



# Australian Government

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## Department of Immigration and Multicultural and Indigenous Affairs

### SUBMISSION

BY

THE DEPARTMENT OF IMMIGRATION AND MULTICULTURAL  
AND INDIGENOUS AFFAIRS

TO THE **SENATE**

FOREIGN AFFAIRS, DEFENCE AND TRADE REFERENCES COMMITTEE

IN RELATION TO THE INQUIRY INTO

### **AUSTRALIA'S RELATIONS WITH CHINA**

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## **EXECUTIVE SUMMARY**

Strong economic and other complementarities between Australia and China are reflected in the growth and sophistication of programs managed by the Department of Immigration and Multicultural and Indigenous Affairs (DIMIA).

China is the largest source of business visitors to Australia. More Chinese students come to Australia than from any other country. More than a quarter of a million Chinese nationals visit Australia each year, making China the fifth highest ranked source country for visaed arrivals. Survey results show that operation of the Approved Destination Status (ADS) scheme for tourists travelling to Australia qualitatively outperforms major Western competitors.

The China-born are one of the youngest and most highly educated communities in Australia. China is the third largest source country for the offshore component of the General Skilled Migration program (behind the United Kingdom and India) and the second largest source country for the onshore component (behind India).

Innovations introduced by DIMIA have improved processing times and delivered more sophisticated lodgment mechanisms. Centralised processing arrangements have been developed in consultation with community and other stakeholders. Student visa requirements and assessment arrangements have been streamlined. China is an early participant in an internet lodgment (eVisa) trial for student visa applicants.

Australia and China have shared interests in managing the complexities of migration and border control, particularly as more Chinese nationals take advantage of greater opportunities to travel for business, education and tourism. Cooperation has led to decreased irregular migration by sea, increased efforts to combat fraud, and action on migration and law enforcement.

China is a leading country in a number of regional forums in which Australia has significant migration management and border control interests. It currently chairs the Inter-Governmental Asia-Pacific Consultations on Refugees, Displaced Persons and Migrants (APC) and is a participant in the Regional Ministerial Conference on People Smuggling, Trafficking in Persons and Related Transnational Crime (Bali Process). China actively participates in the APEC Business Mobility Group (BMG) chaired by Australia.

## **TERMS OF REFERENCE**

The terms of reference for the Senate Foreign Affairs, Defence and Trade References Committee inquiry are detailed below. Those of relevance to DIMIA, which are addressed by this submission, are in bold.

**(a) Australia's economic relationship with China with particular reference to:**

- i. economic developments in China over the last decade and the implications for Australia and the East Asia region;**
- ii. recent trends in trade between Australia and China;
- iii. the Australia-China Free Trade and Economic Framework and possibility of a free trade agreement with China;
- iv. ongoing barriers and impediments to trade with China for Australian businesses;
- v. existing strengths of Australian businesses in China and the scope for improvement through assistance via Commonwealth agencies and Australian Government programs;
- vi. opportunities for strengthening and deepening commercial links with China in key export sectors;**

**(b) Australia's political relationship with China with particular reference to:**

- i. China's emerging influence across East Asia and the South Pacific;**
- ii. opportunities for strengthening the deepening political, social and cultural links between Australia and China;**
- iii. political, social and cultural considerations that could impede the development of strong and mutually beneficial relationships between Australia and China; and**

**(c) Australia's responses to China's emergence as a regional power with particular reference to:**

- i. China's relationships in East Asia, including in particular the Korean Peninsula and Japan;**
- ii. the strategic consequences of a China-ASEAN free trade agreement;
- iii. China's expanded activities across the South West Pacific.**

## **ECONOMIC RELATIONSHIP**

The growth of Chinese nationals visiting Australia can be partly attributed to changes in contemporary Chinese migration. These changes include China's integration into the global economy and greater scope for Chinese citizens to apply for a passport. Economic growth in China and the current global demand for highly skilled workers are also key factors shaping the profile of immigrants from China.

Chinese nationals make up the highest number of overseas students in Australia, the highest number of visitor visa applications (not including the electronic travel authority applications), largest source of business visas, second highest number of family stream visa grants and third largest source for the offshore component of the General Skilled Migration program.

DIMIA contributes to the economic relationship between Australia and China by ensuring that temporary entry and permanent migration programs are responsive to the economic needs of both countries. In particular, Chinese nationals are highly represented in Australia's student entry program and short stay business program.

### ***Entry at Border***

In the 2003–04 financial/program year there were over 9.3 million passenger arrivals at Australian international air and sea ports. Of these, approximately 5.3 million were visaed passengers with approximately 274,000 (or 5.2 per cent) from China. This places China as the fifth highest ranked country in terms of nationals entering Australia. Table 1 below gives a breakdown of the total visaed arrivals to Australia and visaed arrivals of people from China.

***Table 1. Visaed arrivals in Australia***

	<b>2000-01</b>	<b>2001-02</b>	<b>2002-03</b>	<b>2003-04</b>
<b>Total visaed arrivals</b>	5,322,831	5,040,781	4,921,139	5,282,484
<b>Chinese nationals</b>	179,541	222,113	231,519	274,309
<b>Chinese nationals as % of total</b>	3.37%	4.41%	4.70%	5.19%
<b>China's position in relation to other nationalities</b>	7 <sup>th</sup>	5 <sup>th</sup>	5 <sup>th</sup>	5 <sup>th</sup>

