

15 November 2022

## Australia's overseas arrivals and departures

### October: steady progress but underlying momentum slowing

**Arrivals: 1214.8k, +143.3k mth, +1198.2k yr**  
**Departures: 1020.5k, -20.1k mth, +983.6k yr**

In October, overseas arrivals into Australia posted a solid gain in original terms, estimated to have risen 143k to be at 1.21mn in the month. Meanwhile, overseas departures fell by a modest 20k, leaving the figure at 1.02mn in October.

As mentioned in prior updates, the momentum in the recovery of overseas travel exhibited a definitive shift around mid-year, from an explosive rebound following the border reopening to a milder, but still positive, rate of growth with seasonal volatility influencing month-to-month reads more strongly.

Our estimates suggest the seasonally adjusted three-month average growth rate has slowed markedly over just the last three months (post the June/July school holidays). For arrivals, growth is down from 18.8% in August to 6.2% in October, and for departures, it has fallen from 12.6% to 2.9%. This suggests that the recovery in international travel may take longer than initially anticipated. But it is important to note that the December/January period will see another boost in travel and, given the border reopening was just earlier this year, it's strength may well exceed that of typical seasonal trends seen in prior years.

The category of movement breakdown (available for September but not October) confirms the recent slowing in the pace of overseas travel gains. Regarding short-term resident returns, which typically comprise the bulk of arrivals, the last two months have seen the lowest average monthly growth rates since the border reopening, sitting at around 12%. The easing in short-term visitor arrival flows has been even starker, growth down to an anaemic 3% after the mid-year travel burst. Evidence from the departures side is equally bleak. In aggregate, short-term arrivals and departures are sitting at 64% and 59% of their respective pre-pandemic levels, so there is still plenty of scope for further 'structural' normalisation, which may show through over the summer travel high season.

Regarding the permanent and long-term categories of travel, both arrivals and departures have floated comfortably above pre-pandemic levels for many months now, having reached 76.5k and 53.9k in September respectively. However, these categories are of little influence to overall travel, accounting for only 5% of movements.

Moving on to the visa detail, progress in the 'temporary work' category (including skilled, working and other temporary visas) continues to be a key highlight. After many months of net outflows of temporary workers, a solid up-trend is beginning to firm, with the average monthly net gain in this category lifting from nearly flat in August up to 10.7k in October.

This improvement likely reflects the progress being made on the extensive backlog of temporary visa applications. Department of Home Affairs data shows visa grants for working holiday maker visas and temporary skilled worker visas have lifted beyond pre-pandemic levels, running at a quarterly pace of 55k and 28k respectively in Q3. This is translating to a material lift in arrivals which in time will go some way towards alleviating the critical labour undersupply problems in Australia.

Overall, October's update indicates that steady progress is still being made, albeit at a slower pace. The year-end travel season will see a substantial improvement, and it will be interesting to gauge the extent to which momentum holds in 2023.

**Ryan Wells**, Economist

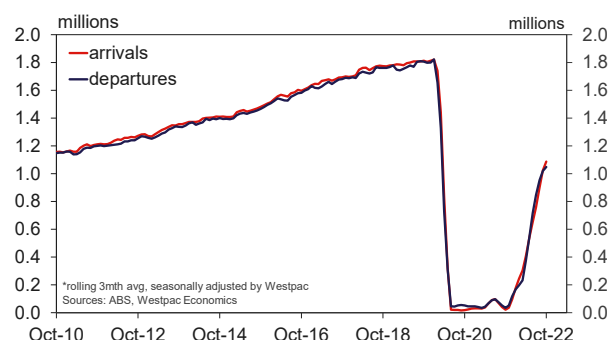
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### Overseas arrivals and departures – October

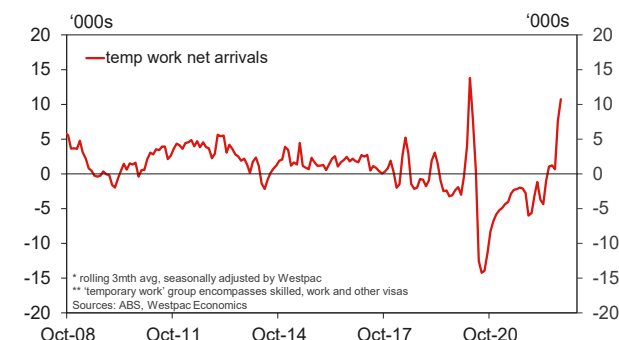
'000s	Sep-22	Oct-22 <sup>p</sup>	Month Chg	Annual Chg
<b>Arrivals</b>	<b>1071.5</b>	<b>1214.8</b>	<b>143.3</b>	<b>1198.2</b>
Permanent	76.7	81.3	4.6	77.8
Student	36.0	29.1	-6.9	28.9
Temp Work	65.6	64.7	-0.9	60.8
NZ	108.5	124.7	16.2	124.0
<b>Departures</b>	<b>1040.6</b>	<b>1020.5</b>	<b>-20.1</b>	<b>983.6</b>
Permanent	76.5	70.0	-6.5	64.1
Student	14.3	14.4	0.1	12.4
Temp Work	46.6	53.9	7.3	47.4
NZ	105.7	126.7	21.0	124.5

\* based on non-seasonally adjusted data; p provisional.  
Source: ABS, Westpac Economics.

