

## Migration and people movement

### Introduction

- 5.1 Migration and the movement of people for purposes such as business, tourism, and education are intertwined. Many migrants to Australia have previously visited on business, as tourists, or as international students. Indeed, some overseas students have remained in Australia after completing their studies or training to become permanent residents.<sup>1</sup> On the other hand, many tourists visiting Australia do so because of contacts with Australian residents, such as Australians visiting their country, migrants to Australia from their country, or through business contacts.

### Malaysian community in Australia

- 5.2 The history of contact between Australia and Malaysia dates back to the 19<sup>th</sup>-century when Malays were involved in the pearling industry and trepang collection in northern Australia. The introduction of the Colombo Plan in 1950 brought some 17 000 international students to Australia, the majority being Malaysians. Many of these students

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1 Mr James Fox, *Transcript 9 October 2006*, p. 23.

married Australians and later sponsored the immigration of family members.<sup>2</sup>

5.3 The 2001 Census figures show that the Malaysian community is the 12<sup>th</sup> largest national group in Australia.<sup>3</sup> The then Department of Immigration and Multicultural Affairs (DIMA)<sup>4</sup> advised that the 78 850 Malaysian born people in Australia lived mainly in Victoria, New South Wales, Western Australia, and Queensland, and were mainly 'employed in skills and professional fields such as finance, property, business, community services, education and medicine.'<sup>5</sup>

5.4 DIMA also told the Committee that its network of community liaison officers which was in contact with some 8000 individuals and organisations in the Malaysian community had reported that:

... Malaysian born people are one of the best communities we have in Australia for integrating into the Australian community. ... the majority of the Malaysian born people in Australia are ethnic Chinese. They are generally very well educated. They speak good English and they have jobs. It is a good news story.

They also have one of the highest rates of intermarriage with Australians, which is another good indicator of integration within the community. ... We almost see them as invisible within Australia because they are such a well-integrated community.<sup>6</sup>

## Migration to Australia

5.5 An increasing proportion of Australia's migrant intake comes from Malaysia. In 1996-97, the proportion was 1.8 per cent of all migrants – this has risen to 3.7 per cent in 2004-05. Within the skilled migrant category, Malaysia was the fourth largest source country

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2 Department of Immigration and Citizenship, *Exhibit No. 7, Community Information Summary, the Malaysian-born Community*

3 *2001 Census of Population and Housing Australia, Country of Birth by Year of Arrival in Australia*, Australian Bureau of Statistics web site.

4 In January 2007, the department was renamed Department of Immigration and Citizenship.

5 DIMA, *Submission No. 6*, p. 36.

6 Mr James Fox, *Transcript 9 October 2006*, pp. 21-2.

(4.9 per cent of all skilled migrants) after India, United Kingdom, and China.<sup>7</sup>

5.6 There was a sharp increase in skilled migration from Malaysia from 2002–03 onwards. DIMA advised this was due to a change in policy which allowed overseas students with Australian skills qualifications to apply for migration while still in Australia.<sup>8</sup>

5.7 DIMA provided information on the skills brought to Australia by Malaysian migrants:

There are quite a few from the medical side. There are a smaller number of engineers, but there are large numbers of doctors and medical practitioners in training. A number of Malaysians are coming here to do their training and ending up staying here, as well.<sup>9</sup>

5.8 Regarding citizenship, DIMA told the Committee that about 59 per cent of Malaysian born migrants were considering Australian citizenship. This compared to about 75 per cent for all overseas born migrants. DIMA's witness expressed 'surprise' by this statistic.<sup>10</sup>

5.9 The Committee notes that Malaysia does not allow dual citizenship,<sup>11</sup> which may explain the lower proportion of Malaysian born who were considering Australian citizenship.

## The Australia–Malaysia travel market

5.10 Qantas has advised the Committee that Malaysia is Australia's ninth largest market in terms of origin/destination traffic flows. During 2005–06 more than 6000 passengers travelled each way each week. About half were travelling for holiday purposes.

5.11 Currently Malaysia Airlines is the major operator with 69 per cent of the traffic. Most of the passenger traffic flows to and from points beyond Malaysia.<sup>12</sup>

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7 DIMA, *Submission No. 6*, p. 36.