# 1 TEMPORARY ENTRY

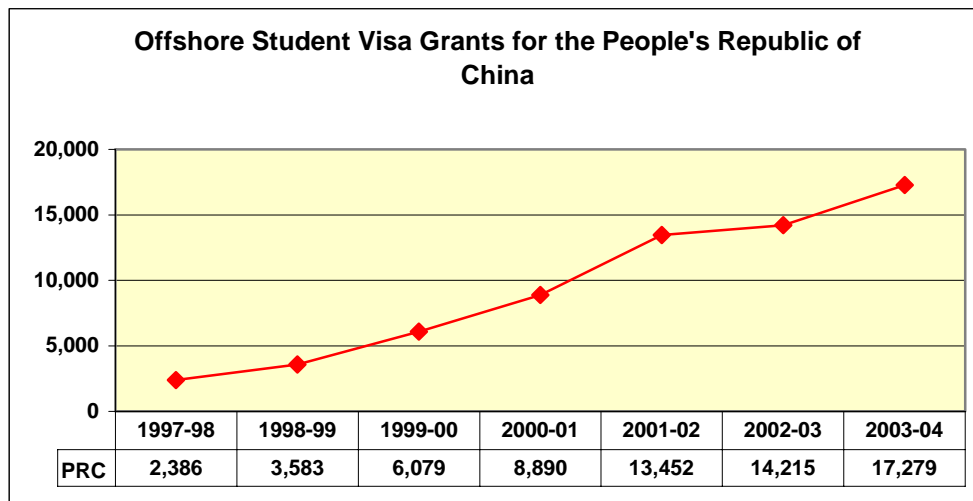
## 1.1 Student Visa Program

### 1.1.1 Overview

The Student Visa Program enables overseas students to come to Australia to undertake full-time study in registered courses in Australia. According to the Department of Education, Science and Training (DEST), overseas students contribute more than \$5.6 billion in export earnings annually. Education is Australia's leading services export to China. It directly and indirectly contributes about 46,000 jobs for Australians.

China has been the leading source country for overseas study in Australia for a number of years. In the 2003-04 program year Chinese nationals constituted over 16 per cent of the total number of student visas granted. As at 30 September 2004, there were some 42,209 Chinese students and their dependants in Australia.

**Table 2. Offshore Student Visa Grants**



As at 28 February 2005, indicative data suggested a softening in growth in the numbers of visas granted to students from China when compared with the previous program year:

- Total grants were up by 1.0 per cent (from 17,930 to 18,110)
- Offshore grants declined 8.4 per cent (from 12,641 to 11,582)
- Onshore grants rose 23.4 per cent (from 5,289 to 6,528).

The downturn in grants and applications is not unique to Australia – Canada and the United States report a similar trend. Canada experienced a 57 per cent drop in Chinese student numbers in the first quarter 2004 (CIC Canada, The Monitor: Summer 2004 Issue, [www.cic.gc.ca](http://www.cic.gc.ca)). Chinese enrolments in the USA have also declined in recent times, dropping by 20 per cent in 2004 (Open Doors 2004 Annual Report, Nov 2004).

The factors contributing to this market adjustment are varied and include an increase in the number of private education providers in China making secondary education more accessible within China. In addition, many students may be opting to study short courses which they can access both internally and from elsewhere. Japanese and Korean investment in China has also created employment market demand for those with Japanese and Korean educations.

### **1.1.2 Recent Reforms**

The current student visa arrangements were introduced in 2001 following a comprehensive review of the program. In recognition of the significant economic and cultural benefits that overseas students bring to Australia, the student visa requirements and assessment arrangements were devised to allow for sustained growth in the international education industry while preserving the integrity of the student visa program.

The student visa reforms of 2001 were a catalyst for strong growth from Chinese applicants, particularly in the Higher Education and English Language Intensive Courses for Overseas Students (ELICOS) sectors. One of the factors contributing to this growth included changes to the English language requirements. These changes resulted in an immediate growth in grants across most sectors from the 2001-02 program year. The Higher Education sector reported an increase of Chinese enrolments by 125 per cent in 2001-02 the first year of the reforms, 74 per cent in 2002-03 and 63 per cent in 2003-04.

In 2002, the Department initiated a review of these reforms and made a number of further changes in December 2003 to enhance the flexibility of the student visa requirements. In broad terms, the changes introduced greater consistency in the financial requirements across student visa subclasses and added flexibility to the English language requirements and financial evidentiary requirements for higher risk applicants (including the Chinese caseload).

The Department monitors the changes and their impact on the program closely. Minor enhancements continue to be made to address emerging issues and trends in the overseas education industry.

### **1.1.3 Processing of Chinese Student Visa Applications**

DIMIA has taken a number of steps to facilitate the lodgement and processing of student visa applications from China.

In March 2002, the Adelaide Offshore Student Processing Centre was established as a central point in Australia for the lodgement of student visa applications from Chinese nationals resident in China. This pilot project was designed to accommodate the growing number of applications received from China and to relieve pressure on DIMIA's Beijing office. The Adelaide Processing Centre is now responsible for deciding all student visa applications received from China.

On 1 November 2004, DIMIA commenced a formal internet lodgement (eVisa) trial for student visa applicants from China, Thailand and India. The student eVisa facility



has been available for visa applicants from some lower risk countries since July 2002. As a quality control and client facilitation measure, students from the trial countries are able to access the eVisa facility through local education agents who have an access agreement with DIMIA rather than by individually going on line. Interest in eVisa from Chinese agents has been very high and there are 72 Agencies (290 education agents) participating in the trial. Performance of the eVisa system and agents will be monitored over the course of the trial, focussing on visa processing times, approval rates and compliance outcomes for students granted visas in this way.

Significant improvements to the Department's website have also made applying for a visa a quick and easy process. Improved website information such as the introduction of *Your Student Visa – Step by Step* was recently introduced to the Department's website to assist students and education agents understand and meet the requirements needed for the grant of a visa.

#### **1.1.4 Professional Development Visa**

The Professional Development Visa (PDV) scheme was launched on 1 July 2003, with the majority of overseas organisations participating in the scheme coming from China.

The scheme allows Australian training providers and other Australian businesses to provide tailored training programs to groups of professionals, managers and government officials from overseas.

The scheme has supported the development of partnerships between Australian organisations (mainly universities), and Chinese government agencies (at national, provincial and municipal levels), for the purpose of meeting the agencies' specific training needs.

As at 28 February 2005, 28 PDV sponsorships had involved partnerships with Chinese organisations. Over 200 Chinese nationals have been granted PDVs in association with these sponsorships.

Professional development training programs that have been especially tailored to meet the needs of these Chinese government agencies include:

- Masters of International Management Program delivered in Mandarin;
- Masters of Public Administration;
- English Language;
- Hospital Management;
- Senior Training in Finance; and
- Professional Teaching in Higher Education.

The ability of Australian organisations to offer such tailored training supports Australia's bilateral, economic and political relations with China, and demonstrates Australia's commitment to support China in the development of its key economic and social institutions.

