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Pathways from temporary visas to permanent residency: a case study of migrants that arrived in 2006-07



Migration is the main driver of Australia's population growth

Many migrants become permanent residents after holding one or more temporary visas

Pathways from temporary visas to permanent residency

Context

This quick guide is part of a series published by Treasury's Centre for Population aiming to help readers better understand how Australia's migration system operates. Using the cohort of migrants that arrived in 2006-07, it provides a case study into the different 'pathways' that temporary migrants take through Australia's migration system, with many migrants often holding one or more temporary visas before becoming permanent residents or leaving the country.

Some migrants apply directly for permanent visas from offshore in their country of origin, while another large group of migrants come to Australia on temporary visas. Some of these temporary migrants do not become permanent residents, choosing to leave Australia once their temporary visa expires. However, many others remain in Australia, extending their stay by applying for additional temporary visas or applying to remain in Australia with a permanent residency visa. These movements, or 'transitions', through different visas can involve many steps.

Transition pathways of migrants are also dependent on policy settings. During the period of the case study, several policy changes were introduced which may have affected transitions. These changes include the 2008 reforms of the skilled stream that increased the number of employer and state sponsored visas issued and reduced the number of points-tested visas; as well as the introduction of streamlined visa processing in 2012 for student visas¹. Investigating how policy changes have influenced visa transitions could be a topic for future researchers.

¹ Source: Productivity Commission, *Migrant Intake into Australia, Inquiry Report*, p.65

Understanding the dynamics of Australia's migration system is crucial as net overseas migration contributed approximately 60 per cent of Australia's population growth over the decade prior to the pandemic. It is expected to contribute even more to Australia's population growth in future, as natural increase (the difference between births and deaths) is expected to continue its long-running decline.

Scope of the quick guide

This case study uses data from the Australian Bureau of Statistics' (ABS) Multi-Agency Data Integration Project ([MADIP](#)) to explore the migration pathways of individuals who arrived on student, temporary skilled or working holiday maker (WHM) visas in 2006-07 and how they moved through the system over the decade until 2016-17.

To avoid incorporating short-term travellers into this analysis, we define a pathway to begin when an individual arrives in Australia on a temporary visa and remains onshore for 12 out of 16 months (meaning they are covered by the ABS's definition of an *overseas migrant*). We define a pathway to end when the individual either attains permanent residency, leaves Australia or remains onshore on a temporary visa in 2016-17. We define a transition to be where an individual moves from one class of visa to another, whether it be another temporary or permanent visa. Pathways to permanent residency often consist of multiple transitions between temporary visa classes before the individual attains permanent residency.

The findings in this publication differ from those previously published in *Shaping a Nation (Treasury and Department of Home Affairs, 2019)* due to methodological differences (see technical appendix).

Most temporary skilled migrants transitioned straight to a permanent visa, while international students and working holiday makers typically transitioned to another temporary visa before becoming permanent residents

Summary of results

There are many different pathways from temporary visas to permanent residency, though some are more common than others. Some are particularly complex, characterised by multiple transitions that may take several years. Some temporary visas provide clear pathways to permanent residency, while others do not. Some temporary visas exclude transitioning to permanent residency altogether.

Key findings

- Almost 45 per cent of migrants who arrived on a student, temporary skilled, or WHM visa in 2006–07 moved to a permanent visa by 2016–17, with a similar proportion eventually leaving the country.
- Temporary skilled migrants had the highest probability of attaining permanent residency, with 69 per cent arriving in 2006–07 being granted a permanent visa by 2016–17. In comparison, 39 per cent of international students and 32 per cent of WHMs attained permanent residency in the same period.
- Of those individuals that were granted a permanent visa, Table 1 shows the number of temporary visas they held before becoming a permanent resident. While almost all temporary skilled visa holders moved straight to a permanent visa, over 60 per cent of both international students and WHMs had two or more transitions before becoming a permanent resident. Long pathways were particularly common for WHMs, with over 15 per cent making three or more visa transitions.
- The average time taken to attain permanent residency also varied according to the temporary visa a migrant arrived on, with temporary skilled migrants taking 2.9 years on average, WHMs taking 4.5 years and international students taking 5.6 years.
- There was a significant share of temporary migrants that arrived in 2006–07 and remained on temporary visas by 2016–17 (12 per cent). Most of these long-term temporary migrants entered on a student visa.
- The analysis presented in this quick guide does not extend beyond 2016–17. It is possible that some of these migrants remain in Australia on temporary visas until the present time, though many may have left the country or have since been granted permanent residency.

