



Australian Government

**Department of Immigration
and Citizenship**

SUBMISSION

BY

THE DEPARTMENT OF IMMIGRATION AND CITIZENSHIP

TO THE

JOINT STANDING COMMITTEE ON FOREIGN AFFAIRS,
DEFENCE AND TRADE

IN RELATION TO THE INQUIRY INTO

**WAYS OF EXPANDING AUSTRALIA'S TRADE AND
INVESTMENT RELATIONS WITH ASIA, THE PACIFIC AND
LATIN AMERICA**

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Terms of Reference

The Joint Standing Committee on Foreign Affairs, Defence and Trade shall examine and report on opportunities for expanding Australia's trade and investment relations with the countries of Asia, the Pacific and Latin America, with particular attention to:

1. the nature of existing trade and investment relations;
2. likely future trends in those relations;
3. the role that these countries might play in advancing the Doha round of multilateral trade negotiations in the WTO (*not addressed in this submission*);
and
4. the role of the Government in identifying opportunities and assisting Australian companies, especially those in rural and regional areas, to maximise opportunities in these regions.

The Nature of Existing Arrangements for Trade and Investment with Asia, the Pacific and Latin America

Migration enables and facilitates many forms of trade and investment. Travels undertaken by business people and by tourists are obvious examples, as is the movement of students to access education. A well-managed migration program reduces the costs of trade and investment and thereby assists in their expansion.

Australia's migration arrangements impact on investment with Asia, the Pacific and Latin America in four main areas:

1. Facilitating international trade in education services (student travel);
2. Facilitating international trade in labour (skilled migration);
3. Developing trade and investment links through migration (business travellers); and
4. Enabling international trade in tourism services.

Arrangements to facilitate trade in education

Student visas granted by region

| | 2003-04 | 2004-05 | 2005-06 | 2006-07 | 2007-08 |
|---------------|---------------|---------------|---------------|----------------|----------------|
| Asia | 77 815 | 77 177 | 85 897 | 117 674 | 140 692 |
| Latin America | 3686 | 4843 | 7192 | 9698 | 12353 |
| Pacific | 1028 | 1128 | 1178 | 1209 | 1216 |
| TOTAL | 82 529 | 83 148 | 94 267 | 128 581 | 154 261 |

Australia's trade in education with Asia,¹ the Pacific² and Latin America³ is significant. As the data below indicates, Asia in particular is a source of immigration for education

¹ For student visas, Asia consists of Afghanistan, Armenia, Azerbaijan, Bangladesh, Bhutan, Brunei Darussallam, Burma, Cambodia, China (includes Hong Kong and Macau), Georgia, India, Indonesia, Japan, Kazakhstan, North Korea, South Korea, Kyrgyzstan, Lao PDR, Malaysia, Maldives, Mongolia, Nepal, Pakistan, the Philippines, Singapore, Sri Lanka, Tajikistan, Taiwan, Thailand, Timor-Leste, Turkmenistan, Uzbekistan and Vietnam.

² For student visas, the Pacific consists of American Samoa, the Cook Islands, Fiji, Kiribati, the Marshall Islands, the Federated States of Micronesia, Nauru, New Zealand, Palau, Papua New Guinea, Samoa, the Solomon Islands, Tonga, Tuvalu and Vanuatu.

services. As well as representing a sizeable market for Australian education businesses, the presence of foreign students in Australia creates international links that have downstream benefits for future trade and investment relations.

Arrangements to facilitate skilled migration

Subclass 457 visas are Australia's primary method of channelling the international trade in labour to positive effect in the Australian economy. Subclass 457 visas allow overseas workers to work in Australia on a temporary basis between three months and four years. Subclass 457 visas require an approved business to sponsor overseas workers and to identify positions that are unfilled due to a skill shortage.

These arrangements benefit Australia by, for example:

- expanding Australian trade in goods or services;
- improving business links with international markets; or
- improving competitiveness within sectors of the Australian economy.

