



Submission to :

- The Hon. Minister of Home Affairs, Australia

Copy to :

- The Hon. Minister of Education, Australia
- The Hon. Assistant Minister of International Education, Australia

Linking student visas to Institutes

May 2025



Association of Australian Education Representatives in India

Executive Summary

This submission from the **Association of Australian Education Representatives in India (AAERI)**, supported by a broader sectoral analysis, proposes a critical policy reform to enhance the integrity of Australia's international education system.

We recommend that international student visas be linked to the institution of initial enrolment, and that any change in course or institution should require a new student visa application, with the existing visa automatically cancelled upon such a change.

Such a measure will strengthen the **integrity** of Australia's student visa program, reduce exploitation in the education sector, improve compliance with Genuine Student (GS) criteria, and safeguard Australia's reputation as a provider of high-quality international education.

Additionally, this reform will support ethical education agents and reputable institutions by discouraging course-hopping and misuse of the student visa system, thereby enhancing student retention and sector stability.

The proposed recommendation is consistent with the intent of the **ESOS Amendment (Integrity and Quality) Bill 2024** and reflects global best practices.

1. Background and Context

Australia is one of the most popular destinations for international students, particularly from Asia and the Indian sub-continent. High-quality institutions, safe environment, post-study work opportunities make Australia an attractive choice. However, the system is facing challenges:

- Students switching institutions shortly after arrival for non-genuine reasons
- Loss of revenue and trust among compliant institutions
- The trend of using student visas to prolong stay
- Visa misuse through transfer to lower-quality or unrelated courses
- Difficulty in maintaining oversight and monitoring of student progression

2. What Is Linking Student Visas to Institutions?

This proposed reform means that a student's visa would be directly linked to the education provider (institution) listed in their initial Confirmation of Enrolment (CoE) at the time of visa approval. The student would be required to remain enrolled at that institution.

If a student wishes to change their course or provider, they would need to obtain a new CoE from the new institution and apply for a fresh student visa and again demonstrate that they meet all Genuine Student (GS).

The reform safeguards visa integrity, prevents misuse, and ensures early-stage commitment—while still allowing students with genuine reasons to change and the opportunity to prove their GS status again.

3. Why Linking Visas to Institutions Will Help

a. Promotes Genuine Student Pathways

By ensuring students remain with their enrolling institution for an initial period the policy will:

- Support academic consistency and outcomes.
- Reduce opportunistic course-hopping for migration or cost-cutting purposes.
- Align with the intentions stated during the visa application process.
- Simplifies monitoring of student engagement, academic performance and GS compliance plus financial sufficiency

b. Reduces Provider Shopping and Exploitation

This move discourages:

- Onshore marketing by unethical providers targeting students post-arrival.
- Transfers to non-genuine providers acting as visa bridges rather than academic facilitators.

c. Supports Genuine Course Changes: Students with legitimate reasons—such as academic difficulty, financial hardship, or a change in career goals—can still request a change by applying for a new student visa, re-demonstrating their Genuine Student (GS) intent and financial capacity.

d. Fair Allocation of Immigration Risk: Transfers immigration compliance risk to the new education institute / provider and their agent, ensuring responsibility is shared and resolving conflicts faced by reputable offshore agents and serious institutions.

4. Financial and Visa Risks When Students Change Programs

A significant concern with students switching course or institutions is the financial and visa-related risk it creates — for both the student and the integrity of the visa system.

a. Financial Documentation and Complications

Many international students fund their education through education loans, especially from India or Nepal public sector banks. These loans are typically:

- Based on the admission letter from a specific institution and tied to the course level and field of study, and
- Subject to the university's reputation and ranking (which affects interest rates and loan eligibility).

When students change institutions post-arrival — particularly to any other course or institute or unrelated courses — Banks may:

- **Require a full loan reassessment or**
- **Consider the loan invalid or non-compliant with its original terms**

This undermines the financial evidence provided at the time of the visa application and could place students in breach of their visa obligations.

b. Breach of Visa Conditions

Course/provider switching may cause students to fall out of compliance with key visa conditions, including:

- **Condition 8516** – Students must continue to meet the criteria under which their visa was granted.
- **Condition 8518** – Students must maintain adequate education arrangements.

