

**APPROVED DESTINATION STATUS: NEW ZEALAND,
AUSTRALIA AND LESSONS FOR THE CANADIAN
IMMIGRATION SYSTEM**

by

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Abstract

Canada is considering signing an Approved Destination Status (ADS) agreement with China that would facilitate group travel, for tourism purposes, from China to Canada. This study examines similar agreements in New Zealand and Australia to determine what challenges, if any, these countries have faced - especially with tourists overstaying their ADS visas. Using interviews with key sources, as well as secondary data, this study shows that neither New Zealand nor Australia experienced significant problems with illegal migration as the result of their ADS agreements. Further analysis recommends Canadian officials pursue the completion of an ADS agreement with China and implement the agreement based on the model used by Australia. Key policy implementation options including limiting the agreement to a small number of provinces in China and maintaining strict control over tour operators in Canada and China.

Keywords: Approved Destination Status; Canada Emigration and Immigration – Economic Aspects; Canada Emigration and Immigration – Government Policy; Tourism Canada; China Emigration and Immigration.

Executive Summary

Background, Policy Problem and Policy Question

On January 21, 2005 then-Prime Minister Paul Martin announced that the government of China had granted Canada approval to proceed with its application to negotiate an ‘Approved Destination Status’ (ADS) agreement. The intent of the agreement is to increase the number of Chinese tourists coming to Canada. However, some have raised concerns that an ADS agreement will also facilitate illegal migration from China to Canada and that the sheer numbers of potential tourists applying for visas might overwhelm Canadian missions in China. Stemming from these concerns, this study investigates two related yet separate questions:

1. Should Canada sign an ADS agreement with China?
2. If Canada does sign an ADS agreement, what should such a program look like?

Methods and Findings

This study uses interviews with key subjects and secondary data from New Zealand and Australia to explore how ADS has affected these two countries. This evidence indicates that ADS agreements bring significant economic benefits with little or no illegal migration. Overstay rates among ADS visa-holders (the numbers of Chinese nationals not returning to China at the end of their tours) are below one percent in both countries. Further examinations reveals that low overstay rates can at least be partially attributed to administrative mechanisms specifically designed mitigate this potential problem. In terms of administrative burdens, it is also estimated that the number of Chinese tourists expected to visit this country under an ADS agreement is much lower than is generally quoted by media and government officials and unlikely to be problematic.

Recommendations

Canada should sign an ADS agreement with China, as there are significant economic benefits, while the risk of visitors overstaying their visas is extremely low, as are implementation costs and

the level of political risk. Canadian officials should administer the agreement using the proposed “Sanctions model” that includes the following measures designed to mitigate any potential negative impacts:

- Random audits of ADS tours groups to ensure no tourists overstay;
- Regular meetings with Chinese authorities
- Creation of an ADS Executive Officer position within CIC;
- Training and certification programs for Chinese outbound tour operators and Canadian inbound tour operators;
- Phasing-in of the agreement over time, with ADS visa applications limited to a handful of Chinese provinces;
- Certification of both outbound and inbound tour operators;
- Creation of an *ADS Code of Ethics* that sets out rules by which Canadian tour operators should abide by;
- The ability to sanction both Chinese outbound tour operators and Canadian inbound tour operators for facilitating overstayers; and
- Establishment of a Government Coordination Group and Joint Monitoring Group to facilitate interagency cooperation in administering the agreement

Dedication

To my parents and my brother and sister, whose support throughout the writing process was unwavering, and to my many friends who never let me doubt myself.

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List of Acronyms

ADS	Approved Destination Status
ADSEO	ADS Executive Officer
ATEC	Australian Tourism Export Council
CBSA	Canada Border Services Agency
CCSWG	Canada-China Strategic Working Group
CIC	Citizenship and Immigration Canada
CMPG	China Market Portfolio Group
CNTA	China National Tourism Administration
CTC	Canadian Tourism Commission
DIMIA	Department of Immigration, Multiculturalism and Indigenous Affairs
DITR	Department of Industry, Tourism and Resources
ETOA	European Tour Operators Association
EU	European Union
FAC	Foreign Affairs Canada
GCG	Government Coordination Group
GDP	Gross Domestic Product
IND	Immigration and Nationality Directorate (Netherlands immigration department)
INZ	Immigration New Zealand
IOM	International Organization for Migration
IRB	Immigration and Refugee Board
JMG	Joint Monitoring Group
RMB	Renminbi (Chinese Currency)
TA	Tourism Australia
TNZ	Tourism New Zealand
TRV	Temporary Resident Visa
US	United States
WTO	World Tourism Organization

1 Introduction

On January 21, 2005, then-Prime Minister Paul Martin announced that the People's Republic of China (hereafter 'China') had granted Canada approval to proceed with its application to negotiate an 'Approved Destination Status' (ADS) agreement (Schneider, 2005). Currently, there are 81 countries worldwide with an ADS agreement (See Appendix B). An ADS agreement would facilitate the travel of Chinese nationals to Canada for tourist purposes, and could represent a potential economic boon for the tourism industry in this country. However, with estimates of visitors ranging from 100,000 to 700,000 it is impossible to ignore some of the potential negative effects of such an agreement, primarily as they relate to the integrity of the Canadian immigration system (Blanchfield, 2005; Schneider, 2005).

These negative effects include potential use of ADS tourist visas to facilitate illegal migration from China to Canada; the sheer numbers of tourist visa applications overwhelming immigration staff stationed at Canada's embassies and missions in China; and increased numbers of asylum-seekers (Chung, 2005). To that end, the purpose of this paper is to generate policy advice for the Government of Canada to use in its negotiations with China, as well as in the administration of any eventual agreement. Given that the Canadian government will likely sign an ADS agreement with China sometime in 2006, such policy advice is topical (Schneider, 2005).

The analysis uses a case study approach, examining two countries that already had ADS agreements in place with China since the late 1990s: New Zealand and Australia. Data show that New Zealand and Australia were able to reap the benefits from their ADS agreements in the form of increased tourism while mitigating any negative effects on their immigration systems. Based on this evidence, this study argues that Canada should enter into an ADS agreement as the benefits far outweigh the costs. It also recommends that Canada implement its ADS agreement based on a model similar to that employed by New Zealand and Australia.

Section 2 provides relevant background information. Section 3 describes the policy problem and outlines the study methodology. Sections 4 and 5 outline the findings from New Zealand and Australia. In answering the question, "Should Canada adopt ADS?" Section 6 outlines several criteria and weighs the status quo and implementation of ADS agreement against

them. Section 7 of this study recommends that Canada implement an ADS agreement based on the “Sanctions model.” The study ends with a summary of some limitations avenues for future research.

2 Background: China, ADS and Canada

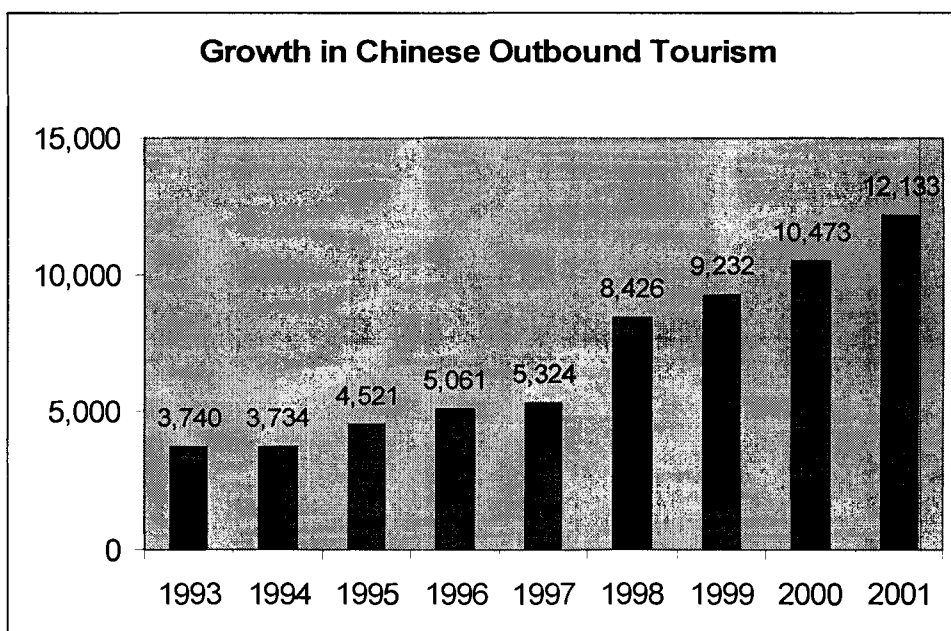
2.1 Introduction

This section discusses the Chinese outbound tourism market and ADS agreements. The purpose of these agreements is to facilitate the temporary movement of Chinese tourists to the destination country. This study uses the European Union (EU) and China ADS agreement as an example by which to outline key points of these types of agreements. This section also addresses the issue of illegal migration from China, along with some of the possible negative implications for a Canada/China ADS agreement. It also examines ADS in the Canadian context, including the fact that Canada is still negotiating an ADS with China and that there will likely be no agreement within the short-term.

2.2 The Chinese Outbound Tourism Market

There are numerous reports attesting to the large potential of the Chinese tourism market for Canada. One report on that market, produced for the Canadian Tourism Commission (CTC) by PricewaterhouseCoopers LLP noted that a conservative estimate of the size of the long-haul pleasure travel market in China is close to three million people, with that number only increasing as the Chinese market continues to expand (Canadian Tourism Commission, 2001). Of that three million, the report estimates that the amount that would be interested in travelling to Canada is 1.9 million, with the bulk of those people residing in Shanghai, Beijing, and Guangzhou provinces. The report also claims that the primary barrier for market development in branding Canada as a tourist destination was the lack of an ADS agreement. An ADS agreement is essential to facilitate group tourism from China, as it is easier now than ever for Chinese tourists to leave their country (Biao, 2003; World Tourism Organization, 2003).

Figure 1: Growth in Chinese Outbound Tourism (in thousands): 1993-2001



Source: (Department of Trade and Foreign Economic Relations of the National Bureau of Statistics, 2004; World Tourism Organization, 2003). Note that part of the increase between 1997 and 1998 may be related to a change in the way statistics were kept.

As seen in Figure 1, the growth of the Chinese outbound tourism market since 1993 has been considerable. There are several reasons for this growth on outbound tourism. A report released by the CTC outlines some of them (2001). The first is the government liberalization of outbound travel by its citizens, primarily in the form of easing of exit controls and increasing access to passports for international travel. Second is the extremely robust growth in the Chinese economy, with average growth rates in the past several years of nearly 10 percent. As the economy gains strength, Chinese citizens acquire more purchasing power, and an increased desire to travel as a way to exercise this newly found disposable income. As people in China become wealthier, they look for ways to enhance their quality of life, with travelling abroad seen as a way to do this. There is also growing leisure time for Chinese nationals, with three major “golden weeks” of time off for most Chinese, as well as an additional three to fourteen days off depending on the employer and length of service. Finally, there are the decreasing costs of travelling abroad: the Chinese currency, the Renminbi (RMB) has remained relatively strong compared to other Asian currencies, while competition among travel agencies has driven prices down. All of this, combined with China’s huge population, has led the WTO to claim that by 2020, China will be the world’s fourth largest producer of outbound tourists, with 100 million people leaving that country for tourism-related travel (2003).

However, there are some caveats to this assessment according to the CTC (2001). That organization believes that the WTO forecast may be too high, and notes that the government in Beijing still does not fully approve of unfettered outbound travel, and as recently as 1993 clamped down on outbound travel. The government has also been considering the idea of a travel tax for outbound trips, although there is no evidence of Chinese authorities implementing such a tax any time soon. As the CTC writes of China, “It is difficult to ascertain precisely how this market will develop, as the opening up outbound travel often seems to progress on the basis of two steps forward one step back,”(2001). Finally, and perhaps most importantly, all predictions about growth in the Chinese outbound tourist market are predicated on the continued strength and vitality of the Chinese economy, which, while showing no signs at the moment of a slowdown, may cool down at some point in the near future.

2.3 Approved Destination Status

Approved Destination Status is a negotiated agreement between the government of the China and the receiving country (*Opening the Doors to Chinese Tourism*, 2002). The agreement establishes a quota for Chinese nationals to make outbound trips and authorizes a number of travel agencies within the country to handle all tourism travel to the receiving country. In turn, the selected travel agencies post a bond with the Chinese government, and then these same agencies collect a form of “insurance” from clients, the amount of which varies depending on the destination country. While it is difficult to say what an agreement between Canada and China would look like, an example of a functioning agreement is the EU/China agreement. This provides some insight into the administration of the agreement. This analysis examines the EU ADS agreement because it is one of only two agreements publicly available.

The Memorandum of Understanding between The National Tourism Administration of The People’s Republic of China and The European Community on Visa and Related Issues Concerning Tourist Groups from The People’s Republic of China (ADS) was signed in February 2004. The agreement itself is only ten pages, with four pages of annexes, a testament to how specific the issue is, and on some levels, how simple (2004). The agreement applies to all member states of the European Union who are also signatories to the Schengen Application

Convention¹, with the exception of the United Kingdom, Ireland and Denmark. The agreement spells out explicitly that it is limited to “travel by tourist groups of Chinese citizens at their own expenses from China to the territory of the community.”(2004). It is important to note at this point that ADS is not an immigration issue *per se*, but instead one of temporary travel in the form of group tourism from China to approved countries, according to a senior Canadian official familiar with the ongoing negotiations over ADS for Canada. This official noted that ADS is “not an immigration issue at all... it’s purely a group tourism mechanism to allow groups of Chinese to temporarily enter those countries that have these ADS agreements and then depart again.” (Interview, 10 November 2005). Thus, it is an agreement that facilitates the temporary movement of people.

Article 4 of the agreement establishes the visa procedures at work in China. It establishes the China National Tourism Administration (CNTA) as the agency in China responsible for naming ‘designated’ travel agencies. The embassies and consulates of the various EU countries in turn accredit these agencies to act as authorised representatives of individual visa applicants. The CNTA is responsible for providing lists of designated travel agents to the European Commission as well as the consulates and embassies of the various member states. Article 4 includes a key enforcement provision that says that if any designated travel agencies violate either EU or Chinese regulations in bringing Chinese tourists to Europe, that agency’s ‘designated’ status may be withdrawn by either China or the EU.

Arguably, the key provision in the EU ADS agreement is the so-called ‘landmark’ provision. Article five of the EU ADS agreement sets out two key provisions to deal with the illegal overstay and readmission of Chinese nationals who arrived in Europe under the ADS agreement. The first provision requires the designated travel agency to report to the CNTA and the proper authority within the member state any Chinese tourist who goes missing or who does not return to China at the end of their holiday – this person is called an ‘overstayer.’ The second provision states that the Chinese government must facilitate the return of the overstayer and work with the necessary member state’s authorities to do so. The provision also states that the airfare to return that individual back to China must be borne by the traveller, if he or she cannot afford it, it

¹ The Schengen Agreement allows signatory countries to remove border crossings between them and allows for people to move between countries without checks or any form of border control. Original participant countries conceived of the agreement outside the framework of the European Union, and its first signatories were Belgium, France, Germany, Luxembourg and The Netherlands in 1985. The full agreement came into force in 1995, and now consists of fifteen countries: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Iceland, Italy, Luxembourg, The Netherlands, Norway, Portugal, Spain and Sweden. See: (BBC, 2001)

is then the responsibility of the travel agency to reimburse the member state for the cost of the flight. The other key article of the agreement establishes an ADS committee filled by members of the European Commission and the CNTA. These two key provisions are unique in the history of ADS agreements that China has signed with destination countries. The EU ADS agreement was the first agreement to include such provisions, as in the past China had avoided inclusion of such provisions (European Tour Operators Association, 2005b). However, the point is that while this agreement is an example of the form ADS could take, it is not the only form.

2.4 Illegal Migration from China: General Considerations

Chin provides an analysis of contemporary illegal migration from China that is useful in understanding some of the potential ways such migration would affect an ADS agreement (2003). It is important to note that for the purposes of this paper, illegal migration from China means Chinese nationals who enter destination countries without proper documentation or permission from that country's government. This should be differentiated from 'overstayers,' which refers specifically to Chinese tourists who have entered their destination country on ADS visas, but then remained in that country at the end of their tour, thus 'overstaying' their visa. Chin outlines two key types of Chinese migrants involved in illegal migration flows. First, those who engage in the risky and life-threatening maritime journey from the east coast of China to destinations such as North America and Australia. These migrants, whose groups can be as large as 300, board sea vessels and make journeys lasting as long as 40 to 60 days. Such ventures, run by organized crime groups, have now lost popularity due to the risk involved. Second are those Chinese nationals who leave their country legally and then change identity, becoming an illegal migrant in the transit country. According to Chin, this is the most popular choice among Chinese irregular migrants. This could be a particular concern in the ADS agreement context, as the signatory country could become a transit country for Chinese nationals wishing to travel illegally. The third type of irregular migrant is those who emigrate overseas under the guise of a fake marriage. Chin also alleges that the primary basis for illegal Chinese migration to the developed world is economic rather than political.

