

13 December 2022

## Australia's overseas arrivals and departures

### November: momentum picks up ahead of summer travel season

#### Arrivals: 1195.4k, -17.5k mth, +1123.1k yr

#### Departures: 1184.8k, +170.0k mth, +1093.7k yr

Heading into the holiday season, the recovery in overseas travel picked up some momentum in November. In original terms, arrivals posted a small decline (-17.5k) and departures rose strongly (+170k). Accounting for seasonal trends – something the ABS is not currently able to do with precision – arrivals and departures look to have posted gains of around 85.4k and 86.2k respectively, representing a solid improvement from the 53.9k and 29.7k lifts in October.

Our estimates indicates the seasonally adjusted three-month average growth rate has bounced from its lows in October. For arrivals, the pace has increased from 5.3% to 8.0% in November, and for departures, it is up from 2.9% to 8.2%. In a solid mark of progress, arrivals and departures have both surpassed 70% of their respective pre-pandemic levels in November.

Crucial to the full recovery in overseas travel however is a further improvement in short-term visitor flows. Gains in this segment have slowed quite abruptly since the mid-year, oscillating around a relatively flat trend since. Growth in short-term resident departures slowed too, albeit to a lesser extent and with a steadier performance. Consequently, there has been a growing divide between these two categories, as seen in the two charts at the top of page 2. Overall, short-term visitor arrivals have made less progress to date, sitting at 53% of their pre-pandemic level, compared to short-term resident departures which are at a healthier 68%.

There will almost certainly be a substantial improvement in visitor flows during the year-end travel season, but given the rocky performance in this category of late, it will be crucial to the overall recovery in overseas travel moving into 2023.

Excluding the return of Australians, the bulk of arrivals continue to be from Asia. Of particular note, inflows from India have been quickly approaching near pre-pandemic levels since the international border reopening and is hence the clear stand-out. This may continue given ongoing virus disruptions limiting the recovery in visitor flows from China.

The visa detail also continues to show other areas of strength. Net arrivals in the 'temporary work' category (including skilled, working and other temporary visas) remain at very high levels after many months of net outflows (+13.5k/month average). Similarly for students, net arrivals have been consistently holding in substantial net positive territory, currently at +17.7k/month. The lack of skilled migrants has been a key reason behind labour supply problems in Australia this year. The ongoing recovery in visa net arrivals should therefore, in time, go some way towards alleviating Australia's labour supply constraints.

It is also worth mentioning that later this week we will receive the annual update on overseas migration for the 2021/22 financial year. Although the arrivals and departures data provide a timely guide for current trends in travel, it struggles to draw a tight comparison to actual migration flows given it measures the number of trips rather than permanent movements. Still, it suggests that a robust recovery in both the return of Australian residents and temporary visitor arrivals has been underway since the international border reopening in February. It will therefore be very interesting to gauge the extent to which net migration will rebound from the 'pandemic outflow' of 88.8k in 2020/21.

**Ryan Wells**, Economist

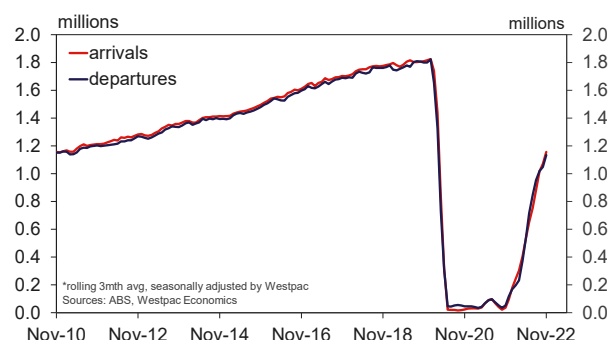
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### Overseas arrivals and departures – November

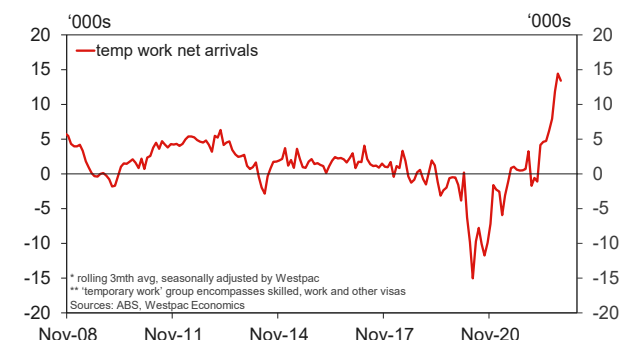
'000s	Oct-22	Nov-22 <sup>p</sup>	Month Chg	Annual Chg
<b>Arrivals</b>	<b>1212.9</b>	<b>1195.4</b>	<b>-17.5</b>	<b>1123.1</b>
Permanent	81.3	78.0	-3.3	63.8
Student	29.1	33.9	4.9	33.1
Temp Work	64.7	73.5	8.8	66.8
NZ	124.7	118.7	-6.0	115.1
<b>Departures</b>	<b>1014.8</b>	<b>1184.8</b>	<b>170.0</b>	<b>1093.7</b>
Permanent	70.0	80.1	10.1	62.2
Student	14.4	42.8	28.4	38.5
Temp Work	53.9	60.6	6.7	52.2
NZ	126.7	123.6	-3.1	121.0

