

**ACPET submission to  
'Future directions for streamlined visa processing  
(SVP) - Discussion Paper'  
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## ACPET submission to ‘Future directions for streamlined visa processing (SVP) - Discussion Paper’

Response submitted on Friday 19 December 2014 and emailed to:

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### Executive Summary

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ACPET welcomes the opportunity to contribute to the Department of Immigration and Border Protection’s (DIBP) ‘Future directions for streamlined visa processing (SVP) - Discussion Paper’.

The Australian Council for Private Education and Training (ACPET) is a key stakeholder in the international education sector representing over a quarter of the Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS) registered providers involved in Higher Education, Vocational Education and Training (VET), English Language Intensive Courses for Overseas Students (ELICOS), Schools and non-accredited courses. As such ACPET has a keen interest in the future direction of streamlined visa processing (SVP) and any future student visa regime.

SVP arrangements were introduced in 2012 from the Recommendations from the ‘2011 Strategic Review of the Student Visa Program’<sup>1</sup> undertaken by Mr Michael Knight AO. SVP was an important initiative to address the downturn in international university enrolments by international students.

As the sector has recovered in terms of growth it is now time to look at broader changes to the student visa regime. A new student visa regime is now required, that will support quality educational opportunities for international students and allow for growth in the educational sector which is now Australia’s fourth largest export industry, worth over \$15 billion per annum. .

It is now clear that the SVP arrangements are causing distortions in the international education sector. Despite the efforts of the current Government to extend the arrangements beyond the university sector to other Higher Education providers and more recently to VET providers offering advanced diplomas and above, this market distortion continues.

The current arrangement has resulted in reputable high quality providers of VET services up to diploma level with low immigration risks being disadvantaged by not having access to streamlined visas for their students.

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<sup>1</sup> Strategic Review of the Student Visa Program 2011

<http://www.immi.gov.au/students/pdf/2011-knight-review.pdf>

In this context ACPET proposes:

- an integrated risk framework based on agreed principles, that addresses immigration risk, provider risk and consumer protection of students, with visa arrangements that allow for efficient assessment and approval of visa applications from high quality, low risk providers;
- evolution from SVP for a select group of providers of advanced diploma and above courses, until recently predominantly universities, to an efficient and effective streamlined student visa regime which supports all CRICOS listed quality educational providers and allows for growth in the educational sector which is critical to the Australian economy;
- more transparency in the immigration processes which would allow providers to lower their risk, particularly if this is affected by use of particular agents and/or brokers; and
- adoption of a single student visa (with a differentiation for students under the age of 18 years of age to cover their specific guardianship arrangements) that would allow DIBP to assess the immigration risk of the student rather than their education status;

In achieving this end, ACPET and its members are committed to helping drive the changes in collaboration with DIBP.

## Introduction

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Established in 1992, ACPET is the national industry association for private providers of post-compulsory education and training. ACPET has over 1,000 members nationally who deliver a range of Higher Education, VET and English language courses across all States and Territories and internationally.

ACPET's mission is to enhance quality, greater choice and innovation in Australian education and skills training. It represents a range of independent providers including commercial and not-for-profit entities, community groups, industry providers and enterprise-based organisations. ACPET works with governments, industries, and community organisations to ensure Higher Education and VET services are well targeted, accessible, and delivered to a high standard.

There are approximately 1,200 CRICOS registered education and training providers in Australia, ranging from schools to niche providers of specialised courses and English language colleges to large public universities. Of these providers, approximately 440 are ACPET members.

ACPET, together with all other tertiary education peak bodies is looking to a new streamlined student visa arrangement, which addresses both immigration and provider risk and provides consumer protection of students. A new model would result in the efficient assessment and approval of visa applications for the high quality, low risk providers, and facilitate further growth in Australia's international education industry. ACPET has joined with other peak tertiary education bodies to present the Government with an 'International Education Risk Framework: Proposal for a new visa processing regime' (IERF).

ACPET is looking for an integrated risk framework, which sees immigration working with education regulators to determine the provider risk from both immigration and educational perspective. Such a framework would be seen as transparent, comprehensive, sustainable, proportionate and coordinated.

