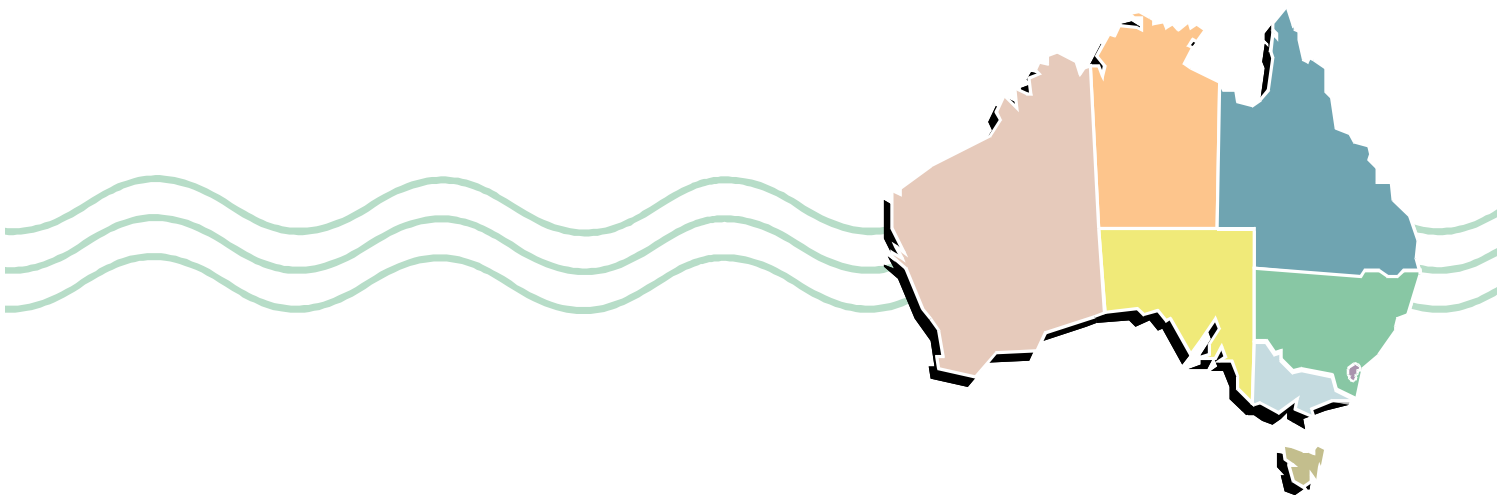


## Chapter 4

### Temporary Entry

- 3.3 million visitor visas (including business visitors) were issued in 1999–2000, up by 7.2 per cent on 1998–99 and generating an estimated \$16 billion or 12 per cent of our export earnings.
- Strong growth in visitors from the United Kingdom and the USA continues, while key Asian markets such as Korea and Japan are recovering following the problems associated with the Asian economic downturn.
- Major emerging tourism markets such as the PRC, the Gulf and Brazil experienced strong growth in 1999–2000.
- Overseas students generated an estimated \$3 billion in export earnings in 1999.
- In 1999–2000 the main source of overseas students was the USA, followed by the PRC and Malaysia.
- 74,500 people were granted working holiday makers visas to Australia in 1999–2000, up by about 15 per cent on 1998–99.
- Long stay temporary business resident visas increased by 5.5 per cent in 1999–2000. Around 25 per cent are employed in the IT & T industry.
- Temporary visas for social and cultural purposes increased by 7 per cent in 1999–2000 due mainly to Olympics-related sports entry.



# Temporary Entry

## Temporary Entry Program

The temporary entry program allows people from overseas to come to Australia on a temporary basis for specific purposes which result in some benefit to Australia.

Temporary entrants are required to pay taxes on any income earned in Australia, they do not generally have access to social welfare benefits or Medicare and they must meet Australia's health and character requirements.

Temporary entrants form a significant and increasing proportion of the total number of people in Australia at any one time, as is the growing trend world-wide. Long-term temporary entrants (those here for twelve months or more) are counted as part of Australia's resident population.

## Types of Temporary Entrant

There are five broad groups of temporary entrants.

**Visitors** - caters mostly for tourists either here for a holiday or visiting friends and relatives. A small number of people come to Australia for pre-arranged medical treatment.

**Overseas Students** - caters for people who wish to undertake full-time study in registered courses in Australia. The program aims to streamline entry arrangements and facilitate visa issue where there is a low risk that students will overstay or otherwise abuse their visa conditions.

