

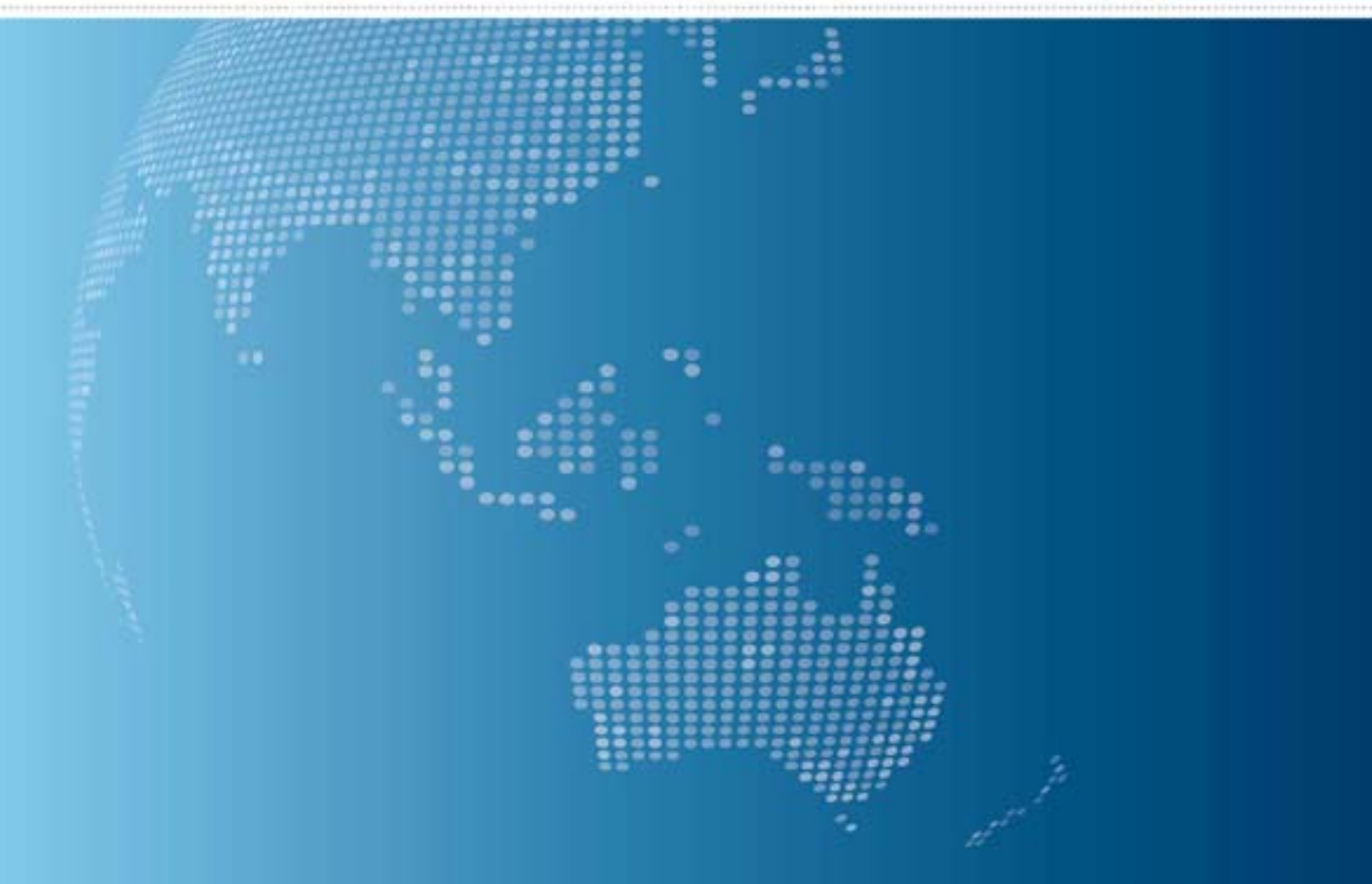


Australian Government  
Department of Immigration  
and Citizenship

# Review of the Student Visa Assessment Level Framework

## Discussion Paper

January 2012



## **Contents**

<b>Acronyms</b>	<b>3</b>
<b>Introduction</b>	<b>4</b>
<b>1. Student Visa Program</b>	<b>6</b>
<b>2. Student visa Assessment Levels</b>	<b>7</b>
<b>2.1 Background</b>	<b>7</b>
<b>2.2 How Assessment Levels operate</b>	<b>8</b>
<b>2.3 Assessment Level risk factors</b>	<b>9</b>
<b>2.4 How and when Assessment Level settings are reviewed</b>	<b>9</b>
<b>3. Issues of concern and limitations of the current Assessment Level framework</b>	<b>10</b>
<b>4. Other approaches to managing risk in Australia’s visa programs</b>	<b>12</b>
<b>5. Issues for discussion</b>	<b>13</b>
 <b>Appendices</b>	
<b>Appendix A: Review of the Student visa Assessment Level Framework: Terms of Reference</b>	<b>18</b>
<b>Appendix B: Membership of the External Reference Group to provide input to the Review of the Student visa Assessment Level Framework</b>	<b>19</b>
<b>Appendix C: Summary of Student visa Assessment Level requirements</b>	<b>20</b>
<b>Appendix D: Review of Student visa Assessment Level settings: Methodology</b>	<b>22</b>

## Acronyms

<b>AL</b>	Assessment Level
<b>ANAO</b>	Australian National Audit Office
<b>CRI</b>	Country Risk Index
<b>CRICOS</b>	Commonwealth Register of Institutions and Courses for Overseas Students
<b>DIAC</b>	Department of Immigration and Citizenship
<b>ELICOS</b>	Independent English Language Intensive Course for Overseas Students
<b>ERG</b>	External Reference Group (to provide input to the Review of the Student visa Assessment Level Framework)
<b>EVCC</b>	Education Visa Consultative Committee
<b>IELTS</b>	International English Language Testing System
<b>MAL</b>	Movement Alert List
<b>MODL</b>	Migration Occupations in Demand List
<b>PIC</b>	Public Interest Criteria
<b>PV</b>	Protection Visa
<b>SOL</b>	Skilled Occupation List
<b>VET</b>	Vocational Education and Training

## Introduction

In December 2010, the Hon Chris Bowen, Minister for Immigration and Citizenship and the Hon Chris Evans, Minister for Tertiary Education, Skills, Jobs and Workplace Relations appointed the Hon Michael Knight AO to conduct the first independent review of the Student Visa Program. Mr Knight reported to the government on 30 June 2011<sup>1</sup>, making 41 recommendations to enhance the quality, integrity and competitiveness of Australia's international education sector and improve the integrity of the Student Visa Program.

In September 2011, the government announced its response to the Knight review, and a key part of this response was to accept the recommendation that DIAC undertake a review of the Student visa Assessment Level (AL) framework.<sup>1</sup> Assessment levels are a risk management approach applied to all Student visas, determining the amount of evidence visa applicants need to supply and the level of scrutiny with which their claims are assessed.