If the new course:

- *Differs significantly in field or is lower in academic level, or is offered by a provider with lower credentials or standards, then **education loans or financial documents used to secure the original visa may become invalid** if they are not aligned with the cost, duration, or credibility of the new course or institute. This further undermines the financial legitimacy required under the GS framework.*
- *This new arrangement may no longer satisfy the Genuine Student (GS) requirements, there by placing the student at risk of non-compliance and potential visa cancellation.*

Context and Rationale

Recent trends show that a significant number of international students, are changing their education providers shortly after arrival in Australia. Many of these transfers are driven by **unethical onshore pocahing**, cost-saving motives or migration shortcuts, rather than genuine academic reasons. This bothers serious agents and providers.

This behavior undermines the integrity and compromises visa compliance. It also weakens institutional planning and retention, erodes trust in the student visa framework, and leaves students vulnerable to misinformation and exploitation.

Recommendation: Mandatory Fresh Visa for Course / Institute Change

We respectfully recommend that the Department amend regulations to require that:

- **Students seeking to change their course /institute must apply for a new student visa linked to the new provider and course.**
- **The existing visa should be automatically cancelled upon such a change**

Benefits of Requiring a New Visa Application

- **Strengthens the Genuine Student (GS) Framework**
 - Students must re-demonstrate academic intent, relevance of the new course and financial capacity
 - Prevents use of the original visa for unintended or lower-quality educational pathways.
- **Reduces Onshore Exploitation by Non-Genuine Providers**
 - Discourages aggressive onshore recruitment tactics that entice students to switch for non-academic reasons.

- **Protects Students from Visa Breach Risks**

- Many students unknowingly breach conditions when changing providers without re-assessing GS or financial status. A new visa application ensures all criteria are reassessed under proper scrutiny.

- **Financial and Visa Risks are Addressed When Students Change Programs:**

- Many students, especially from India and Nepal, rely on education loans tied to a specific course and institution. According to communications with banks such as Indian Bank, Bank of Baroda, SBI, ICICI Bank, and Credila, changing the course or provider post-arrival often require loan reassessment or renders the original loan terms invalid. This can compromise the financial evidence submitted for the visa and may breach **visa conditions 8516 and 8518** if the new arrangements no longer meet the required criteria.

5. Improves System Integrity and Data Accuracy

- Maintains accurate records of student intentions, progression, and movements.
- Supports better planning and compliance monitoring by regulators.

International Comparisons and Considerations

Several countries have implemented frameworks that link student visas more closely to institutions:

- **New Zealand:** Allows course/provider changes but may require a "variation of conditions" or a new visa, especially for pathway visa holders or moves to lower-level courses.
- **United Kingdom:** The student visa system is strongly tied to licensed sponsors via the Confirmation of Acceptance for Studies (CAS). Generally, changing institutions requires a new CAS and new immigration permission. Linking student visas to institutions is a practical, balanced, and timely measure that will benefit students, institutions, regulators, agents and Australia's long-term education goals. This submission reflects the collective concerns of education agents, institutes and international student advocates, and we urge the Department(s) to adopt this reform as a matter of priority.
- **Canada:** Recently implemented significant changes to its policy on international students changing institutions. Post-secondary students must now be enrolled at the Designated Learning Institution (DLI) explicitly named on their study permit and are required to apply for and obtain a new study permit to change DLIs.

These international examples demonstrate a global trend towards increased scrutiny and control over student mobility post-arrival to protect visa integrity.

Australia's recent reforms, such as closing the concurrent CoE loophole and requiring CoEs for onshore visa applications, are steps in a similar direction but do not go far enough to address the core issue of unethical student poaching, misuse of student visa and provider switching.

Distinguishing **Legitimate vs. Non Genuine** Transfers

It's also important to acknowledge that not all onshore course transfers are problematic. There is a fundamental difference between legitimate, student choice -driven transfers and non genuine transfers, as both have very different implications for the integrity of the international education system.

Legitimate Consumer Choice Transfers : These are genuine decisions made by students after arriving in Australia, often based on new insights, changing interests, or circumstances. For example:

- A student discovers that another program better aligns with their career goals.
- They face academic or personal challenges in their original course or location.
- They seek a more affordable or supportive environment.