**Working Holiday Makers (WHM)** - there are reciprocal WHM arrangements with seven countries. Applicants from other countries are also considered where there might be a benefit both to the applicant and Australia. These arrangements ensure young Australians are also offered similar opportunities for cultural understanding through working holidays overseas.

**Business** - there are two types of temporary business entrants. People whose primary purpose for making a short trip to Australia is business related enter on a Business visitor visa (short stay). Those who are recruited by Australian companies as skilled key personnel, and those

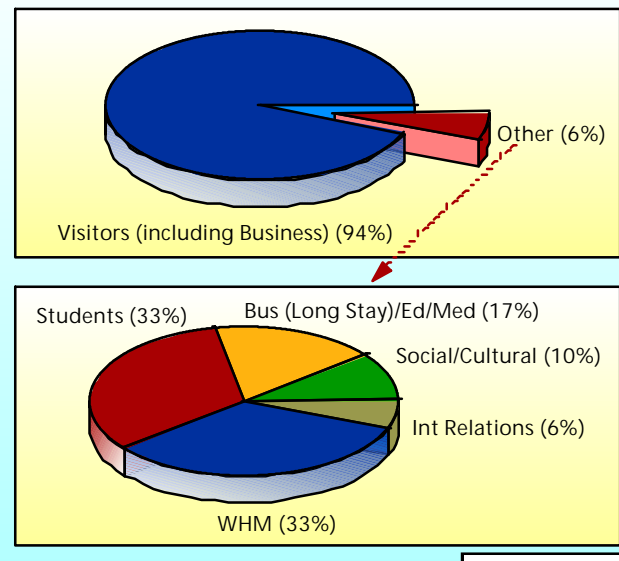
who wish to establish a business in Australia, enter as Temporary Business Residents for periods of stay up to 4 years. This form of temporary entry enables businesses to sponsor skilled people overseas to fill positions that cannot be filled locally and to introduce new technology. It also attracts overseas business people to establish or join businesses in Australia, bringing investment and new ideas.

**Other Temporary Visas** - there is also a range of other temporary residence visas designed to allow overseas people to come to Australia for a variety of social and cultural, economic and international relations purposes.

In 1999–2000, a total of 3,519,215 Temporary Entry visas were granted of which the vast majority, some 3,293,232 were Visitors (including business visitors). Of the remaining temporary entrants, Working Holiday Makers (74,454 visas) and Overseas Students (74,428 visas) accounted for 65.9 per cent. The number of Temporary Entry visas rose by 6.2 per cent compared to 1998–99 driven mainly by the 7.2 per cent increase in the number of visitor (including business) visas issued.

**Fig. 4.1: Temporary Entry**

Visas issued 1999-00



Source Data: IMIRS

# Visitors

During 1999–2000 visitors to Australia generated foreign exchange earnings in the order of \$16 billion. This is anticipated to increase annually by 7.3 per cent to \$32 billion in 2008. This amounted to 12 per cent of Australia's total export earnings. It is estimated that one job in the domestic tourist industry is created for every 19 overseas visitors.

## Visitor Numbers

Since 1980 Australia has experienced a large growth in the number of visitors, increasing to 3.2 million in 1999–2000. Generally good economic growth in some Asian markets is reflected in increased visitor numbers from the PRC, Korea and Thailand. Due to political and economic instability in Indonesia and weaker economic recovery in Japan, numbers from those markets have been lower than in 1998–99.