8 DIMA, *Submission No. 6*, p. 36.

9 Mr James Fox, *Transcript 9 October 2006*, p. 23.

10 Mr James Fox, *Transcript 9 October 2006*, p. 24.

11 Parliamentary Library, *Current Issues Brief 5, 2000–01, Dual Citizenship in Australia*, 28 November 2000, p. 5.

12 Qantas, *Submission No. 10*, p. 68.

- 5.12 During the 1990s Qantas operated a Sydney–Singapore–Kuala Lumpur service, but this was discontinued in 2000. Qantas re-entered the market in 2003 in the guise of its single class and leisure subsidiary Australian Airlines. The service, however, did not cover variable operating costs and was withdrawn in 2005.<sup>13</sup>
- 5.13 It appears that Qantas is set to re-enter the market in 2007. In January 2007, Qantas applied to the International Air Services Commission for an allocation of 909 seats per week on the Malaysia Route. In its letter of application, Qantas advised the Commission that its subsidiary company, Jetstar, proposed to commence operation in September 2007 of thrice weekly Sydney–Kuala Lumpur–Sydney flights using its two-class A300–200 aircraft.<sup>14</sup>

## Visitors to Australia

- 5.14 In 2004–05, Malaysia was the seventh most important source country for visitors to Australia.<sup>15</sup> DITR estimated that in 2005 the value to the Australian economy was \$600 million and forecasted this would increase to \$1.1 billion by 2015.<sup>16</sup>
- 5.15 Almost all Malaysian visitors use an Electronic Travel Authority (ETA) obtained over the Internet. There are two categories of ETAs— for visits and for business. Both enable stays of up to three months during a period of a year and are valid for multiple entries.<sup>17</sup> In addition, longer stay visas are available for Malaysian tourists as well as for students studying in Australia.<sup>18</sup>
- 5.16 Australia’s education market for international students is the subject of Chapter 6.

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13 Qantas, *Submission No. 10*, p. 69.

14 <<http://www.iasc.gov.au/pubs/iascpp4190.pdf>>, accessed February 2007.

15 DIMA, *Submission No. 6*, p. 33.

16 DITR, *Submission No. 21*, p. 186.

17 Internet Visa Services Australia, *Australian Electronic Travel Authority*, <<http://www.eta.immi.gov.au/ETAAus3En.html>>, accessed February 2007.

18 DIMA, *Submission No. 6*, pp. 33–4.

## Decline in visitor numbers

- 5.17 Figures provided by DIMA show that between 2003–04 and 2005–06 there has been a decline in **all categories** of Malaysian visitor visa approvals of around 17.7 per cent. Over the same time period, however, Malaysian Short Stay Business Visas approvals rose by around 28.9 per cent. This was reflected in an increase from 5.0 per cent to 7.8 per cent in the proportion of Malaysian visitors who arrived for business purposes.<sup>19</sup>
- 5.18 DITR told the Committee that the reduction in visitor numbers from Malaysia was attributed to a decline in travel spending by Malaysians due to the availability of alternative short-haul, low-cost destinations.<sup>20</sup> The phenomenon had affected the whole of South East Asia and extended into East Asia:
- ... where the low-cost airline explosion over the last three or four years has been offering impossibly tempting deals to consumers in those countries. We are seeing a pattern of people taking up those options rather than proceeding to countries like Australia. The low-cost model in the world generally is limited to a certain number of hours flying because people are pretty well packed in and it is not in all respects a very comfortable flight. Four or five hours is the ceiling that people apply to low-cost airlines generally.<sup>21</sup>
- 5.19 DITR added that Kuala Lumpur was almost at the centre of the low-cost airline network, and that the ‘penetration of low-cost airlines in Asia is only about one-third of the penetration in Europe’, so it would be some time before the impact peaked.<sup>22</sup>
- 5.20 In response to such competition, DITR noted that Jetstar, an Australian low-cost airline, had ‘adopted quite a creative model with the two class fares.’ The premium service was similar to a full economy fare, but with ‘some aspects of business class travel.’ DITR concluded:

One can see Jetstar trying to find that medium, to find a flight that people will endure for six or seven hours but that is

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19 DIMA, *Submission No. 35*, p. 274.

