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**Senate Education, Employment and Workplace Relations Committee  
PO Box 6100  
Parliament House  
Canberra ACT 2600  
Australia**

It is with pleasure that the Australian Homestay Network (AHN) presents this submission to the Senate Inquiry into the Welfare of International Students.

**AHN is a national network of:**

- individuals
- institutions
- organisations
- agents and groups

All our members are committed to the provision of quality Homestay services.

We are Australia's only national network of Homestay Supervisors and responsible for the largest trained Homestay Host pool and Homestay Placements in Australia.

We work closely with Education Institutions (Government and non Government) as well as industry groups (such as ACPET and ISANA).

Many of our members are supervisors who use the AHN system, protocols, insurance and professional 24/7 services for the proper management of Agents, Institutions, Homestay Hosts, and Students.

**AHN members are committed to and share the vision of:**

- A consistent and compliant approach to the provision of Homestay services in Australia
- Continuous development and improvement of the AHN system and procedures for the benefit of all AHN members
- The promotion of AHN Homestay as a marketing positive for studying in Australia

We appreciate the opportunity to contribute to this Senate Inquiry and would like the opportunity to be presented as a witness given our comprehensive experience and unique Australia wide network membership.

Regards

**David Bycroft  
Managing Director**

# **Senate Inquiry into the Welfare of International Students**

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## **Australian Homestay Network Submission**



**Australian Homestay  
Network**

A project of Homestay Management Pty Ltd  
ABN 52 124 610 313

**14 August 2009**

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## Executive Summary - AHN Recommendations

Inquiry Request	AHN Recommendations
<p><b>a) the roles and responsibilities of education providers, migration and education agents, state and federal governments, and relevant departments and embassies, in ensuring the quality and adequacy in information, advice, service delivery and support, with particular reference to:</b></p>	<p>As a general guideline AHN believes that Education Institutions and Agents should not be involved in managing Homestay programs.</p> <p>There is evidence that a trend has developed where Homestay has become a revenue earning exercise for some operators without due care for the support of the students and/or hosts.</p> <p>The Australian Homestay Network has been established to address compliance and ensure better, safer and more appropriate Homestay experiences.</p>
<p><b>(i) student safety,</b></p>	<ol style="list-style-type: none"> <li><b>1.</b> That the Government introduce legislation to ensure that all Homestay managers/supervisors meet minimum standards in their operating, training, and support procedures for hosts and international students</li> <li><b>2.</b> That Education Agent managed Homestay be eliminated and in particular those without risk management and critical incident protocols in place</li> <li><b>3.</b> That online automatic matching of hosts and students without an appropriate supervised support structure be eliminated</li> <li><b>4.</b> That strict recruitment guidelines for homestay hosts be mandatory and include a signed agreement as well as ongoing supervision, training and support</li> <li><b>5.</b> That all Australian Homestay programs must include professional 24/7 phone support including emergency/ critical incident management and interpreter/medical support</li> <li><b>6.</b> That all Australian Homestay programs must include appropriate contents insurances for both Hosts and Students including personal liability insurance</li> </ol>

Inquiry Request	AHN Recommendations
<b>(ii)</b> adequate and affordable accommodation,	<p><b>7.</b> That the Government continue to assess approved Homestay revenue as tax free for hosts who have up to 2 students in appropriate accommodation</p> <p><b>8.</b> That the tax free entitlement be extended to include all variations of International Student Homestay conducted by approved Homestay Supervisors</p> <p><b>9.</b> That the Government assist in the marketing of Homestay Hosting Opportunities Australia wide so that the quality and quantity of the hosting pool can be increased</p> <p><b>10.</b> That the Australian Government encourage appropriate local authorities to adopt “Homestay” strategies and by laws to ensure compliance and quality control</p>
<b>(iii)</b> social inclusion,	<p><b>11.</b> That all Homestay programs in Australia must include appropriate online Agent, Student and Homestay Host training and orientation programs (with particular emphasis on risk management and compliance issues)</p> <p><b>12.</b> That the Australian Government provides advertising support for Approved Australian Homestay Host procurement programs</p> <p><b>13.</b> That appropriate “student support” online Host training and assessment be made mandatory for all Australian Homestay host applicants</p>
<b>(iv)</b> student visa requirements,	N/A
<b>(v)</b> adequate international student supports and advocacy,	<b>14.</b> That the Australian Government work with the Australian Homestay Industry in developing/enforcing appropriate online training and orientation materials for overseas agents, students and their families
<b>(vi)</b> employment rights and protections from exploitation, and	N/A

