INDEPENDENT POLICY MODELLING STUDY

Modelling the One Nation 130,000 Visa Arrivals Cap

A fiscal and economic projection of a hard cap on all permanent and temporary arrivals, 2026-27 to 2035-36 — using Parliamentary Budget Office scenario methodology, ABS migration data and Treasury's FIONA lifetime fiscal model.

−130,000

Net overseas migration in year one of the cap, against a +260,000 baseline

2.8 million

Fewer people by 2035-36 — a population of 27.9m vs 30.7m under current policy

38–40%

Gross debt-to-GDP by 2035-36, versus 31.8% in the PBO baseline

−$15bn / yr

Central estimate of annual federal budget deterioration by the mid-2030s (≈0.8% of GDP)

−10 to −15%

Rents relative to baseline by 2030-31 — the policy's clearest measurable benefit

−60 to −75%

Estimated contraction in international education exports, Australia's 4th-largest export

June 2026 · Independent, non-partisan analysis · Sources: PBO 2025-26 Medium-Term Budget Outlook, ABS Overseas Migration 2024-25, Centre for Population 2025 Population Statement, Treasury FIONA

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Executive Summary

- **The cap would produce sustained negative net overseas migration (NOM).** With annual migrant departures around 263,000 (ABS 2024-25), capping all arrivals at 130,000 generates NOM of roughly **−130,000 in year one** — consistent with Senator Hanson's stated target of −100,000 — converging back towards zero by the mid-2030s as the temporary visa stock (2.98 million people, January 2026) shrinks.
- **Australia's population would be ~2.7–2.9 million people (about 9%) smaller by 2035-36** than under the baseline — roughly 27.9 million versus 30.7 million.
- **The federal budget position deteriorates, not improves.** Extrapolating the PBO's 2025-26 Medium-Term Budget Outlook migration scenarios, gross debt rises to an estimated **38–40% of GDP by 2035-36, versus 31.8% baseline** — even after crediting the skill-heavy restructure. The underlying cash balance is ~0.7–1.0% of GDP weaker per year by the early 2030s.
- **Restructuring towards high-skill migrants and abolishing parent visas improves per-migrant fiscal quality materially but cannot offset the volume effect.** Treasury's FIONA model: employer-sponsored skilled primary migrants contribute up to **+$557,000** each over their lifetimes; parent visa holders cost **−$391,000 to −$394,000** each. Cutting ~8,500 annual parent places avoids ~$3.3bn in lifetime costs per cohort — real money, but small against losing ~250,000–300,000 mostly working-age taxpayers per year.
- **Housing is the clearest benefit.** Demand for roughly **100,000–115,000 fewer dwellings per year** against completions of ~175,000 moves the market from shortage

to surplus within two to three years. Estimated rents 10–15% and prices 4–8% below baseline by 2030-31, partially offset by lost migrant construction labour.

- **The largest single economic casualty is international education** (~$48–51bn exports): a 130,000 all-visa cap cannot accommodate current student commencements alone; education exports plausibly fall 60–75%.
- **GDP is 7–9% smaller in level terms by 2035-36; GDP per capita an estimated 0.5–1.5% lower**, as the loss of younger, higher-participation migrants and faster ageing outweigh dilution effects — though a well-targeted smaller program narrows the gap.

Bottom line

The cap delivers genuine, measurable relief on housing and infrastructure congestion, at a quantifiable cost to the budget, the labour force, education exports and the age profile of the population. It is a trade-off, not a free lunch — in either direction.

1 Policy specification

Parameter	Baseline (current policy)	One Nation 130k cap
Permanent Migration Program	185,000 places p.a. (2025-26 & 2026-27); ~70% skilled / 28% family / 2% special eligibility	Folded inside the 130,000 total cap; modelled at ~100,000 permanent places, ≥90% skilled
Temporary arrivals (students, workers, WHM)	Uncapped; policy-managed	Capped within the 130,000 total; modelled at ~30,000
Parent visas	~8,500 p.a. (mostly contributory)	Eliminated
NOM forecast 2025-26	260,000 (2025 Population Statement; earlier ~295,000 forecast revised down)	n/a
NOM long-run assumption	~225,000 from 2026-27	Endogenous: −130,000 rising towards ~0 by 2035-36

Sources: Department of Home Affairs 2025-26 Migration Program; Centre for Population 2025 Population Statement; One Nation published immigration policy; Hanson NOM target statements.

