Australian Government

Department of Immigration and Border Protection

The Outlook for Net Overseas Migration

As at September 2016

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Executive summary

The Department of Immigration and Border Protection (the Department) forecasts Net Overseas Migration (NOM) by flows and visa components, and updates these forecasts on a quarterly basis.

Investigations into the robustness and fitness for purpose of the NOM model were conducted in 2014 and have resulted in enhancements to the model used to forecast NOM. Details about the forecasting methodology are at Appendix B. A more detailed explanation of the changes in forecasts resulting from model enhancement is detailed in The Outlook for Net Overseas Migration – September 2014.

The Department is forecasting NOM of 197,500 for the year ending December 2016. This is an increase on the most recent Australian Bureau of Statistics preliminary estimate of 180,800 for the year ending March 2016. The Department is forecasting NOM to increase to 246,700 for the year ending June 2020.

Figure 1: Net overseas migration actual and forecast for year ending June
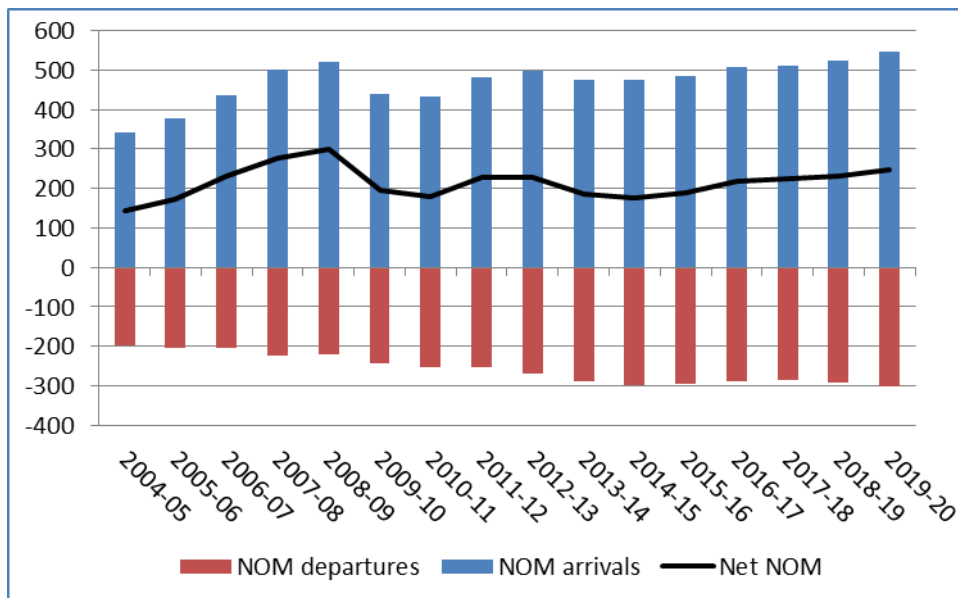
Key figures

Table 1: Net Overseas Migration — Department of Immigration and Border Protection year ending forecast

'000 of persons	2016 Jun	2016 Sep	2016 Dec	2017 Mar	2017 Jun	2017 Sep	2018 Jun	2019 Jun	2020 Jun
NOM arrivals	483.5	483.4	487.4	502.1	506.4	509.6	511.9	525.3	547.8
NOM departures	295.3	297.8	289.9	293.1	288.3	280.4	286.2	293.6	301.1
Net NOM	188.2	185.6	197.5	208.9	218.2	229.2	225.7	231.7	246.7

Source: Department of Immigration and Border Protection.

Table 2: ABS Net Overseas Migration — year ending actual and preliminary estimates

'000 of persons	2011 Jun	2012 Jun	2013 Jun	2014 Jun	2015 Mar[a]	2015 Jun[a]	2015 Sep[a]	2015 Dec[a]	2016 Mar[a]
NOM arrivals	431.8	481.2	496.7	474.2	472.8	475.4	479.1	483.1	480.1
NOM departures	251.4	251.8	269.6	287.8	295.6	298.2	303.0	306.0	299.2
Net NOM	180.4	229.4	227.1	186.4	177.2	177.3	176.1	177.1	180.8

(a) ABS preliminary estimates. Source: Australian Bureau of Statistics.

Policy changes since last publication

This publication takes into account policies announced as at mid-October 2016. There has been no significant policy change since the previous release of this publication in respect to December 2015.

Introduction

This quarterly report by the Department of Immigration and Border Protection (the Department) provides forecasts for Net Overseas Migration (NOM) over the forward estimates period.

Throughout the text in this publication, reference is made to temporary work (Skilled)(subclass 457) visa holders. These are referred to in Figures and Tables simply as subclass 457.

