



Submission No 23

Australia's trade and investment relations under the Australia-New Zealand Closer Economic Relations Trade Agreement

Submission made by: NZ Government

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JOINT STANDING COMMITTEE ON FOREIGN AFFAIRS, DEFENCE AND TRADE

REVIEW OF THE AUSTRALIA NEW ZEALAND CLOSER ECONOMIC RELATIONS TRADE AGREEMENT

16 JULY HEARING: ADDITIONAL QUESTIONS TAKEN ON NOTICE

1 New Zealand's visa waiver arrangements

The Committee raised several questions about how New Zealand's visa waiver policy operates.

- New Zealand waives the requirement to obtain a visa before travelling for visitors from 53 countries for visits of up to three months.¹ The purpose of visa waivers is to facilitate genuine business people and tourists through minimising costs and processing times, without compromising security.
- Risk assessments are completed on each country prior to the establishment of visa waivers and visa waivers are subject to ongoing monitoring. If monitoring shows an unacceptable level of risk within an existing visa waiver², the framework allows the visa waiver to be suspended.
- Individuals who enter New Zealand under a visa waiver arrangement receive a permit at the border. While there is not the same level of verification as under a visitor's visa application (which gives the opportunity to screen individuals against alert lists, assess applications against known risk profiles, check the authenticity of travel documents, and police basic visitor requirements such as the existence of return tickets and sufficient funds), normal security procedures and checks to ensure that the entrant is a bona fide visitor still occur.
- Advanced Passenger Processing (APP) manages security and immigration risks as it checks prospective passengers against immigration alerts at check-in. APP is essentially an equivalent to Australia's Electronic Travel Authority (ETA) but with risk assessed at check-in rather than when the air ticket is booked.

¹ Including the holders of United Nations laissez-passer travel documents. New Zealand has visa waiver arrangements with: Andorra, Argentina, Austria, Bahrain, Belgium, Brazil, Brunei, Canada, Chile, Cyprus, Czech Republic, Denmark, France, Germany, Greece, Hong Kong, Hungary, Iceland, Ireland, Israel, Italy, Japan, Lithuania, Luxembourg, Malaysia, Malta, Mexico, Monaco, Netherlands, Norway, Singapore, Slovak Republic, Slovenia, South Africa, Spain, Sweden, Switzerland, and United Arab Emirates.

² Immigration risk results from increased compliance costs, refugee status claims, permit breaches (such as working unlawfully) etc, and social risk results from increased levels of criminal offending, drug importation, terrorism etc.

2 Have there been any cases where a visa waiver applied and people entering New Zealand under the waiver were found to be a security risk?

A small number of individuals have entered New Zealand as visa free visitors and been found to be a security risk. This includes two Israeli citizens, who were convicted of fraudulently obtaining New Zealand passports in 2004. This event resulted in a year-long, partial suspension of the Israeli visa waiver that excluded persons travelling to New Zealand in any official Israeli Government capacity.

Regardless of visa waiver status, security risk is ascertained on a case by case basis via the APP and immigration alerts at the border. Visa waiver status, while regularly monitored for each country, has never been suspended outright because of general security risk.

Visa waivers for Fiji, Samoa and Tonga, Indonesia, Thailand, Kiribati, Nauru, Tuvalu and Zimbabwe have all been suspended because of immigration-related risks. This was generally because of increased asylum claims and overstaying. The Czech Republic visa waiver was suspended in 2000 due to a high level of asylum claims, but reinstated two years later following an improvement in the situation, and the Czech Republic's pending accession to the European Union.

3 How many people have sought asylum in New Zealand, been accepted, and then moved to Australia on the basis of their New Zealand citizenship?

A recent review of residence cohort movements identified that, of the 3,571 asylum seekers granted residence as refugees between 1998 and 2003, 6.2 percent were absent as at 31 December 2004 (211 people). As it takes three years to be granted citizenship, the majority could not have moved permanently to Australia. The table below shows the numbers and percentages of asylum seekers granted residence on the basis of refugee status over the past ten years. Note that the numbers of successful asylum seekers in New Zealand have dropped considerably in recent years.

TABLE 1: NUMBER OF ASYLUM SEEKERS GRANTED RESIDENCE ON THE BASIS OF REFUGEE STATUS 1997/98 TO 2005/06

	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	Totals
Applicants	2,627	2,654	1,455	1,703	1,441	955	713	399	317	12,264
Approvals	275	538	473	312	627	247	115	81	6	2,674
Numbers granted residence*	135	588	794	714	785	713	362	335	162	4,588
Approval %	22	21	22	13	24	19	14	16	12	

* includes offshore nuclear family members

Anecdotally, we are not aware that a large number of refugees intend to move to Australia following a grant of New Zealand citizenship. In *Refugee Voices: A Journey Towards Resettlement* (a research project describing refugee resettlement in New Zealand), nearly all refugees interviewed intended to stay in New Zealand for the long term.³ Ninety-eight percent of recently arrived refugees (interviewed after two years) said they intended to stay in New Zealand.

