

Association of Australian Education Representatives in India

Submission on Strengthening the Genuine Student Requirement and Financial Capacity Framework

Submission to the Australian Department of Home Affairs
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Overview of AAERI's Submission and Key Positions

The **Association of Australian Education Representatives in India (AAERI)** supports strengthening Australia's international student visa framework through independently verifiable financial requirements and a transparent Genuine Student (GS) assessment.

AAERI advocates for a balanced approach that protects program integrity without imposing excessive financial or administrative burdens on genuine applicants.

Core Recommendations

- Revisions to Ministerial Direction 106 (GS Assessment): The GS assessment must remain holistic and individualised. Revisions should distinguish between commencing and continuing students, recognise legitimate academic progression and career transitions, separate financial verification from study intent, and provide clear, evidence-based refusal reasons.

- Two-Track Financial Capacity Framework: AAERI supports Model D (Recognised Education Finance) as the primary pathway (Track 1: Verified Financial Evidence), alongside an optional approved Australian financial account (Track 2). AAERI opposes compulsory pre-visa fund transfers (Models A & B) due to pre-decision financial strain, foreign exchange risks, and administrative complexity for families.

- Interim Measures for Evidence Level 3 Countries: AAERI supports mandatory upfront financial evidence at lodgement for all primary applicants from Evidence Level 3 markets, regardless of provider level. Transaction histories should serve as source-verification tools rather than strict holding rules, accepting legitimate recent funds (e.g., property sales, fixed deposit maturities) with clear audit trails

- Recognised Funding & Financial Safeguards: Eligible funding sources should include regulated banks, Non-Banking Financial Companies (NBFCs), and binding sanctioned education loans with enforceable disbursement commitments. A minimum 6-month transition period, clear operational guidelines, and Approval-in-Principle (AIP) mechanisms should be established to ensure fairness and predictability.

1. Overarching Considerations

AAERI welcomes the Department of Home Affairs' initiative to review and strengthen the financial capacity requirements for international students. The objective of ensuring that students have genuine and sufficient financial resources to meet their tuition fees and living expenses is reasonable and important. Clearer guidelines on acceptable sources of funds and financial arrangements will help students, education providers and education agents better understand the requirements and prepare stronger visa applications.

However, these reforms must be considered in the broader context of Australia's international education sector.

Student visa refusal rates from several important source markets are already affecting Australia's attractiveness as an international education destination. When combined with the high cost of student visa applications, this creates additional challenges for genuine students who wish to study in Australia.

In strengthening the financial capacity framework, the Government must strike the right balance between protecting the integrity of the student visa program and ensuring that genuine students are not unnecessarily disadvantaged.

Another important concern is the need for consistency between the proposed financial capacity framework and the existing Streamlined Student Visa Framework. Education providers are already subject to scrutiny and may face consequences based on their student visa outcomes. Introducing additional or unclear financial requirements could create further confusion for students, education providers and education agents.

There must be clarity about how financial capacity requirements will be assessed and how responsibility will be shared between students and education providers. Genuine students should not face refusals because of differences in interpretation by individual visa decision-makers. Similarly, education providers should not be unfairly penalised for circumstances beyond their control, particularly where students have submitted genuine and credible financial documents.

The Government should ensure that the proposed reforms simplify the process rather than introduce another layer of complexity, uncertainty and compliance burden.

AAERI believes that the revised financial capacity framework should be guided by the following principles:

Clarity and transparency: Requirements should be clearly explained and consistently applied so that students, education providers and education agents understand what is expected.

Recognition of different funding sources: The framework should recognise that international students may fund their education through parental and family support, family savings, education loans, sponsorships and other legitimate financial arrangements.

Practical and reasonable requirements: Evidence requirements should be realistic, reasonable and achievable, ensuring that genuine students are not subjected to excessive documentation or unnecessary financial and administrative burdens. Unnecessarily complex requirements can increase mistakes, reliance on third-party document preparation and uncertainty about what evidence is genuinely required.

2. Proposed Revisions to Ministerial Direction 106 (Genuine Student Requirement)

AAERI welcomes the Department of Home Affairs' proposal to review Ministerial Direction 106 (MD106) and strengthen the Genuine Student (GS) assessment framework.