These students typically spend a reasonable period (e.g. 1–2 semesters) engaging with their original course before transferring, and the transfer process complies with provider and visa rules.

Non-Genuine Transfers: These often involve early and abrupt course changes, sometimes within weeks of arrival. Key indicators include:

- The student would likely not have qualified for a visa if they had originally applied for the new course (e.g. lower-level or unrelated qualifications).
- There is little or no engagement with the original provider.
- The pattern appears pre-meditated, suggesting the first enrolment was used merely as a pathway to enter Australia.

This undermines the integrity of the student visa system and misuses provider resources and efforts spent on admissions, compliance, and support.

Conclusion

Linking student visas to institutions and mandating a fresh visa application for any change of education provider, with the automatic cancellation of the existing visa upon such a change, is a practical, decisive, and timely measure.

This will benefit genuine students, reputable institutions, regulators, ethical agents, and Australia's long-term international education goals.

This submission reflects the collective concerns and the precise, firm recommendation of the Association of Australian Education Representatives in India, supported by broader sector analysis. We urge the Department(s) to adopt this critical reform to restore and uphold the integrity of the Australian international education system.

For further information or to discuss the submission, AAERI can be contacted at president@aaeri.org.in

Reference:

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! Students Changing Courses or Providers May Risk Loan Validity

Inputs and Ref from : Indian Bank – IBA Educational Loan Scheme & SBI – MITC Education Loan Terms
Compiled by : Nishi Borra , AAERI

Indian Banks: Loan Eligibility & Conditions

Most Indian banks grant education loans for:

- Graduation/Post-graduation programs
- Select vocational/diploma programs (only if recognised by competent bodies in India/abroad for employment)

Loan Approval Factors:

- Course value and job prospects
- Institution's ranking and reputation
- Program type and duration

Note: The Letter of Admission is the key document used to initiate the loan application and draft the loan project report.

Education loans are often used to demonstrate proof of funds under Subclass 500. These are based on:

- The specific course and program
- The institution
- Future career prospects
-

Changing your course or provider can:

Breach the terms of your education loan

Violate student visa conditions

Australian Visa Requirements (Subclass 500)

Students must comply with the following visa conditions:

Condition 8202 – Meet Course Requirement

Stay enrolled in a registered course
Do not switch to a course of a lower level

Condition 8516 – Continue to Satisfy Visa Grant Criteria
You must continue meeting the original visa grant conditions

Condition 8518 – Maintain Adequate Education Arrangements

Non-compliance = Visa Breach

Changing Course or Institution?
This may trigger a **Education loan reassessment**, especially if:

- The new course is in a different field
- It is at a lower level
- The new institution has lower credentials

Any course or provider change must be communicated to the bank and new approval needs to be taken.
Failing to do so can result in loan invalidation (which technically means student has no funds)

Changing your course or provider can:

- Breach the terms of your education loan
- Violate student visa conditions

Linking Student Visas to Institutions: Ensuring Compliance with Visa Condition 8516

A significant majority of students from South Asia—estimated at 60–70% of Indian and 70–80% of Nepalese students—use education loans for the fee and living expenses to study in Australia and to demonstrate financial capacity for their Australian student visa. These loans are sanctioned specifically for a particular institution and course.

Under Visa Condition 8516, students must continue to meet the visa grant requirements, including having accessible financial support. If a student changes their institution or course, the original loan often becomes invalid, resulting in a breach of this condition.

Requiring a new visa when changing providers ensures compliance with visa conditions, aligns with the terms of education loans, and still respects students' rights to change institutions—with appropriate financial reassessment.

Email (s) from various Banks in India - there is a need for reassessment of education loan once student changes provider / course

12/05/2025, 12:01

Association of Australian Education Representatives in India Mail - Claruty in validity of education loan if student changes course a...



