



Simplified Student Visa Framework (SSVF) Appraisal

May 2018

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Acronyms

AL	Assessment Level
AQF	Australian Qualifications Framework
DET	Department of Education and Training
ELICOS	English Language Intensive Courses for Overseas Students
EVCC	Education Visa Consultative Committee
GTE	General Temporary Entrant requirement
HE	Higher Education
IRR	Immigration Risk Rating
SSVF	Simplified Student Visa Framework
SVP	Streamlined Visa Processing
VET	Vocational Education and Training

Setting the scene

Australia's international education sector was valued at \$30.9 billion in 2017 (ABS data release, December 2017). The Department of Home Affairs (the Department) plays a key role in implementing the Government's *National Strategy for International Education 2025* (National Strategy) by maintaining competitive Student visa settings, while protecting the sector and Australia from non-genuine students.

A major reform, the Simplified Student Visa Framework (SSVF), was introduced on 1 July 2016, following review of the previous Streamlined Visa Processing (SVP) arrangements and Assessment Level (AL) framework. The Department and the Education Visa Consultative Committee (EVCC) successfully collaborated to build a framework that incorporated the key principles and benefits of SVP, while addressing concerns about its sustainability in the long-term.

The purpose of this high-level appraisal of the SSVF is to determine whether its policy settings are operating as intended. Where the Department proposes actions in response to issues raised, we intend working in collaboration with EVCC members to optimise outcomes for the international education sector.

The SSVF

The SSVF was designed to support the sustainable growth of the international education sector by making the process of applying for a Student (subclass 500) visa (Student visa) simpler to navigate for genuine students, to reduce red tape for business and to deliver a more targeted approach to immigration integrity. A summary of the key features of the SSVF is at [Attachment 1](#).

The SSVF Appraisal process

The SSVF has been in operation for more than a year, and with a complete set of 2016–17 data available, it is timely to assess its policy settings and explore possible opportunities for enhancement. This appraisal is a “health check” and will form part of an ongoing monitoring process to ensure the SSVF is adjusted, as necessary, so that it continues to support the sustainable growth of the international education sector.

Operational matters will be handled by program management, and are not addressed as part of this appraisal. The SSVF appraisal comprises two parts:

- (i) Analysis of 2016–17 data to identify program trends and any emerging operational or integrity issues. Findings of this analysis, *SSVF Appraisal – Data Trends* are at [Attachment 2](#)
- (ii) EVCC member submissions. Outcomes of this Appraisal will help inform the Visa Reform process.

Findings and recommendations

Overview

In the current reform environment, and given the SSVF was a major reform, further significant change to the Student visa program is not supported at this stage. The submissions received overwhelmingly call for a period of stability in visa settings and discourage creating an environment of uncertainty for international students.

Australia has a strong reputation for providing high quality education, which has seen the Student visa program grow steadily from 2011–12. Early indicators are that SSVF is continuing to enable and support growth.

In 2016–17, a record 343,035 Student visas were granted, surpassing the previous peak reached in 2008–09 of 319,632 visa grants. Offshore growth was particularly strong, with grants to applicants outside Australia growing by 11.2 per cent compared to the previous year. Grants to applicants outside Australia reached 226,677, just short of the previous peak of 227,000 in 2008–09.

Isolating the influence of the SSVF model on the international student market is challenging as many diverse elements impact a person's choice of study destination. In the submissions received, it was noted that the SSVF is:

- (i) enabling and facilitating an increasing number of Student visa applications
- (ii) encouraging an increased provider focus on the recruitment of genuine students.

However, there is also a consensus that there is scope to refine the SSVF settings to ensure it is operating appropriately, particularly in relation to immigration integrity, while also supporting the sustainability of the international education sector in Australia.

What is working well?

- The single Student visa subclass is broadly considered to be working well and is an improvement on previous arrangements.
- Mandatory online lodgement is contributing to a positive perception of Australia as an international study destination.
- The single immigration risk framework is simpler and easier to understand than SVP and the AL framework. It has levelled the playing field in the sense that all providers can have access to streamlined evidentiary requirements.
- The Immigration Risk Rating (IRR) reports are valued as an essential tool in enabling providers to monitor their performance and address risk in a timely manner.
- The online Document Checklist tool is clear and easy to use.

- The Department's level of engagement since the introduction of the SSVF is appreciated (though it has declined since the intensive framework design process).

What requires improvement?

Integrity outcomes

The Department acknowledges the feedback in the SSVF submissions that there is a need to refine the immigration integrity framework to ensure non-genuine students are not granted a visa.

However, the Department contends that, at this stage, it is premature to determine what impact the SSVF is having on the integrity of the Student visa program. Early indicators of program trends show that, for applications lodged outside Australia, grant rates are slightly higher at 91.3 per cent in 2016–17, up from 89.5 per cent in 2015–16. A return to growth in grant numbers for applications lodged in Australia is coupled with a slightly reduced grant rate, 94.8 per cent in 2016–17, down from 96.6 per cent in 2015–16.

Many students are still studying on their initial Student visa granted under the SSVF. Consequently, the impact of trailing risks (rate of visa cancellations, students becoming unlawful and onshore protection applications) on the integrity of the program is not yet apparent.

The Department acknowledges there is more work to be done in collaboration with the EVCC to establish a comprehensive understanding of onshore student transfer trends and the extent to which provider and course transfers are a concern. The Department notes there can be legitimate reasons for some students to change courses and providers.

The Department will continue to monitor program trends as the SSVF matures.

Single Student visa

The Department acknowledges feedback about the introduction of the single Student visa has meant the sectoral differences within subclass 500 are less clear, and that many students simply do not understand the need to apply for a new visa if they change course to a lower Australian Qualifications Framework (AQF) level. The Department will address this as part of Recommendation 3(a).

Single immigration risk framework

Under the SSVF, a student's financial and English evidentiary requirements are guided by a combination of the immigration risk outcomes of their education provider and country of citizenship. This approach is designed to provide an incentive for all education providers to recruit genuine international students. While the single immigration risk framework is generally considered to be simpler than its predecessor, feedback suggests it is sometimes misunderstood. Some mistake its purpose as denoting the quality of education and misuse it as a marketing tool.

Recommendation 1: That the Department of Home Affairs clarify the purpose of the single immigration risk framework to ensure it is better understood by education providers, education agents and Student visa holders.

Immigration risk methodology used to calculate risk ratings

The SSVF is designed to provide an incentive for education providers to recruit genuine students who are less likely to have negative immigration outcomes.

