FUTURE SKILLS ORGANISATION
Finance Technology Business

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Implications of migration policy changes for the Finance, Technology & Business workforce

Report

Prepared by Oxford Economics Australia for the Future Skills Organisation

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Executive summary

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Recent policy changes impacting temporary student visa are aimed at reducing international student commencements towards national planning levels, with the greatest impact expected in VET.

The flow-on effect for FTB occupations is likely to be limited, as the student-to-permanent migrant pathway for FTB is dominated by higher education graduates.

The Skills in Demand visa has replaced the Temporary Skill Shortage visa under Subclass 482, with the Core Skills stream now the primary route for skilled temporary migration. The Core Skills Occupation List, which replaced the Temporary Skill Shortage Occupation List, has reduced finance and technology occupations' access to this stream.

Despite this, employer-led demand continued to support higher overall temporary migration to FTB occupations.

After doubling the graduate visa fee in March 2026 to $4,600, this was increased by a further 25% to $5,750 in July 2026, likely in response to resilient demand under previous tightening.

Higher fees may place additional pressure on FTB workforce supply of the medium to long-term, as more than 80% of graduate visas are granted to higher education graduates, a pathway FTB occupations are more exposed to than non-FTB occupations.

Note: This report focuses on the implications of migration policy changes over the past two years for FTB occupations. It builds on the previous Oxford Economics and FSO report on historical migration trends within FTB occupations which can be found here.

Policy Changes

Policy changes announced in last two years

Temporary Student

Policy	Update
Migration Strategy (December 2023)[1]	1. Savings requirements increased by 21% to $29,710.
	2. English language requirements strengthened.
	3. Students must remain enrolled in a course of study in Australia.
	4. Working hours capped at 48 hours per fortnight.
Visa Application Fee Increases (July 2024)[2]	1. This fee rose by over 250% (52% p.a.) from July 2023 to $2,500 in July 2026.
National Planning Level (NPL) (Reviewed annually)[3,4]	1. Increased from 270,000 to 295,000 (9%) in 2026.
	2. Higher education (HE) will receive 87% of the additional 25,000 places, with an increased total cap of 196,750 for 2026.
	3. VET will receive approximately 13% of the additional 25,000 places, with an increased total cap of 98,250 for 2026.
Ministerial Direction 111 (MD111) is replaced by MD115 (November 2025)[5]	1. MD115 adds a third priority class for those who exceed their New Overseas Student Commencement (NOSC) allocation by 15%. This is in addition to the second priority class introduced under MD111, for institutions above 80% of their cap.

Temporary Graduate

Policy	Update
Migration Strategy (December 2023)[1]	1. English language requirements strengthened.
	2. Must be aged 35 years or under, down from 50.
	3. Must apply while onshore and have held a student visa in the last 6 months.
Visa Application Fee Increases (2025/26)[6]	1. In February 2025, this fee rose 15% to $2,300. In 2026 it was doubled to $4,600 (March) and then rose to $5,750 (July).

1. Department of Home Affairs (2023), *Migration Strategy*. Access here.
2. Department of Home Affairs (2026), *Student visa*. Access here.
3. Department of Education (2025), *Factsheet – Indicative allocations for higher education new overseas student commencements 2026*. Access here.
4. International student caps were proposed in 2024, but these were rejected by the Senate. While this means that the total caps are not legally enforceable, the government introduced MD111 as a measure to slow visa processing for institutions that reach 80% of the proposed cap identified in the original policy. MD111 was succeeded by MD115 in November 2025. Access here.
5. Department of Home Affairs (2025), Visa processing times. Access here.
6. Department of Home Affairs (2026), *Temporary Graduate visa*. Access here.