### *Recommendation 32*

*That DIAC undertake a review of the AL framework, with a mind to either abolishing the system entirely or modifying the framework to make it relevant to current and future challenges facing the student visa program. This review should be managed by DIAC but should include reference to an external panel or reference group.*

Just before Mr Knight reported to government, in May 2011, the Australian National Audit Office (ANAO) completed and released its Performance Audit No 46 *Management of Student Visas*<sup>2</sup>. The audit assessed DIAC's management of the Student Visa Program, and made a key recommendation relating to ALs.

### *Recommendation 1*

*To improve DIAC's management of risk in the student visa program, and to better align student visa requirements and immigration risk, the ANAO recommend that DIAC undertake a review of its process for determining country and education sector assessment levels for student visa applications.*

The ANAO's recommendation has been subsumed in this review of the AL framework, which is tasked with recommending reforms to the current Student visa risk management framework that will not only enhance integrity in the Student Visa Program, but will also facilitate the competitiveness of Australia's international education sector. Consideration of a provider-based risk management approach is a focus of the review. Terms of Reference for this review are at Appendix A, and are also available on DIAC's website<sup>1</sup>.

An external reference group (ERG) has been formed to provide input to the review. Members of the ERG were invited to participate by the Minister for Immigration and Citizenship on the basis of their understanding and experience of the international education sector. A list of ERG members is provided at Appendix B. The ERG has provided valuable input and advice on this discussion paper.

DIAC will report the review's findings to government in mid-2012. As per the Terms of Reference at Appendix A, on completion of the review, and prior to full implementation of agreed recommendations from the review by 2013, the government may consider options for the early implementation of its findings to apply to a small number of high quality training and education providers.

## Submissions welcomed

This discussion paper has been prepared to seek your views on the issues raised in the review's Terms of Reference. The first part of the paper is structured to provide an overview of the Student Visa Program and how the current Student visa AL framework operates, the issues of concern raised by Mr Knight and the ANAO, and how immigration risk is managed in other Australian visa programs. The second part of the paper poses specific questions about how risk should be managed in the Student Visa Program, and we welcome your responses to these questions, or any other aspects of the Student Visa AL Framework.

<sup>1</sup> [www.immi.gov.au/students/knight/](http://www.immi.gov.au/students/knight/)

<sup>2</sup> [www.anao.gov.au/Publications/Audit-Reports?page=4](http://www.anao.gov.au/Publications/Audit-Reports?page=4)

Responses should be provided by Friday 16 March 2012 and can be emailed to [Student.Policy.Projects@immi.gov.au](mailto:Student.Policy.Projects@immi.gov.au) or posted to:

Department of Immigration and Citizenship  
Student Policy Projects  
Attn: Lisa Curtin  
PO Box 25  
Belconnen ACT 2616

Submissions may be published on DIAC's website. The name of the person and/or the organisation making the submission will be included if published, however care will be taken to remove personal contact details. Published documents will be converted to portable document format (pdf) and may have a different appearance to the document that was originally submitted.

Confidential submissions should be sent separately from any public submission and clearly marked as confidential and not for publication.

## 1. Student Visa Program

### Objectives of the Student Visa Program and desirable attributes

The objective of the Student Visa Program is to contribute to Australia's society and economy by facilitating the lawful entry and temporary stay of international students.

In considering the design and operation of the program, the following are considered desirable:

- the granting of a Student visa should not mean that the Australian community, the Student Visa Program, or the integrity of any other visa program, is placed at risk
- the requirements for a Student visa should therefore enable DIAC to appropriately identify and manage risk
- it should be relatively easy for DIAC to decide a Student visa application, and all decisions should be made as part of a process that is transparent and robust
- Student visa policy settings and program administration should balance the need for stakeholder certainty while enabling the government to respond to new and emerging risks and other policy, economic and social factors.

### Recent trends

The 2008-09 program year saw a record growth in the Student Visa Program with the Department granting more than 320,000 Student visas. During the 2009–10 program year, the numbers of students entering Australia to study started to decline sharply due to a combination of factors:

- the Australian dollar increased its value against the currencies of our main competitor countries for students (the United States, United Kingdom, Canada and New Zealand);
- the impact of the Global Financial Crisis; and
- damage to Australia's reputation as a safe environment for international students following an increase in reported crimes against international students.

Changes to the skilled migration program, announced by the Australian Government on 8 February 2010, also impacted on the Student visa application lodgement rate by 'de-coupling' education and permanent migration.

The removal of the Migration Occupations in Demand List (MODL) and the subsequent introduction of a new Skilled Occupation List (SOL) on 17 May 2010 have resulted in a critical shift towards a labour market demand-driven program. The previous SOL set market conditions that encouraged demand for courses to simply provide a qualification that would facilitate permanent migration. These reforms mean the migration program has removed the incentive for clients to use the Student Visa Program solely as a means of obtaining a permanent migration outcome, thereby allowing the Student program to re-establish the focus on a quality education experience.

### Recent and upcoming changes impacting on the Student Visa Program

DIAC has, or is about to implement some key changes impacting on the Student Visa Program:

- On 5 November 2011, the Genuine Temporary Entrant Criteria was implemented (recommendations 1 and 2 of the Knight review report). Student visa applicants are assessed on whether their individual circumstances indicate that their main aim is for a temporary stay in Australia. An applicant will still also be required to satisfy DIAC that they are a genuine student – in other words, that they are an applicant who intends to obtain a successful educational outcome and has the language, educational and material background to have a reasonable chance of achieving this outcome.
- The Fraud Public Interest Criteria (PIC) was introduced to Student visas in November 2011, allowing DIAC to refuse an application where bogus documents or false or misleading information is provided. If refused on these grounds, the applicant may also be subject to a

three year bar which may prevent the grant of a further visa that is subject to assessment under the Fraud PIC.

- In the first half of 2012, streamlined processing of visa applications will apply to applicants who have a Confirmation of Enrolment from a participating university in Australia (recommendations 3, 5, 6 and 18 of the Knight review report on the grounds that collectively universities have a good track record as low-risk, high quality providers). The effect of streamlined processing will be that applicants with a Confirmation of Enrolment for an eligible course from a participating university (each university can choose to participate) will be treated similarly to the lowest risk applicants.
- On 1 July 2012, DIAC will introduce SkillSelect<sup>3</sup>, a new way to manage skilled migration. In order to apply for a skilled visa, intending migrants will first have to submit an Expression of Interest (EOI) detailing their skills, education and experience. On the basis of their claims, they may then receive an automated invitation from DIAC to apply for a skilled visa or be nominated by a state or territory government. Employers can also use SkillSelect to find skilled workers they can then nominate for Employer Sponsored visas. This will impact Student visa holders, as prior to SkillSelect applicants could lodge a skilled visa application and be granted a bridging visa to remain in Australia lawfully while their skilled visa is processed. Under SkillSelect, it will not be possible for someone to apply for a bridging visa unless they receive an invitation and lodge a valid visa application.

DIAC's website contains further information about other recent and upcoming changes to the Student Visa Program<sup>4</sup>, and also includes the Student Visa Program Quarterly Report which provides statistical analysis of Student Visa Program data<sup>5</sup>.

