



Student visa work hours – increase	
Party:	The Coalition
<p>Summary of proposal:</p> <p>The proposal would increase the work hour cap for student visa holders during study terms and semesters by 12 hours per fortnight, from 48 hours to 60 hours.</p> <p>The proposal would be ongoing and start on 1 July 2026.</p>	
<p>Additional information (based on further advice provided):</p> <p>The proposal includes reduced student numbers of 240,000 new student visas annually (as costed in “ECR-2025-2280-New overseas student commencements – reduction”).</p>	

Costing overview

The proposal would be expected to increase the fiscal and underlying cash balances by around \$334 million over the 2025-26 Budget forward estimates period (see Table 1). This impact reflects an increase in personal income tax revenue.

The proposal would be expected to have an impact beyond the 2025-26 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2035-36 is provided at Attachment A.

Table 1: Student visa work hours – increase – Financial implications (\$m)^{(a)(b)}

	2025-26	2026-27	2027-28	2028-29	Total to 2028-29
Fiscal balance	-	117.0	110.0	107.0	334.0
Underlying cash balance	-	117.0	110.0	107.0	334.0

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

(b) PDI impacts are not included in the totals.

- Indicates nil.

Sensitivities and uncertainties

The financial implications of the proposal are highly sensitive to assumptions regarding the total number of international students, their actual length of stay in Australia after they have finished their studies and future immigration policy settings. The projected number of student visas lodged and granted, and annual new overseas student commencements are sensitive to legislative, policy, and procedural settings, as well as changes in economic and geo-political conditions.

Under the baseline, the projected head count of international students in Australia is assumed to gradually decrease over the medium term, reflecting recent changes to migration planning levels.¹

The impact of the proposal on the desire and capacity of student visa holders to work additional hours is significantly uncertain. This costing assumes that around 63% of international student visa holders that are in employment work the maximum number of permitted hours under the baseline (48 hours per fortnight), and 90% of those working at the current limit would fully take-up the new limit (60 hours per fortnight).

These estimates are significantly uncertain and may not reflect the actual proportion of students who would work more hours under the proposal, as these estimates are based on data reported in the 2021 Census. The estimates based on this data might not be fully representative of normal circumstances due to the exceptional conditions and policy changes during the COVID-19 pandemic. Under the temporary changes to student visa conditions for international students introduced in response to the COVID-19 pandemic, work restrictions for student visa holders were relaxed, permitting them to exceed the maximum permitted hours in specific critical sectors to address labour shortages.²

Key assumptions

The Parliamentary Budget Office (PBO) has made the following assumptions in costing this proposal.

- Commencing from 1 July 2025, the baseline for new international students commencing at public universities would be reduced by at least 30,000 a year, with:
 - at most 115,000 overseas student commencements at public universities; and
 - at most 125,000 overseas student commencements in the VET, private university and non-university higher education sectors.
- Under the proposal, the total headcount of international students in Australia would decrease by around 7% over the period from 2025-26 to 2035-36, in addition to the decrease expected under current policy settings.
 - Under the current policy settings, the total headcount of international students in Australia would decrease by around 11% over the period from 2025-26 to 2035-36.
- Under the proposal, 90% of international students currently working the maximum permitted work hours would increase working hours to the 60-hour maximum permitted work hours during each fortnight of study.
 - Under the baseline, around 63% of the international student population would be employed for the current maximum permitted work hours (48 hours) during fortnights of study.
- The proportion of the international student population engaged in employment would remain consistent over the medium term.
- On average, students impacted by the proposal are expected to be enrolled in approximately 16 fortnights of study each year.

¹ Department of Home Affairs News Page - [Ministerial Direction No.111](#)

² [Advisory Report on the Australian Security Intelligence Organisation Amendment Bill 2020](#), Chapter 2 Overview of Australia's temporary migration programme, section 2.68.

- This represents a population assumed to consist of approximately 70% higher education students, who average 15 fortnights of study per year, and 30% VET students, who average 20 fortnights of study per year.
- The average number of study fortnights per year was calculated based on the average calendar duration of university and TAFE enrolments, as well as the proportion of student visas granted under each subclass.
- The number of hours worked during non-study periods would be unchanged under the proposal, as there is currently no restriction on work hours during non-study periods.
- International students would be employed at the National Minimum Wage.
 - The National Minimum Wage would be increased each year consistent with the projected growth rate of average weekly ordinary time earnings (AWOTE).
- All international students who earn income in Australia would be regarded as an Australian resident for tax purposes.³

Methodology

The financial implications reflect an increase in the maximum number of working hours for student visa holders with a decreased total headcount of international students.