### **1.1.5 Introduction of the Student Guardian visa**

Since 1 January 2004, a parent, legal custodian or relative has been able to apply for student guardian visa to accompany a student visa holder who is under 18 years of age or who has a physical or cultural need for an adult companion to accompany them to Australia,. This visa was initiated as one of a number of responses by DIMIA towards addressing the pastoral needs of younger students and of applicants whose cultural norms prevented them from travelling unaccompanied. Initially, interest in this visa from Chinese applicants was relatively low but increased during the second half of 2004.

### **1.1.6 Student Welfare Issues**

In addition to the student guardian visa, DIMIA has worked closely with DEST to identify emerging student welfare concerns and to address these through early intervention with providers and/or by targeted information sessions on the obligations and responsibilities of providers and students. Student Welfare Reference Groups involving relevant government agencies, providers, students and community and industry representatives have met in four states since early 2004, sharing information and discussing concerns, liaising with police and welfare agencies, and identifying examples of 'best practice' which can be disseminated more broadly throughout the industry.

Issues relating to student welfare also formed part of DIMIA's submission to the ESOS Act Evaluation in October 2004. The ESOS Act provides the appropriate framework for DEST to advance these issues with stakeholders within the broader context of international education

### **1.1.7 Occupational Trainee Visa**

The Occupational Trainee Visa allows overseas nationals to undertake a supervised training program that is workplace-based rather than classroom-based. It is designed to increase their skill level in their occupation, field of study or expertise.

In 2003-04, 286 Occupational Trainee visas were granted to Chinese nationals.

### **1.1.8 Transition of Students into the Skilled Migration Program**

DIMIA recognises that overseas students educated or trained in Australia have the potential to contribute significantly to the economic and social development of Australia. Recent policy and regulation changes designed to facilitate the transition of students who had been studying in Australia into the skilled migration program have proved very effective. The pathway from study to skilled migration will assist Australia to retain its strong market appeal to China.

## 1.2 Visitor Entry

### 1.2.1 Visitor visa program and China

China's rapid economic and business development, underpinned by domestic economic reforms and opening to international competition and trade, has led to increased movement for business or other purposes.

DIMIA's efficient and effective programs support Australia's response to these opportunities, encouraging tourism from Chinese nationals, helping Australian business to extend into China, and encouraging Chinese business entry into Australia. Tourism and business visits from Chinese nationals continue to grow both in number and as a proportion of arrivals.

China is the largest source country of visitor visa applications, not including countries that use the Electronic Travel Authority to apply for visitor visas. Arrivals rose from 60,354 in 1997-1998 to 171,568 in 2003-2004 to 105,264 in the first six months of 2004-2005 - see Table 3 below. A major contributor is the Approved Destination Status (ADS) Scheme under which increasing numbers of Chinese visitors travel (see section 1.2.2).

The past ten years has also witnessed strong growth in the numbers of Chinese nationals applying for short-stay business visitor visas for Australia – from 49,327 in 2002-2003 to 62,160 in 2003-2004, an increase of 26%. Chinese nationals are the highest number of Business Visitors of any nationality.

**Table 3. Chinese Visitor Arrivals**

Year	Number of Chinese Arrivals
1997-98	60,354
1998-99	61,361
1999-2000	82,100
2000-01	117,216
2001-02	146,438
2002-03	158,754
2003-04	171,568

Visitor visa grant data from 1999-2000 to the present show increased numbers of grants in each program year. Grant numbers increased from 80,974 in 1999-2000 to 162,116 in 2003-04 to 109,477 in the first six months of 2004-05.

In the period 1 July to 31 December 2004, Chinese nationals lodged 116,872 Visitor visa applications, an 18.89 per cent increase over the same period in 2003. This followed a large increase in Visitor visa applications noted in the 2003-04 program year (a 28.25 per cent increase). Streamlined application pathways are available for reliable Chinese organisations such as Central Government Ministries.

Processing times for visa applications continue to improve:

- Applications from Central Government Ministry and other reliable organisations are processed in three days;
- Group tourists travelling under the Approved Destination Scheme arrangements are processed in two days;
- Processing time for all other visitor applications is 10 working days.

Australian overseas posts continue to detect significant amounts of fraud in the caseload. DIMIA is working with the Chinese Ministry of Public Security and Ministry of Foreign Affairs to address this.

The Non-Return Rate for Chinese nationals has been falling: 0.62 per cent of Visitor arrivals in the period 1 July to 31 December 2004, compared with 0.84 per cent in 2003-04, 1.17 per cent in 2002-03 and 2.15 per cent in 2001-02.

### **1.2.2 Visitor Visa Program Initiatives - Approved Destination Status Scheme**

The Approved Destination Status (ADS) scheme is an initiative of the Chinese Government. It allows Chinese citizens access to streamlined group travel to other countries - arranged and coordinated through gazetted travel agents. Australia, with New Zealand, was the first Western country to be approved as a destination under the scheme.

The ADS scheme has been extremely successful in providing an avenue for increasing numbers of Chinese tourists to visit Australia, while ensuring high levels of integrity and compliance with visa conditions. Since the inception of ADS in August 1999 to 31 December 2004, 141,719 tourists have arrived on ADS visas.

Recent research by the Australian Tourist Commission indicates that 73 per cent of ADS travellers would recommend Australia as a holiday destination to family and friends and 54 per cent would like to return for another holiday within five years. On both counts, Australia performs better than its major Western competitors – United States, Canada and Europe.

Prior to July 2004, the ADS operated in three regions in China: the Beijing and Shanghai Municipal Governments and Guangdong province. On 1 July 2004, the ADS was expanded to include six new regions: Hebei, Tianjin, Shandong, Chongqing, Zhejiang and Jiangsu.

Twenty-five new agents in these six new regions and 13 new agents in existing regions were gazetted to participate in the ADS Scheme from 30 June 2004, bringing the total number of participating agents to 77.

The expanded number of regions and agents now participating in the ADS is expected to result in larger numbers of ADS arrivals in Australia.