## 2. Student Visa Assessment Levels

### 2.1 Background

Anyone applying for a visa to enter Australia must meet certain criteria before the visa can be granted. Responsibility for deciding visa applications for temporary or permanent residence in Australia rests with DIAC, and the basis for each decision is prescribed in legislation (the *Migration Act 1958* and the *Migration Regulations 1994*).

Immigration risk is a key issue considered by DIAC in setting visa policy. Broadly, two types of risk are considered. Firstly, risk to the Australian community is considered by assessing an applicant's ability to meet Public Interest Criteria (PIC) such as:

- the health requirement, which exists to minimise the risk to public health, public expenditure and to maintain the access of Australian residents to health and community services;
- the character requirement, which exists to minimise the risk of a temporary or permanent resident committing a serious crime while they are in Australia; and
- national security requirements, which exist to assess whether someone is directly or indirectly a risk to Australian national security.

Secondly, risk to the integrity of Australia's visa programs is considered by assessing an applicant against criteria intended to identify whether they are genuinely applying for the visa for the purpose for which the visa was intended. In the case of a Visitor visa for example, DIAC must be satisfied that the applicant is intending to visit Australia temporarily for short-term non-work purposes (i.e. for a holiday, or to visit relatives or friends).

A Student visa is a visa that allows the holder to undertake full-time study or training in Australia on a temporary basis. Accordingly, DIAC assesses whether an applicant is a genuine student, and since 5 November 2011, whether the applicant is a Genuine Temporary Entrant.

Therefore, in order to be granted a Student visa, the applicant must have provided evidence that identified them as a low risk to the Australian community (i.e. they satisfied Public Interest Criteria)

---

<sup>3</sup> <http://www.immi.gov.au/skills/skillselect/>

<sup>4</sup> [http://www.immi.gov.au/students/whats\\_new.htm](http://www.immi.gov.au/students/whats_new.htm)

<sup>5</sup> <http://www.immi.gov.au/media/statistics/study/>

and as a low risk to the integrity of the Student Visa Program (i.e. they satisfied criteria identifying them as a applying for the visa for the right reasons).

In 2001, Student visa Assessment Levels (ALs) were introduced into migration legislation (regulation 1.41<sup>6</sup> and Schedule 5A<sup>7</sup> of the *Migration Regulations 1994*, and legislative instruments (currently IMMI11/011 (F2011L00467)<sup>8</sup>, and IMMI11/012 (F2011L00466)<sup>9</sup> to identify and manage risk in the Student Visa Program by aligning certain requirements for a Student visa application to a level of immigration risk.

There are currently five ALs: AL1 represents the lowest risk and AL5 the highest (to date, AL5 has not been used). As ALs increase, so does the required level of evidence required in support of the application. Changes to AL settings – i.e. the ALs assigned to each country and across every education sector – are made periodically to ensure that they appropriately reflect known risks.

## 2.2 How Assessment Levels operate

There are seven types of Student visas for which ALs are applicable. These are:

1. Independent English Language Intensive Course for Overseas Students (ELICOS) – (Subclass 570)
2. Schools Sector – (Subclass 571)
3. Vocational Education and Training (VET) – (Subclass 572)
4. Higher Education Sector – (Subclass 573)
5. Postgraduate Research Sector - (Subclass 574)
6. Non-award Sector – (Subclass 575)
7. AusAID and Defence Sector (Subclass 576).

An additional visa, the Student Guardian (Subclass 580) visa, is also available for anyone wishing to apply to travel to Australia as the guardian of a Student visa holder. Student Guardian visa applicants are not subject to ALs, however they must meet the same financial requirements (only) that the Student visa holder had to meet (i.e. as prescribed by their AL) when they applied for their visa.

When someone applies for a Student visa, a legislative instrument<sup>8</sup> prescribes which AL applies to the application based on an applicant's passport country and the main course of study.

Another part of migration legislation (Schedule 5A<sup>7</sup>) then prescribes what level of English language proficiency, financial requirements and previous study the applicant must provide based on the AL. A summary of requirements according to each AL is provided at Appendix C. A list of Student Visa ALs currently assigned to each country and across all education sectors is available on DIAC's website<sup>10</sup>.

For example, applicants who are subject to the lower risk ALs (i.e. AL1 or AL2) are not required to provide DIAC with specific evidence of their English language proficiency; instead they must have a level of English language proficiency that satisfies their education provider. Depending on the applicable Student visa, higher risk applicants (i.e. those subject to AL3 or AL4) must generally provide DIAC with either a minimum score from a specified English language test or other evidence of their English language proficiency (e.g. completion of foundation courses or evidence of having studied English in a specified country for at least five years).

Similarly, the level of evidence an applicant must provide to demonstrate their financial capacity varies according to the AL to which they are subject. Applicants subject to AL1 are required to provide DIAC with a declaration that they have access to sufficient funds for the duration of their stay in Australia. Applicants subject to AL2, AL3 or AL4 must provide evidence that they have sufficient funds for the first 12 months, 18 months and 24 months respectively and a declaration they have access to sufficient funds for the remainder of their stay in Australia.

---

<sup>6</sup> [http://www.comlaw.gov.au/Details/F2012C00021/Html/Volume\\_1#\\_Toc312335171](http://www.comlaw.gov.au/Details/F2012C00021/Html/Volume_1#_Toc312335171)

<sup>7</sup> [http://www.comlaw.gov.au/Details/F2012C00021/Html/Volume\\_6#\\_Toc312397627](http://www.comlaw.gov.au/Details/F2012C00021/Html/Volume_6#_Toc312397627)

<sup>8</sup> <http://www.comlaw.gov.au/Details/F2011L00467>

<sup>9</sup> <http://www.comlaw.gov.au/Details/F2011L00466>

<sup>10</sup> <http://www.immi.gov.au/students/student-visa-assessment-levels.htm>

Evidence of previous study also varies across the ALs and according to the relevant Student visa. Applicants subject to AL1 do not need to provide specific evidence of any previous study, regardless of the visa for which they are applying. Their enrolment by their education provider is taken to be sufficient evidence of this requirement. However, applicants subject to AL2, AL3 or AL4 must generally provide evidence of previous study relevant to their proposed course of study. For example, an applicant for a Postgraduate Research Sector - (Subclass 574) visa who is subject to AL2, AL3 or AL4 are expected to provide evidence that they have completed an undergraduate degree.

### **2.3 Assessment Level risk factors**

ALs were first 'set' for each country and across education sectors when they were introduced into migration legislation (regulation 1.41<sup>11</sup>) in 2001. This legislation requires that DIAC consider certain risk factors when determining an AL.

The risk factors that relate to activities before the visa has been granted, in other words relating to the requirements for the grant of a Student visa, are the number of visa applications refused due to fraudulent documentation, or refused for other reasons (e.g. failure to satisfy English language requirements, financial requirements, health and character requirements etc).

The risk factors that relate to activities after the visa has been granted are the number of visa cancellations and the rate at which holders overstay their visas. The number of Student visa holders who have applied for certain other permanent residency visas (excluding skilled migration visas) while they are still in Australia is also assessed. These would include applications for visas in the Family (Parent, Partner, Child) and Other Family (Aged Dependent Relative, Remaining Relative, Carer) programs.