A report for the International Organization for Migration (IOM), highlights several of the main push/pull factors at work in international migration from China (Omelaniuk, 2005). They are well-established familial and other types of networks in destination countries; educational and other advancement opportunities for children abroad; loosening of exit controls from China; business opportunities abroad; and finally the ease with which human smugglers are able to

transport people internationally. Also, and of particular importance to this analysis is the spectacular growth of the tourism industry from China, as ADS agreements with destination countries permit and regulate movements of Chinese tourists. Thus, tourism is a major 'pull' factor in international travel among Chinese nationals. Also of importance are the established family networks in the country of destination. Canada has an estimated population of approximately 1,000,000 Chinese-Canadians, giving it a significant pull factor as a source for illegal Chinese migrants (Statistics Canada, 2005a).

2.5 Chinese Travel and ADS in the Canadian Context

A recent report by the CTC highlights some of the key numbers in Chinese travel to Canada (Canadian Tourism Commission, 2005). For example, in 2003, China was ranked 11th in terms of trips to Canada, and was the 5th highest among Asia Pacific markets. This is surprising given the size of the Chinese market, and is a testament to how Canada has failed to access the Chinese market. The same report also notes that Canada, in 2003, captured only 3.4 percent of the Chinese outbound market, a very small number that again testifies to the low level of Canadian penetration into the Chinese tourism market. In 2003, Chinese travellers spent \$1,817 per person-trip, an average well above the amount spent by other travellers from the Asia-Pacific region. In 2003, Chinese travellers to Canada stayed an average of 30 nights, much longer than other travellers from the Asia-Pacific region.

It is difficult to say exactly how much an ADS agreement might contribute to the Canadian economy, as there is no such agreement currently in place. Australia, a country that has had an ADS agreement in place since 1999, has received 160,000 Chinese visitors under the ADS program (Australian Government - Department of Industry Tourism and Resources, 2005). In 1999, these visitors spent on average AUS \$5,637 (*Opening the Doors to Chinese Tourism*, 2002). Australia's own forecasts indicate that Chinese travel to Australia will increase 16 percent per year within the next eight years, meaning that country will receive 1.1 million Chinese visitors by 2014 (Australian Government - Department of Industry Tourism and Resources, 2005). While it is possible to assume that Canada will receive the numbers of Chinese tourists that Australia receives, and keeping in mind the fact that Australia's own forecasts may be optimistic, it is safe to assert that there would be at least some level of economic benefit for the Canadian economy.

Estimates on how many additional Chinese tourists would come to Canada under an ADS range on the low end, from 100,000 Chinese visitors per year, to a high of 700,000 visitors.² Obviously, such varying estimates are problematic; both in measuring the economic impact of an ADS agreement, but also in predicting the volume of visa applications Canadian visa posts in China would receive under such an agreement. This issue of volume is a key one in understanding some of the policy implications surrounding an ADS agreement, and will be touched upon more in-depth later on in the analysis.

On January 21, 2005 then-Industry Minister David Emerson announced that China had granted Canada approval to proceed with its application to become an ADS country (Schneider, 2005). This was the first stage of a two-stage process that will possibly lead to a final ADS agreement with China (See Appendix A for details of the ADS Negotiation Procedure). Not surprisingly, the announcement met with much approval from the tourism industry in Canada. Even the announcement that negotiations could proceed was cause for celebrations, as the CTC had been seeking ADS for Canada since 1999. According to one source, the Government of Canada has been interested in an ADS agreement since at least 1997 or 1998, when it became apparent that China was opening up its borders to let its citizens travel (Senior official, Government of Canada, interview, 10 November 2005).

However, between the January announcement and the visit to Canada by Chinese president Hu Jintao in early September 2005, there appears to have been little movement towards finalizing an ADS agreement. This led the International Trade Minister at the time, Jim Peterson, to comment, “I’ve felt frustrated that it hasn’t been approved already because they’ve [the Chinese] already approved 76 different countries. Surely this is not rocket science for them to admit one more country.” (Blanchfield, 2005). In fact, the list of ADS countries now stands at 81 (See Appendix B for a complete list of ADS countries). Peterson’s comments seem to indicate some level of frustration over the state of negotiations for the ADS agreement.

It is impossible to gauge at what stage the negotiations are at with any accuracy, as a request to interview the official responsible in Foreign Affairs Canada (FAC), the lead department in the negotiations, was refused because the agreement is still under negotiation (Senior official, Foreign Affairs Canada, personal communication, 24 November 2005; See Appendix C). This also precluded getting any substantial understanding of any of the issues at

² The low-end estimates come from President of the Tourism Industry Association of Canada. See (Schneider, 2005) The high-end numbers come from a report by Scotiabank as well as former Immigration Minister Joe Volpe. See (Warren, 2005) and (Blanchfield, 2005)

play in the negotiations, and what, if any, were the specific causes in the delays in Canada receiving ADS.

However, a senior Canadian official familiar with the negotiations noted, “Our negotiations are not very far ahead.” (Senior official, Government of Canada, interview, 10 November 2005). Citizenship and Immigration Canada (CIC) and FAC are handling negotiations on the Canadian side, with input from several other departments (Former Program Manager, CIC, interview, 4 December 2005). While FAC was unable to comment on the exact status of the negotiations, an official at the CTC said there had been “three discussions” so far (Interview, 4 January 2006). Handling negotiations on the Chinese side is the CNTA, with input from the Ministry of Foreign Affairs and the Ministry of Public Security. The CNTA is “the government body responsible for the tourism industry and as such is an organization at [the] ministerial level reporting directly to the State Council,” (World Tourism Organization, 2003).

It is difficult to ascertain what has delayed the negotiations of an ADS agreement between Canada and China. One issue raised by an interviewee was that the Chinese authorities might be delaying completion of the negotiations because of the unresolved immigration case involving Lai Changxing (Former Program Manager, CIC, interview, 4 December 2005). Lai Changxing arrived in Canada from China in 1999, where Chinese authorities accused him of masterminding a US \$10 billion smuggling ring. Upon his arrival in Canada, he promptly claimed refugee status. In June 2002 his claim for refugee status was denied by the Immigration and Refugee Board (IRB) of Canada, and he filed an appeal with the Federal Court of Canada, which was also denied (2005a; *Chinese fugitive denied refugee status*, 2004). At the current time, Lai is in jail for violating the terms of his curfew, and has a risk assessment pending with the Government of Canada to determine whether Chinese officials can guarantee his safety if he is returned there. He alleges that authorities will execute him upon his return to China, despite assurances given by the authorities in Beijing to the contrary.

It seems that officials in China have linked the return of Lai to Canada receiving ADS. According to one interviewee:

It’s been very difficult for a certain generation, in the mainland government, to understand just how uninvolved, from a practical standpoint, senior politicians can be in trying to move an agency like the IRB in the direction they would like. So, they don’t really accept that, and with Lai some people have spent quite a bit of time trying to explain that there is indeed nothing that can be done once it’s got into the process that it’s in now (Former Program Manager, CIC, interview, 4 December 2005).

While it is impossible to say for sure if the case of Lai Changxing is what is preventing an ADS agreement from being signed, one media report notes, “there has been persistent speculation that China’s long delay in approving Canada’s ADS application was largely due to Canada’s failure to deport the high-profile fugitive,” (Schneider, 2005).

The international policy statement released by the Government of Canada in 2005 gives high priority to China (Government of Canada, 2005b). In the area of diplomacy, Canada has targeted China, along with Brazil and India as ‘rising powers’ which will receive extra attention so that Canada may broaden and deepen ties with them. Along the same vein, Canada hopes to enhance its economic relationship with China. To that end, when Chinese President Hu Jintao visited Canada in early September 2005, he and Prime Minister Paul Martin pledged to double trade between their respective countries within five years (CBC, 2005b). With China having emerged as the world’s fourth largest trader, the second highest recipient of foreign direct investment, and averaging over 9 percent growth in real Gross Domestic Product (GDP) for the past ten years, there could be little doubt that Canada would want to strengthen its ties with the country (Government of Canada, 2005b). To that end, Canada devotes more trade officers to its missions in China than any other country except the United States, and there are at least 1,400 Canadian companies operating in China, a testament to the importance of its market (Government of Canada, 2005a). China is also Canada’s second-largest trading partner, with CDN \$30.8 billion in two-way trade in 2004 (Government of Canada, 2005a). Thus, the importance of Canada’s relationship with China cannot be understated.

In the Canadian context, one author notes that most illegal migrants to Canada are economic migrants hoping to increase their socioeconomic status (Yates, 1997). He says of these illegal migrants: they “often state that living anywhere else in the world could not be worse than their life now [in China]” and that this is what drives many of them to undertake the expensive and risky journey to Canada (Yates, 1997). Yates also cites a set of pull factors that encourage illegal migration from China to Canada, including the existence of ethnic networks, the ease in obtaining social assistance and free access to medical care. Finally, he highlights that there is a criminality issue associated with illegal migration from China, and as an example cites the case of a group of 750 illegal migrants from China, 450 of which went on to commit felonies in Toronto and Vancouver.

2.6 Summary

There is tremendous potential for Canada to tap into a lucrative Chinese outbound tourist market. One way to do this is through an ADS agreement. As exemplified by the EU-China ADS agreement, ADS agreements do not address immigration but rather the temporary movement of people (i.e. tourism travel). However, these agreements can sometimes come at a price including illegal migration. As shown in the Canadian context, where there is some demand for a China/Canada ADS agreement at the political level, it appears no agreement will be signed in the immediate short-term because of the unresolved immigration case of Lai Changxing.

3 Methodology: New Zealand and Australia Case Comparisons

3.1 Introduction

This section explains the methodology used to explore whether or not Canada should enter into an ADS agreement with China, and if so, what form any ADS agreement might take. Due to a lack of statistical data, the analysis explores this question using New Zealand and Australia as case studies. The analysis selected those two countries because of their general similarities to Canada because they are the first Western nations to enter into ADS agreements with China. These case studies use interviews with key stakeholders and make extensive use of secondary data with a focus on monitoring mechanisms, administrative mechanisms and sanctions mechanisms.

3.2 Policy Problem

Over eighty countries have already signed ADS agreements with China, which is the only avenue these countries have to access to the growing number of Chinese outbound tourists. While the Canadian government has entered into negotiations with the Chinese government, the two countries have yet to sign an agreement. As outlined in the last section, an ADS agreement would bring significant economic benefits for Canada, but there are also substantial risks - primarily in the form Chinese tourists overstaying their ADS visas. This study asks whether it is possible for Canada to receive the economic benefits of an ADS agreement while mitigating negative impacts on its immigration system such as ADS visitors who would remain in Canada after their visa has expired. More specifically, this study asks two separate but related questions:

1. Should Canada sign an ADS agreement with China?
2. If Canada does sign an ADS agreement, what should such a program look like?

3.3 Case Selection: New Zealand and Australia

In the original research design for this project, information on overstay rates for all countries with ADS agreements was sought, as well as the agreements for those countries. This would have allowed the overstay rate to act as the dependent variable, and using the agreements, as well as the specific administrative mechanisms employed by each country, it would have been possible to build a predictive model. However, overstay rates for most countries with ADS agreements are not generally available. Further, with the exceptions of the China-EU ADS agreement, and New Zealand's ADS agreement, the texts of ADS agreements are not publicly available.

Because of the general scarcity of data, the research design shifted to a case study approach. The three cases selected for examination were New Zealand, Australia and The Netherlands. Australia was included in the research design for four key reasons: it was the first country outside of Southeast Asia to receive ADS, as well as the first major westernized, traditionally immigrant-receiving country to sign such an agreement. Second, Australia has many similarities to Canada. Some of these similarities include a long history of democratic institutions and rule; a shared British heritage; a history (with some notable exceptions) of being an immigrant-receiving country; a relatively multicultural society and both are longer-distance destinations from China. The third major reason Australia was selected as a case was that most necessary materials and interview subjects are available in English. Finally, it was included in the research design because it has had an agreement in place since 1999, allowing for a long-term analysis of the effects of the agreement, as well as Australian administration of the agreement.

Arguably, there is also some dissimilarity between the two countries as well. For example, immigration policies have varied substantially between the two countries and even now, Australia maintains a much stricter policy on illegal immigrants, with detention being the norm (Maley, 2005). In addition, there are substantial geographic differences between the two. Australia is geographically isolated as an island, and as such does not share land borders with any other country, making it much easier for authorities to maintain control of who enters or leaves Australian territory. Related to this is the fact that Australia does not share a border with the US, something that makes Canada a very attractive destination for illegal migrants looking to eventually transit to the US. In the words of one interviewee, "One of the big attractions to getting a visa to Canada is to go to the United States," (Former Program Manager, CIC, interview, 4 December 2005). There are also other differences between the two countries,

including differing methods of refugee determination, as well as different levels of rights and protections afforded to both illegal migrants and asylum-seekers.

Australia is also dissimilar to Canada in that it has a very strict set of entry and exit controls. As a former program manager for CIC noted, when “you have an exit control system, a very sophisticated one, [it] means they can bring to bear, very, very quickly, all sorts of legal, not just fines, but ostracism of travel agents who abuse the ADS system” (Interview, 4 December 2005). Also in Australia’s favour is an advanced system of cross-indexed databases, far superior to anything Canada has, that allows authorities there to quickly search names of individuals entering and leaving the country (Former Program Manager, CIC, interview, 4 December 2005). Such a system is not feasible in Canada due to a variety of reasons, primarily ones having to do with privacy laws, lack of cooperation between immigration authorities and various law enforcement agencies and problems accessing provincial registries of deaths, births, etc. These issues are not at play in Australia (Former Program manager, CIC, interview, 4 December 2005).

The research design included New Zealand as a case study for reasons similar to Australia. It entered into an ADS agreement with China in 1999 as well, allowing for a long-term study of the effects of the agreement on illegal migration there, as well as the administration of the agreement. New Zealand also has a history of democratic institutions and rule, with a British heritage common to Canada as well. Along with Australia, New Zealand was the first country outside of Southeast Asia to receive ADS, and the first major, westernized, industrialized, traditionally immigrant-receiving country to receive ADS. New Zealand is also, as mentioned, a traditionally immigrant-receiving country, and one with a relatively multi-cultural society.

However, when comparing Canada and New Zealand, there are several qualifications. First, there are major differences between New Zealand and Canada, the most important ones being the size of the population as well as geography. Simply put, these differences are New Zealand is much smaller than Canada, it is a group of islands, and it is geographically isolated and is not as popular a destination as Canada would be. It is worth exploring each of these factors in more detail. First, the size difference: New Zealand’s population, according to its 2001 Census, was 3,737,277 people (Statistics New Zealand, 2001). Compare this to Canada’s population of 31,021,300 in 2001 (Statistics Canada, 2005b). There are several limitations attached to this difference in population. One of these limitations to consider is that with a smaller population, there are simply less places for an illegal immigrant to hide “in plain sight.” A former senior official with CIC noted that outside of the major cities of Auckland and Wellington, New Zealand

is so rural that it would be virtually impossible for an illegal immigrant to hide (Former Program Manager, CIC, interview, 4 December 2005).

The second major difference is geography. New Zealand, as two islands with no land borders, can much more easily control who enters and exits the country. An employee of INZ cited this as a factor that New Zealand has in its advantage when compared to Canada (Official, INZ, interview, 15 February 2006). In fact, New Zealand does have in place relatively strict entry and exit controls, with entry and exit control booths at all major ports-of-entry (Former Program Manager, CIC, interview, 4 December). What this means is that it is possible to keep a record of every single person who enters or leaves New Zealand. Canada has no such entry and exit controls. This significant difference when comparing the two countries and one cannot be understated. Such controls are a formidable tool when attempting to control illegal migration. Another related and significant factor that separates Canada and New Zealand is New Zealand's immigration database, a system cross-linked with numerous other types of databases, and in the words of former senior CIC official "has multiple linkages we [CIC] could only ever dream of." (Former Program Manager, CIC, interview, 4 December 2005). Also in terms of geography, there is the important factor of proximity to the US. It is difficult to compare Canada with New Zealand when one of the biggest draws for illegal migrants to get any kind of visa to come to Canada is to travel to the United States (Former Program Manager, CIC, interview, 4 December 2005).

In the original research design of this project, The Netherlands was to be a third case, primarily because the agreement between the signatories, the CNTA and the EU, was publicly available. In addition, under the China-EU agreement, the various member states who signed onto that treaty issue Schengen visas, which allow relatively easy travel between all the Schengen states of the EU. This makes The Netherlands a good comparison to Canada in that there may be a significant draw for illegal migrants from China to travel there as they can easily cross into neighbouring EU countries, just as illegal migrants in Canada may travel to the US with relative ease. Further, The Netherlands has a relatively liberal immigration policy, particularly as it relates to asylum-seekers, which also makes it a worthwhile comparison with Canada. Finally, and perhaps most importantly, The Netherlands appears to have had some major problems in administering their ADS agreement.

According to a statement issued by the European Tour Operators Association (ETOA), The Netherlands was forced to suspend issuing of ADS visas "following suspicions that the rules were being misused to promote people-smuggling." (2005a). Thus, an examination of the case of The Netherlands would have allowed for the study of some factors that appear to have opened up

the ADS agreement to abuse. By understanding these factors, the analysis would generate recommendations in order to prevent such a situation from occurring in Canada. However, all attempts to interview officials at the IND, the Dutch immigration service, were unsuccessful. (See Appendix E for a list of attempts to contact Dutch officials). In addition, attempts to contact officials with the EU were unsuccessful (See Appendix F).