The ADS Non-Return Rate in 2003-04 was 0.39 per cent compared to 0.85 per cent for all Chinese nationals entering on short stay visitor visas and 1.63 per cent for all

arrivals by subclass 676 holders. The 2003-04 rate was higher than the 2002-03 rate of 0.28 per cent.

- In the period 1 July to 31 December 2004, the Non-Return Rate was 0.47 per cent, compared with 0.38 per cent for the same period in 2003
- The higher Non-Return Rate can be attributed to the higher number of arrivals and the fact that several new agents have been recently gazetted.

**Table 4. Approved Destination Status Scheme Arrivals**

Approved Destination Status Scheme - China	
Year	Number of arrivals
1999-2000	6,960
2000-01	24,555
2001-02	31,306
2002-03	28,044
2003-04	31,633
1 July to 31 December 2004	19,221

### **1.3 Short Stay Business Visitor Program**

China is Australia's largest source of business visitors. In the period 1 July to 31 December 2004, 52,754\* Business Visitor visas were granted to Chinese nationals (excluding Hong Kong SAR), 132 per cent more than the next highest source country (USA), and a 54 per cent increase over the numbers granted to Chinese nationals from July to December 2003. The total number of Business Visitor visas granted to Chinese nationals in 2003-04 was 62,160 a 26 per cent increase over 2002-03. These increases in Business Visitors from China reflect the continuing strong growth in bilateral trade.

#### **1.3.1 Sponsored Business Visitor Program**

Under this program Australian State, Territory and Commonwealth Government agencies, as well as specified business organisations, are able to provide formal sponsorship for individuals and business delegations intending short-term business visits to Australia.

The Department is committed to improving its service to Chinese clients and to Australian and Chinese business. With this in mind, on 1 March 2004, several initiatives were put in place to make this visa program more 'business friendly', including:

- broadening of the sponsorship base
- interactive partnerships between DIMIA and sponsors.

Discussions are currently being held with representative organisations in Australia who deal with China.

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\* Includes 52,731 Short Stay Business Visitors (Subclass 456) and 23 Sponsored Business Visitors (Subclass 459).

### **Visit to Australia by Amway personnel**

As China's economy continues to grow, Australia has become an increasingly popular destination. In January 2005, the Amway company (which is expanding its activities in China) decided to reward some of its "super sales" personnel with a short, all expenses paid visit and incentive trip to Sydney.

Amway, DIMIA, appropriate posts, Tourism Australia and other stakeholders liaised for some months to facilitate the entry and stay of the selected sales personnel.

Almost 14,000 Amway sales personnel were granted visas and each applicant was granted entry to Australia for 8 days with the 'No Further Stay' condition attached.

The Amway personnel began to arrive in Sydney in groups of about 1250 people from 8 January 2005. The eighth and last group departed on 25 January 2005.

The Amway visit and incentive trip added some \$53 million dollars to the Australian economy.

### **1.3.2 Sponsored Family Visitor Visa Program**

The Sponsored Family Visitor program allows Australian citizens and permanent residents the opportunity to formally sponsor their relatives to visit Australia. Members of Parliament are also able to sponsor visitors under this program. In order to strengthen the integrity of this Visitor program a security bond may be requested.

This program has proved to be a successful mechanism for allowing applicants, where there are some residual concerns about their intentions, to be granted a visa to visit family in Australia.

From 2 April 2005, following extensive community consultations, the processing of the caseload will be done in Australia and a period of stay of up to 12 months will be allowed (from the current maximum of 3 months).

In the period 1 July to 31 December 2004, the number of applications from Chinese nationals fell by 2.8 per cent over the same period in 2003.

However, the approval rate has increased significantly in the same period - from 54.87 per cent in this period in 2003 to 79.98% in 2004.

The Non-Return Rate for Chinese nationals holding Sponsored Family Visitor visas was 1.32 per cent in the period 1 July to 30 November 2004 - compared with a 2003-04 program year Non-Return Rate of 2.16 per cent for Chinese nationals holding this visa. The Non-Return Rate has been steadily decreasing over the last few years - from 7.13 per cent in 2000-01.

## 1.4 Chinese rates for breaching visa conditions

In the 2003-04 financial / program year, 20,003 unlawful non-citizens (UNCs) were located by DIMIA. Of these 2,576 were Chinese nationals. Of the unlawful non-citizens located, 3,405 were confirmed as working illegally. Of those located working illegally, 553 were Chinese nationals.

**Table 5. Locations – Unlawful non-citizens and illegal workers**

	2002-03	2003-04
<b>Locations – unlawful non-citizens - total</b>	21,465	20,003
<b>Locations – unlawful non-citizens – Chinese nationals</b>	2,550	2,576
<b>Locations – UNC working illegally - total</b>	3,233	3,405
<b>Locations – UNC working illegally – Chinese nationals</b>	492	553

The top five industries of concern where Chinese nationals were located working illegally in the 2002-03 and 2003-04 financial years were:

- Accommodation, cafes and restaurants;
- Construction;
- Manufacturing;
- Personal and other services (sex industry); and
- Retail trade.

## 2 PERMANENT MIGRATION

### 2.1 China-born Community in Australia

The Chinese have been a vibrant social and economic presence in Australia for the past 170 years. As one of the oldest immigrant groups in Australia, the Chinese began arriving in significant numbers following the discovery of gold in Victoria in the early 1850s and have continued to be one of the largest and most economically active communities in Australian society.

According to the 2001 Census, the China-born are one of the youngest and most highly educated communities in Australia. In terms of demographics, they are the fifth largest birthplace group in Australia at 3.5 per cent of the overseas-born population. The population of Chinese in Australia is likely to continue growing through their involvement in higher education, business and skilled migration, and family reunion in Australia.

The China-born community is concentrated in large cities, such as Sydney, Melbourne and Brisbane.

### 2.2 Permanent Migration Program

DIMIA's Migration (non-humanitarian) Program consists of two principal streams - the Family Migration Stream and the Skilled Migration Stream. In addition, there are

also places reserved for the Special Eligibility migrants (people in several categories, including former Australian citizens who have unavoidably lost their Australian Citizenship and have maintained ties with Australia).

