

The City of Sydney's local economy, representing 7% of Australia's GDP and 22% of the NSW economy, is recovering strongly and evolving in the post-pandemic environment.

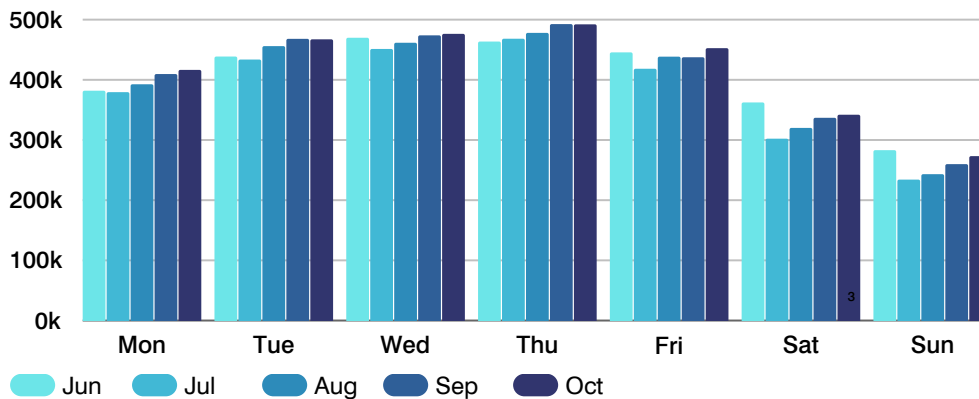
This edition of City Insights explores emerging economic trends with a focus on international students and visitors.

<h1>\$146b</h1> <p><b>Gross Regional Product p.a.<sup>1</sup></b> 12 months to June 2023</p>	<h1>464k</h1> <p><b>International Visitor Arrivals<sup>2</sup></b> July 2023 to August 2023 (2 times previous year)</p>	<h1>\$455m</h1> <p><b>Value of Building Approvals<sup>3</sup></b> July 2023 to September 2023</p>
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## Steady growth in public transport and spend across the week

Public transport to the city centre has steadily increased across all days of the week, rising by 8.7% from July to October to reach 94% of the pre-pandemic level. Similarly, local spend has settled to form a consistent pattern across the week, increasing towards the end of the week, peaking on Saturday (139% of pre-pandemic level). June saw high activity on Fridays, Saturdays and Sundays likely due to Vivid, with data showing public transport use after 6pm was on average 40% higher than usual.

Opal tap-offs daily average across the week by month since June 2023<sup>4</sup>  
public holidays adjusted<sup>5</sup>, Sydney CBD, June - October 2023

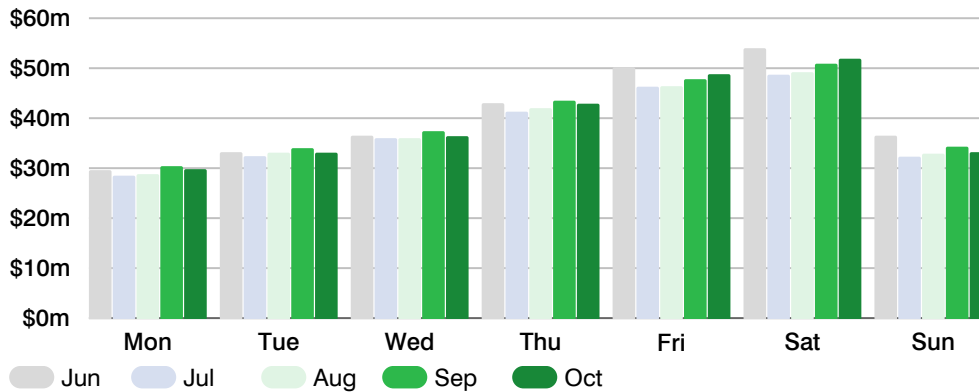


**Weekly average Opal tap-offs**  
in October 2023  
**94%**  
of pre-pandemic  
(up from 67% in October 2022)

**Highest Day**  
in October 2023  
**Thursday 492k**  
86% of pre-pandemic  
(up from 60% in October 2022)

**Lowest Day**  
in October 2023  
**Sunday 273k**  
127% of pre-pandemic  
(up from 87% in October 2022)

Daily average spend across the week by month since June 2023<sup>6</sup>  
inflation adjusted, public holidays adjusted<sup>5</sup>, City of Sydney, June - October 2023