Table 1: Number of transitions to permanent residency, by temporary visa at arrival

Number of transitions to permanent residency	Students (%)	Temporary skilled (%)	WHM (%)
1	37	97	30
2	52	2	53
3	9	1	12
4	2	0	4
5 or more	0	0	1

Visualising the pathways

A Sankey diagram (Figure 1) helps visualise the transitions that temporary migrants make through our visa system.

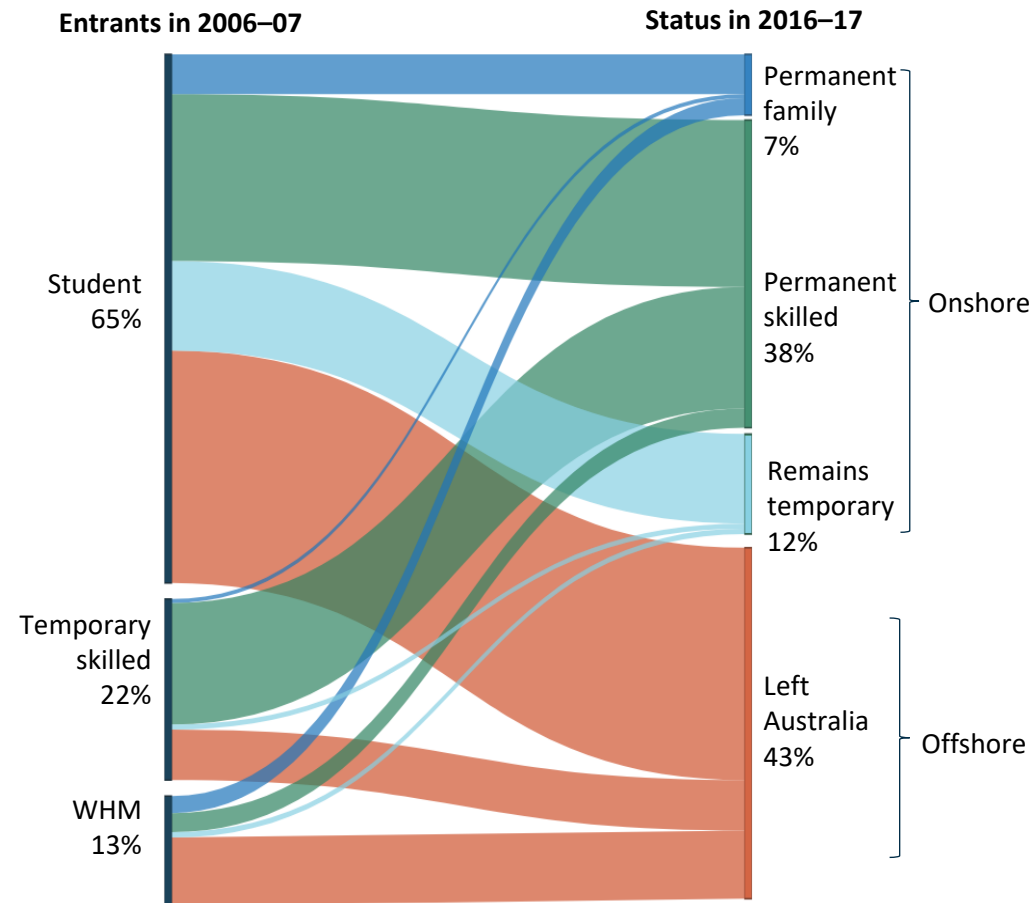
The left node shows the starting point of the transition pathways. Of the three entry visas being considered in 2006–07, 65 per cent were students, 22 per cent were temporary skilled migrants and 13 per cent were WHMs. The right node represents the status of these migrants at the end of the 10-year observation period – permanent residents via the skilled stream, permanent residents via the family stream, having left the country or remaining in Australia on a temporary visa.

The thickness of the arcs between these two nodes represents the proportion of these migrants transitioning between two categories from 2006–07 to 2016–17. Many migrants make one or more intermediate steps to other temporary visas, between their visa of initial entry and their status in 2016–17. These are not shown in Figure 1 (but are illustrated in Figure 2).