Table 6 outlines the breakdown of China-born persons who have settled in Australia under the Migration Program for the past eight years. Depending on the category, visa applications can be lodged either onshore (in Australia) or offshore. The table illustrates that while family migration has remained relatively consistent, skilled migration for China-born persons has experienced a period of growth.

**Table 6. Permanent Additions (Chinese nationals) to Australia's population**

Stream	Financial Year	Visa Application Location		Grand Total
		Onshore	Offshore	
<b>Family</b>	1996-97	1324	5317	6641
	1997-98	648	2538	3186
	1998-99	826	3246	4072
	1999-2000	705	2798	3503
	2000-01	714	2410	3124
	2001-02	795	2896	3691
	2002-03	697	3298	3995
	2003-04	907	3816	4723
<b>Family Total</b>		<b>6616</b>	<b>26319</b>	<b>32935</b>
<b>Skilled</b>	1996-97	637	2236	2873
	1997-98	399	1642	2041
	1998-99	282	2455	2737
	1999-2000	294	2703	2997
	2000-01	621	3173	3794
	2001-02	1749	3264	5013
	2002-03	2360	3150	5510
	2003-04	3341	4725	8066
<b>Skill Total</b>		<b>9683</b>	<b>23348</b>	<b>33031</b>
<b>Special Eligibility</b>	1996-97	8	3	11
	1997-98	9		9
	1998-99	19		19
	1999-2000	1817		1817
	2000-01	1372		1372
	2001-02	580		580
	2002-03	269		269
	2003-04	215		215
<b>Special Eligibility Total</b>		<b>4289</b>	<b>3</b>	<b>4292</b>

### 2.3 General Skilled Migration

China is the third largest source country for the offshore component of the General Skilled Migration (GSM) program (behind the United Kingdom and India). It is the second largest source country for the onshore component (behind India).



In 2002-03 over 4,200 GSM visas were granted to Chinese nationals. In 2003-04, the number of visas granted increased to nearly 7,200 grants. To 31 December 2004 there have been nearly 4,300 GSM visa grants to Chinese nationals.

The new Skilled Independent Regional (Provisional) (SIR) visa may be an attractive option for Chinese nationals. SIR visa applicants require sponsorship from a State or Territory government and need to commit to living in regional Australia for at least two years.

General Skilled Migrants must nominate an occupation on the Skilled Occupations List (SOL). There are more than 350 occupations on the SOL. The majority of Chinese applicants, both in the onshore and offshore components of the GSM program, nominate either information technology or accountancy as their skilled occupation.

From 1 April 2005, all applicants for an onshore GSM visa (including Chinese nationals who are applying for permanent residency through the GSM program at the completion of their studies) will have the option of applying for their visa via the internet. It is expected that online lodgement should result in quicker processing and a high level of client service.

All GSM applications are processed at a dedicated processing centre in Adelaide. The Adelaide Skilled Processing Centre liaises regularly with DIMIA's offices in China to ensure that all staff in Adelaide are aware of issues facing applicants from China and that applications are processed appropriately.

## **2.4 Family Migration**

The Family stream has grown steadily, from 31,173 visas in 1996-97 to 42,229 visas in 2003-04. Over the same period, its share of the Migration Program fell from 49 per cent to 37 per cent as the Skill stream grew at an even faster rate reflecting a growing focus on skilled migration and its contribution towards Australia's social and economic welfare. At the same time, the absolute increase in the Family stream reflects the continuation of a strong commitment to family migration.

In 2003-04, citizens of China received the second highest (next to the United Kingdom) number of family stream visa grants, with 11 per cent of the total family stream visas granted.

### **2.4.1 Management of the Family migration stream in China**

The Australian Consulate-General in Shanghai processes all Family migration applications from mainland China except parent applications which are processed in Australia at DIMIA's Perth Offshore Parents Centre.

In 2003-04, DIMIA's offices in China granted 3,108 visas in the Family Stream

The statistics for applications lodged at DIMIA's offices in China in 2003-04 for the categories are:

- **Partner** - 3,460 partner category applications were lodged and 2331 were granted.

Many partner visa applicants have long-term migration plans for family members. This results in family members migrating to Australia under other visa subclasses, such as the Remaining Relative visa.

- **Child** - 530 Child category applications were lodged and 496 were granted. The Australia/China Adoption Agreement is discussed separately below.

- **Parent** - Chinese citizens make up the largest percentage of applicants in this category. All offshore applications in this category are lodged and processed in Australia.

For the 6 months to 31 December 2004, 472 Chinese citizens were granted parent visas.

- **Other Family** - 344 Preferential/Other Family category applications were lodged and 281 were granted. The Preferential visa component was repealed on 1 November 1999 and all residual applications have now been processed.

The majority of Other Family category applications are for Remaining Relative visas. The Aged Dependent Relative and Carer visas have highly specific requirements and consequently generate fewer applications than for the Remaining Relative visa subclass.

## 2.4.2 Australia/China Adoption Agreement

The adoption of Chinese children by Australian citizens is managed under the Australia/China Adoption Agreement which was finalised in late 1999. Approximately 290 children have been granted visas under this program since the first group of children arrived in Australia in September 2000.

Adoptions under the agreement have proceeded smoothly and Australian State and Territory adoption authorities have been happy with the continued development and expansion of the program.

It is expected that the program will continue to grow and that over 100 children will be adopted from China in the 2004-05 program year.

## 2.5 Protection Visas

Chinese nationals have access to Australia's protection determination process as do all others in the Australian migration zone who may *prima facie* raise Australia's protection obligations.

A corollary of the significant number of visitors to Australia from China is a significant number of protection visa applications. DIMIA records show that, as at 31 December 2004, of some 3680 initial protection visa (PV) applications lodged in the program year 2003-04, some 730 were lodged by Chinese nationals.

Where Chinese nationals are refused refugee status, it is reasonable to expect that the individuals concerned will return or be returned to China unless they have some other lawful basis to remain in Australia. Where a person no longer has an entitlement to stay in Australia, discussion takes place with the relevant authorities to facilitate their departure or removal to some other country. This is usually the person's country of origin.

## 2.6 Australian Citizenship Acquisition

At the 2001 Census, the rate of Australian Citizenship for the China-born in Australia was 82.6 per cent. The rate for all overseas-born was 75.1 per cent.

