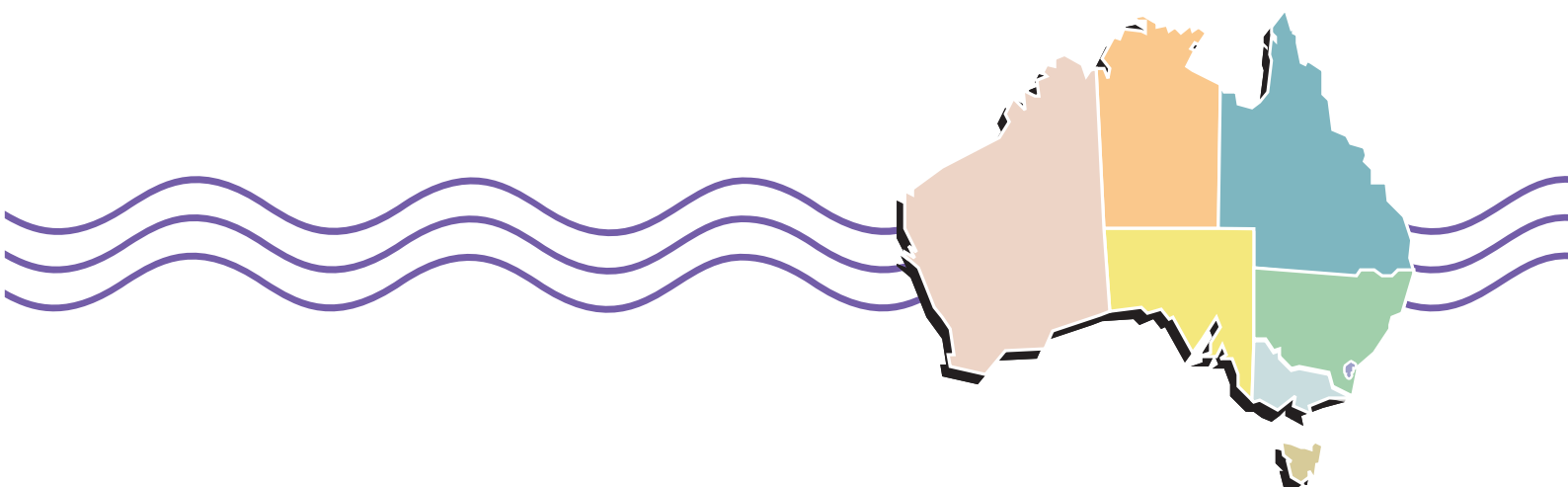


Chapter 5

Temporary Entry

- 3.9 million visitor visas (including business visitor visas) were issued in 2004-05, up by 4 per cent on the previous year. Visitors contribute more than \$17.3 billion in export earnings annually.
- A record number of 174,787 visas were granted to overseas students in 2004-05. They contribute more than \$7.5 billion in export earnings annually.
- In 2004-05 the main source of overseas students was the People's Republic of China, followed by the USA, India, Republic of Korea, Malaysia and Japan.
- The onshore permanent residence visa categories for skilled students have been popular, with 16,485 visas granted in 2004-05.
- Over 104,605 people were granted working holiday maker visas to Australia in 2004-05, up by about 11 per cent on 2003-04. It is estimated that they spend over \$1.3 billion annually in Australia.
- In 2004-05, a total of 49,855 Business (Long Stay) visas were granted, a rise of 24.3 per cent compared with the previous year.
- At 30 June 2005, there were an estimated 599,629 persons in Australia on temporary entry visas, excluding New Zealand citizens. These mainly consisted of visitors (28 per cent), students (32 per cent), long stay business (10%) and working holiday makers (10%).



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. Many visitors come on an Electronic Travel Authority (ETA). The ETA accounted for 82.75 per cent of all tourist and short-term business visas issued worldwide. The ETA replaces the visa label or stamp in a passport and is available to citizens of 34 countries and locations. The majority of ETAs are issued through travel agents and airlines or directly over the Internet.

Working Holiday Makers (WHM) - there are 19 reciprocal WHM arrangements currently in effect. These arrangements ensure that young Australians are also offered similar opportunities for cultural understanding through working holidays overseas.

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.