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

### Total overseas arrivals and departures

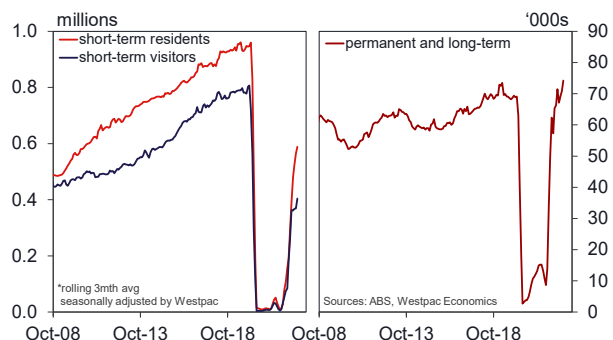


### Net arrivals: temporary work visas

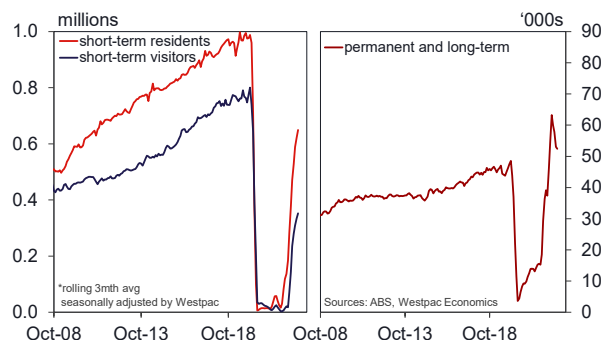


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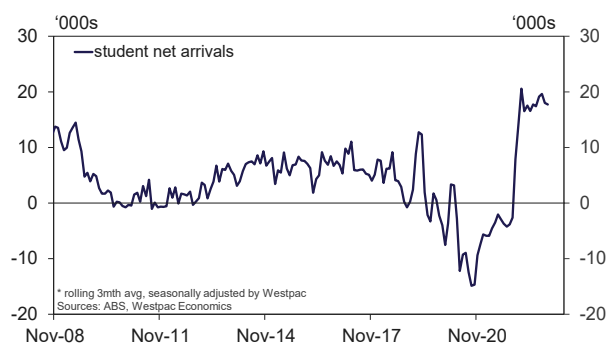
## Overseas arrivals by category of travel



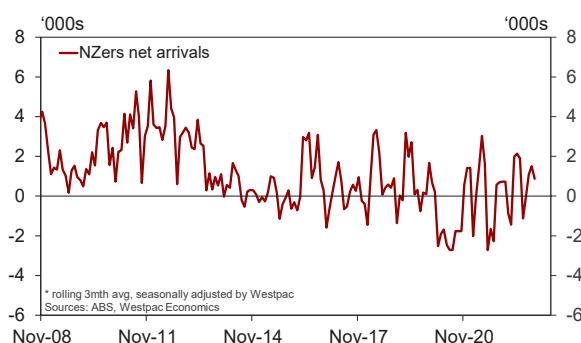
## Overseas departures by category of travel



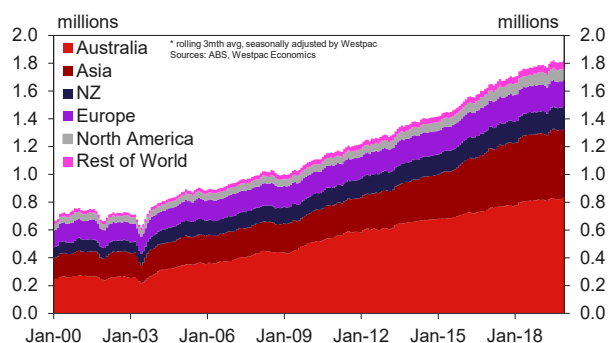
## Net arrivals: student visas



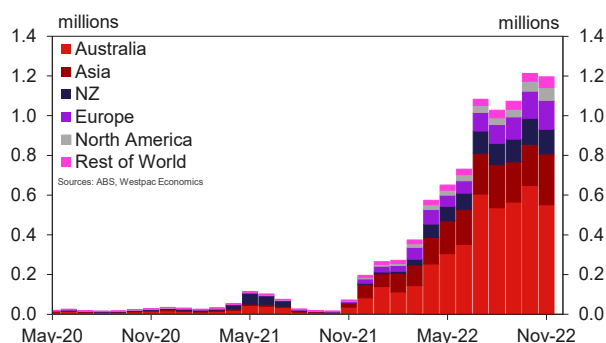
## Net arrivals: New Zealanders



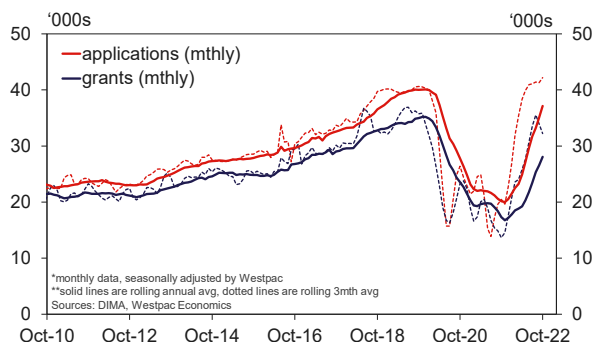
## Pre-COVID: arrivals by country of citizenship



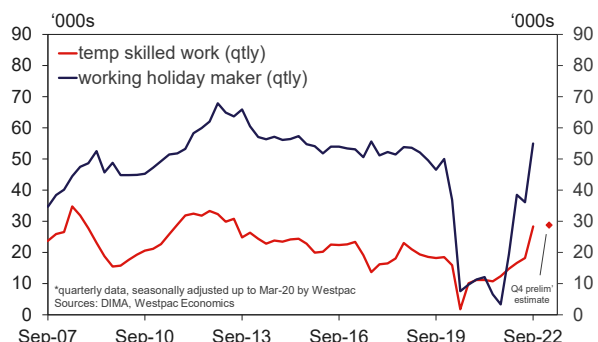
## Post-COVID: arrivals by country of citizenship



## Student visas: grants and applications



## Temp work visas: grants



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