The Genuine Student requirement is an important safeguard for maintaining the integrity of Australia's international education sector. AAERI supports measures that ensure student visas are granted to applicants whose primary intention is to undertake genuine studies in Australia.

However, AAERI believes that the effectiveness of the Genuine Student framework depends not only on the criteria applied but also on the clarity, consistency and transparency with which visa decisions are made.

Recent visa refusals have raised concerns among education agents, education providers and genuine students regarding the interpretation and application of the Genuine Student criteria. In some cases, applicants who have demonstrated credible academic intentions, appropriate educational pathways and genuine financial capacity have nevertheless received refusals that raise questions about how the relevant factors have been assessed.

AAERI believes that a revised MD106 should provide clearer guidance to visa decision-makers, reduce unnecessary subjectivity and improve predictability without compromising the Department's ability to identify non-genuine applications.

2.1 Retaining a Holistic and Individual Assessment

AAERI's position: AAERI supports retaining a holistic assessment of each applicant's circumstances rather than introducing a rigid checklist-based approach.

Every international student has a different educational, professional and personal background. The Genuine Student assessment should recognise these differences and evaluate the overall credibility of the proposed study pathway.

Factors such as previous education, employment experience, academic progression, financial circumstances and future career objectives should be considered collectively rather than in isolation.

An applicant should not be refused solely because one aspect of their circumstances does not follow a conventional educational or career pathway.

AAERI recommends that the revised MD106 clearly establish that:

- No single factor should automatically determine whether an applicant satisfies the Genuine Student requirement.
- Adverse conclusions should be supported by relevant evidence and clearly explained.
- Genuine academic progression, career changes and reasonable study gaps should be recognised.

2.2 Distinguishing Between Commencing and Continuing Students

AAERI's position: AAERI supports the proposal to distinguish between students commencing a new Australian study pathway and those continuing or returning to study.

For commencing students, the assessment should focus primarily on the credibility of their proposed education pathway, academic preparedness, course selection, financial arrangements and intended educational outcomes.

For continuing or returning students, greater consideration should be given to their actual academic performance, attendance where relevant, course progression, compliance with visa conditions and demonstrated commitment to education in Australia.

AAERI believes that students who have successfully completed previous studies in Australia and complied with their visa conditions should receive appropriate positive consideration when applying for further studies.

The assessment should distinguish between genuine educational progression and arrangements intended primarily to maintain residence in Australia without meaningful academic engagement.

2.3 Greater Clarity and Transparency in Visa Refusal Decisions

AAERI's position: Greater transparency and consistency in Genuine Student assessments should be a central objective of the revised MD106.

One of the significant concerns raised by education agents and education providers is the difficulty in predicting visa outcomes where the Genuine Student criteria are interpreted differently across applications.

Although visa decisions must remain individual, applicants should have a reasonable understanding of the evidence required and the circumstances that may lead to an adverse decision.

AAERI recommends that the Department:

- **Publish clearer operational guidance explaining how the Genuine Student criteria are assessed.**
- **Provide practical examples of acceptable educational pathways and supporting evidence.**
- **Ensure refusal decisions identify the specific concerns and evidence relied upon.**
- **Establish appropriate quality assurance mechanisms to promote consistency in decision-making.**

AAERI also recommends that, where a material concern can reasonably be clarified through additional evidence, the Department consider providing applicants an appropriate opportunity to respond before a final adverse decision is made, subject to applicable legal and procedural requirements. Greater transparency would assist genuine applicants in preparing stronger applications and reduce avoidable refusals.

2.4 Recognition of Genuine Educational and Career Pathways

AAERI's position: The Genuine Student framework should recognise legitimate changes in academic and professional direction.

Students increasingly pursue education pathways that involve interdisciplinary studies, professional upskilling, career transitions and qualifications that complement their previous education or employment.

A proposed course should not automatically be considered inappropriate simply because it differs from an applicant's previous qualification or employment background.
AAERI also supports the proposed positive consideration of genuine transnational education pathways, including recognised arrangements involving Australian education providers and overseas institutions.

However, such arrangements should not automatically guarantee a favourable assessment, and students pursuing other legitimate pathways should not be disadvantaged.