Interpretation note

One Nation's published material refers in places to capping *permanent* visas at 130,000 and elsewhere to capping *all arrivals*. This study models the harder clarified version — a cap on total arrivals across permanent and temporary streams — because that is the version Senator

> Hanson has confirmed, with an explicit goal of NOM at −100,000. A permanent-only cap would have far smaller effects (a 55,000 reduction on 185,000 places).

2 Methodology and assumptions

We follow the PBO's published scenario approach in the **2025-26 Medium-Term Budget Outlook** (MTBO), which models debt-to-GDP under five NOM scenarios built from the Centre for Population baseline in increments of ±40,000 persons per year. Because the 130k cap lies far outside the PBO's tested band, we extrapolate linearly from the PBO's published gradient and apply a compositional adjustment derived from Treasury's FIONA lifetime fiscal model. Extrapolation that far out of sample carries wide error bands, which we report.

Core assumptions

Assumption	Value / treatment
Baseline NOM	260,000 (2025-26), 235,000 (2026-27), then 225,000 p.a. to 2035-36. Cumulative 2026-27 to 2035-36: ~2.28 million.
Cap-scenario arrivals	130,000 p.a. from 2027-28; one transition year at 180,000.
Departures under cap	Start ~260,000 p.a. (ABS 2024-25: 263,000), decaying at ~9% of the shrinking temporary stock p.a. NOM path: −80k (transition), −130k, −110k, −85k, −65k, −45k, −30k, −20k, −10k, −5k. Cumulative: ~−580,000.
Population gap by 2035-36	~2.7–2.9 million fewer (cumulative NOM gap ~2.84m; equal natural increase assumed — a slight conservatism).
Fiscal gradient	PBO MTBO: baseline gross debt 31.8% of GDP (2035-36); "much lower" NOM (−80k p.a.) → 34.2%; "much higher" → 28.8%. Gradient ≈ **1.2 ppt of debt-to-GDP per 40,000 NOM p.a.**, applied linearly.
Compositional offset	FIONA: skilled employer-sponsored primary +$557k; skilled average ~+$300–400k; parents −$391k to −$394k. The ≥90%-skilled, no-parents mix raises average lifetime fiscal value per permanent migrant ~35–45% vs the current 70/28 split.
Macro	PBO baseline underlying cash balance: −1.5% of GDP (2025-26) improving to −0.1% (2035-36); nominal GDP ~5% p.a.

Data gaps noted transparently: the PBO does not publish scenario results for negative NOM; FIONA covers permanent migrants only (temporary migrants' contribution — substantial via income tax with limited service eligibility — is estimated from PBO/Treasury aggregates); state budgets are outside scope but bear much of the infrastructure and service cost, so a federal-only framing somewhat *understates* the expenditure savings of lower migration.

3 Detailed results

3.1 Population and labour force

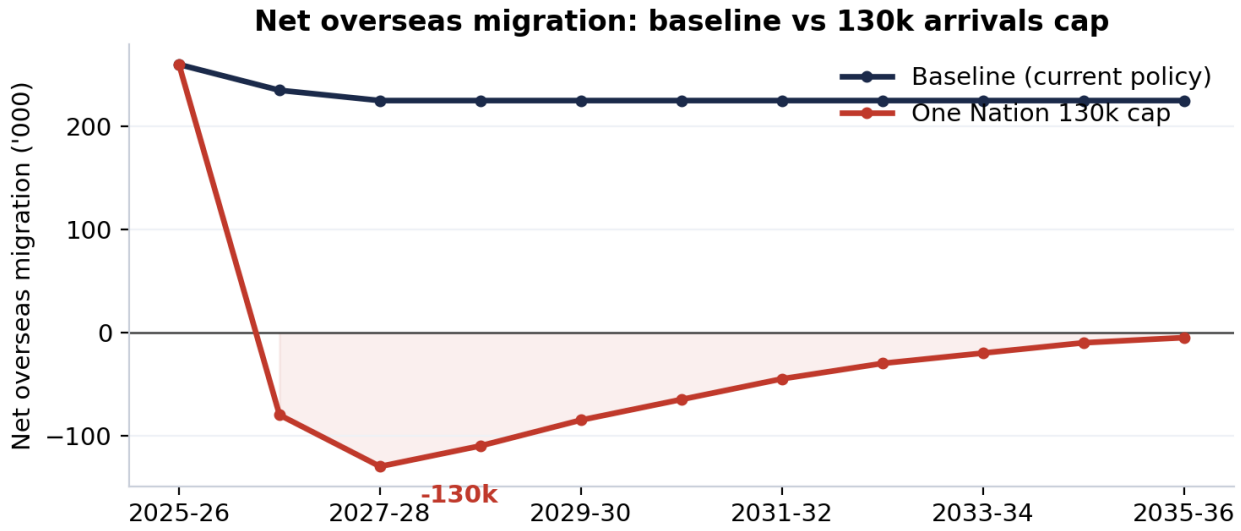


Figure 1 — NOM under the cap turns sharply negative before converging towards zero as the temporary visa stock depletes. Sources: ABS, Centre for Population, author's modelling.

