



RIDING THE DRAGON

**Failing to Manage Risk in Homestay
Accommodation**

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RIDING THE DRAGON

Context

Risk – the sting in the dragon's tail

The survey

Results

Conclusion

Recommendations



CONTEXT

- 515,813 international student enrolments in 2012 (AEI 2013)
- \$6 billion – annual value of international education to NSW economy in 2011 (International Education and Research Industry Taskforce 2012)
- 82-85% - accommodation spend as a function of tuition fees for international students
- Homestay hosts often the ‘gatekeepers to Australian society’ (Richardson 2003)
- \$250 - \$300 indicative weekly homestay rental. Includes on costs, meals, power, support, etc.
- \$67 million each year - industry value if 1% in homestay at \$250 datum
- \$258 million – if all inbound international students spent their first 2 weeks in homestay accommodation
- \$670 million - 10% in homestay
- \$1 billion + for an uptake of 20% in homestay
- Nice numbers, but where is the data?
- ‘Silent’ discourse for 10 years since Richardson (2003, 2004)
- Ten years later, hospitality in ELICOS still receives ‘little attention as an area of interest in its own right’ (Lynch 2000, p.100).



'OH MY GOODNESS' – ABS (2006) DATA

- 18% of the population sustain injury in the previous four weeks
- 15 - 24 year old prevalence around 25%
- Most common events: cuts (28%) and falls of one metre or less (21%)
- 39% of injuries to legs/feet, 34% to hands/fingers. Arms /wrists (16%) and head (8%)
- Leisure activities were the most common activity when injured
- Inside (30%) and outside (25%) own home or someone else's
- Using just the 1% datum: potential in excess of around 5,000 injuries to homestay guests



THE STING IN THE DRAGON'S TAIL

The ABS data was only about accidents, and “OSHC takes care of that.”

‘Responsibility for student accommodation is largely devolved to education providers and the regulation of accommodation is a responsibility of state and territory governments’ (DEEWR 2011).

It’s time to think about homestay risk from the point of view of education providers.

What about ‘industry expectations’ for:

- Other incidents with students;
- Really being able to find our students in an emergency;
- The quality of homestay - management decisions, actions, host families;
- Minimum standards, compliance, audit;
- Assurance and protection for all players.



THE SURVEY - 1

Aim

An introductory comparative analysis of homestay and education providers' qualitative opinion on the issue of homestay insurance risks, expectations and/or requirements.

Hypothesis

A better understanding of homestay insurance risks and measures to manage that risk could improve our interpretative frame for assessing and managing insurance risk in homestay accommodation and point the way to uniform standards of practice in homestay.

Research Question

To what extent do you expect and/or require the management of insurance risk in homestay accommodation for international students in New South Wales?



THE SURVEY - 2

- 271 NSW education providers. Around 90% of the CRICOS register of providers in NSW (DEEWR 2013). 22 'bounceback'; 1 no longer enrolling international students
- 17 homestay providers actively promoting homestay services in NSW on the Internet. 1 'bounceback'
- 3 industry associations
- Only 14 responses (5%). Holbrook et al (2007) 'may not necessarily deliver an inaccurate result'
 - 6 High Schools
 - 3 Private ELICOS providers
 - 3 Homestay providers
 - 2 University English language centres

WHAT WE FOUND

- Laissez-faire or cavalier?
 - Homestay 'still retains a cottage industry feel about it' (Lynch 2000, pp.112-113).
 - Why are education providers so quiet?
 - Why is the homestay sector setting the agenda when it's the provider that is responsible?
- No real networking.
 - Competition based on location, concentration, and 'traffic', rather than a dedicated strategy (Hankinson 1989).
- No industry association.
- No uniform standards.
- Major risks needing cover:
 - Host liability
 - Student contents

Category	Comments
High Schools (n=6)	1 no longer enrolling; 2 boarders only. 2 arrange homestay themselves. No specific requirements. <i>"Good families". "Please don't make it even more difficult; we'll lose what families we have!"</i> 1 outsources <i>"It's up to them."</i>
Private ELICOS (n=3)	2 outsource <i>"It's up to the homestay provider."</i> 1 arranges homestay themselves. <i>"Public liability and contents required."</i>
Uni ELICOS (n=2)	1 arranges homestay themselves. <i>"Contents only."</i> 1 outsources; publishes minimum standards.
Homestay (n=3)	1 <i>"We're well covered; thank you."</i> 1 overseas registered web-based provider touting for business only. 1 Publishes stringent standards. <i>"Good hosts respond to good programs."</i>



With apologies to Alienfrigga in Animeeeee (2013)

IS THIS THE END ...

