

SUBMISSION TO THE SENATE LEGAL AND CONSTITUTIONAL AFFAIRS REFERENCES COMMITTEE: INQUIRY INTO THE IMPACT OF CHANGES TO SERVICE DELIVERY MODELS ON THE ADMINISTRATION AND RUNNING OF GOVERNMENT PROGRAMS

23 August 2019

Executive Summary

- The best way to maintain integrity, efficiency and minimise cost and hardship to visa applicants is for Australian visa processing services to be retained within the immediate control of the Department of Home Affairs.
- The Department of Home Affairs should be resourced appropriately to deliver the full suite of visa processing services, using in-country expertise as needed.
- Negative experience for users and reputational risk for the sector have both been features of international experiments in visa privatisation.
- The current visa system is serving the needs of Australia and the university system. The overarching principle in this exercise should be to do no harm.

Universities Australia (UA) is the peak body representing Australia's 39 comprehensive universities in the national interest. UA acknowledges that this inquiry is far-reaching and covers a range of important matters. The focus of our submission will be on section a) of the Terms of Reference, namely: *the privatisation of Australia's visa and citizenship program*, with our comments below focusing specifically on the student visa system (500 class).

Australia's international education industry is an important asset. With more than 600 000 international students in Australia¹, the international education sector was worth \$37.7 billion² to the Australian economy in 2018-19, and supports more than 240 000 jobs across the country³. Our member universities have more than half of international enrolments, building strong and enduring relationships and connections with students' home countries.

As the peak body representing the sector, UA urges the Government to carefully consider the impact any moves to privatise Australia's visa program may have on the ability of Australia's universities to recruit students and staff from overseas, and to take note of the impact similar changes to visa systems have had on the users of such systems in other countries.

Australia's visa system currently provides a robust and comprehensive mechanism that supports the integrity of our immigration settings. It is not clear that a privatised process would provide the same assurance of quality and efficiency.

THE INTEGRITY OF AUSTRALIA'S VISA AND CITIZENSHIP SYSTEM

Australia's visa system is central to our immigration program and forms a crucial component of our country's sovereignty. As such, it is appropriate that the Government maintain direct control and accountability for visa processing and decision making. Outsourcing these cedes Australia's sovereignty to a third party whose commercial interests could potentially drive perverse outcomes out of step with Australia's reputation as an open and welcoming country. The Government should retain responsibility for maintaining the appropriate checks and balances that uphold the system's integrity.

Australia's current student visa settings support Australia's world class international education sector, striking a sensible balance between facilitating entry and protecting Australia's borders. The Genuine Temporary Entrant component ensures that international students come to Australia to pursue a quality education, rather than seeking a migration pathway. Indeed, the vast majority of higher education international students return home at the end of their studies⁴.

To maintain the world-class standard of our university sector, it is important that our student visa system supports the integrity of our universities by attracting genuine students to our shores. At the same time, to stay competitive in an increasingly global market, Australia's student visa framework must maintain clarity, transparency and consistency and encourage timely outcomes for students wishing to study in our universities. The current arrangements meet the needs of the sector and we strongly caution against changes that will have a potentially detrimental impact.

THE COMMERCIAL IMPLICATIONS AND INCREASED COSTS TO INDUSTRY, WITH PARTICULAR REGARD FOR THE HIGHER EDUCATION SECTORS

The Productivity Commission reported that revenue collected from visa charges is three times the administrative costs⁵. Given that the current system appears to be operating with healthy cost-recovery, with surplus operating revenue, there is no apparent financial reason to privatise these services.

¹ <https://internationaleducation.gov.au/research/International-Student-Data/Documents/MONTHLY%20SUMMARIES/2019/May%202019%20MonthlyInfographic.pdf>

² <https://www.abs.gov.au/ausstats/abs@.nsf/mf/5368.0>

³ https://internationaleducation.gov.au/research/Research-Snapshots/Documents/RS_Job%20supported%202018.pdf

⁴ <https://research.treasury.gov.au/external-paper/shaping-a-nation/>

⁵ <https://www.pc.gov.au/inquiries/completed/migrant-intake/report/migrant-intake-report.pdf>

A commercial entity providing a service will likely seek to make maximum profit from the enterprise, potentially leading to significant increases in cost for applicants. This could evolve into a system that preferences socio-economic advantage over academic merit.

Briefing on a new visa system provided by the (then) Department of Immigration and Border Protection to industry bodies raised the spectre of differentiated services, including premium options that would, *inter alia*, “assist in achieving financial outcomes for Government”⁶. Whilst the university sector supports measures that serve to transform and modernise the visa delivery system, there is concern that providing options such as fast-tracked processing for a fee may result in distortions to the visa processing system that favour those who can afford to pay.

