



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

JOINT STANDING COMMITTEE ON MIGRATION

Reference: Review of state-specific migration mechanisms

TUESDAY, 31 OCTOBER 2000

CANBERRA

BY AUTHORITY OF THE PARLIAMENT

INTERNET

The Proof and Official Hansard transcripts of Senate committee hearings, some House of Representatives committee hearings and some joint committee hearings are available on the Internet. Some House of Representatives committees and some joint committees make available only Official Hansard transcripts.

The Internet address is: **<http://www.aph.gov.au/hansard>**

To search the parliamentary database, go to: **<http://search.aph.gov.au>**

JOINT COMMITTEE ON MIGRATION

Tuesday, 31 October 2000

Members: Mrs Gallus (Chair), Senators Bartlett, Eggleston, McKiernan and Tierney and Mr Adams, Mr Baird, Mrs Irwin, Mrs May and Mr Ripoll

Senators and members in attendance: Senator McKiernan and Mrs Gallus, Mrs Irwin and Mrs May

Terms of reference for the inquiry:

To review and report on the suite of State-specific Migration Mechanisms and the extent to which these meet the needs of State and Territory governments for skilled and business migrants with particular reference to:

- The adequacy of consultations with States/Territories on the mechanisms that have been developed;
- The level to which State and Territory Governments have utilised these mechanisms;
- Steps that might be taken to increase take-up; and
- Other mechanisms that might be developed

WITNESSES

BRIDGE, Mr Richard William, Director, Migration Policy and Analysis, Economic and Labour Market Analysis Branch, Labour Market Policy Group, Department of Employment, Workplace Relations and Small Business	365
LEI, Ms Deborah, Honorary Ambassador of Ipswich City, Ipswich City Council.....	377
MATHESON, Mr Scott, Assistant Secretary, Economic and Labour Market Analysis Branch, Labour Market Policy Group, Department of Employment, Workplace Relations and Small Business	365
NUGENT, Owen John, Mayor, Ipswich City Council	377

Committee met at 8.37 p.m.

BRIDGE, Mr Richard William, Director, Migration Policy and Analysis, Economic and Labour Market Analysis Branch, Labour Market Policy Group, Department of Employment, Workplace Relations and Small Business

MATHESON, Mr Scott, Assistant Secretary, Economic and Labour Market Analysis Branch, Labour Market Policy Group, Department of Employment, Workplace Relations and Small Business

CHAIR—I now open this public hearing of the Joint Standing Committee on Migration's review of state specific migration mechanisms. These mechanisms relate to the encouragement of overseas migrants to settle in regional Australia. This review was referred to the committee in June 1999 by the Minister for Immigration and Multicultural Affairs. The purpose of the review is to examine and report on the range of state specific migration mechanisms and the extent to which these meet the needs of state and territory governments for skilled and business migrants. The terms of reference focus on, firstly, the adequacy of consultations with state and territories on the mechanisms that have been developed; secondly, the level to which state and territory governments have utilised these mechanisms; thirdly, the steps that might be taken to increase take-up; and, fourthly, other mechanisms that might be developed. At the conclusion of the review, the committee will table its findings, conclusions and recommendations in the parliament, in a report which will be publicly available.

The committee has received 61 submissions from state and territory governments, migration agents and people with an interest in these issues. The committee normally authorises submissions for publication, and they are placed on the committee's web site. If you would like further details about the review, please feel free to ask any of the committee staff.

The committee will now take evidence from witnesses as listed on the program, and I now welcome witnesses from the Department of Employment, Workplace Relations and Small Business to give evidence. Although the committee does not require witnesses to give evidence under oath, you should understand that these hearings are legal proceedings of the parliament and warrant the same respect as proceedings of parliament itself. Giving false or misleading evidence is a serious matter and may be regarded as a contempt of parliament. Are there any corrections or amendments that you would like to make your submission?

Mr Matheson—No.

CHAIR—The committee prefers that evidence be taken in public but you should know that we can go in camera if it needs to be private. Before we start the questions today, I presume that you would like to make an opening statement.