Policy changes announced in last two years

Temporary Skilled

Policy	Update
Income Threshold Increases (Indexed annually)[1]	1. The Temporary Skilled Migration Income Threshold (TSMIT) was raised by almost 30% to $70,000 in FY24, after being static for a decade. It increased to $79,423 in FY27.
	2. The Core Skills Streams Income Threshold (CSIT) has been raised to $79,423 in FY27.
	3. The Specialist Skills Streams Income Threshold (SSIT) has been raised to $146,576 in FY27.
	4. Thresholds are indexed annually, in line with changes to annual Average Weekly Ordinary Time Earnings (AWOTE).[2]
	5. Salary threshold concessions may apply under the Labour Agreement stream of the Skills in Demand visa.[3]
Skills in Demand (SID) visa replaced the Temporary Skills Shortages (TSS) visa (December 2024)[4]	1. Required work experience decreased from two years to one year.
	2. Revised 'Core Skills Occupation List', for the Core Skills stream of the SID visa.

Permanent Skilled

Policy	Update
Permanent Migration Planning Level (Reviewed annually)[5]	1. The cap on skilled migration was reduced by 4,900 places to 132,200 for FY25.
	2. The allocation for the Skilled Independent visa category fell by approximately 44% to 16,900 for FY25.
	3. The allocation for the Employer Sponsored visa category increased by approximately 19% to 44,000 for FY25.
Introduced 'Core Skills Occupation List' (CSOL) (December 2024)[6]	1. This list identifies the occupations that are eligible for various employer-sponsored visa streams. Under permanent skilled migration, those applying through the Employer Sponsored visa category (Employer Nomination Scheme visa – Direct Entry stream) must have an occupation listed on the CSOL to be eligible.

1. Department of Home Affairs (2026). *Nominating a position*. Access here.
2. Department of Home Affairs (2025). *Annual indexation of skilled visa income thresholds from 1 July 2025*. Access here.
3. Department of Home Affairs (2025). *Labour Agreements*. Access here.
4. Study Australia (2025). *New skilled worker visa in Australia*. Access here.
5. Department of Home Affairs (2025). *Migration Program planning levels.* Access here.
6. Department of Home Affairs (2025). *Skilled occupation list*. Access here.

Key visa streams

Temporary Student - Lodgements

Slower processing and higher fees aim to reduce lodgements supporting NPL targets

The government has raised the National Planning Level (NPL) target, but in the absence of an enforceable legislated cap on student visa grants, it has had to continue to rely on administrative measures to prevent visa lodgements from overwhelming their target.

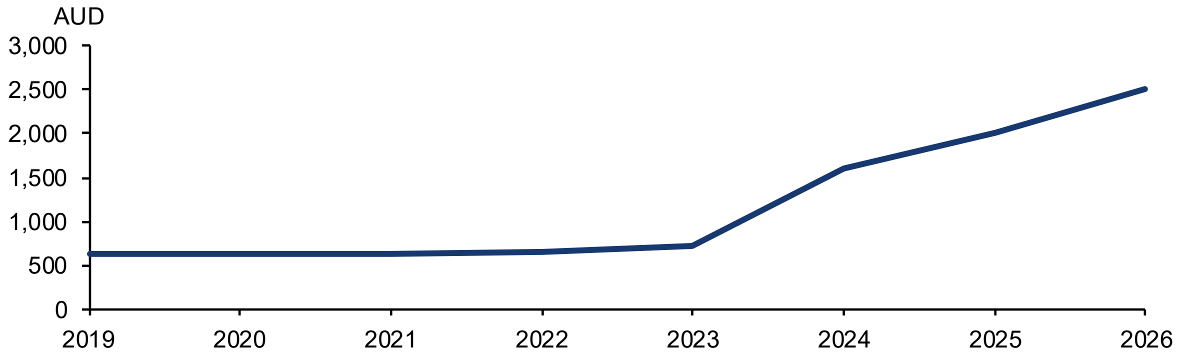
As detailed in our previous migration analysis for FSO, proposed legislation to create student visa caps was unable to pass the Senate in 2024. While no formal caps are in place, the government is using ministerial directions as its main lever to work towards the NPL target. Ministerial Direction 111 has been replaced by Ministerial Direction 115, which adds a third priority class to slow visa processing for institutions that exceed their proposed allocation by 15%. Compared with the previous direction, which applied lower processing priority once institutions reached 80% of their allocation, Ministerial Direction 115 takes a more targeted approach to institutions that significantly exceed their allocation.