**Weekly average Consumer spend**  
in October 2023  
**95%**  
of pre-pandemic  
(down from 98.6% in Oct 2022)

**Highest Day**  
in October 2023  
**Saturday \$52m**  
114% of pre-pandemic  
(down from 119% in Oct 2022)

**Lowest Day**  
in October 2023  
**Monday \$30m**  
95% of pre-pandemic  
(up from 91% in October 2022)

Source/note

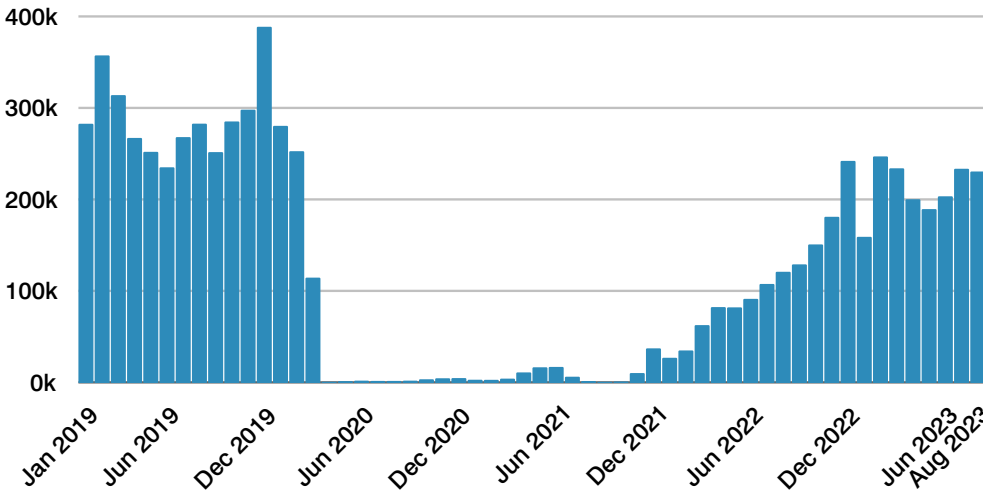
1. Economy.id & National Institute of Economic and Industry Research (NIEIR). Inflation adjusted using 2020/21 as base year.
2. ABS, International visitor arrivals (short-term arrivals) to NSW. It is assumed that international visitors to NSW arrive through Sydney.
3. ABS, Building approvals by LGA (all buildings).
4. Opal patronage data by Transport for NSW.
5. Public holidays during the weekdays are removed as they skew regular visitation and consumption patterns in the city across the week.
6. Spendmapp by Geografia (2023), inflation adjusted according to consumer price index by capital cities, ABS, Dec 2020 as base month.

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## International visitors return

International tourist arrivals to NSW reached 230,460 visitors in August, 82% of the August 2019 level. While tourism has seasonal variation, with the Christmas period generally the busiest time of year, Sydney WorldPride 2023 in February saw international visits surge. Visitors from English-speaking countries such as New Zealand, the UK and US have recovered to 95% of pre-pandemic levels, while visitors from major Asian markets, namely China and Japan, are growing but have not recovered fully (50% and 70% of pre-pandemic level).

Short-term<sup>1</sup> overseas visitor arrivals to NSW<sup>2</sup>  
New South Wales, January 2019 - August 2023



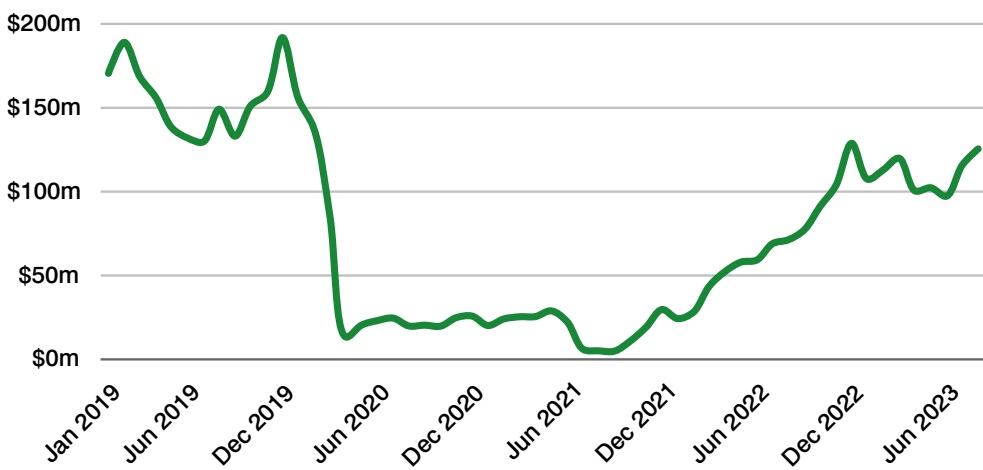
**Overseas arrivals NSW**  
August 2023  
**230k**  
82% of pre-pandemic  
(up from 43% in August 2022)