The number of applications for Protection visas made by Student visa holders is also considered. A Protection visa is the onshore component of the Refugee and Humanitarian program, and aims to provide options for people who are in Australia and wish to apply for protection (or asylum).

### **2.4 How and when Assessment Level settings are reviewed**

To ensure Student visa ALs appropriately reflect immigration risk, DIAC periodically reviews ALs. Since ALs were introduced in 2001, reviews have been undertaken in 2002, 2004, 2005, 2007, 2008, 2010 and most recently 2011. Changes arising from the 2011 review are likely to be implemented in March 2012.

The methodology (at Appendix D) involves a two stage process.

#### *Stage One*

The first 'quantitative' stage involves DIAC collating and analysing immigration data taken over a specific period of time, usually at least 12 months.

A data set is established for each country and Student visa type. This data set comprises total numbers of active Student visas, finalisations (i.e. grants, refusals and withdrawals), and visas expiring during the specified period. Next, the risk indicators are applied to the data set to determine a risk indicator rate as a percentage.

To determine a preliminary AL, weightings (adding up to 100 per cent are then applied to each risk indicator rate. The weightings are as follows:

- rate of applications refused due to fraudulent documentation: 28 per cent, and due to other reasons: 8 per cent;
- rate of visa cancellation: 28 per cent;
- rate at which visa holders overstay their visa: 28 per cent; and
- rate at which visa holders apply for certain other permanent visas: 8 per cent

Although the risk indicators are prescribed in legislation, the current weightings have existed in policy since 2004. Any changes to the risk factors would involve a legislative change process, whereas any changes to the weightings could be made through policy.

---

<sup>11</sup> [http://www.comlaw.gov.au/Details/F2012C00021/Html/Volume\\_1#\\_Toc312335171](http://www.comlaw.gov.au/Details/F2012C00021/Html/Volume_1#_Toc312335171)

The next step in the quantitative stage is to determine a country risk index (CRI) by adding up all these risk indicator rates and their corresponding weightings. The benchmarks used to determine which AL is assigned to a country and education sector were set in 2006 and are as follows:

- AL1 – CRI below 1
- AL2 – CRI between 1 and 2.7
- AL3 – CRI over 2.7 and up to 4.2
- AL4 – CRI over 4.2 and lower than 50
- AL5 – CRI of 50 or above.

The results of this first stage produce a 'preliminary AL' that may show that no change to the AL is indicated, or that an increase or decrease could be indicated based on the data.

The methodology for reviewing AL settings prior to 2011 also added the total number of applications for Protection visas made (onshore) by applicants from each country to the CRI – in other words, no weighting of the rate of Protection visas was used; the total number of applications was instead just added to the CRI. In response to concerns about the distorting effect this had on a CRI, the latest 2011 review of AL settings instead considered the number of Protection visas for each country and education sector during the qualitative stage of the review.

Specific 'small country rules' apply to countries with fewer than 100 overseas students in Australia with visas expiring in the review period to ensure their AL is not disproportionately assigned due to the small data sample and the effect of the weightings. A detailed description of the small country rules are provided in the AL methodology at Appendix D.

### *Stage Two*

The second stage is 'qualitative', as it seeks feedback on the preliminary ALs from relevant parts of DIAC (onshore and offshore processing offices and policy areas) and also from key external stakeholders, including other relevant government departments and agencies and representatives of the international education sector. This second stage allows DIAC's onshore and offshore processing offices to provide additional information, such as emerging or declining risks in particular caseloads, that have occurred after the review period. The international education sector is also able to advise the impacts of any changes to ALs on their student cohorts.

DIAC recommends any changes to ALs to the Minister for Immigration and Citizenship based on the outcomes of both stages. Only the Minister can decide that ALs be changed.

To give effect to any AL changes, DIAC must amend the relevant legislative instruments (currently IMMI11/011 (F2011L00467)<sup>12</sup> and IMMI11/012 (F2011L00466)<sup>13</sup> and update the systems that DIAC uses to process visa applications.

### **3. Issues of concern and limitations of the current Assessment Level Framework**

Aspects of the current AL system have recently been examined as part of the Strategic Review of the Student Visa Program, undertaken by the Hon Michael Knight AO, and the audit of the management of the Student Visa Program undertaken by the Australia National Audit Office (ANAO).

While the objective of each review was different, the reviews identified several overlapping issues of concern about the AL framework which are discussed below.

Michael Knight's review report (pp 102 – 104<sup>14</sup>) noted the following issues:

#### *1. Changes to Assessment Levels lag behind the data*

The AL review process takes several months to complete and additional time for any changes to be implemented. It also relies on data about the past behaviour of applicants and visa holders. Therefore, the AL settings may not provide a reliable indication of current or future risks.

<sup>12</sup> <http://www.comlaw.gov.au/Details/F2011L00467>

<sup>13</sup> <http://www.comlaw.gov.au/Details/F2011L00466>

<sup>14</sup> [www.immi.gov.au/students/knight/](http://www.immi.gov.au/students/knight/)

For example, the data used for the 2011 review of AL settings covered the period 31 March 2010 to 1 April 2011, and it will be March 2012 before any changes arising from this review can be implemented.

For the most part, this time lag occurs because DIAC must ensure that recommended changes to ALs are based on robust evidence. That is, the data must be taken over a reasonable period of time (i.e. at least 12 months) and DIAC must have sufficient time to analyse the data and consult with stakeholders.

Giving effect to any AL changes agreed by the Minister also requires amendments to legislation and updates to DIAC's systems, which are aligned to only be released together at certain times of the year. Depending on when the Minister agrees to any AL changes, it may be several more months after that before those changes can be implemented.

*2. Quite small changes in actual behaviour can have a huge impact on a country's AL rating.*  
In particular this concern related to the disproportionate impact that pre 2011 treatment of PV applications had on risk ratings. As discussed above, the treatment involved assigning an absolute value to the number of PV applications in a caseload to the risk ratings. For example, if there were three cases of visa holders applying for PV in the time period, three would be added to the relevant CRI, resulting in a considerably higher AL. To address this issue, as part of the 2011 review of AL consideration of information about Protection visa applications was moved from the first (quantitative) stage to the second (consultative) stage of the review.

*3. The 'objective measures' don't always give a sensible result.*  
Mr Knight noted potential anomalies that could occur such as countries with a low AL that experience social or civil unrest and thus quickly become higher risk from an immigration perspective. Conversely, he notes countries that could have higher ALs than perhaps warranted due to the behaviour of a small number of previous applicants or visa holders.

*4. The ALs only distinguish between countries and don't take into account differences within countries.*  
A Student visa applicant's passport country and the type of Student visa for which they are applying are currently the only two factors that determine which AL applies to their application. Differences within countries are not currently considered.

This issue is of particular relevance in major source countries for international students – China and India, where there are considerable differences within each of these countries as to the levels of fraud and immigration risk.

DIAC notes however the difficulty of assigning a risk level to an applicant's stated area of residence or origin within countries – as these claims too can be fraudulent.