Additionally, student visa application fees rose by 125% in FY25, contributing to a sharp decline in visa lodgements, which fell by 26% to 427,000.

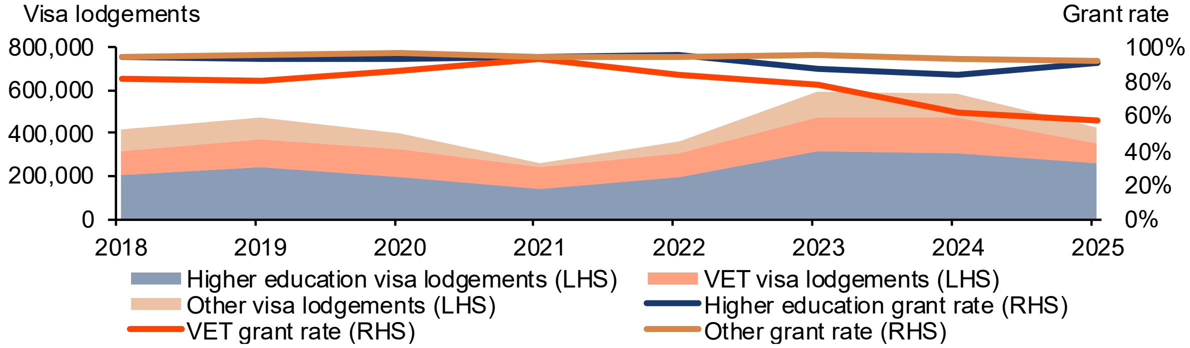
The decline in lodgements has fallen disproportionately on the VET sector, where applications are down 47% over the past year. Despite this sharp fall, grant rates have not recovered, indicating that the tighter requirements introduced under the FY24 Migration Strategy continue to constrain applicant eligibility and approval outcomes for VET lodgements.

In contrast, higher education (HE) lodgements have fallen by only 16%, while grant rates have recovered. This suggests that the FY24 Migration Strategy has now bedded in and that higher application fees are contributing to a higher quality applicant pool than in the previous year.

Student visa application fees



Student visa lodgement and grant rate by sub-category



Temporary Student - Commencements

NPL changes and MD115 are unlikely to materially affect FTB workforce supply, as FTB student-to-permanent pathways are dominated by higher education applicants

As we noted in our previous migration analysis for FSO, government policy on limiting international student commencements has prioritised intake of HE over VET with planning levels being aligned to 100% and 60% of their 2019 intake respectively.

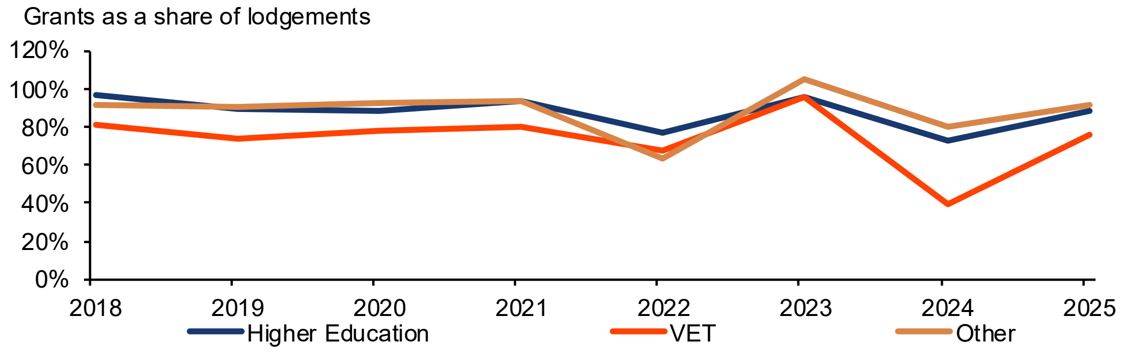
This trend has continued, with the most recent adjustment to the NPL increasing the planning level by 25,000 students, with 90% of additional places being assigned to HE providers.

Furthermore, MD 115, which is designed to bring total commencements closer to the NPL, is expected to have a greater impact on VET than higher education providers. Higher education commencements have broadly tracked in line with the government's proposed cap over the past three years, even before the recent increase in capacity. As a result, MD 115 is likely to have only a limited effect on higher education commencements.

