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Labor's Student Visa Policy Shift Criticized as Migration Surge

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The Albanese government's reversal on international student visa policies has sparked criticism for fueling migration and straining Australia's housing and job markets.

The Australian Labor Party's recent policy shift on international student visas has drawn sharp criticism from economists and policy analysts, who argue it exacerbates migration pressures. Initially, the government proposed stricter visa regulations to curb the influx of non-genuine students exploiting the system for work rights and pathways to permanent residency. However, Home Affairs Minister Clare O'Neil announced a retreat from these plans, opting instead to maintain relaxed work rights, allowing international students to work up to 24 hours per week, up from 20 hours pre-COVID, and extending post-study

work visas by two years. This decision, critics argue, prioritizes revenue from international education over domestic concerns like housing affordability and youth unemployment.

Leith van Onselen, Chief Economist at MacroBusiness, labeled the policy reversal a “farce,” arguing it effectively “sells migration and work rights” to non-genuine students, particularly from South Asia, who prioritize job opportunities over education quality. He cited Department of Home Affairs data showing a record 42,700 offshore student visa applications in June 2022 alone, driven by relaxed work caps. Van Onselen warned that this surge, combined with a record-high permanent migrant intake of 195,000 annually, risks overwhelming infrastructure and inflating rental prices, with net overseas migration hitting 518,000 in 2022-23, per the Australian Population Research Institute (TAPRI).

The policy shift follows Labor’s commitments at the 2022 Jobs & Skills Summit, where uncapped work hours for students were extended for another year. Critics, including former immigration official Abul Rizvi, argue this transforms student visas into de facto low-skill work visas, with 51% of international graduates working in low-skill jobs three years post-graduation, according to the Graduate Outcomes Survey. This trend, they claim, undermines local workers and fuels wage theft, as noted in a 2021 Migrant Workers Centre report.

Opposition figures, such as Senator Jane Hume, have called the policy a “recipe for disaster,” highlighting its strain on housing and infrastructure. With TAPRI reporting that 70% of Australians favor lower migration, the Albanese government’s approach risks alienating voters amid a housing crisis, where rental vacancies are at record lows.