Given the absence of a response from authorities in The Netherlands, a decision was made to try to contact officials in Malta, a country that had signed an ADS agreement with China in 2002 (See Appendix F). An interviewee indicated that they had trouble administering their ADS agreement (Official, ETOA, interview, 6 January 2006). A survey of secondary sources also indicates that Malta has had problems with illegal migration from a variety of countries, and specifically China (Ministry of Foreign Affairs - Malta, 2005a, 2005b, 2005c; Schembri, 2005). However, a request to a communications/public relations official in the Maltese government for information regarding some of these issues was never answered (Personal Communication, Maltese official, 11 January 2006 – See Appendix F). In the end, the analysis omitted The Netherlands and Malta as case studies because of a lack of information, with the investigation centring on information gathered from New Zealand and Australia.

3.4 Interviews

Much of the primary data from the two cases came in the form of interviews. This analysis relies on twelve interviews conducted in the following manner: one face-to-face, four over the telephone, and the rest via email, where recipients received questions via email (See Works Cited for list of interview subjects). In all cases, questions were prepared ahead of time based on research from secondary sources. It was only possible to collect primary data via interviews from the immigration services of one of the two cases selected for study - New Zealand. In the case of Australia, it was not possible to obtain information via interviews. (See Appendix D for list of attempts to contact Australian officials). Data collection, in the form of interviews, took place between 6 November 2005 and 15 February 2006.

3.5 Data Sought

This study sought two broad categories of information in conducting interviews and examining secondary data. The first category of information sought included information on the number of ADS visitors to New Zealand and Australia under the ADS program, which allows us to judge the economic benefits of the program. In addition, information sought included overstay

rates, the cost to implement the program and the political risk in Canada of signing such an agreement with China.

The second type of information sought was on implementation strategies to administer an ADS agreement and ensure that overstay rates are low. The information gathered was placed into three categories, the first of which are called ‘monitoring mechanisms.’ Monitoring mechanisms are mechanisms that allow officials to monitor overstay rates among ADS visa-holders. The second type of data sought is information on ‘administrative mechanisms’ used in overseeing an ADS agreement. These mechanisms include tools to assist in overseeing and managing the agreement. The third category of information sought is on ‘sanctions mechanisms.’ These types of mechanisms are those that allow government officials to sanction or punish tour operators, both in the receiving country and in China, who facilitate overstayers. These three categories of mechanism are what this study will use to analyze New Zealand and Australia’s administration of their ADS agreements. Information on data sought is in Table 1 below.

Table 1: Data sought for deciding whether Canada should Sign an ADS Agreement

Category	Explanation
Visitor Data	
1. Overstay Rates	Number of ADS tourists not returning to China at the end of their tours
2. Number of ADS visitors	Number of tourists who arrive under the ADS program
3. Implementation Cost	Cost to administer the program, measured primarily by the number of staff required
4. Political Risk	How risky it is for elected officials in Canada to sign an ADS agreement
Program Information	
Monitoring	
1. Exit Controls	Existence of a system that allows authorities to know whether ADS visitors have left the country
2. Random Audits of ADS tour groups	Auditing tour groups to ensure ADS visitors have remained with the group

Category	Explanation
Administrative	
3. Meetings with CNTA	Regular or semi-regular meetings with Chinese officials to discuss the agreement
4. Cooperation from Chinese authorities to remove overstayers	Assistance from Chinese authorities in returning ADS visitors who have overstayed their visas and who have exhausted all legal avenues in the host country
5. Extra staff required to administer agreement	Measured as number of Full-Time Equivalents
6. ADS Executive Officer Position	In Australia, individual who acts as central contact point for the ADS scheme; also deals with administrative issues surrounding the scheme
7. Training and certification program for Chinese outbound tour operators	Existence of a program to train Chinese outbound operators in immigration rules and regulations, as well as expectations
8. Phasing in of the agreement	Agreement is phased in over time, beginning with a small number of provinces, then expanding in number
9. Certification program for inbound tour operators	A set of criteria against which potential inbound tour operators are judged against
10. ADS <i>Code of Ethics</i>	Document explaining responsibilities and expectations for inbound tour operators; also spells out penalties if operators violate rules
11. Government Coordination Group	Group established in Australia to advise relevant ministers on all aspect of ADS scheme
12. Joint Monitoring Group	Group established in Australia to advise Government Coordination Group on policy and operational matters related to ADS scheme
Sanctions	
13. Deposit paid by ADS visitors	Amount of money paid by ADS visa applicants, in the form of a deposit, to Chinese outbound tour operators. Amount is set by tour operators
14. Ability to sanction Chinese outbound tour agents	Having the means to punish Chinese outbound tour operators who facilitate overstayers
15. Ability to sanction inbound tour agents	Having the means to punish inbound tour operators who facilitate overstayers

3.6 Summary

This section establishes the policy problem faced by Canadian decision-makers as it relates to any potential ADS agreement: should Canada sign an ADS agreement with China, and if it should, what should such a program look like. It also establishes the rationale for selecting New Zealand and Australia as case studies with interviews and secondary data being the key sources of data due to a lack of publicly available information on the administration of ADS agreements in both countries. The next two sections consider the experiences of New Zealand and Australia, and place those countries' administrative mechanisms into these three categories.

4 Case Study – New Zealand

4.1 Introduction

This section examines the ADS agreement in New Zealand, including overstay rates and factors that have kept this rate to under one percent. These factors include exit controls; the ability to sanction tour operators that facilitate overstayers; as well as a host of administrative mechanisms such as phasing in of the agreement over time and implementing a training program for Chinese outbound tour operators. The section then turns to some of the limitations in comparing Canada to New Zealand, then finally to an analysis of the key mechanisms employed by New Zealand in its administration of the ADS agreement.

4.2 Brief Background

New Zealand signed one of the first ever ADS agreements with China in May of 1999. A copy of letters exchanged between CNTA and New Zealand's Embassy in Beijing indicate the original agreement between China and New Zealand was a 'pilot' project, (1999; "NZ/China Exchange of Letters," 1999):

Pilot operations will be conducted in Beijing, Shanghai, and Guangdong Province (Municipalities). *Operation can be extended gradually after management experience is gained by [sic] competent departments of both countries, and mutual trust and good credit have been established between travel agencies of both countries* [Emphasis added] (1999).

As is clear from this article, if the agreement was a success, there was potential to expand the agreement. In the words of an INZ official:

The rationale for limiting the provinces is because we wanted to control the quality of the scheme. By starting small, we were able to do this successfully – [sic] more manageable for us (NZ Tourism and Immigration NZ). (Official, INZ, interview, 18 January 2006).

In addition, there is an important clause, Article 7, that says:

If tourists break the regulations and overstay in the course of their travel undertaken pursuant to this letter, both parties will enhance cooperation so as to

handle and solve their problems properly (China National Tourism Administration, 1999)

This clause is similar to the ‘landmark’ clause in the EU agreement, but is not nearly as strong in its wording. While only two pages long, the similarities between this agreement and the previously discussed EU agreement are quite striking. This is likely the result of the CNTA working from one ‘template’ agreement.

4.3 ADS Impact and Overstay Rates in New Zealand

As shown in Table 2 below, the overstay rates in New Zealand among ADS visitors has been remarkably low. In the three fiscal years shown in the table, the overstay rate is no higher than .0007 percent, an exceptionally low number. In terms of actual number of overstayers, there have not been more than thirteen ADS overstayers in any of the years under examination. The number of asylum-seekers is also low, with four ADS tourists claiming asylum in the three years under examination. This low level of overstay rate for Chinese nationals is even more notable given that, “In general, Chinese overstay rates [for other types of visas] are pretty high.” (Official, INZ, interview, 18 January 2006). These numbers are also impressive given the increasing number of ADS visitors New Zealand saw in the years under examination, a number that has grown from 13,796 in 2003/04 to 19,027 in 2005/06.

Table 2: *Numbers of overstayers and refugee claimants who arrived on ADS visas in New Zealand*

Year	Number of ADS visitors	Number of 'overstayers'	Percentage	Number of asylum-seekers	Percentage
2003/04	13,796	9	.00007%	0	0%
2004/05	17,388	13	.0007%	4	.0002%
2005/06*	19,027	11	.0006%	0	0%

Sources: (Official, INZ, interview, 18 January 2006; Official, INZ, interview 16 February 2006) *First two quarters only

4.4 New Zealand’s Administration of ADS

Table 3 below highlights the key mechanisms at play in New Zealand’s administration of its ADS program. It is possible to categorize the mechanisms into three groups: monitoring, administrative, and sanctions. Monitoring mechanisms include those that allow for monitoring of ADS in New Zealand, and tells authorities when ADS visitors have not left the country.

Administrative mechanisms are those that facilitate management of the program. Sanctions mechanisms are those that allow New Zealand authorities to punish tour operators who facilitate overstayers. It also includes the deposit paid to the Chinese outbound tour operator by ADS travellers, as this is a form of sanction levelled against them if they do not return.

Table 3: Key mechanisms in New Zealand's ADS program administration

Mechanism		
<i>Monitoring</i>		
1.	Exit Controls	Yes
2.	Random Audits of ADS tour groups	Unknown
<i>Administrative</i>		
3.	Meetings with CNTA	Yes*
4.	Cooperation from Chinese authorities to remove overstayers	Yes
5.	Extra staff required to administer agreement	No
6.	ADS Executive Officer position	No
7.	Training and certification program for Chinese outbound operators	Yes
8.	Phasing in of the agreement	Yes
9.	Certification program for inbound tour operators	Unknown
10.	ADS Code of Ethics	No
11.	Government Coordination Group	No
12.	Joint Monitoring Group	No
<i>Sanctions</i>		
13.	Deposit paid by ADS visitors	NZ\$ 9,146.11 – 18,292.21
14.	Ability to sanction Chinese outbound tour agents	Yes
15.	Ability to sanction inbound tour agents	Unknown

Sources: (Official, INZ, interview, 18 December 2005; Official, INZ, interview 18 January 2006; Official, INZ, interview, 16 February 2006) *Meetings with CNTA are irregular.

Information presented in section 3.3 showed that a major difference between Canada and New Zealand is the existence of exit controls that allow officials there to know whether ADS visitors have left the country. Thus, there is no need to repeat that information here, other than to acknowledge its existence. Another key monitoring mechanism is the ability of immigration officials to conduct random audits of ADS tour groups to ensure that all group members remain with the tour and return to China at the end. This idea of random audits is from Australia's

administration of its ADS program. Unfortunately, it is unknown whether INZ conducts such audits. Nonetheless, given its existence in Australia it is prudent to acknowledge it as a factor in the case of New Zealand.

Under administrative mechanisms, the first factor to consider is one that allows for some level of communication with Chinese authorities. In New Zealand, this takes the form of semi-regular meetings that occur between the CNTA, Tourism New Zealand (TNZ) and the Ministry of Foreign Affairs and Trade (MFAT). According to an employee of INZ, the meetings, which are not regularly scheduled, occur approximately once per year and “they are usually to talk about the progress of the ADS scheme and to discuss our cautious approach to expanding the scheme.” (Official, INZ, interview, 18 January 2006).

The second factor to consider under administrative mechanisms is Chinese cooperation in removing overstayers. This is covered in Article 7 of New Zealand’s ADS agreement, which states that: “If tourists break the regulations and overstay in the course of their travel undertaken pursuant to this letter, both parties will enhance cooperation so as to handle and solve the problems properly” (China National Tourism Administration, 1999). This specific clause of the treaty was cited by an employee of INZ as one of the major mechanisms to ensure the smooth functioning of the agreement, although the individual did not expand on how this ‘cooperation’ was actually carried out on a practical level (Official, INZ, interview, 18 December 2005). Presumably, it applies only to those who have not decided to seek some sort of status in New Zealand, such as applying for asylum, and applies more to assistance in facilitating the return of an ‘overstayer’ once that individual’s legal options have run out.

Another key question that emerges in the context of ADS is whether extra staff resources need to be dedicated to administer the ADS program. Based on information provided by INZ, it appears the administration of the program in China has required little in the way of extra staffing or resources. Two INZ officials both indicated minimal application of additional staff resources to the ADS program (Official, INZ, interview, 18 January 2006). One official mentioned that he/she believed that New Zealand’s ADS program required *no* additional staff, with the qualification that he/she had limited knowledge of staff resources prior to 2002. The other employee said about the INZ branch in Shanghai:

There is a half-time ADS coordinator, (she is also the admin officer for the other half) but that is less a case of hiring extra staff, than changing the job of someone already working for us. Remember that ADS was not an entirely new category of visas for New Zealand, but rather a modification of existing visitor’s visa policy and processing. So staff who were already working on temporary entry (visitor’s,

work and student visas) could be diverted to do ADS visas when needed. (INZ interview, 18 January).

This individual also confirmed that there are no full-time employees working on administration of the ADS program in Wellington (New Zealand's capital) either (INZ Interview, 15 February 2005). Thus, there is evidence in the case of New Zealand of little need for extra staff to administer the program, and the ability to use existing visa staff already in place.

Another administrative mechanism is running seminars for potential ADS agents on New Zealand immigration rules (Official, INZ, interview, 18 December 2005). A requirement for all potential ADS agents is that they attend this seminar, and after attending this seminar, they are required to develop quality assurance procedures for submission to INZ. INZ staff then vets these procedures, and if they are satisfied, they accredit the travel agency as an ADS agent. INZ's China branches also prepared information sheets for ADS agents informing them of "what the rules were [about ADS] and what to expect." (Official, INZ, interview, 18 December 2005). This information sheet explicitly states that it is the responsibility of the ADS agent to make sure those travelling under the ADS scheme are genuine tourists (New Zealand Immigration Service). It further says it is the responsibility of ADS agents to ensure their group members do not attempt to prolong their stay in New Zealand, or apply for any other type of immigration permit or visa.

The document also notes it is the responsibility of the ADS agent to inform INZ of any person in their group who cannot legally travel to New Zealand. The information sheet, produced in both Chinese and English, also specifies that ADS agents must provide a financial guarantee for all group members. The document itself does not specify what this is. However, in a response to a query about the nature of this guarantee, INZ said that it consisted of a written guarantee on the part of the ADS agent that all visa applicants are genuine tourists, and that they "have collected some amount of deposit as [sic] financial guarantee for all group members to secure their return to China." (Official, INZ, interview, 18 January 2006). The financial guarantee thus refers to the amount of deposit, or bond, each Chinese outbound agency charges every member of an ADS tour group in order to travel abroad as part of an ADS group. According to INZ, the amount varies from RMB 50,000 to 100,000 (NZ\$ 9,146.11 – 18,292.21)³ depending on the "applicant's risk circumstances", and the deposit is returned to the applicants once they return to China (Official, INZ, interview, 18 January 2006).

³ Based on Bank of Canada exchange rate of 20 January 2006.

However, it is extremely important to note for the purposes of this examination that INZ does not set or collect the deposit, nor in fact are such deposits even legislated by the Chinese government. An interview with a senior official from the CTC, whose expertise is the Chinese tourism market, confirmed that the bond is “not legislated by the CNTA, it’s basically up to the tour operator, what they feel is suitable at the moment.” (Senior official, CTC, interview, 4 January 2006). This bond is obviously a very severe deterrent to those considering overstaying while on an ADS holiday to New Zealand. It is possible to speculate that the reason Chinese outbound tour agencies charge such high deposits is the threat of sanctions by either INZ or the CNTA, and losing what is likely a very profitable business for them.

INZ guarantees a three-day processing time for ADS visa applications. An INZ official notes:

We provide a three-day turnaround on the basis of a trusted partnership model with the accredited ADS agents. It is their job to ensure that only bona fide tourists are applying to travel in New Zealand. They therefore have to establish a robust quality assurance procedure, which we review before giving accreditation. In return, we guarantee a three-day turnaround (INZ interview, 18 January).

Perhaps there is no clearer statement confirming how much reliance the INZ places on individual Chinese outbound tour agents. It is clear that they are willing to delegate some amount of vetting of ADS applicants to Chinese tour agents. Yet, and this is a key point for the analysis, and something which could have implications for Canada, control of these operators is maintained by the ability to sanction them if they fail to bring back all their clients from New Zealand.

What is in operation here is essentially a form of ‘market control’ over temporary migration, with market forces, in the form of withdrawal of access to a market (Outbound tourism to New Zealand) being used to ensure compliance of INZ rules and regulations. Not surprisingly, to ensure such a quick turnaround time ADS visa applications come under somewhat less scrutiny than a normal visitor visa application. This is not to say that ADS applications receive no scrutiny: “ADS visitors come under the same policy as every other visitor to New Zealand – we just process them more ‘lightly’ than other types of applications.” (Official, INZ, interview, 18 January 2006). The phrase ‘more lightly’ was not explained in any detail by the interviewee, so it is difficult to understand exactly how much less scrutiny an ADS application would receive *vis a vis* a normal visitor visa application. However, one check that does occur is that INZ inputs the names of all potential ADS visitors into their computer system:

If one of our officers did this and a prospective ADS tour member came up on our electronic system as already being an existing client, and especially if they

had a bad history (e.g. they had overstayed before or made a refugee claim before), that would probably cause that application to be scrutinised in more depth. [sic] e.g. it would probably go to the branch manager who would have to make a call (e.g. to decline that person's application, decline the whole tour). (Official, INZ, interview, 18 December 2005).