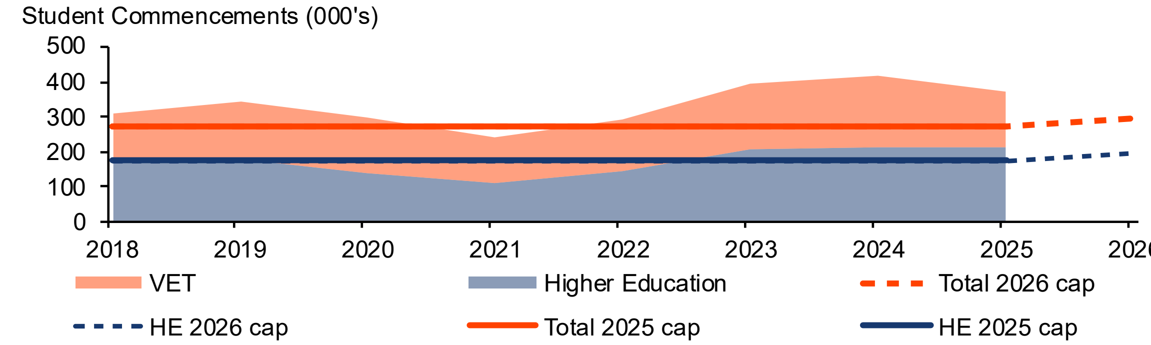
In contrast, VET providers will be more exposed to MD115, with actual commencements over the past three years greatly exceeding the government's proposed cap. Given this, VET providers are more likely to reach the new third processing tier, which applies once a provider exceeds 115% of their allocation, and be further penalised.

These changes are likely to have limited implications for the FTB sector. While FTB occupations are more reliant on migration than the non-FTB workforce, and the student-to-permanent migrant pathway is an important source of skilled workers, most FTB workers who enter through this pathway hold higher education qualifications. Around 90% have a bachelor degree or above. As the higher education pathway faces limited risk from these policy changes, the flow-on impact for the FTB workforce is expected to be minimal.

Student visa grant to lodgement ratio



International student commencements and proposed student caps



Temporary Graduate

Higher graduate visa fees may have near term implications for FTB workforce supply

Temporary graduates have faced tighter eligibility requirements and higher application fees. This could have near-term implications for FTB workforce supply, as graduate visas are an important link in the student-to-temporary worker pathway. The impact is likely to be more relevant for FTB occupations, given graduate visa grants are heavily skewed towards higher education graduates and the FTB workforce has a stronger higher education profile (51%) than the non-FTB workforce (33%).

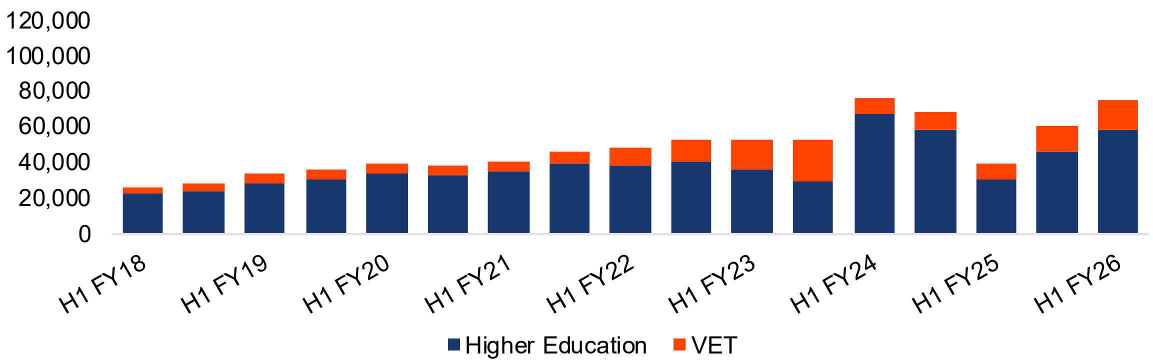
Graduate visa lodgements fell by 30% to 100,000 in FY25, but policy tightening has continued. In March 2026, the Government doubled the application fee to $4,600, before again increasing it to $5,750 in July following a series of smaller increases over the previous year. While earlier fee increases appear to have weighed on lodgements in FY25, applications had already begun to recover through the first six months (H1) of FY26, with lodgements reaching 74,500, almost double the 39,600 recorded a year earlier.