The complex array of student visas needs to be simplified and made more transparent and simpler to understand by prospective international students and their families, international education providers and government and other agencies promoting international education in Australia. ACPET is requesting significant streamlining and the introduction of a model that expands opportunities for international education, building our industry and the cultural diversity of Australia.

In terms of immigration risk, ACPET is asking for the promotion (and streamlined access) of Australian education, balanced with an incorporation of relevant immigration risks.

In this regard ACPET proposes a single student visa (with a differentiation for students under the age of 18 years of age to cover their specific guardianship arrangements) that would apply to all sectors of the industry. Such a visa would facilitate movement between sectors, which recognises that students may wish to change courses due to personal circumstances or to enhance their current course by taking an additional ELICOS course to improve language skills. Alternatively, a student may wish to get a better alignment between their skills and past aspirations, which have changed over time.

ACPET is committed to promoting improvement in the quality of providers in the sector, including the engagement with agents and brokers to ensure that students have quality experiences and emerge with internationally recognised qualifications. ACPET members will be required to comply with a comprehensive and stringent Code of Ethics as a condition of their membership. This includes ensuring quality outcomes for both domestic and international students and the management of agent arrangements. This approach, where ACPET can and has terminated memberships for non-compliance should be supported by lower risk ratings at the provider level for members, and subsequent access to student visas which recognise 'high quality - low risk' education providers.

## Scope and Evaluation

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In preparing this response to the discussion paper, ACPET has consulted with members. ACPET is proposing the replacement of the SVP model with a more equitable arrangement.

ACPET provided comments to enable an evaluation of the SVP arrangements. However, as a number of ACPET members have only accessed the SVP arrangement for a short time, they have insufficient data to respond to some of the questions.

## Part 1 – Evaluation of SVP arrangements

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### 1. The benefits of SVP

*a. What do you consider to be the major benefit of the SVP arrangements? For example, is the major benefit simpler and faster visa processing, or are potential reputational benefits more important?*

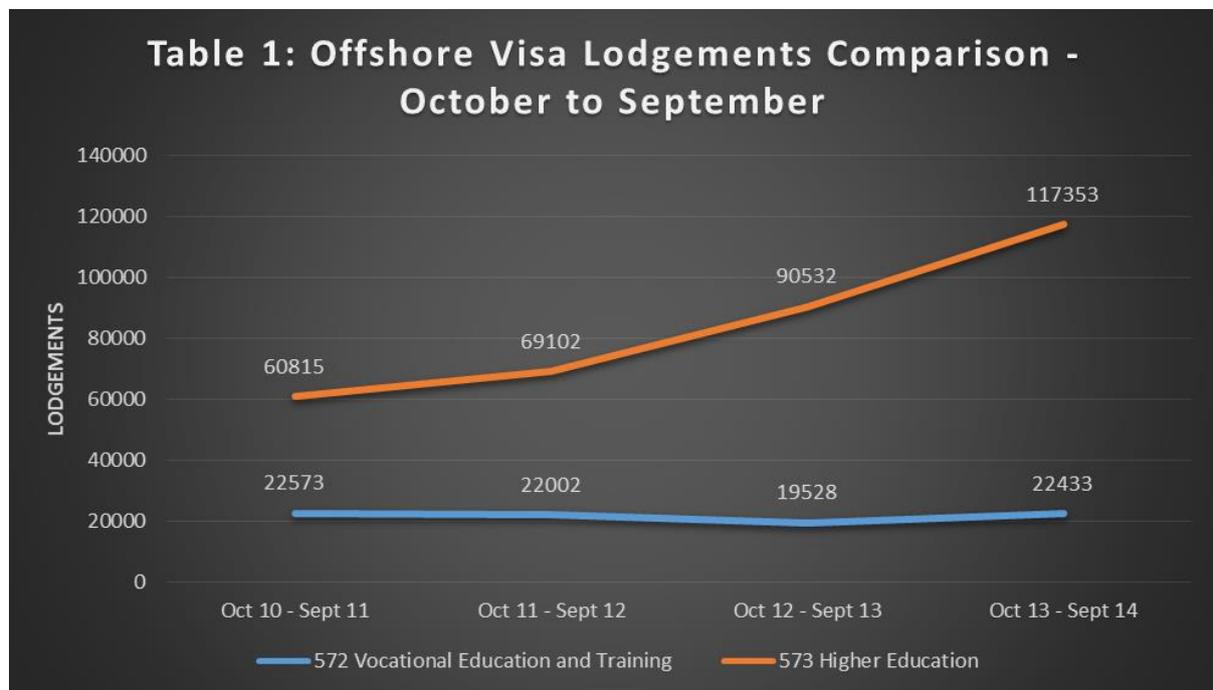
Whether intended or not, SVP has created a system that signals quality. Potential international students and their families, key stakeholders, governments and agents see providers with SVP status as a sign of quality, which unintentionally skews the sector. Having faster visa turnaround times also

