



Australian Government  
Department of Home Affairs

# **Inquiry into the impact of changes to service delivery models on the administration and running of Government programs**

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## Introduction

The Department of Home Affairs (the Department) welcomes the opportunity to provide this Submission to the Legal and Constitutional Affairs References Committee's *Inquiry into the impact of changes to service delivery models on the administration and running of Government programs*.

This Submission focusses on the Department's responsibility for administering Australia's visa and citizenship frameworks. It highlights work currently underway to ensure service delivery arrangements continue to support key export industries including tourism and education, safeguard national security, foster social cohesion, and remain appropriate in the future in light of growing client expectations of convenient digital service delivery.

The current service delivery modernisation program being undertaken by the Department does not involve privatising Australia's visa system or visa decision making. In any future service delivery model:

- the Department and its officials will remain accountable and responsible for, all visa decision making
- the Department and its officials will remain responsible for all national security and other threat and risk assessment, and
- decisions that take away a right or entitlement will be made by a departmental official and not by a machine.

This reform is not being undertaken in pursuit of savings. It builds on the strengths and benefits of the Department's long-standing arrangements with service delivery partners providing specialist services.

The Department has consistently identified that sovereign functions including decision making, threat and risk assessment, and policy advice, will be entirely retained by the Department.

It remains the Department's intention not to lose staff as a result of this process, but to redeploy them to meet growing demand and focus on higher value tasks and more complex decision making which must be undertaken by officials.

## The Home Affairs Portfolio

The Home Affairs Portfolio including the Department was formally established on 20 December 2017. The Department includes the entirety of the former Department of Immigration and Border Protection and the Australian Border Force. It is responsible for centrally coordinated strategy and policy leadership in relation to domestic and national security arrangements, law enforcement, counter-terrorism, social cohesion, the protection of Australia's sovereignty and the integrity of its borders, and the resilience of national infrastructure.

The Department delivers services including strengthening the cohesiveness of Australian society through the migration program. It manages and assists temporary and permanent migrants and people participating in humanitarian and refugee programs, and confers citizenship.

The purpose statement for the Portfolio is:

- **prosperous:** through our unique capabilities, powers and activities we contribute to Australia's prosperity by enabling a globally connected and open economy and society
- **secure:** together we will protect Australia and Australians from key national security and criminal threats, and
- **united:** we celebrate Australia's multicultural society and safeguard our democracy by building community resilience and engendering respect for Australia's shared values and institutions, our way of life, and the rule of law.

The Portfolio plays a key role in facilitating Australia's ongoing economic prosperity. Migration and trade policy settings ensure that Australia remains economically competitive in an environment of increasing global flows of people, goods and information.

## **Australia's visa framework**

Australia's universal visa system is a fundamental element of strong and effective border management and Australia's national security framework. At the same time, it is a key enabler of the economic and social benefits of immigration, temporary residence and tourism. Australia's visa framework requires all non-citizens to have permission from the Australian Government to enter and stay in Australia, reflecting Australia's sovereign right and responsibility to protect its borders and community.

The vast majority of people who visit and live in Australia on various visa types are law-abiding and make a significant and positive contribution to Australia's prosperity and society. Australia benefits enormously from globalisation. Australian businesses export goods and services worldwide, drawing on and contributing to a global supply of investment, ideas and skilled labour. Australian society is enriched by generations of migrants and refugees who have made Australia their home.

While globalisation and technological change are positive for Australia, they also bring new security threats. In today's world it is not possible to separate global security from security at home. The same global flows of people, goods, money and information that benefit Australia can be exploited by criminal or terrorist organisations. The Australian community expects the Australian Government to be agile in its response to emerging or changing risks, threats and opportunities. Current visa-related business processes and enabling technology do not adequately support such an approach, especially in light of anticipated continuing growth in demand.

The Department is charged with striking the right balance between facilitating the entry of genuine non-citizens who will support prosperity and unity, and the security requirement of identifying and preventing access to Australia by those who may seek to do Australia or Australians harm including those who seek to circumvent proper immigration processes.

## **Current service delivery arrangements**

Australia's visa and citizenship framework has evolved into a high-volume transactional business involving over 9 million decisions in 2018-19. Currently, the Department manages visa processing through around fifty computer systems that have been developed over 30 years. The two key visa application processing systems are over twenty-five years old, and although these systems remain stable and supported, it is increasingly difficult to implement policy changes, new visa categories and adjustments to complex risk assessments.

The global visa business operates all day, every day, with a multi-lingual user base and requires live data feeds to inform traveller clearance in real time.

In delivering Australia's visa system, the Department navigates inherent trade-offs between timeliness, quality, and cost on a daily basis. Its ability to both facilitate genuine visa applicants' entry to Australia and prevent the entry of those who would do Australia harm is diminished by the nature of information captured through legacy systems and processes, and the lack of capability to support decision makers with robust and comprehensive risk assessment and intelligence. The quality and scope of information available to decision makers and intelligence analysts, and the capacity to keep up with growing demand and expectations, is creating real pressure for the Department and its officials and dissatisfaction for visa applicants and stakeholders.

The Department has made significant productivity gains in recent years and implemented a range of interim projects to assist it to meet increasing demand and expectations. It is increasingly the case, however, that

the opportunities to improve current legacy systems and processes are being exhausted and a step-change in capability and service delivery approach is required.

With this in mind, the Government announced in the 2016-17 Budget it would undertake a long-term program service delivery reform and modernisation to ensure Australia's visa system remains competitive, relevant, and attractive into the future. This will enable it to continue to support national prosperity, national security, and cohesion in Australian society.

## **Future service delivery models**

Operating a business with global reach, 24/7 availability requirements, and the complexity inherent in decision making involving humans is, by definition, a complicated and expensive undertaking. In an environment where public sector resources are constrained, it is entirely appropriate that the Department seeks to:

- focus the efforts and attention of its staff on those things that must be done by officials because they involve the discharge of sovereign functions, and
- maximise its capability, and the efficiency and effectiveness of its operations, by seeking assistance from private sector organisations where they have particular relevant skills or expertise.

The Government has determined the Department should test the capability, capacity and willingness of the private sector to provide a privately funded and constructed single integrated visa application and processing workflow tool – the Global Digital Platform – to support the Department's core function of receiving and processing visa applications.

The Department is not handing over control of decision making.

The Department alone will determine the business rules that govern what the Global Digital Platform does, which questions are asked of which applicant, which applications can be auto-granted in accordance with its business rules and threat profiles, and which applications need to be further considered by its officials.

The Global Digital Platform provider will have no role whatsoever in visa decision making.

The Global Digital Platform provider will have no role whatsoever in national security or other risk and threat assessments.

# Drivers of Immigration Reform

## The case for change

Australia's current visa service delivery arrangements are no longer fit for purpose. Beyond evident frustrations for applicants in relation to processing times and the personal implications of delay and complexity, this creates real and significant risks to the future competitiveness of Australia as a destination for tourists, students and skilled migrants, as well as to national security.