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

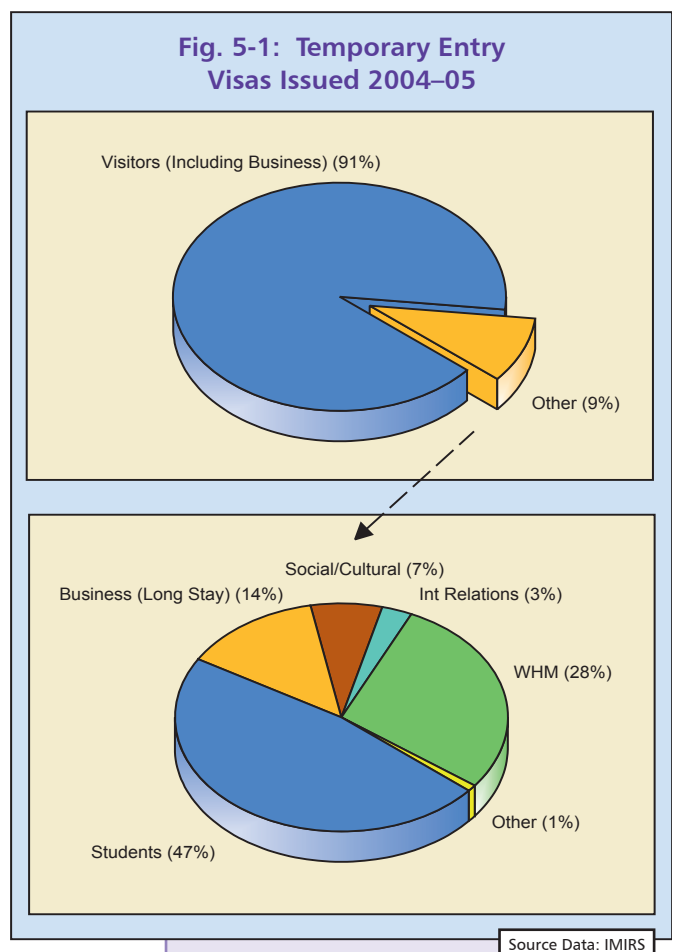
who are recruited by Australian companies as skilled personnel enter as temporary business residents for periods of stay up to four years. This form of temporary entry enables businesses to sponsor skilled people overseas to fill positions that cannot be filled locally and to introduce new technology.

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 2004-05 a total of 3,960,321 Temporary Entry visas (excluding Bridging visas) were granted of which the vast majority of 3,588,947 were offshore Visitor visas (including business visitors). Working Holiday Makers (104,353) and Overseas Students (174,786) accounted for 75.7 per cent of the remaining temporary entrants.

This total is up from the 3,813,893 Temporary Entry visas granted in 2003-04.

Fig. 5-1: Temporary Entry Visas Issued 2004-05



Source Data: IMIRS

Visitors

During 2004-05 visitors to Australia generated tourism export earnings of \$17.3 billion. This amounted to 12.1 per cent of Australia's total export earnings. Tourism export earnings are forecast by Tourism Research Australia to increase annually by 6.3 per cent to \$32.1 billion in 2014.

Visitor Visa Applications

Offshore Visitor visa applications in 2004-05 were up by 3.3 per cent over 2003-04, with a record 3,655,560 applications lodged (of which 82.8 per cent were Electronic Travel Authorities (ETAs)). Applications were 0.85 per cent higher than the 3,624,834 previous record number of applications lodged during the Olympic year (2000-01).

There were significant increases over 2003-04 in applications for Short Stay Business Visitor visas, both ETA and non-ETA:

- ETA Business Entrant 164,800 (up 8.9 per cent);
- Business (non-ETA) 185,911 (up 14.5 per cent).

Visitor ETAs, Short Stay Tourist visa applications and Family Visitor visa applications also increased though less significantly:

- Visitor ETAs 2,806,904 (up 2.6 per cent);
- Tourist 479,863 (up 1.6 per cent);
- Sponsored Family Visitor 3,962 (up 0.6 per cent).

Major Source Countries

The top ten nationalities for Visitor visa grants were:

- United Kingdom 655,271;
- Japan 642,994;
- United States of America 385,827.