NOM forecasts

The Department forecast of NOM for the year ending December 2016 is 197,500. This represents an increase on the most recent ABS estimate (year ending March 2016) of 16,700, or 9.2 per cent. The Department forecasts that NOM will increase to 246,700 for the year ending June 2020.

Forecast for NOM arrivals for the year ending December 2016

- The forecast of total arrivals is 487,400. This represents an increase from the latest ABS estimate (year ending March 2016) of 7300, or 1.5 per cent.
- The forecasts for the temporary entrant categories Students, Temporary Work (Skilled) (subclass 457), Working Holiday Makers, Visitors and All Other Temporary Visas are 129,100; 30,900; 49,700; 50,700 and 6900 respectively.
- The forecasts for the permanent entrant categories Skill, Family, Humanitarian and All Other Permanent Visas are 37,100; 32,500; 19,900 and 5800 respectively.
- The forecasts for the other entrant categories Australian Citizens, New Zealand Citizens and Other Visas are 81,600; 33,500 and 9600 respectively.

Forecasts for NOM departures for the year ending December 2016

- The forecast of total departures is 289,900. This represents a decrease from the latest ABS estimate (year ending March 2016) of 9300, or 3.2 per cent.
- The forecasts for the temporary entrant categories Students, Temporary Work (Skilled) (subclass 457), Working Holiday Makers, Visitors and All Other Temporary Visas are 51,500; 19,300; 20,100; 19,500 and 20,700 respectively.
- The forecasts for the permanent entrant categories Skill, Family, Humanitarian and All Other Permanent Visas are 7200; 5500; 100 and 6200 respectively.
- The forecasts for the other entrant categories Australian Citizens, New Zealand Citizens and Other Visas are 100,000; 25,700 and 14,000 respectively.

Forecasts for NOM arrivals for the year ending June 2020

- Total NOM arrivals are forecast to increase over the forward estimates period, reaching 547,800.
- Student visa grants have been increasing. The increase is largely the consequence of the Department's visa streamlining measures. As a result, Student NOM arrivals are forecast to continue to increase, reaching 181,100.
- Unemployment forecasts have been revised downwards and are expected to remain stable at around 5.5 per cent over the rest of the forward estimates period[1]. As a result, Temporary Work (Skilled) (subclass 457) arrivals are expected to increase until September 2018 then remain steady at 41,500.
- Working Holiday Maker arrivals are expected to remain fairly steady at around 49,900.
- Visitor arrivals are expected to increase marginally to 52,200.
- All Other Temporary Visas arrivals are expected decrease marginally to 6500.
- Skill, Family and All Other Permanent visas arrivals are expected to remain steady at around 37,100, 32,600 and 5800 respectively.
- Australia's response to the Syrian and Iraqi humanitarian crisis, announced by the Australian Government on 9 September 2015, includes 12,000 extra humanitarian places across 2015-16 and 2016-17. As a result, Humanitarian arrivals are expected to increase until June 2017, before falling to around 15,000.
- Australian citizen and Other Visas arrivals are expected to remain steady at around 81,500 and 9700 respectively.
- New Zealand citizen arrivals are expected to increase marginally to 34,900.

Forecasts for NOM departures for the year ending June 2020

- Total NOM departures are forecast to increase to 301,100.
- Student NOM departures are expected to increase to 68,400.
- Temporary Work (Skilled) (subclass 457) departures are expected to increase to 20,800.
- Working Holiday Maker departures are expected to decrease marginally to 19,500.
- Visitor and All Other Temporary departures are expected to increase to 20,800 and 22,800 respectively.
- Skill, Family, Humanitarian and All Other Permanent Visas departures are expected to remain steady at 7200, 5500; 100 and 6200 respectively.
- Australian citizen, New Zealand citizen and Other Visas departures are expected to decrease to 93,400; 24,500 and 11,900 respectively.

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[1] Budget 2016-17, Statement 1, Economic Outlook http://budget.gov.au/2016-17/content/