Indicator (2035-36)	Baseline	130k cap	Difference
Population	~30.7m	~27.9m	**−2.8m (−9.1%)**
Population growth rate (avg)	~1.2% p.a.	~0.2% p.a.	**−1.0 ppt**
Temporary visa stock	~3.0m	~1.2m	**−1.8m**
Labour force	~16.5m	~14.9m	**−1.6m (−9.7%)**
Median age	~39	~41	+2 years

The labour force shrinks proportionally more than population because NOM is concentrated in the 18–39 age bracket with participation rates above 80%. The cap accelerates ageing: the ratio of working-age people to those 65+ deteriorates roughly half a decade faster than the Intergenerational Report baseline.

3.2 Federal budget balance

Component (annual, by 2035-36, vs baseline)	Central estimate	Range
Revenue forgone (income tax, GST pool, company tax)	**−$33bn**	−$26bn to −$40bn
Expenditure avoided (services, NDIS, Medicare, payments, infrastructure grants)	**+$14bn**	+$10bn to +$18bn
Compositional gain (skill-heavy mix, no parent visas)	**+$4bn**	+$2.5bn to +$6bn
Net annual budget impact	**−$15bn (≈0.8% of GDP)**	**−$10bn to −$22bn**

Migrants — particularly the temporary and skilled cohorts the cap removes — pay full income tax from arrival while drawing lightly on age-related spending for decades. The PBO is explicit that lower NOM scenarios *worsen* debt-to-GDP. The arithmetic is not close: removing ~270,000 net contributors per year forgoes far more revenue than it saves in outlays inside a 10-year window. (Over a 40–50 year horizon the gap narrows as today's migrants age into service use, but it does not reverse for skilled cohorts.)

3.3 Debt and debt-to-GDP

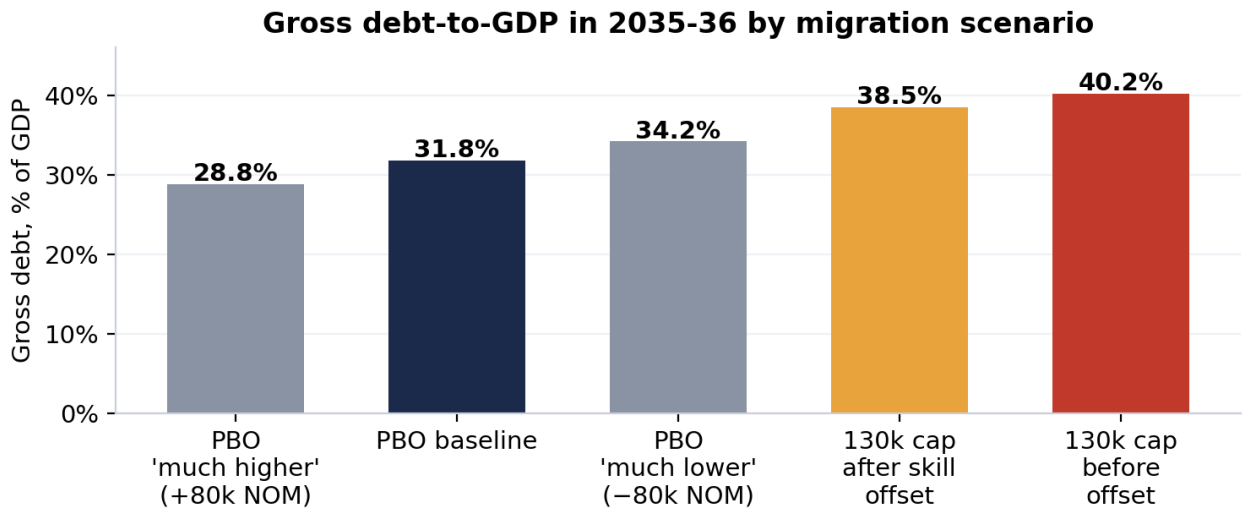


Figure 2 — The 130k cap sits ~3.5× outside the PBO's tested scenario band; extrapolated results carry ±2 ppt error bands. Sources: PBO 2025-26 MTBO; author's extrapolation.