This inputting of names into the INZ computer system may be one of the key checks on preventing abuse of the ADS programme. A former senior Canadian immigration official with extensive knowledge of the immigration systems in both Australia and New Zealand notes that New Zealand has an extremely thorough set of cross-linked databases to prevent immigration fraud (Former program manager, CIC, interview, 4 December 2005).

From interviews with key officials at INZ, it appears that New Zealand's success comes primarily from 'front-end' controls on ADS visitors. For organizational purposes, the first of these mechanisms is in the sanctions category. These front-end controls come from exerting strict control over Chinese outbound travel agents who organize the group tours to New Zealand. For example, branch managers of the three New Zealand visa posts which issue ADS visas have "the ability to suspend agents from the ADS program, if the agents did something wrong (e.g. submitted false information or tried to bribe an Immigration NZ member.)" (Official, INZ, interview, 18 December 2005). An INZ official further elaborated on this punishment of Chinese outbound travel agents:

We treat each situation of non-compliance on a case-by-case basis based on their past history – the [percentage] of non-compliance compared to visitors who have been facilitated to New Zealand by the agency. Normally we would issue a warning, then suspend, then remove (INZ interview, 18 January)

In the same communication, the employee noted that New Zealand's Beijing branch has sanctioned four travel agencies for allowing overstayers, with another two sanctioned by their office in Hong Kong (Official, INZ interview, 18 January 2006; Official, INZ interview, 16 February 2006). The reasons for the sanctions included the tour agents providing false information about visa applicants' work histories; providing false information on tour guides' visa applications and the fact that three tourists from one ADS group overstayed.

4.5 Summary

Based on evidence gathered from INZ officials, the section establishes that New Zealand's successful ADS program has overstay rates of less than one percent. These low rates of overstay are mostly due to how New Zealand administers their ADS agreement, including hosting

trainings program for Chinese tour operators; phasing in of the agreement and the ability to sanction tour operators in China that facilitate overstayers. Having considered some of the factors at play in New Zealand's administration of its ADS agreement, the analysis next explores similar factors in Australia.

5 Case Study - Australia

5.1 Introduction

Despite receiving high numbers of ADS visitors, Australia's overstay rate is less than one percent. Like New Zealand, the successes of Australia's ADS agreement are due to its administration. With this in mind, this section pays special attention to the changes in ADS administration made in Australia in June 2005, as it directly pertains to how Canada may choose to implement its ADS agreement.

5.2 Brief Background

Australia was the first Western country to be selected by China as an "approved destination" for Chinese tourists (Department of Immigration and Multicultural and Indigenous Affairs, 2005b). It received its ADS designation in 1999, with the agreement commencing in August of that year. At its inception, Australia's ADS agreement was limited to the Chinese provinces of Beijing, Shanghai, and Guangdong.

5.3 ADS Impact and Overstay Rates in Australia

As the information in Table 4 shows, Australia has managed to keep its non-return rates for ADS visa-holders extremely low: less than one percent for both years. This is despite the fact that it has received very high numbers of ADS visitors in the fiscal years under examination. The overstay rate was still kept low despite an increase in applicants of almost 10 percent between 2002/03 and 2003/04. Further, data available from DIMIA show that since the program began in 1999, only 164 ADS visa holders have lodged asylum claims (Department of Immigration and Multicultural and Indigenous Affairs, 2003).

Table 4: Statistical summary of ADS program in Australia, 2002/03 - 2003/04

Year	Number of ADS visitors	Number of 'overstayers'*	Percentage	Number of asylum-seekers**	Percentage
2002/03	29,603	98	.33%	33	.001%
2003/04	32,528	127	.39%	33	.001%

Source: (Department of Immigration and Multicultural and Indigenous Affairs, 2003, 2004) *Numbers of ADS overstayers are not published by DIMIA, these figures are based on the percentage rates and are arrived at mathematically. DIMIA does not publish the numbers of ADS visa-holders who claim asylum in a given year. The numbers are arrived at by averaging the total number of asylum-seekers, 164, by the years the program has been in operation.

Thus, Australia does not seem to have had many difficulties administering its ADS program. While data before 2002/03 is not publicly available, it seems Australia has suffered little in the way of negative effects from the ADS program.

For example, we know that since the program began in 1999, there have been approximately 160,000 ADS visa-holders who have entered Australia (Australian Government: Minister for Citizenship and Multicultural Affairs, 2005). Since 1999 there have been 590 “absconders” as termed by DIMIA (Department of Immigration and Multicultural and Indigenous Affairs, 2005a). This gives a total overstay rate of .0037 percent since the program’s inception. This number is extremely low, below the number publicly available for the last few years: 0.33 percent and 0.39 percent respectively.

5.4 Australia’s Administration of ADS

This section places Australia’s mechanisms into three categories: monitoring, administrative, and sanctions. The information is in Table 5 below. Unfortunately, some of the information necessary to complete this table is missing. For example, it is unclear whether Australian authorities have regular meetings with the CNTA or how much of a deposit Chinese tourists pay to travel to Australia. There is also no information available on whether Chinese authorities cooperate in removing overstayers. However, it was possible to gather enough information to examine key administrative features key as outlined below.

Table 5: Key variables in Australia's administration of its ADS agreement

Mechanism		
<i>Monitoring</i>		
1.	Exit Controls	Yes
2.	Random Audits of ADS Tour Groups	Yes
<i>Administrative</i>		
3.	Meetings with CNTA	Unknown
4.	Cooperation from Chinese authorities to remove overstayers	Unknown
5.	Extra staff required to administer agreement	Yes
6.	ADS Executive Officer position	Yes
7.	Training and certification program for Chinese outbound operators	Yes
8.	Phasing in of the agreement	Yes
9.	ADS Code of Ethics	Yes
10.	Government Coordination Group	Yes
11.	Joint Monitoring Group	Yes
<i>Sanctions</i>		
12.	Deposit paid by ADS visitors	Unknown
13.	Ability to sanction Chinese outbound agents	Yes
14.	Ability to sanction inbound agents	Yes

Sources: (Australian Government, 2005; Australian Government: Minister for Citizenship and Multicultural Affairs, 2005; The Honourable Fran Bailey M.P. - Minister for Small Business and Tourism, 2005; World Tourism Organization, 2003)

In Australia's administration of its ADS program, Chinese authorities designate a number of outbound travel agencies in China, which in turn establish links to Australian-nominated inbound agents, and the two jointly arrange group tours for Chinese nationals wishing to visit Australia for tourism purposes. The Australian Tourism Export Council (ATEC) selects Australian agents. The Department of Immigration and Multicultural and Indigenous Affairs

(DIMIA), is the department in Australia responsible for the immigration aspects of the agreement (Department of Immigration and Multicultural and Indigenous Affairs, 2005b).

In order to administer its ADS program, Australia has an “ADS Executive Officer” (ADSEO) appointed by the Department of Industry, Tourism and Resources (DITR), and who acts as the main contact point for the administration of the scheme. The ADSEO is primarily tasked with dealing with administrative issues that surround the ADS scheme, including being the primary public contact for inquiries regarding the scheme. The ADSEO is also the primary person responsible for dealing with applications from inbound tour operators. The ADSEO reports to the GCG.

In June 2005, the Minister for Citizenship and Multicultural Affairs, John Cobb, and Fran Bailey, the Minister for Small Business and Tourism, announced changes to Australia’s ADS program (The Honourable Fran Bailey M.P. - Minister for Small Business and Tourism, 2005); (Australian Government: Minister for Citizenship and Multicultural Affairs, 2005). A feature of the new ADS administration arrangements are that all Chinese outbound tour operators must receive training and approval from DIMIA before handling ADS travel to Australia (Australian Government, 2005). However, the most important part of the announcement was the expansion of Australia’s ADS program from the original three provinces of Beijing, Shanghai and Guangdong to include six new provinces: Chongqing, Hebei, Jiangsu, Shandong, Tianjin and Zhejiang.

The DITR, along with DIMIA and Tourism Australia, will administer the new ADS arrangements. (The Honourable Fran Bailey M.P. - Minister for Small Business and Tourism, 2005). Also announced were some other key features of the new ADS program, including a stricter application process for those travel agencies wishing to participate in the program; the publishing of the names of applicants in the press for comment by the public, and perhaps most importantly a strengthened *ADS Code of Business Standards and Ethics*. However, before considering this code of ethics more in-depth, it is germane to examine some of the factors behind Australia’s ADS program, to see how effective they have been in mitigating any negative aspects of it.

In the absence of any formal interviews with officials in Australia, the analysis at hand must rely on secondary data publicly available on the websites of the various government departments and websites. The key document relied on is the *ADS Application Package* published by the Australian government, a document which was produced following the changes made to the administration of the program in June 2005 (Australian Government, 2005). The document, which was produced in both Chinese and English, provides the guidelines for administering the

ADS program for tour operators operating the *inbound* side of ADS group tours, meaning it is for those tour operators in Australia who will be receiving ADS groups from China. This is different from *outbound* tour operators, who are the tour operators in China, governed by CNTA regulations, who send tour groups abroad. These Australian inbound tour operators may, once certified by the Minister for Citizenship and Multicultural Affairs, accept business from CNTA-authorized outbound agents from China for the purposes of the ADS scheme. However, Chinese nationals may still only apply for ADS visas through CNTA-approved outbound tour operators. While the document seems to deal primarily with regulations for Australian inbound tour operators, it does contain a substantial amount of information about the administration of the ADS agreement generally.

Importantly, the document sets an extremely rigorous four-stage assessment and approval test for inbound operators (Australian Government, 2005). The four stages are in Table 6 below.

Table 6: ADS Application assessment and approval process for Australian inbound operators

ADS application assessment and approval process	Responsible Party
1. Assessment for industry fitness	Tourism Australia (coordinating with Australian Tourism Export Council)
2. Assessment for good standing	Department of Industry, Tourism and Resources
3. Assessment for immigration compliance	Department of Immigration, Multicultural and Indigenous Affairs
4. Decision to Gazette	Minister

Source: (Australian Government, 2005)

The test for “industry fitness” regards the applicant’s fitness to operate in the inbound market for Chinese ADS travellers. There are two key tests, with the first being the applicant’s past and present business operations as they relate to the ADS agreement. The second test relates to the applicant’s history and commitment in relation to the China inbound tourism market, their business development and their commitment to the development of the tourism industry.

The assessment for “good standing” refers to the personal, commercial, financial and professional status of the applicant. First, officials investigate the applicant to see whether that organization has been the subject of any adverse attention by the DITR. Second, a criminal record check is conducted, both in Australia and in foreign countries; third, whether the applicant has committed a breach of any immigration requirements in Australia or in a foreign country. Fourth, whether the applicant is subject to any civil action or penalty under Australian law or the law of a

foreign country. Fifth, if the applicant has been the subject of some kind of critical comment by a court, tribunal or professional body. Whether the applicant has, at any point in the past, been bankrupt or been involved in a business that has failed. Sixth, determining if the applicant has been or is under investigation by the Australian Taxation Office, and finally any other matter that the Minister considers relevant. DIMIA investigates the applicant in terms of immigration compliance.

Following all of the above assessments, the Minister will make a final decision. It is also important to note that the new ADS regulations require that every approved ADS inbound operator renew their application each year. This means that all operators are subject to scrutiny every year, and allows the responsible authorities an unprecedented level of control over inbound operators. In order to ensure compliance with the ADS scheme, Government Coordination Group (GCG) engages a “compliance assessor.” The GCG is a group established by DIMIA, DITR and TA to advise their respective ministers on all aspects of the ADS scheme, including whether to approve or remove tour operators, as well as all matters of policy, governance and administration of the scheme. In order to determine “ongoing compliance” with the ADS scheme, inbound tour operators are subject to a *China ADS Code of Business Standards and Ethics*, and if they fail to comply with these, they are subject to an established set of penalties. A new “China ADS Joint Monitoring Group” was also established. The group will consist of representatives from DIMIA, DITR, Tourism Australia, the Australian Tourism Export Council, as well as nominated representatives of state and territories, and nominated industry representatives. It is worthwhile considering this Code of Business Standards and Ethics more in depth as it may provide a model for Canada.

Australia’s *China ADS Code of Business Standards and Ethics* is not lengthy, only eight pages (Australian Government, 2005). The standards set out everything from how to conduct business between inbound and outbound operators; responsibilities of tour agents and sub-agents; rules relating to itineraries and quotes; conduct of tour guides; immigration issues; and a host of rules relating to commissions and professional standards. Another interesting aspect of the Code is that it allows random audits of inbound tour operators by the GCG. These audits can compare completed itineraries with ones submitted to DIMIA, or the audits may investigate any aspect of the ADS tour operator’s compliance with the *Code*, including customer satisfaction.

The *Code* also contains a section on immigration-related issues. It specifies that any ADS operator must immediately inform DIMIA, via email, if it becomes aware, either before the group’s arrival in Australia or after it, of an issue that affects the immigration status of the group

or any member of that group. The section on immigration also specifies clearly that it is the responsibility of the ADS tour operator to supervise all group tour members, especially at airports, in order to prevent them from absconding. All ADS guides are required to carry with them at all times the 24-hour ADS immigration hotline. If the ADS tour operator or guide suspects an attempted or actual overstayer, he/she must report the incident within 24 hours to the ADS immigration hotline, and within 48 hours, file a written report to DIMIA and to the ADS-approved Chinese travel agent.

Another attachment to the Code also contains a penalties framework. The penalties are divided into ‘category one’ breaches and ‘category two’ breaches. Category 1 breaches are the less severe of the two, and may result only in a warning for first-time offenders, but for repeat offenders there is the possibility of suspension or removal of the operator from the ADS program. A category two breach, the more serious of the two, results in the suspension or removal of the operator’s ADS approval, unless the operator shows that the situation that precipitated the breach was beyond its control. This allows for a strong form of control over ADS inbound operators, the threat of removal of their ADS approvals, and the subsequent loss of business.

On the Australian side, DIMIA introduced a series of measures to ensure both the smooth operation of the program as well as making sure that both travel agents and tourists comply with all ADS conditions. These include the introduction of a visitor visa specifically for group tourists from China. Each member of the group receives an individual visa, which is only valid for the period of the tour group’s itinerary, has no work entitlements, is non-renewable for any reason, and travellers holding this visa cannot change their visa status while in Australia. ADS travel agents also receive a streamlined visa application service. Finally, DIMIA ensures that it takes action against any travel agent if any member of a group tour fails to return to China at the end of their trip, this could include the suspension of either a Chinese and/or Australian travel agent from the ADS program.

On the Chinese side, it is the CNTA, in cooperation with the relevant agencies in Australia, which has developed a number of procedures to ensure effective regulation of outbound travel agencies in China. The first of these restricts ADS to registered residents of Beijing, Shanghai, Guangdong, Hebei, Tianjin, Shandong, Chongqing, Zhejiang, and Jiangsu. The second of these is the authorisation of 77 travel agents by the Chinese government to handle outbound travel to Australia. Third, tour operators must have no fewer than two members, with a Chinese escort. The escort is responsible for keeping the tour group on schedule, and ensuring that all travellers return to China. Fourth, Chinese authorities monitor the performance of each

Chinese outbound tour operator. Fifth, each individual traveller must pay travel costs. Sixth, there is a requirement that all travellers in all tour groups return to China. Finally, there are mechanisms in place for sanctions against travel agencies that do not adhere to the required standards.

5.5 Summary

Australia's ADS overstay rate is less than one percent, similar to that of New Zealand. Australia's ADS program also has many similarities to New Zealand such as phasing in of the ADS agreement, but also includes an *ADS Code of Business Standards and Ethics* and a strict certification process for Australian inbound tour operators. At least part of Australia's success in managing its ADS program lies with its strict methods of control, particularly over its inbound tour operators.

6 Should Canada Adopt ADS?

6.1 Introduction

As shown in the last sections, New Zealand and Australia have both garnered substantial economic benefit from their ADS agreements; they have also managed to maintain a low overstay rate. This section considers whether Canada should enter into an ADS agreement with China by comparing the status quo to a proposed, Canada-specific “Sanctions Model” developed from evidence collected from the two case studies. The section evaluates the alternatives according to four criteria: economic benefit; overstay rate; implementation costs and political risk. When weighed these four criteria, this study argues that Canada should indeed sign an ADS agreement with China.

6.2 Overview of Results

Table 7 below presents the results from the criteria assessment. As explained in detail below, both the Status Quo and Sanctions Model rate as low, medium or high in each of the four assessed categories. In order to determine which of the two alternatives emerged as the strongest, they were assigned numerical scores. For the criteria of overstay rate, implementation costs, and political risk, low is considered better than high with a ‘high’ ranking receiving a numerical score of 1, a ‘medium’ a score of 2, and a ‘low’ a score of 3. For the criterion of economic benefit, the reverse holds true, with a higher ranking considered better. As such, a ranking of ‘high’ receives a score of 3; a ‘medium’ a 2; and a ‘low’ a 1.

