

Change and persistence: a review of the Australian visa system since the border re-opened

By Henry Sherrell

This essay is a contribution to the RBA and ABS conference on migration, hosted in June 2026.

An introduction to the Australian visa system and the context of the pandemic

A few contextual statements about Australia's visa system. This foreground is important as many of these shape visa rules and norms about Australia's visa administration. Too often, we are drawn to the detail about how the visa system works, or doesn't, at the expense of looking at what shapes decisions and administration.

Unlike many parts of Australia's federal administration, there are few constraints to visa policy and administration from federalism. Further, the legislature through the Migration Act, has designated visa policy as perhaps the most executive-friendly domain in the Federal government.

The Immigration Minister has 'godlike' powers in relation to individual visa applications. Beyond individual visas, broad discretion exists via delegated legislation.¹ A scribble on a piece of paper, tabling in the Parliament, and the lives of tens, if not hundreds, of thousands of people can be touched.

Strong Federal powers, combined with a permissive Parliament, mean visa policy is straightforward to adjust, in most instances. This has given rise to public expectations that governments can quickly fix any immigration problem. We could debate 'can', 'quickly', 'fix' and 'problem' most days of the week in relation to visa policy and administration. Yet when things go astray, and they do, there is no-one to hold the bag apart from the Federal government.

¹ For example, almost all eligibility criteria for most visa classes are listed in the Migration Regulations at Schedule 1 (making a valid application) and Schedule 2 (specific visa criteria).

Of course, there are limits to executive power. The Migration Act demands any visa application applied for correctly and which meets the criteria must be granted.² Without explicit powers to do so, governments cannot simply look the other way for an indefinite period of time or refuse a visa because they don't like the vibe. Blunt powers to bludgeon the visa system exist in the Migration Act yet are seldom touched.³

A 'universal visa' framework, meaning every non-citizen holds a visa, or is unauthorised, provides a foundation for much of immigration policy.⁴ Of course, being a giant island helps enormously when seeking to track who comes and who goes.

Individual migrants and their aspirations are active participants in policy decisions and, at times, their incentives do not align neatly with what is being sought by governments. Someone dreaming of a life in Australia does not aspire to hold a student or work visa. This is simply a process to be followed. We would all do well to more frequently imagine what the visa system looks like to those who actually use it.

But this is hard to do. Visa policy is by definition primarily about non-citizens, meaning those who are most intimately shaped by the decisions are not direct participants in the political process. This creates a hard to define distance between the effect of decisions and administration of the visa system and feedback to those who administer it.

Many of us, myself included, too often view the visa system as a series of parts to be examined, amended, and managed, as opposed to a collective framework. Breaking down the system into discrete parts is undeniably helpful and necessary – it creates legibility – but for policy makers, it also guarantees an unknown number of unintended consequences.

The willingness to migrate to Australia changes at different points along the global income and wealth distribution. The poorest people in the world are often unable to migrate due to the costs involved, whereas the richest in the world are often very comfortable where they are.⁵

In any given period of time, the effects of immigration on Australian society, labour markets, and the economy can be small *on average* but distributionally much varied.

² Section 65 of the Migration Act.

³ Section 85 and 86 of the Migration Act permit the Minister to cap the maximum number of visas of a specific class to be granted in a given financial year. See Mares ([2015](#)) for a detailed account of when these powers were used.

⁴ Section 29 of the Migration Act.

⁵ The 'migration hump' is a common refrain in development economics, see Clemens and Postel ([2018](#)) and de Haas ([2020](#)). See Bencek and Schneiderheinze ([2024](#)) for a critical reading.

Unless you are a citizen from New Zealand, people cannot hold a temporary visa, or a series of temporary visas, for an indefinite period of time. Temporary visas have an end date.⁶

Australia has excellent immigration data, perhaps the best in the world.

The pandemic and the visa system

Unprecedented is a term thrown around with abandon and an oft-disregard for history. But the pandemic was unprecedented for Australia's visa system. Never before in the era of 'managed migration' had arrivals paused – almost overnight – and an extended period of uncertainty prevailed. In many senses, we are living with a visa system that still bears large artefacts from the pandemic.

I don't seek to excuse poor decisions or mismanagement. With hindsight, I'm certain there are choices the Morrison and Albanese governments would have made differently. But given the uncertainty of the pandemic era, assuming a healthy degree of goodwill from those charged with overseeing the visa system is worthwhile.

We know more today than we did before the pandemic

Australia has a rich history of policy innovation, research and evaluation concerning visas and we are living in a purple patch at the moment.

What do we know today that we didn't prior to the pandemic?

We know more about internal migration patterns after arrival than we did a few years ago.⁷ My last job in the Department of Immigration was part of the regional visa section and I recall being somewhat distressed about the lack of empirical evidence to assess basic policy direction in 2012.

We know more about economic outcomes across visa categories.⁸ While policy research has often tracked economic outcomes via government surveys and labour market data, new methods and data allow for a richer understanding.

We know much more about transitions between visas after arriving in Australia.

⁶ The 'Special Category' visa (subclass 444) is for New Zealand citizens on entry to Australia. It is unique in that it has no end date and is granted for on-arrival in Australia without the need for application. Every other temporary visa category has an expiry date.

⁷ See Laukova et al ([2026](#)) as an example.

⁸ See Varela et al ([2021](#)) as an example.

Today, you can see the effect of this new knowledge by looking at policy choices governments are making. The recent Budget, as well as a litany of policy changes over the past few years, draws on this information. Of course, there are still an untold number of things we don't know much about.⁹

Australian governments will take more decisions than they otherwise would have without this renewed interest in the visa system, coupled with advances in methods and data.

Visa trends since the pandemic

Permanent visas

Most people arrive on temporary visas in Australia. Many leave but those who want to live in Australia beyond a few years require a permanent visa. This means the number, mix, and rules of permanent visas play an important role on the shape of Australia's population over the long-term as well as the behaviour of people who hold a temporary visa in Australia. Even a small tweak to permanent visa policy shapes how tens, if not hundreds, of thousands of people act in the labour market and our communities.

The level and mix of permanent visas granted is set via an annual Cabinet submission process. It is one of the primary policy levers for the government and the most straightforward to use in an effort to shape Australia's population. The main constraints for policy makers are the fiscal trade-offs and the effects on the visa system from the level of demand for a given number of visas.

