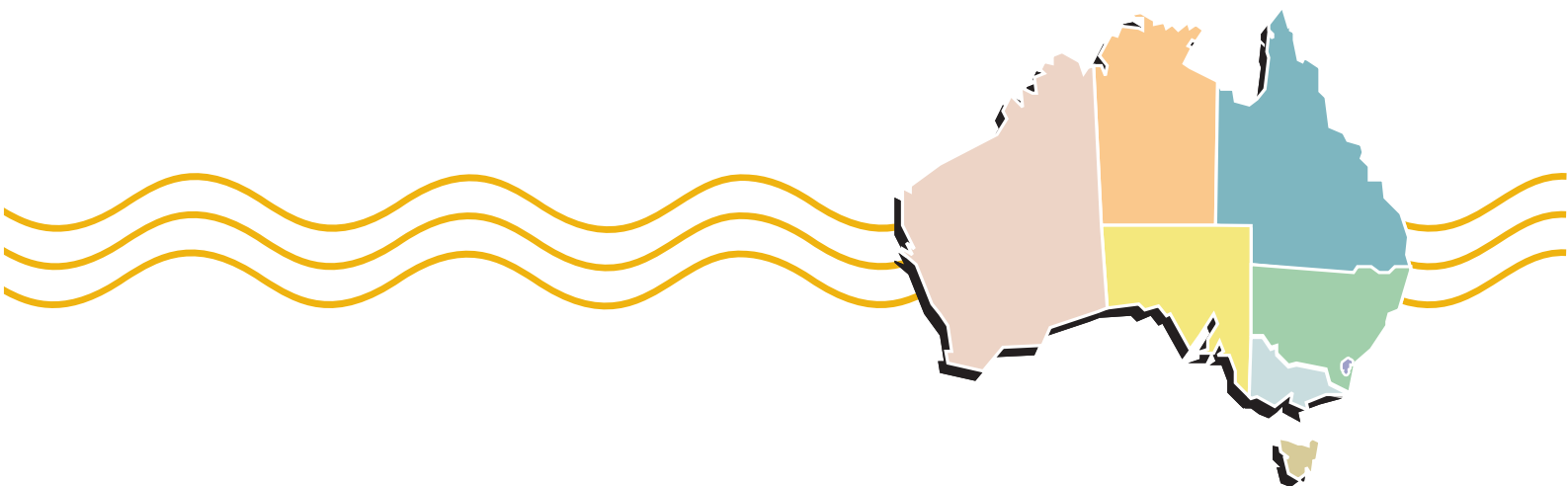


Chapter 5

Temporary Entry

- 3.2 million visitor visas (including business visitors) were issued in 2002-03, down by 3 per cent on the previous year. They contribute more than \$17 billion in export earnings annually.
- A record number of 162,575 visas were granted to overseas students in 2002-03. They contribute more than \$5 billion in export earnings annually.
- In 2002-03 the main source of overseas students was the PRC, followed by the USA, Malaysia, Republic of Korea, Hong Kong and Japan.
- The onshore permanent residence visas for skilled students have been popular, with 8,668 visas granted in 2002-03.
- Over 88,750 people were granted working holiday maker visas to Australia in 2002-03, up by about 4 per cent on 2001-02. It is estimated that they spend over \$1 billion annually in Australia.
- In 2002-03, a total of 37,859 Business (Long Stay) visas (excluding independent executives) were granted, a rise of 12.2 per cent compared with the previous year.
- At end of June 2003, there were an estimated 584,862 people in Australia on temporary entry visas, excluding New Zealand citizens. These mainly consisted of visitors (32 per cent), students (30 per cent) and temporary residents (23 per cent).



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 and included in estimates of Net Overseas Migration.

Types of Temporary Entrant

There are six broad groups of temporary entrants.