Our story started in the warm glow of the size and importance of Homestay in the 'Grand Game of International Education'.

But, with Homestay still regarded as a cottage industry and Discourse silent for over ten years, some players determine to push on.

They want the battle to turn in favour of Student, Provider, and even Homestay himself.

Their problem though, is that Homestay is a tough guild, and Provider treads a silent path.

Can our resolute champions withstand this resistance before Dragon Legislator steps in?

Our heroes are provoking Homestay. They call on Provider to push Indifference out of the fight.

Now ... PLAY ON!

9 STANDARDS TO DEFINE INDUSTRY EXPECTATIONS

Education providers are responsible, so they should drive industry's expectation of standards:

1. **Online** portal for **monitoring** placements by providers, agents, Homestay suppliers hosts and students - 'real time' data and reports.
 2. **Guardianship** for Younger Overseas Students (independent of education and accommodation provider).
 3. **Insurance** cover for Homestay Supplier, hosts and students, including:
 1. Workers compensation, Professional indemnity, Public liability etc. as a service **supplier to the University**;
 2. **Host liability insurance** for personal injury, property damage, and advertising liability; and
 3. **Students householders insurance** covering students personal effects, accidental damage within the host's home.
 4. **Training** for host families and supporting data to demonstrate the training has taken place.
 5. Agreement signed by all host families outlining appropriate policies and the **host obligations**.
 6. Documented and comprehensive **student orientation**.
 7. A **student policy** - expectations and responsibilities of student, host family and Homestay supplier.
 8. **24/7 Emergency** and Critical incident phone support strategy.
 9. Arrangements for **management and accountability of all payments** made on behalf of the student to the Homestay host.
- Similar standards now in place in multiple Australian universities and other education providers
 - Now in the NSW International Education and Research Industry Action Plan (International Education and Research Industry Taskforce 2012, p.10)
 - Sadly, Australian Government Schools don't see it this way (AGSI 2013, King & Lovgren 2013)



THREE ELEMENTS IN PUBLIC LIABILITY

In the Homestay business specifically, the need exists for liability cover for:

- The education provider,
- The homestay provider, AND
- The homestay host family

Liability may arise due to an event or incident involving both the homestay provider and the homestay host family:

- An injury occurring to a student or other guest in the host family home during a 'neighbourhood welcome BBQ', when both the provider and host family agreed that a neighbourhood BBQ at the host family home was merited to welcome a new student involved accident or injury; or
- Damage caused to the home or other property of a host family by a homestay student recommended to the family by the homestay provider



GAME ON ...

Defend bureaucracy, or fix the problem?

DEEWR (2011) - Responsibility devolved to education providers and regulation to state and territory governments.

NSW Legislative Assembly (2011) – Call for mandatory implementation and regulation of standards for the homestay industry.

NSW Government (2012) – Intent for minimum standards for student accommodation and legislation to ensure they are achieved.

International Education and Research Industry Taskforce (2012) - Industry Action Plan to adopt best practice guidelines and consistent industry standards.

Trade & Industry NSW (2012) – Action by June 2013:

- Best practice guidelines and consistent standards for homestay (p.52) - education providers and student associations to take the lead with StudyNSW to take over once established
- Best practice charter of service for international education providers (p.103) – NSW T&I top lead in conjunction with providers, industry associations, incl. CISA



END GAME ...

Homestay is a significant gateway in the provision of educational services to overseas students.

The ground has shifted rapidly in two short years. So, why does homestay still get so little attention?

It's time to embrace and empower a discourse that's been silent for more than 10 years since Richardson (2004).

We need meaningful data on the homestay sector.

It's time for a new interpretative frame for assessing and managing standards and risk in homestay accommodation.

In practice, education and homestay providers, hosts, and the insurance industry need to work in concert to manage this risk. The NSW industry action plan empowers us to do this.

The minimum standards embraced by the NSW government and now set for action can point the way to a sustainable world class service in the global business of international education.

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QUESTIONS ?

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