



## ISCA Response to the *Future directions for streamlined visa processing* Discussion Paper

### Introduction: About ISCA

*The Independent Schools Council of Australia (ISCA) is the peak national body covering the independent schools sector. It comprises the eight State and Territory Associations of Independent Schools. Through these Associations, ISCA represents a sector with nearly 1,080 schools and 567,000 students, accounting for nearly 16 per cent of Australian school enrolments.*

*Independent schools are a diverse group of non-government schools serving a range of different communities. Many independent schools provide a religious or values-based education. Others promote a particular educational philosophy or interpretation of mainstream education. Independent schools include:*

- *Schools affiliated with larger and smaller Christian denominations for example, Anglican, Catholic, Greek Orthodox, Lutheran, Uniting Church, Seventh Day Adventist and Presbyterian schools*
- *Non-denominational Christian schools*
- *Islamic schools*
- *Jewish schools*
- *Montessori schools*
- *Rudolf Steiner schools*
- *Schools constituted under specific Acts of Parliament, such as grammar schools in some states*
- *Community schools*
- *Indigenous community schools*
- *Schools that specialise in meeting the needs of students with disabilities*
- *Schools that cater for students at severe educational risk due to a range of social/emotional/behavioural and other risk factors.*

*Independent schools are not-for-profit institutions founded by religious or other groups in the community and are registered with the relevant state or territory education authority. Most independent schools are set up and governed independently on an individual school basis. However, some independent schools with common aims and educational philosophies are governed and administered as systems, for example the Lutheran systems. Systemic schools account for 18 per cent of schools in the independent sector. Independent Catholic schools are a significant part of the sector, accounting for 8 per cent of the independent sector's enrolments.*

## Overview

ISCA welcomes the opportunity to provide this submission to the Department of Immigration and Border Protection regarding the discussion paper *Future directions for streamlined visa processing*. Given the importance of this student visa program to non-government schools, ISCA has sought and received feedback from individual schools and the Associations of Independent Schools (AISs) in each state and territory.

SVP arrangements were first introduced in 2012 as a recommendation of the *2011 Strategic Review of the Student Visa Program* conducted by Mr Michael Knight AO (the Knight Review) and is currently limited to higher education providers. The primary objective of the arrangements has been to support the sustainable growth of international student numbers through simpler and faster visa processing while maintaining immigration integrity. The evaluation is expected to play a key role in informing the possible future direction of the student visa programme following the expiry of the current policy guidelines that underpin SVP in mid-2016.

SVP was introduced for the university sector, and it is a model that only serves large providers, such as a university. Since the initial roll-out SVP has been extended to a number of VET providers but again, large providers. In order to meet the requirements of participation in SVP, providers have to have the resources at their disposal to take on a significant administrative burden. The only providers involved are nominated business partners which can include ELICOS providers, but not schools.