*Table 7. Number of Clients who acquired Citizenship by Grant*

	Birth Country		
	All	China	% of China Born
2000-01	72,070	4,581	6%
2001-02	86,289	5,102	6%
2002-03	79,164	6,447	8%
2003-04	88,035	6,162	7%
2004-05 (until 16 February)	41,968	2,938	7%

## 2.7 DIMIA funded Settlement Services

### 2.7.1 Migrant Community Services

Migrants and humanitarian entrants are assisted to participate equitably in Australian society through a number of government funded migrant community services. DIMIA provides funding for grants to not-for-profit community based organisations and local government under the Community Settlement Services Scheme (CSSS) and through funding to the national network of Migrant Resource Centres (MRCs) and Migrant Service Agencies (MSAs) to deliver settlement services.

In 2004-05 DIMIA supported the provision of settlement services to the migrant community through the administration of 323 service agreements. Of the Community Settlement Services Scheme service agreements, 21 were to provide services targeted at assisting China-born migrants.

The total amount awarded in CSSS grants to provide services to China-born migrants was \$1.8m in 2004/05 (of this, \$1.1m was for new CSSS grants).

The principal function of the CSSS is to fund services which will:

- provide information, orientation, referral and casework services to new arrivals;
- help new arrivals to settle in Australia and gain access to mainstream services;
- assist migrant communities to develop their capacity to organise, plan and advocate for their own needs; and

- develop settlement planning and service delivery networks to encourage delivery of culturally and linguistically appropriate services by mainstream service providers, including playing an advocacy role.

The China-born community has strong and established community networks and, as such, new migrants have a well developed network to assist in their settlement. The services specifically targeting China-born migrants are therefore generally more limited than those targeting small, emerging communities and refugees.

### 2.7.2 Adult Migrant English Program

The Australian Government invests more than \$100 million annually in the delivery of the Adult Migrant English Program (AMEP) to provide free basic English language tuition to newly arrived migrants and humanitarian entrants to help them successfully settle in Australia.

For the period 1999-2004, more than 37,600 new arrivals from China took advantage of the AMEP.

**Table 8. Chinese clients participating in the AMEP 1999-2004.**

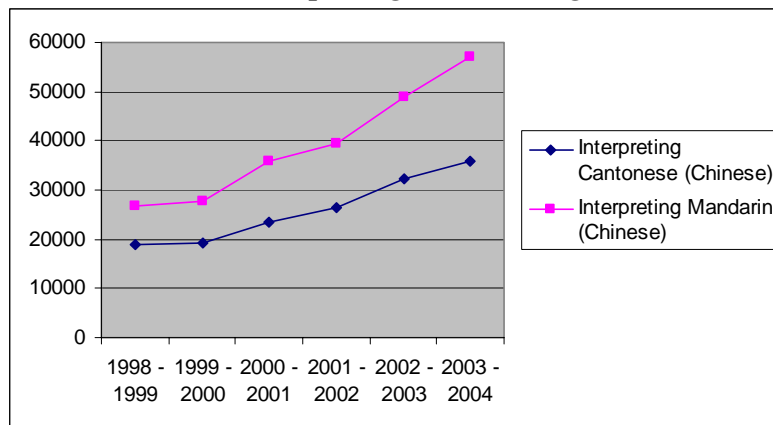
Category	2003-04	2002-03	2001-02	2000-01	1999-00
Family	2757	2877	3038	3642	4087
Humanitarian	67	67	68	72	90
Other	155	221	350	372	229
Skilled	1614	1640	1522	1330	1548
Temporary/Provisional	1864	2176	2356	2607	2854
<b>TOTAL</b>	<b>6457</b>	<b>6981</b>	<b>7334</b>	<b>8023</b>	<b>8808</b>

The AMEP is achieving positive outcomes. While 65% of Chinese clients entered the AMEP with Level 1 (basic) English proficiency in 2003-04, over 80% exited the program having obtained accredited outcomes with nearly 7.5% of them obtaining a Certificate in Spoken and Written English level 3 (functional English), the AMEP's highest accredited outcome.

### 2.7.3 Interpreting services

DIMIA, through TIS, provides fee-free interpreting services to six broad groups of organisations and individuals to enable effective communication with permanent residents or citizens of Australia whose English language skill is insufficient.

For the period 2003-04, 35,895 interpreting calls were provided fee-free by DIMIA to Cantonese speaking clients. A further 56,916 interpreting calls were provided for Mandarin clients. The following chart indicates services for Cantonese and Mandarin clients for the period 1998 to 2004.

**Table 9. Fee-Free Interpreting Service Usage – Mandarin and Cantonese**

DIMIA also provides fee-free translation of settlement-related, personal documents of permanent residents of Australia within the first two years of their arrival. Documents eligible for fee-free translation include eg birth/marriage/divorce certificates, driver's licences, education and employment documents.

In 2003-04, Chinese was the second highest translated language with a total of 840 documents translated.

## 2.8 “Diversity Works!” Program

With close to half a million Australians at the 2001 Census claiming Chinese ancestry, Australia has a wealth of language skills, cultural knowledge, networks and awareness of local business practices to assist it in strengthening its links with this part of the world.

The Australian Government's multicultural policy *Multicultural Australia: United in Diversity* commits to working with the private sector to maximise the economic and social benefits of Australia's cultural diversity. The Government meets this commitment through the “Diversity Works!” Program.

The aim of the Program is to encourage and support business to fully utilise the language skills, business networks, market knowledge and experience of Australia's culturally and linguistically diverse population to expand their business both domestically and overseas.

The Program operates throughout Australia and has established strong partnerships with a number of leading companies. It also works closely with various State and Territory Governments, as well as peak business/industry bodies such as Chambers of Commerce and Industry.

Through these networks the Program plays a significant role in supporting the development of business partnerships and consortia, especially those involving ethnic chambers of commerce and bilateral business associations, to enhance Australia's competitive advantage in the global marketplace.