By 2016–17, of the students, temporary skilled and WHMs that arrived in 2006–07:

- 7 per cent became permanent residents via the family stream
- 38 per cent became permanent residents via the skilled stream
- 12 per cent remained on a temporary visa; and
- 43 per cent returned offshore.

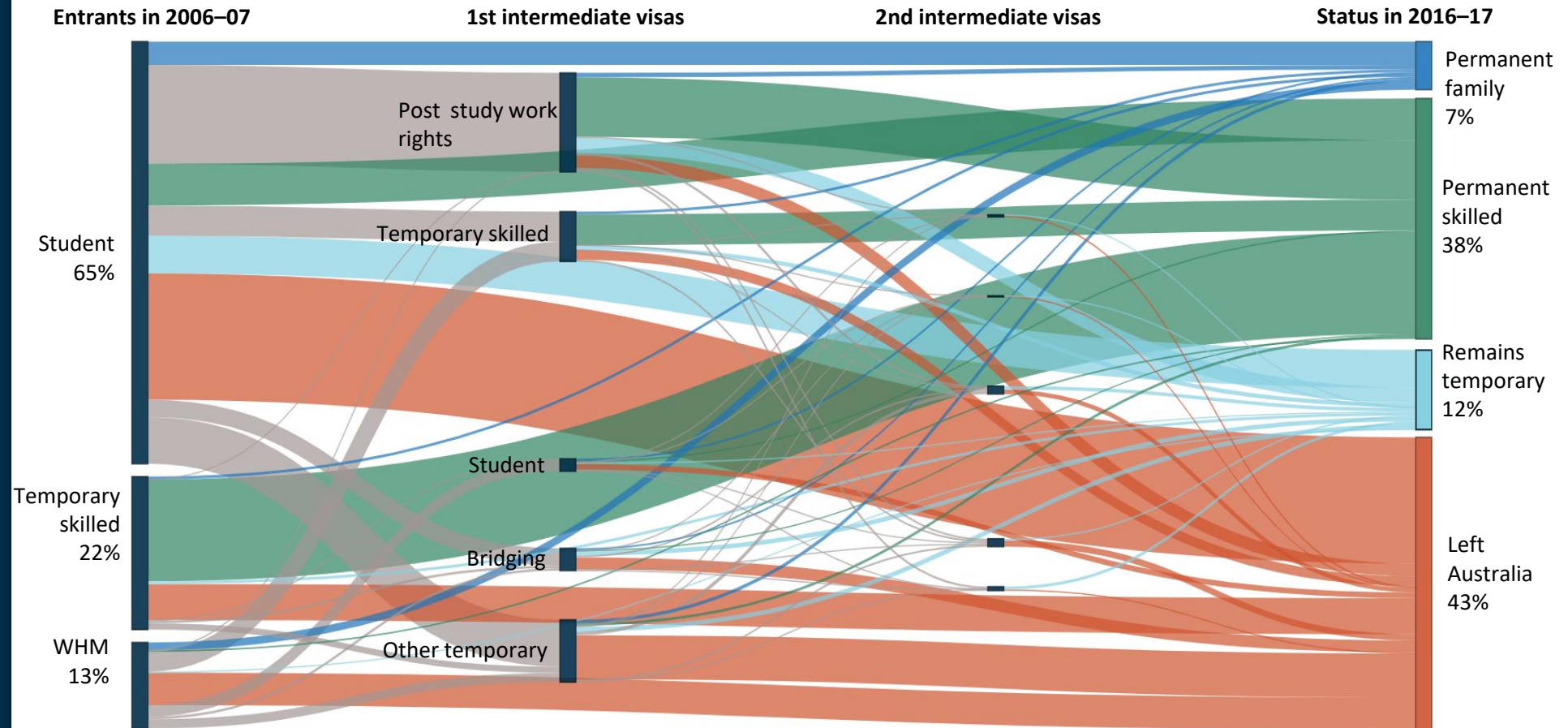
Figure 1: Pathways of student, temporary skilled and WHM visa holders



There are many pathways to permanent residency

Figure 2 builds on the simplified Sankey diagram in Figure 1. It illustrates up to 3 of the transitions made by individuals that arrive on student, temporary skilled and WHM visas (only 5 per cent of these migrants made 4 or more transitions). The thickness of the arcs between the 4 nodes represents the proportion of these migrants transitioning between two categories of visas, with colours corresponding to the different types of transitions. The pathway for each of these migrant types is discussed and illustrated separately in the following pages (Figures 3 to 5).

