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Student Visa Surge Strains Economy

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Australia's international student program has become a double-edged sword, delivering economic benefits while exposing glaring systemic vulnerabilities. Migration agents report unprecedented demand for student visas following relaxed entry rules, but serious concerns emerge about exploitation and fraud within the system. The surge has reignited debates about whether current policies prioritize quantity over quality in Australia's third-largest export sector.

Government data reveals international education now contributes over A\$40 billion annually, with student visa approvals reaching record levels. However, investigations show a parallel rise in fraudulent activities, including fabricated financial documents and questionable education providers. The Australian Border Force (ABF) has intercepted hundreds of cases involving fake university offers, with some agents charging up to A\$15,000 to circumvent legitimate processes. Shadow Immigration Minister Dan Tehan argues the system has become “a backdoor migration route rather than an education pathway,” citing cases where students enroll in cheap vocational courses but primarily seek work rights.



The policy fallout extends beyond immigration concerns, exacerbating Australia’s housing crisis. Major cities face unprecedented rental pressure, with vacancy rates below 1% in Sydney and Melbourne where most students settle. Education providers privately admit struggling with accommodation shortages, while local residents face skyrocketing rents. Economic analysts note the student surge has created artificial demand in certain sectors, potentially distorting labor markets and wage growth.

As scrutiny intensifies, calls grow for immediate policy reforms. Proposed solutions include stricter English language requirements, higher financial proof thresholds, and tougher penalties for unscrupulous agents. While the international education sector remains vital to Australia’s economy, the current trajectory risks long-term damage to the country’s academic reputation. The coming months will test whether policymakers can restore integrity to the system without undermining a crucial economic driver.