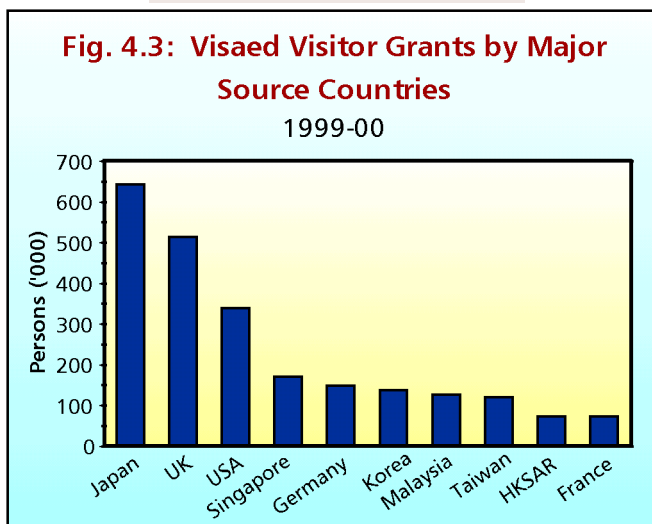
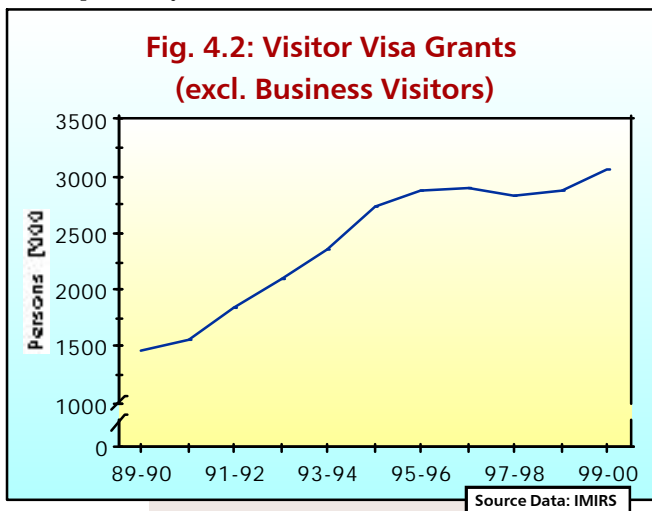
In 1999–2000 there were 3,293,232 visitor visas (including business visitors) issued for the purposes of visiting friends and relatives, tourism, pre-arranged medical treatment or business purposes. This is a 7.2 per cent increase over the 3,072,361 visitors for the previous year, 1998–99.

Strong growth has occurred in the number of visas granted to visitors from a number of countries during 1999–2000. In particular, the number of visas issued in the United Kingdom has risen significantly with 434,977, 502,994 and 529,554 issued in the last three program years respectively. The number of visitor visas granted in the USA were 310,331, 356,500 and 390,776 for the same period.

The overall growth in visitor visas (including business visitors) issued is particularly significant given that a number of key markets are still recovering from the Asian economic downturn. Over the last three program years, the number of Korean visitor visas fell from 131,921 in 1997–98 to 87,275 in 1998–99 recovering to 136,955 in 1999–2000. There were 656,930 visitor visas granted in Japan in 1999–2000 compared to 690,108 in 1998–99 and 739,437 in 1997–98. Visitor visas granted in the Philippines have fallen over the past three years from 37,519 in 1997–98 to 36,304 in 1998–99 and 34,953 in 1999–2000. Visitor numbers from Indonesia (48,090 visas) were affected by the downturn in its economy dropping from 58,869 visas in 1998–99. However visitor visa grants in Thailand (44,370 visas) reflected that economies recovery increasing from 38,184 in 1998–99.

The Australian Tourist commission (ATC) has identified a number of 'key emerging markets' for Australian tourism promotion activity. These markets are China, India, the Gulf States (Saudi Arabia and United Arab Emirates), South America (Argentina and Brazil) and South Africa. In each of these markets, the ATC has developed enhanced marketing plans, and is working in partnership with key travel trade networks (including airlines and travel agents) to enhance Australia's profile as an attractive holiday and business destination.

DIMA is working closely with the ATC to identify opportunities for the provision of enhanced visitor visa processing arrangements in these markets while ensuring that integrity issues are addressed. In 1999–2000 strong visitor visa growth was experienced by China (78,671 up 36.7 per cent from 1998–99), India (29,394 up 28 per cent), Brazil (6,970 up 24.8 per cent), United Arab Emirates (13,826 up 18.8 per cent) and Argentina (8,516 up 11.3 per cent). The only key emerging markets that did not experience growth were South Africa and Saudi Arabia which experienced a slight drop of 0.7 per cent and 0.1 per cent respectively. Global growth for 1999–2000 was 7.2 per cent.



## Major Source Countries

Japan continued to be the largest source country of visitors with 19.9 per cent of the visitor market. The United Kingdom (16.1 per cent) and the USA (11.9 per cent) remain the second and third largest contributors of visitors. The next highest number of visitor visas were issued in Singapore (172,303), Germany (150,270), Korea (136,955), Malaysia (126,595) and Taiwan (119,489).