Table 7: Alternatives Matrix - Implementation of ADS agreement based on Sanctions Model and Status Quo (No Agreement)

Alternatives	Criteria				Total
	Economic Benefit	Overstay Rate	Implementation Costs	Political Risk	
Status Quo (No Agreement)	Low (1)	Low (3)	Low (3)	High (1)	8
Sanctions Model	High (3)	Low (3)	Low (3)	Low (3)	12

6.3 Economic Benefit

Economic benefit is the monetary benefit that accrues to the Canadian economy from the arrival of Chinese tourists and the money they spend on Canadian soil. The specific measure is the amount of money, in Canadian dollars, spent by Chinese tourists who arrive under the ADS program. For this analysis, the measurement of economic benefit includes direct spending by ADS tourists, as well as mention of any indirect benefits such as increased investment in the Canadian economy by Chinese nationals who visit Canada under the program, or benefit to the Canadian economy by Chinese nationals who visit and then choose to immigrate. The reason for this is that these indirect benefits are substantial, and important, as indicated by an interviewee with expertise on Chinese tourism (CTC interview, 4 January 2006). Given that Canada does not yet have an ADS program, it is impossible to know in advance what Chinese visitors will spend, but it is possible to get some idea of the amount they spend in other countries with ADS agreements, such as New Zealand and Australia.

6.3.1 Status Quo: Low

If Canada does not enter into an ADS agreement with China, it cannot realize the full economic potential of the Chinese outbound tourism market. Nevertheless, an important issue for Canada to consider is the number of ADS visitors that would arrive in this country under the agreement. An expert on Chinese tourism with the CTC noted that Canada could expect tourism from China to increase at a rate of 15 percent per year based on current projections (Interview, 4 January 2006). However, with an ADS agreement in place, that increase would be 25 percent per year, a difference of 10 percent.

For example, in 2004, there were 100,000 Chinese visitors to China, in 2005 that number grew by approximately 15 percent to 115,000; so based on a 15 percent growth rate without an ADS agreement, for 2006 that number should grow by approximately 17,250 (CTC interview, 4 January 2006). Still, with an ADS agreement in place the number should grow by an additional 10 percent, to 25 percent, or 28,750 extra visitors. Thus, the approximate amount of ADS visitors to Canada would be 11,500, assuming the program was in place for 2006. These numbers are much lower than what has published in the Canadian media, as a CTC official noted, “There are a number of figures being quoted in the Canadian press which are wildly overstated.” (Senior official, CTC, interview, 4 January 2006).

This raises an interesting point about the necessity of an ADS agreement. If there is only a 10 percent increase in the number of tourists that come to Canada as a result of the ADS agreement, how essential is this agreement? A former program manager from CIC noted there are substantial numbers of Chinese visitors who already travel to Canada for tourism purposes on a standard Temporary Resident Visa (TRV) (Interview, 4 December 2005). Thus, more extensive use of TRVs by potential tourists may mitigate the necessity of an ADS agreement. However, a report by the Asia Pacific Foundation of Canada noted that most Chinese nationals encountered difficulties in receiving TRVs for purely tourist reasons (*Opening the Doors to Chinese Tourism*, 2002).

Finally, without an ADS agreement, Canadian tourism officials are unable to promote Canada as a tourism destination (Senior Official, CTC, interview, 4 January 2006). Additionally, the same source noted significant spin-off benefits from an ADS agreement, such as increases in business travel, and business leisure travel. Also, because of declining numbers of tourists from traditional source countries, such as Britain and the US, Chinese tourism has become that much more important (Beauchesne, 2005); (Warren, 2005). In conclusion, when weighed against the criterion of economic benefit, the status quo scores a *low*.

6.3.2 Sanctions Model: High

One of the major advantages of an ADS agreement with China would be the economic benefits that would accrue to Canada. While it is difficult, if not impossible to predict how much money Chinese tourists would spend in Canada, we can look to the experiences of New Zealand and Australia to see how much revenue they have generated from their ADS agreements. For example, in 1999 each ADS visitor to Australia spent an average of AUS \$5,637 (*Opening the Doors to Chinese Tourism*, 2002). If we assume that this amount has remained relatively constant since 1999, and then multiply it by the estimated amount of ADS visitors who have arrived in Australia under the scheme, 160,000, then divide that number to get a yearly average, we get a significant economic benefit. We can do the same for New Zealand. The results are in Table 8 below. As the information below shows, there is significant economic benefit from an ADS agreement.

Table 8: Average numbers of ADS visitors, economic benefits, average overstay rates and implementation costs for ADS agreements in Australia and New Zealand

Criteria	Economic Benefit			Overstay Rate	Implementation Costs	
	Average Number of Visitors	Average Amount Spent by Each Visitor	Average Economic Benefit per Year			Average Economic Benefit in Canadian Dollars per Year
New Zealand	15,164**	NZ\$ 2,368-2,733	NZ\$ 35,907,404 – 41,442,119	C\$30,302,258 – 34,973,004	.00045%**	1
Australia	32,000	Aus \$5,637 (1999)	Aus. \$180,384,000	C\$172,970,218 (1999)	.36%*	5

Source: (Australian Government: Minister for Citizenship and Multicultural Affairs, 2005; *Opening the Doors to Chinese Tourism*, 2002); Official, INZ, interview, 18 January 2006). Conversion rates for Australian and Canadian dollars are based on the average rate for 1999, and are taken from Bank of Canada conversion rates: (Bank of Canada, 2006). The rates for New Zealand are based on the average exchange rate for 2003 to 2005 and are taken from Bank of Canada exchange rates. *For years 2002/03, and 2003/04. **For years 2003/04, 2004/5 and the first two quarters of 2005/06.

Depending on the travel season, ADS visitors to New Zealand incur travel expenses of between approximately NZ \$2,300 to \$2,700. When multiplied by the number of visitors who have travelled to New Zealand since 2003/04, this results in a total economic benefit to that country of anywhere between C\$75 million and \$87 million. Thus, it is clear there are considerable economic benefits from an ADS agreement. Since the inception of its program, Australia has garnered an average of approximately C\$172 million from ADS visitors. Even if we assume that the amount spent by ADS visitors is lower than AUS \$5,637, there is no doubt that the dollar values involved in an ADS program are significant.

However, this study recommends using this evidence as to the economic benefits of an ADS agreement with some qualifications, as data from Europe shows that some of those benefits were not as great as expected (European Tour Operators Association, 2005a); Senior official, ETOA, interview, 6 January 2005). It appears similar issues have been at play in New Zealand as well, where the use of ‘Asian rates,’ discounted rates for services as a result of pressure exerted by Chinese tour operators have been a problem (Becken, 2003); (Green, 2005). Thus, this analysis recommends using the economic benefits from New Zealand and Australia with some level of caution, and using them only as a guideline for the economic potential available to Canada under such an agreement.

Regardless of the expected numbers of ADS visitors, it is important to note that the CTC has staff and resources in place in Beijing, and is conducting marketing by sending Chinese media to Canada so they can write about their experiences. This allows the CTC to raise awareness of Canada amongst Chinese consumers in anticipation of an ADS agreement (Senior official, CTC, Interview, 4 January 2006). Thus, Canada is in the position of already having some level of marketing in place. A senior official with the CTC confirmed that they are ready to convert to a more direct style of marketing, and are currently evaluating what sorts of resources they need to market Canada effectively in an ADS environment (Senior official, CTC, interview, 10 February 2006).

It is clear from looking at the examples of Australia and New Zealand that there is significant direct economic benefit from an ADS agreement, and interviews with a CTC official confirm substantial indirect benefits (Interview, 10 February 2006). These indirect benefits include spin-off benefits gained from an ADS agreement, spin-offs that accrue to businesses other than ADS group tours, such as increases in business travel and business-leisure travel. However, even a qualified acceptance of the economic benefits that have accrued to Australia and New Zealand under the ADS program show that if Canada were *not* to enter into an ADS agreement with China, there would be a significant economic loss. When we combine this information with the fact that overstay rates in both countries have been exceptionally low, there seems little reason why Canada should not sign an ADS agreement with China. Therefore, when weighed against the criterion of economic benefits, the sanctions model scores a *high*.

6.4 Overstay Rate

6.4.1 Status Quo: Low

Under the status quo, overstay rates among ADS visitors are not an issue. If there is no agreement, there is no need to be concerned with whether or not there is a risk of Chinese tourists overstaying their ADS visas in Canada. Thus, when weighed against the status quo, the overstay rate is not applicable. However, since the criteria used in this assessment are low, medium or high, the alternative of status quo, when weighed against the criterion of overstay rate, scores a *low*.

6.4.2 Sanctions Model: Low

Evidence adduced to this point shows that in both New Zealand and Australia, overstay rates are extremely low, well below one percent. As Table 8 shows, in New Zealand overstay rates are close to zero percent, and in Australia, the rate is .36 percent. Hence, if Canada implements its ADS agreement based on the sanctions model employed by both New Zealand and Australia, it should expect similarly low overstay rates. While not as valid a comparison to Canada as is Australia or New Zealand, it is also worth noting that Japan, in the first 9 nine months of its ADS agreement, only had an overstay rate of .2 percent. It should also be noted that the United Kingdom, which recently entered into an ADS agreement with China in July 2005, also has an extremely low overstay rate, with only one tourist failing to return to China (Spencer, 2005). Thus, when weighed against the criterion of overstay rates, the sanctions model scores a *low*.

6.5 Implementation Costs

Another factor for Canada to consider is the relatively low administrative costs of the agreement. With any policy, implementation costs are important, as it is the department or agency implementing that policy that must bear those costs. In turn, that department or agency is responsible to elected officials for how it uses its funds, and those elected officials are accountable to the public for how taxpayers' dollars are spent. The specific measure of cost employed in this analysis is defined as the monetary cost, in Canadian dollars of implementing a given policy option, with the primary measure including salaries and benefits of staff required to implement the option. For the purposes of this analysis, a lower cost is better than a higher one. Costs will be determined by using publicly available information about the cost to administer ADS agreements in New Zealand and Australia, as well as information taken from interviews with key sources.

6.5.1 Status Quo: Low

Similar to criterion of overstay rates, implementation costs, when weighed against the status quo, are not applicable. If Canada does not sign an ADS agreement with China, there are no implementation costs. Consequently, when weighed against the criterion of implementation costs, the status quo scores a *low*.

6.5.2 Sanctions Model: Low

On the surface, given the suite of implementation options, it would seem like the cost of entering into an ADS agreement and administering it based on the type of model used by Australia would be relatively expensive. However, an examination of some of the administration mechanisms employed by Australia and by New Zealand as well show that they are not as expensive as they would seem to be. Beginning with phased implementation, the idea of initially limiting the ADS agreement to Shanghai, Beijing and Guangzhou has a low cost to it. It will mean less staff, if any, to administer the agreement, and that many fewer outbound Chinese tour operators to deal with. We have seen in the case of New Zealand, that even under their revised agreement, which was expanded to include another five provinces in China, they dedicate only one part-time position in their Shanghai office exclusively to ADS. As an INZ official said, administering the ADS agreement, in terms of staff resources, is:

Less a case of hiring extra staff than changing the job of someone already working for us. Remember that ADS was not an entirely new category of visas for New Zealand, but rather a modification of existing visitor's visa policy and processing. So staff who were already working on temporary entry (visitor's, work and student visas) could be diverted to do ADS visas when needed (Official, INZ, interview, 18 January 2006).

Even staff resources diverted to screen ADS visa applications spend minimal hours on this task. INZ visa officers in China “undertake very little verification [of ADS visa applications] (unless there is something obvious) and minimal processing.” (Official, INZ, interview, 18 January 2006). In Wellington, responsibility for administering the ADS agreement is only part of the duties of one INZ employee. Therefore, there seems little in the way of additional costs to implement an ADS agreement, with total staff resources employed in administering the agreement equivalent to one FTE.

While the evidence as to the amount of cost in implementing the ADS agreement in Australia is far less due to lack of substantial contact with authorities there, it is still possible to draw some tentative conclusions. For example, we know that within Australia's DITR there is an ADSEO position. As we did with New Zealand, we can use a proxy for the level of resources applied by Australia to the ADS by examining how many inbound and outbound tour operators they deal with.

If we take a generous outlook on the level of staff necessary to administer the agreement in Australia, we can come to some tentative conclusions about staffing levels for ADS in that country. If we assume an ADS executive officer in DITR to administer the agreement in that

department, and a similar type of position in DIMIA, each with an administrative or program staff-type person to handle some of the program management, we get four positions to administer the agreement within Australia. This is a very low level of staff resources to administer a program with such a large economic benefit.

Further, we are able to derive some notion of the level of overseas resources, in the form of personnel that are devoted to administering visa applications, by noting that New Zealand only has half a Full-Time Equivalent (FTE) employee working on ADS applications in its Shanghai branch. If we extrapolate from the fact that Australia received 32,528 ADS visitors in fiscal year 2003/04, an amount almost twice as much as New Zealand received in the same time period, 13,796, it is possible to hypothesize that there could be one FTE assisting in administering the program at Australian visa posts in China. This means there is are five FTEs administering Australia's ADS program.

It also crucial at this point to discuss the volume of ADS visa applications that Canadian missions in China would receive under an ADS program. We have already noted that the numbers of visitors predicted to arrive under the ADS program have been seriously overestimated. One senior Canadian official cited the potentially high numbers of ADS visa applications as a major concern. Ken Sunquist, Assistant Deputy Minister for International Business and Canada's Chief Trade Commissioner, said before a House of Commons committee:

[Citizenship and] Immigration [Canada] has probably their best officer in the world, who currently heads up the immigration office in Beijing. [We have] strong operations ability, handle 80-some thousand visas per years and do a tremendous job, but now we're going to have the ADS, which means you're going to get x hundreds of thousands more, so how do we handle it? (Schneider, 2005)

This is important in weighing the sanctions model against the criterion of implementation costs. Obviously, the more ADS applicants received by Canadian visa posts in China, the more it affects all criteria including cost. If there is a large volume of visa applicants, say an amount measured into the hundreds of thousands, it is not possible to avoid some level of increased costs. However, as has been cited several times throughout this paper, the correct estimates for the numbers of ADS visitors are relatively low. Hence, volume of ADS visa applicants would not seem to be an issue as it relates to cost, as growth will be slow and incremental. In conclusion, the sanctions model, when weighed against the criterion of implementation costs, scores a *low*.

6.6 Political Risk

Given that politicians are acutely sensitive to public opinion, any proper policy analysis must include an examination of the political risk of various policy options. Any given policy option may succeed totally on all other criteria, but fail on a test of political risk. A policy option may fail on the grounds of political risk for a variety of reasons: it may be unpopular with the electorate generally, or with a key constituency; or key lobby groups may resist it. It may also be unpopular within the political party currently in power, or actively opposed by opposition parties. Policies may also be unpopular within certain regions in a country, or opposed by provincial or municipal governments. Policies can also be problematic on an international level, with other countries opposing their implementation. The reverse of all those situations described above can also be true, with various groups actively supporting the implementation of certain policies. All of these are further complicated in Canada by the election of minority governments, the most recent of which is the Conservative Party of Canada, which will have to depend on other political parties to pass legislation. This study measures political risk through media analyses, with particular focus paid to comments by elected officials, and other interested groups as well as by comments made by selected interviewees. For political risk, lower is better.

6.6.1 Status Quo: High

In terms of political risk in not signing an agreement, it is prudent to look at some of the comments made by politicians in Canada. Jim Peterson, then-Trade Minister under Paul Martin's Liberal government, said in September 2005 about China's reluctance in granting Canada ADS, "I've felt frustrated that it hasn't been approved already because they've already approved 76 different countries. Surely this is not rocket science for them to admit one more country" (Blanchfield, 2005). Consequently, there appears some level of frustration on the part of Canadian politicians over China's reluctance to grant ADS status. A similar sentiment was echoed by Jack Layton, who criticized the slow visa processing times for visitors from China (Blanchfield, 2005). Thus, politicians in Canada have publicly demanded the completion of an ADS agreement with China. If there is no agreement, there may be some risk involved as constituents and voters will ask why Canada has not been able to complete this agreement with China when so many other countries already have an agreement.

While there can certainly be some questions raised about the necessity of an ADS agreement based on credible statistical evidence, what is not in doubt is the desire of Canadian officials to sign such an agreement with China. A senior government official familiar with the

negotiations noted that Canadian desire for such an agreement dates back to at least 1997 or 1998 (Interview, 10 November 2005). This official puts the desire for the agreement in the broader context of trade with China:

My belief is that people became aware that China was opening up in terms of granting easier access to its own citizens to travel abroad, and China is seen as a “Reverse Golden Mountain” and in some respects if we could sell one widget to every Chinese, you know, we’d all be better off than we are now potentially... My belief is, and I’m not basing this on personal knowledge, but it was on the file at that time, but people said, ‘well here’s an opportunity, how can we grow Canada’s tourism industry? How can we benefit from the relationship and get a piece of the pie and work as the potential evolves and becomes available for all of us.’ (Interview, 10 November 2005).

Thus, the desire on the part of Canadian officials for this agreement dates back some time, and may explain the frustration on the part of elected officials like Jim Peterson over the lack of an agreement.

The former CIC program manager provided further evidence of the political pressure to sign an ADS agreement. He states:

The overriding view from a lot of people is the benefits, the economic benefits of the receiving country and thereupon, that’s where a lot of the inner workings go on between ourselves [CIC], the Canadian Tourism Commission [and] Foreign Affairs and International Trade, with the International Trade side playing a fairly prominent role. It’s something that has to be looked at quite carefully from a visa officer’s standpoint. *But it’s not lost upon as to some of the pressures that are placed elsewhere on the government to negotiate these sorts of things.* [Emphasis added] (Program manager interview, 4 December 2005).

