



Student visa program processing update: October 2017

This is a special edition of the processing update, specifically focussing on the financial requirement.

The financial requirement is a legislative safeguard. It is designed to protect providers from non-payment of fees as well as protect individual students from the risks associated with having insufficient means to support themselves in Australia. The financial requirement is the minimum standard expected – providers can, and do, set their own requirements for enrolment.

The financial requirement – an overview

Under the Simplified Student Visa Framework, **all** applicants must meet the legislative requirements related to financial capacity. The legislation outlines the amount and type of funds that can be accepted and also requires that a student has genuine access to the funds. All applicants are required to make a declaration about their ability to fund their stay in Australia. It is important students do not rely on working in Australia to cover tuition, living or travel expenses.

Students subject to streamlined evidentiary requirements are not required to submit evidence of funds with their application but the questions in the application form about financial capacity must be answered correctly. Students can also choose to attach a short summary of their financial capacity.

The Department can request students subject to streamlined evidentiary requirements to provide evidence of financial capacity where there are specific concerns or the information is required for assurance purposes. As such, it is important that providers and their agents continue to assess and understand the financial position of an applicant.

Students subject to regular evidentiary requirements must always submit evidence of their financial capacity with their application. If this evidence is not attached, the application may be refused. A student can check to see if evidence of finances will be required to be submitted with their application by using our [Document Checklist Tool](#).

What happens when immigration risk ratings change

Immigration risk ratings for countries and providers are updated every six months. This means there may be changes to whether students are subject to streamlined or regular evidentiary requirements. Students who are subject to streamlined evidence requirements are not routinely requested to provide evidence of financial capacity. However, the Department may request this information where it is required for officers to be satisfied that the student meets the legislative requirement.

Providers should consider their own policies and practices when the evidence requirements change in key markets. There is no requirement for a provider to change their processes in response to a change in immigration risk ratings. Providers should consider:

- The information they hold about the outcomes of that cohort at their institution, including if there is a trend of non-payment of fees, non-completion of studies or course transfers.
- The importance of maintaining their provider immigration risk rating at its current level.
- Information the provider has about the market including information from their agents or in-country representatives about the risk of students not having sufficient funds.
- Whether students can provide acceptable evidence of financial requirements if requested. In other words, does the student meet the legislative financial requirement regardless of their evidentiary requirements.
- Are there other safeguards in place to make sure they are not targeted by non-genuine students? Non-genuine students and agents may be active in markets directly after an immigration risk rating change and may seek to target providers with relaxed assessment practices.

Evidence of funds

Where evidence of funds is required (because we have requested it or the student is subject to regular evidence requirements), the applicant can provide one of the following:

- Evidence of funds for 12 months – evidence of funds to cover travel to Australia, 12 months' living costs for themselves and accompanying family members, tuition fees and schooling costs for school aged children.
- Evidence of annual income – the student can provide evidence of personal income of their parents or spouse / de facto partner of at least AUD\$60,000. The parents or spouse / de facto partner cannot be travelling with the student to Australia. The evidence must be in the form of official government documentation, such as a tax assessment.

Evidence of funds for 12 months

The following types of funds are acceptable evidence of financial capacity:

- a) money deposit with a financial institution;
- b) loan with a financial institution;
- c) government loans;
- d) scholarship or financial support.

Funds of this type must be held or issued by an acceptable financial institution.

A student can use multiple types of funds to show us they meet this requirement. For example, it is acceptable for students to use a loan to cover tuition while showing us evidence of a money deposit to cover their living and travel expenses.

The amount of funds required is specified in legislative instrument F2017L00267. The instrument is updated regularly to adjust living expenses in line with the consumer price index. The instrument specifies that the funds must cover travel expenses; living costs and expenses; and, course fees covering the first annual course fee or the total course fee if the duration of stay is less than 12 months.

In addition to having evidence of the correct amount of funds, the Department must be satisfied that the student will have genuine access to those funds.

Genuine access

Genuine access to funds is a very important part of the financial requirement. Our officers need to be satisfied that the student will continue to have access to the type of funds we require while they are in Australia. The Department can provide some guidance of the type of evidence that can be produced to support the assessment of this provision, but this is not exhaustive and we are open to receiving other types of evidence. All applications where we require evidence of financial capacity should include some information related to genuine access. Providers should consider including more information when students are coming from mixed-risk markets including those with lower grant rates (see our [statistical reports](#)).

Some examples of how to evidence genuine access include:

- When another person or business is providing funds, show evidence of the relationship and any history of financial support provided to the student or any other students. It is also good practice to provide identity documents for the person providing the funds or evidence that the business is currently operating.
- If relying on a money deposit, any recent large deposits must be explained. You may also consider explaining ongoing deposits – like wages.
- If the student has an education loan to cover tuition fees or living expenses (such as accommodation) disbursement should occur according to the agreement between the bank, provider and student. Evidence of any disbursement which occurs before the visa application has been finalised, should be provided. Evidence of the terms of the loan and the full amount of the loan that will be disbursed should be attached.
 - Providers should be aware of the conditions placed on the education loan. Some loans offer deferred repayment against future earnings of the student and are conditional on the student studying only the stipulated course as that provider.
- If the student is relying on another type of loan, they may consider showing evidence of collateral used to get the loan, the terms of the agreement and capacity to cover ongoing costs. The best evidence of genuine access for a loan is full disbursement.

You can find some more information about the financial requirement on our [website](#). You will also find country specific information on the local Australian embassy or High Commission website. Providers can also contact student.visa.programme@border.gov.au if they require clarification or more information. Information sent to providers from other parties does not constitute departmental advice. You are encouraged to refer to departmental documentation or contact our mailbox if you need clarification.

I trust this update has been useful.

Regards
Alice Maclean
Director, Student and Graduate Visas