## International Visitor Survey

The International Visitor Survey, conducted by AC Nielsen Research Pty Ltd for the Bureau of Tourism Research, has shown that 56 per cent of visitors coming to Australia in 1999 came for a holiday, a slight increase over 1998 (54 per cent), whereas those visiting friends or relatives has decreased from 20 per cent to 19 per cent.

During 1999, 74 per cent of Japanese visitors visited Australia for the first time. During the same period, 36 per cent of Malaysians, 23 per cent of Indonesians, 57 per cent of Americans and 49 per cent of Britons had not visited Australia previously. Overall, 46 per cent of visitors had not visited before.

## Main State of Stay

New South Wales continues to be the preferred State of stay for visitors. For those visitors who identified a holiday as their purpose in travelling, however, nearly two thirds visited Queensland.

## Non-return Rate of Visitors

The non-return rate is the percentage of people who enter Australia on visitor visas and, on the date that that visa expires, are still in Australia, whether on another visa, on a Bridging visa or on an unlawful basis.

Some people attempt to obtain a Visitor visa with an intention of remaining in Australia beyond the length of stay permitted by their visa. The extent to which visitors from different countries do actually depart within the timeframe of their visitor visa is relevant feedback to overseas posts in deciding future visitor visa applications.

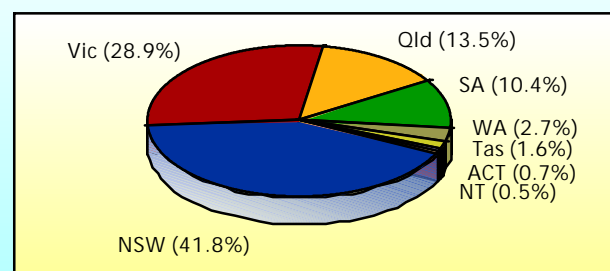
In 1999–2000, the global non-return rate rose from 2.3 per cent to 2.4 per cent. There has again been a slight reduction in the number and rate of non-return from medium to high-risk countries. This includes the non-return rate from emerging markets such as India and the PRC. Numbers of non-returns from ETA source countries have risen slightly.

The number of non-returns from the current gazetted high-risk countries dropped from 1,568 between 1996–97 and 1999–2000 (from 27,891 to 26,323). For the same period, arrivals from these countries have increased by 51,244 (from 204,795 to 256,039).

Countries with the lowest non-return rate included Japan (0.3 per cent of 680,707 arrivals), Singapore (0.6 per cent of 190,456 arrivals) and Taiwan (0.8 per cent of 132,988 arrivals).

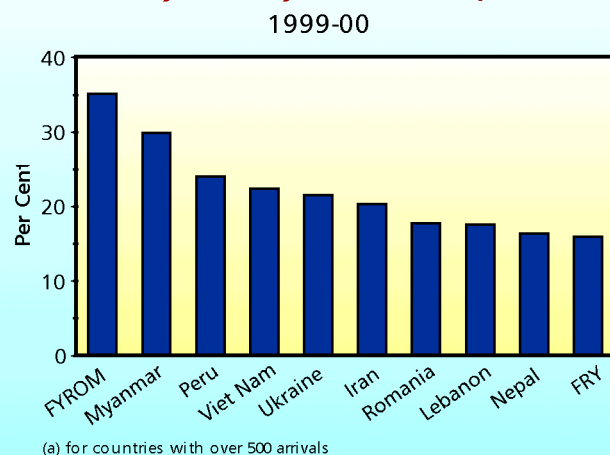
Of the key emerging markets, China's non-return rate was down from 11.6 per cent in 1998–99 to 8.3 per cent in 1999–2000, while Brazil rose from 5.0 per cent to 9.4 per cent and Saudi Arabia from 1.7 per cent to 2.7 per cent. All of the other emerging market countries remained relatively constant between 1998–99 and 1999–2000.

