

17 August 2023

Australia's overseas arrivals and departures

July: recovery holding up

Arrivals: 1749.2k, +667.6k yr

Departures: 1501.6k, +533.1k yr

In July, overseas arrivals into Australia are estimated to have lifted by a sizeable +392k to 1.75mn in original terms. Meanwhile, overseas departures are estimated to have fallen by -55.1k to 1.50mn in original terms.

As was the case at this time last year, these headline figures represent a return to more typical short-term travel flows over the mid-year season.

The breakdown by category of movement (available to June but not July) provides a partial confirmation of this, with short-term resident departures having lifted by around 180k in June. This compares to a pre-pandemic range from +100k to +200k, with some volatility associated with the ABS having not yet reinstated seasonally adjusted series.

We will have to wait until August for the full breakdown of July's provisional estimate, the detail of which is typically a more complicated mix between a lift resident returns (from June's departures) and a rise in visitors arriving in Australia.

While this data is certainly relevant to the recovery in tourism – albeit limited in its implications to actual spending volumes in tourism-related areas – other key sub-components are also 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 the pace of growth in P< flows – albeit coming of its high – remains above pre-pandemic averages. With arrivals still outstripping departures, net P< arrivals are holding at a robust pace of +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 +21.2k/mth and +9.2k/mth respectively (based on Westpac's provisional seasonally adjusted estimates). Both of these figures are well above pre-pandemic levels and are yet to show any convincing signs of softening, having remained in 'above-trend' territory for almost a year.

Ultimately, 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.

The above data remains consistent with an ongoing recovery in population growth, led by net migration. Indeed, based on preliminary estimates from the ABS, population growth looks to be currently tracking at an annual pace of 2.4%, while other data – such as the Labour Force Survey – points to an even stronger recovery in the working age population, in the order of 2.8% as of July.

In summary, net migration's recovery seems unlikely to let up to a significant degree any time soon.

Ryan Wells, Economist

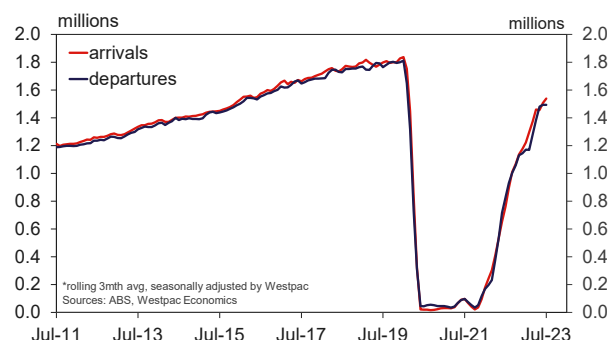
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Overseas arrivals and departures – July

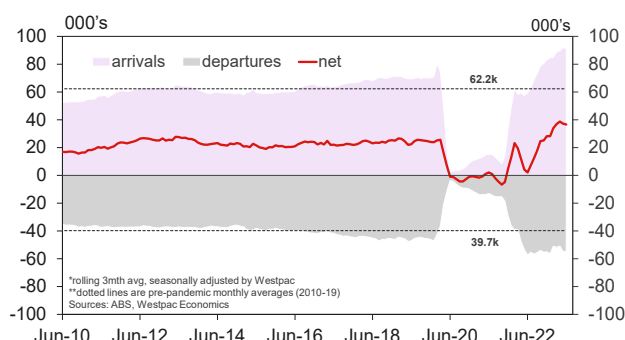
'000s	Jun-23	Jul-23 ^p	Month Chg	Annual Chg
Arrivals	1357.7	1749.2	391.5	667.6
Permanent	99.8	113.6	13.8	29.5
Student	51.4	134.7	83.3	63.5
Temp Work	75.9	74.5	-1.4	29.6
NZ	131.5	144.1	12.6	35.2
Departures	1556.7	1501.6	-55.1	533.1
Permanent	105.9	97.7	-8.2	19.7
Student	78.3	37.7	-40.6	19.9
Temp Work	72.5	76.7	4.2	33.7
NZ	126.1	141.7	15.6	37.1

