris, The UTS Institute for Public Policy and Governance (IPPG), Catherine Hastings, Emma Mitchell, Research Associates, IPPG and Gaby Ramia, Associate Professor, Department of Government and International Relations at the University of Sydney

Over the last two decades, international students have become a vibrant and key part of Australian community life and major contributors to the economy. However, despite their centrality, in the current period they have been profoundly let-down by the Federal Government. The 565,000 international students¹ that were still in Australia at the time of the lockdown in March have been particularly hard-hit by the pandemic. The Federal Government's refusal to extend monetary benefits to international students means that they are totally reliant on their own resources, and those of their families, patchy support from state and local governments, students' own educational institutions (in some cases) and various charities. This article draws on a large-scale survey we conducted on international students in the private rental sector in Melbourne and Sydney in the latter part of 2019 (the survey closed in early December, so pre Covid-19).² The survey elicited just over 7,000 valid responses. We focused on all three post-secondary sectors — universities, English Language Colleges (ELICOS) and Vocational education and Training (VET).³ It also draws on 11 interviews conducted with international students after the Covid-19 lockdown.

The vast majority of international students are dependent on the private rental sector for their accommodation. The government's 2014 International Student Survey,⁴ which provides the latest publicly available information on accommodation, established that 53 per cent of international tertiary students rented a house, flat or room; 16 per cent were in university residences or student hostels and 4 per cent were in homestay. Only 20 per cent were staying with friends or relatives. Thus around three quarters of international

students were paying rent to a landlord / real estate agent, a host family or their educational institution.

Financial and Housing Circumstance of International Students

Our own study found that a large proportion of international students in the private rental sector were in a precarious situation prior to the pandemic. Thus, in response to the question, '*Roughly speaking, how much income do you receive from all sources*', 32 per cent said that their income was less than \$300 a week. In the context of the Sydney and Melbourne rental market,⁵ this is obviously a minimal amount and below the poverty line, which in March 2019 for a single person not in the workforce was \$429.40 a week including housing.⁶

The limited income of many students is reflected in their housing situation. One in four students shared their bedroom with someone who was not their partner and 5.5 per cent had to share with more than one person. Remarkably, around three per cent

(218 of the 6,793 students who answered this question) said that they have to hotbed, that is, their bed was 'only available for a few hours a day', and someone else may use it at other times. A particularly disturbing finding was that 17 per cent of respondents answered in the affirmative when asked, '*In the last year, have you ever felt that you could become homeless?*'

The financial stress of a substantial proportion of international students is illustrated in Table 1. One in five students went without meals because of a shortage of money. A similar proportion were unable to heat or cool their home adequately, four in ten had to borrow money from friends or family and around one in ten had to pawn or sell something.

The Importance of Employment for Paying the Rent

An important reality for many international students is that their capacity to pay the rent is dependent on them being employed. Just over four in ten (43 per cent) were employed at the time of our survey. Of those with a paid job, just over

Table 1. International students under stress

Over the past year, since you started renting, have any of the following happened to you because of a shortage of money?	Answered "Yes"
Had to borrow money from friends or family?	41 per cent
Could not afford to buy prescribed textbook/s?	22 per cent
Unable to cool your home adequately?	22 per cent
Unable to heat your home adequately?	22 per cent
Went without meals?	21 per cent
Pawned or sold something to get money?	12 per cent
Had trouble paying your electricity on time?	11 per cent
Asked welfare/community organisations for help?	4 per cent

Source: Australian Research Council International Students Housing Survey 2019; (n is > = to 6835). Unweighted data collected from 42 educational institutions in Sydney and Melbourne metro areas in the second half of 2019.

half agreed or strongly agreed that 'I worry that if I lost my job I would no longer be able to pay the rent' and 58 per cent agreed or strongly agreed that 'if I lose my job I would have financial problems/ difficulties'. Interestingly, only 42 per cent said that their job is well-paid.

These results are significant — they illustrate that prior to the lockdown a large proportion of students were in precarious circumstances. Most importantly perhaps, the data indicate that about a quarter of all international students were dependent on their employment to pay the rent and for everyday necessities. It is evident that after the lockdown many international students lost their jobs and as a result are struggling to pay their rent and even basic subsistence is a battle. This is reflected in the interviews we have conducted since the lockdown.