Table 3: Year ending forecasts of NOM arrivals and departures

Year ending NOM arrivals '000 of persons	2016 Jun	2016 Sep	2016 Dec	2017 Mar	2017 Jun	2018 Jun	2019 Jun	2020 Jun
Students	129.0	130.6	129.1	133.5	135.3	146.3	158.6	181.1
Subclass 457	33.2	31.2	30.9	35.0	37.7	41.4	41.5	41.5
Working Holiday Makers	51.5	48.9	49.7	50.2	49.9	49.9	49.9	49.9
Visitors	52.5	51.7	50.7	51.4	52.2	52.2	52.2	52.2
All Other Temporary Visas	6.8	7.1	6.9	6.7	6.7	6.5	6.5	6.5
Total Temporary	*273.0*	*269.4*	*267.3*	*276.8*	*281.8*	*296.2*	*308.7*	*331.2*
Skill	38.2	37.1	37.1	37.1	37.1	37.1	37.1	37.1
Family	32.6	32.5	32.5	32.5	32.6	32.6	32.6	32.6
Humanitarian	10.7	16.6	19.9	22.6	23.2	14.2	15.0	15.0
All Other Permanent Visas	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8
Total Permanent	*87.4*	*92.0*	*95.4*	*98.0*	*98.8*	*89.8*	*90.6*	*90.6*
Australian citizen	79.5	78.3	81.6	83.6	81.3	81.3	81.5	81.5
New Zealand citizen	33.9	34.0	33.5	34.4	34.9	34.9	34.9	34.9
Other Visas	9.7	9.8	9.6	9.3	9.7	9.7	9.7	9.7
Total Other	*123.1*	*122.0*	*124.7*	*127.3*	*125.9*	*125.8*	*126.0*	*126.0*
Total Arrivals	**483.5**	**483.4**	**487.4**	**502.1**	**506.4**	**511.9**	**525.3**	**547.8**
Year ending NOM departures '000 of persons	2016 Jun	2016 Sep	2016 Dec	2017 Mar	2017 Jun	2018 Jun	2019 Jun	2020 Jun
Students	51.2	51.4	51.5	53.7	54.5	57.6	62.7	68.4
Subclass 457	21.2	20.4	19.3	21.1	20.9	19.6	20.3	20.8
Working Holiday Makers	24.0	21.7	20.1	20.3	19.4	18.5	19.1	19.5
Visitors	21.4	20.3	19.5	20.5	20.8	20.8	20.8	20.8
All Other Temporary Visas	23.7	22.3	20.7	20.7	20.1	20.9	21.9	22.8
Total Temporary	*141.5*	*136.1*	*131.1*	*136.2*	*135.8*	*137.4*	*144.8*	*152.3*
Skill	7.4	7.2	7.2	7.2	7.2	7.2	7.2	7.2
Family	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5
Humanitarian	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
All Other Permanent Visas	6.2	6.2	6.2	6.2	6.2	6.2	6.2	6.2
Total Permanent	*19.2*	*19.0*	*19.0*	*19.0*	*19.0*	*19.0*	*19.0*	*19.0*
Australian citizen	96.1	104.3	100.0	99.1	96.1	93.4	93.4	93.4
New Zealand citizen	28.0	27.0	25.7	25.4	25.5	24.5	24.5	24.5
Other Visas	10.5	11.4	14.0	13.4	11.9	11.9	11.9	11.9
Total Other	*134.5*	*142.7*	*139.8*	*137.9*	*133.5*	*129.9*	*129.9*	*129.9*
Total Departures	**295.3**	**297.8**	**289.9**	**293.1**	**288.3**	**286.2**	**293.6**	**301.1**

Source: Department of Immigration and Border Protection.

Table 4: Year ending forecasts of Net NOM

Year ending Net NOM '000 of persons	2016 Jun	2016 Sep	2016 Dec	2017 Mar	2017 Jun	2018 Jun	2019 Jun	2020 Jun
Students	77.8	79.1	77.6	79.7	80.8	88.7	95.8	112.8
Subclass 457	11.9	10.8	11.7	14.0	16.8	21.8	21.3	20.7
Working Holiday Makers	27.5	27.2	29.5	29.9	30.5	31.4	30.8	30.3
Visitors	31.1	31.4	31.2	30.9	31.4	31.4	31.4	31.4
All Other Temporary Visas	-16.9	-15.3	-13.8	-14.0	-13.5	-14.4	-15.4	-16.4
Total Temporary	*131.5*	*133.2*	*136.2*	*140.5*	*146.0*	*158.8*	*163.9*	*178.9*
Skill	30.7	29.9	29.9	29.9	29.9	29.9	29.9	29.9
Family	27.1	27.0	27.0	27.0	27.2	27.2	27.2	27.2
Humanitarian	10.7	16.5	19.9	22.5	23.1	14.2	14.9	14.9
All Other Permanent Visas	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4
Total Permanent	*68.2*	*73.0*	*76.4*	*79.0*	*79.8*	*70.8*	*71.6*	*71.6*
Australian citizen	-16.6	-26.0	-18.4	-15.5	-14.7	-12.1	-11.9	-11.9
New Zealand citizen	6.0	6.9	7.8	9.0	9.4	10.4	10.4	10.4
Other Visas	-0.8	-1.6	-4.4	-4.1	-2.3	-2.3	-2.3	-2.3
Total Other	*-11.4*	*-20.6*	*-15.1*	*-10.6*	*-7.6*	*-4.0*	*-3.8*	*-3.8*
Total	*188.2*	*185.6*	*197.5*	*208.9*	*218.2*	*225.7*	*231.7*	*246.7*

Source: Department of Immigration and Border Protection.