Visa levels

Table 1 shows the number of permanent visas planned by the Federal government in recent years:

⁹ Three I think of regularly are the behavioural effects of welfare restrictions on non-citizens, the effects of temporary visas on family formation, and whether the fiscal benefits of higher visa fees are offset by longer-term economic and social costs.

Table 1: Number of permanent visas planned by the Federal government

	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Skilled Independent	6,500	32,100	30,375	16,900	16,900	21,090
Talent and Innovation	28,700	10,300	7,200	5,300	5,300	3,500
Employer-Sponsored	22,000	35,000	36,825	44,000	44,000	58,040
Regional	11,200	34,000	32,300	33,000	33,000	14,110
State/Territory Nominated	11,200	31,000	30,400	33,000	33,000	35,500
Skilled	79,600	142,400	137,100	132,200	132,200	132,240
Partner	72,300	40,500	40,500	40,500	40,500	41,500
Child	3,000	3,000	3,000	3,000	3,000	3,500
Parent	4,500	8,500	8,500	8,500	8,500	7,060
Other Family	500	500	500	500	500	400
Family	80,300	52,500	52,500	52,500	52,500	52,460
Special eligibility [Ministerial Intervention]	100	100	400	300	300	300
Humanitarian	13,750	17,875	20,000	20,000	20,000	20,000
Pacific	0	0	3,000	3,280	3,280	3,280*
All permanent visas	173,650	212,775	212,600	207,980	207,980	207,980

The planned level of permanent visas is largely stable after a large increase in 2022-23. The number of permanent visas in 2022-23 was equivalent to 0.8 per cent of the population, with the 2026-27 equivalent to about 0.75 per cent.

Table 1 is the number of planned permanent visas. Since 2022-23, the same number of visas have been granted as the planning level, making the planning level a de facto target. Prior to this, skilled and family visas were a 'ceiling', with the former Coalition government often granting fewer visas than the ceiling.

Table 1 shows all permanent visas. This is different to how the bureaucracy understands permanent visas. There is a strong habit of splitting up different categories, with the "Migration Program" being made up of skilled, family and special

eligibility visas, and the Humanitarian and Pacific streams as standalone features. This is confusing for those not intimately familiar with visa policy.¹⁰

Visa mix

The Howard Government introduced a ‘two thirds skill, one third family’ principle for permanent visas. While there has been some variance over time, it remains in place three decades later. With the borders closed, the Morrison Government granted a much larger number of partner visas in 2021-22 compared to any year in contemporary records. It is notable the Albanese Government reverted back to the ‘two third / one third’ principle immediately following the re-opening of borders.

Within the skilled visa categories, the mix of visas has been subject to substantial change over the past five years.

The Albanese Government has deprioritised and removed most of the talent and innovation categories (including abolishing new applications for investment visas), shifting from 28,700 visas in 2021-22 to 3,500 for the upcoming financial year.

All of this reduction shows up in the more than doubling of permanent employer sponsored visas, with 58,000 visas planned for 2026-27, up from 22,000 in 2021-22. The Albanese government is prioritising labour demand from employers to a much greater extent than has historically been the case. These visas have also been the most fiscally beneficial, at least over the four-year Budget cycle.¹¹

Regional visas were sharply increased in the wake of the pandemic, and have just been subject to an almost as sharp decrease for 2026-27. This visa category has been the least fiscally beneficial skilled visa and is poorly targeted at non-urban areas despite its name as Perth, Adelaide, and other large non-capital cities are classified as “regional”.

Skilled Independent, for decades the bedrock of Australia’s skilled visa system, has fluctuated over the past five years. Unlike employer sponsorship, the government of the day has strict control over points-tested visas and is the most attractive option to cut given the lack of pushback from any stakeholder. This is discussed below.

¹⁰ This is also confusing for those with familiarity. For example, I was unable to find confirmation of the 2026-27 Pacific visa category anywhere in Budget documentation or the DFAT website. Therefore I have assumed the program will rollover based on the prior year allocation.

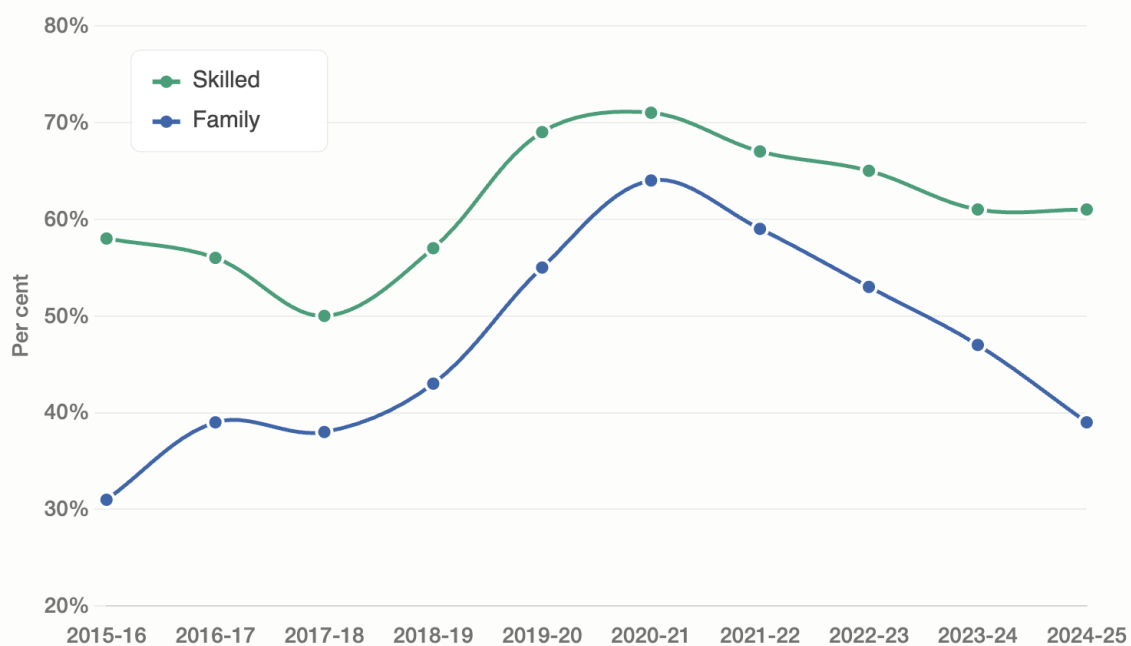
¹¹ It’s an empirical question whether this holds over the long-term. For example, it is straightforward to imagine the situation where a small and targeted Skilled Independent intake would be more fiscally beneficial than a much larger employer sponsored visa where the average nominal wage has struggled to grow over the past six years.