- Republic of Korea 223,002;
- People's Republic of China* 195,912;
- Singapore 148,502;
- Malaysia 138,688;
- Germany 136,407;
- Canada 97,354;
- France 93,982.

*non-ETA country

The United Kingdom constituted 17.9 per cent of the Visitor market (compared with 18.3 per cent in 2003-04). Japan constituted 17.6 per cent of the Visitor market (compared with 17.9 per cent in 2003-04). Actual visa numbers from the United Kingdom rose by 1.2 per cent over 2003-04 and Japan by 1.3 per cent.

For those nationalities lodging more than 15,000 applications, the largest increases over 2003-04 in Visitor applications were:

- People's Republic of China* up 21.0 per cent;
- Hong Kong SAR up 19.5 per cent;
- Denmark up 12.6 per cent;
- India* up 10.1 per cent;
- Republic of Korea up 9.4 per cent;
- Italy up 9.3 per cent;
- Canada up 8.3 per cent;
- Philippines* up 7.8 per cent.

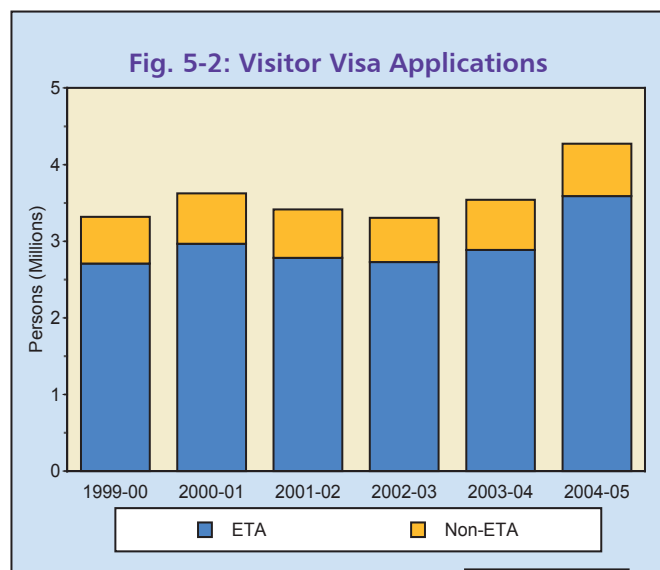
*non-ETA country

Applications from United States nationals rose by 2.1 per cent over 2003-04, following a 0.9 per cent drop in 2003-04 over 2002-03.

The following nationalities (lodging more than 15,000 applications) showed a decrease in 2004-05:

- Thailand* down 0.2 per cent;
- Austria down 0.9 per cent;
- Switzerland down 2.0 per cent;
- Malaysia down 5.9 per cent;
- South Africa* down 7.2 per cent;
- Indonesia* down 13.9 per cent.

*non-ETA country



Electronic Lodgement

Electronic lodgement of offshore short stay Visitor visa applications (known as "e676") started in March 2003 and was initially only available to nationals from the United Arab Emirates. In March 2004, the facility was extended to Kuwait.

In July 2004, the facility was extended to nationals of the EU accession countries (Czech Republic, Republic of Cyprus, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia) and, in April 2005, to Bahrain, Qatar and Oman.

It should be noted that e676 is not the same as the subclass 976 Electronic Travel Authority (ETA). However, it does offer many of the same benefits as the ETA, including electronic lodgement,

label-free travel facilitated by the Advanced Passenger Processing system, shortened decision-making periods and no requirement for applicants to either visit or post their passports to an Australian mission.

In 2004-05, 21.5 per cent of Subclass 676 applications that could be lodged electronically were lodged that way. The following nationalities had the highest electronic take-up rates:

- Estonia 92.1 per cent
- Latvia 70.4 per cent
- Lithuania 60.6 per cent
- Slovenia 35.3 per cent
- Czech Republic 32.9 per cent
- Slovakia 29.0 per cent
- Hungary 26.8 per cent.

Visitor Visa Grants

In 2004-05, nationals from United Kingdom, Japan, United States of America, Republic of Korea and People's Republic of China constituted 58.6 per cent of all Visitor visas granted.