This has particular importance for the international education sector. International students already pay fees to study in Australia and being faced with an additional up-front cost in the form of their visa charge could serve to make Australia a less appealing destination for many students, particularly those from more price-sensitive source countries.

IMPLICATIONS TO NATIONAL SECURITY, DATA SECURITY AND PRIVACY

The student visa stream, as with all visa streams, collects a significant quantity of personal data regarding the applicants and visa holders. Delegation of the responsibility for keeping this data secure to a commercial provider carries an extremely high risk. Privatisation would see the Government outsource control of data security, but will ultimately be held accountable for any breach or leaks of individuals’ personal information.

THE RISK TO PUBLIC SECTOR EMPLOYMENT—ESPECIALLY RURAL AND REGIONAL EMPLOYMENT—THROUGH SERVICE DELIVERY MODEL CHANGES

Along with the direct job losses within the public sector that privatisation of visa services would bring, there will likely also be a significant loss of expertise. Student visa processes rely in a large part upon in-country staff that have a unique appreciation of the source country landscape along with a contextualised understanding of the motivations and drivers of the international education market. The loss of this specialised knowledge could have a detrimental impact on the integrity of the system.

Furthermore, any changes to the student visa stream that impacts adversely upon the flow of international students into Australia has the potential to harm not only the international education sector, but the numerous jobs and service industries the sector indirectly supports. As such, the implications of changes to the way student visas are administered and processed have the potential to be far-reaching and extend far beyond the obvious direct impacts.

LESSONS TO BE LEARNED FROM THE UNITED KINGDOM EXPERIENCE

In October 2018, an external provider, Sopra Steria, took on a contract from the United Kingdom’s Home Office to manage aspects of the Home Office’s visa processing. This company is responsible for checking documents and collecting biometric information from visa applicants. Services that were previously available at all local post offices are now only offered free of charge at six core service centres around the

⁶ <https://immi.homeaffairs.gov.au/immigration-reform-subsite/files/industry-briefing-transcript-andrew-kefford.pdf>

country⁷, unless applicants wish to pay an additional fee for the service. These fees can be substantial—appointments at the ‘Premium Lounge’ in London reportedly cost £200⁸.

These changes have seriously impacted upon international students, with Universities UK reporting several persistent issues, including wait times of more than two weeks for a free appointment, having to travel significant distances to a processing centre, or paying fees to fast-track appointments. Applicants have reported trouble processing their information online, and the support line charges £2.50 per minute. Some students have paid £100–200 yet still do not receive an appointment, and are refused refunds of the fee. There are also reports of accessibility issues with the service⁹.

There are reports that the UK Home Office is suggesting to universities that they pay a company to provide a ‘pop-up’ service on the university campus to provide for the extra demand from students¹⁰. While this is countered by Sopra Steria as being an exaggeration of the severity of the issues, there have been calls for an independent investigation into the arrangements¹¹.

Within Australia, there have also already been instances of sub-contractors failing to maintain adequate security of visa applicants’ personal health details, with both accidental and intentional data breaches compromising the privacy and security of thousands of Australians¹². Reports also include instances where sub-contractors breach the policies of their contracts without the knowledge of the department that oversees the sub-contractor, and therefore holds ultimate responsibility for the data, including any data mis-use or breach of data protocols.

While it would be premature to suggest that all the issues encountered in the UK situation would be replicated within the Australian context, it is apparent that the provision of the various aspects of visa services is a complex task. The negative experiences that have resulted from privatisation in other countries could present a significant risk to Australia’s \$37.7 billion international education industry and are severely at odds with Australia’s reputation as a welcoming and efficient country.

⁷ <https://www.independent.co.uk/news/uk/home-news/home-office-sopra-steria-immigration-visa-applications-fees-hostile-environment-a8967761.html>

⁸ https://www.theregister.co.uk/2019/07/29/overseas_student_visas_suffering_it_fail/

⁹ <https://www.universitiesuk.ac.uk/news/Pages/International-students-paying-through-the-nose-for-woefully-inadequate-document-checking-service.aspx>

¹⁰ https://www.theregister.co.uk/2019/07/29/overseas_student_visas_suffering_it_fail/

¹¹ <https://www.independent.co.uk/news/uk/home-news/home-office-sopra-steria-immigration-visa-applications-fees-hostile-environment-a8967761.html>

¹² <https://www.abc.net.au/news/health/2019-08-15/bupa-immigration-medical-data-breach/11413740>