Table 5: Quarterly forecasts of NOM arrivals and departures

Qtr. ending NOM arrivals '000 of persons	2016 Jun	2016 Sep	2016 Dec	2017 Mar	2017 Jun	2018 Jun	2019 Jun	2020 Jun
Students	21.6	39.3	22.8	49.6	23.5	26.9	27.6	32.5
Subclass 457	7.5	7.6	8.8	11.1	10.1	10.1	10.1	10.1
Working Holiday Makers	11.4	10.3	14.7	13.8	11.1	10.6	10.6	10.6
Visitors	10.9	12.0	14.3	14.2	11.7	11.7	11.7	11.7
All Other Temporary Visas	1.3	2.0	1.4	2.0	1.3	1.3	1.3	1.3
Total Temporary	*52.7*	*71.3*	*62.0*	*90.7*	*57.8*	*60.7*	*61.4*	*66.3*
Skill	8.9	9.5	8.6	10.1	8.9	8.9	8.9	8.8
Family	7.8	8.3	8.6	7.8	7.9	7.9	7.9	7.9
Humanitarian	5.1	7.9	4.9	4.6	5.7	3.9	4.1	4.1
All Other Permanent Visas	1.3	1.5	1.4	1.7	1.3	1.3	1.3	1.3
Total Permanent	*23.1*	*27.3*	*23.5*	*24.2*	*23.8*	*22.0*	*22.2*	*22.1*
Australian citizen	17.9	19.1	26.3	20.3	15.7	16.6	16.6	18.5
New Zealand citizen	6.9	8.6	8.3	10.5	7.4	7.9	7.9	7.9
Other Visas	2.0	2.9	2.6	1.9	2.4	2.4	2.4	2.4
Total Other	*26.9*	*30.6*	*37.2*	*32.7*	*25.5*	*26.9*	*26.9*	*28.8*
Total Arrivals	**102.7**	**129.1**	**122.7**	**147.5**	**107.1**	**109.5**	**110.4**	**117.2**
Qtr. ending NOM departures '000 of persons	2016 Jun	2016 Sep	2016 Dec	2017 Mar	2017 Jun	2018 Jun	2019 Jun	2020 Jun
Students	8.0	15.6	18.0	12.1	8.8	8.9	9.7	10.5
Subclass 457	5.8	5.4	5.3	4.6	5.6	5.3	5.3	5.5
Working Holiday Makers	5.7	4.1	5.1	5.3	4.8	4.7	4.8	4.9
Visitors	4.3	4.3	5.2	6.7	4.6	4.5	4.5	4.5
All Other Temporary Visas	5.3	5.2	5.4	4.8	4.8	5.0	5.2	5.4
Total Temporary	*29.0*	*34.6*	*39.1*	*33.5*	*28.6*	*28.4*	*29.6*	*31.0*
Skill	1.7	1.9	2.1	1.6	1.7	1.7	1.7	1.6
Family	1.3	1.5	1.4	1.3	1.3	1.3	1.3	1.3
Humanitarian	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
All Other Permanent Visas	1.6	1.6	1.7	1.3	1.6	1.6	1.6	1.6
Total Permanent	*4.6*	*5.0*	*5.2*	*4.2*	*4.5*	*4.5*	*4.5*	*4.5*
Australian citizen	22.5	33.8	18.9	23.9	19.4	20.8	20.8	20.8
New Zealand citizen	5.3	6.6	7.3	6.3	5.4	5.4	5.4	5.4
Other Visas	3.9	3.4	3.9	2.2	2.5	2.5	2.5	2.5
Total Other	*31.7*	*43.7*	*30.1*	*32.4*	*27.3*	*28.7*	*28.7*	*28.7*
Total Departures	**65.3**	**83.4**	**74.4**	**70.1**	**60.5**	**61.6**	**62.9**	**64.2**

Source: Department of Immigration and Border Protection.