The data below summarises the significance of the respective regions of the Americas, the Pacific and Asia in terms of targeted skilled migration. Defining Asia broadly, Australia granted around 44 250 visas in the 457 subclass to citizens of Asian countries in 2007-08; around 1470 to citizens of Pacific countries; and around 2460 to citizens of Latin American countries. These visas enable the direct international trade in skilled labour to benefit the Australian economy.

³ For student visas, Latin America consists of Argentina, Belize, Bolivia, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Guyana, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Suriname, Uruguay, and Venezuela.

Subclass 457 visa grants by region of country of citizenship⁴

| Region of Country of Citizenship | | Applicant Type | Financial Year of Visa Grant | | | | |
|-----------------------------------|----------------------------------|----------------|------------------------------|---------------|---------------|---------------|---------------|
| | | | 2003-04 | 2004-05 | 2005-06 | 2006-07 | 2007-08 |
| Americas | South America | Primary | 180 | 430 | 720 | 660 | 1150 |
| | | Secondary | 210 | 270 | 550 | 1010 | 1120 |
| | | Total | 390 | 700 | 1270 | 1670 | 2270 |
| | Central America | Primary | 20 | 30 | 50 | 70 | 100 |
| | | Secondary | 30 | 20 | 50 | 60 | 80 |
| | | Total | 60 | 50 | 100 | 130 | 190 |
| North-East Asia | Japan and the Koreans | Primary | 1390 | 1470 | 1870 | 1700 | 1800 |
| | | Secondary | 1470 | 1540 | 1900 | 1710 | 1950 |
| | | Total | 2860 | 3010 | 3770 | 3410 | 3750 |
| | Chinese Asia (includes Mongolia) | Primary | 840 | 1110 | 2320 | 2880 | 3630 |
| | | Secondary | 910 | 1250 | 2180 | 3090 | 4130 |
| | | Total | 1750 | 2360 | 4490 | 5960 | 7760 |
| South-East Asia | Mainland South-East Asia | Primary | 230 | 300 | 790 | 730 | 860 |
| | | Secondary | 170 | 230 | 430 | 950 | 890 |
| | | Total | 400 | 530 | 1210 | 1680 | 1750 |
| | Maritime South-East Asia | Primary | 1260 | 1510 | 4150 | 6110 | 7610 |
| | | Secondary | 1270 | 1200 | 2320 | 4330 | 5890 |
| | | Total | 2530 | 2710 | 6470 | 10 450 | 13 500 |
| Southern and Central Asia | Central Asia | Primary | < 5 | 10 | 20 | 30 | 30 |
| | | Secondary | < 5 | 10 | 20 | 30 | 60 |
| | | Total | 10 | 20 | 40 | 60 | 90 |
| | Southern Asia | Primary | 2340 | 3050 | 4460 | 7330 | 9170 |
| | | Secondary | 1820 | 2270 | 3850 | 6510 | 8230 |
| | | Total | 4160 | 5320 | 8310 | 13 830 | 17 400 |
| Oceania and Antarctica | Melanesia | Primary | 40 | 60 | 190 | 220 | 270 |
| | | Secondary | 70 | 110 | 330 | 380 | 490 |
| | | Total | 120 | 170 | 520 | 590 | 760 |
| | Micronesia | Primary | < 5 | < 5 | < 5 | 10 | 20 |
| | | Secondary | < 5 | 0 | < 5 | 10 | 0 |
| | | Total | < 5 | < 5 | 10 | 10 | 20 |
| | New Zealand | Primary | 10 | < 5 | < 5 | 10 | 10 |
| | | Secondary | < 5 | 10 | 20 | 30 | 10 |
| | | Total | 10 | 10 | 20 | 40 | 20 |
| | Polynesia (excludes Hawaii) | Primary | 40 | 70 | 170 | 200 | 280 |
| | | Secondary | 50 | 100 | 230 | 280 | 390 |
| | | Total | 90 | 170 | 400 | 480 | 670 |
| Total for selected regions | | | 12 360 | 15 040 | 26 600 | 38 300 | 48 180 |

⁴ Numbers are rounded to the nearest 10. Secondary applicants are generally dependents of the primary applicant. This table excludes 'individual executive' visa grants.