Mr Matheson—We lodged our submission last year. We attempted to address in that submission the various issues which were raised by the committee in its discussion paper from the perspective of our department. In that regard our main focus is on the labour market implications of migration, particularly the skilled migration element. We are happy to answer any questions you have on that submission. There were just a couple of things that I briefly wanted to mention which related to developments since we lodged our submission. Firstly, we

provided a deal of information in there on trends in regional labour markets and skill shortage issues as background for the committee in their considerations. In the elapse of time since we lodged the submission last year there are various new data available.

The regional labour market data in the submission relates to the period up to the June quarter of 1999. Today our department released new data which takes that up until the September quarter of 2000. The data that we refer to in the submission comes from a little publication that the department produces called 'Australian Regional Labour Markets'. I have some copies if members of the committee would find it useful. It will provide you with some more up-to-date information on developments at a regional level. The key thing that we draw from the data that was included in the submission and certainly developments since that time is that there have been further strong improvements in the Australian labour market right across Australia. We have had about 310,000 additional jobs in the last 12 months. The number of unemployed has fallen by about 60,000. The unemployment rate as well is down by 0.8 per cent. There has been strong growth in all states and in the ACT. There have been large falls in unemployment in regional areas as well as in metropolitan areas.

All this is very important because, as we argue in our submission, the key consideration in addressing migration and population issues at a regional level is to get good economic policy which delivers a robust economy and growing labour markets. That is the key issue. Without that, the regional migration mechanisms cannot operate alone. So I guess that is the point of providing that information and providing the updated material there.

I also mentioned that we provide material in our submission on skill shortages. That was drawn from a publication that the department put out in April 1999 called 'Job Futures'. We provide data on skill shortages at that time across 80-odd occupations. That is put out on an annual basis. New data was released in May of this year in an expanded form, now covering 300-odd occupations.

Mr Bridge—Up to the four digit level of occupations. So that is about 380 or something.

Mr Matheson—That is available now on-line. It will come out in hard copy next week, so I cannot provide you with a copy of that at the moment. But as soon as we get that we can pass that on. But it is available on-line. The other development since we lodged our submission—and we make some reference in there to a dearth of data—is the performance of some of the state specific migration mechanisms. The department, along with DIMA, the Department of Immigration and Multicultural Affairs, commissioned the National Institute of Labour Studies in Adelaide to do an evaluation of the regional skilled migration scheme. The results of that have recently been released.

I understand that the committee has been provided with a copy of those results but, if that is not the case, we are certainly happy to provide you with copies of those and also answer any questions that you might have on that, given that the department was involved in the process. We can make sure that we send a copy along to you.

Mr BAIRD—Could you summarise the results for us here as a basis for discussions?

Mr Bridge—As Scott said, one of the things we did in our submission was to note that there were some information gaps in our understanding of how migrants were going through the regional migration schemes, the various mechanisms. Some of the other data sources that are available on migration and the labour market do not extend to good coverage at that state/territory level, particularly considering that some of the mechanisms are fairly new and that smaller numbers are involved. For example, the longitudinal survey of immigrants to Australia does not well cover some of these schemes, particularly pre-dating some of them, et cetera. So we co-funded and co-directed a study of the regional sponsored migration scheme, RSMS, which is one of the larger schemes, and one of the ones you are more interested in in the inquiry, with the National Institute of Labour Studies via a select tender process. It was done jointly between DIMA and ourselves. The study looked at several hundred employers and migrants who have used the regional sponsored migration scheme over the last couple of years. The executive summary of this report, which we will provide to you, goes into some of the more detailed bits and pieces.

Mr BAIRD—Generally was it a success and what were the biggest pluses and what were the biggest minuses?

Mr Bridge—The main things were that it picked up and confirmed the findings of an earlier South Australian study that I am not sure the committee has been aware of. Both the employers and the employees, the migrants who came out under the scheme, are very happy with the scheme. From the employer's point of view they rated it very highly in terms of being able to access people and meet their skill needs, where sometimes in the local labour market it has been more difficult for them. For regional employers that can be an issue. From the employees' point of view—the people who actually migrated—they also rated the scheme very highly, very successfully and good employment results. As you would expect, people are coming to jobs under these schemes. So in terms of general success from those two measures, in terms of meeting employer skill needs and satisfaction with the scheme, some pretty positive results. One of the less positive results was processing of the actual applications, which some employers found a bit more lengthy than they would like. But there was a majority showing that they would use the scheme again and were actually using the scheme again in many cases.