Figure 2: Pathways of student, temporary skilled visa holders and WHMs, including intermediate temporary visas



Note: "Other temporary" includes visitors, WHMs, New Zealand citizens and temporary other visa holders.

Almost 60 per cent of temporary entrants in 2006-07 made at least one transition to an intermediary visa before becoming a permanent resident

Most students either became permanent residents or returned offshore

However, a significant share remained on a temporary visa after ten years in Australia

Student visa holders

A student visa enables people to study in Australia for up to 5 years in line with enrolment in a course of study.

Key findings

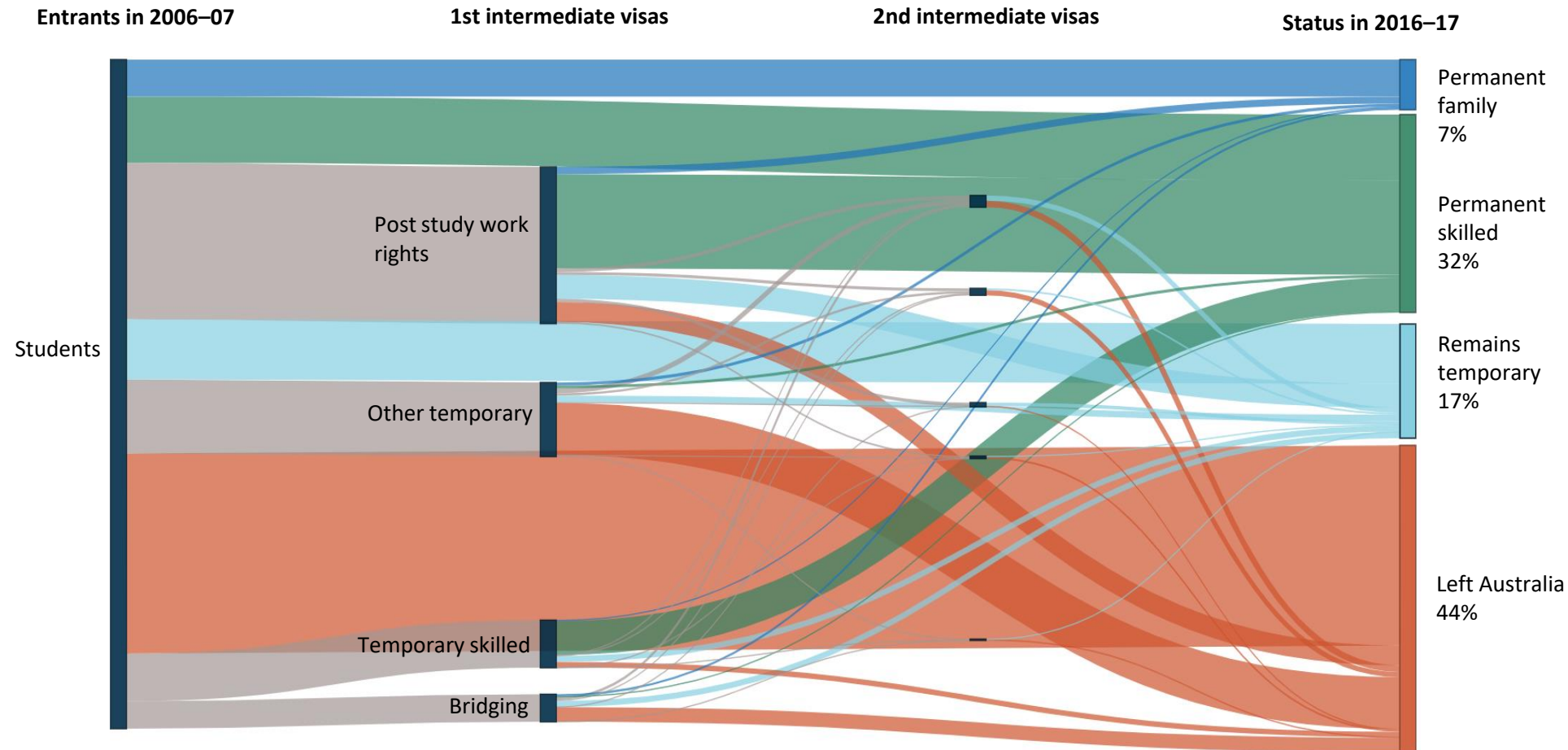
- 39 per cent of individuals that arrived on a temporary student visas transitioned to permanent residency, while 44 per cent completed their studies and returned offshore (Figure 3).
 - Post-study work rights visas (also known as temporary graduate visas, or TGVs) allow students to live, study and work in Australia after they have finished their studies. This provides a relatively clear pathway for students wanting to eventually access permanent residency and unsurprisingly was the most common transition pathway to permanency.
 - Students often made 2 or more transitions before being granted a permanent skilled visa. However, the majority of those who transitioned to a family visa did so directly from their initial student visa.
 - Students took an average of 5.6 years to become permanent residents, longer than either temporary skilled visa holders or WHMs, partly reflecting time taken to complete their studies (Table 2).
- A significant share of students (17 per cent) remained as temporary residents after 10 years in Australia. This was much higher than WHMs or temporary skilled visa holders, of which under 5 per cent remained on temporary visas.