The evidence adduced above seems to show that there is a strong desire on the part of Canadian officials to enter into an ADS agreement. Hence, there would be some political risk for elected officials in not signing an agreement. As such, when weighed against the criterion of political risk, the status quo scores a *high*.

6.6.2 Sanctions Model: Low

It is now prudent to touch on some other issues that affect this criterion as it relates to implementation. One factor that has to be considered is the issue of illegal Chinese migration to Canada, and how this agreement would be seen as perhaps facilitating that. Concern over illegal migration from China to Canada has been concern for Canadian officials for some time. For example, as early as 2000 a report by the Canadian Security Intelligence Service (CSIS) noted

that an increase in political or economic instability in China could result in a large increase in illegal migration to Canada (Szonyi, 2000). The author, Michael Szonyi, concludes the report by saying “Even in the best-case scenario, illegal emigration from China to Canada, and from China to the US via Canada, will increase in the years to come and will require vigorous efforts to prevent it,” (Szonyi, 2000). While there is little evidence of political concern for illegal migration stemming specifically from an ADS agreement, one can get an idea of the level of political concern over illegal migration from China by examining the political response to the arrival of the so-called “Chinese Boat People” in the summer of 1999.

In the summer of 1999, nearly 600 illegal Chinese migrants arrived in boats on the West Coast of British Columbia. The incidents received a significant amount of attention in the Canadian media, and numerous articles called into question this country’s immigration laws and refugee determination system. For example, an article from *The National Post*, citing a government report on illegal migration, highlighted that some officials believe it is Canada’s refugee determination process, which allows for immediate release of refugee claimants, the relative ease of making a refugee claim, as well as lax treatment of illegal immigrants, especially compared to the United States, that make Canada a preferred destination for illegal migrants (Bell & Cherney, 1999).

Another article quoted Chinese officials from Fujian Province, the home province of most of the “boat people,” who said that it was Canada’s generous refugee-determination system that caused illegal Chinese migrants to choose Canada as a destination (Francis, 1999). The controversy surrounding the arrival of the boatloads of migrants also prompted then-Minister of Immigration Elinor Caplan to undertake two separate trips to China to address the issue of illegal migration from China, where she announced stronger legislation to deal with ‘snakeheads,’ the ringleaders of human smuggling operations from China (“No boats, but smugglers sail on,” 2000).

Evidence of the Immigration Minister’s position on illegal migration from China is found in a quote she made before embarking on one of the aforementioned trips to China. Elinor Caplan said that Canada would, “adopt tough new measures to deal with those who abuse its immigration and refugee system... By closing the back door to human smugglers and traffickers, we can ensure that the front door remains open to immigrants and genuine refugees,” (“Close Doors on Traffickers of Slavery, China Warned,” 2000). Those comments were made shortly before the Minister implemented the *Immigration and Refugee Protection Act*, which in 2001 replaced the previous *Immigration Act*, in place since 1976. However, some opposition members were critical

of the new *Act*, believing it not to be strong enough, and questioning how effective it would be in allowing illegal refugee claimants to be more expeditiously dealt with (CBC, 2000). Thus, it is safe to say that there is at least some concern over the political viability of illegal migration generally and illegal migration from China specifically.

Another issue related to political risk is in Canada basing its administration of the ADS agreement on the Sanctions model. A former CIC official noted:

One thing against it [the Australian model] is that for one reason or another we can never quite come to grips with adapting something that another country has started and is running successfully unless we can wrap it up in different paper to make it look uniquely Canadian (Interview, 8 February 2006).

Although a seemingly minor point, it is valid. There may be some concern among Canadians about adopting anything immigration-related from Australia, especially given that Australia is generally stricter than Canada about immigration issues. Decision-makers should be aware of this when considering the sanctions model of implementation, and should be careful not to over-emphasize the model's connection to Australia.

Another issue to consider as it relates to political risk is how the US would view Canada entering into an ADS agreement with China. Two interview subjects raised this issue of Chinese migrants using the ADS agreement to transit Canada to get to the US as a major concern (Former Program Manager, interview, 4 December 2005; Intelligence Officer Interview, 12 February 2006). In fact, one of these sources, when discussing the Canada-US border, noted "Because of this vast, relatively open border (when compared to the US-Mexico border), it is ideal for smuggling Chinese nationals from Canada to the US," (Intelligence Officer Interview, 12 February 2006). An intelligence officer with the Government of Canada noted some of the issues at play in an ADS agreement as it relates to the US (Interview, 12 February 2006). The most important of these issues is that if the US perceives that Canada's ADS agreement somehow facilitates illegal Chinese migration to that country, it may strain relations between the countries, with the US officials 'blaming' Canada for making it easier for Chinese migrants to travel to their country.

Thus, concern over the US reaction to Canada signing an ADS agreement must be taken into account. However, it is difficult to predict exactly what the US reaction would be. Presumably, officials in the US would be most concerned with Chinese tourists arriving in Canada on ADS visas, and then illegally entering the US. However, if Canadian officials ensure that the implementation mechanisms below are put into place, there should be little concern with

overstayers generally. Also, it is important to remember that there are mechanisms already in place to ensure cooperation between Canadian and American officials as it relates to border integrity. For example the “Smart Border Declaration” of 2001 calls for cooperation and collaboration between American and Canadian officials on immigration and visa issues (Department of Foreign Affairs and International Trade, 2005). Presumably, issues such as problems relating to ADS visitors traveling to the US illegally could be discussed in this venue.

However, if we consider that evidence from New Zealand and Australia shows very little in the way of illegal migration, or high numbers of refugee claimants as a result of their ADS agreements, it would seem that these issues as they relate to political risk are not significant. The relatively small number of immigration problems resulting from the ADS agreements in Australia and New Zealand are more than outweighed by the economic benefits of the agreement that Canada would enjoy, which may number into the hundreds of millions of dollars. In addition to the fact that Canada currently loses out as one of the few tourist-destination countries not to have an ADS agreement, and pressure from tour operators in Canada, it is very difficult to envisage it being politically risky *not* to enter into an ADS agreement, thus, weighed against the criterion of political risk, signing of an ADS agreement scores *low*.

6.7 Summary

Canada should enter into an ADS agreement with China implemented using the proposed sanctions model as, if properly managed, the benefits far outweigh the costs. A criteria analysis shows that the alternative of implementing the ADS agreement based on the sanctions model scores higher than the status quo when subject to the criteria of economic benefits, overstay rate, implementation costs and political risk. New Zealand and Australia garner hundreds of millions of dollars in economic benefits from their ADS agreements while overstay rates have been extremely low, as are implementation costs. Further, there is considerable political risk involved if Canada does not sign an agreement

7 ADS in Canada: What Should it Look Like?

7.1 Introduction

This study recommends that Canada administer its ADS agreement according to a “sanctions model” primarily based on the ADS administration procedures established by Australia. The proposed sanctions model will allow Canada to administer the ADS agreement and mitigate overstay rates without implementing costly exit controls. This section presents the proposed sanctions model by comparing information gathered from New Zealand and Australia and considering the results in the Canadian context. Table 9 highlights the features of ADS administration in both New Zealand in Australia, and notes whether Canada should implement these mechanisms. The rest of this section discusses each component in detail.

7.2 Implementation of ADS based on the Sanctions Model

While it is true that some of the success of Australia and New Zealand in keeping their overstay rates so low for the ADS agreement is in their exit controls and superior immigration databases, it is possible to administer the ADS agreement in such a way as overcome the lack of these policy instruments in Canada. As has been stated earlier, provided a set of key tools are put into place, it should be possible to limit the number of overstayers.

These tools include: strict control and certification of Chinese outbound tour operators and Canadian inbound tour operators, an *ADS Code of Ethics*, as well as some form of mechanism allowing for cooperation between agencies in Canada, as well as cooperation between Canada and China. Random audits of ADS could also prove useful. However, it is important to stress that as with any regulated movement of people across borders, there is going to be some risk, and the relevant agencies and department will have to engage in risk management. A senior official with the Canadian government who is familiar with the issues surrounding the agreement put it this way:

With any immigration movement or movement of people – temporary entry movement of people, there’s always risk the people are going to abuse the privileges and break the laws of the country they’re going to. So, yes there would certainly be potential in ADS [for Chinese nationals to overstay their visas], and

that would be something that would be on our mind as we: a) try to negotiate an agreement; and b) implement any agreement that is finally negotiated (Interview, 10 November 2005).

Thus, it is important to keep this in mind when signing and implementing an ADS agreement. In fact, it will be argued that one of the most effective ways to manage any risks associated with an ADS agreement is to phase in implementation, so as to allow changes to be made on a smaller scale. This is touched on more in depth in the section below, but, the evidence produced so far indicated implementing strict controls mitigates overstayers.

Table 9: Recommended implementation options for Canada based on Australia and New Zealand

	Mechanisms	Present in New Zealand	Present in Australia	Recommended for Canada
	Monitoring			
1.	Exit Controls	Yes	Yes	No
2.	Audits of ADS Tour Groups	Unknown	Yes	Yes
	Administrative			
3.	Meetings with CNTA	Yes*	Unknown	Yes
4.	Cooperation from Chinese authorities to remove overstayers	Yes	Unknown	Yes
5.	Extra staff required to administer agreement	No	Yes	Yes
6.	ADS Executive Officer position	No	Yes	Yes
7.	Training and certification program for Chinese outbound tour operators	Yes	Yes	Yes
8.	Phasing in of the agreement	Yes	Yes	Yes
9.	Certification program for inbound tour operators	No	Yes	Yes
10.	ADS Code of Ethics	No	Yes	Yes
11.	Government Coordination Group	No	Yes	Yes
12.	Joint Monitoring Group	No	Yes	Yes
	Sanctions			
13.	Ability to sanction Chinese outbound agents	Yes	Yes	Yes
14.	Ability to sanction inbound agents	Unknown	Yes	Yes

Sources: (Official, INZ, interview, 18 December 2005; Official, INZ, interview 18 January 2006; Official, INZ, interview, 16 February 2006) (Australian Government, 2005; Australian Government: Minister for Citizenship and Multicultural Affairs, 2005; The Honourable Fran Bailey M.P. - Minister for Small Business and Tourism, 2005; World Tourism Organization, 2003) *Meetings with CNTA are irregular.

7.2.1 Monitoring Mechanisms

Monitoring mechanisms include those options that would allow for monitoring of ADS visitors while they are in Canada. In New Zealand and Australia, these take the form of strict entry and exit controls that allow officials there to know whether an ADS visitor has left the country. Exit controls are likely part of the reason why New Zealand and Australia have had some of their success in mitigating their overstay rates in the ADS program. Unfortunately, while it is an important part of their immigration systems, it is not a viable option in Canada.

One former CIC official noted that while there had been discussions at various points in time about implementing some form of exit controls in Canada, those discussions never amounted to anything substantive because of the cost involved in redesigning Canada's numerous border crossings (Former Program Manager, CIC, interview, 4 December 2005). The same source also hinted that Canada would have to implement exit controls in conjunction with the United States, which may be difficult. Another source familiar with the issues surrounding the ADS agreement noted under the current *Immigration and Refugee Protection Act* there is no legislative provision for exit controls (Senior official, Government of Canada, interview, 10 November 2005). Thus, while exit controls would likely be an effective administrative tool for Canadian officials in administering the ADS agreement, it is not a viable one.

However, there is another form of monitoring mechanism that could in part, make up for the lack of exit controls in Canada, and this is audits of ADS tour groups. Australia's *ADS Code of Business Standards and Ethics* provides for audits of ADS tour groups. Although the Code provides little detail about the nature of audits, this study suggests that Canadian officials could engage in random audits of ADS tour groups to determine whether any tourists have left the group. Given that Canadian inbound tour operators would be required to file itineraries with officials in Canada, immigration enforcement officials would know where to find a tour group at any given time. They could then simply check the identities of tourists against lists filed ahead of time, and determine if any have left the group.

Cost to implement a monitoring system based on random audits of ADS tour groups would also be low as well. Given that most ADS tourists are likely to travel to the largest cities in Canada such as Vancouver, Toronto and Montreal, it should be relatively easy to assign auditing duties to CBSA enforcement officers in these cities. Thus, it is fair to say that only a handful of officers in each city will be necessary to conduct audits of ADS tour groups.

7.2.2 Administrative Mechanisms

Administratively, there is little in the way of barriers that would cause any significant problems to implementing an ADS agreement based on the sanctions model. As an additional type of TRV, the majority of the administrative mechanisms are already in place in Canada's visa posts in China to handle the applications. Thus, the administrative mechanisms to screen potential visa applicants are already in place at Canadian visa posts, including trained visa officers, support staff and the various other miscellanea required to process visas.

However, in terms of cooperation between agencies responsible for dealing with the agreement, there could be some issues. A source familiar with the operations of CIC noted that based on his 33 years of experience, cooperation between agencies has never been good and that it never tends to last very long (Former Program Manager, CIC, interview, 8 February 2006). This seems to raise some concerns about the level of administrative ease of the ADS program, as it requires cooperation among at least two government agencies: CIC and CBSA. But it is important to remember, as was stated above, that the ADS program is simply an extension of an already existing visa program, so necessary mechanisms of cooperation that exist between the various agencies, whether formal or informal, can be utilized. Unfortunately, given the relative newness of Australia's ADS mechanisms, and the lack of any substantial contact with officials there, it is impossible to assess how effective they have been.

The first administrative mechanism to consider is meetings with the CNTA. Although not specifically spelled out in New Zealand's agreement with China, it seems that government authorities do meet with their Chinese counterparts on a semi-regular basis. Unfortunately, it has proven impossible to determine how often or even if Australian authorities meet with their Chinese counterparts. Nevertheless, as has been repeated throughout this analysis, cooperation with Chinese officials is crucial in the successful administration of an ADS agreement. As such, it is important to have some amount of regular communication or meetings with the CNTA, the organization responsible for administering ADS in China. Regular meetings would allow for effective resolution of any issues that emerge between the countries, as well as allow both parties to meet face to face to discuss any changes to the agreement.

In terms of implementation, there are several options for engaging in these types of meetings. One option, which appears to be the method employed by New Zealand, is to have some kind of informal arrangement by which their officials and Chinese officials meet irregularly (Official, INZ, interview, 18 January 2006). However, given that Canada, without exit controls and sharing a border with the United States, will likely have more issues to deal with, a more

regular schedule of meetings is advisable. Canada should consider creating a special group or committee to deal with ADS issues with China, or consider addressing these issues with China through an existing group.

There is such a group already in existence, the Canada-China Strategic Working Group (CCSWG) (Foreign Affairs Canada, 2005). This group, formed in January 2005 by then-Prime Minister Paul Martin, consists of Deputy Ministers, and its purpose is “to serve as a high-level forum for regular consultation on multilateral issues and bilateral political and economic issues,” (Foreign Affairs Canada, 2005). Currently, the group is limited to members of border and visa services of both countries, but in the event of an ADS agreement, Canadian and Chinese officials could expand the group to include other agencies relevant to the administration of that agreement (Former Program Manager, CIC, interview, 8 February 2006). Thus, rather than creating a new group or committee to deal with ADS arrangements between Canada and China, it may be more feasible to simply use this already-existing mechanism.

This also raises a key point about cooperation with Chinese officials. A senior Canadian official made the important point that Chinese authorities have a vested interest in the success of the ADS program from an international perspective – if a program is successful, that success reflects well on China, “and if an international program is unsuccessful, there’s a loss of face there,” (Senior Canadian official, interview, 10 November 2005). Thus, one factor to consider when implementing this program is that a successful outcome is more likely because of the fact that Chinese authorities do not want the program to reflect negatively on them. A former CIC official corroborated this point. This individual believes that the Chinese see the ADS program as a way to show that their economy has grown, and that their citizens are a “good bet” to travel (Interview, 4 December 2005).

The option of cooperation from Chinese authorities in returning overstayers is one of the more controversial ones. A key implementation recommendation is that Canadian officials ensure they receive the necessary cooperation from Chinese authorities to return ADS visitors who have remained in Canada illegally. The issue of the ability to return people who have overstayed their visas in Canada was a major issue of concern for one interviewee (Former Program Manager, CIC, interview, 4 December 2005). It is possible to see the level of importance attached to cooperation from Chinese authorities in the ADS agreement between the EU and China. Their agreement has a clause in it which specifically states that China must re-admit ADS tourists who are removed from the receiving country (2004). New Zealand has a similar, although less explicit clause in their ADS agreement (China National Tourism Administration, 1999). Thus, this

analysis recommends that Canadian officials, when negotiating the final ADS agreement, put in a clause that ensures Chinese cooperation in accepting ADS travellers who have overstayed their visas in Canada.

The clause should resemble something along the lines of the EU's 'landmark clause,' (Article 5) which ensures that the travel agencies involved must work with the immigration department of the country, or countries involved to return the overstayer to China, and that Chinese authorities must facilitate that return (The European Community, 2004). The clause also states that the overstayer must bear the cost of his or her removal to China, and that if he or she cannot pay the cost, the Chinese outbound operator must bear the cost of the removal. This adds another incentive for Chinese outbound operators to ensure that no potential overstayers are included in their tour groups: the fact that they will bear the costs of returning that overstayer to China.