In dollar terms, gross debt is an estimated **$280–360 billion higher** by 2035-36 than baseline — measured against a smaller economy, which is what drives the ratio deterioration. Even the most favourable corner of the range (36.5%) sits well above the 31.8% baseline.

3.4 GDP and productivity

Indicator (2035-36, vs baseline)	Central	Range
Real GDP level	**−7.5%**	−6% to −9%
Real GDP per capita	−0.8%	−1.8% to +0.3%
Labour productivity (GDP/hour)	~0 to +0.4%	−0.5% to +1.0%

Three forces compete. **(1) Dilution removal:** cutting lower-skill arrivals mechanically raises average output per head — the cap's strongest per-capita argument, amplified by ≥90% skill targeting. **(2) Age structure:** negative NOM removes prime-age workers and accelerates ageing, cutting participation and per-capita output. **(3) Scale and agglomeration:** smaller cities, thinner skill-matching, reduced business investment. On balance, a well-targeted small program limits per-capita losses to under 1% but does not plausibly produce large per-capita gains. Anyone claiming the cap makes Australians substantially richer per head — or substantially poorer — is over-claiming.

3.5 Housing

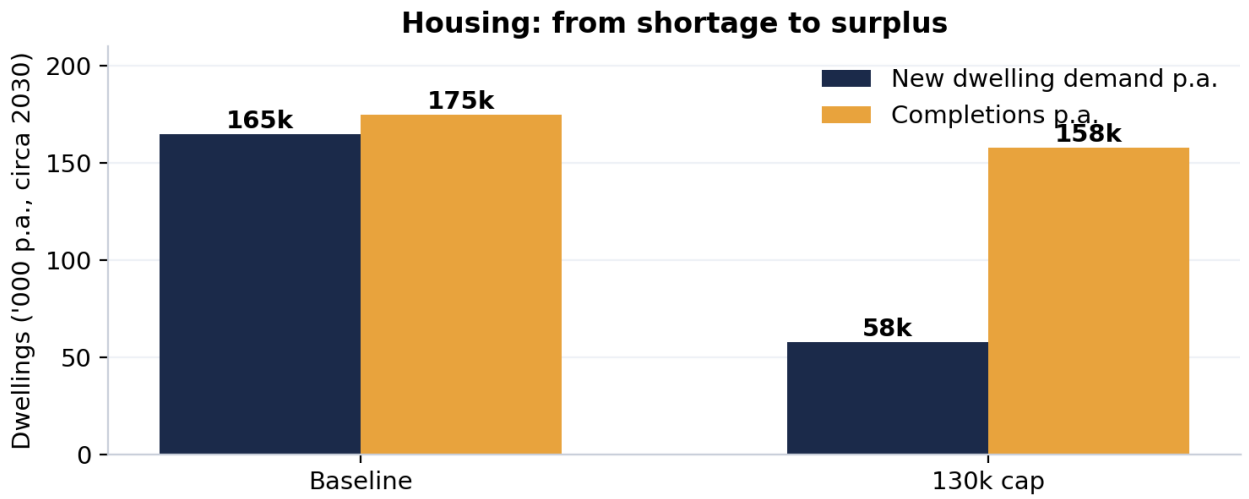


Figure 3 — Demand falls much further than supply: a surplus of ~80–100k dwellings p.a. opens up by the late 2020s. Sources: ABS, CoreLogic, author's modelling.

Indicator	Baseline	130k cap
New dwelling demand p.a. (2.49 persons/ household)	~150–180k	~45–70k
Completions p.a. (recent run-rate)	~175k	~150–165k (migrant labour loss)
Market balance	Rough balance/ deficit	**Surplus ~80–100k p.a.**
Rents vs baseline, 2030-31	—	**−10% to −15%**
Prices vs baseline, 2030-31	—	**−4% to −8%**

This is the policy's most defensible benefit. CoreLogic analysis attributes roughly **25% of house price influences and ~75% of rental market influences** to migration levels. New arrivals rent first, so negative NOM hits the rental market immediately — vacancy rates would normalise within 18–24 months. Two offsets: construction depends heavily on migrant trades (completions fall too), and falling prices reduce development feasibility, so the surplus partly self-corrects by the mid-2030s.