Inquiry Request	AHN Recommendations
(vii) appropriate pathways to permanency;	<p>15. That International Students be provided with additional points for Permanent Residency Applications if they have successfully participated in an approved Homestay program for a defined minimum period</p>
(b) the identification of quality benchmarks and controls for service, advice and support for international students studying at an Australian education institution; and	<p>16. That the Australian Government ensure that Education Providers in Australia referring/ promoting/providing any Homestay Program meet minimum standards and include the following:</p> <ul style="list-style-type: none"> <li>• An online, compliant and accessible management system including proper training and support for hosts and adequate pre-arrival orientation material for students and agents</li> <li>• An acceptable industry Advisory Board overseeing the integrity of all Homestay systems and processes</li> <li>• Professional outsourced 24/7 phone support including emergency and critical incident management, appropriate interpreter support, and medical advice and support</li> <li>• Compulsory appropriate contents insurances for both Hosts and Students including personal liability insurance</li> </ul>
(c) any other related matters.	<p>17. That the Government ensure that the intent of the CAAW (Confirmation of Appropriate Accommodation and Welfare for Under 18's) with respect to "<i>Appropriate Accommodation and Welfare</i>" is being properly delivered. Regular audit checks within institutions are required</p> <p>18. That the Australian Government work with the Australian Homestay Industry in developing/enforcing appropriate minimum standards and facilitating appropriate and consistent solutions for the Industry</p> <p>19. That the Australian Government legislate to set limits on the maximum commission payable to agents per sector (e.g. 12.5% for Higher education, 20% for VET sector )</p>

## **Inquiry Request a)**

**the roles and responsibilities of education providers, migration and education agents, state and federal governments, and relevant departments and embassies, in ensuring the quality and adequacy in information, advice, service delivery and support, with particular reference to:**

### **(i) Student Safety,**

#### **1. Minimum Standards Required – Homestay Managers**

**That the Government introduce legislation to ensure that all Homestay managers/supervisors meet minimum standards in their operating, training, and support procedures for hosts and international students.**

##### **Qualifying Notes**

After extensive industry consultation the Australia Homestay Network in conjunction with its national membership believe that the minimum standards for Homestay managers/supervisors should be:

- An online compliant and accessible/fully trackable/auditable system
- An acceptable industry Advisory Board overseeing the integrity of systems and processes
- Professional 24/7 phone support including emergency and critical incident management
- Appropriate insurances for both hosts and students
- Part of a Quality Assurance National Homestay Network

#### **2. Restrict Education Agent Managed Homestay**

**That Education Agent managed Homestay be eliminated and in particular those without risk management and critical incident protocols in place.**

##### **Qualifying Notes**

An increasing number of issues have arisen because international education Agents are getting involved in both homestay and accommodation management.

The key driver for the Agents is generally commission and not the homestay or welfare of the student. Often students are left living in homes greater than one hours travel to their institution. This has to be stopped.

Students are being placed where there have been no Working with Children/Police Checks/Blue Cards being issued.

The accommodation is often substandard with multiple students to a room and without smoke alarms, fire extinguishers or adequate bathroom facilities etc as is required in rooming/boarding house style accommodation.

### **3. Restrict Automatic Matching of Hosts and Students**

**That online automatic matching of hosts and students without an appropriate supervised support structure be eliminated.**

#### **Qualifying Notes**

Successful homestay programs cannot be conducted through an unsupervised random online program. House inspections and minimum standards for acceptance are essential. Homestay needs protocols, benchmarks, supervision, professional support and management.

Please refer to the following two websites:

[www.homestayfinder.com](http://www.homestayfinder.com)

[www.homestaybooking.com](http://www.homestaybooking.com)

The controls on these websites are unsatisfactory and present opportunities for unscrupulous hosts to participate and take advantage of the vulnerabilities of international students.

### **4. Ensure Strict Host Recruitment Guidelines**

**That strict recruitment guidelines for homestay hosts be mandatory and include a signed agreement as well as ongoing supervision, training and support.**

#### **Qualifying Notes**

Many hosts in homestay are being enlisted and provided with students with no guidelines, supervision, training or support. In many cases there is no transparent agreement between host and supervisor (on behalf of the student/education institution).

Where this happens there is a higher risk of an incident which damages the reputation of Australian education. Cultural exchange is a high priority for students and hosts and direction and support are essential.