Mr Matheson—Even though that was one area where employers were less happy, it was still the case that two-thirds of employers said that they were satisfied with the processes. So still a good majority of employers said they were satisfied with it. That compared with about 90 per cent of employers who said they were very satisfied, or satisfied, with the scheme as a whole. So there was a very high level of satisfaction with the scheme, but by comparison the level of satisfaction with the process was lower. But it still appears from the results of the review to be fairly strongly supported.

Mr Bridge—The two things you would probably want to evaluate are: the degree of success of the scheme in trying to meet the skill needs of employers—that is one thing I have talked about; and the policy intent behind the scheme, which is to try and get a more balanced distribution of migrants coming to Australia, in particular encouraging them to settle in areas where, traditionally, there has been a lower percentage of people settling. There are some encouraging results there, with a lot of people staying within the region, although one thing that has been pointed out about the scheme is that it is still early days and the numbers being processed are still a little bit small. One thing the study identified was that a proportion of

people had left their employer within the two-year period normally required under this arrangement and perhaps after that period as well. Even though it is too early to judge that—because most of the people who were interviewed had not yet reached that two-year period—some of that number had already left their employer, even though they had not reached that two-year period.

In measuring that success, there is a question mark about whether people are remaining with their employer and, at the next level, within the region. Of the people who had left their employer, a certain percentage had found employment within the region. So, in terms of success in meeting a skill need identified in that region and encouraging people to settle in that region, those are positive things. This is an unknown percentage because there was a lower success rate in tracking people down who had left their employer after they had migrated—in some cases, before the two years; in other cases after those two years. I would consider the degree of success of the scheme to be quite good, but there is a question mark about whether people are staying in the region because the period of time has not yet elapsed to be able to nail down whether people have remained.

CHAIR—Mr Bridge, in your verbal presentation you talked about determining who had abused the system. How do you determine if the system has been abused? You gave us an indication then by saying that some people who come and work for an employer go off before the two years. That is obviously one level of abuse. What are the other types of abuse?

Mr Bridge—I do not recall using that exact term, but I may well have. That would be an issue if the process were used by a migrant to gain access to Australia who might not otherwise have formally migrated or permanently migrated and who are perhaps using the mechanism as the easiest way through the process, where they would not otherwise have met the criteria.

CHAIR—Doesn't that apply to all people in regional migration, and aren't we basically trying to encourage people into the region? We are saying that if you do not meet the other criteria, you might meet the regional criteria. So that is part of it—that they can get in through this way.

Mr Bridge—Yes, that is certainly the case.

CHAIR—Is that in itself not an abuse?

Mr Bridge—No, I would not say so—unless a person used a regional employer to get a permanent residency and then moved on. We have heard of one or two anecdotal cases—I cannot be specific; I do not have any details.

CHAIR—Is that an abuse of the employer or of the system? I can give you an example from my own electorate, a case that came into my office. I assisted a sushi chef to come in to work in a Japanese restaurant. All his visa requirements were paid for by the owner of the restaurant—we got the permanent residency visa for him and his family. He worked there for a month but got a better offer from another restaurant and moved to that restaurant. He was still fulfilling the goals of the program, he was still with his family in Adelaide and he was employed, albeit with a different restaurateur. So the scheme itself had not suffered; the person who had suffered was the employer. Would you say that was an abuse of the system?

Mr Bridge—In that circumstance, the employer, having gone through these processes, having sponsored somebody, having gone through the mechanisms and, as you say, gone to some expense, might feel that that is not a particularly good outcome for them. They are missing a person again—they had had trouble finding a sushi chef.

CHAIR—How should we put in place restrictions to stop people from moving from an employer?

Mr Bridge—There is already an agreement, there being a two-year employment contract in the Regional Sponsored Migration Scheme.

CHAIR—I understood that that did not go through. I am a little puzzled. I have asked questions on this. It was going to be made compulsory that you had to stay with the employer for two years, then I heard that that actually had not come in. Are you clearer on that than I am?

