

12 July 2023

Australia's overseas arrivals and departures June: mid-year travel season underway

Arrivals: 1358.5k, +628.1k yr
Departures: 1563.7k, +682.8k yr

The ABS estimates that both overseas arrivals and departures rose in June, to 1.36mn and 1.56mn respectively. With June's headline statistics being a provisional estimate, we do not yet have a detailed 'category of travel' breakdown for June.

Based off history, the larger rise in departures likely reflects the seasonal pick-up in mid-year travel as residents depart Australia for holidays abroad. The lift in visitor travel typically occurs over the July/August period, but at this stage the exact split of travel between residents and visitors is unknown.

However, the above figures largely capture movements in short-term travel (i.e. an intention to stay/leave for less than 12 months), which constitutes roughly 90-95% of total travel. While certainly relevant to the recovery in tourism, other key sub-components are providing key insights into the progress being made regarding overseas migration flows.

In particular, the permanent and long-term (P<) category of travel is continuing to exhibit clear strength. In the bottom-right chart on this page, we can see that P< flows are sustaining a growth pace that exceeds pre-pandemic averages; and within that context, arrivals are outstripping departures, seeing P< net arrivals hold at +37k/mth (based on Westpac's provisional seasonally adjusted estimates).

The breakdown by visa category also remains constructive on the migration outlook. Despite having moderated slightly from their respective peaks, net arrivals amongst 'students' and 'temporary workers' (i.e. skilled, working and other temporary visas) are tracking three-month average paces of +16.2k/mth and +10.8k/mth respectively (based on Westpac's provisional seasonally adjusted estimates), both well above pre-pandemic levels and yet to show any convincing signs of a sustained downtrend.

In summary, not only has longer-term and visa travel already made a strong recovery from the pandemic, but it also looks to be contributing to a net growth in stock of individuals that are planning to stay in Australia for an extended period.

Another dynamic that will remain at play over the coming year is the recovery in travel from China since their reopening from COVID-19. There is some emerging evidence that momentum is beginning to build-up, as evinced by the lift total arrivals from China, up from +63.8k/mth in May to +71.5k/mth in June on a three-month average basis (based on Westpac's provisional seasonally adjusted estimates).

Interestingly, the proportion of Chinese arrivals who identify as short-term visitors is much lower versus history, currently at 54% as of May compared to a pre-pandemic average of around 80%. Regarding the tourism outlook noted earlier, the ongoing recovery in short-term visitor arrivals from China offers further scope for support on this front, but at least for now, progress on this front is certainly lagging the broader recovery to date.

The above results, alongside other data on visa applications and grants from the Department of Home Affairs, continues to point to a sustained recovery in net migration, following on from a historic +387k over 2022.

Ryan Wells, Economist

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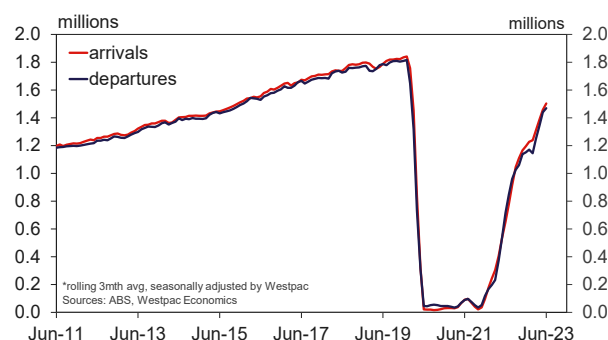
Overseas arrivals and departures, by visa class – June 2023

'000s	May-23	Jun-23 ^p	Month Chg	Annual Chg
Arrivals	1296.7	1358.5	61.7	628.1
Permanent	100.6	99.8	-0.8	36.9
Temporary	552.4	579.1	26.6	263.1
Student	44.0	51.4	7.4	21.9
Work [^]	72.4	75.9	3.4	34.6
NZ	126.8	131.5	4.7	51.3
Australians	643.7	679.6	35.9	328.0
Departures	1359.3	1563.7	204.4	682.8
Permanent	97.3	105.9	8.6	29.5
Temporary	539.1	559.6	20.1	285.8
Student	32.1	78.3	46.2	53.2
Work [^]	65.9	72.5	6.6	34.7
NZ	124.1	126.1	2.0	46.5
Australians	722.9	898.2	175.3	367.4

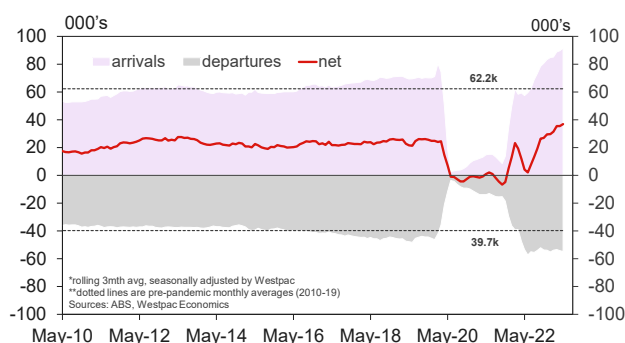
* based on non-seasonally adjusted data; p provisional;

[^] temporary skilled, temporary working & other temporary visas
Source: ABS, Westpac Economics.

