Submission No 6

Inquiry into Australia's Relationship with Malaysia

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Joint Standing Committee on Foreign Affairs, Defence and Trade
Foreign Affairs Sub-Committee

Australian Government

Department of Immigration and Multicultural Affairs

SUBMISSION

BY

THE DEPARTMENT OF IMMIGRATION AND MULTICULTURAL AFFAIRS

TO THE

JOINT STANDING COMMITTEE ON FOREIGN AFFAIRS, DEFENCE AND TRADE

IN RELATION TO THE INQUIRY INTO

AUSTRALIA'S RELATIONSHIP WITH MALAYSIA

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Executive Summary

Malaysia is one of the top ten source countries for visitors to Australia, ranking seventh overall and fifth for international students in 2004-05.

Innovations by DIMA have reinforced Australia's reputation as an attractive destination for Malaysians. These include the Electronic Travel Authority (ETA), an electronic visa service for tourists seeking a longer stay in Australia, an electronic health application option - eHealth - available to all Malaysian eVisa applicants, including students, visitors and temporary skilled workers.

The Malaysia-born community has integrated very successfully and resides predominantly in Victoria, New South Wales, Western Australia and Queensland. Malaysians have accounted for an increasing proportion of the migration programme, rising from 1.8 per cent of the total programme in 1996-97 to 3.7 per cent in 2004-05. Malaysia was the fourth largest source country for skilled migrants in 2004-05 (after India, the United Kingdom and China), accounting for 4.9 per cent of such migrants.

DIMA has a strong and productive working relationship with Malaysian border-related agencies, particularly in cooperation to detect and prevent identity and passport fraud. DIMA has two Airline Liaison Officers (ALOs) located at Kuala Lumpur International Airport, and has established an exchange programme of airport officers. A senior DIMA forensic document examination expert was placed in Kuala Lumpur early this year to collaborate with officials from Malaysia and other regional countries, as part of a 2005-06 Budget counter terrorism initiative to strengthen cooperation with Asia-Pacific countries on document examination and immigration intelligence.

Malaysia is a significant partner for Australia in regional border security and related forums, including as a participant in annual consultations between ASEAN Directors General of Immigration and DIMA senior officials. Malaysia supports the Bali Process on People Smuggling and attends the Inter-governmental Asia-Pacific Consultations on Refugees, Displaced Persons and Migrants (APC). An important member of APEC, Malaysia participates in the APEC Business Travel Card Scheme and supports Australian initiatives such as Advance Passenger Information (API) systems.

Terms of Reference

The Foreign Affairs subcommittee of the Joint Standing Committee on Foreign Affairs, Defence and Trade shall examine and report on Australia's relationship with Malaysia with particular reference to:

1. Bilateral relations at the parliamentary and government levels;
2. Economic issues, including trade and investment;
3. Cultural and scientific relations and exchanges; and
4. Defence cooperation and regional security.

1. Bilateral relations at the parliamentary and government levels

This submission addresses bilateral and regional border security cooperation activities under Defence cooperation and regional security.

2. Economic issues, including trade and investment

Temporary entry programme

Malaysia is one of the top ten source countries for visitors to Australia, ranking seventh in 2004-05 with 138,699 visitor visas granted (3.8 per cent of the total).

2004-05 Visitor visa grants: Top ten nationalities	
United Kingdom	655,271
Japan	642,994
USA	385,827
Republic of Korea	223,002
China	195,912
Singapore	148,502
Malaysia	**138,688**
Germany	136,407
Canada	97,354
France	93,982

Innovations by DIMA, including the Electronic Travel Authority (ETA), have reinforced Australia's reputation as an attractive destination. Tourists and business visitors are able to obtain authority to travel over the internet or through their airline or travel agent. Almost all applications by Malaysians are made this way. The approval rate for Malaysian visitors has been 99.9 per cent or higher for the last three programme years.

Malaysian tourists seeking a longer stay in Australia also benefit from an electronic tourist visa service known as e676. This service allows Malaysians to apply for stays of up to 12 months over the internet, without having to wait in queues or surrender their passport during the application process.

There have been instances where the ETA service has been misused by individuals. In the 2004-05 programme year, 627 Malaysian visitors were located by DIMA as overstaying or in breach of their visitor visa conditions. Malaysian visitors are estimated to have accounted for eight per cent of overstayers by citizenship at 30 June 2005. 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.

Another DIMA innovation has been the electronic health application option - eHealth. This online health facility enables medical examinations to be completed electronically, facilitating faster processing times and greater integrity of the examinations in comparison to completing paper medical forms. eHealth is available to all Malaysian eVisa applicants, including students, visitors, and temporary skilled workers and was introduced in Malaysia in April 2006.

The number of Malaysians applying to visit Australia has fallen in recent years, slightly offset by growth in the number of people applying for short stay business visitor visas.