2.5 Post-Study Employment and Migration Aspirations

AAERI's position: The Genuine Student requirement should distinguish between an applicant's primary intention to study and their awareness of lawful post-study opportunities.

Australia's international education system offers students opportunities to gain internationally recognised qualifications, develop professional skills and, where eligible, pursue post-study employment pathways.

AAERI recognises that a student visa is granted for the purpose of study and does not guarantee employment, permanent residence or an extension of stay. Nevertheless, students should be able to explain their long-term professional aspirations without being disadvantaged merely because those aspirations include the possibility of lawful employment or migration opportunities after completing their studies.

The primary consideration should remain whether the applicant genuinely intends to undertake the proposed course and comply with the conditions of their visa.

2.6 Separation of Genuine Student Assessment and Financial Capacity Requirements

AAERI's position: AAERI supports the proposal to reduce duplication between the Genuine Student assessment and the prescribed financial capacity requirements.

Financial capacity should primarily be assessed through clear, objective and independently verifiable financial requirements.

This does not prevent decision-makers from considering financial circumstances where they genuinely raise concerns about the credibility or sustainability of the proposed study arrangements.

However, the revised framework should clearly distinguish between:

- Whether an applicant has demonstrated sufficient, genuine and accessible funds to meet the prescribed financial requirements.
- Whether the applicant's overall circumstances and proposed educational pathway establish a genuine intention to study.

This distinction would improve transparency, reduce duplication and provide greater certainty to applicants and education providers.

2.7 Financial Sustainability and Reliance on Employment in Australia

AAERI supports the Department's position that anticipated income from future employment in Australia should not be relied upon as a substitute for demonstrating the prescribed financial capacity.

Students should have credible arrangements to meet their tuition fees and essential living expenses without depending on uncertain employment opportunities.

The possibility of lawful employment should not itself create an adverse inference regarding an applicant's Genuine Student status.

The key consideration should be whether the student has demonstrated sufficient financial resources to undertake the proposed studies without relying on speculative future earnings to satisfy the financial requirements.

2.8 Reducing Reliance on Formulaic Genuine Student Statements

AAERI supports the Department's proposal to improve application questions and supporting evidence requirements rather than relying excessively on standardised or formulaic Genuine Student statements.

A lengthy written statement does not necessarily establish that an applicant is genuine, just as a concise statement should not automatically be regarded as inadequate.

The assessment should place greater emphasis on verifiable information, credible educational objectives, relevant academic records and the consistency of the applicant's overall circumstances.

2.9 Accountability and Consistency in Visa Decision-Making

AAERI believes that improving the Genuine Student framework must also involve improving the consistency and quality of its implementation.

The Department should consider appropriate training, operational guidance and quality assurance arrangements to ensure that visa decision-makers apply the revised criteria consistently.

AAERI recommends periodic reviews of refusal patterns, including identifying whether particular assessment considerations are producing inconsistent outcomes across comparable applications.

Where appropriate, aggregated and de-identified information about common refusal grounds should be made available to education providers and education agents.

Such information would assist the sector in identifying genuine compliance concerns, improving application quality and reducing avoidable refusals.

2.10 AAERI's Overall Recommendations on Ministerial Direction 106

AAERI supports the proposed review of Ministerial Direction 106 and recognises the importance of maintaining a robust Genuine Student assessment framework to protect the integrity of Australia's international education sector.

However, AAERI believes that the revised Direction must place greater emphasis on transparency, consistency and evidence-based decision-making. Genuine students should not face visa refusals arising from unclear requirements, inconsistent interpretations or undue reliance on subjective assessments.

The revised framework should recognise legitimate academic progression, career changes and lawful post-study aspirations, while distinguishing between commencing and continuing students. It should also clearly separate the assessment of Genuine Student intentions from the prescribed financial capacity requirements to avoid unnecessary duplication.

AAERI recommends that the Department provide clearer operational guidance, improve the transparency of visa refusal decisions and introduce appropriate quality assurance measures to ensure consistent application of the Genuine Student criteria.

The objective should be a visa assessment system that is rigorous in identifying non-genuine applicants, but fair, transparent and predictable for genuine students.

