



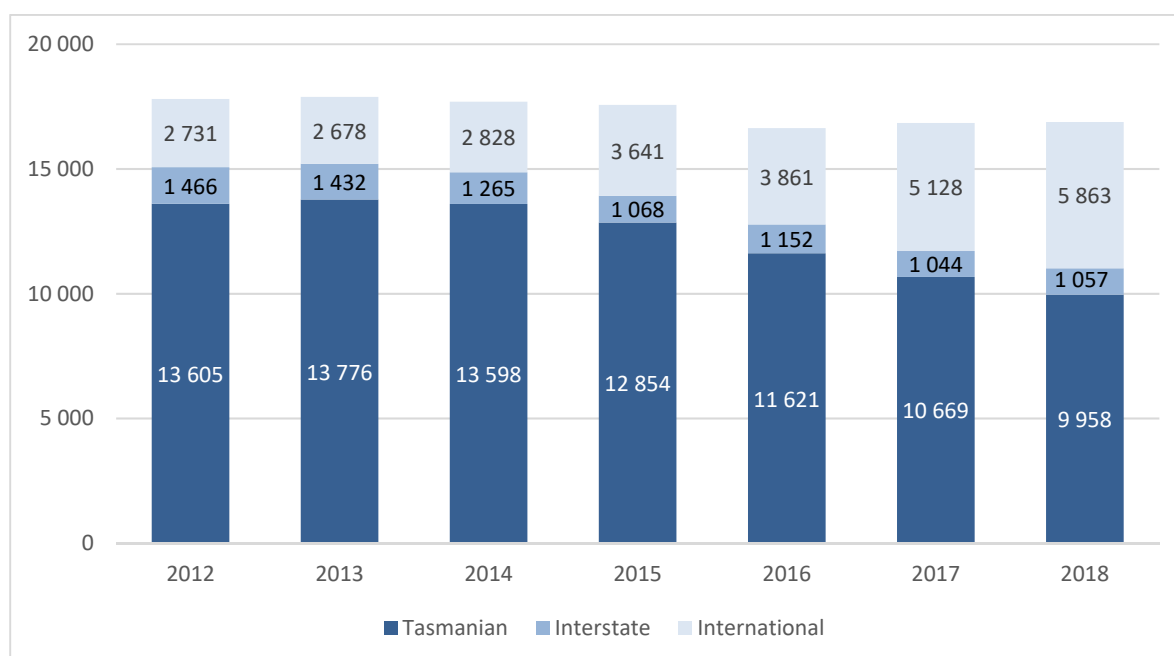
Managing University Student Accommodation

INTRODUCTION

Australia has one of the most respected university systems in the world with a number of Australian universities ranked in the world's top 50 universities.¹ Total student enrolments at Australian universities has increased from approximately 820 000 in 2002 to 1.5m in 2017.² More Australians are now studying beyond Year 12 and the number of international students enrolling at Australian universities is increasing. Education is now Australia's third-largest export, worth \$32.8b in 2017-18,³ with the economic impact of international education increasing by 22% in 2017.⁴

The University of Tasmania (UTAS) is Tasmania's only public university. Figure 1 shows the number of on campus or mixed enrolments for Tasmanian, interstate and overseas students from 2012 to 2018 attending Tasmanian campuses.

Figure 1: On campus enrolment numbers at UTAS from 2012 to 2018



Source: UTAS (Note: Figure 1 does not include enrolled students who undertake all their studies off-campus or who are studying on campus at Darlinghurst or Rozelle in Sydney.)

Figure 1 shows:

- total on-campus enrolments have dropped from 17 802 in 2012 to 16 878 in 2018, a decrease of 5%.
- Tasmanian on-campus enrolments have dropped from 13 605 in 2012 to 9 958 in 2018, a decrease of 27%.