Arrangements to facilitate trade in tourism services

Arrangements for visitor migration enable Australia to benefit from the international trade in tourism. The numbers below summarise the importance of each region in terms of visitor visa grants. Note that these figures are only indicative of the significance of the trade in tourism with each region – the number of visa grants does not provide detail of the amount that each visitor spends on tourism while here.

Visitor visa grants by region of country of citizenship

| Region | 2003-04 | 2004-05 | 2005-06 | 2006-07 | 2007-08 |
|----------------------------|------------------|------------------|------------------|------------------|------------------|
| Asia ⁵ | 1 660 411 | 1 730 769 | 1 681 313 | 1 680 097 | 1 610 745 |
| Latin America ⁶ | 19 388 | 21 649 | 24 696 | 29 715 | 38 984 |
| Pacific ⁷ | 29 131 | 30 676 | 33 203 | 37 588 | 40 557 |
| Total | 1 708 930 | 1 783 094 | 1 739 212 | 1 747 400 | 1 690 286 |

Facilitating major events

An example of DIAC's role in facilitating business and tourist migration is the International Event Coordinator Network (IECN). The network spans Australia and focuses on ensuring that migration related to major events occurs efficiently and securely. The IECN supports several hundred major events each year; high-profile examples from the last few years have been World Youth Day, APEC meetings, the World Police and Fire Games and the G-20 meetings.

The volume of migration around such events creates significant opportunities for Australian businesses. Tourist providers benefit from inflows around major events, as can the business community more broadly through the networking that occurs around forums such as APEC and the CeBIT 2007 information technology exhibition.

⁵ For visitor visas, Asia consists of Afghanistan, Armenia, Azerbaijan, Bangladesh, Bhutan, Brunei Darussallam, Burma, Cambodia, China (includes Hong Kong and Macau), Georgia, India, Indonesia, Japan, Kazakhstan, North Korea, South Korea, Kyrgyzstan, Lao PDR, Malaysia, Maldives, Mongolia, Nepal, Pakistan, the Philippines, Singapore, Sri Lanka, Tajikistan, Taiwan, Thailand, Timor-Leste, Turkmenistan, Uzbekistan and Vietnam.

⁶ For visitor visas, Latin America consists of Argentina, Belize, Bolivia, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Guyana, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay and Venezuela.

⁷ For visitor visas, the Pacific consists of American Samoa, Fiji, French Polynesia, Kiribati, the Marshall Islands, the Federated States of Micronesia, Nauru, New Caledonia, New Zealand, Northern Mariana Islands, Palau, Papua New Guinea, Pitcairn Island, Samoa, the Solomon Islands, Tonga, Tuvalu, Vanuatu and Wallis and Futuna.

Likely future trends in trade and investment relations

DIAC does not generate forecasts for future volumes of trade and investment. The statistics above indicate that visitor visa grants have been stable for several years. Strong growth has been evident in skilled migration visa grants, particularly from South Asia. Very strong growth has also occurred in student visa grants, which indicates increasing trade in Australia's education services.

DIAC is generally led by other government agencies in assessing the potential benefits of changing trade and investment relations. DIAC's responsibility is to ensure that Australia's migration program is administered in such a way as to enable Australia to maximise the benefits of migration related to trade and investment, giving due regard to other national interests in the movement of people.

The role of the Government in identifying opportunities and assisting Australian companies

The forms of migration discussed in this submission – students, tourists, business people and skilled workers – create opportunities for Australian businesses. For students and visitors, DIAC's primary role is to facilitate foreign travel that is beneficial for Australians while preventing the entry of persons of concern. This ensures that Australian businesses can serve clients efficiently.