Pacific visas are a new feature, introduced by the Albanese Government. There is a general category under the Pacific Engagement visa category (3000) and a Tuvalu-specific category (280). These visas are allocated by ballot, a new feature of the visa system.¹²

Visa location

Many permanent visas are granted to people already in Australia:

Figure 1: Share of permanent skilled and family visas granted to people in Australia



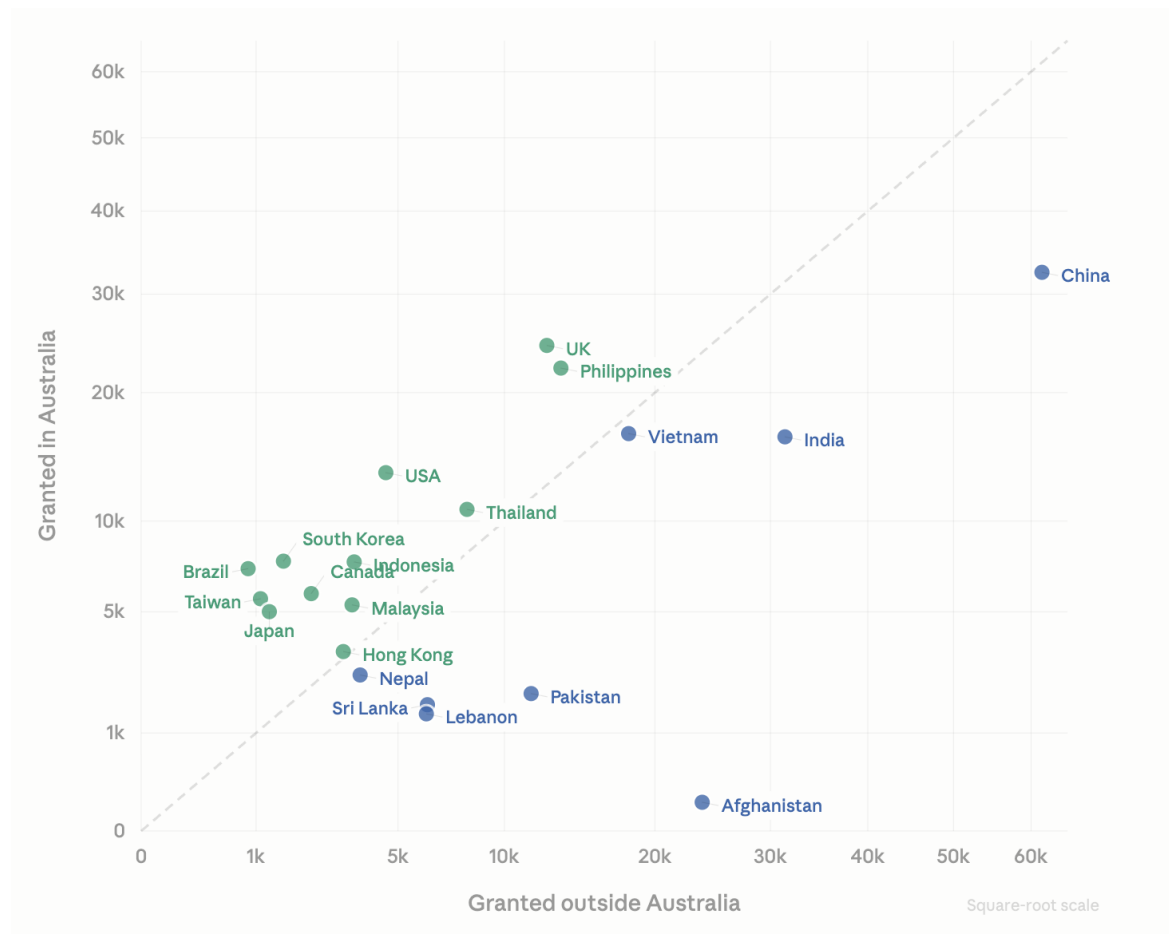
Source: *Permanent Migration Program (Skilled and Family) Outcomes Snapshot, 2015-16 to 2024-25*, [Department of Home Affairs](#)

It is now common knowledge that this occurs. However there remains an underappreciated element about just how big this is for contemporary Australian visa policy. A two-, or multi-, step transition of temporary visas to a permanent visa dramatically changes how new migrants live their lives. It makes the interaction between temporary and permanent visas a critical part of the visa system. To use some economic jargon, this establishes great potential for information asymmetry.¹³

¹² Unlike many policy changes since the pandemic, legislation was required for the use of ballots in the visa system. The Migration Amendment (Australia's Engagement in the Pacific and Other Measures) Bill 2023 was given assent in October 2023. There are now multiple ballots being conducted each year.

¹³ Bruce Chapman taught me information asymmetry and moral hazard explain most of Australian public policy and 15 years later, I think he's right.

Depending on the goal of policy makers, there are benefits and costs to this development. As an example, Figure 2 shows the share of family visas by country, according to the share of visas granted inside and outside Australia:



Source: *Permanent Migration Program (Skilled and Family) Outcomes Snapshot, 2015-16 to 2024-25*, [Department of Home Affairs](#)

These outcomes are shaped by several factors, including the population of people on temporary visas already in Australia. To generalise, most of the countries labelled with a green dot have multiple points of entry to temporary visa pathways and are more likely to meet their partner in Australia. The countries given a blue dot follow more 'traditional' visa pathways, where partners (and parents) wait outside Australia.

This has implications for policy goals, for example actively shaping net overseas migration. Prioritising visas for people already in Australia in an attempt to reduce new arrivals on a direct to permanent pathway will disproportionately affect those not in Australia. To take an extreme example, fewer than 100 of the almost 24,000 family visas granted to Afghan citizens over the past decade were in Australia.