**Arrivals from China**  
August 2023  
**27k**  
50% of pre-pandemic  
(up from 7% in August 2022)

**From NZ, UK & USA**  
August 2023  
**68k**  
95% of pre-pandemic  
(up from 58% in August 2022)

Local spend from international visitors has followed a similar recovery trend, with \$125 million spent in August (84% of the pre-pandemic level). This is the second highest monthly spend since the pandemic and excludes travel expenses paid for before arriving in Australia. International visitors spent the most on dining and entertainment (\$47m), with spend on this category at 111% of pre-pandemic levels.

International visitor consumption spend by month<sup>3</sup>  
inflation adjusted, City of Sydney, January 2019 - August 2023



**International visitor spend**  
August 2023  
**\$125m**  
84% of pre-pandemic  
(up from 48% in August 2022)

**Entertainment & dining**  
August 2023  
**\$47m**  
111% of pre-pandemic  
(up from 64% in August 2022)

**Specialised & luxury goods**  
August 2023  
**\$14m**  
87% of pre-pandemic  
(up from 54% in August 2022)

Source/note  
1. Short-term arrivals is categorised as overseas arrivals with a duration of less than one year.  
2. Overseas arrivals and departures, Australia, ABS, September 2023.  
3. International visitor spend data, Spendmapp by Geografia, inflation adjusted according to consumer price index by capital cities, ABS, Dec 2020 as base month, data does not include pre-paid transactions.

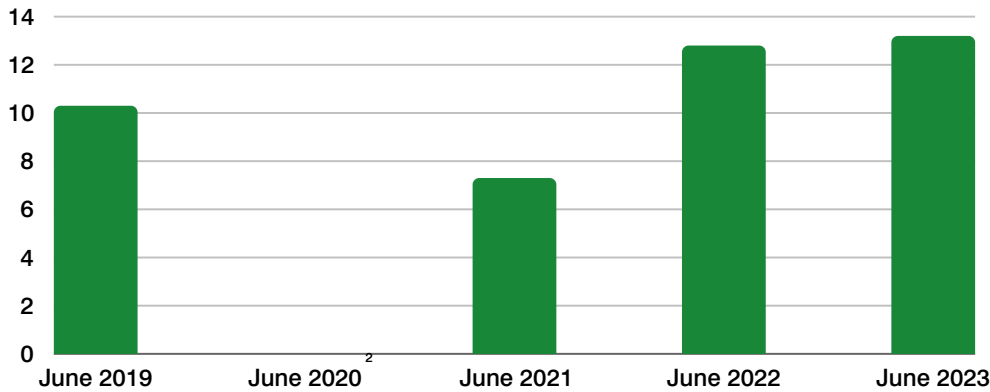
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## Visitors stay longer and travel for different purposes

International visitors are not only returning to the city in high numbers, they're also tending to stay longer. Tourists that visited Sydney in 2023 stayed 13.2 nights on average in Australia, 3 nights longer than in 2019.