The immigration risk methodology used to determine country and provider risk ratings is the feature of the SSVF that attracted the most comment in the submissions received. The methodology is considered complex by some.

The Department notes the immigration risk methodology was developed after close consultation with EVCC members. It is designed to strike a balance between offshore refusals (fraud-related 40 per cent weighting, non-fraud related 10 per cent weighting) and the onshore immigration 'trailing' risks: rate of visa cancellations (25 per cent weighting), overstayers (15 per cent) and subsequent protection visa applications (10 per cent).

Some submissions call for assistance to better understand risk in order to develop risk mitigation strategies to improve their ratings.

Rate of refusals

Some submissions suggest there appears to be no clear rationale as to why onshore refusals do not contribute to a provider's risk rating. They submit that this creates an incentive for some providers to 'poach' students onshore from low risk providers who have recruited from offshore. This is not fair for those providers who invest significant resources in offshore recruitment.

The Department agrees that the inclusion of onshore refusals in the immigration risk methodology will create a more equitable framework and encourage education providers to focus more on the recruitment of genuine students onshore.

Trailing risks

Trailing risks can negatively affect a provider's IRR for an extended period. Some submissions express concern about the inclusion of trailing risk factors, such as onshore Protection visa applications and overstayers, because these factors cannot be controlled by education providers.

The Department notes these concerns and acknowledges that students' intentions may change. However, it considers it important that trailing risks be maintained in the immigration risk framework. Providers must make an assessment of a potential student's immigration risk at time of recruitment. As part of Recommendation 4, the Department commits to working with providers to help them target genuine students.

The Department will continue to monitor the impact of trailing risks on providers' risk ratings. At this stage, it is too early to consider changing weightings when their impact is not yet fully apparent.

Protection visa data is not visible in the Provider Risk Report to protect personal privacy.

A couple of submissions suggest that the Department explore options to provide relief to providers where the trailing risk is having a disproportionate impact on their IRRs, particularly in circumstances where the rate of visa refusals has dropped after the implementation of improved recruitment practices.

The Department does not support this proposal given it was included in only two of the ten submissions received and would undermine the premise of equity and objectivity upon which the immigration risk methodology is built. Without a solid basis for change and widespread support, it would be unfair to providers who have put in place effective strategies to manage the recruitment of genuine students and improve their risk rating.

Recommendation 2: That the Department of Home Affairs, in consultation with the EVCC, include onshore refusals in the risk rating methodology to encourage education providers to focus more on the recruitment of genuine students onshore.

Onshore student transfers

Under the SSVF, an education provider is responsible for the immigration outcomes of students they recruit offshore, even if the student chooses to change providers onshore.

Submissions ask the Department to reconsider how risk is assigned to the original recruiting provider when students transfer to a new provider onshore. Some consider it would be fairer to shift at least some of the risk to the receiving provider.

The Department notes the feedback in submissions that under the SSVF students and education agents are targeting low risk (Higher Education) providers offshore, with a view to transferring onshore to VET.

Provider transfers

The Department of Education and Training (DET) updated Standard 7: Overseas Student Transfers of the *National Code of Practice for Providers of Education and Training to Overseas Students* on 1 January 2018. Registered providers must not knowingly enrol an overseas student wishing to transfer from another registered provider's course prior to the overseas student completing six months of their principal course of study, except in certain circumstances. For the school sector, a transfer cannot happen until after the first six months of the first registered school sector course.

Course transfers

Visa condition 8202 requires a Student visa holder in most cases to obtain a new visa if they transfer to a lower AQF level course. In this scenario, the new provider becomes responsible for the immigration outcomes of that student.

The Department acknowledges that the course and provider transfer data provided does not capture the full picture of student transfers. The Department is committed to working with DET to obtain this data.

Given the above, the Department considers it premature to immediately change the risk model to transfer risk from the recruiting provider at this stage. Our initial response is twofold:

- (i) implement measures to encourage compliance with Condition 8202 which will transfer the immigration risk to the receiving provider
- (ii) work with the DET to interrogate the data with a view to gaining a full understanding of the rate of provider and course transfer under the SSVF.

It is important to note there may be legitimate reasons for a student to move from one education sector to another or between providers. There needs to be a balance between requiring students to remain with a particular provider and giving the student, as a consumer, the opportunity to choose between providers.

Recommendation 3:

That:

- 3(a) the Department of Home Affairs conducts a campaign to educate students on visa condition 8202 and encourage compliance when they transfer to a lower AQF level course;
- 3(b) the Department of Home Affairs and DET further interrogate the data with a view to gaining a full picture of provider and course transfer trends; and
- 3(c) the Department of Home Affairs commits to further assessing the appropriateness of transferring immigration risk to the receiving provider.

Impact on education providers' processes for enrolling students

Under the SSVF, education providers may elect to manage risks associated with the enrolment of international students, including ensuring students have an appropriate level of English and sufficient funds to support themselves and their dependants in Australia. Some providers invest significant resources and time in managing their risk rating.

Some submissions assert that providers do not have the capacity to assess student genuineness as the effort and means to do so is beyond the reach of their business.

The perception is that some individual providers had closer contact with the Department under SVP. Suggestions for more regular contact include quarterly webinars or teleconferences or EVCC working groups to address specific issues.

Submissions call for:

- (i) more consistency in decision-making and more information on the reason for visa refusal to assist providers in identifying risk factors
- (ii) transparency on country risk ratings so providers are better able to assess genuineness, particularly when risk ratings change
- (iii) inclusion of sector reports by country/region to enhance the usefulness of the IRR report
- (iv) unlocked pivot tables to enable providers to use immigration data more effectively
- (v) more information on education agent performance.

The Department acknowledges these concerns and commits to working with EVCC members and our counterpart agencies to ascertain the sector's data requirements and provide assistance where possible. The Department may be constrained by the availability of resources, the need to maintain the integrity of data or diplomatic sensitivities.

The Department notes DET is already working to provide more information in response to (v) above as part of its agents' information sharing initiative. This work is ongoing and will enhance the transparency of education agents, allow providers to more actively monitor the relative performance of agents with respect to student outcomes and help providers make better decisions about which agents they engage.

Recommendation 4: That the Department of Home Affairs, in collaboration with other agencies, continues to work with the international education sector to assist education providers to effectively target genuine students and improve data availability, where possible.

Attachment 1

Features of the Simplified Student Visa Framework (SSVF)

The role of the Student visa program is to support the sustainable growth of Australia's international education sector by facilitating the lawful entry and temporary stay of genuine international students.

