15 September 2017

David Wildon
First Assistant Secretary
Immigration and Citizenship Policy
Department of Immigration and Border Protection
6 Chan Street
Belconnen ACT 2617

Dear Mr Wildon

**Reforms to modernise Australia’s visa system**

**Visa Simplification: Transforming Australia’s visa system**

As the primary union representing the Department of Immigration and Border Protection employees, the Community and Public Sector Union (CPSU) is committed to providing a strong voice for our members in key public policy and political debates.

The CPSU welcomes the opportunity to make a submission to this public consultation on Visa Simplification. This proposal, however, needs to be considered in the context of the broader range of reforms being proposed around the privatisation and outsourcing of the bulk of the work of the Department of Immigration.

The CPSU has a range of concerns about the proposal to simplify and effectively outsource the design and delivery of Australia’s visa system over the next five years. The total value in 2026-27 of the bundle of services the Department is looking at outsourcing is estimated to be up to $8.8 billion. The CPSU has surveyed our members and there are widespread concerns that the visa simplification proposals are a precursor to outsourcing/offshoring of many visa functions. It is also impossible to consider the simplification proposals in isolation from the market testing of visa services and the location of work projects that are occurring concurrently. Over 81 per cent of survey respondents strongly agreed or agreed with the statement that...
“Visa simplification is likely to be used to make outsourcing/offshoring of visa processing easier for the government”.

While the CPSU is always willing to work with Government to improve the quality of services provided, it requires genuine consultation and collaboration with employees and their representatives. This has not occurred. The CPSU survey is the only opportunity employees have had to comment on the simplification proposals. The department has informed the CPSU that there will not be any internal discussions with staff until a decision is made by Government. This is despite the Department engaging with external stakeholders through an AusTender market consultation process to determine what functions could be outsourced while consulting with external stakeholders about visa simplification proposals. The Department has already indicated it believes client services, data collection and verification and visa assessments are candidates for outsourcing. A date of 2019 has been set to begin ‘partnering’ with the private sector to process visas.

This proposal to outsource visa processing is straight out of the Abbott Government’s National Commission of Audit.\(^1\) The Commission of Audit called for “\textit{the development of a business case and scoping study for the outsourcing of visa processing functions. This study should identify and group functions that are suitable for outsourcing and include a strategy for approaching the market to maximise savings.}”\(^2\) The Commission suggested call centres, shop fronts, counter services, data entry, payment collection, design and operation of web sites and the processing of low and medium risk visa applications could all be outsourced.\(^3\)

The rhetoric used to describe these changes to “\textit{the design of Australia’s visa service delivery business}” system portray the immigration system as being a business rather than a core government function with any decisions being primarily focused on cost. The CPSU does not agree with the assertion that “\textit{many departmental services share similarities with services provided by other high volume, large scale and high tempo businesses}.” The visa system is about ensuring the safe and regulated facilitation of movement of all persons including foreign nationals through Australian borders and the monitoring of visa conditions to ensure compliance. It is not a business and should not be treated as such.

It is very concerning that the market consultation paper asks about commercialisation opportunities, stating “\textit{market providers may be permitted to benefit in their other business lines from increased physical or digital ‘footfall’}”

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generated by providing visa services.” Suggestions of a differentiated service, including premium options, create a two tiered system that benefits businesses and wealthier visa applicants should be ruled out. It is of great concern that the paper appears to be suggesting that private providers could use information gained by providing visa services to make money in other areas, thereby potentially threatening the integrity of Australia’s visa system.

The CPSU is also concerned that one of the rationales cited is “pressures to deliver visa and citizenship services that are more internationally competitive.” The CPSU does not support the notion that our immigration system is a business in competition with other nations. There is no evidence to suggest that our visa system is a disincentive to business or tourism, and safety and security should always have primacy. It suggests a very flawed idea of what the role of our immigration system is and who it is a service for.

The CPSU is concerned that this emphasis on cost and speed could be at the expense of safety and security, particularly as it is aggressively seeking to outsource functions. It has been reported in the Canberra Times that “The Department told private operators in a consultation paper that applications had reached unprecedented numbers and it wanted to avoid cost blow-outs by involving them more”. Private operators could be used to administer tests, detect fraud and recommend decisions to grant or refuse visas. The CPSU notes that the National Commission of Audit flagged outsourcing as a way of avoiding capital upgrades and that the Department has justified these changes on the basis that “Australia’s visa business model and underpinning technology systems are almost 30 years old and have increasing limitations.”

Though the consultation paper states that marked based service delivery partners currently deliver around 20 per cent of visa business, this is limited to one visa product, health assessments and client services in some offshore locations. This is primarily Visa Application Centres (AVACs) and Biometric Collection Centres (ABCCs) with biometric collection facilities. AVACs and ABCCs are run by Service Delivery Partners (SDP) contracted by the government to provide visa application and biometric collection services. While SDPs are contracted to accept

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visa applications, decisions about granting or refusing visas are still made by the Department.\textsuperscript{7}

The consultation paper has stated there are plans to simplify the visa system, to reduce the number of visas from 99 to approximately 10.\textsuperscript{8} Complexity has been cited as the reason, however, the CPSU is concerned this so-called streamlining is preparing the groundwork for outsourcing. The CPSU notes a 2015 Deloitte \textit{Digital Government Transformation} report which stated that digitisation can facilitate the involvement of the private sector.\textsuperscript{9} This separation of policy, regulation and service delivery functions has significant implications for government. If the Department solely becomes a contract manager for visa processing it becomes disconnected from direct service delivery and is removed from understanding best practice, as well as the challenges and pitfalls. The result is that the capacity of the Department to understand and respond to ‘on the ground’ challenges are significantly eroded, affecting policy development. The erosion of capability means that there is a high risk that the public sector designs and develops associated policy in a vacuum, without a working understanding of how service delivery operates to achieve lasting outcomes. Survey results also showed that while visa simplification per se is not opposed there is a high level of scepticism with the proposal to reduce the number of visa types to “around ten” with only 21 per cent of respondents agreeing or strongly agreeing with the proposition that “We need to reduce the number of visa types to around ten”.