Table 6: Quarterly forecasts of Net NOM

Qtr. ending Net NOM '000 of persons	2016 Jun	2016 Sep	2016 Dec	2017 Mar	2017 Jun	2018 Jun	2019 Jun	2020 Jun
Students	13.6	23.7	4.9	37.5	14.7	18.0	17.9	22.0
Subclass 457	1.7	2.2	3.5	6.5	4.6	4.8	4.8	4.6
Working Holiday Makers	5.7	6.2	9.6	8.5	6.3	5.9	5.8	5.7
Visitors	6.6	7.7	9.1	7.5	7.1	7.2	7.2	7.2
All Other Temporary Visas	-3.9	-3.2	-4.0	-2.8	-3.5	-3.6	-3.9	-4.1
Total Temporary	*23.7*	*36.6*	*22.9*	*57.2*	*29.2*	*32.3*	*31.7*	*35.4*
Skill	7.2	7.7	6.5	8.6	7.2	7.2	7.2	7.2
Family	6.5	6.9	7.2	6.5	6.6	6.6	6.6	6.6
Humanitarian	5.1	7.9	4.9	4.6	5.7	3.8	4.1	4.1
All Other Permanent Visas	-0.2	-0.2	-0.3	0.3	-0.2	-0.2	-0.2	-0.2
Total Permanent	*18.5*	*22.3*	*18.3*	*20.0*	*19.3*	*17.4*	*17.6*	*17.6*
Australian citizen	-4.6	-14.7	7.4	-3.6	-3.8	-4.3	-4.3	-2.4
New Zealand citizen	1.6	2.1	1.0	4.3	2.0	2.5	2.5	2.5
Other Visas	-1.9	-0.5	-1.3	-0.3	-0.1	-0.1	-0.1	-0.1
Total Other	*-4.9*	*-13.1*	*7.1*	*0.3*	*-1.9*	*-1.9*	*-1.9*	*0.0*
Total	**37.4**	**45.8**	**48.3**	**77.5**	**46.6**	**47.8**	**47.5**	**52.9**

Source: Department of Immigration and Border Protection.

Summary of revisions

The Net Overseas Migration (NOM) model produces forecasts using the latest relevant available data, as detailed in Appendix B.

The Department updates its forecasts quarterly. However, forecasts in respect to March 2016 were not released due to caretaker conventions, and forecasts in respect to June 2016 were not released due to delays in the publication approvals process.

This section shows the differences between the forecasts in Table 5 and those in the previous release of this publication in respect to December 2015

Table 7: Summary of revisions: Differences between December 2015 and September 2016 forecasts

Qtr. ending NOM arrivals '000 of persons	2014 Jun[a]	2014 Sep[a]	2014 Dec[a]	2016 Mar[b,c]	2016 Jun[c]	2016 Dec	2019 Jun
Students	0.8	2.5	2.6	-0.7	-0.2	-0.1	-1.7
Subclass 457	0.0	-0.6	-1.1	-3.0	-1.3	0.6	0.0
Working Holiday Makers	-0.9	-2.7	0.0	-1.6	0.9	-0.7	0.1
Visitors	1.8	2.3	2.6	1.8	1.3	2.7	1.9
All Other Temporary Visas	0.3	0.1	0.5	0.2	0.0	0.0	0.0
Total Temporary	*2.1*	*1.7*	*4.6*	*-3.3*	*0.8*	*2.5*	*0.3*
Skill	0.9	-0.4	0.5	0.0	0.0	0.0	0.1
Family	-0.2	-1.2	-0.8	0.0	-0.3	0.0	0.0
Humanitarian	0.0	0.0	0.1	-2.3	0.0	1.5	0.0
All Other Permanent Visas	0.1	-0.2	-0.1	0.2	0.3	-0.1	0.3
Total Permanent	*0.8*	*-1.7*	*-0.3*	*-2.2*	*0.0*	*1.4*	*0.4*
Australian citizen	-2.9	0.1	-4.1	-2.0	1.0	-0.2	-0.4
New Zealand citizen	-0.5	0.0	-0.2	-1.2	-1.4	-0.3	-0.4
Other Visas	0.0	-1.4	-0.5	0.8	-0.1	-0.4	0.2
Total Other	*-3.4*	*-1.4*	*-4.7*	*-2.4*	*-0.5*	*-0.8*	*-0.5*
Total Arrivals	**-0.5**	**-1.4**	**-0.4**	**-7.9**	**0.3**	**3.1**	**0.2**