In terms of additional staff to administer the program in Canada, a former program manager with CIC believes, at least on the Canadian side of the administration of the agreement, little would be required in the way of staff resources (Interview, 8 February 2006). This individual believes it is possible to assign all duties related to administering the agreement within Canada to the Director of the geographic region within the International Region section of CIC. These duties would be in addition to the person's existing duties. CIC classifies the position as an EX-01. Currently, individuals classified as an EX-01 earn anywhere between C\$91,800 to C\$108,000 (Treasury Board of Canada Secretariat).

Related to the issue of extra staff required to administer the agreement, this study recommends that CIC establish an ADSEO position that would act as the central contact point for the ADS agreement in Canada. The primary role of this position would be to deal with the administrative issues of the agreement, as well as dealing with the application procedures for Canadian inbound tour operators. The ADSEO should report to the GCG, but should also work closely with the JMG as required. There are several implementation options for the ADSEO position (Former Program Manager, CIC, interview, 8 February 2006). First, it is possible to add the ADSEO duties to those of the Director of the geographic region, thus CIC would not have to create a new position. Second, it is possible to create it as a junior position, working under the supervision of the Director of the geographic region. This person could act as the first point of contact for enquiries about the agreement. Either way, a former program manager argues that the ADSEO should have a support position attached to it that would be responsible for collecting data on the agreement (Program Manager, interview, 8 February 2006).

However, a former CIC official asserted that it might be difficult to request any additional funding to create a specific ADS executive officer position (Program Manager, interview, 8 February 2006). Although, if officials made a strong enough case, it may be possible to see a middle level position created that would handle some of the program management duties and that is attached to the Director's desk. The former program manager also believes there should be a support position created for that mid-level position, or presumably for the EX-01 position, possibly classified at an AS-02 level. Effective June 2005, the rate of pay for an employee classified at this level is C\$47,075 to C\$50,721 (Treasury Board of Canada Secretariat, 2005). Thus, best-guess expenditures to administer the program in Canada seem relatively low.

Another feature of both Australia and New Zealand in their administration of the ADS program is that both undertake to train Chinese outbound tour operators in immigration rules and regulations. In both countries, it is ultimately at the discretion of government authorities to decide whether to certify outbound tour operators for the ADS program. In the absence of detailed information about how Australia trains and certifies outbound operators involved in its program, we can rely on the information provided by New Zealand authorities (See section 4.4). However, some sources interviewed for this project showed concern in relying extensively on Chinese outbound operators for mitigating abuse of the program.

A senior official with the Canadian government who is familiar with the issues surrounding the ADS agreement showed concern over the idea of allowing these agents to collect deposits from Chinese tourists bound for Canada, noting there was the potential for abuse of that system (Senior Canadian official, interview, 10 November 2005). However, at the same time, this individual noted that it was a viable option. An intelligence officer with experience dealing in immigration issues as they relate to China shared some of those concerns. This individual stated: "I think this is one of the big concerns that CBSA people have in implementing ADS here: [they] would have to rely on the approved travel agencies and Chinese officials to give us good reporting and compliance with non-returning groups/individuals," (Intelligence Officer, interview, 12 February 2006). While this may be a valid concern, another interviewee notes that while CIC may rely on the Chinese outbound operators to assist visa applicants in filling out documentation, ultimately the final decision whether to grant a visa application lies with CIC (Former Program Manager, CIC, interview, 8 February 2006).

In terms of training and accreditation of Chinese outbound operators, for implementation purposes it is recommended that visa posts in the relevant Chinese provinces be responsible for this training and certification. The reason for this is that they already have working relationships

with travel agencies and visa officers in these posts are familiar with local conditions (Former Program Manager, CIC, interview, 8 February 2006). The training and certification program should include information on expectations of these outbound agents as they relate to immigration matters, with primary importance placed on familiarizing agents with Canadian immigration rules and regulations. Following the New Zealand model, tour operators should provide their own quality assurance procedures to CIC (Official, INZ, interview, 18 January 2006). Once CIC vets these procedures, the agent may be certified.

One feature of the ADS agreements of both Australia and New Zealand was their limited initial scope. Both countries, when they entered into ADS agreements in 1999, limited ADS visas to residents of Shanghai, Beijing and Guangzhou, only expanding it into additional provinces in 2004. Japan followed a similar path, limiting its ADS agreement, when it was first signed in 2000, to Beijing, Shanghai and Guangzhou, expanding it to five other provinces in 2004, and then expanding it to the whole country less than one year later (China National Tourism Administration, 2006). There are several advantages to phased implementation. First and most obviously is the ability to control the program. A former CIC official confirmed this in an interview. This individual noted that in the context of CIC, any large-scale programs are usually phased-in gradually, or have the possibility that something may go wrong built into the program,” (Former Program Manager, CIC, interview, 8 February 2006). This information was corroborated by a senior government official close to the negotiations who said, “There’s a certainly an attraction towards, you know, a ‘go slow’ kind of approach, a modulated approach to something like this,” (Interview, 10 November 2005). Thus, implementing the program in this way is certainly a viable and recommended option.

However, if Canada phases in the ADS agreement, it is much easier to control the level of staff involved, as fewer provinces in China mean fewer visa applications. On the visa post side of the operations, that means even if additional resources are required, they will be much less than if officials were to roll out the ADS agreement all over China. On the immigration side of the equation, phasing in the agreement allows for better control of both Chinese outbound operators as well as Canadian inbound operators. Again, dealing with smaller numbers of agencies is advantageous from an administrative point of view. It allows regulations and procedures, such as visa application screening and working relationships with tour operators to be tested and developed. In addition, it allows more time to develop a relationship with the CNTA, the agency in China responsible for administering the agreement there. One source identified a good relationship with Chinese officials as key to the administration of the ADS agreement. As this

individual put it, Canadian officials would be “working with the Chinese authorities as well to make sure that all the *bona fide*, well-established travel agencies receive the Chinese recognition because they would want to do vetting of their own I would imagine,” (Senior Canadian official Interview, 10 November 2005).

Just as important as certification of outbound tour operators is the certification of inbound operators. In terms of implementation, this study recommends that CIC, in consultation and cooperation with other interested agencies, primarily the CTC and CBSA, develop a certification procedure based on Australia’s model, but with ultimate responsibility for such certification lying with CIC. Australia’s model requires that inbound operators apply to be designated as a certified inbound operator (The Honourable Fran Bailey M.P. - Minister for Small Business and Tourism, 2005). Their applications are assessed via the application process outlined in section 5.4, as well as against the *ADS Code of Business Standards and Ethics*, which includes rules and regulations for inbound tour operators, as well as setting out penalties for operators who do not comply (Australian Government, 2005). Further, certification for inbound tour operators under the ADS program means they must reapply for that status every 12 months. An important point to remind the reader of is that CIC would only be qualified to examine inbound operators as it relates to immigration issues. The CTC should develop certification as it relates to tourism. The advantages of such a certification system are that it would allow government officials to monitor inbound operators for compliance.

In the Canadian context, such a certification scheme becomes that much more important in the absence of any effective exit controls, in which case, immigration officials will have to rely on the cooperation of both inbound and outbound tour operators to report Chinese overstayers. A certification system would allow government officials to assess applicants against a defined set of operating criteria, with operators who do not meet the criteria not receiving certification or re-certification as the case may be. This analysis recommends that CIC develop such an application process, and ensure that any such process is rigorous.

Related to the option of certification of inbound tour operators is the recommendation that CIC develop an *ADS Code of Ethics* based on the *Australian Code*. This paper already spelled out much of what is contained in the *Australian Code* earlier. Thus, it is not necessary to repeat it any detail here. Similar to the information in the previous section, such a Code of Ethics should contain specific, detailed provisions on how a Canadian inbound operator should operate and conduct ADS tour groups, as well as specific clauses setting out penalties for violations of those provisions. Perhaps most importantly, a Canadian ADS Code of Ethics should spell out

how to deal with ADS travellers who overstay, including reporting procedures for situations similar to that. Another important aspect to implement into a Canadian ADS Code is the requirement that inbound operators submit a detailed itinerary to immigration officials ahead of time so that officials know where any group or individual is at a given time. This study recommends publishing the Canadian ADS Code in English, French and Chinese.

A feasible implementation option in the administration of the ADS agreement is the creation of various coordinating bodies to administer the agreement. In Australia, these bodies are the Government Coordination Group and the Joint Monitoring Group. The “Government Coordination Group” (GCG), is a group made up of representatives of the various departments and agencies responsible for the ADS scheme. In Australia, this group has representatives from DIMIA, DITR, and Tourism Australia (TA). The purpose of the body is to advise the Ministers of DIMIA and DITR on all matters related to the ADS scheme. Importantly, the body is also responsible for approving and rescinding ADS inbound tour operators, as well as “all matters of policy, governance and administration relating to the scheme,”(Australian Government, 2005). Unfortunately, there is no documentation as to how often this group meets, or exactly who the representatives are, and what kind of staff resources are required for its functioning.

The other body created by Australia is the “Joint Monitoring Group” (JMG). This group, created by an agreement between the Minister for Citizenship and Multicultural Affairs and the Minister for Small Business and Tourism, is “responsible for advising the GCG on all policy matters and operational arrangements relevant to the ADS scheme” (Australian Government, 2005). Unfortunately, as with the GCG above, there is no publicly available information on the specific nature of this group, how often it meets, or what kind of staff resources are required for its effective functioning.

Given that responsibility for administering the ADS agreement in Canada, at least the immigration enforcement aspects of it, would rest with CBSA, which deals with immigration removals and enforcement, this agency would have to be involved in administration. However, one source interviewed for this analysis noted that mechanisms such as the GCG and the JMG have “a short effective shelf life directly related to their real or imagined political capital in Ottawa,” (Former Program Manager, CIC, interview, 8 February 2006). Thus, it is not at all certain how effective such groups would be.

The primary obstacle that exists in Canada is that two agencies are responsible for administering different aspects of the ADS agreement: CIC is responsible for issuing visas and ensuring the integrity of the program on the visa post side of the operations, while CBSA would

be responsible for dealing with any overstayers here in Canada. This division of responsibilities between the two agencies makes coordination difficult, especially as it relates to policy issues. As an intelligence officer with a background in immigration issues stated:

In the post-CBSA world, which effectively severed the enforcement capacity from CIC, one of the peculiar things that has happened is that most of the responsibility for immigration policy has been left with CIC, even though all immigration policies have implications for those of us who work on the enforcement side of things (Interview, 12 February 2006).

This individual believes that mechanisms such as the GCG and the JMG are essential for effective administration of the ADS agreement. The other advantage of mechanisms like these is that they allow for other interested agencies such as Foreign Affairs and International Trade Canada to become involved as is required.

Despite some of the reservations of the former program manager noted above, given the importance of cooperation between CIC and CBSA this analysis recommends the creation of both a GCG and a JMG for the purposes of administering the ADS agreement in Canada. The GCG should consist of representatives of CIC, CBSA and the CTC, with participation by other agencies as is required. Its purpose would be to advise the relevant ministers, which in this case would be the Minister of Immigration and the Minister for Public Safety, as CBSA operates as under the Public Safety portfolio. In addition, it would be the group responsible for deciding whether to approve or remove Canadian inbound tour operators from the ADS program. It would also be responsible for advising the ministers on general issues of administration, policy and governance as they relate to the ADS agreement. This study also recommends that this group consist of senior representatives from the various agencies.

Again, following the example established by the Australians, Canada should establish some form of Joint Monitoring Group, a group that consists of policy analysts whose job would be to advise the GCG on policy matters and operational needs of the ADS agreement. The group should be established by an agreement between CIC and CBSA, and consist of analysts from the relevant sections of each department. It should also be the responsibility of this group to monitor statistics associated with the program, and make the GCG immediately aware of any problems encountered.

7.2.3 Sanctions Mechanisms

One of the key aspects of both Australia and New Zealand's ADS agreements is the ability to sanction both inbound and outbound tour operators who facilitate or allow Chinese nationals who are on ADS visas to overstay. The punishments may range from a warning to a suspension of ADS designation. Again, this implementation option is that much more important in the absence of effective exit controls in this country. The ability to punish tour operators who allow ADS visitors to abscond provides a large incentive for these private operators to ensure that they do everything in their power to prevent abuse of ADS visas. In China, outbound operators try to protect themselves against abuse by charging large deposits to applicants, in the hopes that this ensures they will return to China at the end of their trip. Given that there is a substantial amount of reliance on Chinese outbound operators to 'vet' potential overstayers, it follows that there should be a strict enforcement mechanism in place to punish those outbound operators who facilitate overstayers.

In the Canadian context, the ultimate discretion as to whether or not to sanction Chinese outbound tour operators should lie with Program Managers at the various visa posts in China. This follows on the practice put in place by New Zealand, where it is at the discretion of INZ Branch managers to decide whether to sanction tour operators (Official, INZ, interview, 18 January 2006). When the author presented this option to the former CIC Program Manager, he/she agreed that the power to sanction outbound operators should rest with program managers, as they have done such things in the past, and they, in consultation with visa officers are in a position to know the local environment (Interview, 8 February 2006).

Presumably, Chinese outbound operators could face a range of penalties. In New Zealand, INZ officials first give Chinese outbound agents a warning, then suspend them, and finally remove them from the program altogether (Official, INZ, interview, 18 January 2006). The type of penalty issued would depend heavily on the type of infraction, and how severe its consequences. For example, in New Zealand, only one outbound operator has been removed entirely from their ADS program, and this was because that agency had facilitated eight overstayers: "This meant they went from a warning to removal because of the significance of the problem," (Official, INZ, interview, 18 January 2006). Given the importance of maintaining a good relationship with Chinese outbound operators as well as with Chinese officials, it is important that program managers look at each infraction on a case-by-case basis, and take into account past performance. In New Zealand, to determine the penalty, INZ compares the outbound tour operator's percentage of overstayers to the numbers of visitors who have been sent to that

country by the agent and their general history as it relates to bringing tourists to that country (Official, INZ, interview, 18 January 2006).

Canadian inbound operators should also be subject to penalties if they are in any way responsible for absconders. Again, given that Canada has no system of exit controls, one of the only ways officials will know if ADS travellers do not return to China is if tour operators report that fact. Thus, there must be some mechanism in place to sanction Canadian operators for not reporting ADS travellers who overstay, or for in some way assisting travellers to overstay. This analysis suggests that the best way to implement such sanctions is to clearly spell out in the Canadian ADS Code of Ethics what constitutes an infraction, and outline defined penalties for those infractions. CIC should be the government department responsible for handing out penalties to Canadian inbound operators, with the proposed GCG being the body responsible for deciding whether to sanction an operator.

However, similar to how Australia implemented its Code of Ethics, Canada could divide sanctions into two categories, with only the more serious offences being referred to the GCG level, less serious offences can be dealt with by CIC officials. In the case of Australia, their Code of Ethics does not include any kind of monetary fines. If Canadian officials want to make their Code that much stricter, they may wish to implement a set of fines that would be levied against inbound tour operators for failing to adhere to the Code. Given that sanctioning Canadian tour operators carries more political risk than sanctioning operators in China, the Canadian Code of Ethics should allow for operators who are facing the threat of sanction the ability to respond to any allegations made by CIC. This study suggests that CIC and/or CBSA establish some form of compliance officer whose responsibility would be to ensure that inbound tour operators comply with the ADS Code of Ethics. This recommendation follows directly from the model of ADS administration established by Australia. This compliance officer is not a new position, its responsibilities added to the duties of an existing CBSA enforcement officer. The officer would make sure inbound operators are complying with the Code by conducting audits of operators, or even doing spot checks of ADS tour groups to ensure compliance.

However, one important issue in the context of sanctions mechanisms is the deposit collected by Chinese outbound tour operators. In section 4.4 this study noted that the deposit charged to ADS travellers by Chinese outbound tour operators for travel to New Zealand was approximately NZ\$ 9,000 to 18,000. A senior official with the CTC, whose area of expertise is the Chinese tourism market indicated that the amount that would be charged to ADS tourists to travel to Canada would be CDN\$ 8,000 to 12,000 (Senior official, CTC, interview, 4 January

2006). Nevertheless, it is important to note that while this deposit does seem to act as a deterrent against ADS visa-holders overstaying in their destination country, there is the possibility that Chinese nationals wishing to migrate illegally may consider this deposit the price of reaching their destination. Chin, who writes that the deposit collected by the outbound agents “was already discounted by potential Chinese irregular migrants before they embarked on their journey”, confirms this (Chin, 2003). There is other evidence to indicate that the deposit charged by outbound agents may be ‘discounted’ by potential illegal migrants. For example, publicly available evidence suggests that Chinese people-smugglers, or ‘snakeheads,’ charge illegal migrants anywhere from US\$ 35,000 to 55,000 for the trip to North America. Obviously, these amounts are far in excess of the deposit that outbound agents would charge to travel to Canada as a tourist. Thus, it may make economic sense for some illegal migrants to attempt to use the ADS agreement to migrate illegally to Canada.