³ *Refugee Voices: A Journey Towards Resettlement*, Department of Labour, June 2004.

4 How many skilled migrants leave New Zealand for Australia (i.e. what are the qualifications of New Zealanders living in Australia)?

The occupational breakdown of New Zealand citizen departures to Australia is very similar to that of the overall New Zealand workforce (Table 2). The only differences are small: a slight over-representation of Professionals, and Service & Sales workers, and a slight under-representation of Agriculture & Fishery workers. The breakdowns match exactly for two of the lowest skilled occupations of Plant & Machinery Operators & Assemblers, and Elementary Occupations. The table below shows the occupations of permanent and long term (PLT) departures to Australia from 2001 to March 2006.

TABLE 2: OCCUPATION MIX OF NEW ZEALAND CITIZEN PLT DEPARTURES TO AUSTRALIA, 2001-2006⁴

Five Years to March 2006	Number of departures (000s)	% of departures	% of New Zealand employment
Legislators, Administrators & Managers	5.7	11	13
Professionals	9.4	18	15
Highly skilled occupations	15.1	29	27
Technicians & Associate Professionals	6.6	13	12
Trades Workers	5.9	11	10
Skilled occupations	12.5	24	21
Clerks	5.1	10	12
Service & Sales Workers	9.7	19	16
Agriculture & Fishery Workers	2.4	5	8
Plant & Machine Operators & Assemblers	4.5	9	9
Semi skilled occupations	21.7	42	45
Elementary Occupations	2.9	6	6
Low skilled occupations	2.9	6	6
Total All Occupation Groups	52.3	100	100

Source: External Migration, Household Labour Force Survey, Statistics New Zealand; Note: numbers may not add to total due to rounding

The most recent Australian census (2001) showed that "once controlled for age differences, there is virtually no difference between the New Zealand and Australian-born populations [in Australia] in qualifications, socioeconomic characteristics etc" (Australian Bureau of Statistics *Australia's most recent immigrants* paper, written by Professor Graeme Hugo of the University of Adelaide in 2001 as part of the Australian Census Analytic Program). In summary, that means that New Zealanders living in Australia have comparable qualifications

⁴ Caution should be taken using PLT migration data because they are based on self-reported intentions, which can change. Further, many people are not classified to an occupation, either because they are not in the labour force (for example, students or retirees) or because their occupation is not successfully coded.

to the Australian population, but have slightly lower skills than other immigrants (who tend only to be accepted into Australia if they meet the skilled migration requirements).

The Department of Immigration and Multicultural Affairs publication *Community Information Summary* on the New Zealand-born community (note New Zealand born, not all New Zealanders) states that in 2001, of New Zealand-born people aged 15 years or over, 47% held some form of educational or occupational qualification compared with 46.2% of all Australians (of a comparable age). Among the NZ-born, 19.4% had higher qualifications (which means post grad degree, graduate diploma or graduate certificate, or bachelor degree advanced diploma and diploma level) and 18.7* had Certificate level qualifications. Of the New Zealand-born with no qualifications, 11.9% were still attending an educational institution.

From the same publication, of the New Zealand-born people aged 15 and over who were employed, 50.4% were working in a skilled occupation (compared to 52.6% of the Australian population), 31.3% in a semi-skilled occupation (compared to 28.9%) and 18.4% in an unskilled occupation (compared to 18.6%).

5 Are New Zealand skill shortages in the same areas as Australia? (Particularly medical staff)

New Zealand skill shortages exist across the range of occupations, reflecting growth in the New Zealand economy over recent years. The Immediate Skill Shortage List (for areas of immediate, regional skill shortage) records shortages in respect of occupations from Accountants, Agricultural Machinery Operators and Aluminium Joiners to Web-offset printers, Winemakers and Yacht riggers.

The Long Term Skill Shortage List (for absolute skill shortage) contains occupations in, among others, the professional, trade, horticultural and information technology areas. Medical occupations on the Long Term Skill Shortage List are included in Table 3 below.