Qtr. ending NOM departures '000 of persons	2014 Jun[a]	2014 Sep[a]	2014 Dec[a]	2016 Mar[b,c]	2016 Jun[c]	2016 Dec	2019 Jun
Students	0.1	0.9	1.3	0.9	-0.3	-0.7	-0.3
Subclass 457	-0.8	0.1	-0.2	2.1	0.0	0.1	-0.9
Working Holiday Makers	-1.3	-0.8	-0.2	1.7	0.6	1.0	0.9
Visitors	1.7	1.1	1.9	0.3	0.0	-1.0	-0.7
All Other Temporary Visas	-0.5	0.8	0.5	0.1	-0.2	-0.2	-0.2
Total Temporary	*-0.8*	*2.0*	*3.2*	*5.2*	*0.1*	*-0.7*	*-1.3*
Skill	-0.2	0.1	-0.2	0.2	0.1	0.0	0.1
Family	0.0	-0.1	0.0	0.1	0.0	0.0	0.0
Humanitarian	0.0	0.0	0.0	0.0	0.0	0.0	0.0
All Other Permanent Visas	0.1	-0.1	-0.1	0.0	0.1	-0.1	0.1
Total Permanent	*-0.1*	*-0.2*	*-0.3*	*0.3*	*0.2*	*0.0*	*0.2*
Australian citizen	-3.7	-0.5	-0.5	0.2	-1.9	2.4	-0.3
New Zealand citizen	0.7	-0.4	-0.7	-0.2	0.2	-0.3	0.1
Other Visas	1.0	1.6	1.6	0.1	-0.7	0.8	0.7
Total Other	*-2.0*	*0.7*	*0.3*	*0.1*	*-2.4*	*3.0*	*0.6*
Total Departures	**-2.9**	**2.6**	**3.3**	**5.6**	**-2.1**	**2.3**	**-0.5**

Source: Australian Bureau of Statistics and Department of Immigration and Border Protection.

(a) Figures from June 2014 to December 2014 figures are ABS final estimates, released since the previous version of this publication. Previously the totals were ABS preliminary estimates, and the components were the Department's forecasts.

(b) Total arrivals, total departures and total net NOM for March 2016 are ABS preliminary estimates released in September 2016.

(c) All components for March 2016 and all figures from June 2016 onwards are Department forecasts.

Negative figures indicate a downward revision.

Appendix A: Concepts and methods

Official estimates of Net Overseas Migration (NOM) are compiled and published by the Australian Bureau of Statistics (ABS) on a quarterly basis in *Australian Demographic Statistics*—ABS cat.no. 3101.0. This data forms the basis for forecasts compiled by the Department of Immigration and Border Protection and published in *The Outlook for Net Overseas Migration* on the Department's website.

NOM is the net gain or loss of population through immigration to Australia and emigration from Australia. Migration flows affect Australia's labour supply, national income, housing availability, cultural diversity and social cohesion.

NOM is "based on an international travellers' duration of stay being in or out of Australia for 12 months or more over the 16 month period (12/16 month rule), and is the difference between:

- the number of incoming international travellers who stay in Australia for 12 months or more within 16 months, who are not currently counted within the population, and are then added to the population (NOM arrivals); and
- the number of outgoing international travellers (Australian residents and long-term visitors to Australia) who leave Australia for 12 months or more within 16 months, who are currently counted within the population, and are then subtracted from the population (NOM departures)."[2]

This '12/16 month rule' means all short term movements (i.e. less than 12 in 16 months) do not count as either NOM arrivals or NOM departures. It also means that people who are not permanent residents of Australia can be counted as NOM arrivals, even if they leave Australia briefly (however many times they wish), so long as their time in Australia adds up to at least 12 months within a 16 month window. It therefore includes permanent and temporary migrants, as well as New Zealand and Australian citizens.

Figure A1 illustrates how the movements of people and their duration of stay in Australia affect NOM and therefore Australia's population.

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[2] *Population Estimates: Concepts, Sources and Methods 2009—ABS cat. No. 3228.0.55.001*.