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

Total overseas arrivals and departures

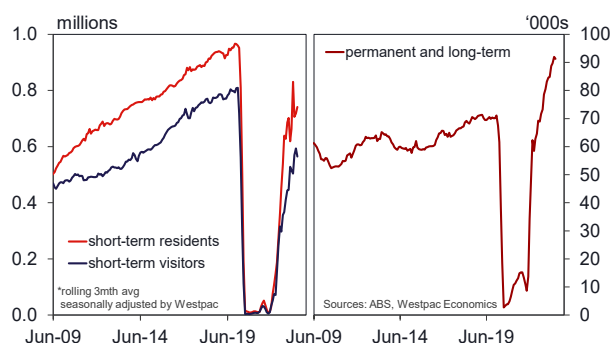


Permanent & long-term travel

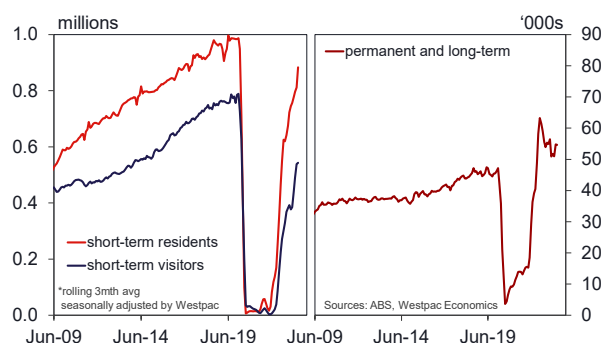


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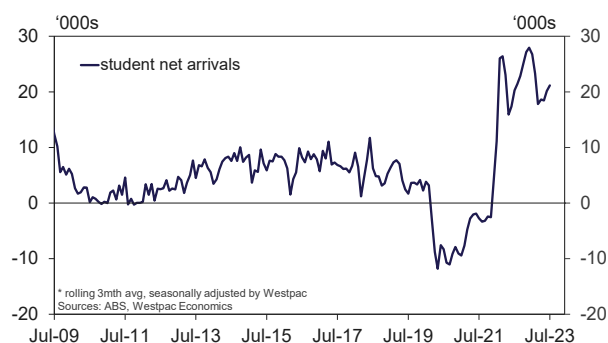
Overseas arrivals by category of travel



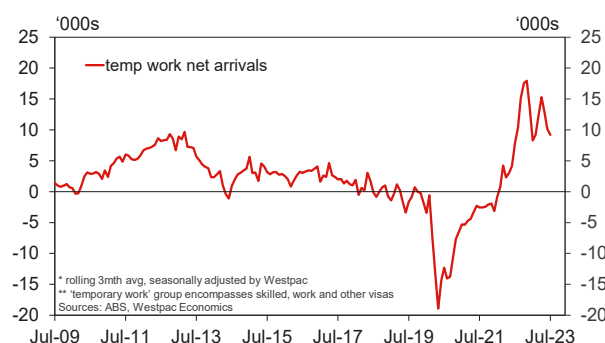
Overseas departures by category of travel



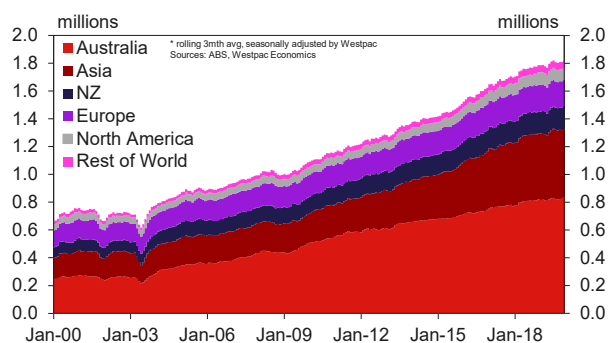
Net arrivals: student visas



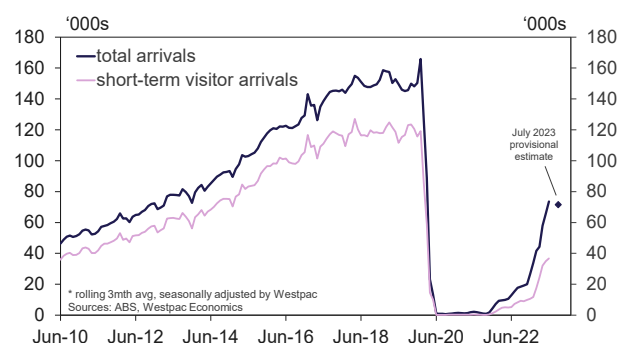
Net arrivals: temporary work visas



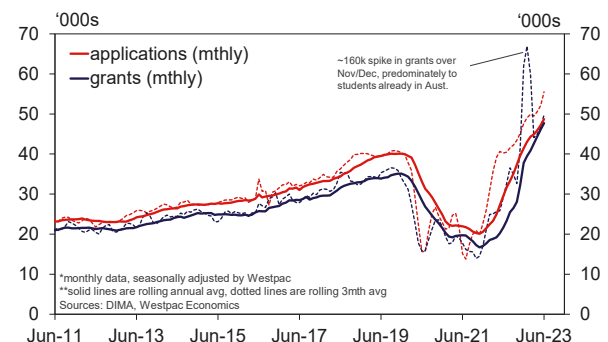
Pre-COVID: arrivals by country of citizenship



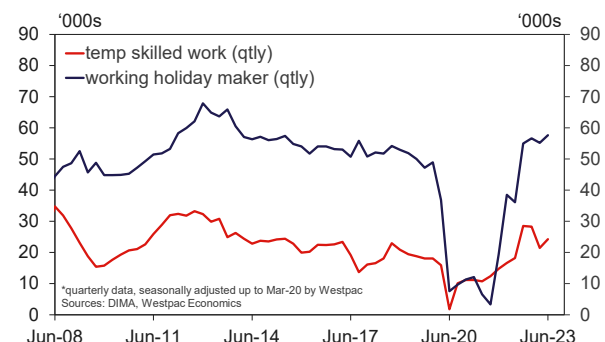
China: recovery in travel flows will take time



Student visas: continuing to trend higher



Temp work visas: grants



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