Student visa settings are designed to ensure that Australian education remains internationally competitive, while preserving high levels of immigration integrity.

The Simplified Student Visa Framework (SSVF) was implemented on 1 July 2016 and is a key component of the *National Strategy for International Education 2025*. The SSVF supports the sustainable growth of the international education sector by making the process of applying for a Student visa simpler to navigate for genuine students, reducing red tape for business and delivering a more targeted approach to immigration integrity.

The new framework was developed in consultation with key stakeholders, including the EVCC after a review of the previous arrangements. It replaced the Assessment Level framework and Streamlined Visa Processing arrangements.

The reforms introduced a new country and provider risk model to guide evidence requirements for students and a more nuanced approach to internal management of risk.

Key changes under the SSVF include:

- a reduction in the number of student visa subclasses from eight to two – a single Student visa and a Student Guardian visa
- the global roll-out of online visa lodgement for all international students
- a single external immigration risk framework to guide evidentiary requirements for financial and English language capacity
- a stronger risk management approach to improve the integrity of the program.

The key benefits of the SSVF include:

- the creation of a more level playing field, with all education providers having streamlined evidentiary requirements for at least some countries thereby reducing market distortion
- reduced complexity and red tape for providers and students – the estimated annual regulatory saving to business and individuals is \$24.13 million
- a more targeted approach to risk management and immigration integrity

- simplification of visa requirements and making it easier to lodge onshore by lifting restrictions
- providing regular data to education providers to allow them to make informed decisions about how to manage immigration risk.

The Genuine Temporary Entrant requirement, underpinned by publicly available Ministerial Direction Number 69, continues to be the primary integrity safeguard and enables decision-makers to refuse non-genuine applications.

Attachment 2

Summary of SSVF Appraisal—Data Trends

Data in this document is sourced from several departmental visa processing and recording systems. Data can be dynamic and there can be delays in transmission of information from the Department's global operations. There are variations in some figures in this report to data that is publically available.

For privacy reasons < 5 has been used where a number in a table is between 1 and 4.

Definition of terms

Applicant type	Under the Migration Regulations 1994 (the Regulations), there are two types of applicants. These are primary applicants and secondary applicants. If the table or graph heading includes the word 'primary', such as 'primary applications' or 'primary visa holders', dependants (secondary applicants) are not included.
Auto grant	An automated process by which an electronic visa application is checked against security and immigration risk business rules and, if the automated checks are satisfied, the visa is granted, often within minutes after lodgement. Electronic applications which do not satisfy automated checks are referred for manual assessment by a visa processing officer.
Citizenship country	The country of citizenship of the visa applicant or visa holder. Where a visa applicant or visa holder has more than one citizenship country, either the citizenship of the travel document or the citizenship nominated by the visa applicant is used.
Granted	Unless otherwise specified, the number of visas granted includes primary and review grants.
Grant rates	Grant rate is based on the number of visas granted divided by the sum of visas granted and refused.
In Australia	In this report, refers to the location of the client at the time the application was lodged. An applicant in Australia may already hold a visa of the same kind or may be applying for another type of visa.
Last visa held	This refers to the last substantive visa held by a visa holder (that is, the last visa other than a bridging visa) prior to a point in time. The last visa held may have expired or still be in effect.
Lodged	Lodged is the count of paper applications receipted in a departmental office or submitted electronically.
Outside Australia	In this report, refers to the location of the client at the time the application was lodged.
Primary applicant	The primary applicant is the person who must satisfy the primary criteria for the grant of a visa under the Regulations. In this case, it would be the person proposing to study in Australia.

Data source and caveats

Graphs 1–3: Student visa grants—comparison over 10 years

Source: Publicly available pivot table ‘Student visa applications granted at 30 September 2017’ (BP0015)

Note 1: This is based on visa grant data recorded for visa subclass 500 and subclass 570 to 576 in the current financial year and previous financial years.

Tables 1: Student visa grants

Source: Publicly available ‘Student visa and Temporary Graduate visa program bi-annual report ending at 30 June 2017’

Note 1: The reports are based on visa applications recorded for visa subclass 500 and subclass 570 to 576 in the current financial year and the previous financial years.

Note 2: Data is sourced from several departmental visa processing and recording systems. Data can be dynamic and there can be delays in transmission of information from the department’s global operations. Variations in figures between this report and previous issues can occur. Due to these issues, figures in this report should always be considered provisional.

Note 3: The education provider registered state is based on Student visa holder’s confirmation of enrolment (CoE). Where more than one (CoE) is recorded on the visa application, the education provider registered state is based on the CoE with highest course level.

Tables 2–4: Student visa grants

Source: Publicly available pivot table ‘Student visa applications granted at 30 September 2017’ (BP0015)

Note 1: This is based on visa grant data recorded for visa subclass 500 and subclass 570–576 in the current financial year and previous financial years.

Tables 5–6, and 11: Student visa grant rates

Source: Department of Home Affairs, 2017 (BE11225)

Note 1: Grant rate is based on the number of visas granted divided by the sum of visas granted and refused.

Note 2: Streamlined encompasses applications processed under Streamlined Visa Processing (SVP) arrangements, applications from Assessment Level 1 passport countries, or applications recorded as auto-grants by departmental systems.

Note 3: Streamlined and non-streamlined data for the 2015–16 program year is not comparable with the Streamlined Evidence and Regular Evidence data for the 2016–17 program year due to different frameworks and recording systems.

Table 7: Processing times in the 75th percentile for primary Student visa applications decided outside Australia by financial year quarter

Source: Publicly available ‘2016–17 Student visa and Temporary Graduate visa program bi-annual report’; ‘2015–16 Student visa and Temporary Graduate visa program six monthly report’; and ‘2014–15 Student visa and Temporary Graduate visa program quarterly report’.

Note 1: Applications decided is based on visas granted or refused.

Note 2: Figures are from a dynamic source and are subject to variations.

Note 3: Includes subclass 500 and subclasses 570–576

Table 8–10: Processing times in the 75th percentile

Source: Department of Home Affairs, 2017 (BE11240)

Note 1: Applications decided is based on visas granted or refused.

Note 2: Figures are from a dynamic source and are subject to variations.

Note 3: Includes subclass 500 and subclasses 570–576

Table 12: Education provider risk ratings under SSVF

Source: Department of Home Affairs, education provider risk outcomes

Note 1: The total number of providers reflect only those that are active in the international student market, not the total number of providers registered on the Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS).