The temporary visa system does everything within its power to deny Afghan citizens entry to Australia due to the likelihood of these people applying for asylum.¹⁴

If you extend this, even with a preference to examine visas of people already in Australia, if an Afghan citizen lodges a valid partner visa from outside Australia and the Minister is compelled to grant the visa, all the Federal government can do in practice is decide when to grant it.

Visa applications

A neat piece of short-hand for Australian immigration policy is ‘permanent visas are capped and temporary visas are uncapped’. This works well at a high level to be a useful piece of knowledge however there are important caveats, particularly for permanent visas. A cap relates to the number of visas granted. Unless a policy lever exists, there is little to cap the number of visas applied for.

There are four permanent visa categories where the number of visas applied for is directly controlled by the government of the day: Skilled Independent, State nominated, non-employer regional places, and talent and innovation. These categories use an invitation system, where the number of people who can apply is allocated by the government.

There are four permanent visa categories where visa applications are ‘demand-driven’ in the sense the government does not allocate a number of applications. These are: partner, child, parent, and employer sponsored visas.

Relatedly, Table 2 shows how many visa applications are pending a decision as at 30 June for each financial year:

¹⁴ Policy decisions also shape these outcomes. For example, almost half of all Afghan citizens granted their visa over the past decade were in the three years after the pandemic. A visa processing direction on family visas, Ministerial Direction 80, deprioritised family visa applications sponsored by people who had come to Australia by boat and claimed asylum. Many of these people were Afghan citizens. Ministerial Direction 80 was replaced in early 2023.

Table 2: Number of visa applications pending a decision

	30/6/2022	30/6/2023	30/6/2024	30/6/2025
Skilled Independent	13,001	28,625	7,116	6,985
Talent and Innovation	29,235	28,692	26,202	18,797
Employer-Sponsored	22,029	27,523	38,292	58,788
Regional	35,067	50,304	41,147	34,086
State/Territory Nominated	20,255	49,735	38,999	34,874
Skilled	119,587	184,879	151,756	153,530
Partner	56,168	58,515	75,060	96,839
Child	3,499	7,093	8,680	9,560
Parent	125,233	140,615	151,596	157,084
Other Family	8,569	7,770	7,948	8,317
Family	193,469	213,993	243,284	271,800

Source: Various Migration Program reports, [Department of Home Affairs](#)

Table 2 shows that for almost every visa category, the number of applications that exist on 30 June already exceeds the planning level for the following year. This implies an average waiting period of at least one year, however this ranges by visa category, up to 35 years for non-contributory parent visa applications.¹⁵

All of this makes the advent of SkillSelect in 2012 the most consequential piece of immigration policy change since Minister Philip Ruddock emphasised skilled visas over family visas. SkillSelect is an administrative tool allowing the government of the day to invite people to apply for skilled visas. I like to think of SkillSelect as a veneer covering the points-test, like a single layer of bricks on a suburban semi.

Prior to 2012, anyone could submit a visa application for a permanent skilled visa. If this application met each of the relevant criteria according to the migration regulations, it was required to be granted. In this system, a limit of the number of visas granted ceases to operate in a meaningful way, with any given level of visas possible to be overwhelmed in a period of excess demand.

¹⁵ This may actually be an under-estimate given the Albanese Government's decision to reduce parent visas for 2026-27.

Skilled independent, talent and innovation, state nominated and the regional nominated visas each require an invitation from the government. This means the government can decide how many applications are lodged.¹⁶ In Table 2, Skilled Independent is the exception, its small backlog reflects the tight control over invitations.

Compare this to the employer nominated category. This does what it says on the tin, requiring a person applying for a skilled visa to be sponsored by their employer. The number of applications hinges primarily on the number of temporary skilled workers seeking a permanent visa. Labour demand from employers who sponsor these workers is the motivation for a visa application, not the government issuing a set number of invitations.

Temporary visas

Permanent visas permit a life in Australia. But most people have to get here first. At the same time, most people who hold a temporary visa in Australia at any given time will leave Australia at some point in the future. This presents a challenge for policy makers, as the government does not know who wants to stay and who wants to leave.

There is no annual Cabinet submission determining how many temporary visas should be granted. Mostly, the government sets the rules — who can apply, what criteria they must meet, how much they must pay — and the number of visas granted is whatever demand those rules produce. This is often referred to as ‘demand-driven’.¹⁷