The current visa service delivery arrangements are increasingly unable to keep pace with continued strong growth in visa applications, which is expected to see 35 per cent growth to over 13 million applications per annum over the decade to 2028-29. Current processing arrangements are resource intensive and dependent on ageing information technology infrastructure. Manual processing of large volumes of applications increases the risk of errors being made, as well as of fraud.

In addition, current legacy ICT systems and manual decision making processes are not capable of delivering the digital-first, modern and sophisticated services that are being increasingly desired by the Australian Government, and demanded by visa applicants, employers and industry groups. Even where the Department has made significant progress in digitising its service delivery, through increased online lodgement for example, the decision making process and supporting ICT systems remain firmly rooted in historical paper-based workflow processes.

The global threat environment continues to evolve and there is already a range of actors using sophisticated methods to exploit perceived vulnerabilities. Criminal entities seek to employ visa and identity fraud to facilitate the importation of drugs, exploitation of foreign workers and trafficking people into Australia, all at significant cost to our safety, the economy and social cohesion. This demands increased capability and capacity be developed by the Department to enable it to keep pace and make better use of public and confidential data to support its decision making processes.

## The operating environment

Immigration is central to Australia's story. From a population of around 7 million people after the Second World War to more than 25 million people in 2019, the Immigration Program has played a core role in nation building. Effective administration of Australia's visa and citizenship framework by the Department is central to maintaining Australia's sovereignty, economic prosperity, community safety and its place as one of the most peaceful, united and culturally diverse countries in the world.

Since the dismantling of the White Australia policy in the early 1970s, Australia's Immigration Program has been based around a universal, non-discriminatory visa system, which focuses on the contribution a person can make to Australia rather than their ethnicity, gender or religious beliefs. Australia enjoys high levels of social cohesion and broad public support for its immigration programs. This is in part based around confidence in well-managed non-discriminatory migration.

Discharging the Department's responsibilities for delivering Australia's visa and citizenship system involves dual, but equally important and complementary, objectives:

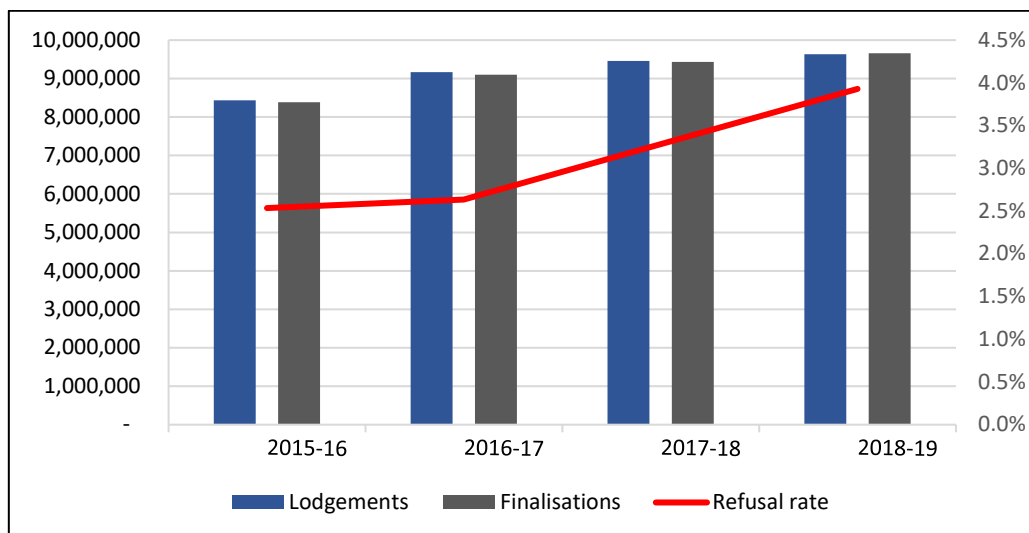
- to facilitate the entry and stay of those who legitimately seek to visit, study or work in roles that aren't able to be filled locally, or which would build our national capability and increase competitiveness or to migrate, and
- to prevent entry or stay by those who disguise their true identity or intentions or otherwise pose a risk to the security or safety of our community, or to our national interest.

Innovation and technology have become increasingly important for the Department to expand its capacity to process the large numbers of migrants and travellers to Australia and respond to increased public expectation for digital government services.

## Demand Growth

The total number of non-humanitarian visa applications lodged by people seeking to enter or remain in Australia has continued to grow. From 2015-16 to 2017-18, visa application lodgements in the temporary and permanent visa programs have increased by 1 million or 12.1 per cent. In 2018-19, the Department received a total of 9.6 million visa applications.

At the same time, heightened levels of risk and caseload fraud have been prevalent across most programs and have led to an increase in refusal decisions. From 2015-16 to 2018-19, the average refusal rate across the temporary and permanent visa programs has increased from 2.5 per cent to 3.8 per cent. This equates to 155,904 more applicants being refused. This has involved a significant and commensurate increase in work effort and time for the Department to appropriately assess and decide applications.

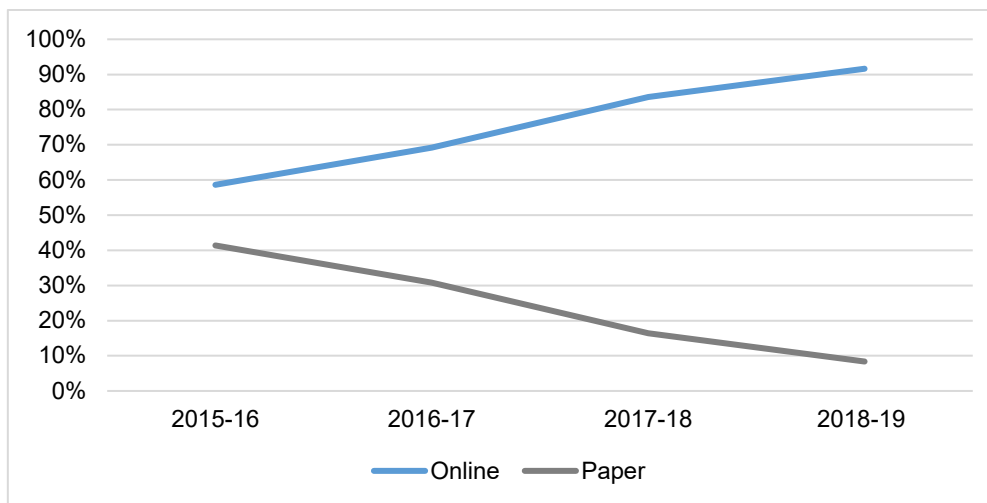


**Figure 1 - Total non-humanitarian visa program trends: 2015-16 to 2018-19**

Despite this growth in volume and risk, the Department has achieved greater levels of productivity, finalising more applications than it has received by:

- encouraging the up-take of online lodgement (which reduces manual data entry and enables the Department to better utilise processing capacity across its global delivery network)
- continually improving systems and processes, and
- increasingly consolidating visa processing into ‘hubs’ that are able to achieve improved efficiency, consistency and integrity outcomes.