3. Comments on the Four Proposed Financial Capacity Models

The four models are illustrative proposals. **AAERI supports stronger assurance but considers compulsory pre-visa Australian deposits disproportionate where reliable alternatives are available.**

3.1 Model A – Managed 50% Model

Under this model, students would be required to deposit 50% of the total tuition fees and prescribed living costs for the full course or course package into an eligible Australian bank account in their own name. The funds would need to be held for at least one month before visa lodgement and would subsequently be released according to a prescribed schedule.

A**AERI's position: This model is impractical and should not be pursued.**

Requiring students to transfer a substantial proportion of their total course costs into Australia before lodging a visa application creates an unnecessary financial burden and confusion for both students and their parents/families.

Beyond the initial transfer, managed release would limit students' access to their own money during their studies. This creates practical difficulties when a student faces an unexpected expense, changes accommodation or needs to respond to an emergency. It would also require banks and administrators to operate a disbursement system whose added value, compared with reliable verification of available funds, has not been demonstrated.

The risk is especially acute where a visa is refused. A family may need to recover a large overseas deposit while bearing transfer fees, exchange-rate spreads and delays in repatriation. The financial cost of an unsuccessful application should not be amplified by a compulsory transfer requirement. AAERI therefore recommends that Model A not be pursued.

3.2 Model B – Flexible 50% Model

This model retains the requirement to deposit 50% of the total tuition fees and prescribed living costs for the full course into an Australian bank account.

However, the funds must be held for at least three months before visa lodgement, without a prescribed disbursement schedule.

AAERI's position: This model is also impractical and should not be pursued.

Although this model provides greater flexibility than Model A by allowing students access to their funds, the requirement to transfer the money to Australia and maintain it for three months before visa lodgement creates an equally significant financial challenge.

The arrangement would require students and their families to commit substantial financial resources well in advance of knowing whether the visa will be granted. This also exposes them to foreign exchange fluctuations, international transaction costs and the potential inconvenience of repatriating funds following a visa refusal.

A further difficulty is that the 50% requirement is calculated against the full course or course package. For a student undertaking a longer program, the sum may substantially exceed the amount reasonably needed to establish first-year financial capacity.

The three-month holding period also ties up family resources before the student has any certainty about the visa decision. AAERI recommends rejecting Model B rather than treating its less restrictive disbursement rules as a sufficient safeguard.

3.3 Model C – First-Year Financial Assurance Model

Model C would require students to place 100% of their first-year tuition fees and prescribed living costs (or the remaining course costs if the course is shorter than 12 months) into an eligible Australian account, with funds held for at least three months before visa lodgement. Managed release could apply to selected cohorts. New Zealand's Funds Transfer Scheme (FTS) provides a useful comparison in the verification and managed release of funds, but the schemes are not identical: New Zealand's FTS covers maintenance (living) funds, while tuition fees are dealt with separately.

AAERI's position: This is a workable model, provided it is not made the exclusive means of demonstrating financial capacity.

However, AAERI believes that the following considerations are important before this model is implemented.

1. An Australian FTS-style arrangement should remain optional

AAERI recommends that an Australian funds-transfer arrangement be one of several acceptable ways to demonstrate financial capacity, not a compulsory requirement for all applicants. Students who can establish genuine access to sufficient funds through savings, eligible family support, scholarships or recognised education finance should be able to rely on verified evidence without having to transfer funds to Australia before their visa applications are assessed. This is AAERI's recommendation for Australia; it should not be confused with New Zealand's existing FTS rules, under which Immigration New Zealand may require eligible applicants to use the scheme.

2. Introduction of an Approval in Principle or PVA pathway

Australia should consider an **Approval in Principle (AIP) or Pre-Visa Assessment (PVA)-style process** to reduce the financial exposure of applicants. Under New Zealand's FTS process, an applicant may be directed to transfer maintenance funds after receiving AIP, but before a final visa grant. An Australian equivalent would require its own legal and operational arrangements.

Under a conditional assessment approach, a student would initially submit credible evidence of the proposed source of funds. Where an approved financial account is considered necessary, the Department could communicate that requirement after substantive assessment, with the final visa decision contingent on satisfactory verification of the deposit. Any such process would need clear legal authority, timelines and communication so that an approval in principle is not mistaken for a visa grant.

