

# Media Release

**Mr Tim Pallas MP**  
Treasurer  
Minister for Industrial Relations  
Minister for Economic Growth



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## COMMONWEALTH STUDENT CAPS THREATEN VICTORIAN ECONOMY

The Commonwealth Government's plan to cap international students will hurt the state's economy and reputation.

Minister for Economic Growth Tim Pallas called on the Commonwealth to reconsider its planned reforms which could deliver unintended consequences to the economy and jobs.

Victoria is the education state. Victoria holds 30 per cent of the national market share of international student enrolments. As our largest export, international students generated \$14.8 billion in export revenue in 2023, supporting around 63,000 local jobs.

The Allan Labor Government's priority is to maintain the state's global reputation as an open and welcoming destination, while supporting international students to join the state's pool of highly skilled talent.

The Labor Government has long supported international education through our lead agency Study Melbourne. International students and graduates also contribute to the state's economy through entrepreneurship and start-up ventures, as well as critical research areas.

This year, Melbourne retained the title of Australia's best student city by global higher education ranking specialist Quacquarelli Symonds (QS) and was also named Australia's most liveable city in the Economist Intelligence Unit Global Liveability Index, moving up to third in the world rankings.

This is all at risk – independent analysis prepared by SPP Consulting found that by 2027, the caps could cost Victoria 12,000 jobs and \$5.9 billion. The proposed caps put at risk the state's ability to tackle local skills shortages and risk damaging Australia's international education standing.

The state and its universities have a strong reputation for quality education in a safe and welcoming community and this will be put at risk by the current proposal by the Commonwealth Government to cap international students.

Victoria's diversity is one of our greatest strengths. International students make a significant contribution to our diverse multicultural communities. The uncertainty created by these proposals risks jeopardising Victoria and Australia's position as one of the best places to study globally.

Victoria's international education sector is also yet to fully recover from the impacts of the COVID pandemic, and the proposed changes may have long-term impacts on the sustainability of the sector.

The Victorian Government's submission is available at [studymelbourne.vic.gov.au](https://studymelbourne.vic.gov.au).

### Quotes attributable to Minister for Economic Growth Tim Pallas

*"A cap on international students is a cap on economic growth. These caps will hurt our state's economy, lead to skills shortages, and cost us thousands of jobs."*

*"The Commonwealth Government needs to go back to the drawing board and better consult with the state and the sector before it's too late."*

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