Mr Bridge—Probably not. There always was a two-year agreement, but it is enforceable only through common law.

CHAIR—Is that the problem?

Mr Bridge—Once a person has a permanent visa, they are an Australian permanent resident—

CHAIR—and they have a right to be employed by whomever they like.

Mr Bridge—Indeed.

CHAIR—So it is not enforceable?

Mr Bridge—I think that is the case. However, there was an initiative that I thought—but I do not know for sure—had gone through: the ability for the minister for immigration to cancel a visa, one of the rare cases where you could go backwards and revoke a permanent visa, in the case where there is an abuse or a separation at that point. Going back to the case of the chef who went to the restaurant next door—and there was a shortage of sushi chefs—from our point of view, the general scheme would almost work with that person meeting that region's need and settling in that area, but if that sushi chef went to Sydney, that may well be an abuse.

CHAIR—For fear of incurring the wrath of Mr Baird, I shall not ask my question of Mr Matheson yet; I shall leave it until later.

Mr BAIRD—Oh, go on! Don't hold back.

CHAIR—I shall turn over the questioning to the deputy chair.

Senator McKIERNAN—I have a question on the erosion of skill levels. On page 40 you make the following point:

... the overall skill level of the programme may be lowered without having a substantial impact on distribution.

On page 43, you say:

On some occasions, employers requirements for skills may be more appropriately met from training initiatives rather than importing overseas workers.

In the course of the inquiry we have come across some odd—if I can describe them as that—persons that have been nominated to come in under these schemes in areas where you would not expect a great deal of training to be given to the individual and for which I, personally, would have thought that an Australian would be quite readily available. I appreciate that these are certified, but does the department have any form of role overseeing the persons who come in on these types of schemes? I am talking in the broad rather than the specific RSMS now.

Mr Bridge—With respect to the RSMS, we do not have any formal role. We have a formal role in a very similar arrangement, the more mainstream arrangement called the employer nomination scheme where, in most cases, DIMA actually refer a case to us to look at; in particular, aspects of skill level—whether that skill requirement is being met in meeting the labour market testing criterion, which is a criterion set out in the migration arrangements, and in respect of training record or training commitment. In the case of the RSMS, as I said, we do not have any formal role but we are called on from time to time to give informal advice on issues around that, including state of the occupational labour market. For example, is there a shortage of sushi chefs or are we falling over ourselves with sushi chefs? So we are not formally involved but we are asked to comment by some of the certifying bodies from time to time, sometimes in a more generic sense, in terms of providing them with information, and sometimes on a case by case, ad hoc basis and we are happy to provide that information.

In migration arrangements there is always going to be the tension that we have 600,000 unemployed people currently in Australia, so why are we bringing in people? There is also an issue, as you point out, about training—the balance between what arrangements and mechanisms there would be to train some of those unemployed or lesser skilled Australian people within the domestic environment versus bringing in someone from overseas. Those are issues of balance and nuance and also go to the state of the occupational labour market. In some cases, there is a worldwide shortage of skills—they are very difficult to train. In some areas, it is other factors in the local labour market or the occupational labour market that are more important. It is a matter of responding, usually, on a case by case basis, looking at the occupational labour market and the processes that are being used by employers and others in these circumstances.

Senator McKIERNAN—How telling are those figures at 3.9 on page 13 of your submission that ‘76.3 per cent were for occupations that had not been identified by the department as being in shortage in the applicable regions or nationally’?

Mr Bridge—We did an analysis of some of the earlier results there and we did turn up not a strong alignment between actual cases coming through the RSMS versus identified skill shortages. That said, it is difficult at the regional level and at the specialisation level to get a good handle on that, so it may not be quite the problem that the raw figures might say. For example, obviously the scheme is targeted towards regional employment and in some regional areas it is very difficult to get particular people, even though at a national level, or a state level even, we do not have a strong basis for saying that that skill is in shortage. Even though we may not have identified—

CHAIR—We have to go to a division. Hopefully it will be very quick and we will come back straight after.

Proceedings suspended from 9.04 p.m. to 9.17 p.m.

