



Risks Associated with Aggregator and Sub-Agent Recruitment Models in International Education

Implications for Integrity, Compliance, and Student Protection

Submitted to:

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Executive Summary

This submission from the **Association of Australian Education Representatives in India (AAERI)**, supported by broader sectoral analysis, outlines key concerns and proposes measures to strengthen the integrity, transparency, and accountability of Australia's international education system.

The submission specifically highlights the **growing risks associated with the “aggregator and sub-agent” recruitment model**, which has increasingly been adopted across key source markets, including India and South Asia. The widespread use of uncontracted, insufficiently trained, and undisclosed sub-agents undermines compliance with the ESOS Act and the National Code, weakens accountability across the recruitment chain, compromises student interests, and poses significant reputational risks to the Australian education brand.

1. Background and Context

Australian education is a world-leading global brand. **Education agents play a pivotal role in sustaining this reputation.** Universities and institutions traditionally appoint agents following due diligence, reference checks, written agreements, training, and ongoing monitoring, in accordance with Standard 4 of the ESOS framework.

Agents are expected to have a thorough understanding of:

- Australia's international education system
- Course and admission requirements
- Visa and Genuine Student (GS/GTE) requirements
- ESOS Act obligations and ethical standards

Students reasonably expect agents to provide accurate, first-hand, and ethical advice about studying in Australia.

In recent years, however, aggregator—both online and offline—have emerged as large-scale intermediaries. These entities appoint hundreds or thousands of sub-agents, many of whom are unknown to education providers and not directly contracted, trained, or monitored, creating significant regulatory and compliance gaps.

2. What are Education Agent “Aggregator” ?

Education agent aggregators are intermediary entities that represent education providers and recruit students through **extensive networks of hundreds or thousands of sub-agents** across multiple source markets. These aggregators may operate via online portals and digital systems or entirely offline through traditional agency structures.

In practice, aggregators typically hold formal agreements with universities or institutions, enabling sub-agents to recruit students indirectly. Many of these sub-agents have no direct contractual relationship with the institution and do not hold any knowledge about the education institute, in some cases, operate as undisclosed or **“ghost”** agents, limiting institutional visibility, control, and effective oversight

This model lacks transparency, as universities often do not know who the sub-agents are, where they operate, or how students are recruited in their name. Institutions have limited oversight and control because they have no direct contractual, training, or accountability relationship with sub-agents.

Sub-agents are frequently onboarded at scale with minimal vetting and training, leading to inconsistent or poor-quality advice to students. The model **increases the risk of student exploitation**, including the charging of high and undisclosed fees without institutional knowledge. Commercial incentives can encourage misleading, unethical, or aggressive recruitment practices and the enrolment of non-genuine students. Despite the use of digital platforms, the aggregator model creates a false sense of compliance while significantly increasing fraud, visa integrity, and reputational risks for institutions..

3. “Aggregators” - The fundamental disconnect from the ESOS requirement & operational Impracticality under ESOS Amendments

Under the recently implemented ESOS amendments, education providers are now required to prominently **list every education agent and sub-agent acting on their behalf** on their websites. The primary objective of this requirement is to ensure that prospective students can clearly identify who is authorised to represent an Australian institution. It is also for students to avoid unauthorised or misleading intermediaries

Overall this measure is intended to reduce misrepresentation, exploitation, and fraud in offshore student recruitment.

However, in practice, this requirement will present a significant compliance challenge. It is impractical—if not impossible—for universities and institutes to identify, verify, and publicly disclose thousands of sub-agents whom they have not directly contracted, trained, or assessed, and whose conduct and quality they cannot independently monitor.

The education aggregator model is largely volume-driven, with **aggregators competing to recruit and retain large networks of sub-agents**. This has created strong incentives to dilute vetting and due diligence standards in order to scale rapidly and remain competitive. While aggregators often claim their sub-agents are “vetted” or “trusted,” such claims are rarely supported by transparent or robust processes.

Conducting meaningful initial and ongoing due diligence across thousands of sub-agents is inherently impractical, significantly increasing integrity, compliance, and reputational risks for institutions and students alike.

This situation risks:

- Creating confusion among students
- Undermining transparency rather than strengthening it
- Exposing institutions and Australia’s international education sector to reputational damage

In short the aggregator model directly conflict with the intent and requirements of Standard 4 and Section 21A of the ESOS Act, which place responsibility on providers for all agents acting directly or indirectly on their behalf.

- **Direct written agreements are absent** between the education provider and sub-agents.
- **Sub-agents remain undisclosed** and often unknown to institutions.
- **Training and monitoring are non-existent** because the sub-agent relationship is mediated solely through the aggregator.
- **Accountability is diffused** across layers, with neither the aggregator nor the education provider assuming clear responsibility for the sub-agent's conduct.