Figure A1: How movements of individuals impact NOM

Currently counted in Australia's population?	Actual duration of stay in Australia during 16 month period following overseas movement	Impact on Australia's population
YES	<=4 months	Subtract from
	>4 months and <12 months	No impact
	>=12 months	No impact
NO	<=4 months	No impact
	>4 months and <12 months	No impact
	>=12 months	Add to
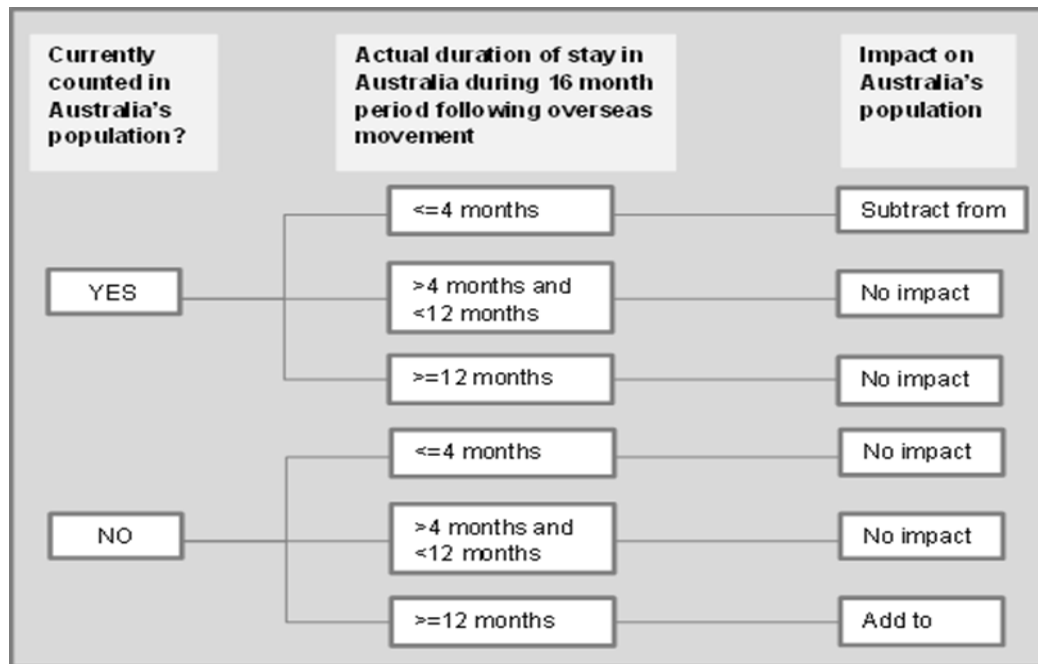
Source: Australian Bureau of Statistics[3]

The ABS releases preliminary NOM estimates in conjunction with the release of estimated resident population estimates every quarter. Preliminary NOM estimates are modelled on patterns of traveller behaviour observed in final NOM data for the corresponding quarter one year earlier.

Components

NOM is categorised by the visa attached to the movement that 'triggered' the NOM arrival or departure.

Forecasts are produced for the three components of NOM – Temporary, Permanent and Other – and for the major visa categories which make up these components.

Table A1 shows how the major visa categories, plus Australian citizens, are grouped into the Temporary, Permanent and Other components of NOM.

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[3] *Population Estimates: Concepts, Sources and Methods 2009—ABS cat. No. 3228.0.55.001*.

Table A1: Categorisation of NOM

NOM component	Major visa category
Temporary	Students
	subclass 457
	Working Holiday Makers
	Visitors
	All Other Temporary Visas
Permanent	Skill
	Family
	Humanitarian
	All Other Permanent Visas
Other	Australian citizens
	New Zealand citizens
	Other Visas

Within NOM, people entering and leaving Australia may be categorised in different ways. This is illustrated using the following examples.

Example 1

Mary arrived on a Student visa in September quarter 2005, and stayed until December quarter 2008. During this time Mary did not leave Australia nor did she obtain any other visas. Mary's NOM arrival was categorised as a Student, as was her NOM departure.

Example 2

John arrived on a subclass 457 visa in March 2006. John has made small trips overseas, but has been in Australia long enough to be counted as a NOM arrival – he would be categorised as a temporary work (Skilled) (subclass 457), and would be included in the NOM arrival statistics for March 2006. In September 2009 John received his Skilled permanent residence visa. In March 2011 John was offered an intercompany transfer to Germany for two years, which he accepted. As John has been out of Australia for 12/16 months he was counted in the NOM departure statistics as a permanent resident. Note that John's categorisation between his NOM arrival (temporary work (Skilled) (subclass 457)) and his NOM departure (permanent Skilled) have changed.

Example 3

Jane arrived on a tourist visa in June 2004 to have a holiday, but also to look at universities because she planned to study in Australia. She departed Australia after two weeks, and returned in July 2004 on a student visa. She studied in Australia from that time, returning home during the university holidays. In December 2006, while studying, Jane married an Australian and obtained permanent residence via a spouse visa. In January 2011, Jane became an Australian citizen. In March 2011, Jane and her husband moved to the United Kingdom for three years of postgraduate studies. Jane's NOM arrival was categorised as a visitor because her initial arrival on a tourist visa commenced the 12 in 16 month period. Her NOM departure was categorised as an Australian citizen.

Examples 2 and 3 illustrate the fact that analysing NOM statistics at the visa category level can be complex. When referring to NOM, the visa categories listed above refer to the initial category of traveller, and is the categorisation used by the ABS. It is important not to equate the initial category of traveller with visa grant figures.

Preliminary and final estimates of NOM

ABS publishes official preliminary and final NOM estimates. Because of the quantity of data needed to apply the '12/16 month rule', final NOM estimates are released with a significant delay— ABS released final NOM data for March 2014 in December 2015. In the meantime, and because of legislative requirements for population figures, the ABS releases preliminary NOM estimates every quarter. These estimates are modelled on patterns of traveller behaviour observed in final NOM data for the corresponding quarter one year earlier.