Senator McKIERNAN—I will finish here, because of the time. There were other areas that I was going to explore. As I indicated to you off the record, it had been my intention to have you appear at the conclusion of the series of public hearings, because there are other questions that I particularly want to address in our Adelaide hearings, regarding earlier information received from the department. It may be more appropriate that we call you back at a later time rather than try to press on at this late stage tonight.

CHAIR—I am sure that other members of the committee still have questions to ask.

Mr BAIRD—I want to know, in terms of the comparisons that you have done of the various states, which are the most successful states and why they have been successful in the program.

Mr Bridge—In terms of attracting migrants through the program?

Mr BAIRD—Yes.

Mr Bridge—In terms of the numbers of people entering, the most successful states were the those that have been most active in using the various schemes. In particular, South Australia has been very active in using the available mechanisms in promoting itself in various forums.

Mr BAIRD—What type of figures have they brought in, for example, in the last couple of years?

Mr Bridge—A press release by the Minister for Immigration and Multicultural Affairs—release No. 77 of this year—has the regional migration split by state. I can hand that over, if you like.

Mr BAIRD—Could you give us some figures we can talk to?

Mr Bridge—Yes. For the most recent migration program year, which aligns with the financial year ending 30 June, the bottom line in terms of people entering through regional schemes—as a broader definition than that used in your inquiry—is 3,309.

Mr BAIRD—Is that for a year?

Mr Bridge—It is for a year.

Mr BAIRD—Is that the most in any state?

Mr Bridge—That was the total.

Mr BAIRD—That was the total? And how many for South Australia?

Mr Bridge—Seven hundred and two.

Mr BAIRD—Was that the most?

Mr Bridge—No. Victoria had the most in that year: 1,659. To explain that further—this is a fairly broad definition; I am just running off the totals here—the definition includes the category ‘skilled Australian linked’, that is people who have been awarded points for having their sponsor in a regional area. For example, in the Victorian case they might be awarded with five additional points because their sponsor lives in a regional area.

Mr BAIRD—Melbourne?

Mr Bridge—Perhaps, yes. In that circumstance they fall into this category of regional migration more broadly defined. In terms of the RSMS, 664 entered in 1999-2000. For South Australia it was 373, which represents more than half.

Mr BAIRD—Do you have any figures on the percentage of migrants who come through the program that actually stay in the region one, two or five years later?

Mr Bridge—No, I am afraid not. To some extent the schemes are very new.

Mr BAIRD—So there is no tracking of whether people stay in the area or not?

Mr Bridge—There is no tracking as such. The report that I mentioned earlier does try and answer some of those questions about whether people have remained in the region and whether they have remained with their employer.

Mr BAIRD—Has the skill matching database been effective?

Mr Bridge—The skill matching database is in its early days. You will be talking to DIMA about some of these things, and they are probably better placed than me to talk about some of them. The skill matching database was introduced on 1 July 1999—the database existed before then, but it was boosted by the skill matching scheme, which came in from 1 July 1999. The database itself goes back a little bit further. The numbers on the database have fluctuated but have not been very high. You, and some of the state and territory governments, would probably argue that it is not a substantial database to draw from. We were sent the most recent figures, for September, and I believe the figure on the database at the moment, at 31 September, is 1,059 applicants. That number has increased over the last couple of months, and I can tell you more about the components there, if you like.

In terms of its success, it has been used to drive some of the regional schemes. It is the underpinning source of some of the people who have been drawn into the migration schemes, for example, the State/Territory Nominated Independent category. The database was used to draw the people into that STNI category; it was the basis for the STNI. It would not have been used without that database. It is also used on a day-to-day basis by employers and by regions for looking at actual and potential migrants—the two types on the database—to encourage them to come to particular areas or to sponsor them or to nominate them to come to countries. To expand on ‘potential’ and ‘actual’, the database contains, at 31 September, 910 so-called ‘A

category' applicants. They have been awarded enough points through the points tested category to migrate to Australia, and they are currently awaiting processing offshore, or they are on their way, or they are waiting for health and character checks to be finalised. But they have met the main requirements and they have met the points level to actually migrate. In that circumstance the database could be used to direct people who already have the ability to come to Australia to settle in a particular area.