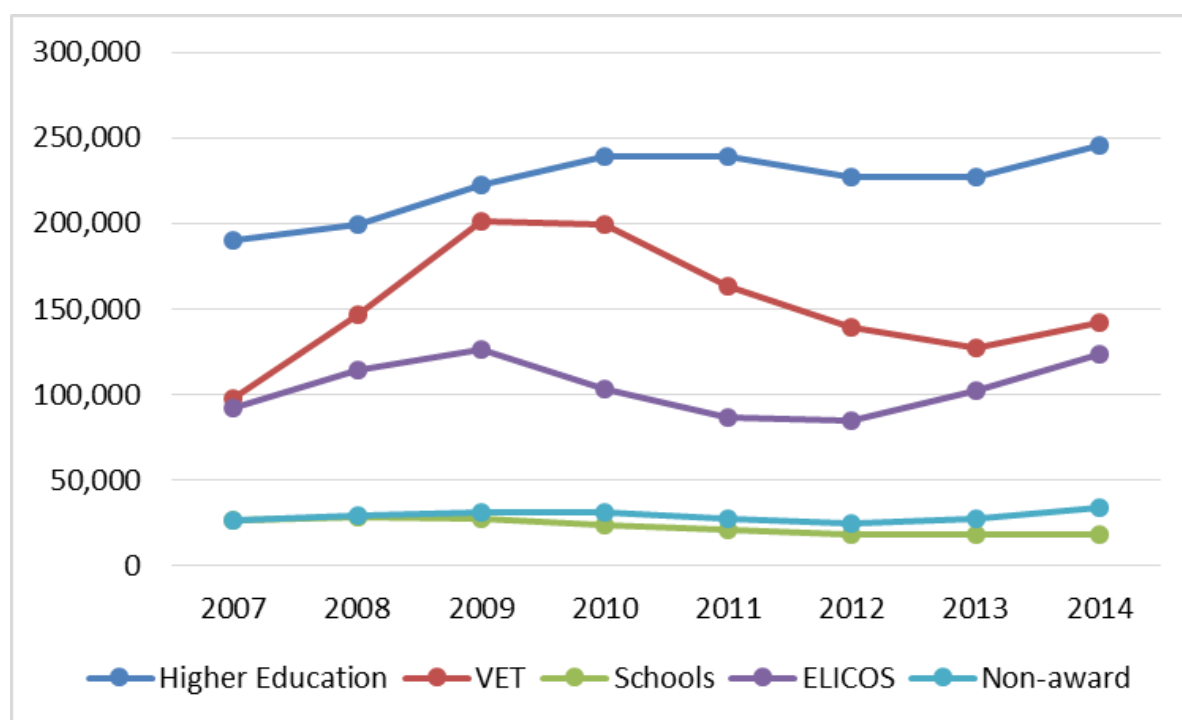
For this reason the SVP model is quite narrowly focused and is entirely unsuitable for roll-out across all providers and sectors. Indeed, the threshold requirements are such that most schools would never be eligible to participate, whether or not they had the resources to do so.

Despite the best intentions, by differentiating between providers and sectors in this way, DIBP has created an 'un-level playing field' in the international education industry. This comes at a time when many non-government schools are struggling to maintain their involvement in international education and ISCA is concerned that the unique role of overseas students in the non-government schools sector is in danger of disappearing altogether.

As ISCA noted in our submission to the ESOS Review; *“Non-government schools have a significantly different overseas student enrolment profile to that of the other education sectors. We have large numbers of CRICOS registered providers with relatively small numbers of students in each school. The enrolment of overseas students is therefore not a question of financial viability. Rather it is one of choice. Our schools choose to engage in this arena for a variety of reasons, but always for the cultural and educational benefit of the school community and its members.”*

While enrolments in the other sectors have been recovering, and in some cases have surpassed previous highs, this is not the case for the schools sector which is only this year experiencing enrolment growth after five years of declining enrolments.

## Enrolments by sector 2005 to 2014



Source: PRISMS data (YTD to October)

## The independent sector and overseas students

Approximately 30% of all overseas students enrolled in the schools sector in Australia attend independent schools. In 2014 there were some 5,700 overseas students enrolled at close to 340 independent schools. ISCA estimates between 30-40% of all CRICOS registered providers in Australia are independent schools that are individually registered and individually responsible for meeting compliance requirements. Some schools also have ELICOS centres attached to their institutions which may also be separately registered on CRICOS.