Some typical qualitative feedback on this issue from employees included the following:
- “Doesn’t achieve much – they change the student visas from several subclasses to one subclass but it still has different streams so its just a number change”
- “It’s just a PR exercise unless you rewrite a major amount of the Migration Regulations. It may be a useful PR exercise if it attracts more migrants, but unless the Migration Regulations are significantly changed, it is just simplifying the front end of the process and the back end remains as complex. You are unlikely to achieve cost or efficiency gains in this case as it’s the same amount and complexity of work required in the back end.”

Others were concerned that a simplistic approach to this issue failed to recognise how and why the current visa system had evolved:

- “Currently there are at least 150 visas (classes and sub classes). Transitioning to 10 visas sounds attractive however there is apparently a lack of awareness about how so many visas developed. Basically existing visas weren’t meeting specific needs so new visas were created. If you “simplify” how are you going to cater to the variety of visa needs (business – long and short term, family migration (all the various complexities of family life reflected in the modern age), recreational and study visas (different stay periods, different study purposes, etc.). Effectively the current framework has evolved over time to reflect modern society with its diverse lifestyles, economic and social needs so simplifying this process could potentially degrade the Department’s ability to meet those needs.

- "The proposal could lead to significant job losses over time and this concern was reflected consistently in the survey feedback. The consultation paper notes that the current universal visa requirements involve 6,000 staff, two-thirds of processing staff work in Australia and the remaining third overseas. The Department has stated that while it would outsource much of its visa application work, it would still control security assessments, intelligence work, enforcement, decisions on ambiguous cases requiring human judgement, and decision reviews. The hollowing out of visa processing staff will mean that the capacity of staff to skill up and identify more complex issues will be diminished."

Another strong theme reflected in the survey results was concern about simplification and lack of investment in the visa system leading to increased integrity/fraud issues:

- “Applicants who should not be granted visa due to character and/or security issues may find it easier to be granted a visa with simplified processes”

- “Lack of integrity in process. It will become tick a box rather than actual scrutiny, people will be assessed by less flexible criteria and therefore we may lose out on prospective migrants.”

- “The Department is investing heavily in the Border Force to address compliance issues, while making cutbacks to client service and visa processing areas. These cutbacks are likely to cause more compliance issues in the future with less training and support for visa processing officers to address fraudulent and non-genuine visa applications.”

- “Any simplification of the visa regime MUST be backed up by a strong and effective compliance/cancellation/investigation functions. Since the merger the department has stripped out the skills and no longer has the appetite to effectively investigate and action organised visa fraud. This must change before any visa simplification.”

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There is also a danger that there may be a repeat of the DHS “robo-debt debacle” with the aspiration of more than 90 per cent per cent of visa processing done automatically from around less than 50 per cent today. The CPSU notes reports that the Department has invited artificial intelligence and robotics companies to help it design a new visa system in a bid to automate more assessments, potentially with AI.\(^{11}\)

Algorithms and the use of big data to make decisions are not without problems as highlighted by data scientist Cathy O’Neil. Algorithms are often opaque, are not neutral and can reflect and reinforce existing human biases that have been built in over decades of decisions and that ends up shaping how algorithms operate.\(^{12}\) There is an added danger when scale and secrecy are added.\(^{13}\)

The CPSU notes that it is suggested that visa applications would be initially assessed by an algorithm against “a range of criteria specific to the visa. This can also include assessing application validity, genuineness, health, security, character, identity, relationship to Australian citizens or permanent residents, skills and sponsorship.” O’Neil points out that few of the algorithms and scoring systems have been vetted with scientific rigour.\(^{14}\) The popularity of their use relies on the notion that algorithms are objective, but they are based on choices made by fallible human beings which can be replicated.\(^{15}\) Algorithms look for and follow patterns, algorithms do not attempt to understand patterns. With these algorithms, the best is a repetition of the past and previous biases.\(^{16}\)

In conclusion, the CPSU concerns can be summarised as:

- CPSU members have fears that the visa simplification proposals are a precursor to outsourcing/offshoring of many visa functions currently undertaken by APS staff.
- That there is a lack of genuine consultation and collaboration with employees and their representatives to implement the new visa system, which could lead to problems implementing a new system.

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That if the department becomes solely a contract manager for visa processing, it will become disconnected from direct service delivery and removed from understanding best practice, leading to poorer outcomes.

That automation of visa processing could lead to problems such as experienced by the Department of Human Services in what is commonly called the “robo-debt debacle”.

The CPSU is happy to provide information on the matters raised in this submission and supplementary information on other relevant issues.

For further information, please contact Elizabeth Hay, Parliamentary Liaison Officer via email elizabeth.hay@cpsu.org.au or on 0438 663 044.

Yours sincerely,

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