*5. The ALs only distinguish between education sectors and not individual providers.*  
Similarly to the lack of granularity associated with the treatment of all applicants from a particular country, Mr Knight noted concerns that ALs pertain to all providers in a sector – there is no differentiation between 'good' providers and 'bad' providers.

However, Mr Knight did not recommend a shift to a risk rating based on providers rather than countries, noting the practical barriers to implementing such a change. These barriers include data limitations, the time lag issue, the disproportionate impact of small changes in behaviours and outcomes which are not 'sensible'. He also noted concerns that such an approach would have on small providers where the behaviour of a small number of prospective or visa holders could have a disproportionate impact upon the resulting risk rating.

The ANAO's review of the management of the Student Visa Program noted the following concerns (pp 21-22<sup>15</sup>)

1. The assessment level review process is struggling to keep up with the current scale and complexity of the program.
2. The methodology is not up to date or robust: it uses risk factor weighting dating from 2004 and benchmarks (for the setting of ALs based on the CRI) set in 2006.
3. The application of rules for small countries is problematic.
4. Ratings are distorted by the high risk weighting given to PV applicants.
5. 'On notice' warnings to countries to improve integrity performance may be ineffective.
6. The methodology restricts the ability to ensure that current risks are properly managed.
7. The need for consistency, transparency and documentation.

#### 4. Other approaches to managing immigration risk in Australia's visa programs

Student visa ALs are unique in Australia's visa programs because the factors that determine an application's level of risk, and the required evidence for each level, is set out in legislation. ALs allow a risk level to be assigned *before* a visa application is lodged, and this ability to 'streamline' risk is particularly important for the Student Visa Program, given the size of its caseload and the potential duration of the visas. During the 2010–11 program year, 250 438 Student visas were granted (down from a peak of 320 000 in the 2008-09 program year), and, depending on the duration of their course or training program, visa holders can potentially remain in Australia for up to 5 years.

Without a risk framework that streamlines identification and management of risk before an application needs to be lodged, Student visa application processing times would be expected to increase significantly. Instead of being able to process an application on the basis of a predetermined risk level, visa processing officers would need to consider the same characteristics of each application before considering the required level of scrutiny.

##### Managing integrity risks in other visa programs

Australia's other visa programs, whether temporary (Visitor, Specialist Entry, Working Holiday and Temporary Business) or permanent (Family, Other Family, General Skilled Migration and Humanitarian/Protection) use different methods to help manage risk. Unlike the Student visa ALs, no legislation exists to specifically assign a risk level to an application for a visa from any of these programs *before* the application is lodged. Instead, the primary integrity measure to manage risk in these programs is assessment of an applicant's claims against eligibility criteria for the visa *after* the application has been lodged.

All visa programs, including Students, also use DIAC's computer-based risk management tools such as Safeguards<sup>16</sup> and the Movement Alert List (MAL)<sup>17</sup> to alert visa processing officers to characteristics in an application that may warrant further investigation, checking or scrutiny following lodgement of the application. The Safeguards system automatically checks application details against certain risk profiles (applicants from a certain region within a country, for example). Where there is a match between the characteristics in a risk profile held in Safeguards and the information provided in a visa application, decision-makers will receive an electronic message containing information for consideration by a visa processing officer. MAL is a database containing electronic records of identities and travel documents of concern – in other words, MAL contains information on the identities of individuals, rather than risk profiles. People and travel documents are checked against MAL records to assist DIAC decision makers process applications.

---

<sup>15</sup> [www.anao.gov.au/Publications/Audit-Reports?page=4](http://www.anao.gov.au/Publications/Audit-Reports?page=4)

<sup>16</sup> <http://www.immi.gov.au/business-services/safeguard.htm>

<sup>17</sup> <http://www.immi.gov.au/media/fact-sheets/77mal.htm>

## 5. Issues for discussion

The issues set out below reflect the Terms of Reference for the Review of the AL framework. Your responses to the questions raised in this section, or any other comments, are welcome.

**The merits of applying an education provider-based risk management approach particularly an approach that recognises and rewards high quality, low risk education providers.**

**The efficiency of the current system of distinguishing risk by country and education sector for example rather than by differences within countries and between individual education providers.**

High-quality, low-risk education providers operate across all education sectors. A provider-based risk management approach would allow DIAC to consider differences in student immigration compliance outcomes between education providers. Such an approach would also give education providers have a strong incentive to consider the impacts of their student recruitment practices. If providers are assigned a risk level based on the immigration compliance outcomes of their international students for example, then they are likely to review their recruitment practices to focus on identifying genuine students.

In his review report, Mr Knight noted a number of challenges to implementing a risk approach based on the immigration compliance performance of individual education providers rather than by education sector, including data limitations, time lag issues and the disproportionate impact of small changes in behaviour and outcomes which are not 'sensible' (p. 103 of the Knight review report<sup>18</sup>).

There are currently over 1200 individual providers registered on the Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS) to provide services to international students, and an approach that would rate the risk of each of these individual providers would be administratively complex and resource-intensive. The associated costs of such an approach may need to be passed on to providers or prospective international students, for example through an increase to the Visa Application Charge.

These same limitations may not necessarily apply to a provider-based risk approach that considered the immigration compliance outcomes of 'groups' of providers that share common characteristics, however. If such an approach had merits, what factors should be considered when determining how education providers should be grouped together?

ALs are currently set on the basis of the applicant's passport country and the sector in which they are intending to study (e.g. school, Vocational Education and Training, or a university etc). Differences in risk within a country are not currently considered. Although it would be beneficial to all stakeholders if DIAC was able to distinguish between areas of a country when considering risk, there are some practical limitations to differentiating risk within a country. In particular, area of origin claims could be relatively easily falsified, and considerable resources would need to be allocated to either verify or discount these claims.

### Questions:

5.1. Given the challenges and benefits associated with individually rating all international education providers, how could such an approach be introduced?

5.2 If it is not feasible to implement such an approach in its entirety, what would be the features of an alternative and administratively feasible approach that allowed 'granularity' in identifying and managing risk? For example, could groups of providers be rated together in smaller groupings than at present, and on what criteria? Or could providers with certain characteristics be 'deemed' to be of a particular risk rating?

5.3 Alternatively, if an applicant's country and education sector continues to be used to determine risk, what should be put in place to manage the current limitations of this approach?

5.4 What measures could be introduced to manage the limitations of considering risk within countries?

<sup>18</sup> [www.immi.gov.au/students/knight/](http://www.immi.gov.au/students/knight/)

**Simplifying the number of risk categories, for example collapsing the existing five assessment levels in the three risk categories of ‘low’, ‘medium’ and ‘high’.**

There are currently 5 ALs. A cohort is designated:

- AL1 if the CRI is below 1
- AL2 if the CRI is between 1 and 2.7
- AL3 if the CRI is over 2.7 and up to 4.2
- AL4 if the CRI is over 4.2 and lower than 50
- AL5 if the CRI is 50 or above.

It is noted that to date, no cohort has been designated AL5. While it could be argued that AL5 serves as a disincentive for severely deteriorating immigration risk related behaviour on behalf of Student visa applicants and holders, its lack of use to date would appear to put this into question.