As at 30 June 2019, over 95 per cent of all visa applications were lodged electronically. The Temporary visa program has seen online lodgement increase from 59 per cent in 2015-16 to 92 per cent in 2018-19 (as at 30 June), and the expansion of online lodgement to China and India, two of Australia’s largest tourism and international education markets.

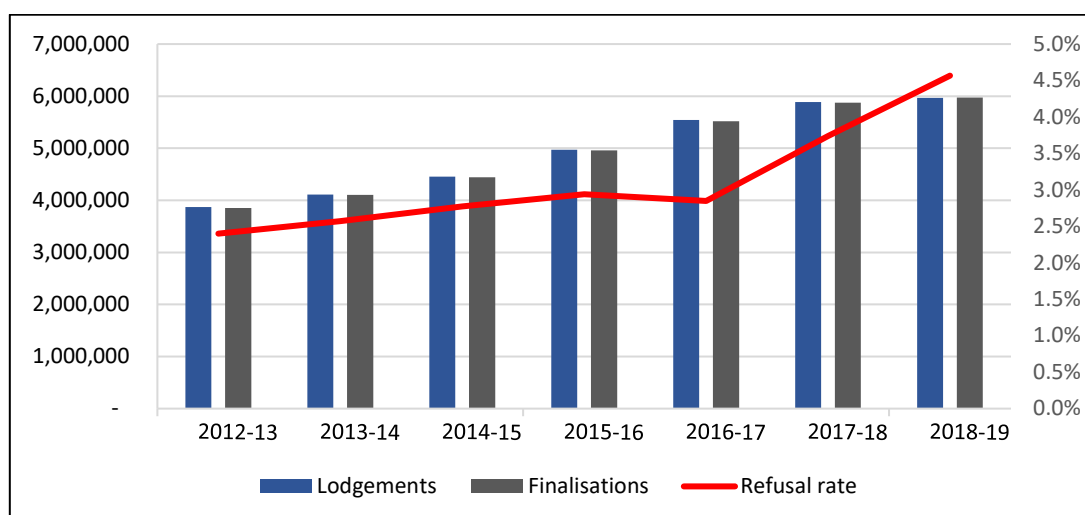


**Figure 2 - Online lodgement growth for the Temporary Visa Program 2015-16 to 2018-19**

### Temporary visas - visitors

Australia’s economy benefits significantly from tourism which generates jobs, investment and growth in communities throughout Australia. International visitors spent a record \$43 billion in the year to September 2018, with tourists from China contributing \$11.5 billion – well above their pro-rata share. For these reasons, the Department places a heavy focus on working across Government to position Australia’s tourism industry at the forefront globally, and a critical part of that is our work to ensure processing times remain low, without compromising on integrity or community safety.

In 2007-08, the Department finalised 3.7 million visitor visa applications. By 2018-19, this had grown to 5.9 million visa finalisations, an increase of more than 60.6 per cent in just eleven years, with 20.5 per cent of that growth occurring in the past four years. This growth has been managed while responding to changing patterns of caseload risk and maintaining competitive processing times. Refusal rates for visitor visas have increased from 1.6 per cent in 2007-08 to 4.6 per cent in 2018-19 to 30 June 2019, as a result of better information being available to our decision makers.



**Figure 3 - Visitor visa program trends: 2012-13 to 2018-19**

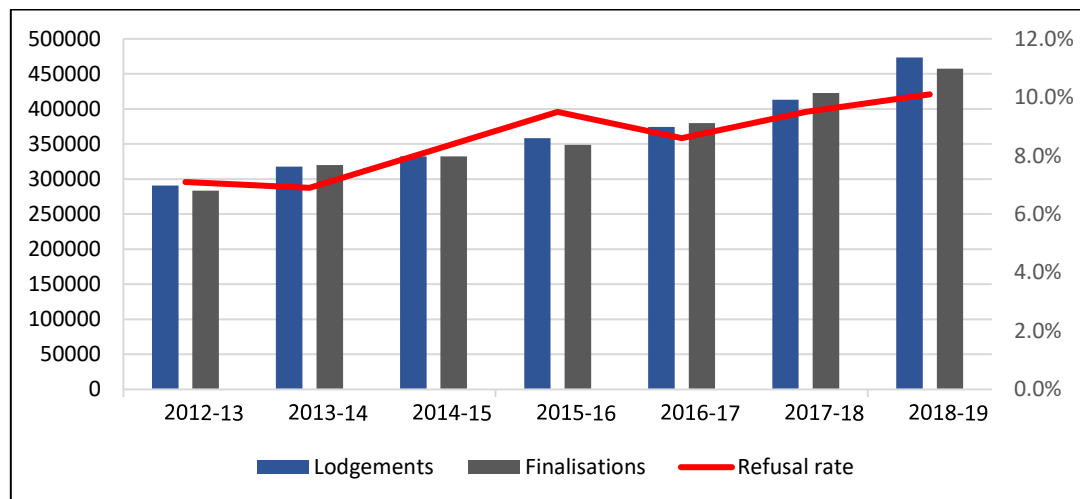


## Temporary Visas - students

Australia’s international education, training and research sectors also make a significant economic, social and cultural contribution to Australia, to our foreign policy interests and to individual communities. The Department has supported continuing growth in the international education sector, and the student visa program has been growing steadily since 2011-12.

In 2018-19, a record 405,742 student visas were granted, with grants to applicants outside Australia reaching 243,740 in 2018-19, exceeding the previous peak of 226,898 in 2008-09.

There is no cap on student visas and the demand for visas depends on a number of factors including education quality and reputation, cost of Australia’s international education, marketing, value of the Australian dollar and other variables. The variation in the refusal rate largely reflects changing patterns of risk within the cohorts applying for student visas over time and informs the risk framework and subsequent assessment of applications.



**Figure 4 - Student visa program trends: 2012-13 to 2018-19**

## Threat and risk

The threat and risk environment has changed dramatically over the past 20 years. The mass mobility of growing middle classes in emerging economies, through cheaper and more accessible air travel, has meant some groups who would never have possessed the means to come to Australia previously are now seeking to travel here. For example, visitors from the United Kingdom, Japan, the United States of America, South Korea and Germany made up 50.89 per cent of total visitor grants in 2007-08. By 2018-19, this had dropped to 36.56 per cent. In contrast, China, India and Indonesia grew from 11.38 per cent of the total visitors to 23.41 per cent (916,126 more visa grants) over the same period. This has changed the risk profile and processing required within the visitor caseload.

Approximately 70 per cent of significant serious and organised crime targets that impact Australia are either based offshore or have strong offshore links. Transnational organised crime networks continue to seek to embed themselves into legitimate supply chains to obfuscate their activities or to exploit visa arrangements for human trafficking and exploitation, drug or weapons importation, illegal labour and other nefarious purposes. Their methods continue to evolve, including the masking of activities using encrypted communications and use of professional facilitators.