The largest increases over 2003-04 in Visitor visa grants to non-ETA nationals included:

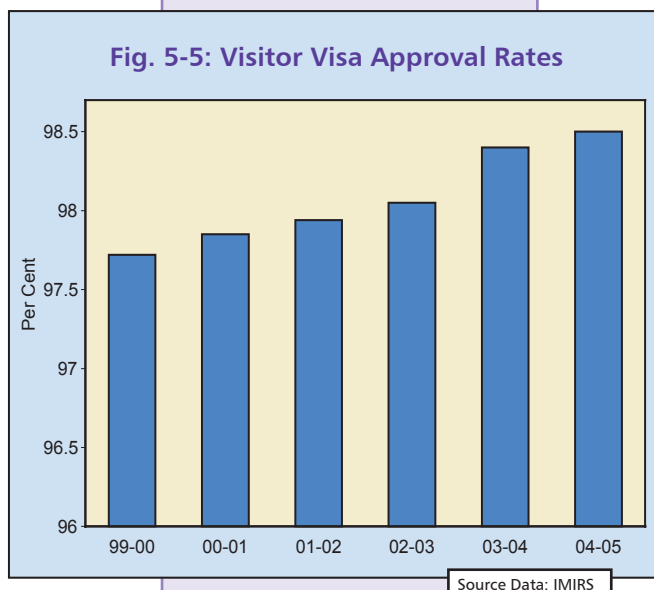
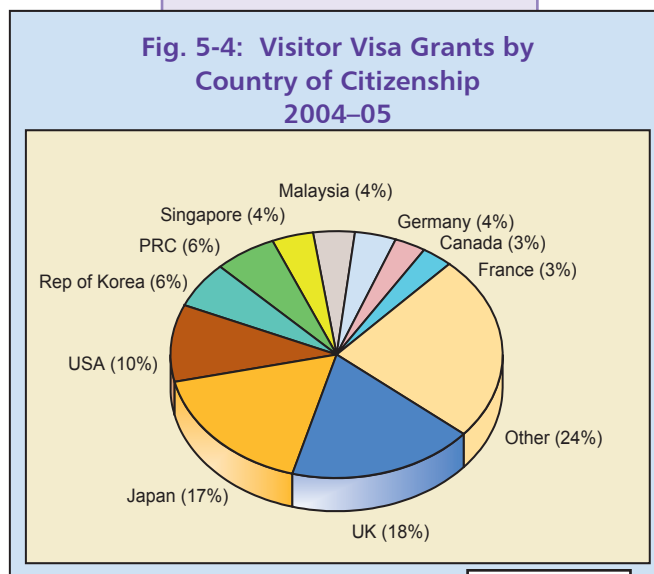
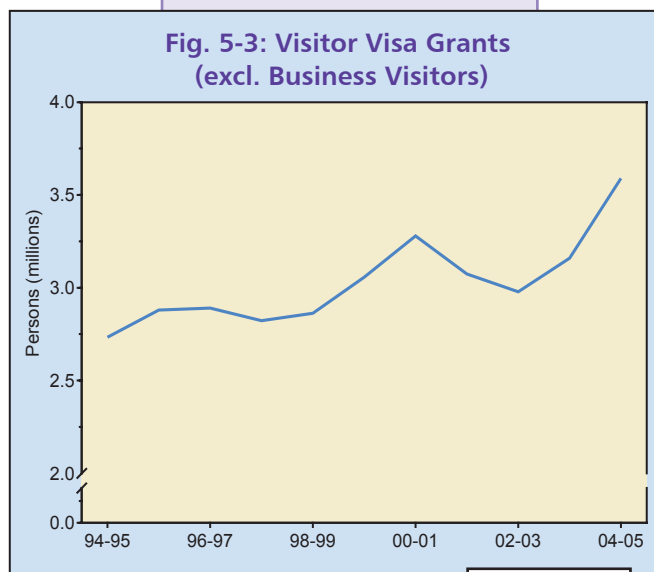
- Cambodia 1,684 grants, up 53.9%
- Kuwait 3,284 grants, up 43.3%
- Saudi Arabia 3,435 grants, up 42.2%
- Ukraine 1,232 grants, up 37.8%
- Chile 3,127 grants, up 34.7%
- United Arab Emirates 4,882 grants, up 34.6%
- Russian Federation 6,073 grants, up 33.2%
- Pakistan 3,505 grants, up 27.9%
- Samoa 2,877 grants, up 25.1%
- People's Republic of China 195,912 grants, up 20.3%.