TABLE 3: MEDICAL OCCUPATIONS IN ABSOLUTE SHORTAGE IN NEW ZEALAND – JULY 2006

Anaesthetist	Audiologist
General Surgeon	Dietician
Intensivist (ICU specialist)	Medical Laboratory Scientist (including crytotechnologist)
Pathologist	Medical Radiation Technologist, Radiographer, Therapeutic Radiographer
Psychiatrist	Midwife

Radiation Oncologist	Nurse (Principal, Registered, Psychiatric, Plunket, Public health/district, Occupational health)
Radiologist	Occupational Therapist
Renal Physician	Pharmacist
Specialist Physician in Palliative Medicine	Physiotherapist
General Practitioner (rural areas only)	Psychologist
Obstetric Gynaecological Registrar	Sonographer
Anaesthetics Technician	Speech Language Therapist

The Immediate Skill Shortage List and the Long Term Skill Shortage List can be accessed online through the Immigration New Zealand website. The addresses <http://www.immigration.govt.nz/issl> and <http://www.immigration.govt.nz/ltssl> both lead to the Skill Shortages page.

6 The Committee asked whether Pacific Islanders may be able to obtain more than one passport, under different names, and then use these to claim multiple welfare benefits in Australia.

Only New Zealand citizens are entitled to New Zealand passports. When a New Zealand citizen (of Pacific Island or other descent) applies for a passport, he or she must provide proof of identity. For a person's name to appear in a New Zealand passport, the name must be substantiated by a:

- full birth certificate;
- citizenship certificate;
- name change declaration;
- marriage certificate (for surname of married person); or
- previous New Zealand passport.

The passport system has internal checks to prevent a person from obtaining multiple New Zealand passports under different names.

7 The Committee asked about the number of Australian citizens who had moved to New Zealand

The table below sets out Permanent and Long Term (PLT) arrivals of Australian citizens to December 2005, from the Statistics New Zealand website.

TABLE 4: ANNUAL AUSTRALIAN CITIZEN PLT ARRIVALS TO NEW ZEALAND 2000-2005

Year	Number
2000	3,661
2001	3,916
2002	4,153
2003	4,822
2004	5,437
2005	5,120

For the year to December 2005, this equates to 98 Australian citizens per week.

8 The Committee sought confirmation of whether 500 New Zealanders move to Australia each week

The Department of Immigration and Multicultural Affairs (in its *Population Flows: Immigration Aspects* publication) reports that in 2004-2005, a total of 33,903 New Zealand citizens came to Australia permanently or long term (12 months or more) (an average of 652 a week). However, in the same period, there were 13,905 permanent or long term departures of New Zealand citizens (an average of 267 per week). Therefore, the net gain was 19,998 permanent or long term arrivals, or an average of 385 per week (although, as the numbers of arrivals and departures vary throughout the year, weekly averages are not always accurate).

9 The Committee questioned, in relation to skills shortages in the medical profession, why Australia extended mutual recognition to doctors who had trained in New Zealand, but not third country doctors who had obtained registration in New Zealand

Currently, medical practitioners are subject to a permanent exemption under the Trans-Tasman Mutual Recognition Arrangement (TTMRA). Medical schools in Australia and New Zealand and Australasian medical colleges are, however, mutually accredited by both the Australian and the New Zealand Medical Councils. This means that graduates from these schools can work in both Australia and New Zealand, while third country trained medical practitioners cannot without first meeting accreditation standards in either country.

As part of the 2003 review of the TTMRA, the issue of whether the current permanent exemption should be removed was examined. It was decided that there were public health grounds to retain the exemption at this time. However, the Australian and New Zealand Medical Councils were asked to work together to harmonise competency standards for overseas-trained medical practitioners, with a view to enabling the removal of this exemption at the next review.

The Australian Medical Council and the Canadian Medical Council are in the process of finalising a joint screening examination for overseas trained medical practitioners. The New Zealand Medical Council is also looking at linking in with this process to establish a common approach to competency standards. It is also keeping a watching brief on developments in Australia in terms of the potential establishment of a national register and the implications this may have for New Zealanders.

New Zealand has robust processes, set by the New Zealand Medical Council, for considering applications for doctor registration. The Council works under the Health Practitioners Competence Assurance Act 2003, whose principal purpose is to protect the health and safety of members of the public by providing for mechanisms to ensure that health practitioners are competent and fit to practice their professions.