The rebound in these forward-looking indicators suggests the Government has responded to renewed demand. While Home Affairs has indicated it does not expect the fee increase to reduce application volumes, the scale of the increase is likely to place material downward pressure on lodgements.[1]

Graduate visa grants increased by 14% to 126,000 in FY25, but remain well below the FY23 peak of 179,000. This suggests grants are stabilising above pre-COVID norms, but below the unusually high volumes recorded in FY23, with stricter eligibility requirements introduced in late 2023 likely contributing.

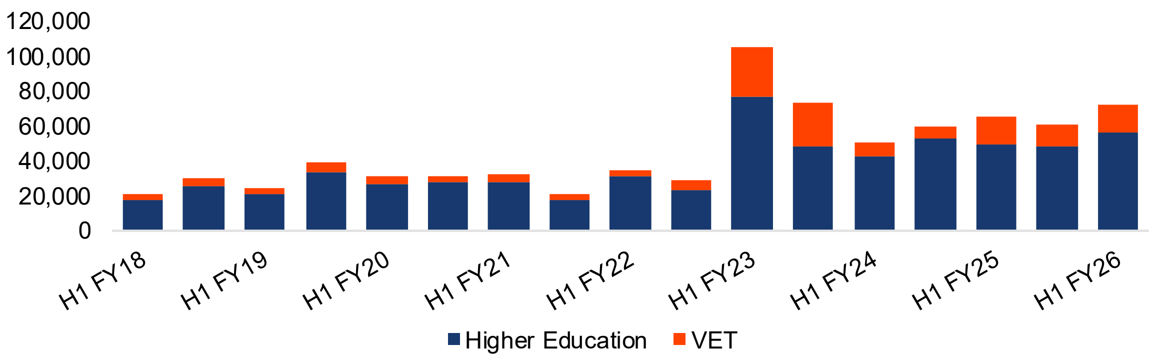
Early FY26 data points to further growth, with grants reaching 72,000 in H1 FY26, 11% higher than the same period in FY25. Grants are likely to increase over FY26, although the outlook beyond this is less clear given the increases in fees.

Total graduate visa lodgements



Note: H1 refers to the first half (six months) of the financial year.

Total graduate visa grants



1. ABC (2026), *International students blindsided by federal government's doubling of temporary graduate visa cost.* Access here.

Temporary Skilled

Employer-led demand has offset reduced skilled-list coverage across FTB occupations

The transition of visa subclass 482 from the Temporary Skill Shortage (TSS) to the Skills in Demand (SID) visa, alongside the introduction of the Core Skills Occupation List (CSOL) for the Core Skills stream of the SID visa, marginally reduced the occupation-weighted share of the FTB workforce covered compared to the TSS Occupation List (TSSOL). The Specialist Skills stream is available for those not on the CSOL; however, it has an income threshold of $146,576, 85% above the Core Skills stream.[1] The Core Skills Stream is the primary pathway for visa grants, with over three-quarters of grants coming through the core sub-type.

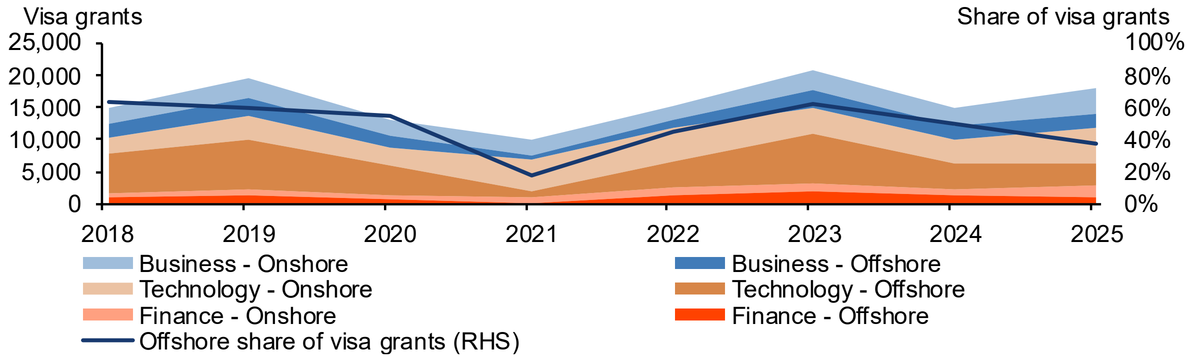
Despite a reduction in coverage as a result of the movement from the TSSOL to the CSOL, temporary skilled migration across both the FTB workforce and the broader labour market rebounded significantly.