Note 2: Education providers who (during the 12-month reporting period) do not have 50 active Student visa holders and/or 50 offshore Student visa applications and/or 50 Student visas about to expire are allocated a default immigration risk rating of two.

Table 13: Movement of Student visa holders between sectors

Source: Department of Education and Training

Trends

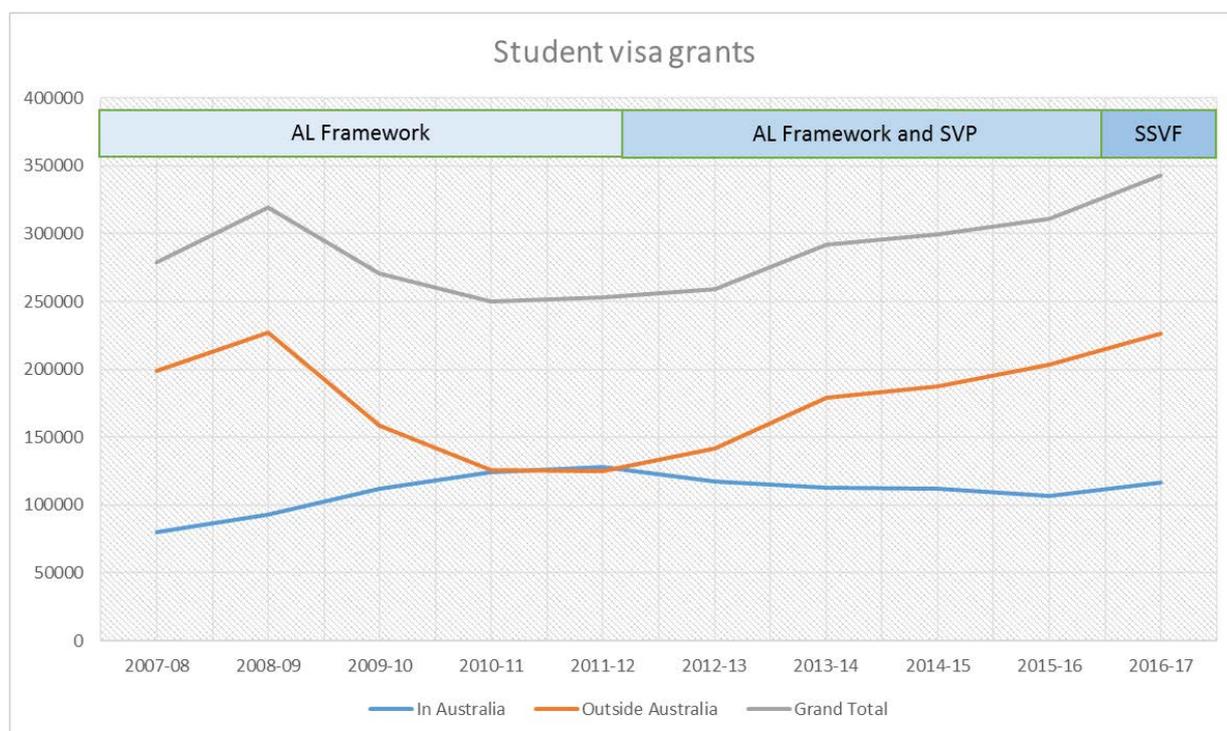
General trends

The Student visa program has been growing steadily from 2011–12 and this trend continues under the Simplified Student Visa Framework (SSVF). In 2016–17, a record 343,035 Student visas were granted, surpassing the previous peak reached in 2008–09 of 319,632 visa grants. Grants to applicants outside Australia reached 226,677 in 2016–17, just short of the previous peak of 226,898 in 2008–09.

Early indicators are that the SSVF is continuing to support growth with a 10.4 per cent increase in the number of Student visas granted in 2016–17. Offshore growth was particularly strong at 11.2 per cent.

It is important to note that there is no cap on Student visas and the demand for visas depends on a number of factors including quality and cost of education, marketing, value of the Australian dollar and other variables.

Graph 1: Student visa grants in the last ten years (in Australia and outside Australia)



Trends by sector

Student visa grants for applications lodged outside Australia by sector and citizenship country

For visa applications where the client was outside Australia, all sectors experienced growth in 2016–17, except the Non-Award sector. The Independent ELICOS (ELICOS) sector experienced the highest rate of growth (22.1 per cent), followed by the Foreign Affairs or Defence sector (21.1 per cent), Postgraduate Research sector (14.8 per cent) and the Higher Education (HE) sector (12.7 per cent).

Growth in the ELICOS sector was largely due to significant growth in South American markets. Applications from Brazil had the highest rate of growth (47.6 per cent), followed by Colombia (24.2 per cent).

The SSVF introduced no limit to ELICOS studies for all countries. Previously, under the Assessment Level (AL) framework, students from countries that were AL 3 for ELICOS could study in that sector for a limited period only. This policy change does not seem to be the driver of growth in the ELICOS sector as most countries that experienced growth in 2016–17 were former AL 1 or 2 for ELICOS.

Growth in the South American market could be a result of Australian Trade and Investment Commission (Austrade) marketing in the region, coupled with the decreasing popularity of study in the United States and the United Kingdom.

In 2016–17, the Schools sector grants increased by 8.4 per cent for applications lodged by clients outside Australia, with grants to Chinese students increasing by 10.6 per cent.