An analysis of ALs currently assigned to each country and across every education sector shows:

- AL1 is assigned to 23 per cent of countries across all education sectors (except for the AusAID and Defence sectors, which default to AL2)
- AL2 is assigned to 6 per cent of countries across all education sectors
- AL3 is assigned to 36 per cent of countries across all education sectors (except for the AusAID and Defence Sector at AL2 and the Postgraduate Research Sector at AL1 or AL2)
- No countries have AL4 assigned across all education sectors.

The remaining countries (35 per cent) have a variety of ALs (AL1, AL2, AL3 or AL4) assigned across the education sectors.

Of all countries, only 6 per cent are specified at AL4 in one or more sectors.

Out of the top 5 source countries for Student visas, South Korea and Thailand are assigned AL1 or AL2 across one or more education sectors, and China, India and Nepal are assigned AL2, AL3 or AL4.

**Questions:**

5.5 Should the 5 AL levels be collapsed – perhaps into ‘Low’, ‘Medium’ and ‘High’ risk categories?

5.6 Should the current AL categories be maintained, or maintained with the exception of AL5 which should be removed?

**Whether eligibility requirements for a risk management framework should include current assessment level eligibility thresholds of English language, financial capacity and educational qualifications.**

Within the risk management framework, the eligibility requirements for English language, financial capacity and educational qualifications have been in place since 2001.

**English Language**

DIAC uses English language standards as part of its risk management practices because in DIAC’s experience, a visa applicant’s English language ability has been a good indicator of their bona fides as a ‘genuine’ student: a person with sufficient English is more likely to actually be interested in and able to complete a course of study in an English speaking country.

The English language requirement prescribed in migration legislation for Student visas is informed by an assessment of immigration risk, and as a result is a lower standard of English than that generally required by professional educating bodies for study purposes. For example, higher risk ALs (AL3 & AL4) require a minimum International English Language Training System (IELTS) score of IELTS 6.0 (or the equivalent of a specified English language test) if the applicant is applying to study in the

Higher Education and Postgraduate Research sector (or 5.0 IELTS or equivalent with an ELICOS course).

According to the Universities Admissions Centre 2012 International Booklet, universities generally require IELTS 6 – 6.5 for courses other than medicine, health sciences, education and law, which usually require IELTS 7.0 or above.

Despite this, there is a possibility that some education providers conclude that DIAC ‘takes care of English levels as part of the visa application process.’ However, if education providers only enrolled students with appropriately robust levels of English language, and provided evidence of this on the Confirmation of Enrolment (CoE) document they issue to students that is then submitted to DIAC as part of the Student’s visa application, then DIAC should not need to separately assess this requirement. In cases where students intended to study English Language (ELICOS) courses, other issues would need to be considered.

### **Financial requirements**

It is important that international students have sufficient funds to support themselves (and their dependants if they have any) during their time in Australia. If students do not have sufficient funds, they may struggle to complete their studies, be tempted to breach the work conditions attached to their Student visa, or be more vulnerable to exploitation or other abuse. Such situations are not good for the student (or their dependents), the education provider, DIAC, the general public or the reputation of Australia as a provider of international education services.

To be eligible for a Student visa, all international students must provide evidence they have sufficient funds to support themselves (and any dependants) while in Australia. This includes funds sufficient to contribute towards course fees, living costs, travel, and school costs for any dependants. However, as outlined in section 2.2, the evidence required varies according to the risk level or AL of the Student visa applicant. This varies from AL1 applicants who are required to provide a declaration that they have sufficient funds to support themselves, to AL4 applicants who must show evidence that they have sufficient funds for the first 24 months and a declaration they have access to sufficient funds for the remainder of their stay in Australia.

The financial requirements have however been one of the most controversial aspects of the Student visa requirements, with concerns raised in the past that the only way that many AL3 and AL4 applicants can appear to meet the requirements, is for them to engage in fraudulent behaviour. In some higher risk countries Student visa refusal rates are particularly high because applicants are not found to genuinely meet financial requirements (many claims are found to be fraudulent).

In response to these concerns, from 5 November 2011 the financial requirements for AL3 and AL4 applicants were reduced in the following way:

- evidence of funds for AL4 applicants reduced from 36 to 24 months and, if evidence is being presented as a cash deposit, their savings history reduced from six to three months
- evidence of funds for AL3 applicants reduced from 24 to 18 months (savings history remains at three months).

This reduces the financial requirements by up to approximately \$36 000 for an AL4 applicant and up to approximately \$18 000 for an AL3 applicant.

In addition, as discussed in section 1, on 5 November 2011 the Fraud PIC was introduced for Student visas. This PIC allows DIAC to refuse an application where the applicant has provided bogus documents or false and misleading information. An applicant refused on these grounds will also be subject to a three year bar which may prevent the grant of a further visa that is subject to assessment under the Fraud PIC.

### **Educational Qualifications**

Evidence of educational qualifications is currently required by DIAC for Postgraduate Research applicants subject to AL2 or above, and applicants for all other education sectors who are subject to AL3 or above. As with evidence of English language proficiency, DIAC considers that an applicant’s ability to produce valid evidence of their previous study is generally a good indicator of whether they are a ‘genuine’ student. In other words, if someone is applying to study in the Higher Education

sector, evidence that they have completed Year 12 (or Year 11 and foundation studies, or Certificate IV) is a good indicator that they are genuinely applying to study at the tertiary level in Australia.

If education providers are satisfied with the claims or evidence of previous study, and enrolment is offered on that basis – then why should DIAC also request such evidence?

#### Questions:

5.7 What are the merits and limitations of an approach whereby education providers certify that prospective students have appropriately robust levels of English language, rather than DIAC assessing this as part of the visa application process? If so, how should these levels be set?

5.8 Are the recent changes to the financial requirements and the introduction of the Fraud PIC for Student visas sufficient to address concerns about fraud in financial evidence and documentation? Should they be allowed to operate for a certain period of time before this issue is re-examined? If changes to the financial requirements should be made as a result of this review of the Student visa AL framework, what changes should be made?

5.9 What are the merits and limitations in DIAC continuing to request evidence of educational qualifications?

#### **The data and methodology used to determine immigration risk, including consideration of the relative significance placed on each risk factor.**

##### **Data and Frequency**

Currently, DIAC uses the latest 18 months data in its quantitative data analysis stage, and undertakes a review of Student visa AL settings approximately yearly. The difficulty with this is that the results reflect past rather than current or future behaviour (the data lag issue). More frequent reviews could be undertaken although these would have an administrative cost, and as they would be based on smaller datasets as a result of shorter timeframes, may be less statistically robust. More frequent reviews could also raise concerns about the frequency of changes in the Student Visa Program.

One solution could be for different approaches to be used for different cohorts. For example, in 2010-11 Australia's major source countries of India and China represented over 30 per cent of applications for Student visas and these countries generally include regions of high risk. Is there value in a different approach for key source countries with large areas of higher risk? Similarly, is there value in different approaches for key source countries with regions of generally lower risk, or smaller countries with regions of high and low risk?