allows providers to more accurately plan their course structure, as student information is more current under SVP.

ACPET members who have recently received SVP, through the addition of VET providers offering advanced diploma and above, advise that they are yet to notice much difference in visa processing times, predominantly due to the complexity of understanding the additional visa processes required by an SVP provider. There is a general optimism however that once providers have more experience and understanding that this will correlate to faster visa processing.

For non-SVP providers not currently able to apply due to the course level they provide (or limited due to not meeting minimum intake levels of international students for SVP) are often seen by relevant overseas groups and individuals as having lower quality offerings than those that have SVP status. For example, earlier in the year ACPET had a number of meetings with the Chinese Ministry of Education on a separate matter. However, they voiced concerns about private providers who do not have SVP as their view was they were sub-quality to those with SVP. This included VET as being seen as below quality when compared to Higher Education.

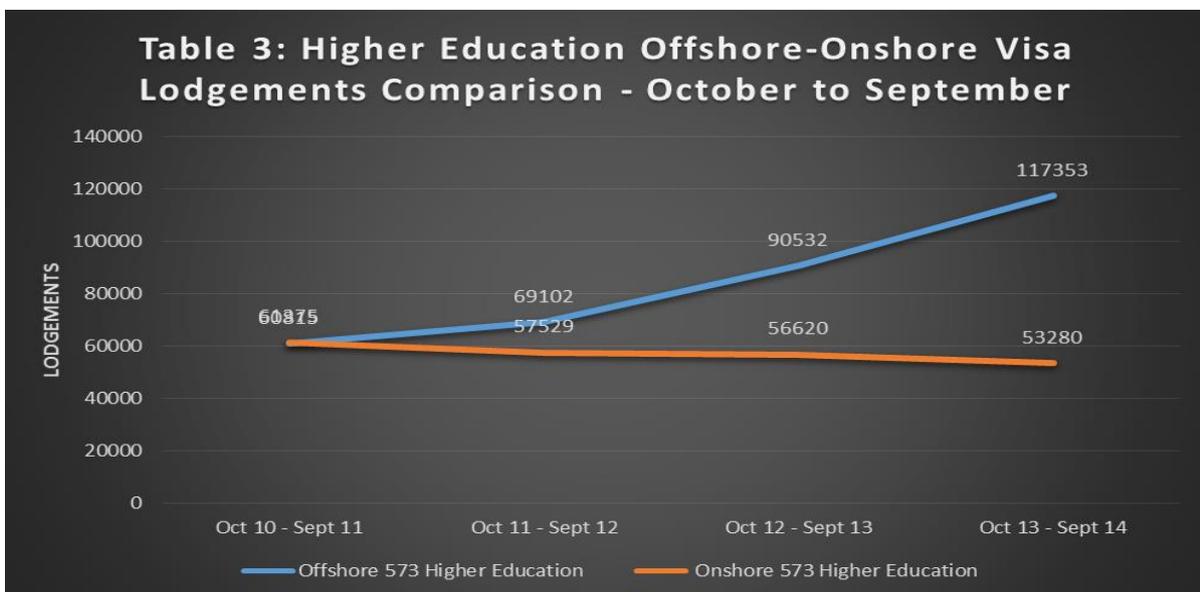
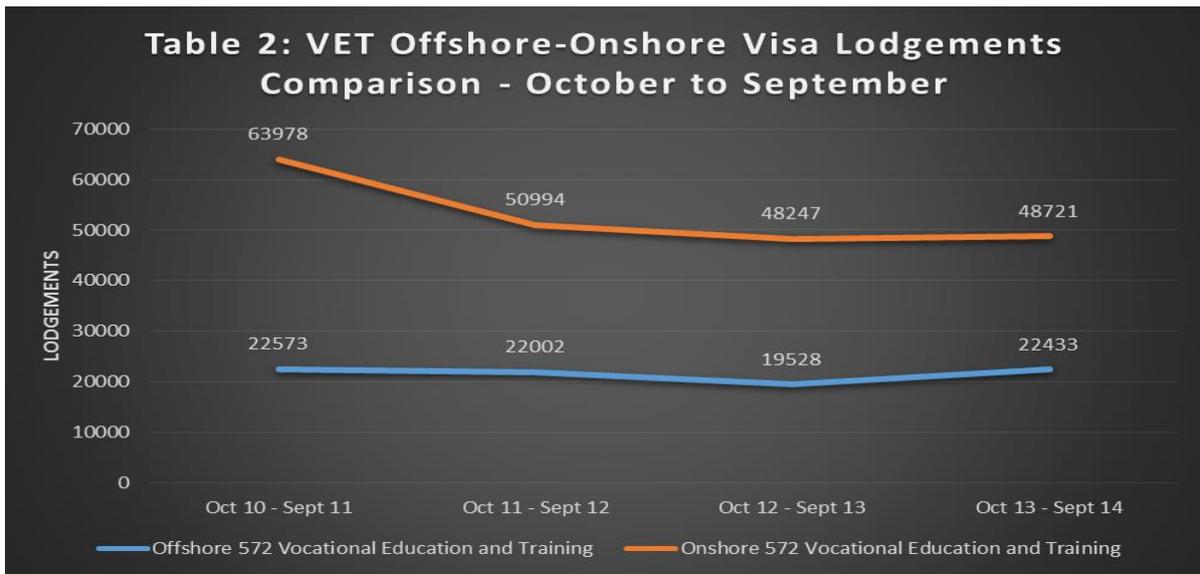
In a highly competitive international education market, having SVP can make the difference between success and failure for a business, regardless of the quality of the provider. This is particularly highlighted by the relative growth of offshore lodgements for Higher Education places compared with that for VET (as demonstrated in table 1<sup>2</sup>). While such a 'signal' of quality may be positive, the arrangement needs to be extended to those other part of the sector that offer high quality services.



<sup>2</sup> Student visa and Temporary Graduate visa programme quarterly report - Quarter ending at 30 September 2014

Over the last 4 years VET and Higher Education visas have seen a drop off in onshore visa lodgements (tables 2<sup>3</sup> and 3<sup>4</sup>). Offshore lodgements have significantly increased for Higher Education while growth in VET has remained relatively flat.

Table 2 shows that from October 2010 through to September 2014, offshore lodgements for VET decreased by 1% and onshore decreased by 24%. For Higher Education offshore lodgements increased by 93% over this same period and onshore lodgements decreased by 13% (table 3).