Visitor Visas: Applications and Approvals				
Passport Held	Year	Applications	Approvals	Approval rate (%)
Malaysia (All Visitor Visas)	2003-2004	147,778	147,340	99.92
	2004-2005	139,061	138,688	99.90
	2005-2006 to 31 May	115,185	114,883	99.94
Malaysia (Short Stay Business Visitor Visas Only) (a)	2003-2004	7,333	7,309	99.67
	2004-2005	7,836	7,810	99.67
	2005-2006 to 31 May	8,739	8,718	99.76
Global Total (for ETA Visitor Visas)	2003-2004	2,886,817	2,884,597	99.99
	2004-2005	2,971,704	2,969,903	99.98
	2005-2006 to 31 May	2,688,883	2,686,780	99.99
Global Total (for ALL Visitor Visas)	2003-2004	3,540,144	3,461,918	98.40
	2004-2005	3,655,560	3,589,947	98.50
	2005-2006 to 31 May	3,342,589	3,290,289	98.70

Note: Not all applications are decided in the program year that they are received.

(a) includes subclasses 456 (Business Short Stay), 956 (Electronic Travel Authority Business Entrant - Long Validity) and 977(Electronic Travel Authority Business Entrant - Short Validity)

Student visa programme

Malaysia also ranks among the top ten source countries for international students, ranking fifth in 2004-05, with 6,609 student visas granted offshore (about 5.7 per cent of the total). The ranking during the period to 31 May 2006 was sixth, with 7,684 visas granted. The approval rate for applications stands at over 98 per cent, well above the global rate of 92 per cent.

The Student Visa Program enables international students to come to Australia to undertake full-time study in registered courses. According to the Department of Education, Science and Training (DEST), international students contribute more than

$7.5 billion in export earnings annually. The international education industry directly and indirectly contributes about 48,000 jobs for Australians.

There has been very strong uptake by Malaysians of the student eVisa initiative, introduced for Malaysia in 2002 (over 96 per cent of applications that could be lodged in this way during the period to 1 July 2005 to 31 May 2006).

Compliance trends for Malaysian students continue to improve.

3. Cultural and scientific relations and exchanges

Malaysian community in Australia

The latest Census in 2001 recorded 78,850 Malaysia-born persons, predominantly in Victoria, New South Wales, Western Australia and Queensland.

The Malaysia-born community has integrated very successfully. Most community members are young, highly educated, proficient in English and relatively affluent. Many of them are employed in skilled and professional fields, such as finance, property, business, community services, education and medicine.

A Malaysian Festival is held at Darling Harbour annually on the first Sunday of September (coinciding with Malaysian Independence Day), organised by the Malaysia Fest Committee in conjunction with the Malaysian Consulate. The festival is well attended and DIMA has offered an information stall at the event for the past three years.

A community information summary of the Malaysian community is attached.

Malaysian permanent migrants 1996-97 to 2004-05

Malaysians have accounted for an increasing proportion of the migration programme, rising from 1.8 per cent of the total programme in 1996-97 to 3.7 per cent in 2004-05.

Particularly notable is strong growth in skilled migration to Australia. Malaysia was the fourth largest source country for skilled migrants in 2004-05 (after India, the United Kingdom and China), accounting for 4.9 per cent of such migrants. The main occupations are accountants, auditors, corporate treasurers, science, building, engineering or computing professionals.

The sharp increase in skilled migration from Malaysia in 2002-03 onwards was largely the result of a change in Australian policy which allowed former overseas students with Australian skilled qualifications to apply for migration onshore, without previous skilled work experience.
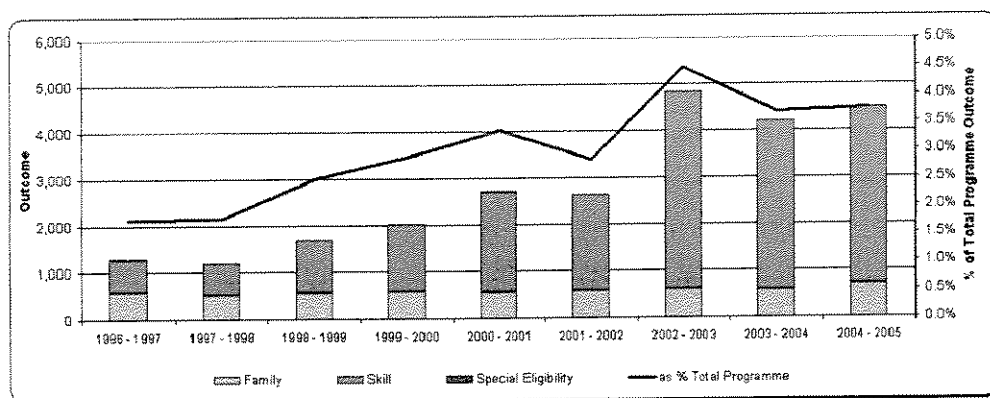
Migration program outcome for Malaysia – All locations combined