AAERI also recommends examining a separate home-country blocked-account pathway.

Under this proposal, funds could be held with an approved local banking partner, independently verified and restricted for the stated educational purpose, with any transfer to Australia deferred until the stage permitted by the eventual Australian framework.

This would be an alternative to the Australian pre-lodgement account requirement in Model C, not a feature already provided for under that model. It could reduce avoidable currency conversion and repatriation costs following a refusal, subject to banking, foreign-exchange and consumer-protection safeguards.

AAERI believes that Model C could be considered only if these safeguards and alternative arrangements are incorporated into the framework.

3.4 Model D – Recognised Education Finance

This model allows students to demonstrate financial capacity through recognised financial institutions, personal funds or a combination of funding sources.

Transfers to an Australian account would be preferred where practicable, with direct reliance on recognised education finance permitted in limited circumstances.

AAERI's position: This is the most practical and preferable model.

Model D provides the necessary flexibility to accommodate the different financial circumstances of international students while retaining the ability to verify the availability and legitimacy of their funds.

Unlike the other models, this approach recognises that students may have access to funds through different legitimate sources and that financial capacity should not be determined by a single banking arrangement.

AAERI supports this model, subject to the following considerations:

First-year financial capacity: Applicants should demonstrate access to 100% of the prescribed costs for the first 12 months, or the remaining course if shorter, including tuition, living expenses, travel and applicable family costs, subject to the offsets and other rules prescribed in the final framework.

The framework should recognise legitimate personal savings, documented family support, scholarships and education finance, including combinations of sources. Applicants whose funds were received recently should be able to demonstrate their origin through a reliable documentary trail rather than being automatically excluded for failing a uniform holding period.

Recognition of lenders should be based on regulatory standing, verifiable documentation and

actual access to funds—not public ownership alone. Properly regulated private banks and specialist education lenders can be credible sources of finance. Where a loan has already been secured and disbursed, verification is comparatively straightforward. Where it is sanctioned but not yet disbursed, the Department should distinguish a binding, independently verifiable commitment from a tentative approval or unsecured personal borrowing that does not establish access to the required funds.

The overall objective should be to ensure that students have genuine access to the required funds, rather than insisting on a particular financial product, banking arrangement or institutional mechanism.

AAERI therefore recommends that **Model D be adopted** as the preferred financial capacity framework, with appropriate verification mechanisms and safeguards to maintain the integrity of the student visa program.

4. Proposed Two-Track Financial Assurance Framework

AAERI recommends a two-track framework providing equivalent financial assurance through independently verifiable evidence or an optional approved Australian financial account. The Department's consultation paper expressly invites views on a two-track model. AAERI supports that approach and recommends that verified evidence be a genuine primary pathway, rather than an exception available only when an Australian account is impracticable.

4.1 Track 1 – Verified Financial Evidence

Students should be able to demonstrate the prescribed financial amount without a compulsory pre-visa transfer to Australia, using personal savings, support from eligible family members, scholarships, government sponsorships, recognised education finance or a combination of these sources. Evidence should establish ownership, legitimate source, genuine access and continuing availability, with direct institutional verification where feasible. Eligibility of financial supporters should be clearly prescribed and applied consistently.

Recognised education finance should include secured or disbursed loans and independently verifiable sanctioned education loans with enforceable disbursement commitments. A sanctioned loan should not be excluded solely because payment is scheduled after visa approval or directly to the education provider; speculative lending without a reliable commitment should not qualify.

4.2 Track 2 – Optional Approved Financial Account

Students could instead elect an eligible Australian account or prescribed financial product, including a first-year assurance arrangement.

This must remain an alternative, not the sole pathway. An AIP or comparable conditional assessment could allow the transfer to occur after substantive visa assessment but before final visa grant, subject to appropriate legal authority and clear communication that conditional approval is not a visa grant.

A verified blocked account in the student's home country could also be considered as a distinct alternative, where Australian and home-country banking and foreign-exchange rules permit.