Among ETA nationals, the largest increases in grants included:

- Hong Kong SAR 73,738 grants, up 19.5%
- Denmark 21,199 grants, up 12.6%
- Republic of Korea 223,002 grants, up 9.4%
- Italy 50,013 grants, up 9.3%
- Canada 97,354 grants, up 8.3%
- Sweden 29,449 grants, up 4.7%
- Singapore 148,502 grants, up 4.3%
- France 93,982 grants, up 3.4%
- Netherlands 52,473 grants, up 2.4%
- Germany 136,407 grants, up 2.2%.

Visitor Visa Approval Rate

At 98.5 per cent, the global Visitor visa approval rate (which is the number of Visitor visas granted as a percentage of all Visitor visa applications decided) was at an all time high (compared with 98.4 per cent in 2003-04 and 98.1 per cent in 2002-03). The improving approval rate is the result of several DIMIA initiatives such as the Approved Destination Status (ADS) scheme with the



People's Republic of China, the increased use of the "no further stay" condition and the Sponsored Family Visitor program.

The approval rate for countries whose citizens are eligible for ETAs was 99.98 per cent (compared to 99.99 per cent in 2003-04 and 99.98 per cent in 2002-03). Citizens of several countries (including Austria, Belgium, Canada, Finland, Ireland, Japan, Malaysia, Singapore and United States of America) recorded a 100 per cent approval rate in 2004-05 in all three ETA subclasses.

For non-ETA eligible nationals the approval rate rose to 91.9 per cent (from 91.1 per cent in 2003-04 and 88.8 per cent in both 2002-03 and 2001-02). Several non-ETA nationalities with relatively high numbers of applications (more than 3,000) had approval rates significantly higher than the non-ETA average rate, including:

- United Arab Emirates 99.9 per cent
- Kuwait 99.7 per cent
- Saudi Arabia 99.2 per cent
- Mexico 98.5 per cent
- South Africa 98.1 per cent
- Czech Republic 96.7 per cent
- Poland 95.8 per cent
- Thailand 95.3 per cent
- Indonesia 94.8 per cent
- Chile 94.0 per cent
- PR China 93.2 per cent.

There were still a number of nationalities where the approval rate was less than the global average, which 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 may seek to enter Australia to work illegally or to breach Visitor visa conditions in some way.

When deciding whether an applicant intends a genuine visit, 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.

Approval rates for some nationalities, while still lower than the global (non-ETA) average of 91.9 per cent, have improved in 2004-05 compared with 2003-04, including:

- Brazil 91.7 per cent (up from 86.0 per cent)
- Russian Federation 90.2 per cent (up from 82.9 per cent)
- Cambodia 89.6 per cent (up from 84.5 per cent)
- India 89.3 per cent (up from 86.2 per cent)
- Turkey 89.0 per cent (up from 86.8 per cent)
- Colombia 85.2 per cent (up from 82.7 per cent)
- Iran 85.6 per cent (up from 73.9 per cent)
- Pakistan 81.9 per cent (up from 76.7 per cent)
- Ukraine 81.8 per cent (up from 76.2 per cent).

Non-Return Rate of Visitors

The Non-Return Rate (NRR) is a calculation of the visitors who arrived in Australia on a visa that has now ceased but who did not depart within the validity of that initial visa - as a percentage of all visitor arrivals (whose visas have ceased) in the period. The NRR includes those who:

- remained in Australia unlawfully, or
- departed Australia on a ceased visa, or
- have applied for another type of visa while in Australia and have:
 - since departed Australia on that subsequent visa;
 - remained in Australia on that subsequent visa; or
 - been granted a Bridging visa.

The extent to which different nationals do actually depart within the validity of their Visitor visas is relevant feedback to overseas posts to assist them in making decisions on 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 2004-05 was 1.2 per cent (compared with 1.5 per cent in 2003-04, 1.6 per cent in 2002-03 and 1.8 per cent in 2001-02).

A number of nationalities registered a decrease in their visitor NRRs in 2004-05 even though a larger percentage of applicants was being granted Visitor visas. For example, the People's Republic of China visitor NRR in 2004-05 was 0.7 per cent (down from 0.8 per cent in 2003-04, 1.2 per cent in 2002-03 and 2.1 per cent in 2001-02) while their Visitor visa approval rate increased to 93.3 per cent (from 91.8 per cent in 2003-04 and 88.9 per cent in 2002-03).