The relationship between the publication cycle and the preliminary and final estimates of NOM is shown below.

That is, the preliminary NOM estimates for the March, June, September and December quarters are usually released during September, December, March and June respectively.
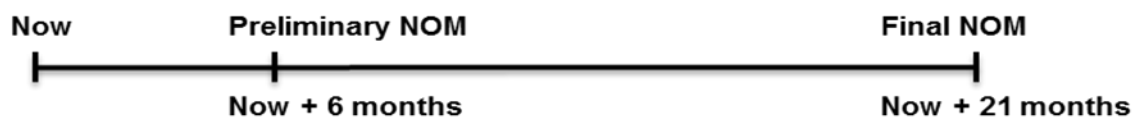
Appendix B: The Net Overseas Migration forecasting model

Why we forecast

The   forecasts NOM to assist the government to understand the impact of changes to Temporary, Permanent and Humanitarian migration programmes on Australia's population. These forecasts can also be used for purposes such as providing more accurate benchmarking for Australia's labour force and assisting government agencies with planning for population change.

How we forecast

The data in this publication is based on the new NOM Model which introduced several changes to the forecasting methodology. These changes are the result of many months of research into ways in which to improve the model, making it more robust and transparent.

The NOM forecasting method used in previous publications relied on permanent and long term movement data, supplemented by Permanent Migration and Humanitarian Programme planning levels and visa grants data. Official Australian and world economic growth forecasts as well as intelligence regarding the propensity of migrants across different visa groups to enter and leave the population were also used. The new methodology, on the other hand, relies more on which data source is the best predictor of NOM for the major visa category in question.

Temporary component

Arrivals

- *Students:* Forecasts are based on actual and forecast offshore visa grants data and the historical propensity of those granted each type of student visa offshore to NOM IN.

- *Temporary Work (Skilled) (subclass 457):* Forecasts are based on actual offshore visa grants data and the historical propensity of those granted a visa offshore to NOM IN. When actual visa grants data is not available, forecasts are based on unemployment forecasts and the historical impact of changes in the unemployment rate on NOM arrivals.

- *Working Holiday Maker:* Forecasts are based on actual and forecast permanent and long term movement data and the historical propensity of permanent and long term travellers from selected countries to NOM IN.

- *Visitor:* Forecasts are based on unemployment forecasts and the historical impact of changes in the unemployment rate on NOM arrivals.

- *All Other Temporary Visas:* Forecasts are based on actual and forecast permanent and long term movement data and the historical propensity of permanent and long term travellers to NOM IN.

Departures

- *Student, Temporary Work (Skilled) (subclass 457), Working Holiday Maker, Visitor and Bridging visa holders:* Forecasts are based on actual and forecast NOM arrivals and the historical propensity of those who NOM IN on selected visas to NOM OUT in the category in question.

- *All Other Temporary Visas, except Bridging:* Forecasts are based on actual and forecast permanent and long term movement data and the historical propensity of these travellers to NOM OUT.

Permanent component

Arrivals

- *Skill and Family:* Forecasts are based on current Permanent Migration Programme planning levels, the expected proportion of Skill/Family visas to be granted to offshore applicants, and the historical propensity of those granted Skill/Family visas offshore to NOM IN.
- *Humanitarian:* Forecasts are based on actual permanent and long term movement data and the historical propensity of permanent and long term travellers to NOM IN. When actual movement data is not available, forecasts are based on current Humanitarian Programme planning levels, the expected proportion of visas to be granted to offshore applicants, and the historical propensity of those granted visas offshore to NOM IN.
- *All Other Permanent Visas:* Forecasts are based on historical average levels.

Departures

- *Skill, Family and Humanitarian:* Forecasts are based on actual and forecast NOM arrivals and the historical relationship between NOM arrivals and NOM departures for the category in question.
- *All Other Permanent Visas:* Forecasts are based on historical average levels.

Other component

- *Australian Citizen arrivals and departures:* Forecasts are based on actual and forecast permanent and long term movement data and the historical propensity of permanent and long term travellers, who stayed in selected countries, to NOM IN.
- *New Zealand Citizen arrivals and departures:* Forecasts are based on actual and forecast permanent and long term movement data and the historical propensity of permanent and long term travellers, in given age groups, to NOM IN.
- *Other Visas arrivals and departures:* Forecasts are based on historical average levels and on Illegal Maritime Arrivals movement data (Illegal Maritime Arrivals are a component of Other Visas).