Visitors - mostly tourists either here for a holiday or visiting friends and relatives, while some come for short-term business purposes. A small number of people come to Australia for pre-arranged medical treatment. Most visitor visas are granted for periods of up to 3 months. Many visitors come on an Electronic Travel Authority (ETA). The ETA now accounts for 87 per cent of all tourist and short-term business visas issued worldwide. The ETA replaces the visa label or stamp in a passport. The ETA is available to citizens of some 34 countries and locations.

Overseas Students - 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.

Professional Development - professionals, managers and government officials from overseas who wish to undertake tailored training programs that are relevant to their further professional development. The ability to offer such sponsored training allows Australia to establish a foothold in this niche and growing market and to offer streamlined visa processing and a high quality product targeted at business needs.

Working Holiday Makers (WHM) - there are reciprocal WHM arrangements with seventeen countries. These arrangements ensure young Australians are also offered similar opportunities for cultural understanding through working holidays overseas.

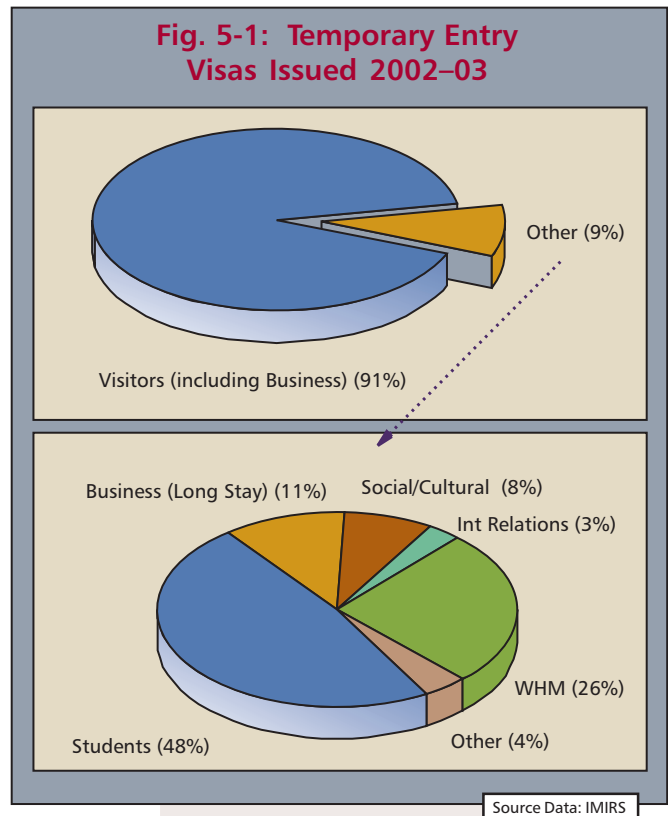
Business - there are two types of temporary business entrants. People whose primary purpose for making a short trip to Australia is business related enter on a Business visitor visa (short stay). Those who are recruited by Australian companies as skilled personnel enter as temporary business residents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

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 2002–03, a total of 3,570,905 Temporary Entry visas (excluding Bridging visas) were granted of which the vast majority, some 3,233,066 were offshore Visitors (including business visitors). Working Holiday Makers (88,758 visas) and Overseas Students (162,575 visas) accounted for 74.4 per cent of the remaining temporary entrants.

This total is down slightly from the 3,648,404 Temporary Entry visas granted in 2001–02.



Visitors

During 2001–02 visitors to Australia generated tourism export earnings of \$17.1 billion. This amounted to 11.2 per cent of Australia's total export earnings. Tourism export earnings are forecast by the Tourism Forecasting Council to increase annually by 4.4 per cent to \$27.1 billion in 2012.

Visitor Visa Applications

Offshore global Visitor visa applications in 2002–03 were 3,304,672 which is a 3.3 per cent decrease compared to 2001–02 (3,415,673) which itself was a 5.8 per cent decrease compared to the 2000–01 program year. This fall reflects several severe negative shocks to travel confidence since the unprecedented Visitor visa application numbers of the Sydney Olympics year (2000–01).