Technology occupations were the hardest hit by the changes to the skilled occupation list, with occupation-weighted coverage falling by 6 percentage points, with the exclusion of graphic designers and ICT support engineers weighing on coverage.[2] Finance occupations faced a similar decline of 5 percentage points, largely driven by the removal of financial investment managers and financial dealers. In contrast, business occupations experienced no significant change in their occupation-weighted coverage, despite changes to the mix of occupations included in the CSOL.

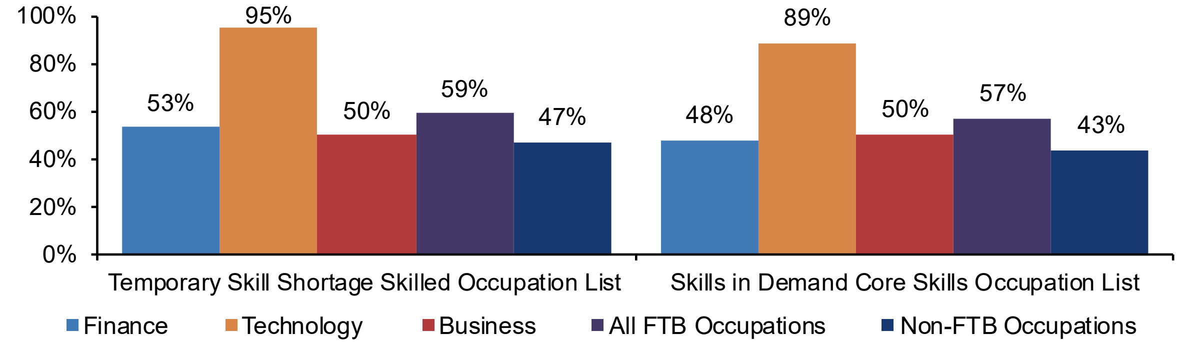
The transition to the SID partway through FY25 does not appear to explain the volume of visa grants observed across FTB occupations and the wider economy.

TSS grants in FY25 were almost on par with FY24 levels, suggesting that strong growth in temporary skilled migration was already underway before the new visa settings were introduced. Growth in 482 subclass visa grants continues to be demand-driven and is targeted at rectifying shortages within the workforce through setting priority occupations that migration aims to support.

Temporary skilled visa grants by applicant location and occupation



Share of workforce covered by Skills in Demand Core Skills Occupation List



1. The following additional occupation restrictions are imposed on the Specialist Skills Stream: must not be from Major Groups 3, 7 and 8 occupations and/or those require Australian citizenship.
2. Listed occupations are defined at the ANZSCO 6-digit level.

Permanent Skilled

Cap and planning levels changes cannot fully explain the decline in FTB permanent skilled visa grants

There were two key policy changes affecting permanent skilled migration in FY25:

- The permanent skilled migration cap declined by 4,900 places, to 132,200.
- Visa planning levels across permanent skilled categories were adjusted.