Table 2: Key statistics for students arriving in 2006–07

Arrivals in 2006–07	103,000
Number that are permanent residents by 2016–17 (proportion of 2006–07 arrivals)	40,300 (39%)
Median age of arrival on temporary visa	23
Median age of becoming a permanent migrant	28
Average duration of pathway to permanent residency	5.6 years
Most common permanent visas for those that become permanent	Skilled Independent (50%) Family (17%) Employer Sponsored (12%)

Pathways of student visa holders to permanent residency

Figure 3: Visa transitions of student visa holders that entered as migrants in 2006-07, until 2016-17



Note: "Other temporary" includes visitors, WHMs, New Zealand citizens and temporary other visa holders.

Most temporary skilled migrants transitioned directly to a permanent skilled visa

Temporary skilled visa holders

A temporary skilled visa enables people to work in Australia on a temporary basis, requiring an individual to work within a specific skill sector, industry or for a certain employer. This visa exists to address labour shortages where employers are not able to source an appropriately skilled Australian worker. Following changes in 2018, not all occupations are eligible for subsequent transition to permanent residency.

Key findings

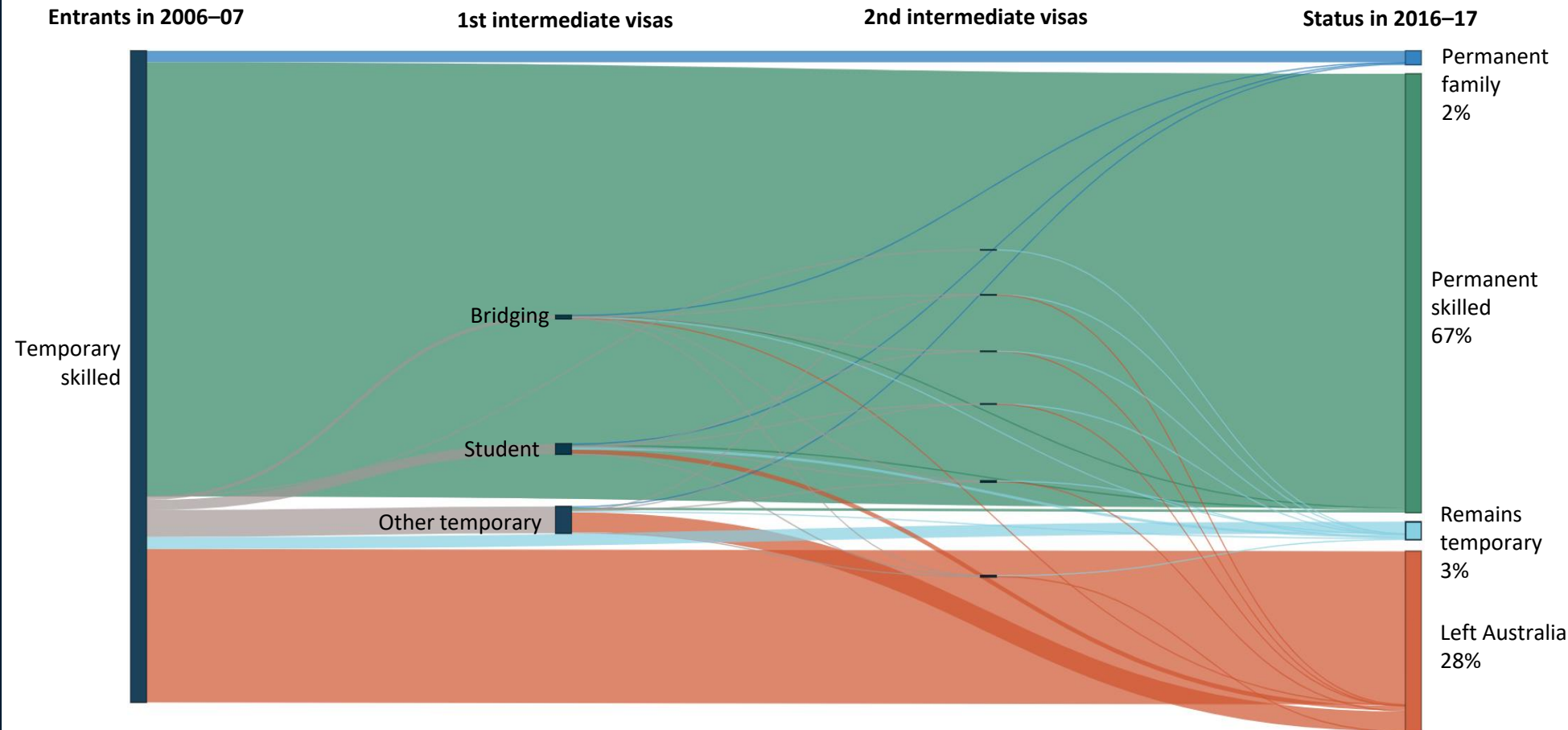
- Temporary skilled migrants had a much higher rate of transition to permanent residency compared to students or WHMs, with 69 per cent of those who arrived in 2006–07 being granted a permanent visa by 2016–17 (Table 3).
- Almost 80 percent of those who transitioned leveraged their experience in the Australian labour market into an employer sponsored permanent skilled visa (this includes regional employer sponsored visas).
- Only 2 per cent of temporary skilled migrants transitioned to the family stream (Figure 4).