Offshore Visitor visa application numbers fell by around 13 per cent in the December quarter of 2001 following the terrorism events of 11 September 2001. These application numbers took a year to recover from this event. Following the September 2002 increase of 9.4 per cent compared with September 2001, the increases continued and the 2002 December quarter saw an increase of 10.6 per cent compared to the 2001 December quarter.

At the start of 2003 the signs were very promising with the overall increase in Offshore Visitor visa applications almost 5 per cent higher than for the first six months of the 2002–03 program year. Unfortunately the threat of war in Iraq commenced a downward turn in application numbers. The subsequent war in Iraq and the emergence of the Severe Acute Respiratory Syndrome (SARS) virus combined to result in an unprecedented slump in offshore Visitor visa applications.

Visitor Numbers

The overall decline in application numbers in 2002–03 had a corresponding effect on visitor numbers. In 2002–03 Australia issued 3,233,066 Visitor visas offshore (including Business Visitor visas) for persons seeking to visit friends and relatives, undertake tourism, have pre-arranged medical treatment, or conduct business. This is a 3 per cent decrease over the 3,332,858 Visitor visas issued in 2001–02 which in turn was a 5.9 per cent decrease over the 3,540,178 Visitor visas issued in 2000–01.

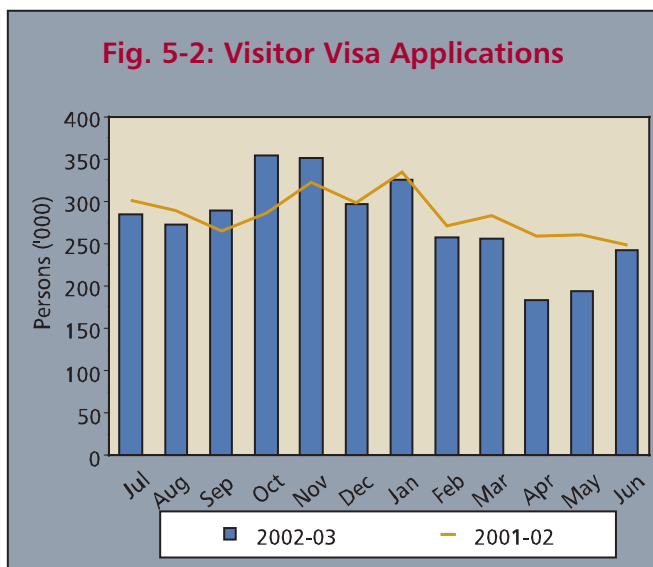
Like the application numbers, Visitor visa grant numbers were well up (10.6 per cent) in the December quarter of 2002–03 compared with the corresponding period in 2001–02. This also equated to a 5.0 per cent increase in the total number of Visitor visas granted offshore in the first six months of the 2002–03 program year compared to the same time the previous year.

There was, nevertheless, a downturn in application numbers in early 2003 and this saw a subsequent downturn in grant numbers. From a regional perspective, the initial impact of the Iraq war was expected to limit inbound travel from North America and Europe significantly. The SARS epidemic exacerbated the slump in international travel demand initially caused by the Iraq war and most inbound source markets were affected.

The impact of SARS was most acutely felt in the SARS affected regions, namely the People's Republic of China (PRC) down 52 per cent in the June quarter 2003, Hong Kong SAR (-45.3 per cent in April 2003), Singapore (-64.6 per cent in April 2003), Taiwan (-56.8 per cent in the June quarter 2003) and Canada (-5.9 per cent in the June quarter 2003). The fear of contracting the disease coupled with the war in Iraq meant that many travellers either delayed or abandoned all together non-essential travel.

Despite SARS and the war in Iraq, visitor visa grants for citizens of some countries still registered an overall increase in 2002–03. These included: the Republic of Korea (8.1 per cent), Pakistan (14.2 per cent), the Russian Federation (2.7 per cent), the United Kingdom (2.3 per cent), Brunei Darussallam (7.5 per cent), Chile (11.9 per cent), Finland (3.6 per cent), Lebanon (10.7 per cent), Malta (6.4 per cent), Samoa (4.5 per cent), Sri Lanka (4.2 per cent), Tonga (9.8 per cent), Federal Republic of Yugoslavia (3.3 per cent), the PRC (0.6 per cent) and Zimbabwe (2.7 per cent).