In addition to this recommendation it is also strongly advised to ensure that students do not pay homestay host directly for their homestay. All payments for homestay should be through an approved supervisor ensuring ongoing support, care, insurance and professional 24/7 emergency management.

## **5. Professional Critical Incident/Emergency Management Support**

**That all Australian Homestay programs must include professional 24/7 phone support including emergency/ critical incident management and interpreter/medical support.**

### **Qualifying Notes**

Most homestay supervision groups (including institutions conducting their own homestay) do not have adequate backup support.

Professional 24/7 phone support including emergency and critical incident management must become mandatory. Services should include the following:

- Homestay Help Desk
- Medical Assistance and Referral
- Telephone Legal Advice
- Stress & Trauma Support
- Appropriate Interpreter Assistance
- Insurance Claim Lodgment

Unfortunately many Homestay services advertise 24/7 back up but in most instances it is an inexperienced staff person or principle of the business with a mobile phone. This is not an arrangement that is conducive to properly handling critical incidents or emergencies.

## **6. Compulsory Insurances for both Hosts and Students**

**That all Australian Homestay programs must include appropriate contents insurances for both Hosts and Students including personal liability insurance.**

### **Qualifying Notes**

The majority of homestay programs in Australia are operating without appropriate contents insurances for both hosts and students including personal liability insurance.

Minimum cover as follows should be mandatory:

## **Insurance for Hosts**

**Cover up to \$10,000\* for loss or damage to the Homestay Host's Building&/or Contents as a result of:**

- Deliberate or Malicious Damage caused by Homestay Students.
- Loss of Homestay Student Fees should the Host's residence become uninhabitable as a result of Fire, Explosion, Earthquake, Tsunami or Storm Damage
- Illegal Use of Credit or Financial Transaction Cards up to \$5,000

## **Insurance Benefits - Students**

Cover for the Homestay Students Belongings up to \$10,000\* for Loss or Damage caused by:

- Fire Explosion & Lightning
- Earthquake or Tsunami
- Storm, Hail or Rainwater Damage
- Burglary or Theft
- Accidental Breakage of Fixed Glass
- Fusion of Electric Motors
- Food Spoilage following a Fusion event up to \$1,000
- Deliberate or Malicious Damage
- Illegal use of Credit or Financial Transaction Cards up to \$5,000
- Personal Liability up to \$10,000,000 Australia Wide

**\*Excess of \$100 applies per claim**

Many current homestay arrangements do not cover the international student for personal liability insurance which we believe is essential.

## **(ii) Adequate and Affordable Accommodation**

### **7. Tax Free Status for Homestay**

**That the Government continue to assess approved Homestay revenue as tax free for hosts who have up to 2 students in appropriate accommodation.**

#### **Qualifying Notes**

In most cases Homestay revenue is currently tax free for the Hosts of International students.

It is important that this is maintained and better promoted to potential homestay hosts.

## **The ATO Tax Ruling is summarised below:**

*Is an amount received by a taxpayer with regard to a student who is boarding with them under a homestay arrangement, assessable under section 6-5 of the Income Tax Assessment Act 1997 (ITAA 1997)?*

*No, the amount received by a taxpayer with regard to a student who is boarding with them under a homestay arrangement is not assessable under section 6-5 of the ITAA 1997*

### **ATO Tax Ruling Facts**

- *The taxpayer boards a student in their home under a homestay arrangement*
- *The taxpayer intends to board one or two students at any time*
- *The amounts paid to the taxpayer to board the homestay student are used to pay all the household expenses of the student (food, phone, electricity etc)*
- *There may be a negligible amount of surplus money after expenses in any particular week*

### **ATO Tax Ruling Reasons**

- *The term 'homestay' is used to describe accommodation provided to local and overseas students studying or training at Australian universities or other educational institutions*
- *Under a homestay arrangement, students live with the host family in their home. They are usually provided with their own room and have access to other household facilities. Main meals are provided by the host family. They may also have their laundry and ironing done, and provided with occasional transport. They may be required to help out with household chores and keep their room clean*
- *Rental income is normally regarded as ordinary income and therefore forms part of the taxpayer's assessable income. However, where there is a non-commercial or domestic arrangement, amounts paid for board or lodging do not give rise to the derivation of assessable income*

Additional information can be found on the ATO website.