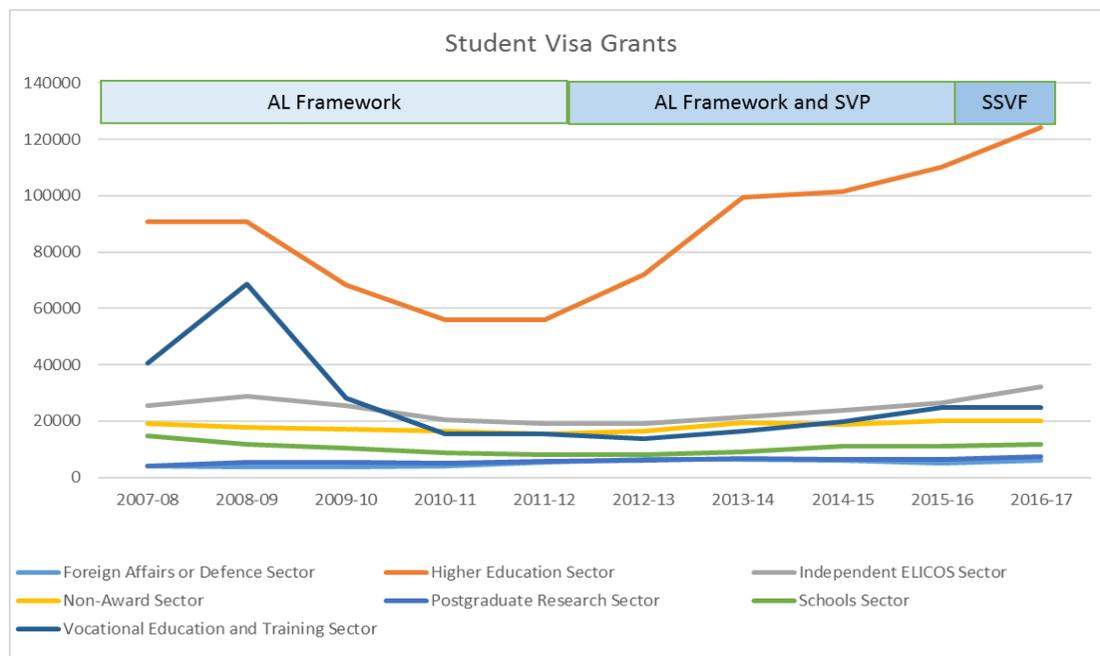
With the introduction of SSVF, international students were able to enrol in primary school for the first time, regardless of nationality. Previously, primary school students from countries that were Assessment Level 3 for that sector were not able to apply for a Student visa. A breakdown of grants in the Schools sector suggests this policy change may have had an impact, with the offshore growth in the primary School sector having doubled in 2016–17 compared to 2015–16, although numbers (527 grants outside Australia in 2016–17) remain low. More than one third of the primary school students granted a visa outside Australia were Chinese students, who were previously ineligible to apply as an Assessment Level 3 cohort.

In 2016–17, Student visa grants in the Vocational Education and Training (VET) sector to clients outside Australia plateaued (1 per cent growth). Strong growth in the VET sector from mid-2014 aligns with the extension of SVP arrangements to eligible students enrolled in advanced diploma courses. Prior to the introduction of SSVF on 1 July 2016, there was a surge of lodgements outside Australia in the VET sector (grants up 25.2 per cent in 2015–16). The announcement of a more rigorous treatment of risk under the SSVF may have impacted market behaviour, particularly within the VET sector.

Table 1: Student visa applications granted by sector where the client was outside Australia

Sector	2014-15	Annual % change	2015-16	Annual % change	2016-17	Annual % change
Foreign Affairs or Defence Sector	6,051	-6.2%	4,947	-18.2%	5,989	21.1%
Higher Education Sector	101,460	1.9%	110,314	8.7%	124,289	12.7%
Independent ELICOS Sector	23,905	11.4%	26,465	10.7%	32,304	22.1%
Non-Award Sector	18,698	-3.3%	20,242	8.3%	20,084	-0.8%
Postgraduate Research Sector	6,509	-3.9%	6,319	-2.9%	7,256	14.8%
Schools Sector	10,950	22.6%	10,961	0.1%	11,886	8.4%
Vocational Education and Training Sector	19,669	18.7%	24,628	25.2%	24,869	1.0%
Grand Total	187,242	4.5%	203,876	8.9%	226,677	11.2%

Graph 2: Student visa applications grants by sector the client was outside Australia - comparison over 10 years



Student visa grants for applications lodged in Australia by sector and citizenship country

Student visa grants to applicants in Australia increased by 8.8 per cent in 2016–17, following negative growth in the previous two years.

The Schools and VET sectors experienced the highest increase in the number of Student visa grants in Australia (13.7 and 13.6 per cent growth, respectively), followed by the HE sector (8 per cent).

Growth in VET sector grants for onshore applications was driven by Brazil (41.1 per cent), China (25.4 per cent), Malaysia (25 per cent) and Colombia (53.3 per cent). Growth in the HE sector was driven by Nepal (44.4 per cent) and India (43.1 per cent).

Table 2: Student visa grants by sector for applications made in Australia

Sector	2014-15	Annual % change	2015-16	Annual % change	2016-17	Annual % change
Foreign Affairs or Defence Sector	549	25.6%	436	-20.6%	378	-13.3%
Higher Education Sector	50,253	-4.7%	47,847	-4.8%	51,666	8.0%
Independent ELICOS Sector	9,310	-2.0%	7,872	-15.4%	7,792	-1.0%
Non-Award Sector	505	-14.7%	467	-7.5%	455	-2.6%
Postgraduate Research Sector	4,599	1.2%	3,845	-16.4%	3,251	-15.4%
Schools Sector	1,061	3.2%	963	-9.2%	1,095	13.7%
Vocational Education and Training Sector	46,021	4.4%	45,539	-1.0%	51,721	13.6%
Grand Total	112,298	-0.5%	106,969	-4.7%	116,358	8.8%

Under the AL framework, only citizens of AL1 countries could apply in Australia for their first Student visa. With the introduction of SSVF, there are no longer any restrictions on lodging applications in Australia.

In 2016–17, there was an increase in the number of Student visas granted to persons who last held a Visitor visa (23.6 per cent) or Working Holiday Maker visa (22.3 per cent) in Australia.

In 2016–17, countries that had an AL2 or AL3 risk rating for some education sectors under the former AL framework, had a high percentage growth in the number of their nationals transferring onshore from a Visitor visa to a Student visa (eg. Indonesia, 296.4 per cent; Nepal, 256.0 per cent; India, 243.3 per cent; Philippines, 227.4 per cent and China, 125.3 per cent).

Trends by country

Student visa grants for applications lodged outside Australia by citizenship country

In 2016–17, China (56,324) remained our largest source country of Student visa grants to applicants outside Australia, followed by India (25,025), Nepal (14,395) and Brazil (12,517).

The SSVF continues to support growth in our largest offshore markets. In 2016–17, Student visa grants to applicants outside Australia grew in China (16.7 per cent), India (13.3 per cent), Nepal (85.5 per cent) and Brazil (26.4 per cent). However, lodgements in India grew by just 1.9 per cent.

The part played by SSVF in influencing demand in any particular market is difficult to determine, given the various factors that influence a student in choosing an international study destination.