### Average number of nights in Australia per international visitor to the city <sup>1</sup>

City of Sydney, June quarter 2019, 2021, 2022 and 2023



**Average number of nights stayed**  
in June quarter 2023

**13.2**

2.9 nights above pre-pandemic  
(up from 12.8 in June 2022)

**Total number of nights stayed**  
in June quarter 2023

**5.4m**

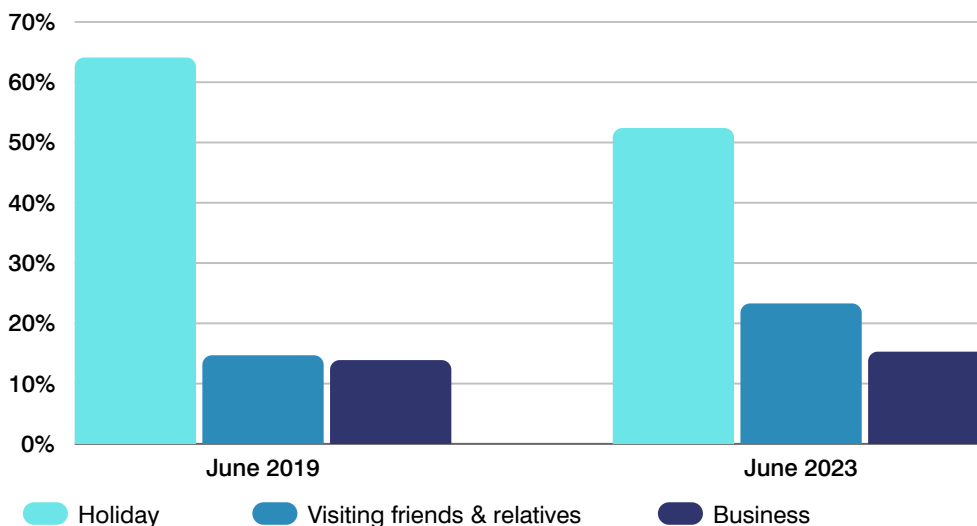
97% of pre-pandemic  
(up from 24% in June 2022)

One possible explanation is that international visitors in 2023 are more likely to be visiting friends and relatives, with this travel purpose the primary motivation for 23% of international travellers (compared with 15% in 2019). The number of visitors visiting friends and relatives is at 120% of the pre-pandemic level, while the recovery of visitors for holiday and business is steadily growing but hasn't yet reached pre-pandemic levels.

Interestingly, the proportion of international visitors travelling to the city centre in group tours has significantly dropped, with only 7.4% travelling in group tours in 2023 compared with 16.9% in 2019. This is to be expected given that tourists from Asia, with whom group tour is more popular, haven't fully returned, and travellers visiting friends and relatives are less likely to arrive in group tours.

### Percentage share of primary reasons for international visitors to come to the city <sup>3</sup>

City of Sydney, June quarter 2019 and 2023



**Recovery rate of international visitors**  
to City of Sydney

June quarter 2023

**Visiting friends & relatives**

**121%**

of pre-pandemic  
(up from 49% in June 2022)

**Holiday**

**62%**

of pre-pandemic  
(up from 10% in June 2022)

**Business**

**84%**

of pre-pandemic  
(up from 32% in June 2022)

Source/note

1. International Visitor Survey, Tourism Research Australia, October 2023.

2. 2020 data is not available from the data source.

3. Public holidays during the weekdays are removed from the data as they skew regular visitation and consumption patterns in the city across the week.

4. Spendmapp by Geografia (2023), inflation adjusted according to consumer price index by capital cities, ABS, Dec 2020 as base month.

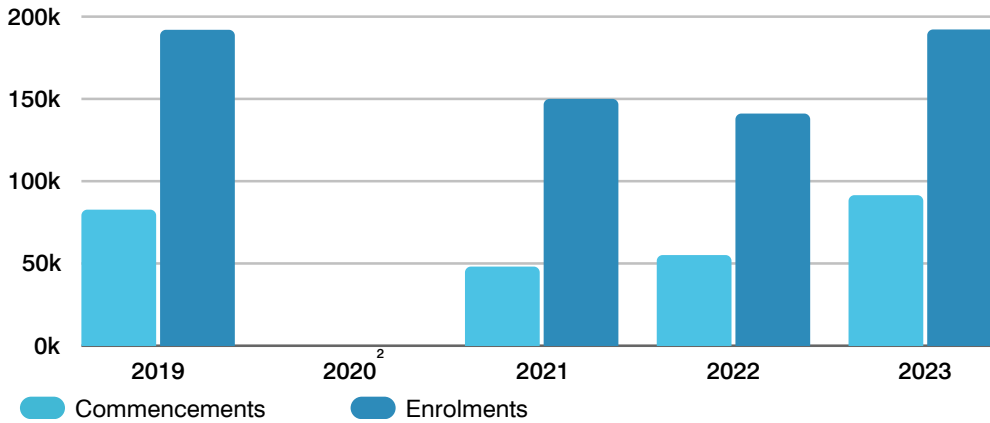
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## Record number of international students in Sydney