There is another batch of applicants which makes up the balance: a couple of hundred people who are potential migrants. They fall below the current points tested threshold, but they have been assessed as meeting the threshold criteria in the points test. They would only come if they are picked up by a regional employer through RSMS or are sponsored or nominated by a state or territory government via STNI. In terms of success, it is one of the basic mechanisms that is being used and has been used to facilitate regional migration.

Mrs IRWIN—The second paragraph of 3.11 of your submission, regarding certifying bodies, states:

DEWRSB has had contact with a number of Certifying Bodies and provided, with DIMA—

I gather that would be co-written with DIMA—

guidelines to help them perform their tasks. However, there are some concerns that not all the Certifying Bodies have the appropriate skills to undertake RSMS assessments.

Can you tell us what the guidelines are?

Mr Bridge—This is going back 18 months to two years. We were trying to work with DIMA to provide the certifying bodies—which may or may not have a strong background in migration arrangements all up—with some guidance to help them look at the issues of training record, whether there is labour market testing or whether there might be Australians readily available to fill positions. We worked with DIMA in providing those guidelines. I will see if I can find them on file or DIMA's file and provide them to the committee.

Mrs IRWIN—It would be appreciated if you could do that.

Mrs MAY—You say in your submission that there are concerns about the consistency of the decisions being made. How would you see that improving, and how is that impacting? Could you elaborate on that, please?

Mr Bridge—There is a range of certifying bodies which are able to certify the cases for migration under the Regional Sponsored Migration Scheme. As I said, they have a range of experience in the context of migration. Some might see a case irregularly, maybe once every three or six months, in which case they would not have a strong familiarity with the framework, the processes, what might be a good thing or a bad thing or what might not meet the policy intent or criteria that lie behind some of the schemes. Our concern would be to provide the regional bodies with these guidelines and try and help them use these guidelines to bring about a reasonable level of consistency across Australia in how the scheme is operating.

Mrs MAY—You were talking about people leaving before their two-year contracts are up, or staying longer. Do you have any sort of tracking or monitoring of these people, and is that

intended as a mechanism for you to track where they are going, the lengths of stay and whether they are moving out of the region?

Mr Bridge—We do not, as a department. In fact, our role is fairly arms length. We do not have much involvement, particularly at a case-by-case level. We are involved ad hoc and give advice where it is sought. The main focus of DIMA is more on the front end of migration—the processes leading up to the grant of permanent residence status. I believe they track migrants as a matter of settlement policy, and they might be able to give you some of the answers there. The study I mentioned by the National Institute of Labour Studies, which we co-funded and co-directed, does try to address the issues of whether migrants are staying in the regions and whether they are staying with their employer. In providing that to the committee, hopefully, some of those questions might be answered.

Mrs IRWIN—I have one more question, and this might be a DIMA decision, not your department's decision. Ipswich City Council are coming in after you. They state in their submission that 905 points across a range of criteria are required of business migrants. They say they are hoping to attract migrants to the area, but those points are a problem. They are hoping to be recognised as a designated area. Who makes the decision about who is a designated area? Is it DIMA?

Mr Bridge—There are a couple of schemes, and there are two main points tests. We have a reasonable, broad involvement in the points test for skilled migrants—such as through the skilled independent category and the skilled Australian sponsored category—in which there are threshold criteria relating to skill, age and English language and additional points awarded for some other things or improvements in those core criteria. There is also a points test for business skills applicants, people who come in on the basis of their entrepreneurial or business skills. I am afraid I am pretty poorly placed in that, and the department does not have much involvement. It is more an issue of self-employed and business people—DIMA would be able to tell you exactly. In relation to the skilled migration category, a review of the points test was conducted by DIMA with the assistance of an external reference group. It reported early last year, I think, and the new points test came in on 1 July 1999. Amongst the points there, you can get additional points if your sponsor, if you are sponsored, is in a regional area.

Mrs IRWIN—This is virtually what Ipswich Council is saying in their submission. Migrants have to have 105 points for the area; but if it were a designated area, they would only need 90 points.

Mr Bridge—Right. So they would be awarded additional points.

Mr Matheson—That is really an issue for DIMA.

Mr Bridge—It is an issue for Minister Ruddock and the Queensland government—what sort of arrangements they have in place.