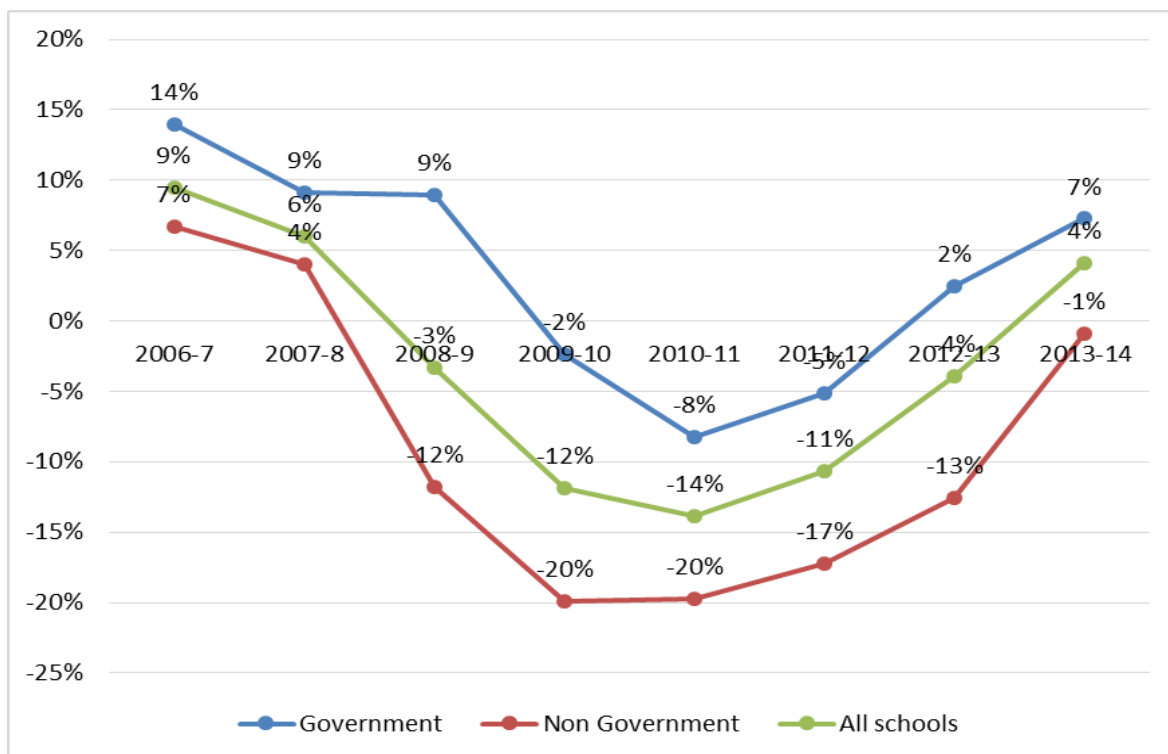
By contrast, state departments of education (enrolling approximately 60% of overseas school students overall) hold single provider registrations covering any number of state schools enrolling overseas students within a state.

Overseas student enrolments in independent schools vary from 1 to close to 200 overseas students. The median number of overseas students at an independent school is 7 students.

This profile differs quite substantially from other sectors. For the vast majority of independent schools, overseas students do not determine the school's sustainability. Rather, overseas students provide a much valued international element and diversity to school populations.

Since 2008, declines in overseas student enrolments in the schools sector have been most significant in non-government schools. In 2013 enrolments in the government schools sector grew for the first time in 4 years and continue to recover. However non-government school sector enrolments are still declining in 2014.

## Change in overseas student enrolments in the schools sector 2006-07 to 2013-14



Source: PRISMS data (YTD to October)

There have been a range of reasons for the decline in the schools sector. Schools were caught up in the adverse media coverage overseas which focused on the private VET sector some years ago, and other factors commonly reported as influencing the rapid decline of overseas school student enrolments have been the continuing strength of the Australian dollar, and the relative ease of being granted visas to study in competitor countries.

Setting aside non-award foundation courses which are not covered by the 571 visa sub-class, the schools sector is the only one which does not have any access by any providers to any type of SVP arrangement and it is the sector that is recovering the slowest.

**While ISCA does not regard SVP as suitable for the schools sector, some form of streamlined visa processing should be made available to all providers and sectors to encourage continued growth in what is one of Australia's largest export industries and largest service industry.**

## Part 1 – Evaluation of SVP Arrangements

- **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?*

It is hard for ISCA to judge which of these benefits is greater given that the schools sector is not currently involved in SVP in any way.

Simpler and faster visa processing is a significant benefit, however it comes at the cost of a considerable compliance burden to participating providers.

The reputational benefits also appear to be significant however, given that large numbers of providers are not currently eligible to participate, regardless of whether they would qualify for SVP or not, this is creating a situation of ‘haves’ vs ‘have-nots’ in the marketplace. ISCA does not regard this as a sustainable approach to the granting of student visas.

One other benefit of SVP appears to have been the enabling of providers to see their student visa caseload and to manage risk more effectively through an iterative process and identification of problematic areas. This benefit is actually a facility that should be available to all providers.

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

SVP appears to facilitate the visa process for genuine students at particular SVP institutions. However it also appears to add complexity to the process. As SVP providers are able to set their own requirements in some areas, this means there is no longer a set of consistent criteria in some sectors which may result in confusion for students wanting to study in Australia and also for agents trying to facilitate the processes for students.

- **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?*

It is ISCA’s view that the current SVP model is both onerous and resource intensive as essentially the provider is required to do most of the checks that the DIBP would normally do in order to ensure a compliant cohort of students and to maintain a low risk rating.