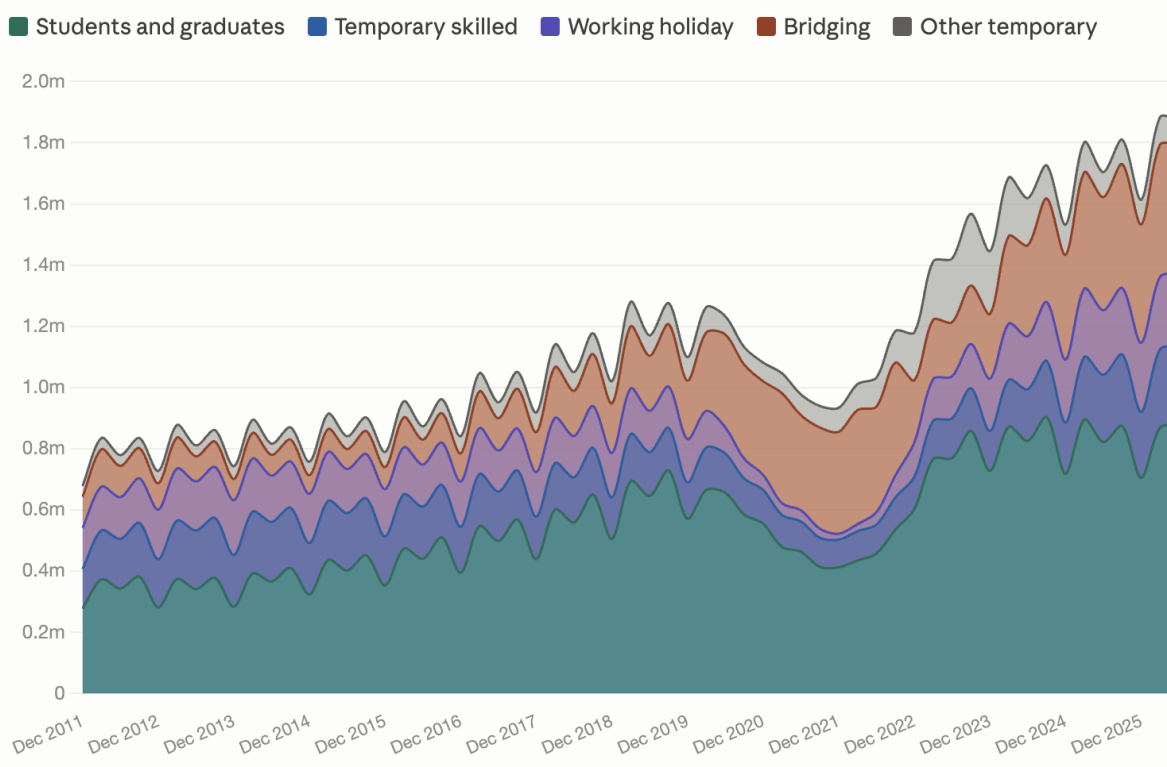
Visa levels

The number of people holding a temporary visa in Australia has grown over the past fifteen years. Figure 3 shows the number of people who hold a temporary visa, in Australia, excluding visitors and New Zealand citizens:

¹⁶ Interestingly as the visa lodgement is the activity catalysing permanent residency in this instance, the number of invitations has traditionally been a decision for the Minister for Immigration as opposed to a Cabinet decision.

¹⁷ Which is true. But care should be taken. There is a big difference between a demand-driven backpacker visa, generated because a young person wants to visit Australia and a demand-driven worker who is sponsored by their employer, where the catalyst is demand for labour.

Figure 3: People holding a temporary visa in Australia



Source: Temporary visa holders in Australia, Department of Home Affairs

Excluding visitors and New Zealand citizens, the number of people has increased from about 800,000 in 2012 to almost 1.9 million in April 2026. This period has four distinct phases:

- Growth to around 2017
- A marked increase in growth from around 2017 until the pandemic
- Border closures and the pandemic
- Fastest growth post-pandemic

Critically, this is the net change in stock and does not show individual level movements in and out, which are substantial. Further, some of these people will not show up in Australia's population statistics, as they will not remain in Australia for 12 months to qualify.

Visa mix

The mix of people on temporary visas in Australia has shifted over the past five years.

Students and graduates remain the largest category, accounting for close to half of the non-visitor, non-NZ temporary visa population. The post-pandemic recovery in student numbers was faster than many expected. Student and graduate visa holders

are distinctive due to their connection to the education sector and their young age profile.

Temporary skilled workers have historically fluctuated according to demand in the labour market from employers. Post-pandemic, there has been a strong response to full employment and there are more temporary skilled workers (and their family members) in Australia than ever before.

Working holiday makers dropped suddenly during the pandemic, falling from about 175,000 to fewer than 20,000 by late 2021. Since then, the number of young(ish) people in Australia has risen quickly, sitting above pre-pandemic levels. Working holiday, and Work and Holiday, visas have been subject to ever expansive policy settings, driven by additional bilateral agreements and additional years of visa. The 2026-27 Budget appears to be the first instance of contractionary policy change, however the details have yet to be announced.

Bridging visas are the most consequential change in the temporary visa mix since the pandemic. It is worth pausing and saying that while technically people 'apply' for a bridging visa, these are not visas people can actively seek out. You receive a bridging visa, as a bridge, from one visa to another. The vast majority of people hold a bridging visa because they are either waiting for a visa application to be decided or they are appealing a visa application that was rejected.

The number of people holding a bridging visa has grown from about 100,000 in mid-2012 to over 430,000 by March 2026. There are two ways to read the growth in bridging visas.

The first is that 430,000 people holding a bridging visa reflects a visa system under immense stress. This implies growing backlogs, longer processing times, and a larger number of people living in Australia in a state of uncertainty.

The second reading is that bridging visas are doing exactly what they are designed to do, and that the alternative would be considerably worse. Without bridging visas, people who have lodged a valid visa application and are awaiting a decision would either need to leave Australia or would become unlawful. Given that most permanent visa categories have processing times exceeding one year, a mechanism to allow people to remain lawfully while their application is assessed is a design feature. The universal visa framework, which requires every non-citizen to hold a visa or be unauthorised, makes bridging visas a safety net of sorts.

Regardless of where you stand, the number of bridging visas is a lagging indicator of policy decisions made elsewhere in the visa system.

Other temporary visa categories, including crew and transit, temporary protection, and other employment visas, collectively account for about 80,000 people and have

been relatively stable over time, with some fluctuation in the temporary protection category linked to policy decisions about cohorts of asylum seekers.

What has changed?

A large number of policy changes have occurred since the pandemic. The following section is a curated list, not exhaustive, of visa rule changes and selection changes.¹⁸

In the 2018-19 Budget, the then Coalition government changed the administration of permanent visas from a planning level, to a ceiling. This was a cut to the number of permanent visas granted each year. The Albanese Government reversed this change for the 2022-23 financial year and has since sought to grant the number of visas outlined in the planning level.

As discussed above, the permanent visa mix has shifted considerably. You can see the influence of the FIONA modelling work, as well as endorsement of this work from the Parkinson Review.¹⁹

The introduction of ballots for the visa system is a substantive change. Today there are four ballots operating, two for the Pacific visa streams, one for select countries in the Work and Holiday visa²⁰, and one for the 'MATES' visa, agreed with India as part of recent trade negotiations.

Ballots have been used in the U.S. and New Zealand extensively. However they jar with the norms of Australian visa policy.²¹ When demand for a visa far outweighs the available supply, ballots offer one way to select the winners. The other options are to use prices or more restrictive rules to reduce demand, or administer visa systems with increasingly long waiting times.²²

Another selection tool, the price of a visa, has changed markedly in Australia since the pandemic. Visa fees are expected to raise about \$6 billion in the 2026-27 financial year, double the \$3 billion in 2022-23.²³ This is a large increase. Outside of superannuation taxes, it is the largest change as a proportion of a single line item in

¹⁸ Looking at the other papers from the Conference, I have made a guess as to some of the policy areas not covered by others. I have not touched on the suite of character, detention, and enforcement changes, instead remaining focused on selection.

¹⁹ I was part of a small team at the Grattan Institute, where we also weighed in on these questions in Coates et al (2021).

²⁰ Vietnam, China, and India are subject to ballots under the Work and Holiday visa. The 2026-27 Budget includes policy change to introduce additional ballots under the Work and Holiday, and possibly the Working Holiday, visas.