The constantly changing face of terrorism presents as the paramount concern. Terrorist actors, ideologues, financiers, recruiters, and on-line supporters all take advantage of easier international travel arrangements and streamlined visa processes.

There have been growing attempts by some foreign governments or their proxies to engage in foreign interference to undermine Australia's sovereignty, values and national interests, through covert, deceptive and clandestine means. Our institutions of democracy, research and education sectors, the media and our culturally and linguistically diverse communities are all vulnerable to this type of activity. This includes attempts to subvert visa arrangements to advance these purposes.

The world is facing the highest level of forcibly displaced people ever, generating continued border risks as people seek to travel both legally and illegally to destinations where they can live in peace and safety, like Australia. A proportion of these individuals carry no reliable documentation that can be used to verify their identity.

While facilitating growth in important temporary and permanent visas that support the economy, and managing strong humanitarian and family programs, the Department is maintaining a proactive posture that assumes some individuals looking to enter Australia, or their facilitators, will attempt to exploit vulnerabilities within the immigration system, for individual benefit or to do harm to Australia.

This changing threat and risk environment has made broad, nationality based assessment of risk with very limited pre-border risk assessment for certain cohorts no longer appropriate. More granular and nuanced assessment of the risk posed by individual visa applicants – irrespective of nationality – is required, supported by targeted intelligence and greater checking capability. Such an approach is at best inefficient and slow in current ICT systems.

## **Enhancing digital access**

The Department has made significant progress in enhancing its ability to provide digital services in current legacy ICT systems in recent years. It has also undertaken a complete reworking of its website presence, and transitioned departmental call centre support to a private provider.

These initiatives have significantly improved the Department's service delivery, as evidenced through a comparison of 2018-19 to 2015-16 in which there has been:

- a 102 per cent increase in the number of applications submitted online (through ImmiAccount)
- a 57 per cent increase in visits to the website
- a 76 per cent decrease in call wait times, and
- an 88 per cent reduction in the number of unscheduled 'walk-ins' to an office seeking general visa and citizenship information.

The engagement of an outsourced provider in 2018 for the Department's telephone client enquiry services has reduced the call wait time for clients. Prior to the full implementation of the outsourced service provision, 44 per cent of calls were answered within 10 minutes. This compares to 2018-19 where 87 per cent of calls are now being answered within 10 minutes, delivering a higher grade of service to clients.

Importantly, by engaging external expertise in call centre operations, supported by robust contractual and security arrangements, in addition to these customer service improvements the Department was also able to redeploy all staff previously involved in departmental call centre services to other functions within the Department.

## Existing service delivery partnership arrangements

The proposed service delivery arrangements the Department is designing build on the strengths and successes of existing service delivery partnerships with specialist providers of relevant services. For many years the Department has worked in partnership with private sector providers to deliver visa services. These arrangements have historically offered, and continue to offer, service benefits to clients in terms of accessibility and ease of use, efficiencies for the Department, and also allow the Department to expand its global reach beyond what would be possible with an entirely public sector workforce.

### Electronic Travel Authority

In 1996 the Department introduced the Electronic Travel Authority (ETA) system administered by a service partner. The ETA provides a streamlined visa product for traditionally low immigration risk cohorts (based on nationality) to travel to Australia for short term tourism or business visits. This system has removed the need for paper application forms and allowed an electronically stored authority to immediately issue visas permitting entry to Australia for visitors from 45 countries/jurisdictions.

The ETA system is delivered in partnership with Société Internationale de Télécommunications Aéronautiques (SITA), a private company which supports both the application and processing capability, as well as the operation of Advanced Passenger Processing used by airlines and the Australian Border Force to more efficiently manage the flow of air passengers into Australia.

ETA applicants can apply for an ETA through a network of over 300,000 travel agents, at check-in at more than 85 airlines and at departmental overseas posts. This arrangement currently accounts for around 29.69 per cent of total temporary visa processing.

The system provides immediate advice on whether an applicant is eligible to apply online. For those who are not eligible to apply for an ETA online, they are referred to a departmental overseas post for further assessment. Decisions on eligibility are made by the Department.

While that system has served Australia well, there is a need for more sophisticated tools to assist in managing a more complex workload, including across the balance of the Immigration Program.

### Assisted lodgement and biometrics

The Department has had service delivery partner (SDP) arrangements with external providers in its offshore service delivery network for over 15 years. Through the 2018-19 program year, the Department had arrangements with four commercial partners providing these services. The arrangements have been a key driver of client service improvements and business process efficiencies. Lower-value administrative tasks provided by SDPs include:

- general information provision (e.g. pre-lodgement enquiries)
- visa lodgement assistance and collection of fees
- biometrics enrolment
- data input, and
- courier services.

This allows a significant redirection of effort by departmental officials to higher value decision making and other related tasks.

SDPs are also able to offer a global footprint that would be prohibitively expensive for the Department to maintain on its own. As at 30 June 2019, SDPs managed Australian Visa Application Centres in 97 locations across 54 countries, with biometrics collected in 74 locations across 44 countries.

For the period 1 July 2018 to 30 June 2019, SDPs facilitated approximately 353,000 paper application lodgements and 590,000 biometric enrolments. Paper lodgements peaked at 1,308,000 in 2015-16 before the institution of online lodgement capability by the Department. In the future, these SDP services will be founded on the provision of digital assistance (to people who can't or choose not to lodge digital applications themselves) and the collection of biometrics.

Client data, including biometrics, collected by SDPs is protected through data encryption and secure infrastructure. SDPs retain limited biographic information. Under contractual arrangements, information they do retain is purged from their systems after 30 days to minimise any privacy exposure risk. Biometric data is captured on encrypted systems and securely transmitted to the Department then purged once the biometrics are successfully received by the Department.

SDPs operate under a user pays arrangement and charge a service fee for the services they provide clients. Client fees vary by country depending on the costs associated with establishing a visa application centre, paper lodgement volumes and biometric collection services. They are generally charged in local currency.

Key departmental outcomes of SDP arrangements include:

- increased efficiency through reducing the Department's direct service delivery costs in the areas of data entry, client contact and in-language client enquiries where applicable
- improved client service by increasing client access points and hours
- reduced security risks by minimising the need for clients to visit Australian missions overseas, and
- biometric collection.

Australia also achieves efficiencies and service offer enhancements in visa application centre arrangements through sharing facilities with other Migration Five countries (i.e. New Zealand, the United Kingdom, Canada and the United States of America). The Department has sharing arrangements with the following countries:

- United Kingdom: 29 shared centres across 19 countries
- New Zealand: 11 shared centres across 10 countries
- United States of America: six shared centres across three countries, and
- Canada: four shared centres across three countries.

## Approach to reform

The Department has deliberately adopted a careful and robust approach to designing and implementing what is a fundamental reform of its service delivery arrangements.