The Impacts of the Lockdown

Students interviewed who did not have a scholarship and had lost their jobs were in dire straits. Not only had their personal income dried up, but they could not necessarily rely on family support. The lockdown in their home country meant that their family was finding it difficult or impossible to send money. Binsa (all names used are pseudonyms) is enrolled in a vocational course in hospitality. A day after the lock-down, she lost her job in an upmarket hotel:

'So the situation now is I was not able to pay rent because I've been stood down from my job since March and ... so I was not able to pay my full rent from the last week of March.'

Initially her landlord was sympathetic: 'They were like okay, don't pay rent if you don't have any money, we'll understand'. However, by mid-April the attitude of the landlord had shifted:

'All of a sudden by the mid-week of April they were like, "Hey, you have this much outstanding rent and you have to pay it immediately and otherwise the landlord is going to file the case to the Tribunal" ... Now I got like the termination letter of 6 April and now my landlord has also filed a case to the Tribunal and I don't know what to do ... When we email about

the rent, the agent ... just says, "She [the landlord] doesn't want to negotiate". And she filed a case saying that we haven't been able to pay like \$1,000 that's outstanding and she wants to evict us ...'

Despite the moratorium on evictions, Binsa received a notice from the Tribunal to appear:

'I checked a few things and there was like a condition where if the landlord is having hardship they can file a case, but also she writes in the description that ... if we are not able to pay whatever we are supposed to pay she's going to have to evict us.'

Adding to her precarious situation was the inability of her family to transfer money.

'I can't go back to my country [and] I can't ask for help from my country ... There's a curfew ... Nothing is open and yeah, because of that, I can't even ask help from my country.'

Aparna lost her job but fortunately, after a few weeks, a few of her shifts were restored. Like Binsa, her family is unable to send her money. She was just coping:

'Before getting my job back, I had to cut down on fresh fruits and veggies and even canned food and to get cheap cup of noodles for every day. I also had to limit the quantity of my food to save enough money for rent which was barely enough. Even now, I'm having to stick to canned food, but not as much as before.'

Some students had had a positive response from their landlord. Giang, a university student in Sydney, lost his job as a waiter after the lockdown. He shared a room in a share house and was paying \$150 a week before losing his job. After losing his job, his landlord reduced his rent to \$110 a week:

'Well actually the landlord was the one who took the initiative which was really kind of him. If anybody in the house has some difficulty paying the rent just tell him yeah, and so he reduced the rent.'

Despite his rent being reduced and having a scholarship, Giang was struggling:

'I'm very grateful that I'm still getting by. I'm getting help with food from the charity ... and just applied for support from my university. Although my restaurant has reopened, business is rather slow, so I still haven't been called in to work. But still, it is very kind of my manager to ask me to come in for food if I have the time.'

Giang was keen to fly home, but there are no flights.

Conclusions

The loss of employment, the limited capacity of their families to assist, their inability to fly home and the absence of any meaningful financial support from government, means that a substantial proportion of international students in the private rental sector are in dire straits. The loosening of the lockdown restrictions means that some will be reemployed in their old jobs or find alternative employment. However, the competition for casual jobs is acute⁷ and it is likely that many will remain unemployed. Trapped in Australia, with minimal or no income, their hold on their accommodation is likely to become increasingly tenuous.⁸

Endnotes

1. Australian Government 2020, *Coronavirus and temporary visa holders*. Media release, 4 April. <https://minister.homeaffairs.gov.au/davidcoleman/Pages/Coronavirus-and-Temporary-Visa-holders.aspx>
2. This research has been funded by an Australian Research Council grant on international students and housing.
3. The survey is in the process of being written up. A report should be available in early July.
4. Australian Government 2015, *International Student Survey 2014*. Overview report. https://internationaleducation.gov.au/research/research-papers/Documents/ISS_per_cent202014_per_cent20Report_per_cent20Final.pdf
5. In September 2019, the median weekly rent in Sydney for houses was \$525 and for apartments, \$520. The respective figures in Melbourne were \$430 and \$420 (see <https://www.domain.com.au/research/rental-report/september-2019/>)
6. Melbourne Institute: Applied Economic and Social Research 2019, *Poverty Lines Australia, March Quarter 2019*. Melbourne: University of Melbourne.
7. Binsa had applied for a number of jobs but had been unsuccessful. She was told by Woolworths that the company giving Qantas workers preference.
8. This research is part of an ongoing ARC study of the circumstances of international students in the PRS made more urgent by the pandemic crisis and the federal government's refusal to offer any support. We are conducting a follow-up of the first survey. The survey examines the impact of the pandemic on international students in the PRS.

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