

17 February 2023

Australia's overseas arrivals and departures January: strength over summer

Arrivals: 1608.2k, +347.6k mth, +1342.9k yr

Departures: 1384.6k, -130.7k mth, +1196.4k yr

In January, overseas arrivals into Australia posted a solid gain in original terms, estimated to have risen 348k to be at 1.61mn in the month. Meanwhile, overseas departures fell by roughly 131k, leaving the figure at 1.38mn in January.

On a seasonally adjusted basis – something the ABS is not currently able to do with precision – we estimate that, although arrivals and departures have not yet fully recovered (both roughly at 70% of their respective pre-pandemic levels), the surge in overseas travel over the summer period was comparable to the travel flows seen in the years prior to COVID-19, marking a significant milestone in that this was the first 'disruption-free' summer break since the onset of the pandemic.

There are three other key results evident in the January release, given that we now have the full picture for overseas travel in 2022.

Firstly, visitor flows made stellar progress over the course of last year. From the border reopening in February 2022, net visitor arrivals (covering both 'short-term' and 'long-term' travel) lifted into substantial net positive territory, totaling 420k in H1 2022. Moving into H2 2022, visitor flows continued to make significant improvements, culminating in a higher net total of 675k.

Comparing the H2 2022 result to the average H2 result in the five years before COVID-19, it becomes clear that in addition to the stronger recovery in travel made by Australians (which tends to constitute the bulk of headline arrivals/departures), the recovery in visitor flows has been a material positive too.

Secondly, short-term visitor arrivals from China continue to lag the broader recovery to date. With ongoing issues around virus disruptions and COVID-zero, average monthly flows of short-term Chinese visitors managed to only reach 7.4k in 2022, a fraction of the 100k five-year pre-pandemic average.

Moving into 2023 however, with the removal of COVID-zero now freeing up travel and the Chinese Government's mandate for students to return to in-person learning, Chinese arrivals will continue to build over the course of this year, complementing the strength already being seen in arrivals from India, which has been the key support in Asia since the border reopening.

Finally, on the visa data, net arrivals of those within the 'temporary work' category of visas began to ease leading into year-end, from historic highs to a still elevated level versus history. Month-to-month volatility remains a factor in this series, but data from the Department of Home Affairs remains constructive on the outlook.

Of note, grant flows for temporary workers continues to edge above pre-pandemic levels, and intriguingly, an incredibly large volume of student visas were granted in December, totalling 109k. Given the sheer size of this 'burst' and that most of these visas were granted onshore, the Department of Home Affairs looks to be still working through a sizeable backlog of visas. If grants continue to flow at a pace comparable with the still-elevated rate of applications, net inflows of students will continue to be a key feature of the recovery in 2023.

Ryan Wells, Economist

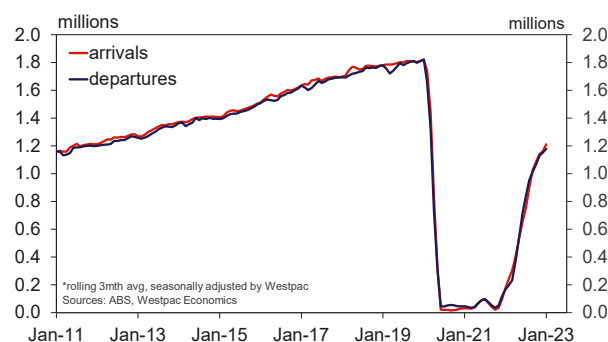
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Overseas arrivals and departures – January

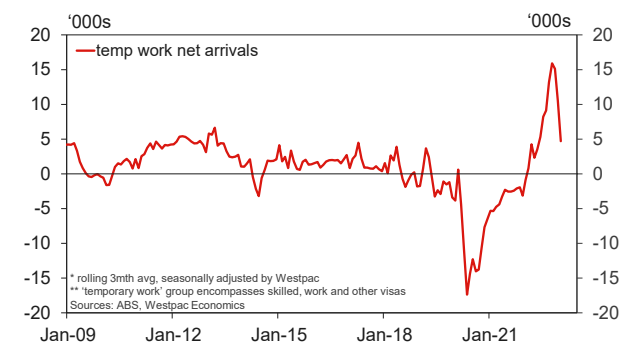
'000s	Dec-22	Jan-23 ^p	Month Chg	Annual Chg
Arrivals	1260.6	1608.2	347.6	1342.9
Permanent	72.0	143.4	71.4	101.6
Student	35.8	59.5	23.7	31.5
Temp Work	59.5	92.5	33.0	74.3
NZ	121.6	129.5	7.9	120.7
Departures	1515.3	1384.6	-130.7	1196.4
Permanent	136.2	89.3	-46.9	64.0
Student	53.4	42.1	-11.3	32.8
Temp Work	76.6	67.6	-9.0	53.6
NZ	138.0	121.8	-16.2	117.3