Fig. 5-2: Visitor Visa Applications



Source Data: IMIRS

Major Source Countries

Japan continued to be the largest source country of grants of overseas Visitor visas with 18.9 per cent of the visitor market (same as the previous year). The United Kingdom with 18.6 per cent of the market (an increase from 17.7 per cent in 2001–02) and the USA with 11.8 per cent (up from 11.6 per cent) remain the second and third largest contributors of Visitor visas issued offshore respectively. The next highest number of Visitor visas issued were in the Republic of Korea (191,131), Singapore (138,072), Germany (135,768), the PRC (after an increase of 17 per cent to become a major source country in 2001–02, maintained its position in 2002–03 with 129,446) and Malaysia (122,296).

Up until the outbreak of SARS in March 2003, the PRC had shown stronger growth in Visitor visa grant numbers than any other country. As at 31 December 2002, Visitor visa grants were more than 20 per cent higher than for the same period the previous year. Other major source countries that were strong performers at that time were Japan registering an impressive 15.3 per cent increase, the Republic of Korea (up 10.7 per cent), Malaysia (up 13.1 per cent), the United Kingdom (up 7.0 per cent), Singapore (up 3.8 per cent) and the USA (up 2.6 per cent).

Following the emergence of the SARS virus, of the major source countries only the Republic of Korea (up 8.1 per cent), the United Kingdom (up 2.3 per cent) and the PRC (up 0.6 per cent) had an increased grant number at the end of the 2002–03 program year compared with the 2001–02 program year.

Visitor Visa Approval Rate

The Visitor approval rate (which is the number of visitor visas granted as a percentage of all Visitor visa applications) has continued to increase. In 2002–03 the Visitor visa approval rate was 98.05 per cent an increase of 0.11 per cent over the 2001–02 approval rate of 97.94 per cent. The improving approval rate is the result of several DIMIA initiatives such as the Family Visitor Network, the Approved Destination Status (ADS) scheme with the PRC, the increased use of the "no further stay" condition (8503) and Sponsored Family Visitor program.

The approval rate for countries whose citizens are eligible for Electronic Travel Authority (ETA) remained at 99.98 per cent in 2003-03, the same rate as for the previous three program years. Several countries, including Brunei, Greece and Switzerland recorded a 100 per cent approval rate in 2002-03 for all the ETA visa subclasses.

For non-ETA eligible countries the approval rate remained steady at 88.79 per cent in 2002-03, after increases from 87.39 per cent in 1999-00 and 88.10 per cent in 2000-01. Several countries with relatively high numbers of applications have approval rates significantly higher than the non-ETA average rate. These include South Africa with an approval rate of 98.27 per cent Mexico (97.94 per cent), Nauru (97.48 per cent), Mauritius (97.19 per cent) and Papua New Guinea (96.34 per cent).

Fig. 5-3: Visitor Visa Grants (excl. Business Visitors)