- The financial implications were calculated as the increase in income tax paid multiplied by the number of international students who would work additional hours under the proposed scenario.
 - The impacted population was determined using a headcount of students in Australia studying on a student visa, the proportion of students that would be engaged in employment, and the proportion of employed students that would increase hours worked in response to the proposal.
 - The projected headcount of international students in Australia was calculated using historical data for the annual commencements of international students, and the profile of course completions and attrition for students in each education sector.
 - Data from the Department of Education was used to determine student completion rates, including course completion and attrition.
 - Under the baseline, the projection was adjusted to reflect the reduction in New Overseas Student Commencements (NOSC) for students in the higher education and VET sectors driven by [Ministerial Direction No.111](#).
 - Under the proposal, the projection was adjusted to reflect the reduction in NOSC for students in the higher education and VET sectors as specified in *New overseas student commencements – reduction* (refer to ECR-2025-2280).
 - The increase in international student incomes was calculated using the estimated proportion of international students working at the current limit, the increase in hours worked, and the projected level of the National Minimum Wage.
 - The proportion of students that would increase working hours was based on the assumed proportion working the maximum permitted hours under the current rules. This was

³ [Studying in Australia | Australian Taxation Office](#)

calculated as the proportion that reported working 20 or more hours per week in the 2021 Australian Census, representing the maximum permitted hours at the time – 40 hours per fortnight.

- The assumed proportion of international students in employment was determined using data from the 2021 Australian Census. This proportion also includes student visa holders that reported working more than 20 hours per week in the Census. At the time of the Census, students employed in certain industries were permitted to exceed the maximum permitted hours under temporary changes to student visa conditions, as described in *Sensitivities and uncertainties*.

Financial implications were rounded consistent with the PBO's rounding rules.⁴

Data sources

Australian Bureau of Statistics (2021) *Australian Census and Temporary Entrants, 2021, hours worked (HRSP) by visa subclass (VIASP)*, [[ABS TableBuilder](#)], Australian Government, accessed 23 May 2025.

Australian Bureau of Statistics (2023) [Temporary visa holders in Australia](#), Reference period 2021, Australian Government, accessed 23 May 2025.

Australian Bureau of Statistics (2024) [Education and Work, Australia](#), Reference period May 2024, Australian Government, accessed 23 May 2025.

Australian Bureau of Statistics (2024) [Personal Income in Australia](#), Reference period 2021-22 financial year, Australian Government, accessed 23 May 2025.

Commonwealth of Australia (2025) *Pre-election Economic and Fiscal Outlook 2025*, Commonwealth of Australia

Department of Education (2024) [Higher Education Statistics Completion Rates - Cohort Analyses](#), Australian Government, accessed 23 May 2025.

Department of Education (2025) [International Education Data and Research, International student numbers by country, by state and territory](#), Australian Government, accessed 23 May 2025.

Department of Education (2025) [International Student Data for the year-to-date \(YTD\) December 2024](#), Australian Government, accessed 23 May 2025.

Study Australia (2024), [New prioritisation system for Student visa processing](#), Australian Government, accessed 23 May 2025.

⁴ <https://www.pbo.gov.au/for-parliamentarians/how-we-analyse/pbo-rounding-rules>

Attachment A – Student visa work hours – increase – Financial implications

Table A1: Student visa work hours – increase – Fiscal and underlying cash balances (\$m)^(a)

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Revenue													
Tax revenue													
<i>Australian Taxation office</i>	-	117.0	110.0	107.0	113.0	123.0	135.0	144.0	158.0	184.0	212.0	334.0	1,403.0
Total – revenue	-	117.0	110.0	107.0	113.0	123.0	135.0	144.0	158.0	184.0	212.0	334.0	1,403.0
Total (excluding PDI)	-	117.0	110.0	107.0	113.0	123.0	135.0	144.0	158.0	184.0	212.0	334.0	1,403.0

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

- Indicates nil.

Table A2: Student visa work hours – increase – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)^{(a)(b)}

	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	Total to 2027-28	Total to 2034-35
Fiscal balance	-	2.6	7.7	12.9	18.3	24.4	31.3	39.0	47.6	57.5	69.2	23.2	310.5
Underlying cash balance	-	1.9	6.5	11.6	17.0	22.9	29.6	37.1	45.4	55.1	66.3	20.0	293.4

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary.⁵

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

- Indicates nil.

⁵ [Online budget glossary – Parliamentary Budget Office \(pbo.gov.au\)](https://pbo.gov.au/online-budget-glossary)