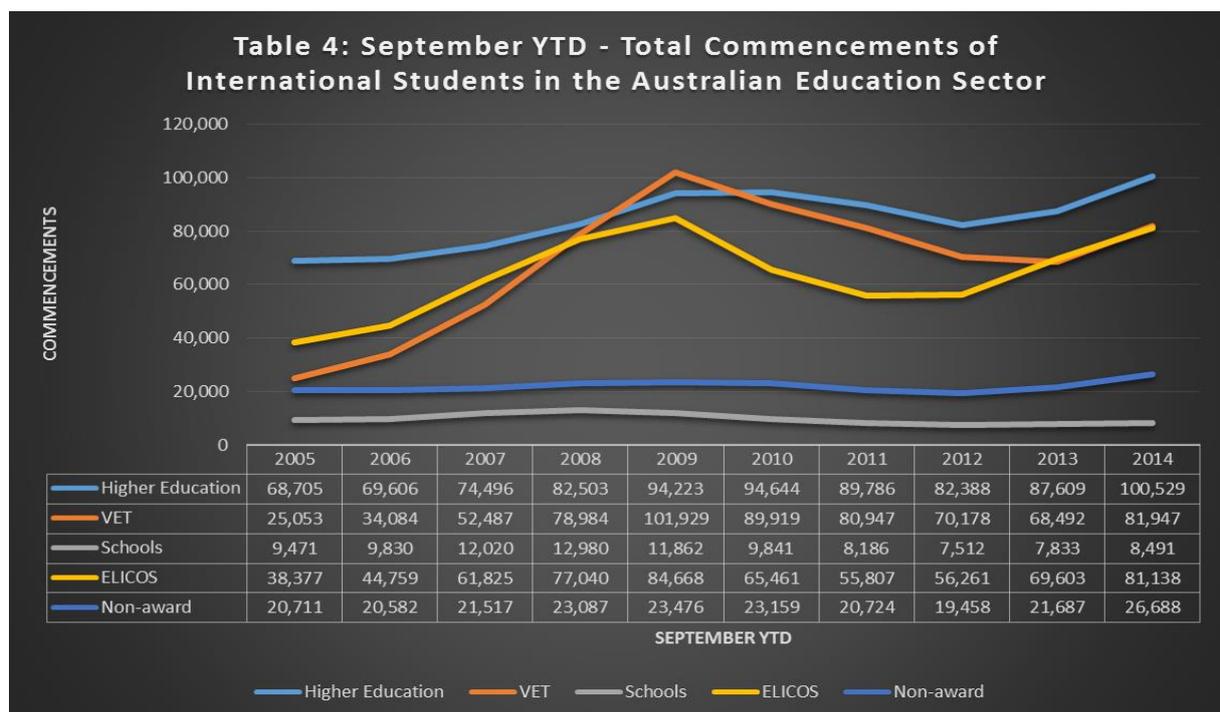


<sup>3</sup> Student visa and Temporary Graduate visa programme quarterly report - Quarter ending at 30 September 2014

<sup>4</sup> Student visa and Temporary Graduate visa programme quarterly report - Quarter ending at 30 September 2014

Using Department of Education data (YTD September), Table 4 illustrates the impact of Higher Education offshore visa lodgements compared to other sectors. Since the 2009 high watermark of international students studying in Australia, only Higher Education has seen an increase of international student commencements above that of 2009 – an increase of 7%. VET has reduced by 20% since 2009 and ELICOS by 4%.

Without historical SVP data it is difficult to assess the impact of SVP on offshore commencements in Higher Education. However, the data indicates that Higher Education commencements sector have experienced faster growth compared to other sectors since SVP was introduced.



***b. Do you consider that the current SVP arrangements effectively facilitate the visa process for genuine students? Why or why not?***

The SVP arrangements have little impact on determining whether an applicant is a genuine student. DIBP recognises this by applying its Genuine Temporary Entrant (GTE) requirement to all prospective international students.

Prior to the introduction of SVP all prospective international students were required to go through the same process. As providers (who have SVP status) develop their own materials for SVP applications specific to their institution there is now a difficulty for a student applying to SVP institutions having to adapt to different form designs, which further complicates enrolments and may extend form completion times and therefore limit the amount of applications submitted.

## 2. Education provider responsibilities under SVP

### ***a. To what extent do participating SVP providers need to put in place additional resources to manage their responsibilities under the arrangements? Are you able to quantify this?***

ACPET member SVP providers need to invest heavily into additional staff, training and monitoring of SVP processes. This adds a level of pressure on SVP providers as they liaise with students from multiple locations as well as being time consuming and resource heavy to invest the time necessary to understand the risks and trends respective to each country. SVP providers also need to recruit staff who can interview students in other languages and all of these aspects are burdensome for educational institutions, as their sole business focus is to provide quality education, not immigration processing.

ACPET members with SVP comment that they have altered their business model to integrate this responsibility and often employ a subject matter expert for visa compliance.