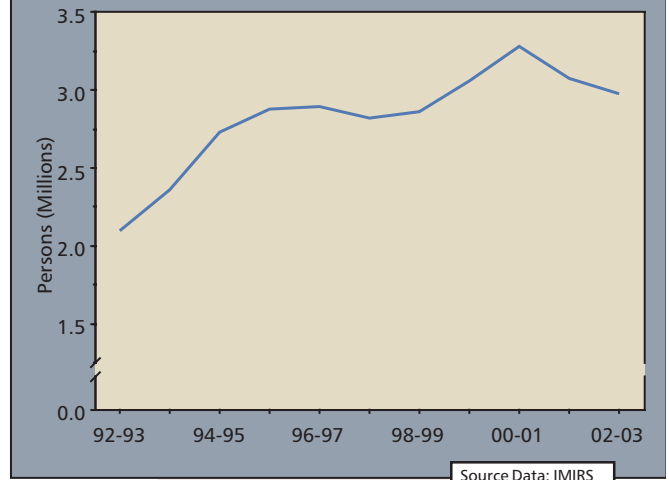


Fig. 5-4: Visaed Visitor Grants by Country of Citizenship 2002–03

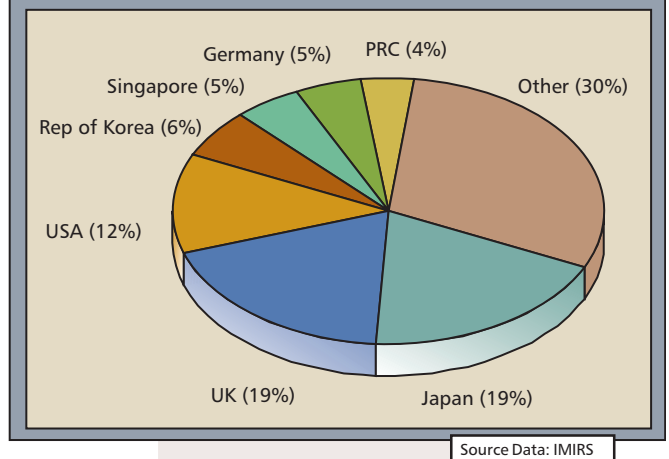
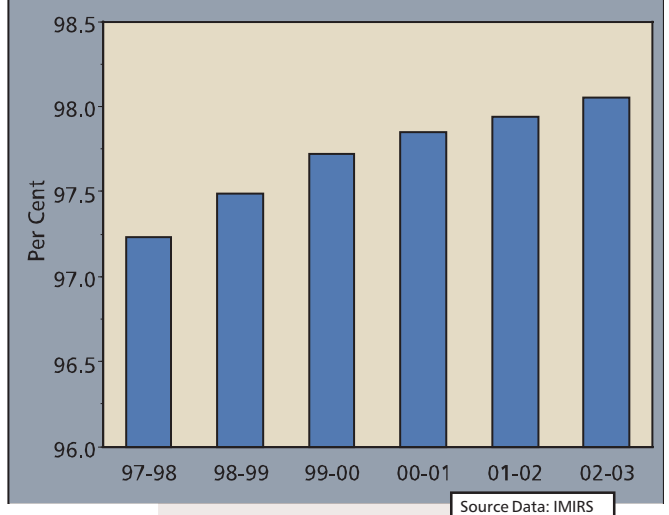


Fig. 5-5: Visitor Visa Approval Rates



There are still a number of countries where the approval rate is less than the global average and this tends to reflect the nature of the caseload. 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 who may intend to 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. If the decision maker is satisfied that the applicant meets these requirements, then the visa must be granted.

Some countries' grant rates, whilst being quite low, have improved in 2002–03 compared with the previous year. Some of these were: Philippines (up 4.6 percentage points), Russian Federation (up 3.7 percentage points), Federal Republic of Yugoslavia (up 10.0 percentage points), Burma (up 9.7 percentage points), Egypt (up 10.1 percentage points), Chile (up 2.3 percentage points), Indonesia (up 1.1 percentage points), Kenya (up 2.4 percentage points), Lebanon (up 7.5 percentage points), Nigeria (up 8.1 percentage points), Pakistan (up 17.0 percentage points), and Sri Lanka (up 1.9 percentage points).

Non-return Rate of Visitors

The non-return rate (NRR) is the number of people who enter Australia on Visitor visas and, on the date after their visa expires, are still in Australia (whether on another visa, on a Bridging visa or unlawfully) as a percentage of all arrivals who had a visa expire.

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 in deciding future Visitor visa applications.

The rising Visitor visa approval rate has not been at the expense of the integrity of the visitor program as the visitor NRR continues to fall. The NRR across all Visitor visa subclasses (including ETA) in 2002–03 was 1.59 per cent compared to 1.82 per cent for the previous program year and 2.15 per cent for the 2000–01 program year. A number of countries registered a decrease in their visitor NRR in 2002–03 even though a larger percentage were being granted Visitor visas. For example, the PRC's visitor NRR in 2002–03 was 1.17 per cent, down from 2.14 per cent in 2001–02, while their visitor visa approval rate increased from 88.83 per cent last year to 88.87 per cent this year.