It has taken account of the Government's *Digital Transformation Strategy* that establishes the goal for Australia in 2025 "to be one of the top three digital governments in the world for the benefit of all Australians"<sup>1</sup>. That Strategy outlines what digital government in 2025 means, highlighting objectives including:

- In the future we will use digital technology to deliver more responsive policy, less red tape and better services.
- Your services will go beyond simply being available online to being organised around your needs and life events.
- If you ask us to, we will provide personalised services that remove the need to deal with different departments and layers of government. We will deliver a seamless experience based around your needs.
- We will alert you when you are eligible for different services and remind you when things are due. We will show you where things are at and offer you help when needed.

<sup>1</sup> <https://www.dta.gov.au/digital-transformation-strategy> p.5

- We will offer a simple way of dealing with the government. This may be offline, or online through your favourite devices and suited to your needs. You will be able to do things for yourself, for organisations you act on behalf of and for people you care for.

The Department's design work has proceeded in light of the three strategic priorities outlined in the Strategy<sup>2</sup>:

***Government that's easy to deal with***

- Intuitive and convenient services
- Integrated services supporting your needs and life events
- Digital identity for easy and secure access

***Government that's informed by you***

- Smart services that adapt to the data you choose to share
- Greater insights for better services
- Trust and transparency

***Government that's fit for the digital age***

- Expanding digital capability
- Developing modern infrastructure
- Providing accountability

In pursuing this service delivery modernisation process, the Department has engaged expert advice, consulted widely including with government and non-government organisations which are undertaking, or have undertaken, digital transformation of their businesses. It has learned from its own experience in delivering major projects.

The procurement process for the Global Digital Platform has been designed to allow opportunity for iteration and co-design of solutions as it has progressed. The process is now more than two years old. As a result, the Department has confidence in both its ability to engage with providers in the proposed delivery model, and in the potential providers' ability to meet its requirements.

<sup>2</sup> <https://www.dta.gov.au/digital-transformation-strategy> p.13.

# Future Service Delivery Arrangements

## Global Digital Platform procurement process

The Department is not privatising Australia's visa system, or any aspect of visa decision making.

Following extensive research and market consultation, and cognizant of the cost and capability requirements of modernising the supporting infrastructure underpinning its delivery of Australia's visa system, it is seeking to procure a privately funded and built Global Digital Platform to support the making of visa applications and the Department's decision processing. In so doing, it is building on and extending existing service delivery arrangements.

It is also seeking to create the ability to proactively attract and match potential skilled migrants to properly identified employment opportunities, especially in regional areas.

As the procurement process has progressed, the Department has published the Request for Expression of Interest (REOI) and Request for Tender (RFT) documents on its website, along with information about the process<sup>3</sup>.

### Probity

The Department received two tenders for the proposed Global Digital Platform on 28 June 2019. The evaluation process remains underway in accordance with the published process<sup>4</sup>.

As such, it would be inappropriate and contrary to the *Commonwealth Procurement Rules* to canvass specific details of the bidders or lodged tenders. Publicly airing details of the process or the Department's decision making processes prematurely, may compromise the ability of the Department to achieve the best value for money for the Commonwealth in this process.

The Department notes for completeness that any decision to enter into an agreement with a provider of the Global Digital Platform is subject to further Government decision making at the conclusion of its evaluation process.

### Process timeline

As a first step, a market consultation paper *Delivering Visa Services for Australia* was released in June 2017<sup>5</sup>. The paper sought input from potential market providers to explore innovative solutions for a new visa service delivery model, incorporating new technologies to help design and build a global digital visa processing platform. That process closed on 23 July 2017.

The open-market *Request for Expression of Interest – Delivering Visa Services for Australia* was subsequently released on 22 September 2017 taking account of information received through the market consultation process. The REOI closed on 27 October 2017.

Between September 2017 and July 2018, the Department completed the three phases of the REOI process including evaluation of:

- paper-based REOI responses
- scenario-based design presentations, and
- a sixteen week period of co-design.

<sup>3</sup> see <https://immi.homeaffairs.gov.au/what-we-do/immigration-reform/about-the-reform>

<sup>4</sup> see <https://immi.homeaffairs.gov.au/immigration-reform-subsite/files/rft-22-17-b1-phase-two-parts-1-5.pdf> Part 3

<sup>5</sup> see <https://immi.homeaffairs.gov.au/immigration-reform-subsite/files/delivering-visa-services-for-australia.pdf>

Co-design involved an intensive period of cooperative and collaborative work with two selected potential Global Digital Platform providers. Over 16 weeks, separate teams comprising provider and Department staff worked to solve critical design questions and develop a more detailed view of the Department's requirements and proposed solutions. The outcomes of this process were used to both inform the final form of the Request for Tender documents, as well as to begin to establish and test whether the Department and potential providers could work together collaboratively in relation to the proposed approach to financing, building and operating the Global Digital Platform.

On 7 December 2018, the Department released the *Request for Tender Delivering Visa Services for Australia - Global Digital Platform Phase One* to the two respondents that had participated in the co-design phase of the REOI<sup>6</sup>. While RFT Phase One was part of the multi-stage procurement process for the Global Digital Platform, it was assessed independently of the REOI stage. The objectives of the RFT Phase One were to assess the extent to which Tenderers:

- met the Department's business, technical, and delivery requirements in light of specified commercial parameters and settings including an indicative service fee on applications for temporary visas of up to \$AUD35 on average<sup>7</sup> and
- demonstrated an ability to develop and sustain a high performance culture in relation to working with the Department, the Department's clients and other service providers.

Following evaluation and decision making in accordance with processes set out in the RFT Phase One documents, the Department invited both Tenderers to participate in the RFT Phase Two on 5 April 2019<sup>7</sup>.

Phase Two involves the submission of final tenders and selection of a preferred provider (if any) in accordance with the process outlined in the RFT documents<sup>8</sup>.

## Scope

The proposed Global Digital Platform will support<sup>9</sup>:

- attraction to Australia of potential visitors, students and migrants (including through repeat visits and/or progressing through different visa pathways)
- matching of skilled migrants to identified employment opportunities
- visa application processes
- visa decision making workflows
- an integrated, end-to-end, whole-of-life applicant management system that delivers improved user experience and information provision for the complete range of departmental users, including visa and citizenship decision makers and the Australian Border Force, and
- compliance with visa conditions.

<sup>6</sup> see <https://immi.homeaffairs.gov.au/what-we-do/immigration-reform/about-the-reform>

<sup>7</sup> see <https://immi.homeaffairs.gov.au/what-we-do/immigration-reform/about-the-reform>

<sup>8</sup> see <https://immi.homeaffairs.gov.au/immigration-reform-subsite/files/rft-22-17-b1-phase-two-parts-1-5.pdf> Part 3.

<sup>9</sup> <https://immi.homeaffairs.gov.au/immigration-reform-subsite/files/rft-22-17-b1-phase-two-parts-1-5.pdf> p.7.