Other nationalities registering improved Visitor visa NRRs in 2004-05, compared with 2003-04, included:

- Ukraine 0.54 per cent (down from 2.19 per cent)
- Argentina 0.90 per cent (down from 1.61 per cent)
- Zimbabwe 1.19 per cent (down from 2.07 per cent)
- Iran 1.25 per cent (down from 2.98 per cent)
- Slovenia 1.29 per cent (down from 1.80 per cent)
- Fiji 1.78 per cent (down from 2.43 per cent)
- Vietnam 1.99 per cent (down from 2.49 per cent)
- Slovakia 2.21 per cent (down from 3.03 per cent)
- India 2.37 per cent (down from 3.71 per cent)
- Lebanon 2.33 per cent (down from 3.46 per cent).

Countries with the lowest NRRs included:

- United Arab Emirates 0.16 per cent of 5,460 arrivals
- Kuwait 0.18 per cent of 3,333 arrivals
- Japan 0.41 per cent of 679,621 arrivals
- Ukraine 0.54 per cent of 1,089 arrivals
- Chile 0.63 per cent of 2,848 arrivals
- Singapore 0.64 per cent of 161,905 arrivals
- Taiwan 0.65 per cent of 96,643 arrivals
- PR China 0.65 per cent of 224,511 arrivals

- Thailand 0.72 per cent of 56,013 arrivals
- Mexico 0.82 per cent of 4,512 arrivals.

The total non-ETA Visitor NRR was 1.69 per cent (continuing the decline from 2.05 per cent in 2003-04). The other visitor visa subclasses also showed improved rates of compliance:

Subclass	2004 - 05	2003 - 04	2002 - 03
	per cent		
Business Short stay	0.87	1.06	1.26
Tourist – Short Stay	1.43	1.63	2.28
Sponsored Family Visitor	1.57	2.03	2.16
Tourist – Long Stay	6.63	8.09	10.15

The NRR for visitors travelling on ETAs also declined during 2004-05. The rate for the 2004-05 program year across the three ETA subclasses was 1.10 per cent (down from 1.32 per cent in 2003-04, 1.33 percent in 2002-03 and 1.44 percent in 2001-02).

In 2004-05 the number of people applying for Protection Visas (PV), after entering Australia on Visitor visas, was 2,236 - a 6.1 per cent decrease over 2003-04 (2,382) - and a 38.0 per cent decrease over 2002-03 (3,607).

Notwithstanding the increase in the number of Visitor visas granted, the rate at which holders of Visitors visas lodged PV applications continued to decline. In 2004-05, the PV rate (i.e. the number of PV applications as a percentage of Visitor arrivals) was 0.06 per cent compared with 0.07 per cent in 2003-04, 0.10 per cent in 2002-03 and 0.15 per cent in 2001-02.

Sponsored Family Visitor Visa

The Sponsored Family Visitor program allows Australian citizens and permanent residents to formally sponsor their relatives to visit Australia. This program has proved to be successful in allowing applicants about whom there are some residual concerns about their intentions, to be granted a visa to visit family in Australia. In order to strengthen the integrity of the program, a security bond may be requested.

On 2 April 2005, following extensive community consultations, the processing of the Sponsored Family Visitor visa caseload was repatriated to Australia and now allows a period of stay of up to 12 months (compared to the previous maximum of 3 months) in certain circumstances.

There were 13,962 Sponsored Family Visitor visa applications lodged in 2004-05, a 0.59 per cent increase over 2003-04.