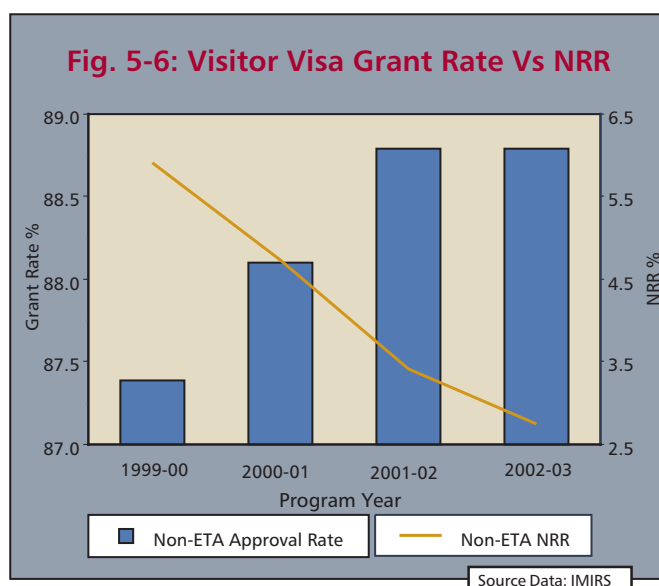
Other countries registering improved Visitor visa compliance rates in 2002–03 were the Philippines with a visitor NRR of 1.68 per cent down from 3.84 per cent, the Russian Federation (2.14 per cent down from 2.64 per cent), Viet Nam (3.36 per cent down from 6.25 per cent), Tonga (2.85 per cent down from 3.84 per cent) and Fiji (2.63 per cent down from 4.61 per cent). Also of particular note has been the continued reduction in the non-return rate for visitors from a range of countries, such as South Africa, Bangladesh, the Czech Republic, Croatia, the Former Yugoslavian Republic of Macedonia, Iran, Poland, Saudi Arabia, Slovakia, Sri Lanka, Thailand and Brazil.

Countries with the lowest non-return rates included Japan (0.41 per cent of 694,676 arrivals who had a visa expire in 2001–02), Singapore (0.79 per cent of 167,065) and the United Arab Emirates (0.33 per cent of 2,597).

The total non-ETA Visitor visas NRR was 2.74 per cent down from 3.41 per cent in 2001–02 and down from 4.73 per cent for 2000–01 program year. As for the performance of individual Visitor visa subclasses, the visa compliance rates during the 2002–03 program year were also encouraging with the individual Non-ETA visa subclasses recording drops on the previous year's figures. Business - short stay visa's NRR in 2002–03 was 1.26 per cent down from 1.62 per cent for the previous year. Tourist - short stay visa has dropped from 2.94 per cent to 2.28 per cent, Sponsored Family Visitor - short stay visa dropped from 4.56 per cent to 2.16 per cent and Tourist - long stay visa dropped from 11.43 per cent to 10.15 per cent.

The NRR for visitors travelling on ETAs also declined again during 2002–03. The rate for the 2002–03 program year across the three ETA subclasses was 1.33 per cent down from 1.44 per cent in 2001–02, which was also down from 1.51 per cent the previous year.

In 2002-03 the number of people applying for Protection Visas (PV) who entered Australia on a Visitor visa was 3,607, a decrease of 30.5 per cent on the 2001-02 number of 5,192. In addition, the rate at which holders of Visitors visas lodged PV applications also declined. In 2001-02 the PV rate (ie the number of PV applications as a percentage of Visitor arrivals) was 0.15 per cent and in 2002-03, the rate had fallen to 0.10 per cent (ie 3,607 PV applications and 3,494,418 Visitor arrivals.)