New Zealand has three ‘scopes of practice’:

- General scope (which covers the New Zealand/Australia accreditation, competent authority⁵, comparable health system⁶ pathways)
- Vocational scope - for specialists (assessment system is similar to that in Australia)
- Special purpose - for doctors who are visiting NZ for a defined purpose and for a short term only

If a doctor (not from Australia or New Zealand) does not meet the competent authorities or comparable health systems tests for registration in a general scope of practice, they then need to sit a recognised exam. Irrespective of which pathway, the following requirements apply:

- References must be obtained and verbal reference checks must be done as part of the registration application.
- Supervision reports must be provided by the clinical supervisor every three months.
- Doctors may only work in approved positions; if their employment situation changes they must apply to Council (submitting a supervision report) for approval.
- The Medical Council of New Zealand does not have a registration pathway for doctors working in ‘areas of need’, as Australia does; the same standard applies across the whole country.

Further information about the criteria for becoming registered as a doctor in New Zealand can be found at:

<http://www.mcnz.org.nz/Registration/Howtobecomearegistereddoctor/tabid/71/Default.aspx>

10 Is there any work going on to synchronise trans-Tasman curriculum in particular occupations (specific trade areas)

In the area of vocational education and training qualifications, there is an agreement, the Mutual Recognition of Vocational Education and Training Qualifications between Australia and New Zealand, which sets out the principle underpinning mutual recognition:

⁵ UK and Ireland.

⁶ Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Iceland, Italy, Norway, Republic of Ireland, Sweden, Switzerland, the Netherlands, United Kingdom, United States of America

“if a person is registered to practice an occupation in New Zealand he or she will be entitled to practice an equivalent occupation in an Australian jurisdiction, and vice versa, without the need to undergo further testing or examination.”

A full copy of the document is available at:

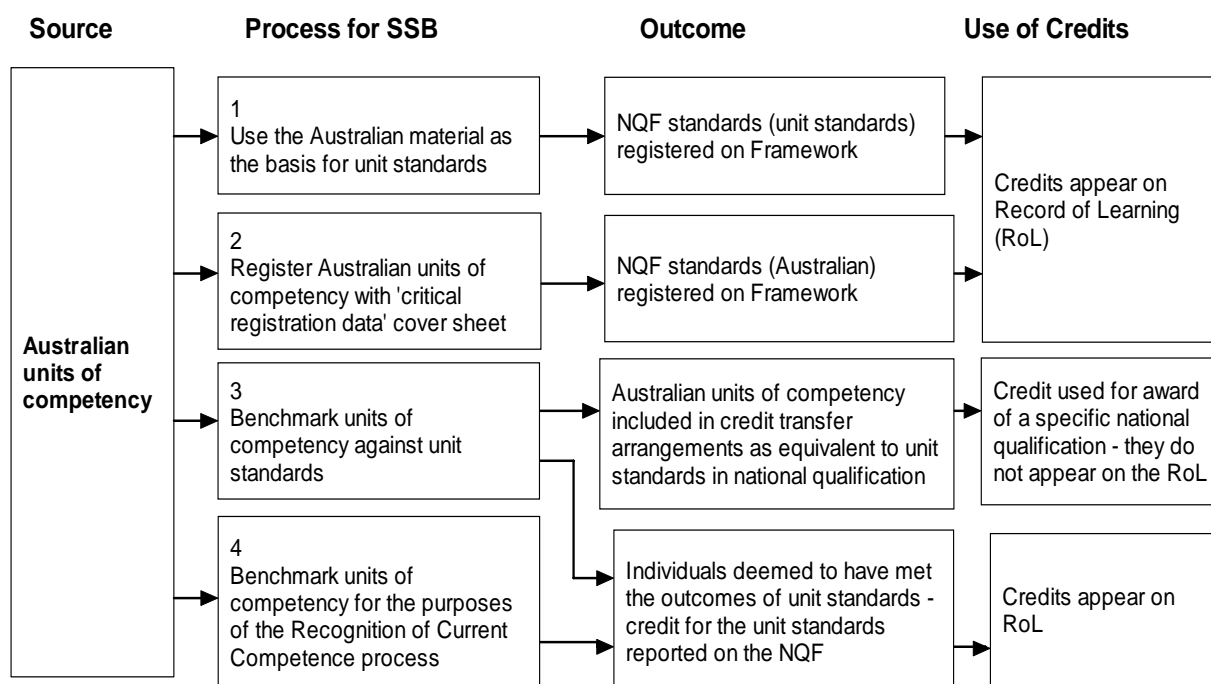
<http://www.dest.gov.au/archive/publications/6220tref.pdf>

The mutual recognition agreement provides an enabling context for collaborative work between New Zealand Industry Training Organisations (ITOs) and Australian National Industry Training Advisory Bodies. This may involve using Australian Training material in development of New Zealand Standards agreed; benchmarking, arrangements and facilitating agreements between employing agencies and enterprises.

NZQA has developed guidelines for the use of Australian Units of Competency in New Zealand – see:

<http://www.nzqa.govt.nz/framework/standard/registration/reg-aust-units.html>.