20 Mr Ken Miley, *Transcript 16 October 2006*, p. 13.

21 Mr Philip Noonan, *Transcript 16 October 2006*, p. 13.

22 Mr Philip Noonan, *Transcript 16 October 2006*, pp. 15, 17.

nevertheless on a low-cost model so that [it] can be competitive.<sup>23</sup>

- 5.21 DITR told the Committee about other developments designed to address the decline in visitor numbers:
- Tourism Australia had recently released a *Muslim Visitors Guide to Australia*. The guide contains lists of recommended Halal restaurants and locations of mosques in the States and Territories.<sup>24</sup>
  - The *My Australian Adventure* promotion in 2006 was a multimedia campaign featuring leading Malaysian celebrities experiencing Australia. It comprised a seven episode travelogue screened on Malaysian television.
  - A 10-day event in April 2006 at the Hilton Kuala Lumpur focused on Australian chefs and winemakers.
  - Cooperative print campaigns had been conducted with State tourism offices. Tourism Australia provided a national flavour with each State office highlighting the unique attractions of the State.
  - Seven Malaysian journalists had been brought to Australia under the Visiting Journalists Programme to see and report on the main attractions of Australia.
  - The Aussie Specialist Programme had selected Malaysian travel agents with a particular interest or expertise in Australia. Tourism Australia provided them with extra support and materials for their clients.<sup>25</sup>
- 5.22 Regarding the 'Where the bloody hell are you?' campaign, DITR told the Committee that the campaign had yet to be launched in Malaysia. The intention was to launch the campaign during 2006–07 with Tourism Australia working 'with local authorities and the local market to try to present it in a way that is culturally acceptable.'<sup>26</sup>

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23 Mr Philip Noonan, *Transcript 16 October 2006*, p. 13.

24 Tourism Australia, *Exhibit No. 3, Muslim Visitors Guide to Australia*.

25 Mr Philip Noonan, *Transcript 16 October 2006*, p. 16.

26 Mr Philip Noonan, *Transcript 16 October 2006*, p. 15.

## Visitors to Malaysia

- 5.23 Although estimates vary, the numbers of Australians travelling to Malaysia is increasing.
- 5.24 DFAT advised in an early submission that in 2005 there were almost 16 000 Australian visitors to Malaysia, an increase from 2004 of 11 per cent.<sup>27</sup> A supplementary submission provided figures from the Malaysian Tourist Board indicating some 265 000 Australian visits to Malaysia in 2005, an annual increase of 30 per cent.<sup>28</sup>
- 5.25 The Committee believes that the reason for the discrepancy may be due to the fact that most travellers carried on the Malaysia route by the principal carrier, Malaysia Airlines, have a destination beyond Malaysia.<sup>29</sup>
- 5.26 Currently, Malaysia is engaged in a major tourist promotion which commenced with the launch in January 2007 of the *Visit Malaysia Year 2007* campaign. Previous campaigns were held in 1990 and 1994.<sup>30</sup>

## Border security

### Breaches of visa conditions

- 5.27 As noted above, the majority of Malaysians entering Australia for short-term visits use an ETA. DIMA's submission stated that there were instances where the ETA service had been abused and noted that it estimated that 8 per cent of overstayers in 2005–06 were Malaysians.<sup>31</sup>
- 5.28 DIMA explained to the Committee it was primarily visitor visa holders that were at fault, although there were some students.<sup>32</sup> DIMA commented that the actual number was 'not that high', but that

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27 DFAT, *Submission No. 11*, p. 80.

28 DFAT, *Submission No. 22*, p. 192.

29 Qantas, *Submission No. 10*, p. 68.

30 Tourism Malaysia, *News Release, Visit Malaysia Year 2007 Grand Launch*, 6 January 2007.

31 DIMA, *Submission No. 6*, p. 33.

32 Mr James Fox, *Transcript 9 October 2006*, p. 18.

the percentage was significant.<sup>33</sup> DIMA, however, did 'not regard the Malaysian overstayer rate as alarming'.<sup>34</sup>

- 5.29 Figures subsequently provided by DIMA show the situation to have declined since DIMA appeared before the Committee. In 2005–06 the percentage of over stayers who were Malaysian had risen to 12 per cent.
- 5.30 Comparisons with the number of Malaysians arriving in Australia – the estimated overstayers rate<sup>35</sup> – show a relative deterioration from 2003–04 to 2005–06. The rate for Malaysians had **increased** from 0.55 per cent (807 individuals) in 2003–04, to 0.93 per cent (1345 individuals) in 2005–06. This compared with a corresponding **decrease** in the estimated overstayers rate for all visitors from 0.42 per cent (14 323 individuals) in 2003–04, to 0.30 per cent (11 141 individuals) in 2005–06.<sup>36</sup>
- 5.31 DIMA's submission advised that:
- A consequence of this abuse has been increased scrutiny of Malaysian nationals on arrival in Australia. DIMA is working with the tourism industry to address the problem, including developing better profiles of genuine visitors.<sup>37</sup>
- 5.32 DIMA also told the Committee that increased scrutiny took the form of working with 'the Malaysian government at the law enforcement end of the spectrum',<sup>38</sup> and greater questioning of Malaysian visitors upon arrival at the border.<sup>39</sup>
- 5.33 In addition, two Airline Liaison Officers (ALOs) were stationed at Kuala Lumpur International Airport. These officers:
- ... work closely with Malaysian Airlines security staff and provide an advisory service to airlines with direct flights to Australia. In particular, the ALOs provide training on

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33 Mr James Fox, *Transcript 9 October 2006*, p. 20.