Graph 3: Student visa applications granted outside Australia by citizenship country—comparison over 10 years

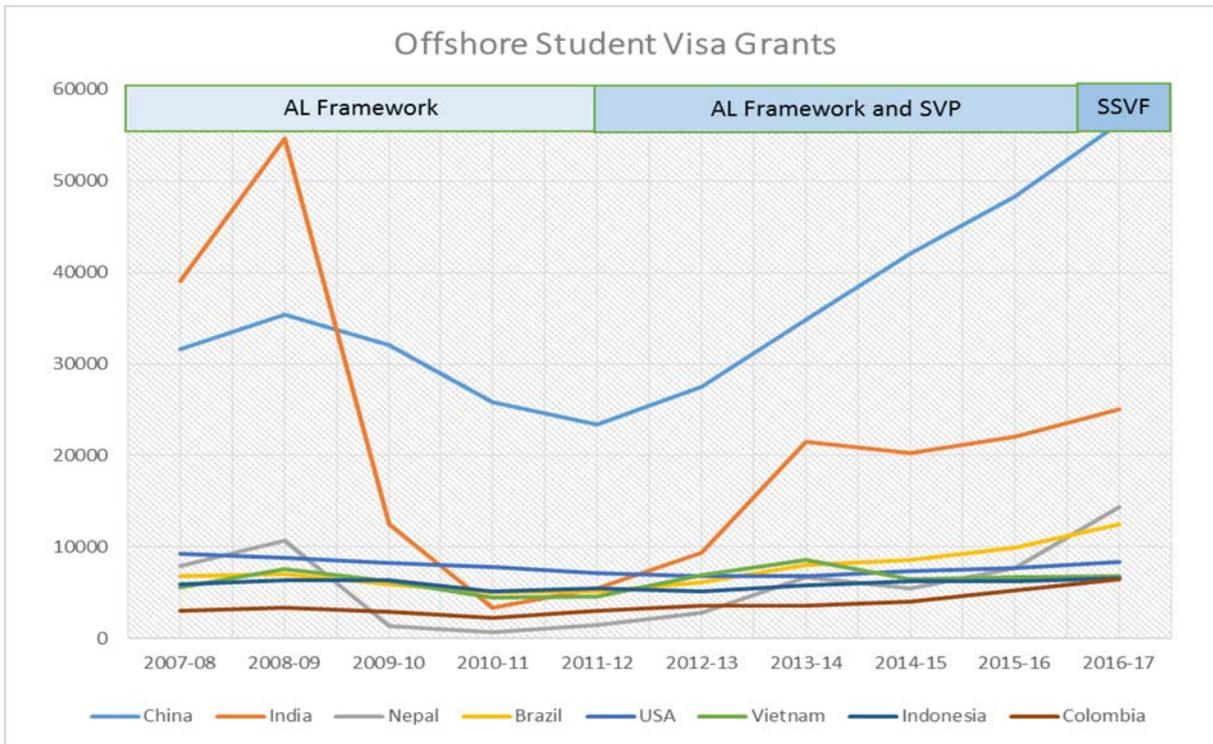


Table 3: Student visa applications granted outside Australia for the top 10 countries

Citizenship Country	2014-15	Annual % change	2015-16	Annual % change	2016-17	Annual % change
China	42,127	20.9%	48,281	14.6%	56,324	16.7%
India	20,291	-5.5%	22,088	8.9%	25,025	13.3%
Nepal	5,459	-18.1%	7,759	42.1%	14,395	85.5%
Brazil	8,632	7.7%	9,902	14.7%	12,517	26.4%
U.S.	7,320	7.0%	7,671	4.8%	8,392	9.4%
Vietnam	6,509	-24.2%	6,735	3.5%	6,827	1.4%
Indonesia	6,261	7.2%	6,268	0.1%	6,621	5.6%
Colombia	4,046	11.5%	5,249	29.7%	6,499	23.8%
Thailand	7,029	-1.4%	6,709	-4.6%	6,096	-9.1%
Malaysia	6,080	3.3%	6,521	7.3%	5,919	-9.2%
Other countries	73,488	4.6%	76,693	4.4%	78,005	1.7%
Grand Total	187,242	4.5%	203,876	8.9%	226,615	11.2%

Different sectors accounted for growth in grants in our key markets:

- A. The Chinese, Indian and Nepalese markets experienced significant growth in the HE sector, 15.4, 21.3 and 69.8 per cent, respectively for applications lodged outside Australia.
- B. Demand in the VET sector grew by 252.1 per cent in Nepal and 214.9 per cent in China (though from a very low base for both countries) but declined by 49.0 per cent in India.
- C. In Brazil, grants in the ELICOS sector grew by 47.6 per cent for applications lodged outside Australia.

Trends by state and territory (by registration of education provider)

The state of registration of an education provider is not a clear indicator of campus location but may provide some insight into the distribution by state/territory of international students in Australia.

In 2016–17, education providers in the eastern states of Australia attracted much of the growth in Student visa grants to applicants outside Australia. Tasmania increased by 18.5 per cent, Queensland by 16.7 per cent, New South Wales by 14.3 per cent and Victoria by 10.3 per cent. The Australian Capital Territory and South Australia experienced a more moderate growth at 9.2 per cent and 7.4 per cent respectively. The Northern Territory decreased by 32.5 per cent and Western Australia by 10.1 per cent.

It is unlikely the SSVF has impacted on students' choice of education provider based on location.

Table 4: Student visa applications granted outside Australia by state and territory based on the location of the registered provider

Education Provider State	2014-15	Annual % change	2015-16	Annual % change	2016-17	Annual % change
ACT	5,217	-1.2%	4,862	-6.8%	5,311	9.2%
NSW	64,210	14.1%	70,858	10.4%	80,988	14.3%
NT	1,230	19.0%	1,280	4.1%	864	-32.5%
QLD	32,484	-6.4%	35,828	10.3%	41,819	16.7%
SA	9,394	5.1%	10,377	10.5%	11,142	7.4%
TAS	2,267	43.6%	1,830	-19.3%	2,169	18.5%
VIC	46,534	2.1%	51,635	11.0%	56,971	10.3%
WA	13,170	1.9%	15,118	14.8%	13,586	-10.1%
Unspecified	12,736	-1.1%	12,088	-5.1%	13,779	14.0%
Grand Total	187,242	4.5%	203,876	8.9%	226,615	11.2%

Grant rates

Grant rates for applications lodged outside Australia by sector

Overall, grant rates for applications lodged outside Australia have risen slightly since the implementation of the SSVF (91.3 per cent in 2016–17, up from 89.5 per cent in 2015–16). The SSVF represented a significant policy shift with all education sectors given access to streamlined evidentiary arrangements. Under the SVP, only the HE sector could access streamlined arrangements.