CHAIR—Mr Matheson or Mr Bridge, do you think that Melbourne should be a regional area? In your submission you talked about the wide definition of region. I know public servants are always reluctant to answer a question directly or give a personal opinion, but can you tell me

whether you think it is appropriate that Melbourne is a regional area? I see you are both passing the buck.

Mr Matheson—Courtesy only. You can go.

Mr Bridge—We have a variety of definitions of ‘regional’ across a range of different government programs, and the level of consistency is not fantastic.

CHAIR—I think you said that in your submission.

Mr Bridge—All sorts of different definitions are used—for example, in regional assistance packages. It is no different for migration, and a particular definition is used for it. Victorian governments, both past and present, saw benefit in using migration arrangements to meet their policy objectives and policy aims and so pursued measures to bring about—

CHAIR—Mr Bridge, it is a lovely public servant answer.

Mr Bridge—Thank you.

CHAIR—I could not have done better. But can you dare to tell me whether you think Melbourne should be included? Can you give him permission, Mr Matheson? Let me reword the question: is there any real justification for Melbourne to be included with such areas as Smithton, Burnie and outer Woop Woop?

Mr Matheson—On page 15 of our submission, we say:

The inclusion of most areas of Australia, most notably Melbourne, in the definition of regional for migration purposes risks diluting overall migration standards.

CHAIR—So the answer is that you probably do not think it is appropriate, putting it more obviously?

Mr Matheson—Yes. But we are keen to stick to our submission.

Mr RIPOLL—On page 11 of your submission, specifying the term ‘regional’, you define ‘metropolitan’ as being urban centres of 100,000 or more. Are there any considerations other than purely population size which, in your view, would be a better definition of a regional area?

Mr Bridge—We just used that, with some others on that page, as an example of different definitions of ‘regional’. We are not wedded to any particular definition as a should or shouldn’t; that was just one definition. I am certainly of the view that it is being used differently in the migration context. For example, Adelaide, Canberra and Hobart are all currently viewed as regional under most of the migration mechanisms, and I do not see a problem with that. Our point going on from the Melbourne example is that if ‘regional’ is almost all of Australia and many of the schemes operate by having slightly lower thresholds or criteria to encourage people, you defeat your purpose if virtually everywhere is included. All you have done is lower the threshold overall without—

CHAIR—Sorry to interrupt, but should we perhaps be saying: everywhere except Sydney?

Mr Bridge—That is almost the case under the current circumstances or not too far from the current circumstances.

Mr RIPOLL—If the purpose of this scheme in the first instance is to encourage business specific migration to areas of need, the areas of need need to be better defined rather than use what I think is the arbitrary mechanism ‘regional area’, which is not defined in the same way by everybody. Or, if the objective of the scheme is to limit the number of people, perhaps this would be a good method—but that is certainly not my view. I would not consider as regional Brisbane City, Sydney City or Melbourne City—Adelaide is perhaps a different case—that is, the cities themselves, but certainly everywhere else in Australia. If our primary goal here is to have a mechanism that encourages investment and job creation in ‘areas of need’, maybe that needs to be redefined.

Mr Bridge—That is basically what we said in one of our conclusions: consistency is an issue that should be looked at.

CHAIR—Thank you very much for appearing before us. If there are any matters on which we need additional information, we will write to you. The deputy chair has indicated that we would like to see you again. Certainly I think we have only scratched the surface of some of the issues you have raised, and I have many more questions. You will be sent a copy of the transcript to check your evidence, and we look forward to seeing you on your next appearance. Is it the wish of the committee that the document tabled by the Department of Employment, Workplace Relations and Small Business be accepted as an exhibit and received as evidence for the inquiry? As there is no objection, it is so ordered.

[9.42 a.m.]

LEI, Ms Deborah, Honorary Ambassador of Ipswich City, Ipswich City Council

NUGENT, Owen John, Mayor, Ipswich City Council

CHAIR—I welcome witnesses from the Ipswich City Council to give evidence. Although the committee does not require witnesses to give evidence under oath, you should understand that these hearings are legal proceedings of parliament and warrant the same respect as proceedings of the parliament itself. Giving false or misleading evidence is a serious matter and may be regarded as contempt of parliament. Are there any corrections or amendments you would like to make to the submission you have already given us?