##### **Risk factors and relative significance**

The risk factors and the relative significance of each factor are:

- rate of applications refused due to fraudulent documentation: 28 per cent, or due to other reasons: 8 per cent
- rate of visa cancellation: 28 per cent
- rate at which visa holders overstay their visa: 28 per cent
- rate at which visa holders apply for certain other permanent visas: 8 per cent.

However, other factors could be considered such as the extent to which cohorts are refused visas and subject to exclusion periods as a result of the Fraud PIC. Consideration could also be given to including refusal rates as a result of the Genuine Temporary Entrant criterion.

A number (but not all) of these cancellations can be the result of non compliance notices that education providers issue to students if students are not complying with the conditions of their visas. This risk factor may be perceived as serving as a disincentive to providers to report non compliant students, as the more they report students, the more students could have their visas cancelled and this risk factor increase, which could result in an increase to an AL. However, it is noted that providers are required under the *Education Services for Overseas Students Act 2000* to provide information about a Student visa holder's non-compliance with their visa conditions (e.g. not meeting course progress or course attendance requirements etc) to the Department of Industry, Innovation, Science, Research and Tertiary Education.

Providers then argue that any increase to ALs makes it harder for them to recruit students – so in effect they argue that by reporting students for non-compliance, they are making it harder for them to build their businesses. The counter-argument is that reporting students for non-compliance is actually consistent with the objectives of providers that are interested in quality, good reputations and sustainability in their sector. Notwithstanding these arguments, could there be merit in splitting out the extent to which students are cancelled for visa non-compliance as a result of reporting by their education provider, and making this factor a neutral or even slightly positive factor? Or could it be a factor that is considered during the qualitative stage of the AL process?

**Questions:**

5.10 Should the risk management methodology be different for countries depending upon whether they are large or small source countries or whether they are traditionally high or low risk?

5.11 What risk factors should be considered in the future framework, and what should the ratings be?

5.12 Should the risk index thresholds at which cohorts are assessed as AL1, 2, 3, etc be changed?

**An ongoing review mechanism that is appropriately responsive to current and future immigration risks.**

The AL settings are currently reviewed by DIAC in consultation with stakeholders approximately annually. As discussed, the process including implementation of outcomes can take 12 months, due in large part to DIAC needing to align legislative and systems changes to occur at certain times of the year. If different approaches are taken for large/small and high/low risk countries, these reviews could be timed differently.

As a result of the Knight review, in late 2011, the Education Visa Consultative Committee (EVCC) was formed to provide a forum for the Australian Government to engage with the international education sector and other key stakeholders regarding Student visas. The EVCC provides a mechanism for consultation and information sharing about Student visas and emerging issues and trends in the international education sector.

One approach for a review mechanism might be to task the EVCC with providing input to future AL settings reviews.

**Questions:**

5.13 Should the review mechanism include input from consultative fora from the international education sector, such as the EVCC?

5.14 What are the factors that should determine how frequently DIAC reviews risk in the Student Visa Program?

## Review of the Student Visa Assessment Level Framework: Terms of Reference

The Assessment Level (AL) framework is used to determine and manage the immigration risk posed by Student visa applicants according to their country and education sector. There are five risk tiers within the AL framework which impose greater visa requirements on applicants as the level of risk increases.

The AL framework was introduced on 1 July 2001. In his report of the Strategic Review of Student Visas, the Hon Michael Knight AO noted that, ten years on, the AL framework has not kept pace with changes in the scale and complexity of the Student visa program and recommended the Government review the AL framework. In addition, the Australian National Audit Office recommended, in its audit report of the Management of Student Visas (May 2011), that DIAC review the process for determining country and education sector ALs.

This review responds to those recommendations.

The Review will recommend, with input from an External Reference Group, measures to reform the current Student visa risk management framework to enhance the integrity of the Student visa program while facilitating the competitiveness of Australia's international sector. In particular, the Review will consider:

1. The merits of applying an education provider-based risk management approach, particularly an approach that recognises and rewards high quality, low risk education providers.
2. The efficacy of the current system of distinguishing risk by country and education sector, for example rather than by differences within countries and between individual education providers.
3. Simplifying the number of risk categories, for example collapsing the existing five AL levels into three risk categories of 'low', 'medium' and 'high'. Particular consideration will be given to other approaches to risk management applied within the immigration portfolio.
4. Whether eligibility requirements for a risk management framework should include current AL eligibility thresholds of English language, financial capacity and educational qualifications.
5. The data and methodology used to determine immigration risk, including consideration of the relative significance placed on each risk factor.
6. An ongoing review mechanism that is appropriately responsive to current and future immigration risks.

On the completion of the Review in mid-2012 the Government will consider options for the interim implementation of its findings, to apply to a small number of high quality training and education providers, ahead of the full implementation of the Review's findings by 2013.

**External Reference Group to provide input to the Review of the Student Visa Assessment Level Framework**

**Sue Blundell**

Executive Director  
English Australia

**Professor Denise Bradley AC**

Former Vice-Chancellor and President of the University of South Australia

**Dennis Clark**

Clark Corporate Consulting

**Peter Holden**

Director  
International Engagement & Business Development  
TAFE Directors Australia

**Kaye Schofield**

Director  
Kaye Schofield & Associates

**Denise Von Wald**

Chief Executive  
Education Adelaide

Summary of Student visa Assessment Level requirements			
Assessment Level	Evidence of English language proficiency	Evidence of financial capacity	Academic qualifications
1	Enrolment by education provider	A declaration that they have sufficient funds to support their entire stay in Australia	Enrolment by education provider
2	Enrolment by education provider	<ul style="list-style-type: none"> <li>Evidence of funds from an acceptable source to pay for their expenses for the first 12 months of their stay</li> <li>A declaration that they have sufficient funds to support the remainder of their stay in Australia</li> </ul> <p><b>Note:</b> Funds can be provided by any individual willing to support the applicant if they can demonstrate their income stream.</p>	<p><b>Postgraduate Research:</b> Undergraduate degree</p> <p><b>All other sectors:</b> enrolment by education provider</p>
3	<p><b>Independent English Language Intensive Courses for Overseas Students (ELICOS) and Schools:</b> enrolment by education provider</p> <p><b>Vocational Education and Training (VET) and Non-Award:</b> 5.5 International English Language Testing System (IELTS) or equivalent from a specified alternative English language test (AELT*), or 4.5 IELTS or AELT equivalent with a preliminary ELICOS course</p> <p><b>Higher education and Postgraduate Research:</b> 6.0 IELTS or AELT* equivalent or 5.0 IELTS or AELT* equivalent with ELICOS course</p>	<ul style="list-style-type: none"> <li>Evidence of funds from an acceptable source (a money deposit or a loan with an acceptable financial institution) to pay for their expenses for the first 18 months of their stay (or duration of preliminary plus first 12 months of principal course for Postgraduate Research)</li> <li>A declaration that they have sufficient funds to support the remainder of their stay in Australia</li> </ul> <p><b>Note:</b> Funds can be provided by any individual willing to support the applicant if they can demonstrate their income stream.</p> <p>If evidence of funds is a money deposit, must show a three months savings history</p>	<p><b>Schools:</b> Completed year six</p> <p><b>VET:</b> Completed year 11</p> <p><b>Higher Education:</b> Completed year 12 or year 11 and foundation studies or Certificate IV</p> <p><b>Postgraduate Research:</b> Undergraduate degree</p>

\*Specified Alternative English language tests (AELT) for Student visa purposes are the Test of English as a Foreign Language (TOEFL) paper-based test and internet-based tests, the Pearson Test of English Academic, and the Cambridge English: Advanced (CAE) from Cambridge ESOL and the Occupational English Test as specified in Legislative Instrument IMMI 11/070.