Sydney has reinforced its status as a global centre for education, with international student enrolments and commencements in inner Sydney reaching or exceeding 2019 levels. There are now 192,218 students from overseas enrolled in the inner Sydney, with 91,466 international students starting new education programs from January to June 2023, 11% more than in 2019. Among all enrolled students, only 7% were outside Australia at 1 July 2023, a substantial recovery from late 2021 when 28% of international students were outside of Australia (with an additional 8% unknown).

### Number of international students in the city<sup>1</sup>

Sydney - City and Inner South (Statistical Area Level 4), from January to July, 2019 - 2023



### Commencements

January to July 2023

**92k**

111% of pre-pandemic (up from 67% in June 2022)

### Enrolments

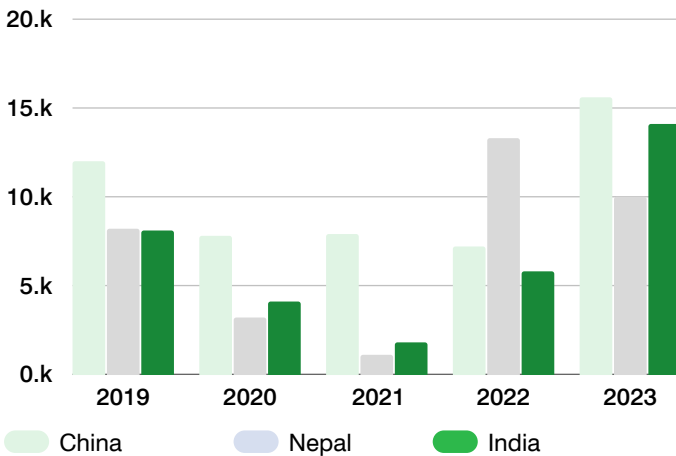
January to July 2023

**192k**

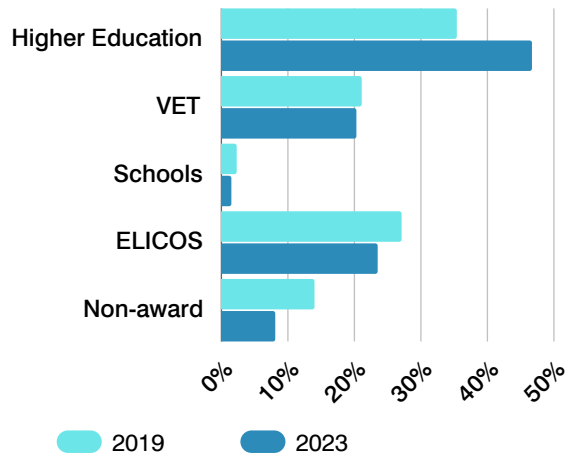
100% of pre-pandemic (up from 73% in June 2022)

International student growth has been particularly strong from China and India, with the number of new students enrolling to study in NSW from these countries doubling from 2022 to now be significantly above the 2019 level. Subsequently, India has overtaken Nepal to become the 2nd largest origin of new international students in NSW.

### Number of new<sup>3</sup> international students from top 3 origins<sup>4</sup> NSW, between January and July, 2019 - 2023



### New<sup>3</sup> international students distribution by sector<sup>4</sup> NSW, between January and July, 2019 and 2023



Among new students enrolling to study in NSW, there has been a notable shift towards higher education courses, with 47% of new international student enrolments seeking higher education qualifications, up from 35% in 2019. Conversely, there has been a drop in the share of new students enrolling in language (ELICOS) and non-award courses. With 95% of international students in NSW studying in Sydney, this shift in qualifications sought will likely have an impact on the broader economy, with more highly-skilled international students graduating in coming years, with implications for the local workforce.

#### Source/note

1. International student enrolment and commencement data by ABS SA4, Department of Education, October 2023.
2. 2020 data is unavailable due to the low number of international visitors.
3. New student refers to a student in that year who had not appeared in any previous year of the data collection.
4. International student data for the year to date (YTD), Department of Education, August 2023.

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