²¹ For example, see Rizvi (2023) for a critique of the use of ballots for the Pacific visa stream.

²² I predict ballots will become more commonplace in Australia's visa system over the next 15 years to prevent long queues.

²³ See reconciliation of general government (cash) receipts.

the Federal budget. It is difficult to estimate the effect of higher or lower visa fees on the visa system and identify those who are dissuaded from applying for a visa. There is a broadly held assumption demand is highly inelastic. Yet we have no evidence about how it affects the propensity of individual prospective migrants, as opposed to a given aggregate number of migrants.

The Albanese Government has introduced five main changes to the temporary skilled work visa, now called the Skills in Demand visa. This was previously the Temporary Skill Shortage visa, and before that, the 457 visa. Since 1997, this visa has required an employer to sponsor a worker in a job.²⁴ The changes are: a higher minimum salary, a defined pathway to permanent residency, a reduction in required work experience, a high wage threshold removing the occupation list for managerial and professional roles, and an extended period of time for workers to leave their employer and keep their visa.

It is perhaps too early to assess these recent changes in full. However there are a handful of data points to examine. Most fascinating is the wage threshold, having increased from \$53,900 to \$70,000 in July 2023, and due to be almost \$80,000 from July 2026. Yet demand from employers for this visa is well above pre-pandemic trends. Further, Home Affairs visa data indicates that the average nominal salary for 2024-25 is essentially the same as for 2018-19, despite the large minimum wage increase, pointing to a considerable shift in the composition of jobs being sponsored.²⁵

Others have covered the litany of changes to student and graduate visas.²⁶ I will focus on the 'National Planning Level', a mechanism introduced in the wake of the Albanese Government's attempt to formally cap the number of student visas failing to secure Parliamentary support.

The NPL has been called a 'soft cap'. A better term is a visa processing priority, as this is what it is. Ministerial Direction 115 'directs' the Department of Home Affairs to process offshore student visas in a particular manner.²⁷ The NPL means when education providers hit a certain threshold of their annual allocation, they are bumped down from priority one to priority two. When an education provider has exceeded their allocation, they are bumped down from priority two to priority three.

This is the equivalent of the Department of Home Affairs sorting visa applications into different piles, to be assessed in a certain order. Nothing more, nothing less. The Migration Act still requires the Minister to assess each application and, if the

²⁴ An employer needs to be a sponsor (sponsorship), to 'nominate' a job, and then a worker applies for a visa. This is a distinct three-part process that results in a visa, with a set of rules governing each part of the process.

²⁵ See Table 1.15 in the Temporary Skilled (resident) Report, [June 2019](#), [June 2025](#).

²⁶ Andrew Norton has written extensively on this, see [2024](#) and [2025](#) for summaries.

²⁷ See [Ministerial Direction 115](#)

prospective visa holder has met all of the criteria of the visa, then the visa must be granted.

In 2025, the Albanese Government allocated 270,000 commencements to education providers, and increased this to 295,000 in 2026. It remains unclear how tight the relationship is to newly commencing students from outside Australia and the purpose of the NPL, to slow and better control newly arriving students.²⁸

What hasn't changed?

Reviews

Policy makers have benefited from sporadic reviews into different parts of the policy framework. The Galbally Review in the late 1970s for how people settle in Australia was implemented quickly by the Fraser Government while the FitzGerald Review in the late 1980s was mostly ignored at first but ended up providing much of the foundation for the Howard-era changes to the visa system. The Productivity Commission reviews in 2006 and 2016 were both rich contributions.

The Parkinson Review and the Nixon Review, both of 2023, made a major contribution, influencing the public debate. One crude measure is to look at both of these reviews and see what hasn't changed.²⁹ It's unhelpful to assess whether this level of implementation should be marked successful or not. People will differ on the nature and scope of the recommendations made, and whether they are appropriate for the visa system.

A persistent theme of reviews and reports over the past generation is that many recommendations remain untouched. This suggests parts of the visa system, despite being largely unencumbered by the Parliament, remain beset by sharp trade-offs and difficult choices. This can promote long-running norms, some of which are worth considering in a bit more detail.

Visa simplification

One of the baffling things to most people on encountering the visa system is the number and scope of the visa system. If streams of individual visas are counted, there are over 100 different options to apply for. Despite some calls for a simpler system, the visa system is more complex today than when the borders re-opened.

²⁸ See Norton ([2025](#)).

²⁹ By my count, between 11 to 14 of the 38 'possible reform directions' of the Parkinson Review have been, or are being, implemented by the government. Likewise, between 12 to 16 of the 34 recommendations of the Nixon Review have been, or are being, implemented.

The visa system is likely to remain complex as the goals of governments appear to require complex systems.³⁰

Planning, ceilings, and multi-year planning

As noted above, the Albanese Government reverted to a planned number of permanent visa grants, acting as a de facto target. Perhaps more interesting is the government changing its mind on the value of longer-term planning. The Migration Strategy committed to '[p]lan migration over a longer-term horizon to better manage the migration intake'. This was referred to as 'multiyear planning', similar to what the Canadian government undertakes with a three-year planned framework. This commitment was walked back in 2025, and single year planning remains how the permanent visa system operates.

International education is prioritised

Even through an era of significant change, the visa system in Australia continues to heavily weigh the status of international education. This is reflected in the design of permanent skilled visas and the existence of temporary graduate visas. These act as a type of industry policy, providing an in-kind government subsidy to education providers.³¹

Ministerial discretion

As mentioned earlier, executive discretion is a large part of Australia's visa system. And like complexity, discretion is extending its reach, through a faster iteration of ministerial directions, a willingness to replace and remodel regulations, and using administrative tools like visa processing to more actively shape government policy goals.

It is taken as an article of faith in the bureaucracy that this discretion is a positive, as it promotes flexible and responsive policy administration and reform. And there is something to this position. Regardless of your political persuasion, if the government of the day is able to quickly adjust visa settings to align with their goals, a form of democratic resilience is buttressed.

And yet it is worth pausing occasionally and considering where the benefits of flexibility cede for a given set of costs from executive ownership. The decision by the Parliament in 1958, and again in 1992, to effectively deal itself out of visa policy

³⁰ The Parkinson Review, while advocating for a simpler system via ICT and legislative reform, noted a reduction in the number of visas may not necessarily lead to a simpler system.