### ***b. Do you consider that any additional investment required to participate in SVP is outweighed by the benefits of participating in the arrangements? Why or why not?***

The additional financial burden on SVP providers has to be balanced against the perceived quality stamp attributable to being an SVP provider.

ACPET members comment that it is commonplace in the sector that institutions that are not under SVP are receiving visas within roughly the same time period (but without all of the added reputational risk and resource allocation).

The two-tier system continues to provide a bias for larger providers such as universities for which it was designed. For smaller providers it is seen as burdensome and anti-competitive. A single streamlined framework based on such factors as provider risk, opposed to course level offered, would see a return to equity and remove anti-competitive bias.

### ***c. Do you consider that education providers are able to effectively manage their responsibilities under SVP, for example ensuring that recruited students are genuine and have sufficient funds to study in Australia?***

Immigration is not the core business of educational institutions. Providers often do not have a background in immigration policy and this sometimes creates great uncertainty in their decision making. (One of the key difficulties noted by ACPET members is the inability to identify forged documents.) This is exacerbated by limitations in the amount of information that can be checked for authenticity by admissions staff. DIBP should assist by providing greater transparency in its dealing with prospective students. This would require more information to providers to understand how DIBP determines provider immigration risk and be more open on the locations, type of students and agents, which may adversely affect the provider immigration risk profile.

### ***d. Do you consider that participating in SVP makes education providers a target for non-genuine students? If so, to what extent do you believe this is occurring and how effectively are providers able to manage these challenges?***

ACPET members who recently received SVP status noted that in the first couple of weeks their institution can be targeted by non-genuine students and experience a large increase in application

numbers. However, after establishing improved processes, adjusting entry requirements, and ensuring consistency in assessments, providers are hopeful that the numbers of non-genuine students will decrease.

### 3. Market impacts

***a. Do you believe that SVP has created any market advantages or inequalities in your sector? If so, what has the impact of this been?***

SVP has created a priority based system where universities initially were granted SVP, followed by private Higher Education providers and finally to VET for advanced diplomas and above. This method has ignored all non-university reputable providers who have considerable history in providing high quality VET courses to a large number of international students. Such providers continue to meet their supply targets and presumably have low immigrations risks but are denied any opportunity to enjoy SVP arrangements.

In its current form, agents are now primarily only working with and prefer SVP providers.

***b. Under SVP, each participating education provider sets its own financial and English language requirements. Do you consider that this creates any challenges when promoting Australian education more broadly?***

The complexity of the student visa regime creates difficulties for promoting Australia as a student destination. The relaxation of requirements under SVP may assist those with SVP status, but creates difficulties for others, adding complexity and continuing inequity of access.

The varied entry-level requirements for English language and financial requirements further confuses potential students.

***c. Currently, the SVP arrangements cater for certain specified courses and only a small proportion of all registered education providers are eligible to participate in the arrangements. Do you consider that this is sustainable in the long term? Why or why not?***

In its original form, the SVP arrangements were designed to sustain and improve university level enrolments, while exposing other educational sectors to more rigorous arrangements. This has distorted the market as demonstrated previously (table 1). SVP arrangements should be seen as a short term intervention, pending the introduction of a more inclusive and sustainable model for the entire sector.

The simple expansion of current SVP arrangements is not seen as the solution, as it would still not provide access to smaller institutions that may not have the resources required to manage SVP effectively.

As mentioned previously SVP has created a two-tier system that is unfair to many providers in the sector and the overall effectiveness of SVP in terms of risk outcomes is questionable.

Therefore, a new model is now required, based on shared risk and shared responsibility for all providers with CRICOS registration. By providing an incentive to providers, such as faster processing times and lower levels of scrutiny, providers will have an incentive to establish high quality arrangements and to demonstrate good performance. Similarly, providers assessed as higher risk will be incentivised to improve their performance.

The current model of excluding VET qualifications below advanced diplomas also does not recognise the growing international skills shortages in occupations whose requirements are met by lower level qualifications (Certificate III and IVs). Increasing pressure for a more mobile global workforce in high skill occupations is evident through forums such as the recent G20, which are calling for the reduction of barriers to global workforce mobility... If DIBP considers these qualifications to be higher risk, this should be reflected in a model risk matrix and not exclude providers altogether.