Stream	Category	1996 - 1997	1997 - 1998	1998 - 1999	1999 - 2000	2000 - 2001	2001 - 2002	2002 - 2003	2003 - 2004	2004 - 2005
Family	Spouse	351	383	414	399	390	433	414	366	446
	Fiance	35	31	26	54	45	26	46	30	45
	Interdependent	19	13	9	22	21	26	24	23	19
	Parent	94	16	29	15	24	13	15	70	90
	Designated Parent				17	1				
	Child	45	41	57	50	53	58	71	63	85
	Pref/Other Family	26	16	19	10	13	20	18	30	20
Family Total		570	500	554	567	547	576	588	582	705
Skill	ENS/LA	66	84	53	46	114	126	120	133	117
	RSMS		9	8	5	26	43	52	43	67
	STNI					13	9	8	28	37
	Independent/Skilled Independent	217	139	321	590	1,205	1,099	2,577	1,866	2,201
	SIR									26
	SAL/SAS	151	166	348	380	348	286	640	988	977
	Business Skills	267	280	398	425	439	492	839	552	357
	Distinguished Talent	3	1	1		3			1	
	1 November Onshore									
Skill Total		704	679	1,129	1,446	2,148	2,055	4,236	3,611	3,782
Special Eligibility		23	9	1	4	10		1	1	1
Programme Total		1,297	1,188	1,684	2,017	2,705	2,631	4,825	4,194	4,488
As a proportion of global programmes										
as % Family		1.5	1.6	1.7	1.8	1.6	1.5	1.4	1.4	1.7
as % Skill		2.0	2.0	3.2	4.1	4.8	3.8	6.4	5.1	4.9
as % Special Eligibility		1.3	0.8	0.1	0.1	0.4		0.1	0.1	0.2
as % Programme Total		1.8	1.8	2.5	2.9	3.4	2.8	4.5	3.7	3.7

4. Defence cooperation and regional security

Border security cooperation

DIMA has a strong and productive working relationship with Malaysian border-related agencies, including through day-to-day contact by a specialist overseas compliance officer located in the Australian High Commission in Kuala Lumpur. A senior delegation led by the Secretary General for Home Affairs and including the Director General of Immigration visited Australia in September 2005.

Identity and passport fraud

Bilateral and regional cooperation to detect and prevent identity and passport fraud is an increasingly significant area of activity.

Malaysia has sophisticated systems and processes, including biometric chips in newer passports. But a continuing challenge is the availability of counterfeit and high quality photo-substituted older-style Malaysian passports.

Officials of the Malaysian Departments of Immigration and National Registration value technical collaboration with DIMA. A senior DIMA forensic document examination expert was posted to Kuala Lumpur early in 2006 to collaborate with Malaysian officials and to provide training and advice to other regional countries on these matters. This placement (and a similar position in Manila) was funded, along with substantial augmentation of onshore human resources for dedicate training and advice to Asia-Pacific countries on document examination and immigration intelligence, under the DIMA component of the 2005-06 Budget counter terrorism regional assistance package.

Airline liaison

Australia has two Airline Liaison Officers (ALOs) located 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 Australian entry requirements and on the security features of Australian passports and Australian visas.

Australia and Malaysia have also established an exchange programme of airport officers. The aim of the programme is to foster relationships between Australian and Malaysian immigration airport officers and increase familiarity with counterpart passenger clearance processes. Australian immigration officers travelled to Malaysia in June 2006, and a return visit of Malaysian Airport Inspectors took place in July 2006.

Regional cooperation

Malaysia is a significant partner for Australia in regional border security and related forums, including as a participant in annual consultations between ASEAN Directors General of Immigration and DIMA senior officials.

Malaysia supports the Bali Process on people smuggling (Regional Ministerial Conference on People Smuggling, Trafficking in Persons and Related Transnational Crime) and has hosted two Bali Process workshops on the development of model legislation to criminalise people smuggling and trafficking. It attends the Inter-governmental Asia-Pacific Consultations on Refugees, Displaced Persons and Migrants (APC).

An important member of APEC, Malaysia participates in the APEC Business Travel Card Scheme. It supported an Australia initiative to assess the readiness of APEC economies to implement an Advance Passenger Information (API) system. There is potential for further cooperation through Malaysian involvement in the Australian APEC Regional Movement Alert List system initiative to detect lost and stolen passports.

Malaysia has demonstrated its commitment to developing and implementing border systems and processes, such as Advance Passenger Information (API) systems, Autogate, the i-Visa System and the Immigration Department Electronic Application System (IDEAS)