The following mechanisms are available.



The first Units of Competency coversheets were registered on the National Qualifications Framework in September 2005. They relate to Competitive Manufacturing and were put forward by a consortium of ITOs comprising

- Forest Industries Training and Education Council (FITEC) – lead ITO
- New Zealand Industry Training Organisation (NZITO)
- Competenz
- Electricity Supply Industry Training Organisation (ESITO)
- Furniture Industry Training Organisation (FITO)
- Plastics and Materials Processing Industry Training Organisation (PaMPITO)
- Printing and Allied Industries Council (PAITC)
- Seafood Industry Training Organisation (Seafood ITO)
- Apparel and Textile Industry Training Organisation (ATITO)

Other coversheets are being developed by the Extractive Industries Training Organisation in relation to Drilling.

11 Has there been growth in two way government procurement?

There has been a "single government procurement market" in place for two decades now. In New Zealand, recognition of equal access for Australian suppliers is an inherent part of the procurement practitioner culture.

Separate statistics for the government procurement component of trade are not collected, and this would not be feasible or very meaningful as many government purchases of goods would be indirect i.e. via wholesalers/distributors on both sides of the Tasman, rather than direct from the Australian or NZ producers.

There is anecdotal evidence (e.g. media reports, or direct contacts by firms), that New Zealand and Australian producers are enjoying unimpeded access and competing successfully in New Zealand and Australian government markets in areas like management services, construction services, IT/high tech equipment and services, building materials and office supplies. Complaints alleging denial of access or unequal treatment are very rare.

It may be of interest that currently 2441 firms with an Australian postal address have registered with our Government Electronic Tenders Service (GETS) to be recipients of the Tenderwatch service for notices of opportunities to tender for supply to New Zealand government entities. In addition, there are an unknown number of registrations by New Zealand firms acting as agents for Australian producers.

12 How many international tourists does New Zealand receive every year?

For the year ended May 2006, there were 2.395 million international visitor arrivals, up 14,000 (0.6%) on the previous year. Top contributing markets include - Australia (882,000, up 1.3%), UK (309,000, up 6.2%), USA (221,000, up 0.3%), Japan (148,000, down 8.7%), Korea (107,000, down 5.5%) and China (96,000, up 15.1%). Arrivals for the first five months in 2006 were up by 1.2% on the same period last year.

International visitors spent a total of \$6.5 billion in New Zealand for the year ended December 2005 (excluding international airfares). This is an increase of \$205 million (3%) on the previous year.

By 2011, international visitor arrivals are forecast to reach 3.209 million.

13 To what extent do NZ and Australian tourism agencies cooperate in third markets?

Tourism New Zealand and Tourism Australia do work together where there are opportunities to share costs at events which are cost prohibitive. This is mutually beneficial, allowing a presence which would otherwise not be possible. Currently there are only two events where this is done - ITB Berlin and the Arabian Travel Market in Dubai. However the two countries operate as separate destinations at each show and do not focus on a dual destination marketing proposition.

In most cases it is not feasible for Australia and New Zealand to work together on dual destination marketing initiatives. Firstly it needs to be recognised that Australia and New Zealand are competing for the same consumers. As such, both Tourism Australia and Tourism New Zealand are marketing their destinations to long haul visitors as single destination holidays. This is to ensure a higher-quality visitor experience and maximise length of stay and expenditure in each country.

Each country has a completely different holiday proposition, making it difficult to find common attributes to package together. Tourism New Zealand's 100% Pure New Zealand marketing campaign has won international plaudits for its singular and concise message. This message represents the unique attributes that New Zealand has to offer, and would not benefit from confusion with other messages.

From a funding perspective, there are also incompatible elements. Tourism Australia receives funding for tourism promotion from State tourism organisations. These States compete directly against New Zealand in the tourism marketplace. Any dual destination marketing initiative would result in direct competition between the States and New Zealand for visits and for increased length of stay.

14 The Committee questioned what the difference is between a moratorium imposed by New Zealand on trout and a trade barrier.

The Customs Import Prohibition Order is a trout conservation measure. It addresses legitimate objectives and fully accords with relevant trade obligations.

The import of trout for commercial purposes has been prohibited since 1999, when the first Customs Import Prohibition (Trout) Order came into force. The Order has been extended and renewed several times by successive Orders in Council. In October 2004, Cabinet approved a further extension until November 2007.

As in the past, the 2004 Order does not prohibit the importation of all trout into New Zealand. Imports of trout in non-commercial quantities for personal consumption are allowed. This ensures that both domestic and imported trout are subject to the same treatment.