

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Inquiry into the Education Services for Overseas Students Amendment (Quality and Integrity)

Bill 2024 [Provisions]

Department: Department of the Treasury
Topic: Housing availability
Reference: Spoken p. 49-50 (6 September 2024)
Senator: David Pocock

Question:

Senator DAVID POCOCK: One of the reasons for this bill is to do with housing affordability. We saw the head of the National Housing Supply and Affordability Council come out and say that makes no sense to them and they don't think it's going to make the slightest dent. I'm interested in what calculations or modelling you had to show that this would improve housing availability and, potentially, affordability.

Ms Cavanagh: Home Affairs doesn't have policy responsibility for housing. I might leave that one to Treasury.

Ms Reinhardt: If you're okay, Senator Pocock, I'm happy for us to talk to that a little bit. I think Mr Rimmer also spoke to this issue. I have someone from the housing team online who is happy to have a chat about it. It is worth mentioning that the data that's often being cited is four per cent of the market, and that was 2021 data—at the very trough of international student stock. A polite way of putting it is it's not the best data.

Senator DAVID POCOCK: Can I ask for your data?

Ms Reinhardt: What we can provide is the rental vacancy rates around a number of universities which, like the rest of Australia, show pretty high stress numbers. Certainly it is only a factor and we would not want to overplay that. But we think it is a factor, particularly in terms of short-run housing responses as opposed to long-run ones which, as one of the senators said today, is also about supply.

Senator DAVID POCOCK: You've refuted the four per cent number so, on notice, could you provide the more current number in terms of the overall share of the housing stock that's taken up by international students?

Ms Reinhardt: I'll have to take on notice whether we have that. I might just check with Mr Dowie whether he's—

Senator DAVID POCOCK: I suggest that it's pretty hard to refute something if you can't actually provide the data to refute it.

Mr Dowie: We can see what data we can provide. I think the point that Ms Reinhardt is making is that the data that Ms Lloyd-Hurwitz used in her comments on Wednesday was relying on that four per cent figure. That four per cent figure was done in 2021 when a number of international students started—

Senator DAVID POCOCK: Sorry to cut you off; I get that. I'm interested if you can provide the current percentage, if it has gone up.

Ms Reinhardt: We can provide the rental vacancy rates around universities. Whether we can provide the exact equivalent to the four per cent, I'm less certain about, but we'll take it on notice.

Answer:

Treasury does not track or model the number of international students in the private rental market. However, using publicly available information the proportion of the rental market made up by international students in 2021 can be estimated.

According to ABS Census data, the total number of temporary student visa holders in Australia in August 2021 was 363,900, and there were 6,301,724 people renters (excluding renters in public and community housing) (Census of Population and Housing, 2021, TableBuilder). This would mean, without allowing for the number of students in Purpose Built Student Accommodation (PBSA), living with parents or relatives, or in homestay arrangements, that international students accounted for 5.8 per cent of the rental population in 2021.

Noting this, the Department of Home Affairs reported that as at 31 July 2024 there were 696,162 temporary student visa holders in Australia, which is almost twice the amount in August 2021.

Refer to the factsheet on Department of Education's website for further information.

Vacancy rates at the location of the main campus of public universities is below the healthy vacancy rate of 3 per cent at all but one university (University of Tasmania). A "healthy vacancy rate" is the vacancy rate at which the demand for rentals does not put pressure on the rental price. See Table 1 below.

Table 1: Average of monthly vacancy rate over the 12 months from December 22 to November 23 sourced from CoreLogic. Based on the Statistical Areas Level 3 (SA3) of the university's main campus as defined by Australian Bureau of Statistics' Australian Statistical Geography Standard (ASGS) Edition 3.

University	State	Location	Vacancy rate
Australian Catholic University	NSW	Sydney	2.17%
Australian National University	ACT	Canberra	2.01%
Charles Darwin University	NT	Darwin	0.90%
Charles Sturt University	NSW	Wagga Wagga	2.10%
Central Queensland University	QLD	Rockhampton	1.50%
Curtin University	WA	Perth	0.87%
Deakin University	VIC	Geelong	1.37%
Edith Cowan University	WA	Perth	0.90%
Federation University Australia	VIC	Ballarat	1.43%
Flinders University	SA	Adelaide	0.77%
Griffith University	QLD	Gold Coast	1.59%
James Cook University	QLD	Townsville	1.68%
La Trobe University	VIC	Melbourne	0.89%
Macquarie University	NSW	Sydney	1.99%
Monash University	VIC	Melbourne	0.95%
Murdoch University	WA	Perth	0.99%
Queensland University of Technology	QLD	Brisbane	1.44%
Royal Melbourne Institute of Technology	VIC	Melbourne	1.66%
Southern Cross University	NSW	Lismore	2.32%
Swinburne University of Technology	VIC	Melbourne	1.02%
The University of Adelaide	SA	Adelaide	0.64%