In 2016–17, the grant rate for applications lodged outside Australia in the HE sector was 94.6 per cent, up from 90.9 per cent in 2015–16. The grant rate in the VET sector was the lowest of all sectors in 2016–17 (72.0 per cent), up from 71.8 per cent in 2015–16. In general, grant rates are indicative of the quality of applications received.

Grant rates for applications made outside Australia in the ELICOS sector declined in 2016–17 to 88.5 per cent, from 92.4 per cent in 2015–16. In the Schools sector, grant rates improved slightly in 2016–17 (93.4 per cent, compared to 92.6 per cent in 2015–16).

Grant rates for applications lodged in Australia by sector

Grant rates for applications inside Australia are generally higher than for applicants outside Australia. Overall grant rates for applicants in Australia decreased marginally to 94.8 per cent in 2016–17 when compared with a grant rate of 96.6 per cent in 2015–16.

In 2016–17, the grant rate for applications lodged inside Australia in the HE sector declined slightly to 96.7 per cent when compared with 98.0 per cent the previous year. A similar trend was experienced in the VET sector with grant rates falling to 92.4 per cent compared with 95.1 per cent in 2015–16.

Grant rates in the ELICOS sector also decreased slightly in 2016–17 to 94.3 per cent from 96.5 per cent the previous year. In the Schools sector, grant rates improved in 2016–17 (97.5 per cent compared to 94.9 per cent in 2015–16).

The SSVF removed restrictions from students applying for their first Student visa in Australia. This opened up the program to a new cohort of potential onshore applicants which may account for the decrease in grant rates for applications made in Australia.

Table 5: Grant rate for Student visa applications by client location and sector – comparison with previous two years

Sector	Location	2014-15	2015-16	2016-17
Foreign Affairs or Defence Sector	Outside	99.7%	99.7%	99.4%
	Inside	96.4%	97.8%	96.5%
Higher Education Sector	Outside	90.3%	90.9%	94.6%
	Inside	97.9%	98.0%	96.7%
Independent ELICOS Sector	Outside	92.9%	92.4%	88.5%
	Inside	96.4%	96.5%	94.3%
Non-Award Sector	Outside	99.8%	99.8%	99.7%
	Inside	96.3%	98.4%	96.1%
Postgraduate Research Sector	Outside	98.4%	97.3%	98.5%
	Inside	99.3%	98.9%	99.1%
Schools Sector	Outside	91.7%	92.6%	93.4%
	Inside	95.1%	94.9%	97.5%
Vocational Education and Training Sector	Outside	81.0%	71.8%	72.0%
	Inside	93.1%	95.1%	92.4%
Total Outside		91.0%	89.5%	91.3%
Total Inside		95.8%	96.6%	94.8%
Grand Total		92.7%	91.9%	92.4%

Grant rates by sector and citizenship country

The 2016–17 grant rates indicate there are integrity concerns in certain caseloads. In the VET sector, the grant rate in India (31.8 per cent), and Thailand (58.7 per cent) was low. In the ELICOS sector, the grant rate in Thailand decreased from 93.1 per cent in 2015–16 to 70.5 per cent in 2016–17.

Table 6: Student visa grant rates for applications lodged outside Australia by sector and top five citizenship countries

Sector	Citizenship Country	2014-15	2015-16	2016-17
Higher Education	China	96.2%	97.8%	99.1%
	India	84.8%	84.6%	87.2%
	Nepal	90.1%	89.1%	93.1%
	Malaysia	99.7%	99.6%	99.7%
	Vietnam	84.9%	87.0%	92.0%
	Other	87.2%	86.2%	93.6%
	Grand Total	90.3%	90.9%	94.6%
VET	Korea, South	98.2%	94.4%	96.9%
	Thailand	88.3%	75.8%	58.7%
	Indonesia	88.9%	69.0%	77.2%
	India	46.4%	34.2%	31.8%
	Brazil	87.7%	89.8%	89.9%
	Other	80.3%	78.8%	75.3%
	Grand Total	81.0%	71.8%	72.0%
Schools	China	90.1%	94.4%	95.8%
	Germany	100.0%	99.9%	99.8%
	Vietnam	80.0%	79.0%	83.8%
	Italy	100.0%	99.7%	99.7%
	Japan	100.0%	99.8%	100.0%
	Other	91.6%	89.8%	89.9%
	Grand Total	91.7%	92.6%	93.4%
ELICOS	Brazil	96.1%	94.1%	94.3%
	Colombia	91.0%	93.4%	88.4%
	Thailand	94.7%	93.1%	70.5%
	Japan	99.4%	99.7%	99.8%
	Spain	99.5%	99.4%	98.7%
	Other	89.5%	87.2%	85.2%
	Grand Total	92.9%	92.4%	88.5%

Processing times

Processing times for applications lodged outside Australia

The time required to process visa applications depends on many factors including the supporting evidence provided by the applicant. Since the implementation of the SSVF, processing times for primary Student visa applications lodged outside Australia remained steady (75 per cent processed within 27 calendar days).

The first quarter post SSVF implementation (July to September) saw an increase in processing times outside Australia (from 26 to 35 calendar days). The Department allocated additional resources to processing Student visas in order to manage initial implementation issues. As a result, in the last three quarters of 2016-17, the processing times stabilised when compared to the same quarter in the previous year.

Table 7: Processing times in the 75th percentile for primary Student visa applications decided outside Australia by financial year quarter

Client location	Financial Year Quarter	2014-15	2015-16	2016-17
Outside Australia	Q1 (Jul-Sep)	22	26	35
	Q2 (Oct-Dec)	20	20	22
	Q3 (Jan-Mar)	23	24	24
	Q4 (Apr-Jun)	20	20	20

Processing times for applications lodged outside Australia by sector

In 2016–17, processing times in the 75th percentile for applications outside Australia improved in the HE (23 calendar days, compared to 27 in 2015–16) and VET (32 calendar days, compared to 42 in 2015–16) sectors. Due to the significant growth in the ELICOS sector in 2016–17, processing times increased to 43 days, compared to 27 days in 2015–16. Delays in processing Postgraduate Research sector visas are the result of security checking procedures by other agencies.

The last quarter of 2016–17 saw an improvement in processing times in the ELICOS sector to 34 days and 37 days in Postgraduate Research sector.