Family Visitor Network

The Family Visitor Network (FVN) is an initiative to promote increased approval rates and reduced non-return rates in the visitor program. The objectives of the Network are:

- to improve the overall community awareness of the Government's visitor visa policy, procedures and decision-making processes at overseas posts;
- to ensure that Community and Religious leaders and Members of Parliament are able to endorse offers of support provided by family members in Australia for their relatives applying for visitor visas overseas; and
- to provide overseas posts with objective information about clients in Australia and the type of support the client is prepared to offer the applicant during their stay in Australia.

In the first 12 months of the Network over 13,400 calls were made to the FVN contact numbers and over 14,800 FVN Information Kits were sent to inquirers. 409 formal representations were received through the Network (278 were received from MPs/Community Leaders and 131 were emergency cases), which resulted in 233 visa grants.

Sponsored Visitor Visa

There were 12,053 Sponsored Family Visitor visa applications lodged in 2002–03, which represents a decline of 3.9 per cent compared to the previous program year. On the positive side, more applications were approved in 2002–03 with 63.2 per cent of all finalised Sponsored Family Visitor applications being approved compared to 60.1 per cent in 2001–02.

Of the 12,053 Sponsored Family Visitor visa applications received in 2002–03, the highest applicant relationship to sponsor was brothers/sisters of sponsors at 43 per cent of total followed by parents at 29 per cent and nieces/nephews at 12 per cent. Less than 1 per cent of applicants were sponsored by members of parliament, mayors or Government agencies.

More visas had a bond imposed in 2002–03 compared to 2001–02 ie 67.0 per cent compared to 67.27 per cent. The average bond amount has, however, fallen from \$10,343 in 2001–02 to \$9,800 in 2002–03.

Business Visitors

The Business Visitor visa is for people who wish to enter Australia for up to three months for business purposes - ie: people transacting business; attending business meetings, events or conferences; pursuing business investment opportunities consistent with their overseas business operations; or undertaking short term highly skilled project work.

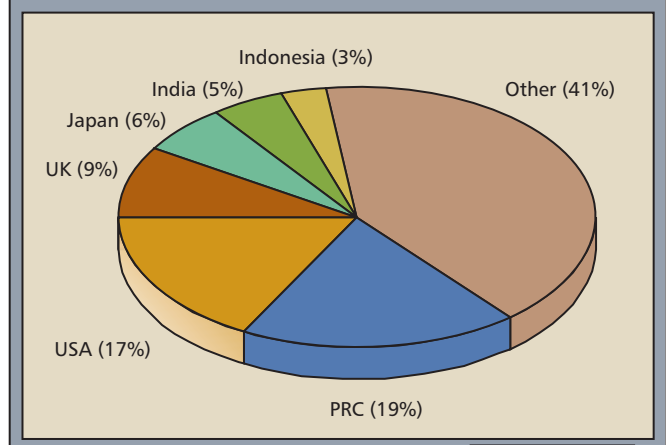
In 2002–03, a total of 254,191 Business Visitor visas were granted. While overall this figure is 1.6 per cent lower than the 258,206 visas granted in 2001–02, the Business Visitor ETA recorded a 9 per cent increase on the previous year. The main source countries for Business Visitors in 2002–03 were PRC (49,331 visa grants); USA (44,137); United Kingdom (22,154); Japan (16,058); India (12,281); and Indonesia (8,875).

On the basis of the above figures, it would appear that business travellers have not been notably deterred by major world events such as the heightened security risk in South East Asian countries, the war in Iraq, and the SARS scare.

The non-return rate for Business Visitors in 2002–03 was 1.26 per cent, down from 1.62 per cent in 2001–02 and 2.00 per cent in 2000–01.