This is not a technical compliance gap; it is a structural collapse of the accountability framework that the ESOS Act was designed to establish.

3.1 The Volume-Driven Business Imperative

The aggregator model is fundamentally incompatible with quality-focused recruitment. Aggregators succeed only by:

- **Competing on commission structures** that incentivize higher application volumes over application quality.
- **Reducing barriers to sub-agent entry** to build critical mass—often resulting in minimal vetting, training, or ethical screening.
- Prioritizing speed and scale over **compliance verification** and student suitability assessment.
- **Misaligning incentives** so that aggregators profit from application volume, not from student success, retention, or compliance outcomes.

Education providers are **well aware** of the risks and challenges associated with aggregator models, yet some continue **to use them despite known compliance, integrity, and reputational concerns**. This reflects a **volume-driven recruitment mindset**, whereas international student recruitment must not be treated as a numbers game.

Recruitment must prioritise quality, student suitability, compliance, and long-term outcomes, rather than short-term enrolment volumes. Over-reliance on aggregator-based recruitment risks compromising institutional standards, student welfare, and the integrity of Australia's international education system.

One aggregator IPO filing explicitly stated: ***"Our business model requires us to establish and maintain a wide network of agents in India and in global markets... These agents source for us, on a non-exclusive basis, aspiring students... and are therefore critical to our business."***

This is not a statement of professional accountability—it is a statement of operational dependence on sub-agent volume.

Education is not a commodity to be sold like insurance policies; it is a long-term academic and life decision requiring suitability, integrity, and informed guidance.

4. Risks and Damage to the Sector

If left unaddressed, the continued expansion of the aggregator and sub-agent model presents serious risks across the sector:

- **Integrity and Ethical Risks**
 - Untrained sub-agents engage in unethical and misleading marketing practices
 - Some charge exorbitant and undocumented fees to students known as “packages”
- **Lack of Accountability**
 - Sub-agents are not members of professional bodies and follow no recognised code of ethics
 - AAERI and institutions cannot take disciplinary action against undisclosed sub-agents
 - Students often do not receive correct or complete information
- **Visa and Compliance Risks**
 - Visa lodgements are frequently made in the student’s name by sub-agents
 - Increased risk of fraud, documentation manipulation, and non-genuine applications
 - Encouragement of Non-Genuine Applications : A growing concern is the increasing number of applicants using the student visa program primarily as a pathway to employment rather than for genuine educational purposes.
- **Misrepresentation of University Presence at Education Fairs or Agent visits**
 - Sub-agents frequently conduct education fairs and promote opportunities for students to “*meet university staff*,” when in reality the university booths are staffed by principal-agent personnel rather than authorised university representatives. This practice misleads students, creates false perceptions of institutional endorsement, and undermines transparency and informed decision-making.

The current agent–sub-agent mess in the study-abroad sector has evolved over time due to a combination of commercial pressures, weak or inconsistent regulation, and funding-driven scale models that prioritise volume over quality and accountability.

5. ESOS Regulatory Context

Under the ESOS Act and the National Code, education providers are legally responsible for all education agents acting directly or indirectly on their behalf. Standard 4 and Section 21A require providers to have written agreements, actively monitor agent performance, maintain an accurate public register of agents, and ensure full transparency.

The intent of this framework is to promote transparency, accountability, and student protection, while ensuring education providers retain clear oversight and responsibility for all recruitment activities conducted in their name.

However, this intent is fundamentally undermined under the aggregator and sub-agent model, where large numbers of uncontracted, undisclosed, and insufficiently monitored sub-agents operate beyond the education provider's direct visibility or control.

While the ESOS framework functions effectively where education providers appoint direct agents, it becomes unworkable under aggregator-based recruitment models that rely on hidden, fluid, and constantly expanding sub-agent networks.

*Some education providers attempt to shift responsibility solely to the principal agent. **This approach is insufficient where the principal agent itself operates as an aggregator, whose business model is based on the mass aggregation of sub-agents—often numbering in the hundreds or thousands and remaining beyond the institution's direct visibility, control, and effective oversight.***

AAERI is aware of instances in India where such aggregators and sub-agents have been involved in **police investigations, including cases initiated by foreign embassies and allegations relating to human smuggling.** Aggregators are often implicated unknowingly due to the inherent risks of their operating model.

4. International Precedent and Warning

Canada's experience with aggregator-driven recruitment serves as a clear warning. Heavy reliance on large aggregators contributed to reputational damage, the enrolment of non-genuine students, and widespread misuse of student visas.