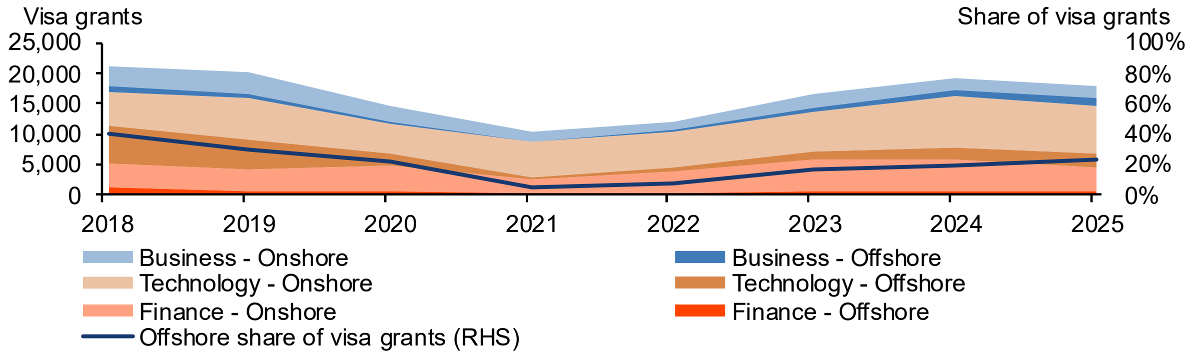
Policy caps, visa planning level changes and year-to-year volatility all affected permanent skilled migration in FY25, with total permanent skilled grants falling by 6.8% to 18,000.

Changes to planning levels and visa grant allocations explain around half of this decline. After accounting for these changes, including the lower overall cap, FTB permanent skilled visa grants would have been expected to fall by 3.4% compared with FY24, equivalent to 650 fewer FTB workers.

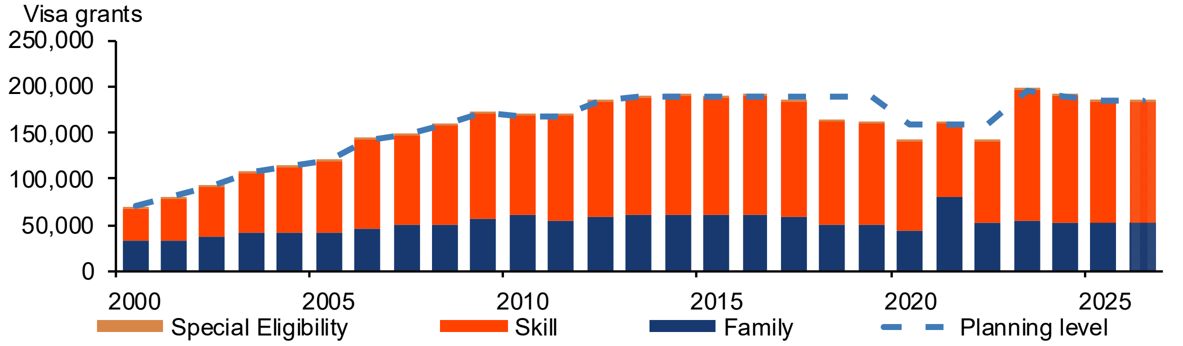
These changes included a 44% reduction in Skilled Independent places, a 19% increase in Employer Sponsored places, adoption of the CSOL for the Direct Entry stream of the Employer Nominated Scheme visa, and marginal changes to Skilled Regional and State and Territory Nominated planning levels. As noted in our previous report, FTB occupations have historically favoured Skilled Independent places. Even so, these changes were not expected to have a significant overall impact, as FTB occupations can enter through alternative visa categories. This has played out in FY25, with strong growth in Employer Sponsored and State and Territory Nominated grants, above what their planning level increases alone would have suggested.

The remaining decline is likely to partly reflect normal volatility across permanent skilled visa subclasses. This was evident in FY25, with movements across visa categories not closely aligning with planning level changes alone.