The Program collaborates with key mainstream and ethnic business associations to host high profile events that provide the opportunity to:

- Foster and promote understanding of the business, economic and social benefits of Australia's cultural and linguistic diversity;
- Facilitate strategic partnerships between government, business and the wider community to maximise the benefits of this diversity;
- Highlight and raise awareness of the successful contribution to Australia from various ethnic communities economically and socially; and
- Promote and strengthen Australia's trade relationships through profiling trade and investment by businesses, bilateral organisations and chambers of commerce.

In May 2004 in Sydney, the Program co-hosted with the Hong Kong-Australia Business Association a business luncheon with the theme "Doing business with China".

The event attracted over 180 people representing membership of the Hong Kong Australia Business Association as well as Australia Business Ltd., Australia China Business Council, Australian Industry Group, China Chamber of International Commerce, China Council for the Promotion of International Trade, Hong Kong Trade Development Council and Graduate Management Association of Australia.

In addition to the former Minister for Citizenship and Multicultural Affairs, the Hon. Gary Hardgrave MP, the luncheon was addressed by Madame Fu Ying, Ambassador Extraordinary and Plenipotentiary of the People's Republic of China and the Hon. Warwick Smith, Executive Director of Macquarie Bank Ltd. and National President of the Australia China Business Council.

## **POLITICAL RELATIONSHIP**

Australia and China have shared interests in managing the complexities of migration and border control, particularly as more Chinese nationals take advantage of greater opportunities to travel for business, education and tourism. Cooperation has led to decreased irregular migration by sea, increased efforts to combat fraud, and action on migration and law enforcement.

### **1 BILATERAL COOPERATION – STRATEGIC**

#### ***1.1 Bilateral Agreements***

Australia and the China have in place a Memorandum of Understanding (MOU) on Cooperation in Combating Crime that provides a framework for co-operation in combating illegal immigration. The MOU (signed for Australia by the Attorney-General in 1999) covers border control, illegal immigration, smuggling and trafficking in human beings and the use of stolen or fraudulent travel documents. It allows for the exchange of information between parties, arrangements for conducting interviews and investigations and the exchange of documents, including stolen or fraudulent travel documents.

#### ***1.2 People smuggling to Australia***

Australia and China have an effective working relationship on returns of unauthorised boat arrivals. Between 1989 and 2000, 49 unauthorised boats originating from China arrived in Australia. Since July 2000, there have been no such arrivals.

Close liaison with Chinese authorities resulted in the return of those found not to be refugees. A Memorandum of Understanding concerning the “Safe Third Country” arrangement for Sino-Vietnamese settled in China has facilitated the return of such people who already have effective protection in China.

The Chinese Government has taken firm action against people attempting to depart China illegally. Chinese law provides for imprisonment of organisers of people smuggling operations and fines for their clients.

#### ***1.3 Immigration Detention and Returns***

Chinese authorities cooperate well with DIMIA to facilitate the issue of travel documents to Chinese nationals who are available for removal. Where a travel document is not issued, it is generally because the person available for removal refuses to cooperate with the removal process and/or provides insufficient identification to satisfy Chinese Government requirements.

In 2003-04, 961 Chinese nationals were detained, with 689 subsequently removed from Australia. There are a number of cases awaiting identification, with around 65

suspected Chinese nationals in immigration detention or on 'departure' Bridging Visas.

### **1.4 Senior level delegations**

The relationship between DIMIA and its counterpart agency, the Ministry of Public Security is strong.

The Minister for Immigration and Multicultural and Indigenous Affairs, the Hon Senator Amanda Vanstone visited China from 26 April until 1 May 2004, and met with counterpart ministers and senior officials from the Ministry of Public Security, Ministry of Foreign Affairs, Ministry of Civil Affairs and the National Tourism Administration.

In June 2004, the then Minister for Citizenship and Multicultural Affairs, the Hon. Gary Hardgrave met with a Chinese parliamentary delegation in Australia.

DIMIA senior officials meet regularly with Chinese counterparts in Australia or in China.

## **2 BILATERAL COOPERATION - WORKING-LEVEL**

### **2.1 Capacity building in immigration border management - Advance Passenger Information (API)**

At the invitation of China, and under the auspices of APEC, DIMIA is sponsoring and conducting an advance passenger information (API) feasibility study to assess the scope strengthening China's passenger processing capacity.

The feasibility study, expected to be completed by June 2005, is essentially an information gathering exercise, looking at strategic directions and the current border environment (including visa issuing systems, passports, alert system capacities and general border processing).

This work, part of an APEC Leaders initiative, is being conducted under the APEC Business Mobility Group, chaired by DIMIA. The addition of China to the number of economies participating in this initiative will help make travel in the APEC region safer, faster and easier.

### **2.2 Overseas compliance officer network - regional security network**

#### **2.2.1 Role of Overseas Compliance Officers (OSCOs)**

There are Australia Overseas Compliance Officers (OSCOs) in Beijing, Guangzhou, and two in Shanghai.



They are part of a network of 29 such officers, including in Taipei, Hong Kong SAR, Hanoi, Ho Chi Minh City, Phnom Penh, Manila, Kuala Lumpur, Jakarta and Bangkok.

They work closely with local authorities and other agencies detect fraud, as well as provide training and advice – working with other agencies and with airlines and Australian Airline Liaison Officers based in overseas airports.

### **2.3 Airline Liaison Officer Network - DIMIA officers working in the Asia region**

Airline Liaison Officers (ALOs) work with airlines at major overseas airports and colleagues from other countries to prevent the travel of improperly documented passengers and to facilitate the movements of genuine travellers.

DIMIA does not have an Airline Liaison Officer (ALO) on mainland China. But their presence throughout the region has a significant deterrent effect to the benefit of Australia as a destination country and China as a transit and source country.

The highest percentage of interdictions by ALOs located at international airports concerns people who claim to be citizens of China (approximately 18 per cent). But, as a percentage of total Chinese movements, the rate of non-*bona fide* travelers is low.

It is anticipated that there will be increased direct passenger traffic from Shanghai following the advent of Qantas non-stop flights to Australia in 2004. DIMIA has further built on its close relationship with border control authorities in Shanghai and plans to establish an airline liaison officer-type position in Shanghai International Airport.