**Fig. 4.4: Vised Visitor Arrivals by Main State of Stay**  
1999-00

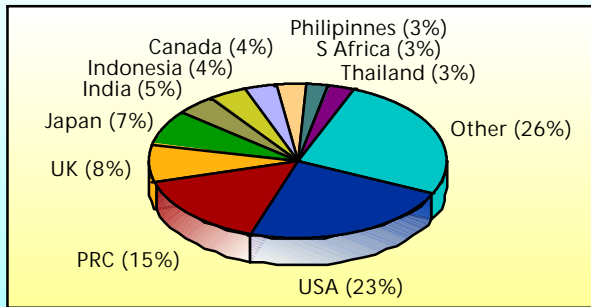


Source Data: OAD Statistics

**Fig. 4-5: Highest(a) Visitor Non-Return Rates by Country of Citizenship**  
1999-00



**Fig. 4-6: Business Visitors by Country of Citizenship**  
1999-00



Source Data: IMIRS

## Visitor Visa Refusals

All visitor visa applicants are required to meet criteria prescribed in migration legislation before a visitor visa can be granted. Visitor visa legislation and policy seeks to strike a balance between assisting and encouraging the entry of genuine visitors and protecting Australia by refusing entry to those people who seek to enter Australia to work illegally or breach visitor visa conditions in some way.

When deciding whether an applicant intends a genuine visit, delegated decision-makers must take into account such factors as the applicant's personal circumstances, their employment and financial situation (including their ability to support themselves in Australia without working) and any other matters that may impact on their desire to depart Australia at the conclusion of their visit.

In 1997-98 the total refusal rate was 2.8 per cent of all visitor visa applications. In 1998-99, this figure was 2.5 per cent. In the 1999-2000 program year, the refusal rate was 2.1 per cent. During these program years, the number of visitor visa applications has risen steadily.

In the emerging markets of the PRC and India, the refusal rates for the 1999-2000 program year were 19.1 per cent and 12.0 per cent respectively. The refusal rates in these markets are anticipated to decline in the next program year as the non-return rate for each country continues to fall.

## Business Visitors

The Business Visitor visa provides for people to enter Australia for up to three months for business purposes. It is designed for people transacting business, attending business meetings or pursuing business investment opportunities consistent with their overseas business operations or undertaking short term highly skilled project work.

In 1999-2000, a total of 236,085 Business Visitor visas were granted. This was 12.4 per cent higher than the 210,059 visas granted in 1998-99. The largest number was issued to citizens of the USA (54,749), followed by the PRC (36,100), the United Kingdom (19,079), Japan (17,294) and India (10,762).

# Overseas Students

The Overseas Student Program enables people who are not Australian citizens or Australian permanent residents to study in Australia (generally as full-fee paying students) in full-time accredited and registered courses. The student visa arrangements are aimed at streamlining entry procedures for genuine students whilst maintaining the integrity of Australia's immigration programs.

The broad objectives of the program are to increase export revenue by promoting Australia's education services overseas, to develop trade and commercial links and to promote goodwill and understanding of Australia.

The Student Visa Program increases export revenue by promoting Australia's education and training systems overseas. Revenue from the export of education was over \$3 billion for the 1999 calendar year, making it a significant export industry for Australia. The program creates jobs and yields tax revenue from businesses both within and outside the education sector.

A total of 120,564 visas were granted to students (excluding student visa grants with permission to work or change of education provider) in 1999–2000 up by 8.7 per cent on 1998–99. Of these, 74,428 visas were granted offshore, an increase of 10.9 per cent on the previous year's figure.

## Recent Developments

The program is continually under review and many refinements have been made over recent years in the way visa processing takes place. Following are some of the initiatives that have recently been developed:

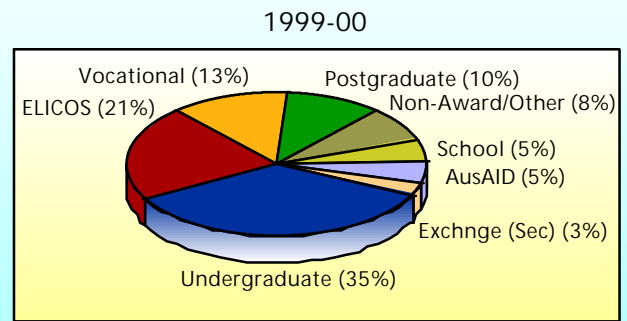
**Pre-Qualified Institution** - this concept is a co-operative arrangement between selected education providers and DIMA. This arrangement seeks to allow for the growth of the student visa market in the emerging countries of the PRC, India, Pakistan and Viet Nam while ensuring the continued integrity of the student program.

**Electronic confirmation of enrolment (ECOE)** - The ECOE system will enable the government to maintain information which tracks students' progress from enrolment to course completion, with appropriate links between visa application, visa grant, arrival in Australia, commencement of the course, course completion or other outcome, and departure from Australia.