- The demand for their skills in the Australian labour market and the relatively simple pathways to permanent residency meant that migrants that arrived on temporary skilled visas took significantly less time to transition to permanent residency (2.9 years) than students (5.6 years) or WHMs (4.5 years) (Tables 2, 3 and 4).
- This analysis only includes those that entered Australia on a 457 visa, which was replaced by the temporary skill shortage visa in 2018. This change resulted in a reduction in the number of occupations eligible for transition to permanent residency. While this is outside the period of analysis in this guide, the change is likely to affect the overall patterns and numbers of temporary skilled visa holder who transition to permanency.

Table 3: Key statistics for temporary skilled migrants arriving in 2006–07

Arrivals in 2006–07	35,300
Number that are permanent residents by 2016–17 (proportion of 2006–07 arrivals)	24,500 (69%)
Median age of arrival on temporary visa	30
Median age of becoming a permanent migrant	33
Average duration of pathway to permanent residency	2.9 years
Most common permanent visas for those that become permanent	Employer Sponsored (60%) Employer Sponsored Regional (18%) Skilled Independent (11%)

Pathways of temporary skilled visa holders to permanent residency

Figure 4: Visa transitions of temporary skilled visa holders that entered as migrants in 2006-07, until 2016-17



Note: "Other temporary" includes visitors, WHMs, New Zealand citizens and temporary other visa holders.

Almost half of the WHMs that transitioned to permanent residency did so with a family visa

Working holiday maker visa holders

A WHM visa allows young adults (18 to 35) to initially have a 12-month holiday in Australia, during which they can undertake short-term work and study with some limitations on working rights. Those that arrived in 2006–07 had the option to extend this initial stay by an extra year with a secondary WHM grant. Since then, the visa system has changed considerably, including changes to visa application charges, age limits and eligible source countries.