Continuation of the current model will only further exacerbate inequities in accessing overseas students.

#### **4. Other comments**

##### ***a. Please provide any other comments you may have on the current SVP arrangements.***

Further evidence of the need to change the SVP arrangements includes:

- it was implemented to assist universities without consideration to other providers;
- the current model has created an unfair two-tier system;
- the expansion to VET providers offering advanced diplomas and above should only be seen as a stop gap measure;
- for VET, it could see providers shifting from their core business to gain SVP status;
- unnecessarily immigration risk and responsibilities have been placed on to the provider, where it should be a government responsibility;
- SVP providers have inadvertently been given the government stamp of quality, further distorting the market;
- differing application processes, rather than a single national process will undermine enrolment growth; and
- Students are channelled into Higher Education pathways, regardless of their abilities or possible job outcomes...

ACPET members with SVP status would like to see the introduction of a condition where students can only transfer to another Australian provider after a period of 12 months (currently 6 months). Course jumping and student default is greatly influenced by the flexibility of students to leave their principal course after only six months (for Higher Education this may only be one term of study). The industry sees this as an everyday occurrence and strongly recommends that this issue be addressed in the short term as it is undermining the integrity of the entire student visa process.

ACPET and its SVP members would also like to acknowledge the hard work and professionalism by relevant DIBP staff. The SVP arrangements have been well communicated and issues resolved in a timely manner.

## Part 2 – Future directions for SVP

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### 5. Further expansion of streamlined-type arrangements

***a. Do you consider that streamlined-type arrangements should be further expanded to education providers in other education sectors or for other course types? If so, which sectors or course types? Why?***

Notwithstanding ACPET's view that a new student visa regime should be developed and implemented, it is concerned that the current expansion of SVP has been for higher qualifications. The foray into VET has been limited to advanced diplomas. Such access disadvantages those providers particularly in VET and ELICOS sectors who have operated successfully for many years with low or no immigration risk.

Any expansion of SVP type arrangements should look at the immigration risk of the provider rather than be limited to the immigration risk of the qualification level (and then looking at the risk of the provider). The growth of the middle classes in Asia is seeing an increasing demand for Australian qualifications areas such as childcare and aged care. If DIBP is to continue to insist on rating the immigration risk of providers this should apply to all CRICOS registered providers for all Australian qualifications.

***b. What do you consider would be the major risks if streamlined-type arrangements were extended more broadly?***

Extending the SVP arrangements more broadly is likely to broaden the divide in the system between those with access and those not having access. Given its perceived link to quality issues this may push some high quality providers out of the market – on the basis of immigration only. This will be more of an issue when more providers have access to SVP than do not. Such a balance would be unsustainable. A better alternation would be for the whole sector to have access to a streamlined process.

ACPET members comment that the expansion would be somewhat of an arbitrary concept as DIBP will still be required to assess and scrutinise all applicants just as heavily as previously if it is extended broadly to all courses and institutions.

***c. Do you consider that the benefits associated with SVP would decrease, particularly for existing SVP providers, if the arrangements were extended more broadly? Why or why not?***

Extending SVP to a wider range of providers would create a more level playing field for those with SVP and increase competition in the SVP market. However, it would further inhibit those providers with non-SVP. A new streamlined model for all registered providers regardless of course level would be more equitable.

## 6. Possible alternative models

***a. Should the department continue to assign and assess the immigration risk outcomes of education providers through an external risk framework? Why or why not?***

Yes.

A transparent process should be in place and it is vital that education providers have access to data on their immigration risk to assist in their decision-making. In the current framework only SVP eligible providers have this access to data. However all CRICOS providers should be told their immigration risk rating and have access to material which enables them to mitigate their risk through implementing risk abatement strategies.

***b. Do you consider that there would be value in further considering combining country and provider immigration risk outcomes to devise a single student visa processing framework?***

ACPET does not have sufficient data to comment on the linking of country and provider immigration risk. However it would welcome DIPB providing the analysis. Regardless of system of risk employed by DIBP, it should be transparent to both students and providers.