**Visa disaggregation** - it is proposed to replace the current single student visa class with a visa regime which will be more flexible to the needs of each education sector and in which student visa decision making will be more transparent, certain and consistent.

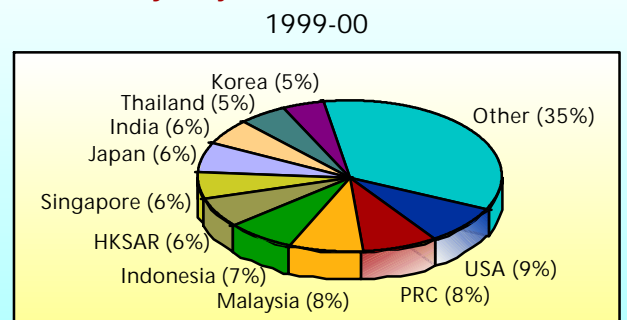
**Internet lodgement of permission to work** - university staff enter student data into a lodgement screen to be sent electronically to DIMA where the application is assessed. This streamlines the processes for both applicants and universities.

**Fig. 4-7: Student Visas Granted Offshore by Educational Sector**



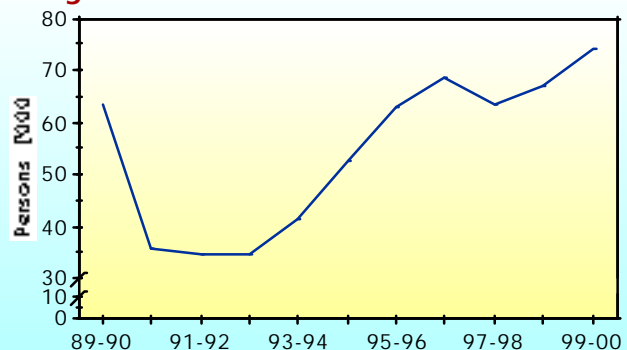
Source Data: IMIRS

**Fig. 4-8: Student Visas Granted Offshore by Major Source Countries**



Source Data: IMIRS

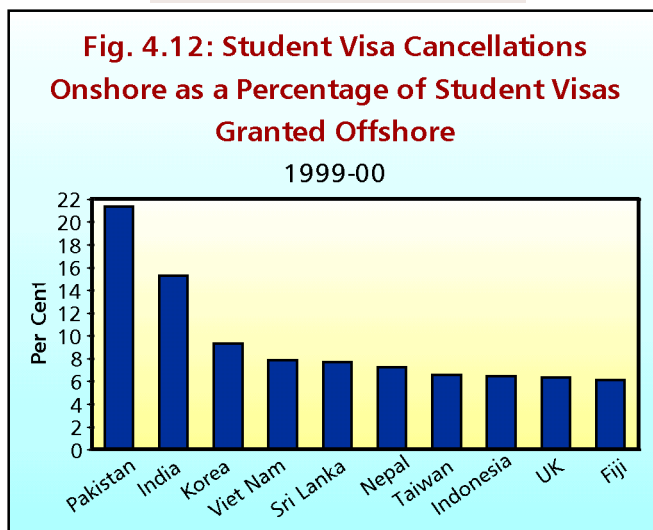
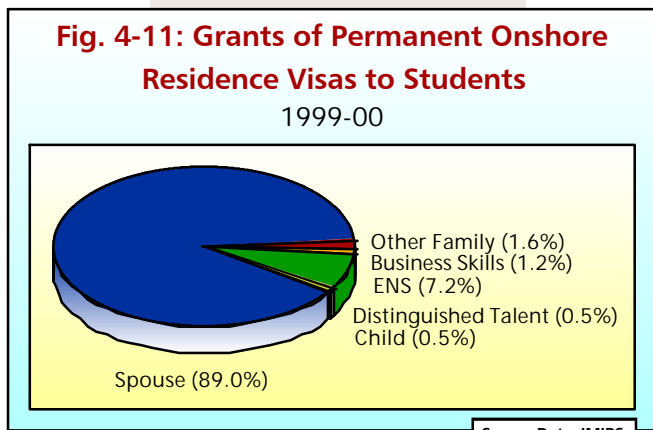
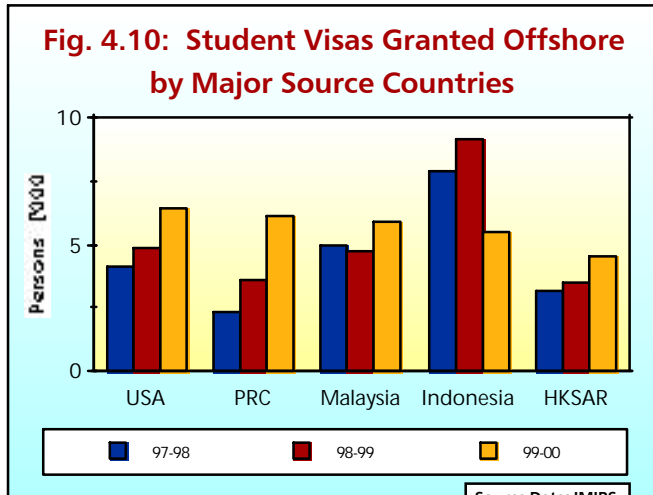
**Fig. 4.9: Student Visas Granted Offshore**