Nishi Borra <president@aaeri.org.in>

Claruty in validity of education loan if student changes course and university

INDIAN BANK HYDERABAD MAIN <hyderabadmain@indianbank.co.in>
To: Nishi Borra <president@aaeri.org.in>

9 May 2025 at 13:12

IndianBank_Classification: Internal

Greetings,

Sir/ Madam,

With reference to your query below, please note that:

- Our loan processing and sanction is based on the study course, fee structure, and Admission letter/ i20 or related document from the respective College/ University for the whole tenor of the studies. Hence change of College/ University or the Course is not at all permitted in the midst of the loan tenor.
- Original Sanction loan terms cannot be changed until closure of the same.
- Loan disbursal shall not be done for the changed college/ fee/ course or any other change with respect to original sanction terms.

Regards,

Indian bank,
Hyderabad Main Branch

This message has been classified as Internal



बैंक ऑफ़ बड़ौदा
Bank of Baroda

h

Medari Pothu Kiran Kumar
to me ▼

Fri 9 May, 14:19 (3 days ago)

☆ ↩ ⋮

Dear Sir,

As per the trail mail, by considering a institution we do provide a sanction letter and further to that particular institution only, BOB will be transferring the tuition fee.

In case if student swapped institution / Course, bank again need to go through:

Student which institution he is going? What is the category of the institution? And justification from the student for swapping the institution.

For all the above points, bank takes the decision for the sanction / Rejection.

Best Regards

Kiran Kumar MP

Regional Sales Manager - Education Loan



बड़ौदा ग्लोबल शेअर्ड सर्विसेज लिमिटेड
Baroda Global Shared Services Ltd.

Mobile No: +91 - 9292207262

4-1-366,1st Floor
RBVR Reddy Hostel Campus,
Hanuman Tekdi, Hyderabad, Telangana -
500001



Switchover from one Course to another: Switchover from one course to another at the same or another institution is permissible. In such case, new application to be sourced and sanctioned. Account opening and disbursement will be made accordingly. Where, the request is received for change of course at the same institute or otherwise and the new course involves similar or less cost & payouts, the existing loan account can continue and a suitable letter to be exchanged along with noting in CBS. Where course change involves multiple institutes and the net payout is higher than the undisbursed amount, a fresh loan to be sanctioned covering Net requirement and the existing loan account to be closed through (i) refunds by the institutes, (ii) transfer from the new loan (iii) and payment by the Borrower (s).



Tushar Kapoor ✓

to me, Tanuja, suniljaggi@auscanimmigration.com ▾

Mon 12 May, 17:08 (22 hours ago)



Dear Sir

Greetings from ICICI Bank !

Please find the revert as under:

- Does the originally sanctioned education loan remain valid after the course or university is changed?

Sanction letter will not be valid since sanction letter is issued against the particular university/institute and course.

- Are there any conditions or formalities the student must fulfil to continue availing the loan?

As per the process, if the student changes the university or course the loan has been closed first and then same can be taken again for changed university/course.

- Would the loan disbursement for future semesters still be processed by the bank after the change?

No.

Thanks and Regards

Tushar Kapoor

RHS – Education Loan

Mob no. 8288092779



Attachment 4



Shweta Jain

to Hitesh, me, MVSK ▾

12 May 2025, 16:55 (23 hours ago)



Hi Nishi Sir,

Thank you for your email.

Credila Financial Services was incorporated in 2006 and has been a pioneer in offering education loans to Indian students for India and abroad. The company has robust credit underwriting policies and are in touch with the student throughout their journey of higher studies.

To answer specific queries, please note:

1. If there is a change in the course or university; the student application is re-underwritten. We have a proprietary credit scoring model to underwrite an application dependent upon student, co-applicant and the course that he plans to undertake. Changes in the university and name entails re-assessment.
2. The disbursal of the loan is done upon meeting the loan sanction conditions. The loan is sanctioned to a student upon his submission of identity, income and academic documents for a specific college and course. Any change in either of these entails re-sanction of loan.
3. If a student changes the course or college – the student has to apply for a re-sanction of the loan. The same is underwritten as per the prevailing underwriting policies of Credila. Given the loan disbursal is undertaken in tranches, for the subsequent tranche disbursal the student must submit past transcripts which helps us match the course and college that the student had received the loan sanction.

Please feel free to reach out for any further clarification or query.

Regards
Shweta Jain
Head- Channels & Distribution
Credila Financial Services Limited
Cell 98109 92372