34 Mr James Fox, *Transcript 9 October 2006*, p. 18.

35 The estimated overstayer rate is calculated by dividing the estimated number of overstayers by the number of visitor arrivals whose visas had ceased in the reporting period. DIMA, *Submission No. 33*, p. 264.

36 DIMA, *Submission No. 33*, p. 264.

37 DIMA, *Submission No. 6*, p. 33.

38 Mr James Fox, *Transcript 9 October 2006*, p. 18.

39 Mr James Fox, *Transcript 9 October 2006*, p. 24.

Australian entry requirements and on the security features of Australian passports and Australian visas.<sup>40</sup>

- 5.34 Figures provided by DIMA show that in 2004–05 the number of the Malaysian passport holders that were refused entry totalled 541. This increased in 2005–06 to 599. In the first half of 2006–07 the number of refusals was 250.<sup>41</sup>

## People smuggling

- 5.35 In 2002, Ministers and law-enforcement agencies from 42 countries launched an initiative on people smuggling – the Bali Process. The objective was to combat people smuggling, trafficking and related transnational crime in the Middle East, Asia, and Pacific regions.<sup>42</sup>
- 5.36 DIMA told the Committee that Malaysia had ‘been a very good ally in efforts to stop people smuggling’ and was a ‘very active participant in the Bali Process’.<sup>43</sup> Further, the Australian agencies represented in the Kuala Lumpur High Commission, such as the Australian Federal Police and immigration officials, had a very effective relationship with their Malaysian counterparts.<sup>44</sup> DIMA added:

They have taken strong action against people who are forging documents within their country, and we have helped them with that through the provision of document examination experts to Malaysia. ... They have tightened up their visa-free arrangements and they also now record biometric details of foreign workers and any of those found to be illegal. ... They have also included biometric chips in their passports since 1998. That certainly helps them to deal with their own border control, but it also helps us to deal with ETA abuse ...<sup>45</sup>

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40 DIMA, *Submission No. 6*, p. 38.

41 DIMA, *Submission No. 33*, p. 264.

42 DIC, *Australian Immigration Fact Sheet 73, People Smuggling*, p. 2, <<http://www.immi.gov.au/media/fact-sheets/73smuggling.htm>> accessed February 2007.

43 Mr James Fox, *Transcript 9 October 2006*, p. 19.

44 Mr Peter McColl, *Transcript 9 October 2006*, p. 26.

45 Mr James Fox, *Transcript 9 October 2006*, p. 26.

## Committee comment

- 5.37 The Committee acknowledges the achievements of Malaysians residing in Australia in integrating into the community. The Committee is confident that they are making a significant contribution to Australia's way of life.
- 5.38 The lower than average adoption of Australian citizenship by Malaysian born residents is disappointing. Malaysia's policy, like many other countries, of not allowing dual citizenship may be a contributing factor in discouraging Malaysian migrants to fully commit to Australia.
- 5.39 The Committee acknowledges the efforts of DITR to promote the Australian tourism market in Malaysia, and that a new Australia-Malaysia service is being introduced by Qantas.
- 5.40 The Committee considers that Tourism Australia's recent 'Where the Bloody Hell are You' campaign is not appropriate for all cultures. The Committee expects Tourism Australia to mount any tourism promotion in Asian countries in an appropriate manner. The content and presentation of the *Malaysian Visitors Guide to Australia* shows that Tourism Australia is sensitive to the culture of its target audience.
- 5.41 Regarding border security and people smuggling, the Committee acknowledges the contribution of the Malaysian Government to addressing the problem in the region.
- 5.42 Closer to home, the Committee does not share DIMA's apparent complacency concerning the estimated overstayers rate for Malaysians.
- 5.43 From 2003-04 to 2005-06, the proportion of Malaysian overstayers more than doubled, and the estimated overstayers rate for Malaysians in 2005-06 is triple that for all visitors to Australia. While the number of Malaysian passport holders being refused entry has risen, it is unclear whether this will be sustained in 2006-07.

**Recommendation 3**

5.44 The Department of Immigration and Citizenship review:

- the reasons for the increase in Malaysian overstayers; and
- the reasons for the increase in the number of Malaysian passport holders being refused entry to Australia.

**The Department should report to the Minister, providing strategies, with associated performance targets, for addressing the problem.**