Total overseas arrivals and departures

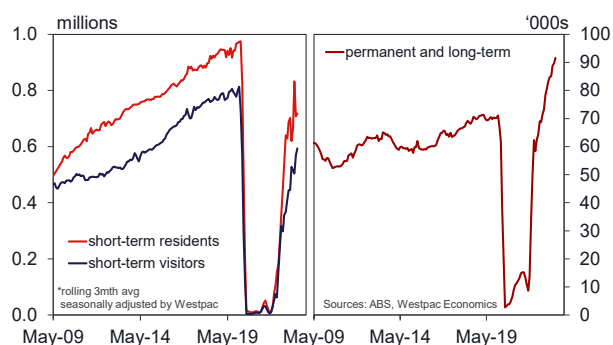


Permanent & long-term travel

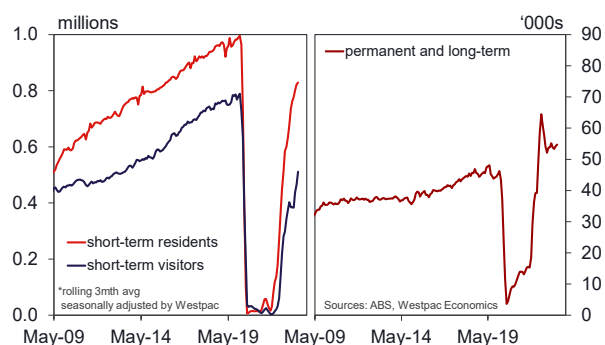


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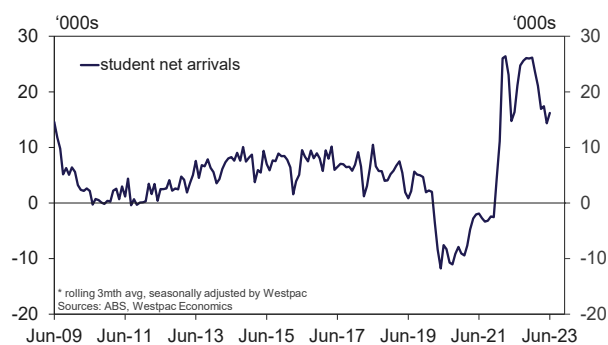
Overseas arrivals by category of travel



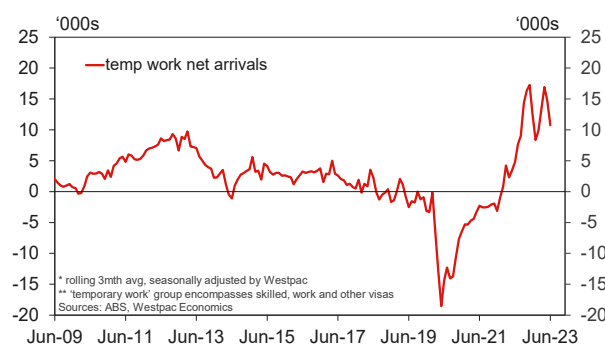
Overseas departures by category of travel



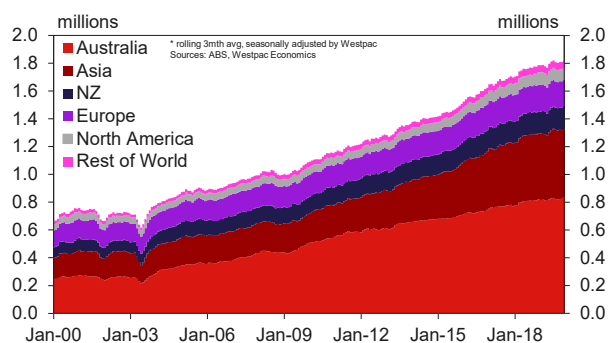
Net arrivals: student visas



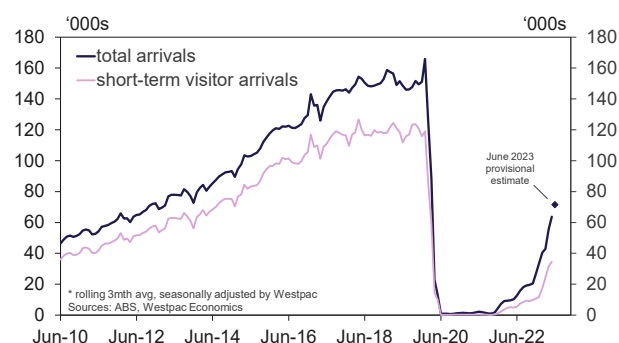
Net arrivals: temporary work visas



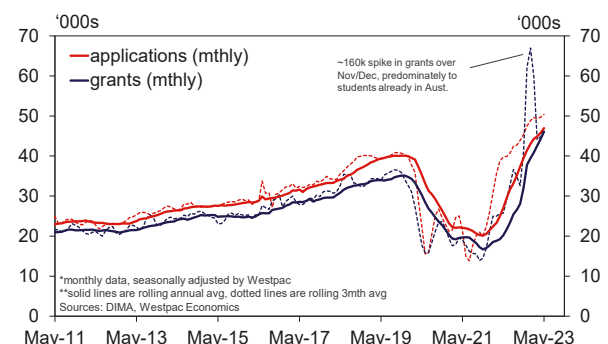
Pre-COVID: arrivals by country of citizenship



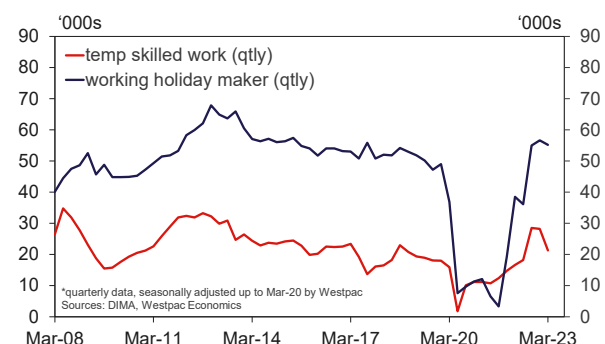
China: recovery in travel flows will take time



Student visas: grants and applications



Temp work visas: grants



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