

16 May 2023

Australia's overseas arrivals and departures

April: sustained uptrend in longer-term travel

Arrivals: 1372.4k, +798.4k yr

Departures: 1433.0k, +826.3k yr

Headline overseas arrivals to Australia were broadly unchanged in April, estimated to have risen only +27.8k to 1.37mn. Headline overseas departures rose once again in the month, up +108.6k to 1.43mn.

The above figures largely capture the fluctuations in short-term travel and hence mask the underlying progress being seen within key sub-components that tend to provide a clearer (but still limited) indication of the current trends in overseas migration flows.

Of note, net arrivals within the permanent and long-term (P<) category of movement is continuing to exhibit clear strength. On a net basis (arrivals less departures), P< travel has held in substantially positive territory, tracking a three-month average pace of +37k/mth as of March. As seen in the bottom-right chart on this page, this is due to the sustained up-trend in P< arrivals which are currently at an appreciable +30k above average pre-pandemic monthly observations. At the same time, P< departures have been effectively tracking sideways at a level that is only slightly above pre-pandemic results, a difference of roughly +13k.

Additionally, net arrivals among key visa categories also remain a stand-out positive. This is most evident among the 'temporary work' category (including skilled, working and other temporary visas) and student visas – both of which suffered from a period of significant net outflows over 2020 and 2021.

In April, the average monthly net inflow of temporary workers lifted from +9.3k/mth to +11.3k/mth. While off the recent high of +16k/mth in November, the net inflow is being supported by sustained strength in temporary worker arrivals, well above pre-pandemic levels. Similarly, the average net monthly inflow of students lifted from +23.6k/mth to +25.2k/mth, levels which are relatively closer to earlier highs.

Together, the overarching longer-term travel data and separate visa breakdown continue to suggest that the recovery in net overseas migration is tracking at a strong pace and will hence remain a crucial factor in the economic and policy cycle for the foreseeable future.

A development that could materialise more clearly over the coming months is China's reopening. There are tentative signs that travel from China has begun to pick-up, with arrivals posting an unseasonally large increase from 45.8k in March to 61.4k in April. While this is still well below pre-pandemic levels, it is interesting to note that the proportion of arrivals that are associated with only short-term travel is much lower in Q1 2023 (-54%) when compared to the same quarters before COVID-19 (-80%). While more observations are needed, this points to a potential pick-up in permanent and long-term travel from China which would factor critically in the lift in net overseas migration.

In line with these recent observations and our official view, the Government recently delivered a long-awaited update on their population and migration forecasts as part of the 2023 Federal Budget, in which the Government expects net migration to print +400k in 2022-23; +315k in 2024-25 and +260k in 2025-26.

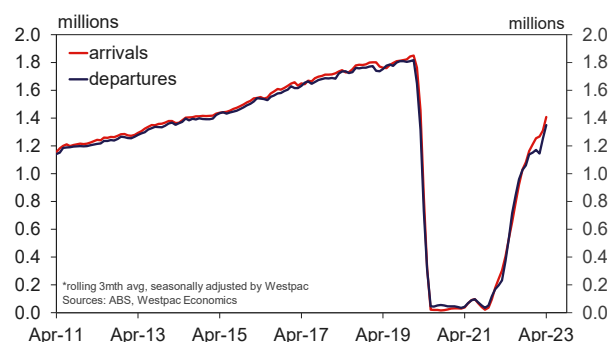
Ryan Wells, Economist

Overseas arrivals and departures – April

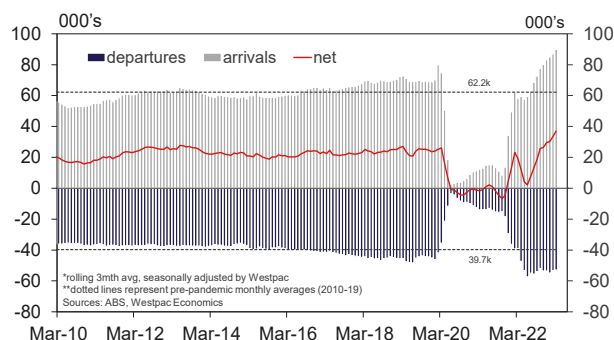
'000s	Feb-22	Mar-23 ^p	Month Chg	Annual Chg
Arrivals	1344.6	1372.4	27.8	798.4
Permanent	94.1	110.8	16.7	55.9
Student	54.4	43.6	-10.8	22.5
Temp Work	89.8	74.3	-15.5	37.9
NZ	126.6	140.8	14.2	75.3
Departures	1324.4	1433.0	108.6	826.3
Permanent	94.7	107.8	13.1	39.9
Student	21.8	30.5	8.7	18.1
Temp Work	70.6	74.7	4.1	36.8
NZ	118.2	138.7	20.5	75.1