For example, an Indian banking partner could hold the required sum in a verified blocked account, potentially with interest where permitted, pending the relevant visa decision, with transfer to Australia only after visa grant if the final rules recognise the blocked account as sufficient financial evidence. The student should receive clear information about account restrictions, fees, interest treatment, release conditions and the procedure for recovering the funds if the application is refused.

AAERI suggests that the Department explore this model with banks and regulators before prescribing it as an approved pathway.

Equal Treatment and Consumer Protection

Both tracks should meet the same prescribed threshold, including tuition, living, travel and applicable family costs, with permitted offsets. The selected pathway alone should not influence Genuine Student findings. Safeguards should address fees, foreign-exchange risks, privacy, insolvency, emergency access, refunds, refusal, deferral and changes of provider.

Home-country arrangements must comply with applicable Indian and Australian banking and foreign-exchange rules.

Consumer protections should also include published timeframes for refunds and repatriation, transparent exchange-rate treatment, access to a complaints mechanism and arrangements for provider changes, deferrals or unexpected hardship. A system designed to prove financial capacity should not expose students to avoidable losses simply because their applications are unsuccessful.

5. Interim Measures for Evidence Level 3 Countries

AAERI understands that the Department is considering introducing earlier changes for primary applicants from Evidence Level 3 countries while the longer-term financial capacity framework is being developed.

These proposed measures are particularly relevant to important source markets in South Asia, including India.

AAERI recognises the rationale for introducing more rigorous financial verification in these markets and considers several of the proposed measures reasonable and necessary to improve the quality and integrity of student visa applications.

5.1 Mandatory Financial Evidence at Visa Lodgement

The proposal requires all primary applicants from Evidence Level 3 countries to provide prescribed financial evidence at the time of visa lodgement, regardless of the Evidence Level of their chosen education provider.

AAERI's position: AAERI supports this proposal.

AAERI considers that the existing streamlined evidentiary arrangements have not always provided sufficient predictability for applicants and providers. The proposed interim measure would make upfront financial evidence requirements clearer and more consistent for primary applicants from Evidence Level 3 countries, while still allowing decision-makers to consider each applicant's circumstances.

The consultation paper asks whether the interim measures should apply to all primary applicants from Evidence Level 3 countries or whether certain cohorts should be considered for a pilot.

The measures should apply consistently to all primary applicants from Evidence Level 3 countries. A uniform approach would be easier for applicants, education providers and visa decision-makers to understand and implement. It would also avoid creating further inconsistencies based on the choice of education provider.

However, uniformity in the requirement to provide evidence should not mean inflexibility in its assessment. The Department should retain the discretion to consider legitimate differences in individual financial circumstances, particularly where the source of funds can be adequately established through documentary evidence.

AAERI recommends that the Department accompany the interim measures with clear operational guidelines and practical examples of acceptable financial evidence. This would help students, education providers and education agents understand the requirements and promote greater consistency in decision-making.

5.2 Six Months of Transaction History and Recent Funds

AAERI supports six months of transaction history as a verification tool, not a blanket six-month holding requirement. Recent property sales, fixed-deposit maturities, retirement benefit,

documented transfers and other legitimate receipts should be accepted where their source and ongoing accessibility are evidenced. Longer histories should be sought only where risk justifies them.

A six-month bank statement can reveal patterns of saving, income and transfers, but it cannot by itself establish whether a recent deposit is illegitimate. Students may receive proceeds from a property or asset sale, a parent's retirement benefit or bonus, maturity of a fixed deposit, transfers from other family investments or documented business transactions shortly before applying. The appropriate question is whether the funds have a legitimate, traceable source and remain genuinely accessible for study.

AAERI recommends that case officers accept supporting documents appropriate to the transaction, such as sale records, investment maturity statements, transfer histories or employer records. Longer transaction histories may be requested where particular risks warrant them, rather than being imposed indiscriminately on every applicant.

The Department should also specify which supporters may provide financial evidence. For the proposed interim measure, the consultation paper contemplates the applicant, spouse, parents or another prescribed supporter.

AAERI recommends clear guidance on how eligible supporters establish their relationship to the applicant, the source of their funds and their continuing capacity to provide support.