Anecdotally, the feedback from participating sectors is that the SVP process has been extremely resource intensive for participating institutions. We do not regard this model as suitable for roll-out to all sectors for precisely this reason.

*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?*

No. It would not be possible for most of the non-government schools that currently enrol overseas students to invest the type of resources that would be required to participate in SVP. The costs to schools would clearly outweigh the benefits of participating in the arrangements.

The Association of Independent Schools of Western Australia (AISWA) noted that “the current SVP model places the immigration risk, provider risk and consumer protection of students all in the domain of the education provider. Currently the schools accommodate the latter two. The SVP process could add the third dimension as well.” This would place an undue burden on schools.

*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?*

ISCA is concerned at the burden shifting that occurs with SVP. SVP providers are required to do all the checks that DIBP would normally undertake, including financial checks. This may not be appropriate as we do not believe that providers are necessarily any more skilled than immigration officers at judging immigration risk. DIBP has years of expertise in this area both at post and in the on-shore processing centres. It is ISCA’s view that it is the primary role of education providers to judge the suitability of student for a course, not necessarily for a student visa.

*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?*

The course hopping data provided at successive EVCC meetings does seem to indicate that a number of students see SVP as an ‘easy’ way to gain a student visa for Australia and then leave their SVP course/provider for another course. So while many of these students are still engaged in study in Australia, they are not studying at the SVP provider.

As these students are genuine students in that they genuinely want to study in Australia, identifying and managing this cohort of students would be extremely difficult for an SVP provider.

A number of students who came in on SVP have also gone on to have their visas cancelled after leaving SVP courses/providers however we are not in a position to judge whether it is an unduly high proportion of the cohort.

If streamlined visa processing were extended to the schools sector, as secondary school studies are a prerequisite to tertiary studies, ISCA believes that school level studies are less likely to attract visa applications from non-genuine students than other course types.

### **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?*

Currently no schools are involved in SVP. However, if SVP were to be introduced into this sector, it is highly likely that market advantages would clearly and unfairly favour state and territory departments of education over non-government school providers, regardless of the quality of education services provided. As all the schools in state and territory education systems are registered under a single CRICOS code they would have the threshold numbers to be eligible for SVP whereas most non-government schools would not. The reputational advantages associated with SVP would then create market inequalities and non-government schools would be significantly disadvantaged.

*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?*

Under the current Assessment Level (AL) framework schools set their own entry requirements with regard to academic and English requirements before enrolling international students. Further, under Part D Standard 2.2 of the National Code, providers are required to “*have documented procedures in place, and implement these procedures to assess whether the student’s qualifications, experience and English language proficiency are appropriate for the course for which enrolment is sought.*”

For the school sector, financial requirements are also set by the AL framework and vary according to AL level. While some adjustment could be made by taking into account variances in the cost of living by location, overall ISCA is happy with a national framework that provides consistency for applying 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?*

No. While it had been the intention of government to progressively extend SVP arrangements to other education sectors, it has become clear that the SVP model currently being used in the higher education sector is not suitable for extension into other sectors.

SVP requires a massive investment in time and resources for providers as they conducting many of the checks that would previously have been undertaken by DIBP. So by its nature, SVP is only suitable for providers with this level of available resources and a commensurate number of overseas student enrolments. This is not the case for the majority of school level providers.

Eligibility for SVP is also a major concern for the schools sector, particularly the issues related to cohort size. DIBP believes that it is unable to do the necessary risk calculations for providers with less than 100 students on student visas. This would rule out nearly the entire school sector except for a handful of non-government schools and most state systems.

While the SVP is unsuitable for extension across all sectors, the fact that there are separate arrangements for different sectors of education has been divisive and is seen by many as causing distortions in the international education market.

Recognising the burden that SVP places on providers and that the size constraints regarding participation have competition implications led industry peak bodies to jointly develop an alternative risk management framework, which utilises quality assurance measures as well as immigration risk, called the International Education Risk Framework (IERF).

It is ISCA's view that SVP is unsustainable because it cannot be applied to all providers and that any alternative streamlined visa processing regime would have to allow for all providers to participate, which is one of the main features of the industry proposal.

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

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

To date schools have received no benefit from SVP and because of the way the SVP is structured, are unlikely to ever do so. There is possibly a handful of school level providers, primarily state departments of education and a very limited number of non-government schools, which would be eligible for SVP. It is ISCA's belief that should SVP ever be extended to these providers, this would distort the market and significantly disadvantage schools that were not and never would be eligible, due simply to the number of overseas students they enrol.