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

Total overseas arrivals and departures

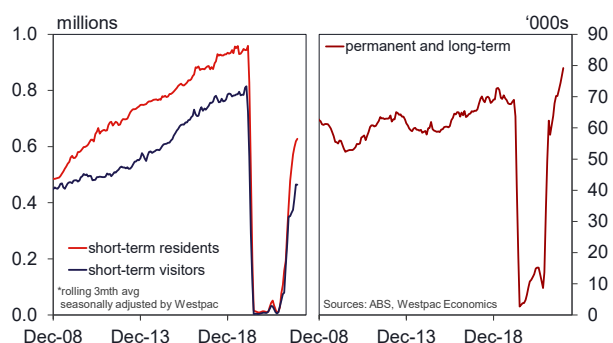


Net arrivals: temporary work visas

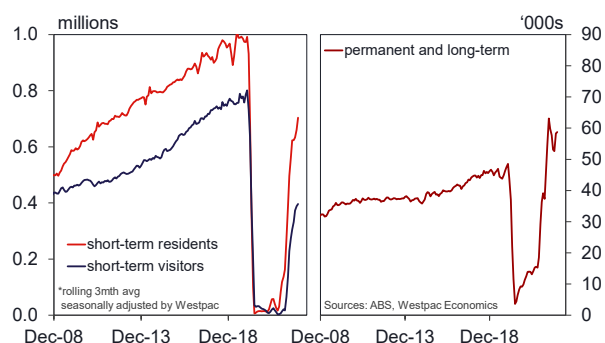


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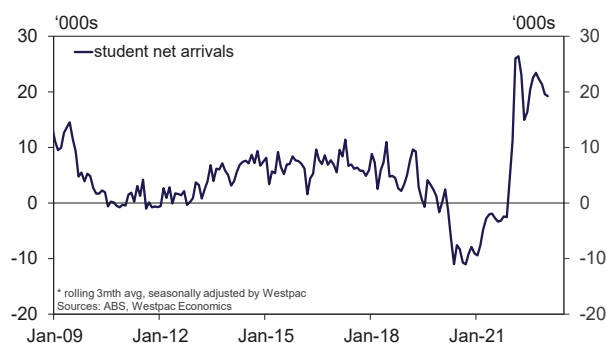
Overseas arrivals by category of travel



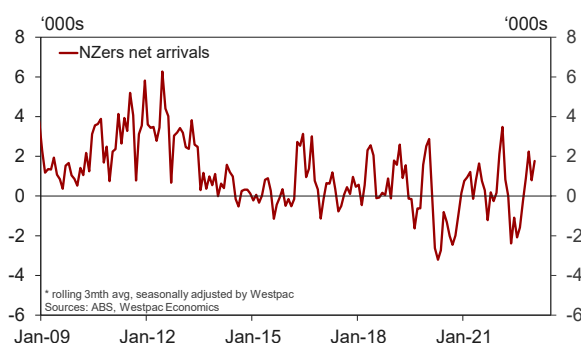
Overseas departures by category of travel



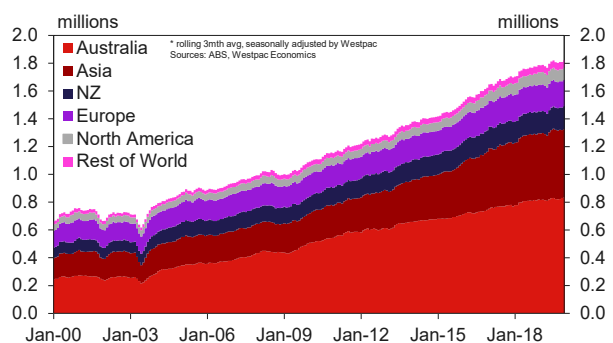
Net arrivals: student visas



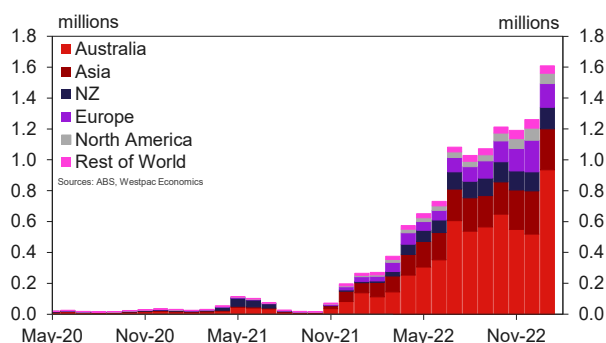
Net arrivals: New Zealanders



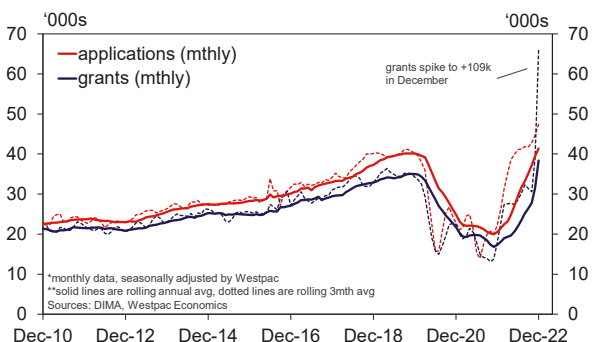
Pre-COVID: arrivals by country of citizenship



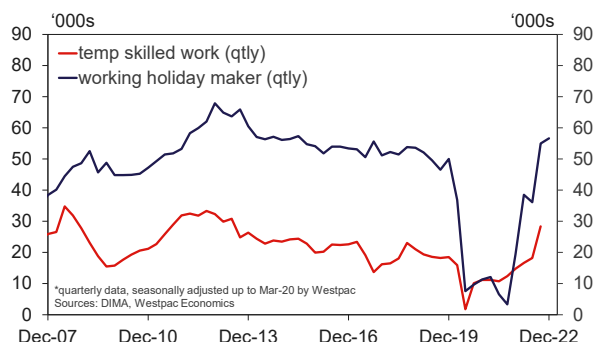
Post-COVID: arrivals by country of citizenship



Student visas: grants and applications



Temp work visas: grants



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