University of Canberra	ACT	Canberra	1.85%
The University of Melbourne	VIC	Melbourne	1.66%
University of New England	NSW	Armidale	2.38%
The University of New South Wales	NSW	Sydney	2.09%
The University of Newcastle	NSW	Newcastle	1.70%
The University of Notre Dame Australia	WA	Perth	1.03%
The University of Queensland	QLD	Brisbane	2.07%
University of South Australia	SA	Adelaide	0.64%
University of Southern Queensland	QLD	Toowoomba	1.95%
The University of Sydney	NSW	Sydney	2.09%
University of Tasmania	TAS	Hobart	3.10%
University of Technology Sydney	NSW	Sydney	2.09%
University of the Sunshine Coast	QLD	Sunshine Coast	1.51%
The University of Western Australia	WA	Perth	1.33%
University of Wollongong	NSW	Wollongong	1.35%
Victoria University	VIC	Melbourne	1.66%
Western Sydney University	NSW	Sydney	2.48%

Note: The main campus for the University of Sydney, University of Technology Sydney and University of New South Wales are located in the same SA3.

The main campus for Royal Melbourne Institute of Technology (RMIT), the University of Melbourne and Victoria University are located in the same SA3.

The main campus for The University of Adelaide and University of South Australia are located in the same SA3.

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ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Inquiry into the Education Services for Overseas Students Amendment (Quality and Integrity)

Bill 2024 [Provisions]

Department: Department of the Treasury
Topic: Net overseas migration working documents
Reference: Spoken p.45 (6 September 2024)
Senator: Sarah Henderson

Question:

Senator HENDERSON: Okay. Have you provided the working documents on the calculations of the net overseas migration?

Ms Reinhardt: No we haven't provided documents on the calculation of overseas migration.

Senator HENDERSON: Okay. I asked for all relevant working documents on the calculations—not the MYEFO forecast, because you've given evidence that that's not yet available, but the working documents on the calculation. Could you provide those to the committee urgently, please, because it's not conceivable that you have not done working calculations internally on the net overseas migration. So that is urgent. We need that in order to understand the impact of this bill. What is the impact of the national planning level of 270,000 new commencements on net overseas migration?

Ms Reinhardt: I'll start and then I'll hand over to my colleagues, who can probably provide a bit of extra detail. On the announced student caps, we would expect that they would be broadly consistent with the numbers that were in MYEFO around net overseas migration and broadly consistent with the economic forecasts that were in MYEFO. This is noting, however, that once we get to a new forecasting round we'll be taking into account a lot of the changes, across the board, around net overseas migration, as we do in any forecasting update. I'm not saying they won't change; I'm just saying that the numbers that have come out at the planning level do not suggest that we would change the outcomes were we to re-do the MYEFO forecast.

Senator HENDERSON: For 2024-25, the target that the government has announced is 260,000.

Ms Reinhardt: So 260,000 is not a target; it's the forecast of the net overseas migration.

Senator HENDERSON: You say 'potarto' I say 'potato'. Anyway, that's the forecast: 260,000. Does that mean the national planning level—

Ms Reinhardt: Is consistent with that number, yes.

Senator HENDERSON: What about 2027-28? 235,000 is the—

Ms Reinhardt: The 2027-28 numbers for the national planning level have not—

Senator HENDERSON: No, for the net overseas migration the forecast is 235,000 in 2027-28. So what national planning level will be required, based on your own internal calculations, to achieve 235,000 by 2027-28?

Ms Reinhardt: We haven't done calculations around those future numbers, and government is still to announce future national planning level numbers beyond 2025.

Senator HENDERSON: I understand that. That's not my question. What are your internal calculations, based on what the national planning level needs to be, to reach a NOM of 235,000 in 2027-28?

Ms Reinhardt: I'm not aware that we've done those calculations.

Senator HENDERSON: Have you done any calculations?

Ms Reinhardt: We've provided advice to government on their national planning levels, what the implications are, for net overseas migration. We—as in Treasury, Home Affairs, the Department of Education and DEEWR—have worked on the national planning level numbers, what the implications would be for student NOM and, therefore, to some degree, for NOM. I think I talked last time we were here about the fact that the national planning level—that is, the 270,000 that's been announced—translates to likely net overseas student numbers, but it in no way guarantees them, because there are a number of factors that then impact on what the actual net overseas migration numbers are for students.

Senator HENDERSON: Please provide those internal working documents, including those calculations, to the committee. They are very important and they are a request of this Senate committee.

Ms Reinhardt: I'll take that on notice.

Answer:

The current forecasts for NOM were published in the 2024-25 Budget. Treasury will produce updated NOM forecasts for the 2024-25 MYEFO.

The ABS publishes NOM statistics on a quarterly basis.

Treasury provided advice on the impacts of a National Planning Level for new international student commencements as part of the Cabinet process.

Treasury will continue to assess any potential effects as part of updating its forecasts for net overseas migration in the 2024-25 MYEFO, taking into account latest available indicator data and other relevant information.