ISCA supports the concept of streamlined visa processing for all low risk providers and believes that an alternative methodology which encompasses all providers and sectors should be investigated with some urgency.

## **Part 2 – Future Directions for SVP**

#### **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?*

ISCA does not support the extension of SVP. SVP should be replaced with a model of streamlined visa processing suitable for all providers and sectors.

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

As noted previously, in the schools sector there would be significant market distortion and schools that are not eligible, due simply to the number of overseas students they enrol, would be significantly disadvantaged. At stake would be the cultural diversity overseas students from many countries contribute to a large number of CRICOS registered metropolitan and regional schools.

*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?*

ISCA does not support the extension of SVP. SVP should be replaced with a model of streamlined visa processing suitable for all providers and sectors.



## 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?*

An external risk framework provides a level of objective assessment and transparency that ISCA regards as an integral part of the student visa program; for students, providers, and government. Ideally the risk framework should be flexible and allow for streamlined visa processing for low risk providers across all sectors will still enabling appropriate oversight by DIBP.

*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?*

Yes. ISCA believes this could have benefits for both students and providers. However any possible risk framework would require further exploration and extensive consultation with peak bodies. ISCA would not support a methodology that increased the compliance burden on schools.

*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?*

ISCA notes the comment within the discussion paper: *“For example, students from a country with average income levels above a certain threshold could be exempted from providing financial evidence with their visa applications”* could be problematic in that it is such a broad generalisation that it makes the assumption that anyone (including those families who are not financially suited) can be looked upon more favourably. This suggestion requires further examination and analysis.

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

In the development of the industry model - the IERF - regard was given to factors of educational quality. As noted in the proposal; *“The current Assessment Level (AL) framework does not integrate immigration risk with educational provider risk, and as such provides no incentive for high risk providers to improve their behaviour in terms of recruitment and ethical behaviour. This model redresses that imbalance and should, in the long term, result in an overall improvement across the sector in terms of educational quality and immigration compliance.”* (International Education Risk Framework - Proposal for a new student visa processing regime, March 2014).

ISCA believes that there is value in such an approach, and should be explored further.

## 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?*

Given that PV applications are not something that a provider can influence, the use of PVs in any risk rating would have to be carefully considered. ISCA's experience with the current AL framework is that inclusion of PVs can significantly distort risk ratings if they are given disproportionate weighting.

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

No.

*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?*

See 6.d. above.

*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?*

ISCA does not support the extension of SVP. SVP should be replaced with a model of streamlined visa processing suitable for all providers. The 100 active student visa threshold is highly restrictive and leads to market distortion.

It is ISCA's view that in any alternative risk framework that requires a threshold of students also requires a small provider rule. This would work similarly to the 'small country rule' in the current AL framework for providers with small numbers of overseas students. ISCA believes that the immigration risk posed by such providers is low and therefore they should be given a relatively low risk rating.

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

ISCA does not support the extension of SVP. SVP should be replaced with a model of streamlined visa processing suitable for all providers and sectors.

## **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?*

ISCA does not support the extension of SVP. SVP should be replaced with a model of streamlined visa processing suitable for all providers.

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

ISCA does not support the extension of SVP. SVP should be replaced with a model of streamlined visa processing suitable for all providers sectors.

## **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?*

The current business partner arrangements exclude school courses so we have no direct experience of this issue. Anecdotally however it seems that the nomination of business partners by SVP institutions is exacerbating the situation of 'haves' vs 'have-nots' in the marketplace and creating market inequalities.

## **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?*

There are several significant issues with the reduction of the number of current visa sub-classes. The current 571 schools sector visa has a number of specific conditions that do not apply to other sectors and which largely relate to particular cohorts of students (particularly AL3 countries) and welfare concerns for students under the age of 18.

Additionally, the current visa sub-class system provide a degree of oversight of the movement of students and the ability to 'track' students. There would need to be a means of ensuring that this ability would not be lost in any reduction of the number of visa sub-classes.

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

Prospective students from AL 2 and 3 countries should be able to apply for their initial student visa on-shore and the STAC should not apply to students completing a course of studies and seeking to enrol in higher level studies.

ISCA

19 December 2014