Permanent skilled visa grants by applicant location and occupation



Permanent migration outcome and planning levels



Implications for FSO

Migration insights and implications for FTB occupations

Visa Streams	Insights	Implication
Temporary Student (VET)	MD 115 is likely to place additional downward pressure on student commencements, particularly in VET, better targeting slower visa processing for providers that exceed their allocations.	Policy changes aimed at limiting international VET commencements are likely to have limited implications for FTB workforce supply, as around 90% of FTB workers entering through the student-to-permanent migrant pathway hold a bachelor degree or above.
Temporary Student (HE)	The government's cap settings indicate an ongoing preference for higher education, with HE providers facing relatively limited constraint because planned commencements remain broadly aligned with recent actual intake.	Continued policy settings that preserve higher education intake are likely to benefit technology occupations more than any other sector. Technology has both the greatest reliance on migration and the highest concentration of HE-qualified workers (68%).
Temporary Graduate	Graduate visa demand has proved resilient under tighter settings, with the rebound in early FY26 likely prompting the Government to tighten policy further through higher fees, potentially reducing graduate visa grants.	Graduate visa tightening could place near term pressure on FTB workforce supply and the longer term onshore student-to-permanent pathway. Visas are heavily skewed towards HE graduates, which FTB occupations have greater exposure to than non-FTB occupations.
Temporary Skilled	The transition to the SID and the CSOL reduced the share of the workforce formally covered by the Core Skill Stream of the 482 subclass visa but did not interrupt the broader rebound in employer-led demand.	Business occupations projected to be in shortage appear most exposed to these changes, with specialist managers, customer service managers, and librarians losing access to this pathway.[1] In finance, financial dealers will also lose access, despite projected shortages.
Permanent Skilled	The fall in permanent skilled visa grants for FTB occupations in FY25 appears to reflect category-level visa volatility, rather than being a result of the structural tightening in permanent skilled migration settings.	Permanent skilled visa grants have historically moved closely in line with planning levels. As a result, the recent small reduction in planning levels is unlikely to materially reduce overall intake for FTB occupations.

1. These occupations are defined at the ANZSCO 6-digit level.

Technical appendix

Key visa stream sources – 1

Data and methodologies for key visa streams

Temporary student lodgements

Student visa lodgement and grant rate by sub-category: The number of student visa lodgements and grant rates was sourced from DHA's Student visa program and filtered by sector.

Temporary student commencements

Student visa grant to lodgement ratio: To determine the ratio of grants to lodgements, we divide the number of grants by the number of lodgements. The **grant rate** measures the percentage of lodgements that result in a grant. The **grant ratio** is the total number of grants over lodgements each year to capture changes in the rate at which visas are processed, which may not be directly observable in the grant rate.

International student commencements and proposed student caps: The non-binding student cap is drawn from the most recent National Planning Level. Actual international student commencements are sourced from the Department of Education and filtered by sector.

Temporary graduates

Total graduate visa lodgements: Are constructed using DHA's Temporary Graduate Visa Applications Lodged and filtered by visa type.

Total graduate visa grants: Are constructed using DHA's Temporary Graduate Visa Applications Granted and filtered by visa type.

Key visa stream sources – 2

Data and methodologies for key visa streams

Temporary skilled

Temporary skilled visa grants by applicant location and occupation: Temporary visa grants are filtered by applicant location and occupation and aggregated based on whether the occupation is classified as finance, technology or business and whether the applicant was onshore or offshore.

Share of workforce covered by Skills in Demand Core Skills Occupation List: To estimate the share of the current FTB workforce covered by the Core Skills Occupation List (CSOL) and the superseded Temporary Skill Shortage Occupation List (TSSOL), the latest historical JSA four-digit occupation estimates for FY25 were converted to six-digit estimates to align with the occupation level used by both lists. This conversion used 2021 Census data to estimate each six-digit occupation's share of its corresponding four-digit occupation.

$$6 - digit\ occupaiton\ (JSA) \ = \ 4 - digit\ occupation\ (JSA) * \frac{6 - digit\ occupation\ (Census)}{4 - digit\ occupaiton\ (Census)}$$

Employment in six-digit occupations covered by the CSOL and TSSOL was then aggregated across the Finance, Technology and Business sectors. These totals were divided by JSA's estimate of total employment for each sector, as well as total employment across the FTB workforce and the whole economy.

Permanent skilled

Permanent skilled visa grants by applicant location and occupation: Permanent visa grants are filtered by applicant location and occupation and aggregated based on whether the occupation is classified as finance, technology or business and whether the applicant was onshore or offshore.

Permanent migration outcome and planning levels: Are sourced from DHA's Permanent Migration Program planning levels.

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