## Purpose

The RFT Phase Two documents state<sup>10</sup>:

The Australian Government is pursuing comprehensive reform of Australia's visa and citizenship framework and its service delivery arrangements around the world. The proposed reforms are required to:

- foster strong economic performance and support key export industries;
- safeguard Australia's borders and national security;
- nurture cohesion in Australian society; and
- protect over \$2 billion per annum in Australian Government revenue from the Visa Application Charge.

In addition to the wider economic benefits of Australia's Immigration Program, it is an important source of revenue for the Government through the Visa Application Charge. Reductions in the competitiveness or attractiveness of Australia as a destination resulting from lower quality service delivery arrangements therefore pose a real risk to Government revenue, as well as key export industries.

As part of its consideration of the broader economic impact of its activities, the Department is conscious of the importance of its role to facilitating the entry and stay in Australia of visitors, students and skilled migrants in particular to the success of Australian businesses and the economy more broadly. Current legacy ICT systems and processes are already creating potential pressure points and uncompetitiveness in the global market. Moving to a fully digital service offering will assist in meeting client expectations of convenience and speed.

Furthermore, the Global Digital Platform's proposed capability to attract and match potential skilled migrants to specific job vacancies will assist Australian businesses, especially in regional areas, to navigate the required processes and access necessary skills and capabilities more easily.

The current procurement process is not an exercise in pursuing savings, nor is it simply about visa processing. It is being undertaken to ensure the Department can continue to play its role in supporting key export industries, safeguarding national security and fostering social cohesion into the future.

The intended outcomes of the Global Digital Platform procurement process set out in the RFT documents include<sup>11</sup>:

- establishing long-term arrangements ... that will increase Australia's global competitiveness and attractiveness by establishing client-focused visa service delivery arrangements. This new business model will improve user experience and deliver new levels of individualised service
- enhancing the attractiveness and competitiveness of Australia as a destination for tourists, students and skilled migrants by delivering digital, largely automated visa application processes that can be completed anywhere, on any device, and in the native language of the applicant
- improving the quality, consistency and efficiency of departmental decision making through improvements in processing, combined with the increased use of digital document and identity verification
- releasing departmental staff to focus on higher complexity and higher risk visa applications, basing decisions to grant, refuse to grant, and cancel applications on better and more consistent information, and
- supporting the operation of enhanced national security and other risk assessment capability by collecting verifiable digital information thereby enhancing border security and visa and citizenship program integrity with the aim of preventing the entry and/or stay of individuals who would cause Australia harm.

<sup>10</sup> <https://immi.homeaffairs.gov.au/immigration-reform-subsite/files/rft-22-17-b1-phase-two-parts-1-5.pdf> p.14.

<sup>11</sup> <https://immi.homeaffairs.gov.au/immigration-reform-subsite/files/rft-22-17-b1-phase-two-parts-1-5.pdf> p.15.



## Features

The RFT documents establish the key features of the Global Digital Platform are<sup>12</sup>:

- **global digital service delivery:** the Platform will support all interactions with visa Applicants and visa holders, and related departmental decision making workflows in an integrated, end-to-end system that provides a single-view of each Client (including for visas administered directly by the Department, e.g. refugee and humanitarian caseloads);
- **attracting and supporting visa Applicants:** the Platform will proactively identify, attract and match visa Applicants to identified needs in particular regions or with particular employers;
- **providing better program outcomes:** the Platform will support improved integrity of the visa program, increased ability to implement policy responses in a timely and agile way, and automated data collection, verification and validation of information, releasing departmental resources for more complex and higher risk decision making;
- **providing better departmental outcomes:** the Platform will facilitate improved efficiency, user experience and information provision, including through work management and reporting capabilities, for all Departmental Users, including Decision Makers and the Australian Border Force;
- **retaining strong controls for Government:** the Platform will incorporate strong controls to protect the interests of the Commonwealth, including national security and critical infrastructure, protecting revenue, managing security, ensuring business continuity and protecting privacy; and
- **enabling delivery of the Government's visa and citizenship policy changes with mutually reinforcing policy, service delivery and intelligence reforms:** the Platform will enable service delivery reform integral to the delivery of changes to the Australian Government's visa and citizenship framework, as well as enhancing the efficacy of Australia's border management capability through enhanced verifiable digital data collection and intelligence capability.

## Commercial model

As set out in the RFT documents, the proposed commercial arrangements for the Global Digital Platform have been designed to<sup>13</sup>:

- allocate risk appropriately to the party best able to manage the risk along with the necessary controls to manage those risks;
- achieve value for money for the Commonwealth;
- ensure the Government retains appropriate control over sovereign functions, visa processing infrastructure and data;
- present a commercially viable proposition for the Successful Tenderer; and
- promote innovation in service delivery and technology in order to improve the user experience and create efficiencies in the operation of the visa and citizenship business.

The Global Digital Platform provider will recover its financing, build and operating costs through a modest service fee on applications that will be agreed by the Department<sup>14</sup>. The average \$35 fee set in the RFT documents compares favourably with fees charged by SDPs, even before consideration is given to the service quality improvements (including efficiency and convenience) that will come from fully digital application processes.

The Department, through the design of its future service delivery arrangements and this procurement process is also seeking to create additional opportunities for Australian employers, industries and institutions, not possible in a publicly funded context, to further enhance the attractiveness and competitiveness of Australia as a destination for tourists, students, and skilled migrants through enhanced user experience and add-on services. The RFT documents set out the basis on which these services, which may include things like banking or telecommunications services, hotel or transportation providers, settlement or relocation assistance, as well as government services (for which no additional fees would be charged) such as tax file numbers or occupational licencing processes<sup>15</sup>:

Subject to approval from the Department, Additional Commercial Services will be offered only as an adjunct to a visa Application, and strictly on an opt-in basis where the Client chooses to participate. Additional Commercial Services must only be delivered digitally, and must be clearly delineated from Core Government Services. Clients must be able to complete an

<sup>12</sup> <https://immi.homeaffairs.gov.au/immigration-reform-subsite/files/rft-22-17-b1-phase-two-parts-1-5.pdf> p.25.

<sup>13</sup> <https://immi.homeaffairs.gov.au/immigration-reform-subsite/files/rft-22-17-b1-phase-two-parts-1-5.pdf> p.39.

<sup>14</sup> <https://immi.homeaffairs.gov.au/immigration-reform-subsite/files/rft-22-17-b1-phase-two-parts-1-5.pdf> p.28.

<sup>15</sup> <https://immi.homeaffairs.gov.au/immigration-reform-subsite/files/rft-22-17-b1-phase-two-parts-1-5.pdf> p.27.

Application process without being presented with commercial propositions, and without being required to engage in or access any Additional Commercial Services. The Department will not agree to the provision of advertising during the visa Application process.

Any participation in Additional Commercial Services must be based on clear, explicit and informed consent by the Client to share, collect, use and disclose Personal Information for that purpose.

## Future workforce

The Department's current program of service delivery modernisation and reform is not being undertaken in pursuit of savings. The Department is facing real and growing challenges from increasing demand, and evolving threat profiles. The technology on which the successful operation of Australia's visa system relies is reaching the end of its useful life. The Department is doing what it can in those legacy systems to keep up with demand and address processing backlogs but is reaching the end of what efficiencies can be realised.