³¹ I don't intend this as a positive or negative but just to make the point that the visa system can be a subsidy and is a large one for international education, which few other sectors enjoy as fruitfully, outside of agriculture.

design is an enormous one and largely unthinkable in areas like taxation or social security.

A coda: a stylised fact for policy makers

I have always liked the term ‘stylised fact’ when reading economics, ‘a simplified presentation of an empirical finding’ according to Wikipedia. Broad agreement on a set of stylised facts is helpful for policy makers and there are not enough of them in immigration policy. Here is one for net overseas migration:

Net overseas migration $\approx$ Permanent visa grants + Δ (Population of temporary visa holders in Australia)

This is not the standard way to understand Net Overseas Migration and I extend my apologies to the ABS migrant data team.³² But simplifying net overseas migration into an identity with two component parts is a worthwhile exercise as it provides policy makers with a tool to better stress test any given set of assumptions, and project a set of scenarios under different conditions.

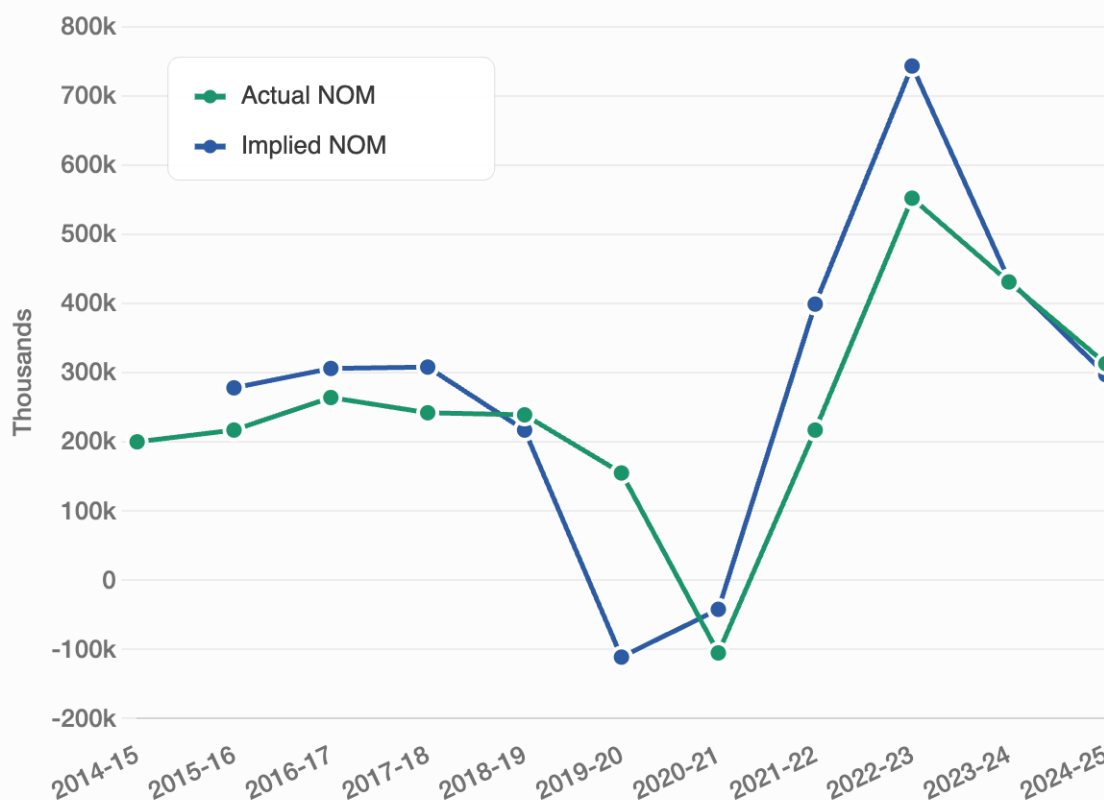
Net overseas migration is something that causes angst. It’s not an intuitive concept. The mechanics are a bit messy, the timing is quirky. I’m unsurprised we see public debate that turns on different interpretations of these data. A lack of common understanding makes it difficult to overlay a set of policy and administrative decisions onto the visa system.

The most frustrating part of NOM relative to the visa system is the inability to see visa transitions for individuals. It’s tempting to add up financial year net migration by visa categories but as the years pile up, you cannot see people who arrive on a temporary visa and then stay on a permanent visa.

The identity above helps address that gap, as the stock reduces by one for each permanent visa granted onshore. The chart below shows the actual rate of NOM alongside the implied rate according to the identity above:

³² This formula is not an original idea by me. It was explained to me by a former public servant about a decade ago, and various people have made similar conclusions over the years.

Actual NOM and implied NOM



Notes: Actual NOM is stripped of Australian and New Zealand citizens; temporary stock as of 30 June each year; permanent visas includes humanitarian and pacific program
Source: ABS Net Overseas Migration; Department of Home Affairs Permanent Migration Program; Department of Home Affairs Humanitarian Program.

I've stripped out Australian citizens and New Zealand citizens from the figures as these movements are at arm's length from the visa system. A larger in- or out-flow from either group could have an effect on the population but my reference point is the visa system.

This way of thinking about net migration for the visa system holds up well over the last decade, noting the 12/16 month time lag means the match is a little bit bumpy from year to year, particularly in the pandemic.

Why is this important?

The equation *Net overseas migration* $\approx$ *Permanent visa grants* + Δ (*Population of temporary visa holders in Australia*) is simple, but it forces a clarity that is often absent from decision-making in the visa system.

First, arguments about population growth that refer to only temporary or permanent visas are incomplete. Permanent visas do the grunt work on population growth over

the long-term but temporary visas facilitate when and how most people arrive in Australia. These arrivals are more volatile, compared to the long-term permanent visa trends. Both are important in shaping the effects of immigration on Australia's population.

Second, when the rate of net overseas migration is higher than a given level of permanent visas, the number of people who hold a temporary visa in Australia will grow. This growing population of people who hold a temporary visa has become a bigger part of the public debate in recent years. Yet we remain uncertain about some of the effects on demography, labour market structures, housing demand, and social cohesion effects.

This appears straightforward but I'm not sure it is. For example, here are a couple of quotes discussing net overseas migration:

...