Table 8: Processing times in the 75th percentile for primary Student visa applications lodged outside Australia by sector

Sector	2014-15	2015-16	2016-17
Foreign Affairs or Defence Sector	29	15	16
Higher Education Sector	26	27	23
Independent ELICOS Sector	25	27	43
Non-Award Sector	9	<5	13
Postgraduate Research Sector	35	45	51
Schools Sector	35	34	34
Vocational Education and Training Sector	34	42	32

Processing times for applications lodged outside Australia by citizenship country

In 2016–17, processing times outside Australia remained steady for China at 20 calendar days. Compared to 2015–16, processing times decreased significantly in India (from 57 to 27 calendar days) and Nepal (from 56 to 24 calendar days). Processing times for Brazil, Thailand and Columbia all increased in 2016–17, when compared to 2015–16.

Table 9: Processing times in the 75th percentile for primary Student visa applications lodged outside Australia by top 10 citizenship countries

Country of Citizenship	2014-15	2015-16	2016-17
China	20	20	20
India	48	57	27
Brazil	28	31	44
Nepal	45	56	24
Thailand	13	25	38
Malaysia	13	11	17
Korea, South	16	20	23
Colombia	28	24	66
Vietnam	34	24	23
United States of America	same day	same day	13

Analysis of quarterly data indicates that processing times for most countries had improved by the last quarter of 2016-17 (China, 15 days; India, 26 days; Brazil, 33 days; Thailand, 21 days; and Vietnam, 17 days).

Streamlined evidentiary versus regular evidentiary requirements

Processing times

Processing times in the 75th percentile for primary Student visa applications under non-streamlined arrangements extended to 57 calendar days in 2016–17 compared to 37 calendar days in 2015–16. Under the SSVF, visa processing officers have greater discretion to request evidence of financial and English language capacity for all applicants based on internal risk analytics.

Table 10: Processing times in the 75th percentile for primary Student visa applications decided between 2014-15 and 2016-17 by visa processing arrangements

Visa Processing Arrangement	2014-15	2015-16	2016-17
Streamlined	26	30	30
Non-Streamlined	36	37	57

Grant rates for applications lodged outside Australia

In 2016–17, 85.0 per cent of total applications where the applicant was outside Australia were processed under streamlined evidentiary requirements.

Although not directly comparable, in 2015–16 around 57.8 per cent of Student visa grants were processed under arrangements that required less documentary evidence SVP arrangements, applications from Assessment Level 1 countries/sectors or applications recorded as auto-grants by departmental systems).

This suggests, under the SSVF, a higher proportion of applicants are required to provide less evidence. It needs to be noted, however, that all applicants are assessed against the legislative requirements, including the Genuine Temporary Entrant (GTE requirement). Under SSVF, 83.6 per cent of HE and 83.5 per cent of VET sector applications were processed under streamlined evidentiary arrangements.

Table 11: Grant rates by visa processing arrangement in 2016–17 for each sector where the client was located outside Australia

Visa Processing Arrangement	Sector	2016-17 % of Grants	2016-17 Grant rates
Streamlined	Foreign Affairs or Defence Sector	2.3%	100.0%
	Higher Education Sector	83.6%	97.7%
	Independent ELICOS Sector	97.6%	89.4%
	Non-Award Sector	99.4%	99.8%
	Postgraduate Research Sector	77.5%	99.2%
	Schools Sector	90.6%	96.3%
	Vocational Education and Training Sector	83.5%	80.0%
Total		85.0%	94.2%
Non Streamlined	Foreign Affairs or Defence Sector	97.7%	99.4%
	Higher Education Sector	16.4%	81.6%
	Independent ELICOS Sector	2.4%	61.5%
	Non-Award Sector	0.6%	84.1%
	Postgraduate Research Sector	22.5%	96.3%
	Schools Sector	9.4%	72.6%
	Vocational Education and Training Sector	16.5%	47.9%
Total		15.0%	77.4%
Grand total		206,811	91.3%

Provider risk rating

Since the introduction of the SSVF, there have been three quarterly updates to provider risk ratings. The percentage of providers in Immigration Risk Rating (IRR) 1 is steadily reducing, IRR 2 is fairly stable, and IRR 3 is increasing.

Table 12: Education provider risk ratings under SSVF

Provider Risk Rating	From 1 July 2016		From 31 March 2017		From 30 September 2017	
	Number	Percentage	Number	Percentage	Number	Percentage
Immigration Risk Rating 1	93	8.4%	87	7.9%	73	6.7%
Immigration Risk Rating 2	947	85.7%	919	83.6%	926	84.9%
Immigration Risk Rating 3	65	5.8%	93	8.4%	91	8.3%
Total	1,105	100%	1,099	100%	1,090	100%

Provider transfers

Disclaimer: Provider and course transfer data was made available by the Department of Education and Training from records held in their Provider Registration and International Students Management System (PRISMS). The data was extracted on 15 August 2017 and may contain duplications, as there may be multiple Confirmation of Enrolments (CoEs) at any one time for a particular student.

From 1 July 2016 to 11 August 2017, there were 304,410 visas issued to international students across HE, VET and Schools sectors. Of these visas, 4,360 students moved to a new provider within six months of arriving in Australia. These were primary Student visa (SSVF 500) holders who moved to a new education provider within six months of commencing their studies and the new provider was not listed on the CoE for which they were granted a Student visa. It is important to note that, these numbers do not include students who moved to a new provider after six months.

Most of these 4,360 students had their original CoEs cancelled and their existing CoE is with a provider that is not on the original CoE. Most of the student movement occurred from HE to HE (1,629) and from VET to VET (928).

Table 13: Movement of Student (subclass 500) visa holders between sectors

Sector	ELICOS	Higher Education	Other	Schools	VET	Total
ELICOS	337	15	<5	<5	80	438
Higher Education	235	1,629	25	<5	727	2,617
Other	<5	<5	6	<5	<5	12
Schools	27	<5	<5	46	6	85
VET	131	146	<5	<5	928	1,208
Grand Total	734	1,794	40	49	1,743	4,360

Course transfers

Of the 4,360 students who moved provider within six months of entering Australia, 1,156 moved to a lower level course sector (0.38 per cent). Of these, 642 were HE students who changed providers and moved from HE courses to a lower VET course. In most cases, Student visa holders need to obtain a new visa if they move down an Australian Qualification Framework (AQF) level.

From 1 July 2012 to 11 August 2017, the Department issued 1,012,025 Student visas under the former framework across the HE, VET and Schools sectors (subclasses 571, 572 and 573). Of those students, 8,138 changed to a lower course sector as part of their move to a new provider (0.8 per cent).

This data suggests there has been a linear decline in course transfers since July 2012.