7.2.4 Performance Measures

It is also important that Canadian officials have some idea of performance measures when implementing the ADS agreement. Performance measures would be measures that allow officials to decide whether the agreement has been successful. Specific performance measures would include the number of tourists who travel to Canada under the program; the length of time they spend here and the amount of money they spend. The measures should also include where in Canada they travel to; the overstay rate; the percentage of visa applications refused at visa posts in China and the number of ADS visitors who make asylum claims in Canada. Indicators of a successful program would include low levels of overstayers and ADS visitors making refugee claims, as well as high numbers of visitors to Canada under the agreement, and presumably, visitors that spend a lot of time and money here.

8 Limitations and Future Research

The study proposed Canada should sign an ADS agreement and implement this agreement based on a 'sanctions model'. While it has analyzed the implications of an ADS agreement on Canada's immigration system estimated the economic benefits, there project has some limitations. First, this study has relied heavily on two cases: New Zealand and Australia. While these two countries allow for an in-depth analysis of how ADS administration, they are only two cases out of approximately 80 countries that have such agreements. Further, both cases are island states, which allow for strict entry and exit controls, which in turn allow officials in those countries to know whether any ADS tourists have overstayed. In addition, neither New Zealand nor Australia shares a border with the US, something that could significantly affect the number of ADS overstayers in Canada.

Second, there were problems in collecting data for this study. It proved impossible to interview officials in Australia, thus the study had to rely on publicly available information from secondary sources and government websites. This left some key pieces of information missing from the case study of that country. For example, the overstay rates from the early years of the program were unattainable, so it proved impossible to determine whether overstay rates had increased or decreased with time. It also proved impossible to collect data on The Netherlands' administration of its ADS program. The Netherlands, which signed an ADS agreement along with most of the EU, had significant problems in administering it program, leading officials to suspend the issuing of ADS visas for a short period. The case of The Netherlands would have allowed a good comparison to the Canadian context as that country's open borders with neighbouring EU states mirrors Canada's relatively open border with the US.

Given the above limitations, there is room for future research as it relates to implementing an ADS agreement in Canada. In the future, researchers may wish to fill in some of the information that is missing from Australia, as well as The Netherlands. It may also be worthwhile to examine the experience of the United Kingdom, as that country has similarities to Canada. There should also be an attempt to predict more accurately, and over the long term, the numbers of visitors that would travel to Canada under an ADS agreement. Related to that, future studies could attempt to predict how much money an average ADS visitor would spend in

Canada. If future researchers ascertain this information, it would be possible to predict with more certainty the economic benefits that Canada would receive with an ADS agreement.

Appendices

Appendix A – ADS Negotiation Procedure

Table 10: ADS Negotiation Procedure

ADS Negotiation Procedure
First Round: <ol style="list-style-type: none">1. The applicant country sends an application letter to the CNTA2. CNTA discusses with the Ministry of Foreign Affairs and the Ministry of Public Security (these three parties participate in all further negotiations)3. A report is sent to the State Council4. Approval by the State Council5. Announcement of approval to the applicant country
Second Round: <ol style="list-style-type: none">6. Discussion of details of the agreement7. A memorandum of understanding is agreed and signed8. The agreement is <i>final</i> and <i>operational</i>

Source: (World Tourism Organization, 2003)

Appendix B – List of Countries with Approved Destination Status

Table 11: List of Countries with Approved Destination Status

#	Country	Date of ADS Agreement	Provinces of China Included
1	Honk Kong	1983	All
2	Macau	1983	All
3	Thailand	1988	All
4	Singapore	1990	All
5	Malaysia	1990	All
6	Philippines	1992	All
7	Australia	1999	Beijing, Shanghai, Guangdong
		July 2004	Tianjin, Hebei, Shandong, Jiangsu, Zhejiang, Chonqing
8	New Zealand	1999	Beijing, Shanghai, Guangdong
		July 2004	Tianjin, Hebei, Shandong, Jiangsu, Zhejiang, Chonqing
10	Japan	15 September 2004	Beijing, Shanghai, Guangdong
		25 July 2005	All
11	Vietnam	2000	All
12	Cambodia	2000	All
13	Burma	2000	All
14	Brunei	2000	All
15	Nepal	2002	All
16	Indonesia	2002	All
17	Malta	2002	All
18	Turkey	2002	All
19	Egypt	2002	All
20	Germany	2003	All
21	India	2003	All
22	Maldives	2003	All
23	Sri Lanka	2003	All
24	South Africa	2003	All
25	Croatia	2003	All
26	Hungary	2003	All
27	Pakistan	2003	All

#	Country	Date of ADS Agreement	Provinces of China Included
28	Cuba	2003	All
29	Greece	September 2004	All
30	France	September 2004	All
31	The Netherlands	September 2004	All
32	Belgium	September 2004	All
33	Luxembourg	September 2004	All
34	Portugal	September 2004	All
35	Spain	September 2004	All
36	Italy	September 2004	All
37	Austria	September 2004	All
38	Finland	September 2004	All
39	Sweden	September 2004	All
40	The Czech Republic	September 2004	All
41	Estonia	September 2004	All
42	Latvia	September 2004	All
43	Lithuania	September 2004	All
44	Poland	September 2004	All
45	Slovenia	September 2004	All
46	Slovakia	September 2004	All
47	Cyprus	September 2004	All
48	Denmark	September 2004	All
49	Iceland	September 2004	All
50	Ireland	September 2004	All
51	Norway	September 2004	All
52	Romania	September 2004	All
53	Switzerland	September 2004	All
54	Lichtenstein	September 2004	All
55	Ethiopia	15 December 2004	All
56	Zimbabwe	15 December 2004	All
57	Tanzania	15 December 2004	All
58	Mauritius	15 December 2004	All
59	Tunisia	15 December 2004	All
60	Seychelles	15 December 2004	All
61	Kenya	15 December 2004	All

#	Country	Date of ADS Agreement	Provinces of China Included
62	Zambia	15 December 2004	All
63	Jordan	15 December 2004	All
64	Northern Mariana Islands (US)	1 March 2004	All
65	Fiji	1 April 2005	All
66	Vanuatu	1 March 2005	All
67	United Kingdom	15 July 2005	All
68	Chile	15 July 2005	All
69	Jamaica	15 July 2005	All
70	Russia	25 August 2005	All
71	Brazil	15 September 2005	All
72	Mexico	15 September 2005	All
73	Peru	15 September 2005	All
74	Antigua and Barbuda	15 September 2005	All
75	Barbados	15 September 2005	All
76	Laos	15 September 2005	All
77	Mongolia	1 March 2006	All
78	Tonga	1 March 2006	All
79	Granada	1 March 2006	All
80	Bahamas	1 March 2006	All
81	St. Lucia	1 March 2006	All

Source: (China National Tourism Administration, 2006)

Appendix C – List of Attempts to Contact Canadian Officials for Interviews

Table 12: List of Attempts to Contact Canadian Officials for Interviews

Individual or Organization	Date of Communication	Type of Communication	Subject of Communication	Response
Ted Lipman, Director General, East Asia Bureau, Foreign Affairs Canada	23 November 2005	Email	Information on status of ADS negotiations from Foreign Affairs perspective	Responded 24 November 2005 that he was unable to comment on ADS as negotiations are ongoing
Ted Lipman, Director General, East Asia Bureau, Foreign Affairs Canada	27 November 2005	Email	Request for an interview on China-Canada relations generally, with no discussion of ADS	Response from Michael Bornstein that due to his schedule, Ted Lipman was unavailable for an interview.
Policy Analyst, CBSA	23 January 2005	Email	Request for information on CBSA's perspective on ADS	No response

Appendix D – List of Attempts to Contact Australian Officials for Interviews

Table 13: List of Attempts to Contact Australian Officials for Interviews

Individual or Organization	Date of Communication	Type of Communication	Subject of Communication	Response
Refugee Council of Australia	16 September 2005	Email	Request for information and statistics on increases in asylum-seekers as a result of ADS agreement	Only able to provide statistics for the past five years
Dr. Cassandra Star, Lecturer, Griffith University	16 September 2005	Email	Request for information on ADS agreement in Australia, as well as asking if she knew of anyone else that would be worth contacting in either government, academia or in the NGO.	Provided the names of two academics who work in the fields of immigration and refugee issues in Australia
Australian High Commission, Ottawa	16 September 2005	Email	Request for asylum-seeker statistics prior to 2000	Told to email research@immi.gov.au for any required statistical information
Research Department, Department of Immigration, Multicultural and Indigenous Affairs	20 September 2005	Email	Request for asylum-seeker statistics prior to 2000	Email forwarded to statistics@immi.gov.au No response ever received.
Refugee Council of Australia	28 September 2005	Email	Request for a contact person in DIMIA	No response
Dr. Anthony Burke, Senior Lecturer in International Relations, School of Politics and International Relations, University of New South Wales	28 September 2005	Email	Request for information on ADS agreement in Australia, as well as asking if he knew of anyone else that would be worth contacting in either government, academia or in the NGO.	No Response
Australian office of the United Nations High Commissioner for Refugees	30 September 2005	Email	Request for statistics on Chinese asylum-seekers in Australia in order to verify numbers available from DIMIA, as well as	Responded on 3 October 2005 that they get their statistical information from DIMIA, and were unable to comment on the ADS

Individual or Organization	Date of Communication	Type of Communication	Subject of Communication	Response
(UNHCR)			asking how the UNHCR collects its own statistics on. Also asked if they could provide any information on ADS agreement.	agreement or its implications.
Australian High Commission, Ottawa	30 September 2005	Email	Request for contact information for communications/public relations person	Responded on 3 October with a link to DIMIA website
Senior Official, Immigration and Refugee Board	4 October 2005	Email	Request for contact information for members of the refugee review tribunals in Australia and New Zealand	Responded with contact information
Peter Mares, former journalist and current Senior Research Fellow (Specializing in immigration issues) at the Institute for Social Research, Swinburne University, Australia	11 October 2005	Email	Request for information interview	Responded on 11 October that he does not have an in-depth knowledge of the ADS agreement and is unable to provide any information.
Peter Mares	11 October	Email	Reply email asking if he has any contacts in Australia I could interview about ADS.	Replied on 11 October 2005 that I should contact Marion Le, a refugee advocate.
Tony Burke, Shadow Immigration Minister, Australian Labour Party	11 October 2005	Email	Request for information on ADS agreement in Australia	No response
Senior Official, Refugee Review Tribunal, Australia	1 November 2005	Email	Request for information on ADS agreement, as well as any contacts in DIMIA	Responded on 3 November 2005 saying staff at the RRT would provide as much assistance as possible
Peter Mares, former journalist and current Senior Research Fellow (Specializing in	1 November 2005	Email	Request contact information for communications/public relations person in DIMIA	Responded on 1 November 2005 with contact information

Individual or Organization	Date of Communication	Type of Communication	Subject of Communication	Response
immigration issues) at the Institute for Social Research, Swinburne University, Australia				
Public Affairs Section, DIMIA, Australia	3 November 2005	Email	Request for interview with public affairs official or employee of DIMIA	No response
Tourism Australia	3 November 2005	Email	Request for statistics	Automatic reply indicating they would respond to my request within 3 working days
Tourism Australia	28 December 2005	Email	Questions about Administration of ADS program	Responded that they are unable to provide information other than what is available on their website
ADS Executive Officer	28 December 2005	Email	Questions about administration of ADS program	Replied on 10 January 2006 with some basic information on administration of ADS scheme as well as contact information for ADS person in DIMIA. Also provided electronic copy of ADS Application Package. Requested a phone interview and was told it would have to be cleared with Senior Management
ADS section at DITR	2 January 2006	Phone	Questions about ADS program	1-800 number listed on website does not work from Canada
Public Affairs, DIMIA	2 January 2006	Phone	Trying to find contact information to speak to someone about ADS program	Provided with an email address for the Visitor Policy Branch of DIMIA
Visitor Policy Branch of DIMIA	3 January 2006	Email	Questions about administration of ADS program	No response
ADS email address – DIMIA	11 January 2006	Email	Questions about administration of ADS program	Response from Policy Officer on 15 January 2006 that she would have to seek "advice/input" about request for information
Public Affairs, DIMIA	22 January 2006	Phone	Follow-up on request for information	Told request is already on file

Appendix E – List of Attempts to Contact Dutch Officials for Interviews

Table 14: List of Attempts to Contact Dutch Officials for Interviews

Individual or Organization	Date of Communication	Type of Communication	Subject of Communication	Response
Dutch Consulate in Vancouver	20 October 2005	Email	Request for statistics as well as an individual to contact for an interview	No response
Dutch Consulate in Vancouver	21 October 2005	Email	Request for asylum-seeker statistics from 2004/05, as well assistance in locating information on their immigration department website	No response
General email address, IND, The Netherlands	27 October 2005	Email	Request to speak to someone in the communications/public relations department	Response from communications person that she will forward on questions to relevant person in IND
Dr. Marieke Jansen, <i>SenterNovem</i> , The Hague, The Netherlands	31 October 2005	Email	Request for a contact person in The Dutch Immigration Department	Responded on 2 November that a staff member in her office will be in touch to assist in finding a contact in IND
Employee, Immigration and Nationality Directorate (IND), The Netherlands	2 November 2005	Email	Request for interview	Response on 11 November 2005 from another individual indicating the possibility of an interview
Employee of IND, The Netherlands	14 November 2005	Email	Request for interview	Responded on 16 November that he/she would try to find persons who could answer questions about ADS
Dr. Ralf Krooshof, <i>Ministerie van Verkeer en Waterstaat</i> , The Netherlands	23 November 2005	Email	Request for contact information for IND	No response
Marije de Groot, Public Affairs representative, IND	27 December 2005	Email	Request for interviews	Email on 11 January indicating questions had been forwarded to an individual, but no

Individual or Organization	Date of Communication	Type of Communication	Subject of Communication	Response
				guarantee questions would be answered
Employee, IND, The Netherlands	28 December 2005	Email	Follow-up to questions emailed on 13 November 2005	Replied on 3 January that to answer questions about ADS would require "political statements" which he/she was not entitled to make. Referred back to communications person.
Dr. Ralf Krooshof, <i>Ministerie van Verkeer en Waterstaat</i> , The Netherlands	7 January 2006	Email	Request for further information/contacts for IND	Replied on 9 January 2006 with additional names of individuals to contact outside of IND
Dr. Marieke Jansen, <i>SenterNovem</i> , The Hague, The Netherlands	7 January 2006	Email	Request for further information/contacts for IND	Replied on 11 & 13 January 2006 with additional names of individuals to contact outside of IND
Paul Scheffer, Lecturer, <i>SenterNovem</i> , The Netherlands	13 January 2006	Email	Request for interview/information on ADS	Replied 17 January 2006 that he was unable to assist, but provided contact information for another individual.
Dutch Consulate in Vancouver	20 October 2005	Email	Request for statistics as well as an individual to contact for an interview	No response
Dutch Consulate in Vancouver	21 October 2005	Email	Request for asylum-seeker statistics from 2004/05, as well assistance in locating information on their immigration department website	No response
General email address, IND, The Netherlands	27 October 2005	Email	Request to speak to someone in the communications/public relations department	Response from communications person that she will forward on questions to relevant person in IND
Dr. Marieke Jansen, <i>SenterNovem</i> , The Hague, The Netherlands	31 October 2005	Email	Request for a contact person in The Dutch Immigration Department	Responded on 2 November that a staff member in her office will be in touch to assist in

Individual or Organization	Date of Communication	Type of Communication	Subject of Communication	Response
Netherlands				finding a contact in IND
Employee, Immigration and Nationality Directorate (IND), The Netherlands	2 November 2005	Email	Request for interview	Response on 11 November 2005 from another individual indicating the possibility of an interview
Employee of IND, The Netherlands	14 November 2005	Email	Request for interview	Responded on 16 November that he/she would try to find persons who could answer questions about ADS
Dr. Ralf Krooshof, <i>Ministerie van Verkeer en Waterstaat</i> , The Netherlands	23 November 2005	Email	Request for contact information for IND	No response
Marije de Groot, Public Affairs representative, IND	27 December 2005	Email	Request for interviews	Email on 11 January indicating questions had been forwarded to an individual, but no guarantee questions would be answered
Employee, IND, The Netherlands	28 December 2005	Email	Follow-up to questions emailed on 13 November 2005	Replied on 3 January that to answer questions about ADS would require "political statements" which he/she was not entitled to make. Referred back to communications person.

Appendix F – List of Attempts to Contact European and Maltese Officials for Interviews

Table 15: List of Attempts to Contact European and Maltese Officials for Interviews

Individual or Organization	Date of Communication	Type of Communication	Subject of Communication	Response
Operator, European Union Switchboard	9 January 2006	Online conversation	Contact information for person to talk to about China-EU ADS agreement	Provided with contact information for Director General of External Trade
Director General of External Trade, European Union	9 January 2006	Email	Request for information about China-EU ADS agreement	Responded same day: Request forwarded on to appropriate person
Communications Officer, Malta	9 January 2006	Email	Request for information about Malta's immigration policies	Responded same day: Provided with contact information for relevant departments
Communications Officer, Malta	9 January 2006	Email	Further request for more specific information about illegal migration and ADS	Replied on 10 January 2006 that questions could be forwarded to the relevant department
Communications Officer, Malta	11 January 2006	Email	Set of questions about administration of ADS in Malta	Replied same day that questions will be forwarded to the appropriate officials

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- Official, INZ (Interview, 18 December 2005)
- Senior Official, CTC (Interview, 4 January 2006)
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- Official, INZ (Interview, 15 February 2006)