JOE WALKER: Absolute last question. Do you know what kind of increase we'd need in migration levels to achieve that extra 5 million by 2050?

MICHAEL PEZZULLO: It wouldn't be that much because of the compounding effect. So I'd need to look at the numbers, but I would have thought you wouldn't be far off with a permanent programme of 190,000 to 200,000, I think.

...

JOE WALKER: What do you think should be the upper and lower bound for net migration's long-term contribution to population growth?

MARTIN PARKINSON: I suppose I broadly think that NOM somewhere north of 200,000 and somewhere south of 300,000 a year is probably the sweet spot. So a permanent program that's in the high 100,000s and then a temporary program that, in a long-term effect, delivers us something like 100,000 to 120,000 a year.

...

Two of Australia's most consequential public servants over the last generation – Martin Parkinson and Michael Pezzullo – recently appeared on Joe Walker's podcast.³³ I don't want to infer too much from what they have said, instead sketching out what Australia's population would look like if we took these statements on face value.

Parkinson suggests a rate of net overseas migration clearly above a given number of permanent visas available, implying Australia would add substantial numbers of

³³ I admire the enormous contribution both of these public servants have made to Australia's public policy. I think they have both made Australia a better country. If you haven't listened to these podcasts, you should as they are wonderful conversations.

people on temporary visas each year. If you assume a mid-point of his NOM range, the share of people holding a temporary visa rises from 10 per cent of the population in 2025 to about 13-14 per cent by 2050.³⁴

When you read the Parkinson Review, a striking conclusion is that the panel came down strongly against the unplanned increase of people on extended long-term temporary visas. If managing the size of the population holding a temporary visa is a distinct goal for policy makers, NOM will either need to fall below the number of permanent visas offered, or the number of permanent visas will need to rise above NOM. There is no third option for Australia's population with this goal.

There are any number of ways to achieve these two potential outcomes, each involving trade-offs around a set of decisions concerning temporary and permanent visa policy. A government could seek to slow the number of people arriving on temporary visas, reducing NOM. They could seek to increase the number of people departing Australia on temporary visas, a more difficult but by no means impossible thing to do. A government could seek to do both while simultaneously increasing the number of permanent visas granted to people already in Australia, as Canada is currently doing.

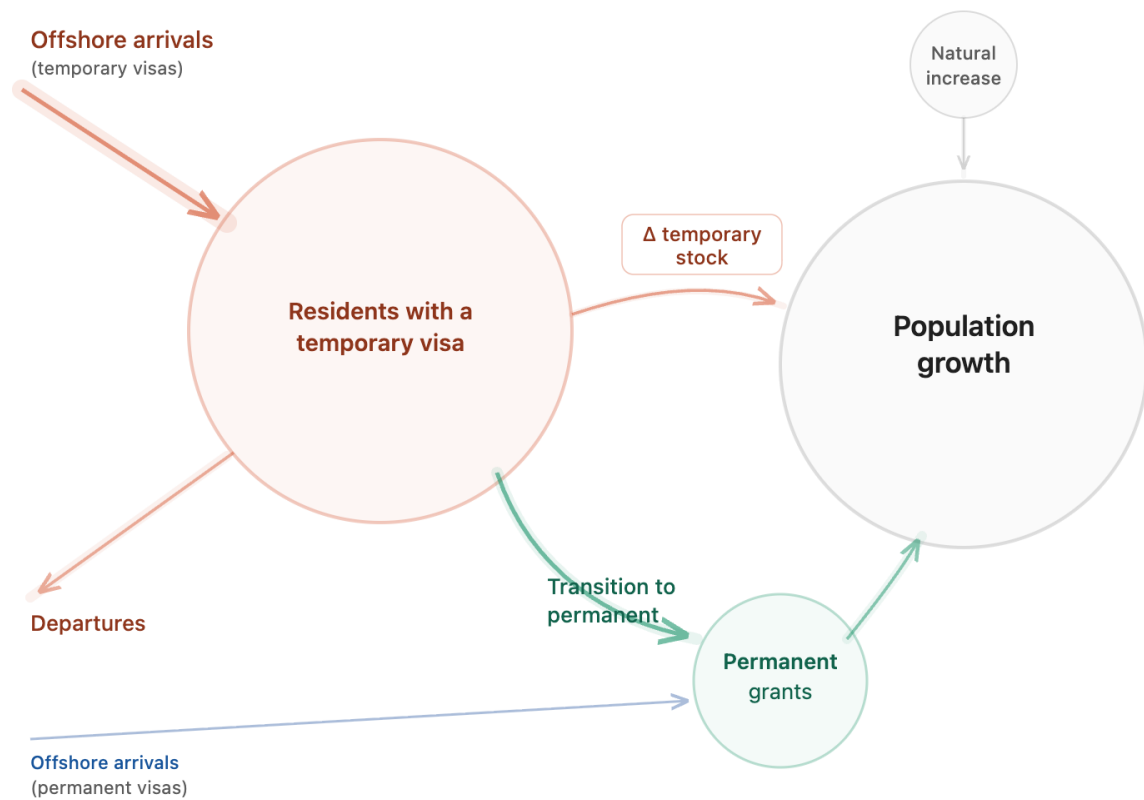
Michael Pezzullo's comment is straightforward, noting he does provide caveats when discussing it. There are only a few pathways to a population of 40 million by 2050 and his outline of about 200,000 permanent visas per year leaves a short-fall of over 100,000 net new migrants, who are presumably on temporary visas. This would see about 5 million people on temporary visas by 2050, approaching a similar population to what Parkinson outlined.

I don't want to make too much from a couple of comments at the end of a long, thoughtful discussion about many facets of Australian immigration policy. Both of these statements may reflect trying to recall the exact figures and trends, and making a mistake.

But I believe it's worth dwelling on these statements and reflecting on the implied trajectory of what Australia looks like, and the different choices we have. There tends to be confusion in these debates and the lack of legibility for policy makers affects how we collectively understand the implications of visa policy decisions.

Whatever the policy choice is, an important starting point is recognising these facts that shape immigration, emigration and population. To finish, here is a stylised image of the stylised fact:

³⁴ If you exclude visitors and New Zealand citizens, the number of people on a temporary visa is about 7 per cent of the population. It rises to about 10 per cent if everyone is counted.



Note: Stylised version, excluding Australian citizens and New Zealand citizens