

Exclusive Politics Federal [International students](#)

# Foreign student visa rejections to cost unis \$310m this year



David Crowe

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## IN NUMBERS

**510,000**

Net immigration in 2022-23.

**250,000**

The net immigration target for 2024-25.

**\$310m**

The estimated cost to universities in 2024.



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Universities are warning of a \$310 million blow to their revenue from the federal government's plan to cut net migration from last year's record high, sending a furious complaint to Canberra over tighter visa rules for overseas students.

The leaders of 16 universities are blaming the government for an "alarming" hit to their finances from [the new migration strategy](#) and are seeking an urgent intervention by two federal cabinet ministers so they can accept thousands of students who have been turned away under the stricter rules.



The government wants tougher visa rules for international students in order to meet its promise to cut the migration intake. EDWINA PICKLES

But the government is insisting on the need for tougher rules in order to meet its public promise to cut the migration intake from 510,000 last year to 375,000 this year and 250,000 next year amid community concerns about housing and congestion.

In a sign the new migration strategy is having an effect, the 16 vice-chancellors wrote to Home Affairs Minister Clare O’Neil and Education Minister Jason Clare to warn the financial damage was hurting Australia’s reputation as a study destination.

“Given the ongoing recovery from the impacts of COVID-19, this situation is particularly alarming,” they wrote.

“The 16 institutions endorsing this letter conservatively estimate a collective revenue downturn of approximately \$310 million in 2024 alone, akin to the impact of the pandemic.”

The warning comes after [this masthead reported early results](#) from the migration strategy showing that student visa grants in December were lower than in November – a sign of fewer arrivals for the coming academic year – and are 20 per cent below the same period last year.

The outcome suggests the department is meeting the government objective to bring international student visa grants down from 370,000 last financial year to 290,000 this year.

O’Neil said in a statement the migration strategy had to bring the intake down to the levels seen before the pandemic.

“Change is hard, and we’ll work with providers to help them navigate the new system,” she said.

“Migration is too high. Our goal is very clear. We are returning migration to pre-COVID levels, and applying proper integrity to student visa applications is critical to doing that.”

The letter to O'Neil and Clare was signed by the vice-chancellors from Victoria University, Federation University, Western Sydney University, the University of Wollongong, the University of Newcastle, the University of New England and the University of Southern Queensland, among others.

“The consequences outlined have far-reaching implications, potentially jeopardising Australia’s brand as a preferred study destination and presenting significant financial threats to affected universities, especially as they continue to recover from the impacts of the past several years,” the vice-chancellors wrote.

“Collectively, we urgently seek your attention to these matters, adjusting the prioritisation of visa processing timelines to ensure all universities are serviced promptly and fairly.”

At issue is a formal instruction from O'Neil to her department last year that tells officials to put a priority on overseas student applications for universities with a good track record on visa outcomes.

This means the department takes into account the track record of all overseas students at each institution so a university or college is given a low ranking if it has had a large number of visa refusals, fraudulent applications or students who overstay their visas.

The government has adopted the system out of concern that some colleges sign up overseas visitors who are not interested in the courses but use the student visa as a way to seek work and, later, extend their stay by switching to other visas.

University of Central Queensland vice chancellor Nick Klomp, a signatory to the letter, said good universities were being “caught in the crossfire” of the migration strategy.

“The situation is now urgent, with university semesters about to commence and thousands of genuine student visa applications – and a \$29 billion export industry – hanging in the balance,” he said.

“Australian universities are uniformly world-class; we need to level the playing field to ensure all Australian public universities receive priority processing of genuine international students.”

Australia has more than 650,000 overseas students and most are concentrated in the major cities.

Because the system gives priority to institutions with fewer visa problems, all the Group of Eight universities are in the “tier one” category in this new system, while the lowest-level “tier three” group is mainly made up of private vocational education colleges.

However, the federal policy is having an impact across the entire sector, with the Australian National University reporting about 200 commencing students were still affected by the tighter screening.

“We have made representations to government on our students’ behalf and we hope the situation can be resolved quickly so they can begin their dream of studying in Australia,” a university spokesperson said.

The University of Wollongong has written to some of its overseas students in recent days to tell them to withdraw their applications because they will not gain their visas.

“Unfortunately, the Australian government has recently implemented substantial changes to its migration strategy,” the university said in its email to students, first reported by education

news site Koala News.

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**David Crowe** is chief political correspondent for The Sydney Morning Herald and The Age. Connect via [Twitter](#) or [email](#).

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