5.3 Recognised Banks, NBFCs and Education Loans

Public and private sector banks and appropriately regulated non-banking financial companies should be eligible where licensing, lending and disbursement can be independently verified. The framework should distinguish unsecured personal borrowing from genuine education loans and accept binding sanctioned education finance, including appropriately conditional disbursement arrangements.

In India, public-sector banks and private-sector banks operate within the Reserve Bank of India's regulatory framework, while regulated non-banking financial companies (NBFCs) also provide specialist education finance. Institutions such as Credila and Avanse illustrate why recognition should not be confined to government-owned banks; inclusion should always depend on the lender's current regulatory status and independent verification, rather than an automatic endorsement of any named provider.

AAERI proposes published recognition criteria covering licensing and supervision, identity of the lender, authenticity of loan documentation, enforceability of the commitment, disbursement conditions and the ability to verify funds directly. Secured and disbursed education loans should generally qualify when verified. A sanctioned but undisbursed education loan should qualify only where its binding terms make the funds reliably available

for the prescribed costs. Uncommitted or speculative borrowing should not be accepted as proof of immediately accessible funds.

A sanctioned but undisbursed education loan should qualify only where its binding terms make the funds reliably available for the prescribed costs. Uncommitted or speculative borrowing should not be accepted as proof of immediately accessible funds.

5.4 Interim Thresholds and Proportionality

AAERI supports retaining existing prescribed financial amounts during interim implementation, while improving verification rather than increasing paperwork. Any later adjustment should be evidence-based and reflect actual student costs.

6. Implementation, Transition and Verification

AAERI recommends a published transition period, preferably at least six months after final rules and guidance are issued, protection for applications already lodged, and clear treatment of existing offers, confirmations of enrolment and sanctioned loans. The Department should publish practical document examples, enable secure direct verification with regulated institutions where feasible, and release aggregated, de-identified information on common refusal grounds.

Implementation guidance should explain how a student may establish the source of a recent deposit, how conditional education loans will be assessed, and how approved account arrangements will operate if a visa is refused. Clear rules for refunds, transfer fees and reasonable repatriation timeframes would make the system more predictable for students, providers and financial institutions.

7. Summary of Recommendations

1. **Retain holistic, evidence-based MD106** assessments, with differentiated treatment of commencing and continuing students and clearer refusal reasons.

2. **Reject Options 1 and 2 (Managed and Flexible 50% models)** as disproportionate compulsory upfront Australian deposits.

3. **Retain Option 3 (first-year assurance)** only as an optional approved financial-account pathway.

4. **Use Option 4 (recognised education finance)** as the foundation of a two-track framework: verified financial evidence or an optional approved account.

5. **Permit AIP/conditional assessment** and explore regulated home-country blocked accounts to reduce pre-visa transfer risks.

6. **Require prescribed financial evidence** at lodgement for primary applicants from Evidence Level 3 countries irrespective of provider Evidence Level.

7. Use six months of transaction history to verify sources, **accepting legitimate recently acquired funds with documentary trails.**

8. **Recognise independently verifiable regulated banks, NBFCs**, secured/disbursed loans and binding sanctioned education loans with credible disbursement commitments.

9. **Retain interim prescribed amounts** and require coverage of tuition, living, travel and applicable family costs.

10. Introduce **safeguards for refunds, foreign exchange, access, privacy, insolvency and dispute resolution.**

11. **Provide transition arrangements,** operational guidance, direct verification options and quality assurance of visa decisions.

8. Concluding Observations

AAERI supports stronger financial verification and a fair, transparent and consistent Genuine Student assessment process. A practical and balanced framework that focuses on genuine access to funds, rather than compulsory banking arrangements, will help protect the integrity of Australia's student visa system, reduce avoidable visa refusals and maintain Australia's attractiveness as a preferred destination for international students.

AAERI remains committed to working closely with the Australian Government, particularly the Department of Home Affairs, to support the development and implementation of these reforms. As an industry representative body, AAERI is willing to share its experience, provide practical feedback and assist wherever possible to improve the student visa system.

AAERI believes that continued dialogue and cooperation between Government, education providers and education agents are essential to building a stronger, fairer and more sustainable international education sector for the future.

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