3.6 Infrastructure and services

A population 2.8 million smaller by 2035-36 defers roughly **$250–400 billion** in cumulative infrastructure requirements (transport, utilities, schools, hospitals — mostly state-funded), using standard $90,000–140,000 per-additional-person capital provisioning estimates. Congestion, hospital waiting lists and school crowding ease in high-growth corridors (western Sydney, outer Melbourne, south-east Queensland). The offset: fixed costs of existing and committed infrastructure are spread across fewer taxpayers, and contracted mega-projects proceed regardless, raising per-capita cost.

3.7 Wages, employment and sectoral effects

Aggregate wages: a tighter labour market lifts nominal wage growth modestly, concentrated in lower-wage occupations with high migrant density — hospitality, food processing, agriculture, aged care, cleaning, transport. Evidence (Productivity Commission; international literature) suggests real but small effects: +0.5–1.5% in exposed occupations, near zero economy-wide.

Acute shortage sectors: aged and disability care, nursing, construction trades, agriculture and regional health. Under a 130k all-visa cap with ≥90% high-skill targeting, *low-paid essential* occupations are squeezed hardest — the cap's internal contradiction is that the jobs Australians most rely on migrants to fill are not the high-fiscal-value jobs the restructured program prioritises.

> **International education**
>
> ~$48–51bn in exports and Australia's fourth-largest export earner. Student visa grants alone have recently run at 3–4× the entire proposed cap. Even allocating the full 30,000 modelled temporary places to students implies a **60–75% contraction in education exports (−$30–**

38bn p.a.), with severe consequences for university finances and the research workforce, which is cross-subsidised by international fees.

3.8 Fiscal quality of the restructured intake

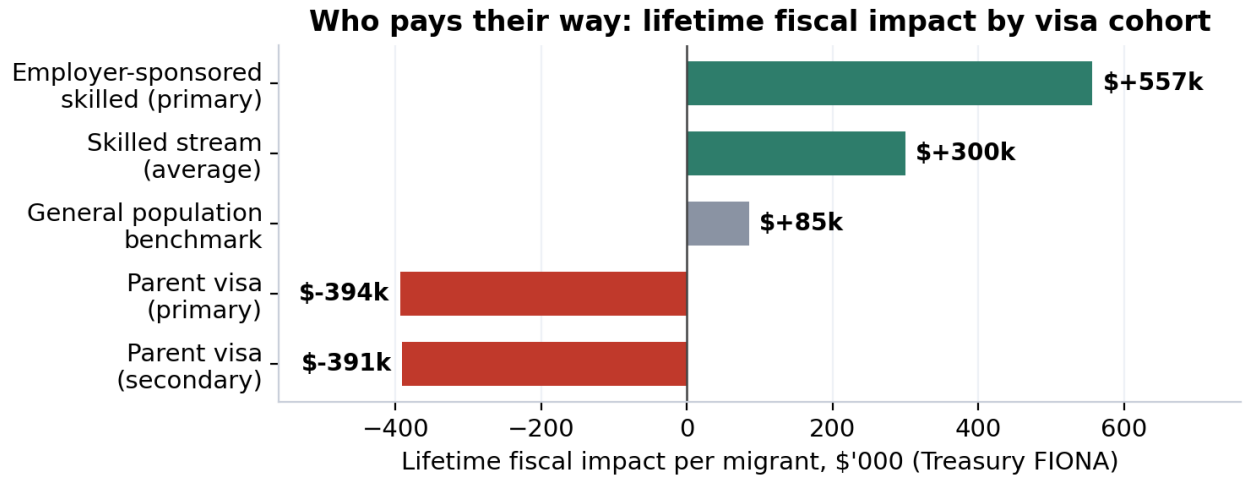


Figure 4 — Treasury FIONA lifetime fiscal impact estimates per permanent migrant. Source: Treasury (2021), The Lifetime Fiscal Impact of the Australian Permanent Migration Program.

Eliminating ~8,500 parent places avoids ~**$3.3 billion in lifetime fiscal costs per annual cohort** (NPV) — the single most fiscally defensible element of the package, and one that could be adopted *without* the cap. Note the equity dimension: contributory parent visa holders already pay ~$48,000+ per person in fees, recovering only a fraction of the actuarial cost, but the family-reunion value to communities — including the Indian-Australian and Chinese-Australian families who dominate the 140,000+ person parent queue — is not captured in fiscal accounting.