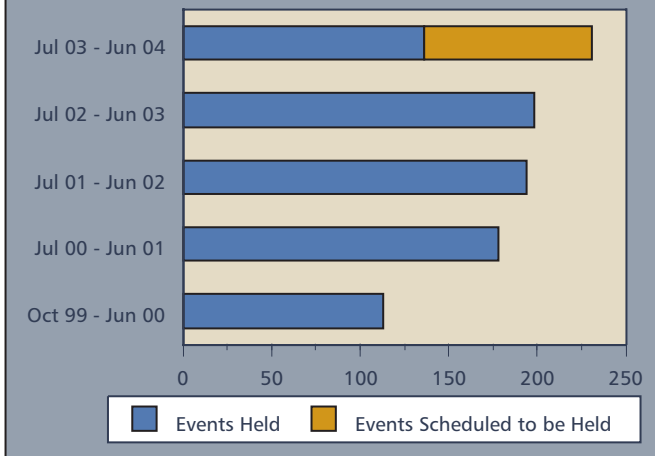
The rate at which Business Visitors applied for Protection Visas in 2002–03 was 0.48 per cent, down from 0.51 per cent in 2001–02.

Fig. 5-7: Business Visitor Grants by Country of Citizenship 2002–03



Source Data: IMIRS

**Fig. 5-8: Number of IECN Events
October 1999 - June 2004**



International Events Coordinator Network

Australia continues to be a popular destination for conferences. In recent years Australia has consolidated its reputation as a leading provider of high-quality event/conference facilities and attractions. In October 1999, in recognition of the importance of tourism to the Australian economy, and to demonstrate its ongoing commitment to facilitating the entry of genuine visitors, DIMIA established the International Events Coordinator Network (IECN). The IECN's role is to assist organisers of international events in Australia to prepare for the immigration-related requirements of their participants. In 2002-03 the IECN assisted 204 event organisers by providing information on visa processes and requirements, and acting as a conduit between event organisers and Australian missions processing visa applications for event participants.

During 2002-03, the IECN recorded the cancellation of two events due to SARS - the IMPEX Australian Import/Export Opportunities Expo held annually in Melbourne, and the Arafura Games which had been scheduled to be held in Darwin. While the decision to cancel these events was a significant one for the respective event organisers, the cancellation of the Arafura Games in particular had a significant adverse impact on the Northern Territory's tourism industry.

The Tourism and Visa Advisory Group

The Tourism and Visa Advisory Group (TVAG) was established by DIMIA in July 2002 as a forum where the Department and peak bodies in the tourism industry can discuss tourism and visa-related issues. The TVAG has been successful in ensuring that the key stakeholders in the tourism industry are included in the policy consultation process. Current members of the TVAG include the Australian Tourism and Export Council, the Australian Tourist Commission, QANTAS, the Boards of Airline Representatives Australia, the Australian Hotels Association, Tourism Taskforce Australia, and the Department of Industry, Tourism and Resources.

Approved Destination Status

The Approved Destination Status (ADS) scheme is an initiative of the Chinese Government enabling PRC citizens access to streamlined group travel to other countries. Australia was the first western country to be approved as a destination under the scheme. Maintaining the integrity of the ADS program is vital for its continued growth. Under the ADS scheme, approved Chinese and Australian travel agents arrange group tours for Chinese tourists to Australia, accompanied by a tour leader. A condition of their visas is that ADS tourists must adhere to an approved itinerary. The ADS program has recently been expanded to include more agents in both China and Australia. The scheme currently operates in the regions of Beijing, Guangdong and Shanghai, and will be expanding to 6 new regions in the near future. This is likely to result in an increase in the number of tourists from China.

In 2003, the SARS epidemic had a major impact on tourists arriving under the ADS scheme. Until the outbreak of SARS in March 2003, there had been an increase of 12.1 per cent in arrivals under the scheme, compared with the same period in the previous year. Arrivals in April and May 2003, however, were down 86.2 per cent on 2002 figures. Overall, 29,098 tourists arrived in Australia in 2002-03 under the ADS scheme. Since its inception in August 1999, over 100,000 tourists have arrived under the scheme.

The current non-return rate (which includes overstayers and travellers who deviated from their approved travel) is 0.33 per cent. 164 ADS visa holders have lodged Protection Visa applications onshore since 1999.