Key findings

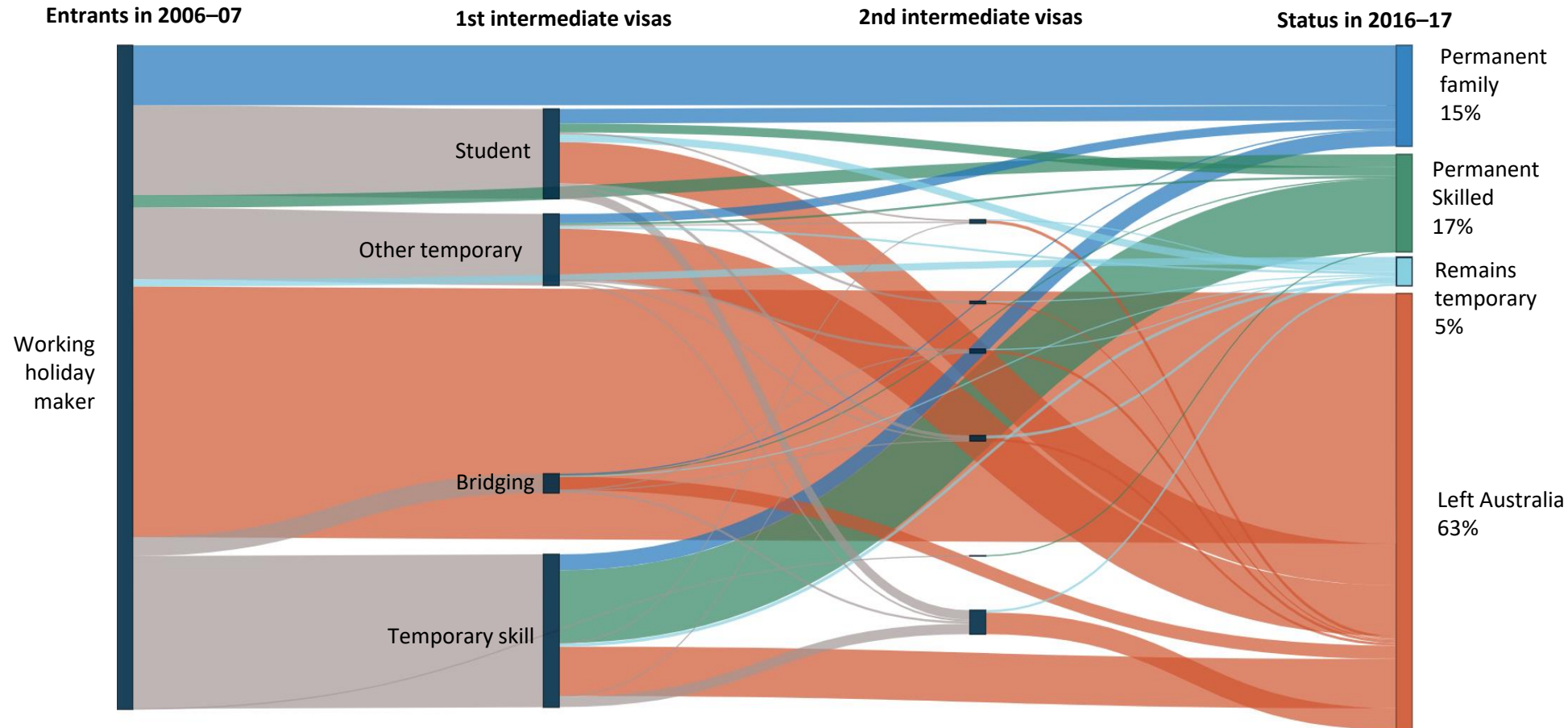
- 32 per cent of WHMs became permanent residents, slightly lower than the proportion of students and much lower than temporary skilled visa holders (Table 4).
- WHMs do not have standardised pathways to become permanent residents under the skilled stream, which is often reflected in movements to student or temporary skilled visas before attaining a skilled permanent visa (Figure 5).
- 45 per cent of the WHMs that transitioned to permanent residency did so with a family visa, which is a much higher proportion than for those arriving on temporary skilled (3 per cent) and student (17 per cent) visas.

Table 4: Key statistics for working holiday makers arriving in 2006-07

Arrivals in 2006–07	21,400
Number that are permanent residents by 2016–17 (proportion of 2006–07 arrivals)	7,000 (32%)
Median age of arrival on temporary visa	26
Median age of becoming a permanent migrant	30
Average duration of pathway to permanent residency	4.5 years
Most common permanent visas for those that become permanent	Family (45%) Employer Sponsored (31%) Skilled Independent (10%)

Pathways of working holiday maker visa holders to permanent residency

Figure 5: Visa transitions of working holiday makers that entered as migrants in 2006-07, until 2016-17



Note: "Other temporary" includes visitors, WHMs, New Zealand citizens and temporary other visa holders.