Here is the link:

<http://law.ato.gov.au/atolaw/print.htm?DocID=AID%2FAID2001381%2F00001&PiT=99991231235958>

## **8. Extended Tax Free Status**

**That the tax free entitlement be extended to include all variations of International Student Homestay conducted by approved Homestay Supervisors.**

### **Qualifying Notes**

The housing crisis for International students is real. We have confirmed reports of instances where over 40 students have shared the one house in rental accommodation. Hot bedding (access to a bed which is shared in shifts) is common.

More Homestay products are needed to help alleviate housing stress in this industry. The type of Homestay products required would include a 'Hosted Shared Accommodation Homestay' where there would be no meals and the student would have managed kitchen access for meal preparation and cooking purposes.

Hosts should feel secure in offering Homestay and not feel they will be penalised by the Australian Tax office or Centrelink (for pensioners). There is a desperate need for a great supply of quality homestay hosts. Extending the tax free incentives will assist in greatly resolving this

## **9. Marketing Support to Procure Hosts**

**That the Government assist in the marketing of Homestay Hosting Opportunities Australia wide so that the quality and quantity of the hosting pool can be increased.**

### **Qualifying Notes**

The more hosts available to the industry the better quality host pool. Increasing the supply of hosts also will help keep the costs of Homestay down. Government support is required in promoting the benefits of hosting international students.

## **10. Local Government Involvement and Support**

**That the Australian Government encourage appropriate local authorities to adopt "Homestay" strategies and by laws to ensure compliance and quality control.**

### **Qualifying Notes**

The City of Darebin has initiated Australia's first local Government strategy in Homestay management.

This is a perfect example where Industry and Local Government can work together to increase controls, product options, host availability and affordability of international student accommodation.

Local Government can also assist in helping to enforce appropriate standards for Homestay services. The Australian Government should encourage other local authorities in appropriate areas to deliver similar strategies.

The City of Darebin request for a partner to assist in this project is as follows:

## **Expressions of Interest**

### **City of Darebin Homestay Initiative**

The City of Darebin wishes to develop strategic relationships with suitable Homestay providers to respond to the housing stress of international students in the Darebin region.

*Homestay agencies are encouraged to submit an Expression of Interest which addresses the following requirements:*

- *Knowledge of relevant legislation and industry requirements*
- *Experience in managing Homestay operations*
- *A comprehensive compliance system for managing Homestay including processes to ensure the integrity of the operation*
- *Access to professional support for Homestay hosts and students*
- *Management procedures for critical incidents and emergencies*
- *Appropriate insurances for hosts and students*
- *Relationships with local education providers*

NOTE: The Australian Homestay Network has been chosen as City of Darebin's strategic partner in this project.

## **(iii) Social Inclusion**

### **11. Compulsory Approved Training – Agents, Students and Hosts**

**That all Homestay programs in Australia must include appropriate online Agent, Student and Homestay Host training and orientation programs (with particular emphasis on risk management and compliance issues).**

#### **Qualifying Notes**

Training and orientation programs must be delivered offshore before the student arrives in Australia. This can be developed online as a central resource for all agencies. Government leadership and support for this project would be welcomed and help eliminate many of the issues which have arisen because of poor/inadequate communication.

Training Homestay hosts to recognise culture shock and to have the skill to orientate the student during the first seventy two hours of their visit by assisting the student to understand their journey to their education provider, a bank, their local shops etc. is an essential requirement. Also prior to arrival in the country we need to help students to recognise potential risks; e.g. road safety, personal safety, and beach safety etc.

## **12. Advertising Support**

**That the Australian Government provides advertising support for Approved Australian Homestay Host procurement programs.**

### **Qualifying Notes**

Advertising budgets are needed to encourage Australians to understand and enrol in becoming a Homestay Host for international students. Enrolment and training is available online and is free.

Homestay is a preferred choice for many International students and is considered as being a safe way to introduce a student into Australia. Students report better grounding and awareness after an introductory Homestay Placement.

## **13. Mandatory Homestay Host Assessment**

**That appropriate “student support” online Host training and assessment be made mandatory for all Australian Homestay host applicants.**

### **Qualify Notes**

There is a major void in Australia for appropriate host training and testing by Homestay Supervisors. This needs to be made compulsory as many avoidable issues arise from an ignorant supply market.

This measure would ensure that all Homestay hosts are recruited, oriented and interviewed to better protect the international student during their Homestay experience.

## **(iv) Student Visa Requirements**

N/A

## **(v) Adequate International Student Supports and Advocacy**

## **14. Development of Orientation Materials**

**That the Australian Government work with the Australian Homestay Industry in developing/enforcing appropriate online training and orientation materials for overseas agents, students and their families.**

### **Qualifying Notes**

Implemented correctly, this would significantly solve many of the problems currently being experienced. A centralised and controlled approach is required.

