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Australia's cap on international students will hurt economy, universities warn

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University lobbyists in Australia have criticised the government's plan to cap international students, calling it "rushed policy" and "a political smokescreen." - AFP pic

KUALA LUMPUR: University lobbyists in Australia have criticised the government's plan to cap international students, calling it "rushed policy" and "a political smokescreen."

Australia's new education bill, the Education Services for Overseas Students Amendment (Quality and Integrity) Bill 2024, news.com.au reported, aims to limit the number of international students and grant the Education Minister additional authority to interfere with courses.

At a senate committee hearing on Tuesday, Universities Australia chief Luke Sheehy expressed support for maintaining "integrity and sustainability" in Australia's tertiary education sector but accused the government of using immigration as a political tool.

"We believe the Bill drafted is more a political smokescreen than an instrument of good policy as the government seeks to gain an upper hand in the battle of migration ahead of the next election," he said.

Mr Sheehy warned that the bill could inflict a $4.3 billion loss on the economy and cost the sector over 14,000 jobs.

The government has defended its plan by blaming international students for contributing to the rental crisis in Australia's capital cities and asserting the need to eliminate fraudulent operators in the sector.

Vicki Thomson, head of the Group of Eight, said that the "rushed and poorly framed legislation is a classic example of retrofitting policy to suit dubious politics."

She criticised the government's rationale for reforming the sector as inconsistent and accused it of falsely portraying Australian institutions as "shonks and crooks."

She described the plans to cap student numbers and increase ministerial powers as "draconian, interventionist and amount to economic vandalism."

The sector contributes nearly $50 billion to Australia's economy.

International students fill jobs nationwide, and their contributions to Australia's economy extend far beyond visa and study fees.

Last year, hospitality industry leaders criticised the government for reinstating work-hour caps for overseas students, limiting them to 48 hours of work per fortnight. The Business Council of Australia (BCA) has also criticised the government's proposal, arguing that it detracts from "real solutions" to Australia's soaring house prices and threatens the broader economy.

In a submission to the senate committee, the BCA stated that international student revenue "provides considerable income for businesses, delivers higher revenues to governments, supports universities to offer high-quality education for domestic students, is critical to maintaining our research capacity, and is a major channel for soft diplomacy, especially in the Asia Pacific region."

Study visa approvals have already declined after former Home Affairs Minister Clare O'Neil directed prioritisation of applications for Australia's top universities.