# **AUSTRALIA'S RESPONSE TO CHINA'S EMERGENCE AS A REGIONAL POWER**

## **1 Regional Cooperation**

China is a leading country in a number of regional forums in which Australia has significant migration management and border control interests. It currently chairs the Inter-Governmental Asia-Pacific Consultations on Refugees, Displaced Persons and Migrants (APC) and is a participant in the Regional Ministerial Conference on People Smuggling, Trafficking in Persons and Related Transnational Crime (Bali Process). China actively participates in the APEC Business Mobility Group (BMG) chaired by Australia.

### **1.1 Asia Pacific Economic Cooperation (APEC)**

#### **1.1.1 APEC Business Mobility Group (BMG)**

Asia-Pacific Economic Cooperation, or APEC, is a key forum for facilitating economic growth, cooperation, trade and investment in the Asia-Pacific region. DIMIA chairs the APEC Business Mobility Group (BMG). The BMG is one of the working groups within APEC and is focussed on facilitating business movement in a way that will contribute to trade liberalisation and investment in the APEC region.

The group conducts regular capacity building programs in areas such as travel document examination, document security and professional service. These projects are funded by the APEC Trade and Investment Liberalisation Fund (TILF) special account.

#### **1.1.2 China's participation in the BMG**

China is an active participant in the APEC BMG and has been involved in a number of projects and initiatives including:

- APEC Business Travel Card (ABTC);
- Advance Passenger Information (API);
- travel document security;
- immigration legal infrastructure;
- exchange of information; and
- professional service and standards.

#### **1.1.3 Asia Pacific Economic Cooperation (APEC) Business Travel Card (ABTC)**

There are currently 16 participating APEC economies in the APEC Business Travel Card (ABTC) scheme. The ABTC provides pre-clearances to ABTC holders to all

participating economies. This provides multiple entry facilities for short term stay and access to special express processing lanes on departure and arrival in participating economies.

China became a participant in the ABTC scheme in October 2003. There has been significant interest in the APEC card since China joined the scheme.

Processing of the pre-clearances in China is taking time, but is expected to improve once the system and process have been bedded down. Australia is working with China to increase the awareness of the scheme with airlines servicing China.

## **1.2 *Inter-Governmental Asia-Pacific Consultations (APC) on Refugees, Displaced Persons and Migrants***

### **Inter-Governmental Asia-Pacific Consultations on Refugees, Displaced Persons and Migrants (APC)**

China is a key contributor to the APC and is the APC Chair for 2005.

Established in 1996, the aim of the APC is to promote dialogue and explore opportunities for greater regional cooperation on issues relating to protection and migration issues.

The following 36 governments are participants in the APC:

Afghanistan; Australia; Bhutan; Brunei Darussalam; Cambodia; China; Fiji; Hong Kong SAR; India; Indonesia; Japan; Kiribati; Republic of Korea; Laos; Malaysia; Micronesia; Mongolia; Myanmar; Nauru; Nepal; New Caledonia; New Zealand; Pakistan; Papua New Guinea; Philippines; Samoa; Singapore; Solomon Islands; Sri Lanka; Thailand; Timor Leste; and Vietnam.

The International Organization for Migration (IOM) and the United Nations High Commissioner for Refugees (UNHCR) are co-convenors of the APC. Since 2003, the Pacific Immigration Directors' Conference (PIDC) secretariat attends in an observer capacity.

## **1.3 *Bali Process***

China has made an important contribution to the Regional Ministerial Conference on People Smuggling, Trafficking in Persons and Related Transnational Crime (Bali Process).

The Bali Process is co-chaired by Australia and Indonesia. The main objective is to raise awareness and develop a higher level of cooperation between regional countries to combat people smuggling and trafficking. The focus is increasingly on practical cooperation between regional agencies.

China hosted a Bali Process law enforcement workshop in Shenzhen in November 2002. China was also the coordinator with Australia of a project to develop and implement model legislation to criminalise people trafficking and smuggling (projected completed in 2002). A further workshop on border management issues was hosted by China in the Macau Special Administrative Region in April 2004.

## **APPENDIX A - DIMIA operations in China**

DIMIA has officers in three posts in China, Beijing, Guangzhou and Shanghai. Beijing is the regional headquarters for the North Asia region. All of these posts have been involved in the trial of electronic lodgement of student visas.

### **BEIJING**

DIMIA has six Australian based officers (including a designated Compliance officer) and forty locally engaged employees (LEE) working in Beijing.

The post is responsible for overall management of DIMIA operations in China and for liaison with key Chinese agencies.

Beijing has been at the forefront of changes to work practices as a result of workload redistribution and global working initiatives.

The office handles a growing caseload of referrals from the various Offshore Processing Centres in Australia, as Chinese clients make up the largest group of applicants in the caseload repatriated to Australia.

### **SHANGHAI**

DIMIA has seven Australian based staff (including 2 designated Compliance officers) and sixty one LEE working in Shanghai.

Shanghai has become the processing hub for mainland China. In December 2002, Shanghai became the post for the lodgment and determination for non-ADS tourist visa applications from clients in the Beijing catchment. Since 1 July 2004, when Family visa processing was centralised in Shanghai, the post has become the processing hub for mainland China. The family migration caseload comprises mainly applicants in the Spouse and Fiancée classes. As well, Adoption visa processing transferred from Guangzhou to Shanghai from 1 September 2004.

Apart from Business Short Stay Visitor visas, the bulk of visas issued are to people wanting to visit relatives. The caseload includes large numbers of parents seeking to visit their children in Australia.

The office also handles a growing caseload of referrals from the various Offshore Processing Centres in Australia.

## **GUANGZHOU**

DIMIA has two Australian based staff and twenty seven LEE working in Guangzhou.

From 1 July 2004, DIMIA centralized all Family stream processing to Shanghai. Guangzhou will finalise migration applications that were lodged in Guangzhou prior to 1 July 2004 and Adoption visas lodged prior to 1 September 2004.

Guangzhou processes temporary entry visa applications (except students) for its provinces, Fujian, Guangdong, Hunan, Guangxi, Yunnan, Guizhou and Hainan.

Although Guangzhou is the most recent DIMIA post in China to receive ADS applications, the application rate has exceeded the ADS application rate of both Shanghai and Beijing.

The office also handles a growing caseload of referrals from the various Offshore Processing Centres in Australia.