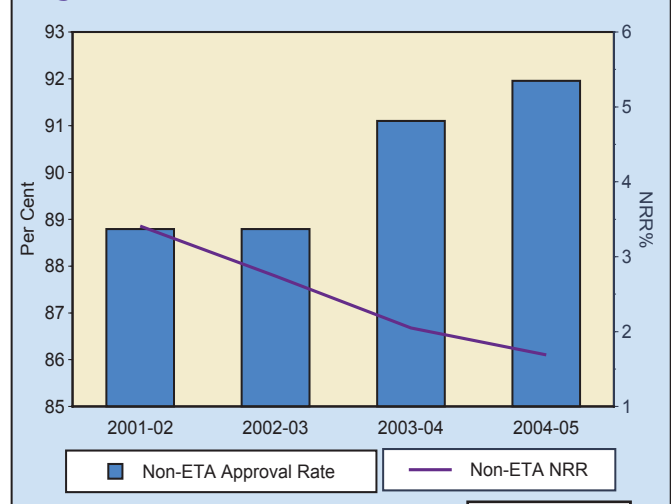
The approval rate increased to 79.8 per cent (compared with 75.0 in 2003-04 and 63.2 per cent in 2002-03). The approval rate has been rising consistently over the past four years and the non-return rate is the lowest since the introduction of the subclass.

The top ten citizenships of Sponsored Family Visitor visa applicants were People's Republic of China, Lebanon, Philippines, India, Vietnam, Sri Lanka, Fiji, Iran, Cambodia and Tonga.

In the period 1 July 2004 to 1 April 2005 (prior to repatriation) 71.9 per cent of visas had a bond imposed (compared to 68.3 per cent in the 2003-04 program year). 7,223 bonds were lodged, with a total security bond deposit of \$82,667,511. The average bond amount increased to \$11,445 (from \$10,676 in 2003-04). The most frequently applied bond amount was \$15,000 (in 41.5 per cent of cases). 98.9 per cent of total bonds lodged were refunded as visa holders fully complied with visa conditions and departed Australia by the visa expiry date.

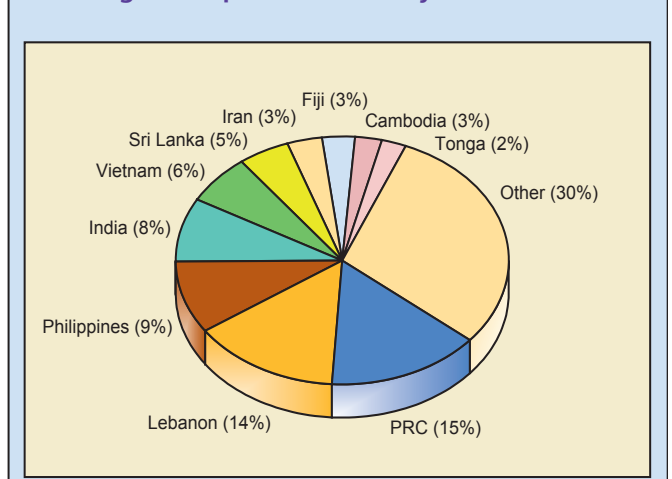
In the period 2 April to 30 June 2005 (after repatriation) 88.1 per cent of visas had a bond imposed. 539 bonds were lodged, with a total security bond deposit of \$5,070,500. The average bond amount was \$9,408. The most frequently applied bond amount was \$5,000 (in 32.5 per cent of cases).

Fig. 5-6: Non-ETA Visitor Visa Grant Rate Vs NRR



Source Data: IMIRS

Fig. 5-7: Sponsored Family Visitor Visa



Source Data: IMIRS

Business Visitor Visa

The Short Stay Business Visitor visa is for people who wish to enter Australia for business purposes - ie: 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.

339,424 Business Visitor visas were granted in 2004-05 (a 13.6 per cent increase over 2003-04).

The top ten nationalities for Business Visitor visa grants overall were People's Republic of China*, United States of America, United Kingdom, Japan, India*, Thailand*, Indonesia*, Singapore, Canada and Germany. (*Non-ETA countries.)

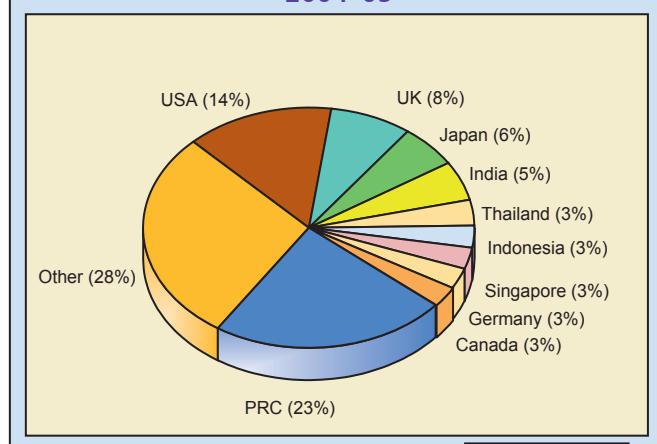
(Non-ETA) Short stay Business Visitor grants in 2004-05 were 174,724 (18.3 per cent higher than in 2003-04) with an approval rate of 95.3 per cent of applications (compared with 93.5 per cent in 2003-04). Significant increases included:

- Mexico 1,073 grants (up 56.9 per cent)
- Pakistan 1,286 grants (up 37.5 per cent)
- Russian Federation 1,925 grants (up 29.1 per cent)
- PR China 78,453 grants (up 26.2 per cent)
- Israel 1,633 grants (up 25.1 per cent)
- Fiji 2,607 grants (up 20.2 per cent)
- India 18,018 grants (up 19.9 per cent)
- Thailand 11,731 grants (up 16.3 per cent)
- Brazil 1,890 grants (up 11.7 per cent)
- Philippines 5,778 grants (up 11.3 per cent).

The Non-Return Rate for Business Visitors in 2004-05 was 0.87 per cent (down from 1.06 per cent in 2003-04 and 1.26 per cent in 2002-03).

The rate at which Business Visitors applied for Protection Visas in 2003-04 was 0.26 per cent (down from 0.28 per cent in 2003-04 and 0.48 per cent in 2002-03).

Fig. 5-8: Business Visitor Grants by Country of Citizenship 2004-05



Source Data: IMIRS

Sponsored Business Visitor visa

Following initiatives designed to make this visa subclass more business friendly, which were put in place in March 2004, interest in the Sponsored Business Visitor visa class increased from the very modest application numbers received in 2003-04.

In 2004-05, 140 applications were received compared with just 19 in 2003-04 and 30 in 2002-03. Nationals from the People's Republic of China accounted for 45 per cent of applications received, followed by India (10 per cent), Uzbekistan (8.6 per cent) and Timor-Leste (7.9 per cent).

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 2004-05 the IECN provided information on visa requirements and procedures in respect of 681 events (compared with 406 in 2003-04 and 204 in 2002-03), and also acted as a conduit between the event organisers and the Australian missions processing visa applications for participants.

This outcome confirms that the profile of the IECN is continuing to gain broader recognition in the events and conference 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.

The TVAG consists of representatives from Tourism Australia, the Australian Tourism and Export Council, Tourism Taskforce Australia, QANTAS, the Board of Airline Representatives Australia, the Australian Hotels Association, state and territory tourism authorities and the Department of Industry, Tourism and Resources.

Approved Destination Status

The Approved Destination Status (ADS) scheme is an initiative of the Chinese Government giving citizens of the People's Republic of China access to streamlined group travel to other countries. Australia was the first Western country to be approved as a destination under the scheme.

Since the inception of ADS in August 1999, 167,553 tourists have arrived on ADS visas.

Maintaining the integrity of the ADS program is vital for its continued growth. Under the ADS scheme, approved PR Chinese and Australian travel agents arrange group tours for PR Chinese tourists to Australia, accompanied by a tour leader. A condition of their visas is that ADS tourists must adhere to an approved itinerary.

In 2004-05, 45,803 Visitor visas were granted under the ADS scheme, an increase of 38.6 per cent over 2003-04.

In 2004-05, only 0.46 per cent of ADS applications were refused, compared with 8.0 per cent of all Short Stay Tourist visa applications lodged by Chinese nationals and 9.1 per cent of all applications for Short Stay Tourist visas globally.

The ADS Non-Return Rate in 2004-05 was 0.34 per cent compared to 0.58 per cent for all Chinese nationals entering on Short Stay Tourist visas and 1.43 per cent for all Short Stay Tourist arrivals.

The ADS scheme currently operates in nine regions of the People's Republic of China: Beijing and Shanghai Municipal Governments and Guangdong province, Hebei, Tianjin, Shandong, and Chongqing in the Beijing Consular area and Zhejiang and Jiangsu in the Shanghai consular area. By mid 2006 these arrangements will be extended to cover the whole of China.

There are 77 approved ADS agents in the People's Republic of China.

Fig. 5-9: Approved Destination Status Grants

