



Australian Government
Department of Immigration and Citizenship

Opening Statement

**Joint Committee of Public Accounts and Audit (JCPAA) review of the
ANAO Performance Audit Report No. 46 2010-11:
Management of Student Visas
12.00 - 1.00 - 12 October 2011**

Thank you for the opportunity to appear before you today.

Since the Australian National Audit Office (ANAO) contacted the Department in May 2009 regarding its intention to audit the Student visa program, and the finalisation of the report in May 2011, there has been considerable change to the global and domestic environment impacting upon Australia's international education sector.

The global financial crisis, the rapid growth in the value of the Australian dollar, increased competition from established countries and new countries entering the international education market, and the perception that Australia was perhaps not as safe and welcoming as previously thought, contributed to instability of the sector and strain on Australia's Student visa program.

Furthermore, it became apparent that many international students were not coming to Australia with a genuine intention to study and then return home. Policy and legislative settings contributed to a situation where the primary purpose of some students in deciding to study in Australia was to gain permanent residence under the skilled migration program. The availability of this pathway led to a massive increase in the number of international students enrolling in the Vocational Education and Training (VET) sector in particular.

This was not an example of an education sector growing sustainably and with integrity – it was an illustration of unsustainable directions and practices. The rapid acceleration of student visa grants to students with no intention of returning home after studying put a massive strain on the credibility of the international education sector and led to considerable pressure on the Department and the integrity of the Student visa program and the broader migration program in general.

Over the time period covered by the ANAO audit, significant changes have been made to the policy and legislative settings relating to student visas and skilled migration to shore up the integrity of the Student visa program and the migration program. This strategic response has taken place on a number of fronts. For example:

De-coupling of an automatic link between study in Australia and permanent migration, through:

- abolishing the Migration Occupations in Demand List which acted as a pull factor to those students wishing to identify the easiest, fastest course to take in order to obtain the largest number of points for skilled migration; and
- introducing a new points test which focuses on human capital, not on a narrow range of occupations:
 - The points test recognises a range of attributes including better English, more extensive skilled work experience and higher level qualifications. It counters the previous practice of some students and providers of manipulating their courses of study simply to target skilled migration.

There has also been some tightening of the regulation of education providers.

- In the wake of the Baird Review new bodies have been established to regulate international education providers and require them to meet exacting standards to obtain and keep their CRICOS registration.

The Government also commissioned the Hon Michael Knight AO to conduct a strategic review of the Student Visa program to identify ways in which the program can best balance Australia's economic and migration interests. Mr Knight reported to the government on 30 June 2011 with 41 recommendations. On 22 September 2011, the Minister for Immigration and Citizenship, Chris Bowen MP, and Minister for Tertiary Education, Skills, Jobs and Workplace Relations, Senator Chris Evans, released Mr Knight's report, Strategic Review of the Student Visa Program 2011.

So we now have a key opportunity to make appropriate changes to the Student visa program – those recommended by both the ANAO audit of the *management or administration* of the program as well as the *strategic issues* identified in Michael Knight's report.

The Department has agreed with all six recommendations made by the ANAO and has already begun working to implement those recommendations. In the remainder of this statement, rather than providing a detailed summary of the Department's progress in this regard, I would like to provide the Committee with a brief overview of some of the key actions undertaken by the Department in response to the ANAO's recommendations as well as to the recommendations of Michael Knight's report where there are synergies between the two.

Three of the six recommendations made by the ANAO (1, 4 and 5) align with recommendations made by Michael Knight's review of the Student visa program.

Michael Knight's report recommends a fundamental review of the Assessment Level (AL) Framework. This review will allow the Department to not only respond to the ANAO's recommendation 1, but will also make recommendations on the entire student visa risk management framework with a view to enhancing the integrity of the program while at the same time supporting the competitiveness of Australia's international education sector.

Michael Knight's report also recommends the abolition of the automatic and mandatory cancellation regimes, which aligns with the ANAO's recommendation 4. The Department is hoping to have the required legislative and systems changes scheduled in the legislative program for early 2012. This should allow the Department to more strategically target its Student visa compliance and integrity resources.

Implementation of the Knight report's recommendation that work limitation entitlements be measured as 40 hours a fortnight rather than 20 hours a week provides an opportunity to also review the operation of the work limitation requirement in relation to evidentiary requirements, discretion and compliance resources. Changes will be subject to legislative scheduling requirements, and are expected to be completed by early 2012.

Systems changes will be made in December this year preventing the majority of Student Course Variations converting automatically to a non-compliance notice (recommendation 5). Legislation to repeal automatic cancellation will be completed in 2012, at which point the remaining Student Course Variations (two of them) will also cease to become Non-Compliance Notices.

In respect of the remaining ANAO recommendations (2, 3 and 6), the Department is currently evaluating the eVisa Trial Lodgement Facility and will resolve the trial's status by the end of 2011. The results of the eVisa trial evaluation will inform planning for the further development of eVisa and eLodgement in relation to the Student Visa program.

The Department is also conducting a statistical analysis of Student visa applications lodged through the facility to determine whether eVisa agents are complying with their obligations.

As recommended by the ANAO (recommendation 6), a DIAC-DEEWR strategic student visa policy group has been established as a mechanism to coordinate activity between the two departments regarding international students and international education issues.

That concludes the main points I wished to convey in my opening statement – thank you for the opportunity to do so. My colleagues and I stand ready to respond to the Committee's questions.