### Total overseas arrivals and departures

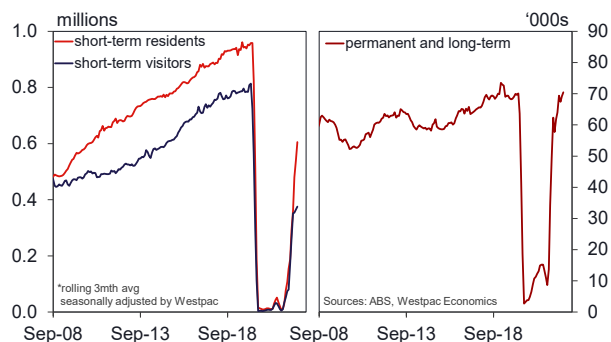


### Net arrivals: temporary work visas

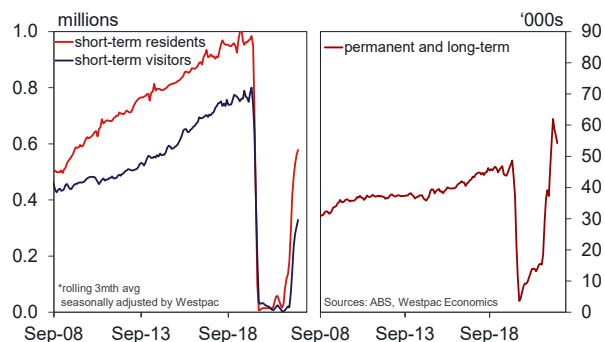


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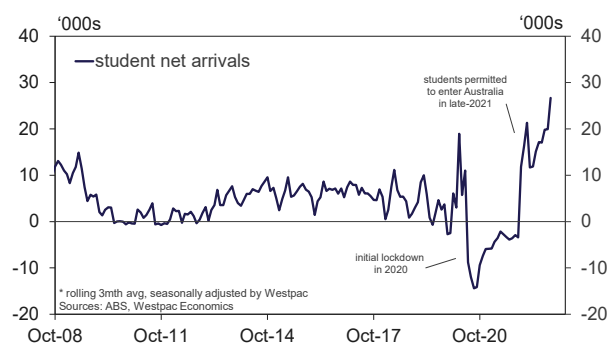
## Overseas arrivals by category of travel



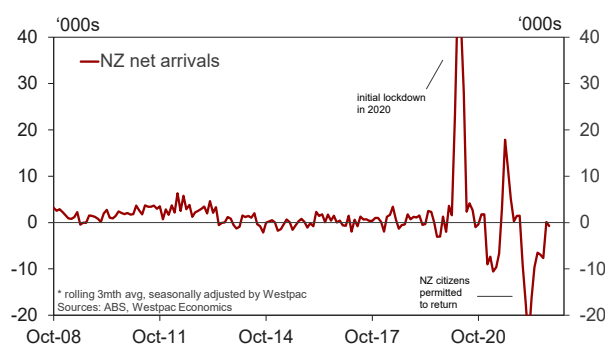
## Overseas departures by category of travel



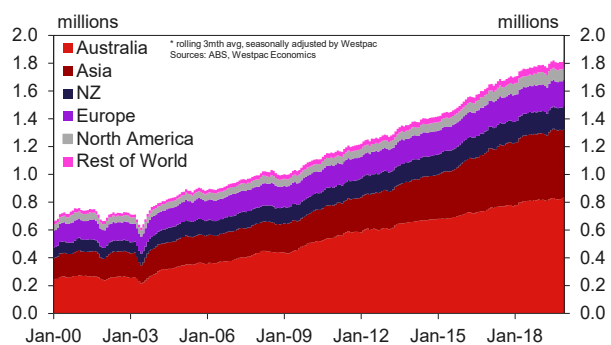
## Net arrivals: student visas



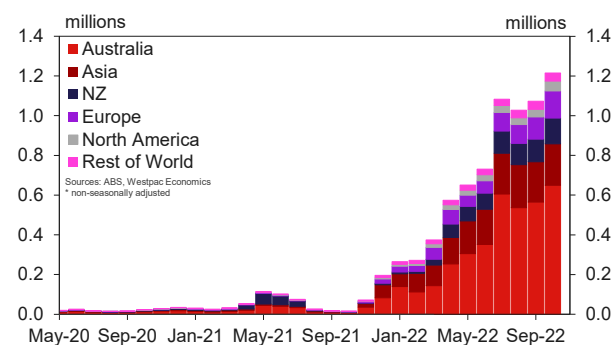
## Net arrivals: New Zealanders



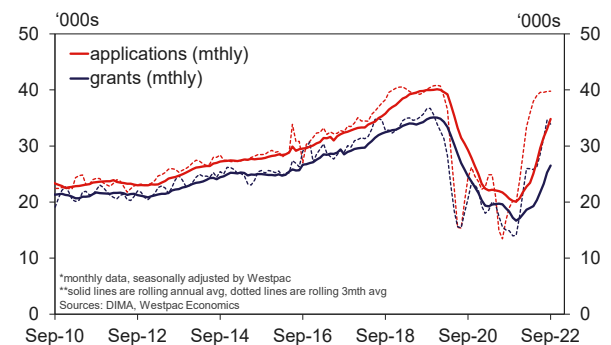
## Pre-COVID: arrivals by country of citizenship



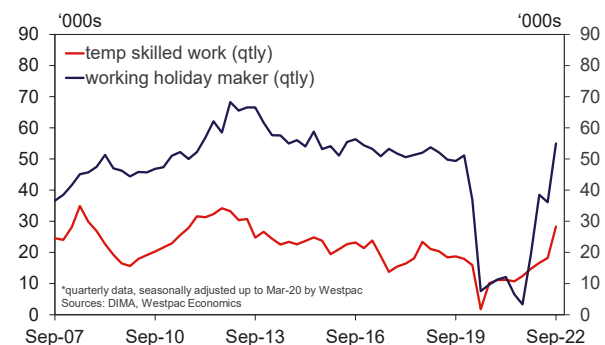
## Post-COVID: arrivals by country of citizenship



## Student visas: grants and applications



## Temp work visas: grants



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