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

Total overseas arrivals and departures



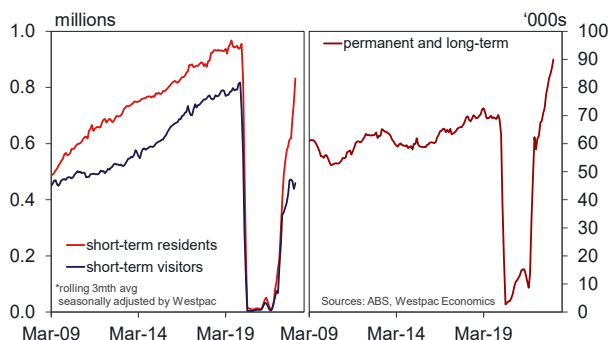
Permanent & long-term travel



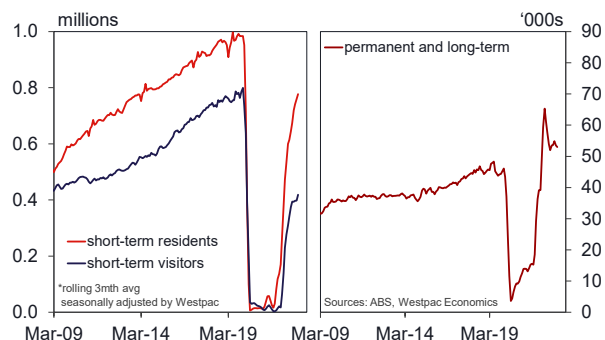
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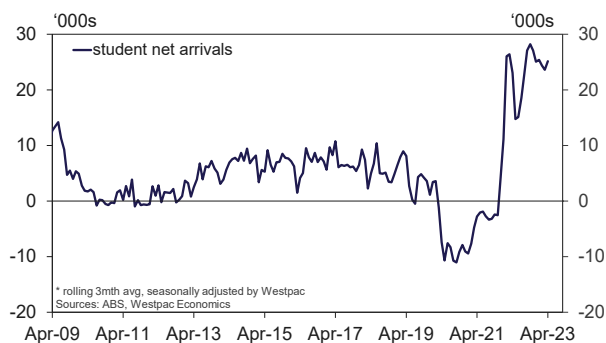
Overseas arrivals by category of travel



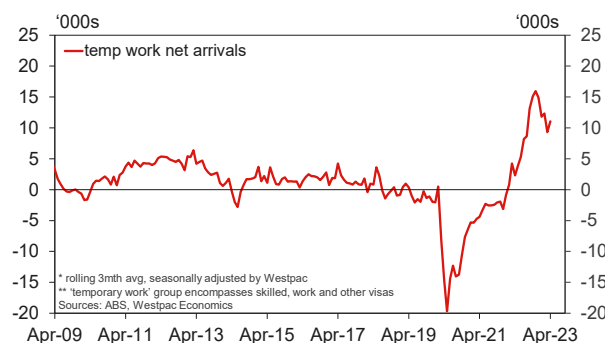
Overseas departures by category of travel



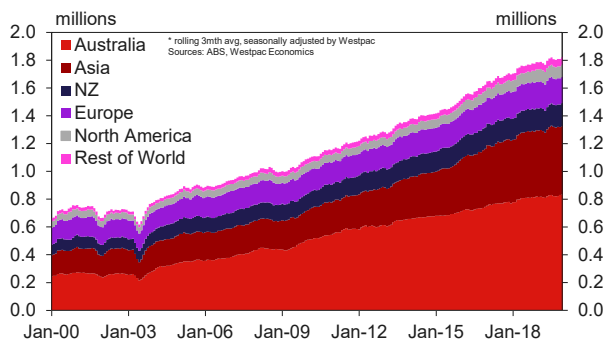
Net arrivals: student visas



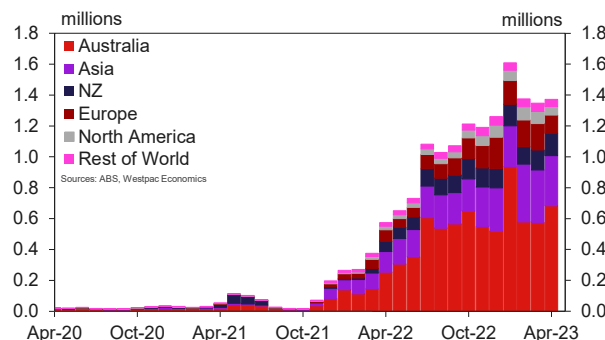
Net arrivals: temporary work visas



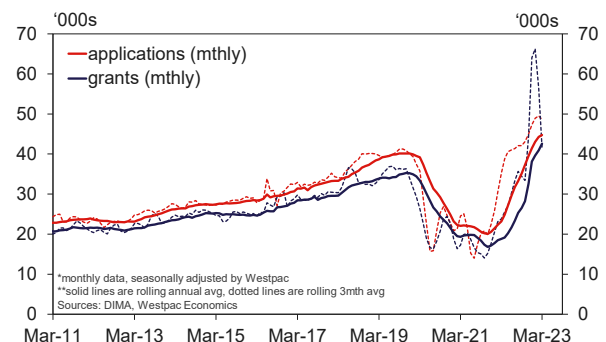
Pre-COVID: arrivals by country of citizenship



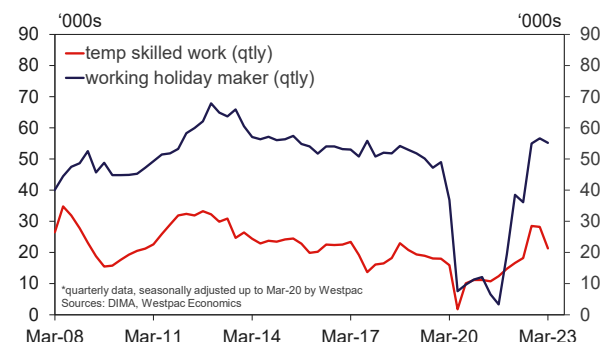
Post-COVID: arrivals by country of citizenship



Student visas: grants and applications



Temp work visas: grants



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