The Department has consistently identified sovereign functions like decision making, threat and risk assessment and policy advice that will be entirely retained by the Department.

From the outset, the Department has made it clear its intention through this process is to release its staff to focus on higher value tasks and more complex decision making which must be undertaken by officials. The market consultation paper published in June 2017, for example, provided<sup>16</sup>:

To manage these demands without exponentially increasing costs, the Department is seeking to increase the level of market-provided and automated services of its high volume transactional business. This would enable the Department's staff to focus on the more complex elements of the visa business.

The RFT documents similarly state<sup>17</sup>:

The Department will benefit from staff being able to focus on higher complexity and higher risk visa Applications, basing decisions to grant, refuse to grant, and cancel Applications on better and more consistent information.

Consistent with these principles, in consultations with staff as the process has unfolded, the Department has emphasised it will pursue a focus on redeploying staff to different positions, as it did in the Sydney call centre process. The Department has stressed the need to both reduce administrative costs and concentrate the same number, if not an increased number, of staff on higher value roles, focussing the Department's key asset – its people – on decision making, risk assessment, and complex case management where human engagement with applicants is crucially important.

The Secretary gave evidence in Estimates hearings in October 2018 that "it would be my intention as secretary not to lose one member of staff across the department as a result of this platform private-public partnership"<sup>18</sup>.

On 22 May 2018, the importance of demand growth was highlighted in response to questioning in relation to workforce impacts<sup>19</sup>:

our intention is to create a circumstance in which, through automation of the business process around volumes which are massively increasing—if not in double digit rates for most visa categories, it's certainly high single digits—we would release staff to do more value-added work such as intelligence, risk assessment, biometrics, identity matching and the like, and determination of complex cases where human intelligence is more properly applied, as opposed to routine business processing where artificial intelligence might be better suited.

This position was reiterated to the Estimates Committee as recently as 8 April 2019<sup>20</sup>:

my preference as the departmental secretary, subject to final approvals, would be to automate the manual processes, take a lot of the cost out of doing each visa by way of having a more automated approach—whether delivered, in the end, by public or private means is almost a secondary consideration—and concentrate the same number of staff on what I would call higher

<sup>16</sup> <https://immi.homeaffairs.gov.au/immigration-reform-subsite/files/delivering-visa-services-for-australia.pdf> p.7

<sup>17</sup> <https://immi.homeaffairs.gov.au/immigration-reform-subsite/files/rft-22-17-b1-phase-two-parts-1-5.pdf> p.15.

<sup>18</sup> Legal and Constitutional Affairs Committee Hansard, 22 October 2018, p.118.

<sup>19</sup> Legal and Constitutional Affairs Committee Hansard, 22 May 2018, p.99.

<sup>20</sup> Legal and Constitutional Affairs Committee Hansard, 8 April 2019, p.34.

value-add roles, including things like: status resolution of people in the legacy caseload, dealing with human trafficking, sexual servitude, working with other departments on the economic and social benefits and merits of migration.

The RFT documents also stress the intention to improve the user experience for departmental officials in the conduct of their duties. Current legacy ICT systems and business processes require multiple logons and examination of paper and electronic records across multiple systems to develop a single view of a visa applicant. The Global Digital Platform will provide this single view of clients, in a single system, accompanied by better and more consistent information on which officials can base their decisions<sup>21</sup>:

Moving to a single platform, where a member of staff, for instance, got a single logon and can see every aspect of information concerning a client when they put their visa in—all the attachments pertaining to it—and with the assistance of AI in the background had a better chance to add their intellect, wisdom and knowledge of attempts to thwart the migration system, because the machine was prompting them as to higher risk. That will be liberating for our staff, rather than a diminution of their capability and capacity.

In this context, the Department also notes the transition to the new service delivery model utilising the Global Digital Platform is scheduled to take several years. During this transition period, visa products will be progressively migrated onto the Global Digital Platform, but applications on hand at the transition date will continue to be processed in the legacy ICT systems. It is also the case that the service delivery model will necessitate creation of new roles in addition to decision making, including in contract and relationship management, audit and assurance, maintenance of the business rules, and intelligence and identity analysis and resolution.

## Retaining Commonwealth control

The RFT documents make it plain the Department will<sup>22</sup>:

- determine Business Rules establishing all workflows on the Platform;
- at all times remain accountable and responsible for all visa decision making;
- continue to be responsible for national security and risk assessment;
- continue to receive all Visa Application Charge (VAC) revenue; and
- have full access to all Platform data and oversight of the operations at all times.

## Decision making

Everything the Global Digital Platform does will be governed by business rules that will be determined solely by the Department. The Department will remain responsible and accountable for all visa decision making, whether those decisions are made by departmental officials or through automated workflows in accordance with the business rules determined by the Department.

The RFT documents explicitly provide “decisions regarding visa refusals, cancellations or other activities which otherwise take away a right, privilege or entitlement will continue to be made by departmental officials”<sup>23</sup>.

The Statement of Requirement establishes that<sup>24</sup>:

the Department expects the Business Rules to address, in varying compositions depending on relevant legislation, Ministerial Directions, policies and operational workflows, one or more of the following core components of a visa decision. The Platform must have the capability to flexibly address and combine these components across different visa products into the future:

- identity of the Applicant

<sup>21</sup> Legal and Constitutional Affairs Committee Hansard, 22 October 2018, p.118.

<sup>22</sup> <https://immi.homeaffairs.gov.au/immigration-reform-subsite/files/rft-22-17-b1-phase-two-parts-1-5.pdf> p.7

<sup>23</sup> <https://immi.homeaffairs.gov.au/immigration-reform-subsite/files/rft-22-17-b1-phase-two-parts-1-5.pdf> p.31.

<sup>24</sup> <https://immi.homeaffairs.gov.au/immigration-reform-subsite/files/rft-22-17-b1-phase-two-attachment-a-statement-of-requirement.pdf> p.98

- genuine intent of the Applicant
- character of the Applicant
- financial circumstances of the Applicant
- Australian values
- visa-specific eligibility or other requirements
- national security
- health assessments
- work rights
- travel rights
- sponsorship requirements
- fraud prevention
- English language proficiency
- English language requirements
- Particular requirements in relation to child custody and minors
- Payment
- Immigration history
- welfare eligibility (under other Portfolio's legislation).