Facilitating skilled migration to benefit Australian businesses

With regard to skilled migration, DIAC assists Australian companies to maximise the benefits of our migration program through the following initiatives:

- *Australia Needs Skills* expos
- Industry Outreach Officer program
- Regional Outreach Officer program

The primary focus of these initiatives is to match Australian employers with potential overseas workers in order to address skill shortages that cannot be filled locally. As well as directly facilitating beneficial international trade in labour, skilled migration initiatives create flow-on effects for trade and investment relations through the settlement of overseas workers in metropolitan and regional Australia.

***Australia Needs Skills* expos**

In April 2005, the government initiated a four-year program of onshore and offshore skills expos to promote skilled migration by proactively bringing together employers, state governments and prospective skilled migrants. To date, 22 *Australia Needs Skills* expos have been held in Australia and overseas.

DIAC has hosted *Australia Needs Skills* expos in the United Kingdom, Germany, the Netherlands, Philippines, India, Hong Kong and China. The most recent expo hosted by DIAC in the Asiatic region was held in Manila in May 2006.

The expo program has been very successful; over 86 000 skilled workers with genuine intentions of living and working in Australia have attended.

DIAC also participates in a range of commercial expo activities in Asia and South America. In 2008-09 DIAC will attend events to promote skilled migration, students and working holiday visas in Phnom Penh, Bangkok, Hong Kong, Taipei, Sao Paulo, Rio de Janeiro, Seoul and Hanoi.

Industry Outreach Officer program (IOO)

Following consultation with peak industry bodies and employer groups regarding skilled migration issues and labour shortages, DIAC established the IOO in April 2005. The IOO has helped to address an issue previously identified by industry groups regarding a lack of understanding among employers of migration options to meet labour shortages. There are currently 15 Industry Outreach Officers working with 25 industry groups, on full-time and part-time placements.

The IOO network is responsible for:

- working in partnership with industry to help employers better understand how to use immigration's services to address skilled labour shortages;
- providing expert support to employers who want to employ skilled overseas workers;
- promoting DIAC *Australia Needs Skills* expos and recruitment events; and
- providing an effective communication link between DIAC and industry.

Regional Outreach Officer (ROO) program

The ROO network was established in October 2004 as part of a budget initiative to promote and support the Australian Government's regional visa programs. There is at least one ROO based in each DIAC Business Centre in every state and territory, with a network of 8 officers.

The ROO network is responsible for:

- providing a local contact point for information on regional visa initiatives and processes;
- raising awareness and understanding of regional visa initiatives by working in partnership with all levels of government and relevant regional networks; and
- visiting regional areas to develop and strengthen partnerships with regional communities and assist them to make the most of skilled migration.

Reports from the IOO and ROO networks indicate that employers and industry groups are increasingly aware of regional programs. Motivating more metropolitan and regional employers to use these schemes as a recruitment solution is a key priority. DIAC will continue to do this in tandem with the successful *Australia Needs Skills* expo initiative.

APEC business travel initiatives

DIAC also assists migration for trade and investment purposes through its engagement with APEC. DIAC currently chairs the APEC Business Mobility Group, the main aim of which is to facilitate the movement of business people. Initiatives focus on the representatives of companies whose business travel is a key component of expanding trade and investment activity throughout the APEC region.

APEC's flagship initiative in this area is the APEC Business Travel Card (ABTC). 20 of the 21 APEC economies participate in the ABTC arrangements and at present there are some 45 000 active cards. Cardholders receive visa pre-clearance, which avoids the time and expense of applying for visas. They also have access to priority immigration processing lanes, thereby saving time. These arrangements give cardholders the ability to travel efficiently and with a high degree of spontaneity, assisting them to take advantage of trade and investment opportunities promptly.