Source Data: IMIRS

## Applications for Student Visas

The demand by overseas students to study in Australia remains very strong. The number of off-shore applications received for the 1999–2000 program year was 90,352, which represents a growth of 12 per cent on the previous year. Beijing was the top post in terms of the number of student visa applications received with 11,614. New Delhi was ranked second with 8,204, Jakarta was ranked third with 5,598, Kuala Lumpur was ranked fourth with 5,285 and Singapore received 5,028 visa applications.



The growth in student visa applications at some DIMA posts has been significant. For example, last program year Beijing experienced a 39 per cent increase in the number of student visa applications lodged, Washington a 33 per cent increase, Bangkok up 30 per cent, Tokyo 28 per cent and Kuala Lumpur, a 22 per cent increase in applications.

Of the 74,428 visas granted offshore 45.7 per cent (33,981) were granted to students to undertake undergraduate and postgraduate education in Australia, 21.4 per cent (15,901) were granted to students attending English Language Intensive Courses for Overseas Students (ELICOS), 12.5 per cent (9,332) to vocational education and training students and 8.1 per cent (6,065) to the school sector. 4.8 per cent (3,419) were granted under the Australian Agency for International Development (AusAID) program.

Between 1998–99 and 1999–2000 visas granted to students enrolled in higher education increased by 21.3 per cent and visas for AusAID students increased by 7.2 per cent. ELICOS student visa grants decreased by 11.8 per cent, Vocational Education visas decreased by 10.2 per cent and visas for students enrolled in the school sector decreased by 14.3 per cent.

The major source countries for offshore student visa grants in 1999–2000 were the USA with 6,407 visas granted (up by 30.9 per cent on 1998–99); the PRC with 6,079 visas granted (up by 69.7 per cent); Malaysia with 5,900 visas granted (up by 23.7 per cent); Indonesia with 5,439 visas granted (down by 40.3 per cent) and Hong Kong with 4,544 visas granted (up by 31.1 per cent).

## Applications for Permanent Residence

Overseas students who gain their qualifications in Australia are preferred by Australian employers over those with overseas qualifications. In recognition of this fact, applicants with Australian qualifications who apply for permanent residence within six months of completion of their studies are exempted from the skilled work experience requirement.

Changes to the policy have been very successful with applications in the points tested migration categories exceeding expectations mainly due to the overseas students with Australian IT qualifications. A quarter of applicants have an IT occupation and, of these, around 60 per cent have an Australian qualification. Under the old policies less than 10 per cent of principal applicants were IT professionals with only around 20 per cent having Australian qualifications.

In 1999–2000, a total of 2,459 students were granted permanent residence. Students accounted for 14.2 per cent of all onshore residence grants. As Fig. 4–11 shows, over 90 per cent transferred to a family visa. See page 54 for details of stock of students in Australia as at 30 June 2000.

A total of 3,046 student visas were cancelled onshore in 1999–2000 for reasons such as breaches of visa conditions relating to attendance and satisfactory academic performance. This represents 4.1 per cent of student visas granted offshore during the same period. Of the main (top forty) source countries in terms of student visas granted offshore, Pakistan had the highest cancellation rate (21 per cent), followed by India (15 per cent), Korea (9 per cent), Viet Nam (8 per cent) and Sri Lanka (8 per cent). In contrast, the USA, Germany, Colombia, Denmark, France and Laos had student visa cancellation rates of less than one per cent.