DIBP should apply immigration risk of the student through a single student visa and providers can support that application by offering an enrolment based on the education needs and aspirations of the student...

***c. Are there other measures, outside of provider and country immigration risk outcomes, that you consider would be more effective in determining a student's financial and English language evidence requirements?***

No comment

***d. Are there any other alternative models that you consider would more effectively facilitate the visa process for genuine students?***

A single student visa (with some variation for those aged under 18 years of age) which considers DIBP's role in determining immigration risk, and enabling providers to determine a students' eligibility to undertake a course of study would facilitate a balanced visa process for genuine students. The current system, both SVP and non-SVP, requires DIBP to make an assessment of both these issues - DIBP may struggle to have expertise in both. This is not a satisfactory arrangement for DIBP, the student or the provider.

## 7. Methodology to calculate immigration risk

***a. The rate of student visa applicants applying for protection visas (PV) is a key programme integrity measure, however it is not currently included when assessing the immigration risk outcomes of an education provider's students. Do you consider that the assessment of an education provider's immigration risk outcomes may be compromised by not incorporating PV statistics? Why or why not?***

ACPET is concerned that the providers will be adversely treated in their immigration risk profile if protection visa material is included. An alternative would be for this part of the GTE processes to be conducted on all students by DIBP?

***b. Are there other immigration risks that you would like to see included in the risk framework that are not currently taken into account?***

Immigration risk is an important component of a successful international education system in Australia. However, it is only one component. ACPET proposes broadening the responsibility to include provider quality as risk rated by the regulator and financial viability as demonstrated through Tuition Protection Scheme (TPS) to be considered alongside immigration risk. Alignment of these risks would see lower risk providers offering places to low risk students, creating a seamless immigration education process. Similarly high risk students seeking visa with high risk providers would attract a more rigorous application requirement,

A transparent formula would facilitate a more efficient and sustainable student visa process.

***c. Are there any other types of risk that you would like to see considered when determining eligibility for streamlined-type processing? If so, why do you consider these to be important?***

Providers who have no offshore visa applications should not have access to a streamlined model, as they are not investing in bringing new students into Australia but instead recycle students onshore. This is the largest issue many of our members, who have not attained SVP, have with the current model.

High concentration of students from one or two nationalities is also higher risk and this is a risk addressed by the Tuition Protection Service.

***d. Do you consider the 100 'active student visa' requirement to be an appropriate threshold for determining an education provider's eligibility to participate in SVP? If not, how would you change this threshold while still maintaining statistical confidence in an education provider's immigration risk outcomes?***

ACPET has yet to be convinced that the application of 100 active students per annum is appropriate. It is systematic of a one-size fits all approach. The broadening of the risk factors would lead to a greater understanding of the provider risk profile and allow more imagination in this area, for instance looking at small providers over a period of three years.

***e. Do you have any additional comments on the SVP assessment process?***

No comment

## **8. Opt-in application process**

***a. Do you consider that formal opt-in applications for providers are necessary or are there alternative ways that access to streamlined arrangements could be managed, particularly if SVP is expanded further?***

All providers should be treated equitably. All should be risk rated and have access to their risk ratings. All CRICOS registered providers should have the opportunity to be considered for any expansion of streamlined arrangements.

***b. How do you consider that the SVP opt-in application process could be simplified?***

See above.

## 9. Business partners

*a. Are the current business partner arrangements effective or do you consider that it should be possible for SVP providers to package with any provider they have an arrangement with (without needing to formally nominate them as SVP business partners)? Why or why not?*

In the current arrangements, an SVP nominated provider should be responsible for all of its partners. As such they do not need to be identified. Such an arrangement would tighten the arrangements and ensure proper management of business partner arrangements.

## 10. Deregulating the student visa programme

*a. Do you consider that the eight student visa sub-classes should be reduced? If yes, how would you propose to streamline?*

A single student visa (with additional guardian requirements for those under 18 years of age) is now required. This would focus DIBP on determining genuine student status and allow educational institutions more opportunity to match students with appropriate courses or course supplements rather than requiring complex and costly visa variations.

*b. Are there any other requirements within the student visa framework that you believe should be considered for possible deregulation?*

No comment