## **(vi) Employment Rights and Protections from Exploitation**

N/A

## **(vii) Appropriate Pathways to Permanency**

### **15. Permanent Residency Application Acknowledgement**

**That International Students be provided with additional points for Permanent Residency Applications if they have successfully participated in an approved Homestay program for a defined minimum period.**

### **Qualifying Notes**

This would encourage international students to include and experience homestay as part of their cultural exchange with Australia. An initial 4 weeks in Homestay has helped thousands of students achieve a safer and better grounded future for their education and life in Australia.

## **Inquiry Request b)**

**The identification of quality benchmarks and controls for service, advice and support for international students studying at an Australian education institution;**

The Australian Homestay Network (AHN) has had an ongoing commitment to an industry advisory board (Chaired by Sylvia Lewohl) to ensure that AHN benchmarks and service delivery standards meet industry requirements.

We believe that all homestay managers in Australia need independent industry monitoring.

## **16. Control on Education Institution Homestay Referrals**

**That the Australian Government ensure that Education Providers in Australia referring/promoting/providing any Homestay Program that it must meet minimum standards and include the following:**

- An online, compliant and accessible management system including proper training and support for hosts and adequate pre-arrival orientation material for students and agents
- An acceptable industry Advisory Board overseeing the integrity of all Homestay systems and processes
- Professional outsourced 24/7 phone support including emergency and Critical incident management, appropriate interpreter support, and medical advice and support
- Compulsory appropriate contents insurances for both Hosts and Students including personal liability insurance

### **Qualifying Notes**

Numerous industry meetings have called for increased standards and controls for Homestay.

At the moment the industry is inconsistent and needs leadership. Opportunities have arisen for the wrong type of people to participate in the business side of Homestay because of the lack of standards and controls.

This has led to increasing complaints both from students and agents/overseas embassies.

## **Inquiry Request c)**

**any other related matters**

## **17. CAAW Compliance**

**That the Government ensure that the intent of the CAAW (Confirmation of Appropriate Accommodation and Welfare for Under 18's) with respect to "Appropriate Accommodation and Welfare" is being properly delivered. Regular audit checks within institutions are required.**



### **Qualify Notes**

The terms “Appropriate” and “Welfare” need definitions to ensure that standards expected are properly met. By then implementing regular audit checks on Institutions this will improve compliance with under 18’s “appropriate accommodation and welfare”. The Government needs to provide a strong message here to ensure that a better response from the industry will be forthcoming.

## **18. Homestay Industry Consistency**

**That Australian Government work with the Australian Homestay Industry in developing/enforcing appropriate minimum standards and facilitating appropriate and consistent solutions for the Industry.**

### **Qualify Notes**

Homestay can be a showpiece for international education. A coordinated and managed approach to quality homestay services will increase Australia’s competitiveness in the International Education market. Appropriate and consistent solutions are required.

## **19. Establish Agent Commission Limits**

**That the Australian Government legislate to set limits on the maximum commission payable to agents per sector (e.g. 12.5% for Higher education, 20% for VET sector)**

### **Qualifying Notes**

Our group believes that fundamental to improving Australia’s standing in International education is better Agent management and training. Included in this is the recommendation that fees for agents be capped so that unscrupulous agents are not referring the students to programs that offer the agent better returns. If the Agents fees were capped then commissions would not be a major determining factor in Agent course recommendations.

## Conclusion

The Australian Homestay Network (AHN) welcomes the opportunity to participate in this Senate inquiry into the welfare of international students.

We are prepared to commit our resources, knowledge and experience in assisting the Government to establish best practices with respect to Homestay and related areas.

We have conducted numerous workshops and focus groups involving both homestay hosts and international students as well as meeting with the majority of leading Institutions throughout Australia.

Our research into the Homestay industry has been significant and has included involvement of many of the most experienced stakeholders from within this industry.

Our findings through the research period (over the last four years) are embarrassing for international education in Australia.

Our group is on a mission to address this and we are pleased to confirm that there has been significant progress.

The support of this Senate inquiry is still needed however, as there is growing concern relating to practices not conducive to successful student outcomes.

Further examples and details can be provided if required.

We look forward to the Government's findings from this inquiry and assisting with the necessary changes to make Australian homestay a key marketing advantage in the international education market.