Technical appendix

Methodology

- This analysis considers migrants arriving in Australia on a student, temporary skilled or WHM visa in 2006–07. It then tracks the visa transitions of these migrants over the decade until the end of 2016–17.
- A pathway is considered complete once an individual is granted a permanent visa or if they have left the estimated resident population by departing Australia (and not returned by the end of 2016–17). Those that remain onshore and have not transitioned to a permanent visa by the end of 2016-17 are allocated to the “Remains temporary” category.
- This methodology differs to previous analysis of visa transitions in *Shaping a Nation* (Treasury and Department of Home Affairs, 2019) in three key respects:
 - This quick guide uses data that were not available at the time of *Shaping a Nation*.
 - This quick guide focusses on the transitions of the 2006–07 cohort of temporary migrants, whereas *Shaping a Nation* took an average of cohorts from 2000–01 and 2013–14.
 - This quick guide limits analysis to a population of individuals who entered Australia's resident population (i.e. those that spent 12 of 16 months in Australia), whereas *Shaping a Nation* began with anyone who was granted a visa whether or not they actually joined Australia's population. Exclusion of these short-term arrivals who leave Australia without ever becoming residents increases the proportion of temporary arrivals that ultimately transition to permanency.

Assumptions and limitations

- Consecutive transitions between the same visa type have been removed from the analysis for simplicity. For example, if an individual has been granted multiple consecutive WHM visas, the analysis will only capture the first WHM visa grant.
- Though visitor visas were also a major visa category for temporary migrant arrivals, visitor visas are only included in this analysis as an intermediate visa that a temporary migrant can take to the end of their pathway (reflecting the focus on migrant arrivals rather than short-term visitors).
- The analysis does not cover transitions that may have occurred after the end of 2016–17. In particular, some of those migrants that remain temporary at the end of 2016–17 may transition to permanent residency at a later stage.
- Those that transitioned to permanent residency and then subsequently left the country without returning by the end of 2016-17 are counted in the offshore category. Those that leave Australia and return onshore before the end of 2016-17 are still included in the analysis.

Potential areas for future research

- The Centre for Population will consider extending the analysis to entrant cohorts from other years to investigate the impact of changes in visa systems since 2006–07. The Centre will also consider extending the observation period beyond 2016–17 to investigate those that remained on temporary visas even after 10 years and whether they eventually became permanent residents.

More information on migration

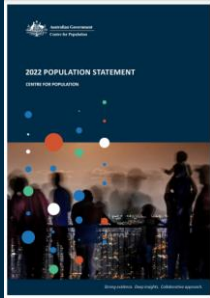
Treasury publications on migration

The Centre for Population's latest data, research and analysis on migration can be found at www.population.gov.au. Recent publications include:

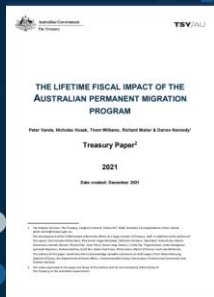
- [2022 Population Statement](#) – analyses the past year of population change and includes projections of the population over the next decade, providing further detail on the projections in the October 2022–23 Budget.
- [The lifetime fiscal impact of the Australian permanent migration program](#) – Treasury publication that estimates the fiscal impact of permanent migrants over their remaining lifetimes in Australia. This estimate captures tax revenues and government expenses incurred by Commonwealth, State and Territory Governments that are directly attributable to migrants.

ABS data sources on migration

- [Census of Population and Housing](#) – the most comprehensive snapshot of the country that tells us about the economic, social and cultural make-up of the country.
- [Overseas Migration](#) – statistics on Australia's international immigration and emigration, by state and territory, country of birth, visa, age and sex.
- [National, state and territory population](#) – statistics about the population and components of change (births, deaths, migration) for Australia and its states and territories.
- [Regional population](#) – statistics about the population and components of change for Australia's capital cities and regions, including overseas migration.



2022
Population
Statement



The lifetime
fiscal impact of
the Australian
permanent
migration
program



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