A documentary by Canada's The Fifth Estate exposes how one major aggregator operating in India relied on thousands of sub-agents, many of whom used misleading and aggressive practices to recruit students without fully disclosing costs, risks, or outcomes. The investigation also highlights the involvement of a well-known "dodgy" agents from certain regions of India who is actively recruiting for Australia, underscoring the cross-border nature of this risk. Please see:

<https://www.youtube.com/watch?v=dNrXA5m7ROM&rco=1>

Education providers and relevant government departments have been cautioned by AAERI about these risks for several years. The current environment presents a critical opportunity to introduce stronger regulatory rules and clear guidance prohibiting the use of opaque sub-agent networks. Australia must not follow the Canadian trajectory, and it is essential that Australian institutions do not encourage or rely on the "aggregator" model for student recruitment.

The study-abroad agent problem isn't too many agents – it's too many invisible sub-agents with no accountability."

5. Documented Evidence of Fraud and Misrepresentation

In November 2025, Australia's Department of Home Affairs (DHA) issued a Student Visa Integrity Alert reporting a sharp increase in fraudulent submissions in student visas, particularly from India. Key issues identified included:

- Forged passports used to obtain Confirmations of Enrolment (CoEs)
- Falsified financial documents
- Manipulated English proficiency test results
- Other documents to bypass online verification systems.
- Student transfers to low-quality or low-value courses onshore, exploiting the visa system to enter Australia and then shifting to less reputable providers onshore.

A major contributing factor is the aggregator model, where aggregator-affiliated sub-agents operate with minimal oversight, limited vetting, and little institutional accountability. This structure enables fraudulent practices to proliferate across large networks of sub-agents, exposing Australia's international education system and genuine students to significant risk.

6. Government Reforms (2023-2025)

The Australian government has introduced several important reforms to strengthen integrity in international student recruitment:

- **Closing concurrent enrolment loopholes (2023):** Preventing “ghost college” course-hopping.
- **Increasing financial requirements:** Raising student savings requirements from AUD 24,505 to AUD 29,710.
- **Tougher student assessments:** Implementing more rigorous Genuine Student tests and higher English proficiency.
- **Creating a new Assistant Minister portfolio** for International Education (May 2025).
- **Enhanced transparency and accountability:** Passing the ESOS Amendment Bill (December 2025) with new reporting requirements on commissions and provider responsibilities, clear definition of “agents”
- **Stronger compliance and monitoring:** Establishing a new risk monitoring framework with expanded powers for TEQSA and ASQA.

We **thank** the government. These reforms are welcome and important, but more action is needed to tackle the continuing risks of the aggregator and sub-agent model.

*Note: It is also important to note that offshore agents cannot be directly regulated by the Australian government, as acknowledged in the government's response to the **Nixon Review**. However, since institutions themselves are regulated, they can adopt direct recruitment models that avoid reliance on unvetted sub-agent networks.*

Conclusion

This submission strongly advocates against volume-driven recruitment through aggregator models and in favour of quality-focused, directly managed agent relationships. Evidence consistently demonstrates that direct recruitment models and properly regulated agents deliver superior student outcomes, greater transparency, and stronger protections for both students and institutions.

Education agencies were originally established as an extension of university international offices, with a clear role: to directly recruit and counsel students, ensuring accuracy, ethics, and accountability.

AAERI firmly believes that the core purpose of appointing education agents is fundamentally undermined under the aggregator model. Universities and education providers are intended to appoint known, trusted, and accountable agents, not to operate through opaque distribution networks where the actual recruiters remain unidentified and unmanaged.

Furthermore, the aggregator model **introduces commercial incentives that may conflict with a student’s best interests**, prioritising enrolment volume over suitability, academic preparedness, and long-term student success.

While offshore agents cannot be directly regulated by government authorities, effective self-regulation through professional bodies such as AAERI remains the most viable and practical solution—provided that agents are known, formally contracted, appropriately trained, fully disclosed, and held accountable. The aggregator model stands in direct contradiction to these principles and is fundamentally incompatible with the intent of existing legislative and regulatory frameworks.

Recommendations

1. Direct Contracting

Universities and education providers should adopt recruitment models based on direct contractual relationships with education agents, thereby eliminating anonymous, unverified, or undisclosed sub-agent networks.

2. Quality Standards, Transparency, and Accountability

Universities must ensure full transparency across the recruitment chain, with all agents disclosed and monitored. Untrained or uncertified individuals should not represent providers, directly or indirectly. Providers must act decisively against agents using unauthorised sub-agents, including suspending or terminating agreements. Recruitment should focus on integrity, compliance, and genuine student engagement, not volume.