See: <http://www.comlaw.gov.au/Details/F2011L02246>

Assessment Level	Evidence of English language proficiency	Evidence of financial capacity	Academic qualifications
4	<p><b>Independent ELICOS:</b> enrolment by education provider</p> <p><b>Schools:</b> If over 16 years, 5.0 IELTS or AELT* equivalent or 4.0 IELTS or AELT* equivalent with preliminary ELICOS</p> <p><b>VET and Non-Award:</b> 5.5 IELTS or AELT* equivalent or 5.0 IELTS or AELT* equivalent with a preliminary ELICOS course</p> <p><b>Higher Education and Postgraduate Research:</b> 6.0 IELTS or AELT* equivalent or 5.0 IELTS or AELT* equivalent with ELICOS course</p>	<ul style="list-style-type: none"> <li>Evidence of funds from an acceptable source (a money deposit or a loan with an acceptable financial institution) to pay for their expenses for the first 24 months of their stay (or duration of preliminary plus first 12 months of principal course for Postgraduate Research)</li> <li>A declaration that they have sufficient funds to support the remainder of their stay in Australia</li> <li>Funds must be provided by close relatives only who can demonstrate their income stream</li> </ul> <p>If evidence of funds is a money deposit, must show a three months savings history</p>	<p><b>Schools:</b> Completed year nine</p> <p><b>VET:</b> Completed year 12</p> <p><b>Higher Education:</b> Completed year 12 or year 11 and foundation studies or Certificate IV</p> <p><b>Postgraduate Research:</b> Undergraduate degree</p>
5	<p><b>Independent ELICOS:</b> enrolment by education provider</p> <p><b>All other subclasses:</b> IELTS 7.0 or AELT* equivalent</p>	<ul style="list-style-type: none"> <li>Evidence of funds (money deposits) to pay for their expenses for the full period of their stay</li> <li>Funds must be provided by the applicant</li> <li>Evidence of income stream</li> </ul> <p>If evidence of funds is a money deposit, must show a five year savings history</p>	<p><b>Postgraduate Research:</b> Undergraduate degree</p> <p><b>All other sectors:</b> Year 12.</p> <p>Evidence of relevance to current or prospective employment</p>

**Note:** this table is not intended to be a comprehensive list of all requirements of evidence in Schedule 5A of the *Migration Regulations 1994*. For further information please visit DIAC's website.

**See:** [www.immi.gov.au/students/](http://www.immi.gov.au/students/)

\*Specified Alternative English language tests (AELT) for Student visa purposes are the Test of English as a Foreign Language (TOEFL) paper-based test and internet-based tests, the Pearson Test of English Academic, and the Cambridge English: Advanced (CAE) from Cambridge ESOL and the Occupational English Test as specified in Legislative Instrument IMMI 11/070 (**See:** <http://www.comlaw.gov.au/Details/F2011L02246>)

## Review of Student Visa Assessment Level settings: Methodology

### Overview

The Department of Immigration and Citizenship (DIAC) periodically reviews the Assessment Level (AL) settings for each nationality for Student visa purposes.

ALs are based on the immigration compliance performance of students from a particular nationality over a specified period, across each education sector. AL1 represents the lowest immigration risk and AL5 represents the highest immigration risk. No nationality/sector has been specified at AL5.

The AL methodology comprises two elements:

- a statistical analysis of risk indicators for each country in each education sector (see below);
- consultation with key stakeholders; and
- an analysis of any specific country issues and broader regional concerns. This allows relevant environmental, security, economic or other influences to be assessed and incorporated into the process for determining ALs.

Recommendations are then put to the Minister for decision.

### Statistical analysis

#### 1. Risk indicators

1. *Fraudulent documentation rate* – percentage of Student visa applications refused on the basis of presenting fraudulent documents in the offshore decision-making process during a specified period
2. *Visa cancellation rate* – number of overseas Student visas cancelled where the student was at fault (such as not meeting attendance or academic progress requirements) or following DIAC compliance action during a specified period, as a percentage of the number of Student visas active
3. *Unlawful student rate* – number of students who became unlawful at a point during the specified period, as a percentage of the number of visas expiring within the same financial year. Note: For students who overstayed their visa, only those whose period of overstay was greater than 28 days are included
4. *Applicants for residence (excluding residence on the basis of skill)* – number of applications for residence visas (excluding residence on the basis of skill) during the period as a percentage of the number of students in Australia with visas expiring within the same specified period
5. *Visa application (offshore) refusal rate* – number of Student visa applications refused by overseas posts (excluding on the basis of fraud) during a specified period as a percentage of the number of decisions made offshore within the same specified period
6. *Applicants for protection* – in previous AL reviews, absolute number of Protection Visa (PV) applications during a specified period is added to the weighted rates of the other 5 risk indicators to determine the Country Risk Index (CRI). In the 2011 AL review, the PV data will be instead considered as part of the qualitative analysis.

## 2. Calculating risk

The following weightings are used for the risk indicators:

- Rate of applications refused due to fraudulent documentation – 28 per cent
- Rate of visa cancellation – 28 per cent
- Rate at which Student visa holders become unlawful (i.e. overstay their visa) – 28 per cent
- Rate at which Student visa holders apply for other permanent residence visas (excluding on the basis of skill) – 8 per cent
- Rate of applications refused for reasons other than fraudulent documentation (offshore) – 8 per cent.

Once these weightings are applied to the raw data, the CRI is derived.

## 3. Preliminary ALs

Based on the statistical analysis, preliminary ALs are assigned according to the following benchmarks:

- AL1 – CRI below 1
- AL2 – CRI between 1 and 2.7
- AL3 – CRI over 2.7 and up to 4.2
- AL4 – CRI over 4.2 and lower than 50
- AL5 – CRI of 50 or above.

## 4. 'Small country rules' (for countries with small numbers of students)

The following default rules apply for countries with fewer than 100 overseas students in Australia with visas expiring per program year in the specified period:

- AL1 – countries which have access to an Electronic Travel Authority (ETA) for visitor visas, and European Union countries which have access to eVisitor
- AL2 – countries not meeting AL1 criteria above and whose GDP is greater than \$4000, across every sector exhibit a rate of risk at AL1, and does not receive a negative indicator in the categories outlined below:
  - high rates of fraud
  - more than 5 onshore protection visa applications from students in 12 months
  - department's overseas Post support for change to AL2.
- AL3 – countries not meeting criteria for AL1, AL2, and AL4
- AL4 – countries whose reported fraud rate is 5 per cent or higher.