4 Sensitivity analysis

Scenario variant	Debt-to-GDP 2035-36	GDP per capita vs baseline	Net annual budget impact
Central: 130k cap, well-targeted (≥90% skilled)	**~38.5%**	**−0.8%**	**−$15bn**
Optimistic targeting: every place high-wage skilled (avg +$450k FIONA), strong spillovers	~36.5%	+0.3%	−$10bn
Poor targeting: cap binds but mix drifts back to current composition	~40.5%	−1.8%	−$22bn
Permanent-only cap (130k permanent, temporary uncapped)	~32.5%	−0.2%	−$3bn
Half-way cap (NOM ~100k positive)	~34.8%	−0.6%	−$8bn
Baseline	31.8%	—	—

Two findings stand out. First, **targeting matters but volume dominates**: the gap between best and worst targeting (~4 ppt of debt) is smaller than the gap between any cap variant and baseline. Second, the **permanent-only reading of the policy is an order of magnitude cheaper** than the all-arrivals reading — the ambiguity in One Nation's published material is worth tens of billions of dollars a year and deserves explicit clarification.

5 Risks, caveats and alternative scenarios

Risk / caveat	Assessment
Extrapolation risk	The PBO tested NOM deviations of ±80,000; this policy is a ~280,000 average deviation including a sign change. Behavioural responses at negative NOM (departure decisions, fertility, citizen return migration) are essentially unobserved in modern Australian data.
Federal-only fiscal lens	States carry most infrastructure and service costs; a whole-of-government view would show larger expenditure savings, narrowing — not eliminating — the net fiscal cost.
Transition chaos	An immediate cap would strand sectors mid-investment (universities, construction pipelines, care providers) and could trigger a per-capita recession in 2027-28 to 2028-29; a phased cap materially reduces this risk. Our estimates assume one transition year.
Housing supply response	If construction labour losses are worse than modelled, the housing benefit shrinks; if governments redirect fiscal room to public building, it grows.
Departures may not cooperate	The −100,000 NOM target requires departures to stay high; if temporary residents extend stays, NOM lands nearer −50,000 and all effects scale down ~40%.
Outside the model	Social cohesion effects in either direction, the option value of a larger future workforce, family-reunion welfare for diaspora communities, environmental carrying-capacity arguments, and defence/strategic arguments about population size. Real considerations — just not fiscal ones.

6 Conclusion

A hard 130,000 all-visa arrivals cap would do roughly what its proponents say on housing — rents and prices would sit measurably below baseline within three years, and infrastructure pressure would ease — and roughly the opposite of what its proponents imply on the budget. On PBO methodology, the Commonwealth's fiscal position deteriorates by around 0.8% of GDP a year and debt-to-GDP ends some 6–8 percentage points higher by 2035-36, because the migrants forgone are, on average, net taxpayers during the projection window.

The skill-heavy restructure and parent-visa abolition are fiscally rational design choices that recover only a modest fraction of the volume cost — and the parent measure, the strongest line item, does not require a cap at all. The honest framing of this policy is not "stronger budget *and* cheaper housing"; it is **"cheaper housing, smaller economy, weaker budget, faster ageing."** Whether that trade is worth making is a values question for voters, not a modelling question — but voters deserve the trade-off stated plainly.

Data sources

- ABS, *Overseas Migration 2024-25* — NOM 306,000; arrivals 568,000; departures 263,000. abs.gov.au/statistics/people/population/overseas-migration
- Centre for Population, *2025 Population Statement* — NOM 260,000 (2025-26), ~225,000 (2026-27 on). population.gov.au
- Parliamentary Budget Office, *2025-26 Medium-Term Budget Outlook: Beyond the Budget* — debt baseline and NOM scenarios. pbo.gov.au
- Treasury, *The Lifetime Fiscal Impact of the Australian Permanent Migration Program* (FIONA model). treasury.gov.au/publication/p2021-220773
- One Nation, *Immigration policy* and *Putting Australians First*. onenation.org.au
- Reporting of Senator Hanson's −100,000 NOM target (Noticer News, 2026).
- CoreLogic, *Five Things to Know About Migration and the Housing Market*.
- The Indian Sun, *As One Nation rises, its housing policies face closer scrutiny*, 1 June 2026.

This study is independent and non-partisan. All extrapolations beyond the PBO's published scenario band are the author's and carry the stated error bands.