¹ Retrieved from <https://theconversation.com/are-australian-universities-seldom-excellent-the-experts-respond-1535>

² Retrieved from <https://www.universitiesaustralia.edu.au/wp-content/uploads/2019/06/Data-snapshot-2019-FINAL.pdf>

³ Munro-Smith H., University and Other Higher Education in Australia, IBISWorld Industry Report P8102, 2018, p. 2.

⁴ Retrieved from <http://monitor.icef.com/2018/04/australias-international-education-exports-grew-22-2017/>

Performance audit — Audit Planning Memorandum

- interstate on-campus enrolments dropped from 1 466 in 2012 to 1 057 in 2018, a decrease of 28%
- international on-campus enrolments rose from 2 731 in 2012 to 5 863, an increase of 115%.

In the past, students were able to choose between UTAS supported accommodation or private rental accommodation traditionally situated within close proximity of UTAS's campuses. However, since 2017 the private rental market has become problematic for students, especially in Hobart where there have been high rates of employment, population growth and increasing house prices.⁵

To accommodate the increasing number of students requiring accommodation, UTAS has constructed a number of purpose-built student accommodation (PBSA) facilities or acquired and modified suitable properties, such as existing hotels in Hobart. There are a number of perceived benefits of PBSA for students with safety and security being a major factor. In addition, the newer PBSA facilities are also of a better standard, include more studio apartments and are in close proximity to the city centres of Hobart, Launceston and Burnie.

Due to factors, such as an increasing student demand for accommodation and positive rental growth, student accommodation is emerging as an asset class of its own that is attractive to investors. The investment in PBSA has led to new management and financing models emerging for the provision of student accommodation.

Whilst UTAS is conscious of, and implemented strategies to partially meet, the growing demand for student accommodation, there has been some community disquiet around UTAS's strategy focused around:

- the building of new PBSA in or close to the central business districts of Hobart and Launceston
- international student growth placing further pressure on the private rental market
- existing students in PBSA being displaced by new students with little notice
- UTAS acquiring existing Hobart hotels, in an already tight accommodation market.

AUDIT OBJECTIVE

The objective of this audit will be to express an opinion on the effectiveness of the University of Tasmania's (the University) management of student accommodation.

AUDIT SCOPE

The audit will examine how the University manages elements of student accommodation, including:

- the strategic approach to delivering student accommodation
- meeting students expectations
- management of accommodation facilities
- the financial management of accommodation related activities.

The audit will examine the UTAS's management of student accommodation from the time it decided to construct the recently completed PBSA facilities.

⁵ Department of Treasury and Finance, *Housing rental market trends in Tasmania – analysis of recent trends and assessment of data quality (Information Paper)*, Tasmanian Government, June 2018, p. ii

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The audit will not include:

- Homestay accommodation
- private accommodation arrangements
- University owned student accommodation properties managed by the College of Health and Medicine.

AUDIT CRITERIA

Criteria	Sub-criteria
1. Does UTAS have a strategic approach to delivering student accommodation?	1.1 Is the provision of student accommodation aligned to the strategic direction of UTAS?
	1.2 Is the student accommodation strategy supported by student demand forecasts?
	1.3 Does the student accommodation strategy incorporate stakeholder input and engagement?
2. Does the accommodation meet student expectations?	2.1 Is the accommodation provided on a fair and equitable basis?
	2.2 Is accommodation delivered to an acceptable standard? (Soft facilities management covering services that are provided to the students occupying the building)
	2.3 Is student personal safety and security effectively managed?
3. Are student accommodation facilities effectively managed?	3.1 Does UTAS manage student accommodation assets on a whole-of-lifecycle basis?
	3.2 Are the student accommodation facilities maintained to an acceptable standard? (Hard facilities management incorporating the maintenance and replacement of the infrastructure of the building; its associated plant/equipment and buildings systems)
4. Is the financial management of student accommodation effective?	4.1 Is there clear reporting of the financial outcomes from the provision of student accommodation?
	4.2 Does UTAS have an effective approach to funding new student accommodation?