## Safeguarding the national interest

The RFT documents establish<sup>25</sup>:

- Notwithstanding the proposed commercial arrangements for delivering the Platform, the Australian Government is and will remain accountable to the Australian people for the delivery of Australia's visa and citizenship system.
- Contractual mechanisms will be put in place to protect the Commonwealth's interests including in relation to cyber and national security, service continuity, service quality and efficiency and value for money.
- The Platform will support a critical sovereign function for the Australian Government. Robust security protocols and technical safeguards must be put in place to protect the Platform from potential threats, including in keeping with relevant Australian Government guidelines and protocols.
- The Department will remain responsible and accountable for all visa decision making, whether those decisions are made by departmental officials or through automated workflows in accordance with Business Rules determined by the Department.
- Decisions regarding visa refusals, cancellations or other activities which otherwise take away a right, privilege or entitlement will continue to be made by departmental officials.
- Intellectual property and licensing arrangements will be in place to ensure that there is continuity of the visa service during and at the conclusion of the Agreement. Specific disengagement rights and obligations in the event of termination will protect the Australian Government and ensure the ongoing operation of the visa business.

The RFT documents also set out "the Department will protect its interests through controls on the Successful Tenderer's ownership structure, oversight of consortium members, subcontractors and advisers and other controls to be specified in the Agreement. This will be supported by clear prohibitions and rights that preserve the Department's position, such as a right to terminate in specified circumstances"<sup>26</sup>. They go on to state<sup>27</sup>:

The Department will determine appropriate ownership and management restrictions including in relation to:

<sup>25</sup> <https://immi.homeaffairs.gov.au/immigration-reform-subsite/files/rft-22-17-b1-phase-two-parts-1-5.pdf> p.31.

<sup>26</sup> <https://immi.homeaffairs.gov.au/immigration-reform-subsite/files/rft-22-17-b1-phase-two-parts-1-5.pdf> p.49.

<sup>27</sup> <https://immi.homeaffairs.gov.au/immigration-reform-subsite/files/rft-22-17-b1-phase-two-parts-1-5.pdf> p.49.

- foreign investment;
- the corporate structure of the Successful Tenderer; and
- board membership.

The Agreement will include a change of control regime under which:

- the Successful Tenderer is required to notify the Department of any proposed change of control;
- the Department's approval of any change of control is required; and
- the Department will have a right to terminate for default if a change of control occurs without the Department's approval.

## Privacy and security

The RFT documents clearly state “the Platform will support the Department’s sovereign core business of delivering Australia’s visa and citizenship system. As such, it must be reliable, resilient, and secure. The inherently Personal Information it collects must be handled and stored securely and in compliance with Australian and relevant international legislative requirements”<sup>28</sup>.

They provide “the Successful Tenderer must meet the highest level of data security requirements and comply with all *Privacy Act 1988* (Cth) requirements including the *Australian Privacy Principles* set out in that Act. Similarly, it must also ensure compliance with relevant international privacy laws”<sup>29</sup>. The Statement of Requirement sets out detailed requirements in relation to data collection and storage on an equivalent basis to that applying to the Department<sup>30</sup>.

Notwithstanding the fact that the Department is not privatising decision making processes, but recognising the nature of data to be transacted over the Global Digital Platform, the RFT documents require “data must be handled, stored and managed in accordance with applicable secrecy provisions in relevant legislation and associated government guidelines and standards”<sup>31</sup>. The Statement of Requirement sets out in detail the policies, procedures and obligations in relation to security the Department will require (at the same level as apply to its operations)<sup>32</sup>.

Consistent with similar delivery arrangements already in place, the RFT documents impose the same security clearance requirements on provider staff as apply to departmental officials<sup>33</sup>. They similarly extend obligations in relation to record keeping and other policies<sup>34</sup>.

Reflecting the fact that the Department is not handing over control or operation of its business, the RFT documents also state<sup>35</sup>:

- All rights, title and interest in all data (including Personal Information) associated with visa Applications will be retained by the Department. All such data must be stored in Australia. Robust contractual and procedural measures will ensure compliance with the *Privacy Act 1988* (Cth), data security and relevant international obligations.
- The Department will retain all rights, title and interest in and to data collected, created or modified by the Successful Tenderer in performing its obligations under any Agreement, including data entered by users of the Platform. The Department will grant a licence to the Successful Tenderer to use this data only for the purpose of providing Core Government Services.
- Data entered into and stored by the Platform, including information about commenced, lodged, assessed and finalised Applications (including supporting evidence and associated metadata) along with system related audit logs (including,

<sup>28</sup> <https://immi.homeaffairs.gov.au/immigration-reform-subsite/files/rft-22-17-b1-phase-two-parts-1-5.pdf> p.15.

<sup>29</sup> <https://immi.homeaffairs.gov.au/immigration-reform-subsite/files/rft-22-17-b1-phase-two-parts-1-5.pdf> p.19.

<sup>30</sup> See <https://immi.homeaffairs.gov.au/immigration-reform-subsite/files/rft-22-17-b1-phase-two-attachment-a-statement-of-requirement.pdf> at pp.75-79.

<sup>31</sup> <https://immi.homeaffairs.gov.au/immigration-reform-subsite/files/rft-22-17-b1-phase-two-parts-1-5.pdf> p.19.

<sup>32</sup> See <https://immi.homeaffairs.gov.au/immigration-reform-subsite/files/rft-22-17-b1-phase-two-attachment-a-statement-of-requirement.pdf> at pp.79-84.

<sup>33</sup> See <https://immi.homeaffairs.gov.au/immigration-reform-subsite/files/rft-22-17-b1-phase-two-attachment-a-statement-of-requirement.pdf> at p.80.

<sup>34</sup> See <https://immi.homeaffairs.gov.au/immigration-reform-subsite/files/rft-22-17-b1-phase-two-attachment-a-statement-of-requirement.pdf> at p.85

<sup>35</sup> <https://immi.homeaffairs.gov.au/immigration-reform-subsite/files/rft-22-17-b1-phase-two-parts-1-5.pdf> p.31.

but not limited to, security access logs, event logs, performance logs and transaction logs), system configuration settings and Business Rules will be accessible to the Department in real time and at all times, including for record keeping, reporting to government, administrative or judicial review, financial reconciliation, performance management and compliance management purposes.

## Conclusion

The Government is not privatising Australia's visa system or visa decision making:

- the Department and its officials will remain accountable and responsible for all visa decision making
- the Department and its officials will remain responsible for all national security and other threat and risk assessment
- decisions that take away a right or entitlement will be made by a departmental official
- the Global Digital Platform provider will have no role whatsoever in visa decision making
- the Global Digital Platform provider will have no role whatsoever in national security or other risk and threat assessments, and
- the Department has made it clear its intention through this process not to lose one member of staff but rather to refocus staff effort on higher value tasks and more complex decision making which must be undertaken by officials.

In administering Australia's visa system, the Department plays a critical role in supporting key export industries, safeguarding national security, and fostering social cohesion. Current business processes and supporting technological capabilities are no longer fit for those critical purposes.

It is therefore crucial that the Department design and implement a modern, digital-first service delivery model if it is to continue to properly discharge its critical role. In so doing, it will need to continue to partner with public sector stakeholders and private sector providers to bring together necessary expertise, capability, funding and service reach. This will allow it to focus its limited resources, and the capability of its people, on those elements of the process that must always be undertaken by officials, while drawing on the innovation, experience, and skills of global private providers to enhance its service offering to its clients.