Mayor Nugent—No.

CHAIR—The committee prefers evidence to be taken in public but, if you wish to give confidential evidence to the committee, you may request that the hearing be heard in camera and we will consider it. Before we ask you some questions on the basis of the submission, would you like to make an opening statement, Mayor Nugent?

Mayor Nugent—Yes, I would. First of all, I would like to thank you for receiving us here. There is a copy of my statement here for each of you. The City of Ipswich, with a population of 135,000, is Queensland's oldest provincial city. The prosperity of the region was built on coalmining, primary production and heavy industry such as railway workshops, et cetera. For various reasons, including low world commodity prices, these industries have suffered a serious decline over the last 10 to 15 years. The area is facing a continuing decline in employment opportunities, with the result that many people have had to go elsewhere to find work. Because of this and the relatively low population base, local investors are unwilling to develop in the area.

Earlier this year I had the opportunity to visit the Chinese cities of Nanjing, Xian, Xianyang and Beijing. I met many people there who have the resources and are very interested in investing and living in the Ipswich region. They are looking for areas such as Ipswich where there is large range of opportunities and where the land prices are relatively low. There are already many business migrants in Australia, from areas such as Taiwan, Hong Kong and Singapore, but they tend to go to areas such as Sunnybank in Brisbane, where migrants from the same areas have come together for years.

We need migrants who would be prepared to invest and live in Ipswich. It is important that they also live there so as to add to the existing population. Migrants from Taiwan, for example, would ask others who have come here before them where they lived and where they invested. Naturally most, if not all, of them would be attracted to the same area as other migrants from Taiwan. On the other hand, business migrants from mainland China would be new to the nation. I have talked to many who would be very interested in developing businesses and living in the Ipswich region. They have the financial resources and the political support to do this.

This presents a great opportunity for Ipswich City. If business migrants settled here and developed various enterprises, the economic activity they would create would then tend to attract local investors who are reluctant at this point of time to come here. I believe the future

prosperity of Ipswich and the surrounding region will depend on the level of both external investment and local investment. Business migrants from mainland China will, I believe, interact well with the local community, and their activity will attract local investors.

Ipswich has enormous potential. However, we need a greater range of businesses and a greater pool of consumers. Consumer numbers can be increased by increasing the local population and by having a wider range of businesses to attract them from other areas. Business migrants will help in both these areas. Everybody from the Queensland Premier down agrees that regional areas such as Ipswich need substantial development. Vibrant, prosperous regional areas mean a prosperous Australia. China will be accepted into the World Trade Organisation this year. In the next 30 or 40 years, China is set to become an economic giant. We must take this great opportunity to develop close, friendly relationships with China. This is an opportunity which will only come once. Members of this committee must forget party politics and take immediate steps to eliminate unreasonable obstacles to business migration.

I have been a vice-president of the World Technopolis Association for two years. The mayor of Taejon in South Korea is the world president. Membership of this organisation, which comprises cities from around the world, has given me the opportunity to meet with political and business leaders, particularly in China and South Korea. This is already having strong economic impacts in the Ipswich region. However, to achieve the full economic boost that is possible, we must make it easier for those who wish to invest in business enterprises in regions such as Ipswich

We need business migrants who will start new businesses and live here. We need to reduce the restrictions placed on them coming here. We need to do it now. We need to recognise that there is a large pool of potential investors in China and Korea who want to invest and to live here. We need to realise that this huge pool of investment will go to other countries if we do not welcome it. We need to realise that China will be admitted to the World Trade Organisation in the near future.

Mr BAIRD—They have been.

Mayor Nugent—I do not think they are about to. They had not, when I wrote this, anyhow. We need to recognise that they will become an economic giant in the next 30 or 40 years. We need to recognise that China is seeking economic links with countries around the world. We need to realise that Australia has a very good image in China and Korea. We need to realise that, if we do not welcome Chinese and Korean investment now, tomorrow will be too late. The federal parliament and federal bureaucracy have a huge responsibility to act now. The big beneficiaries will be Ipswich, Queensland and Australia. Some people who may be of my age group might have heard of this expression: 'Faint heart never won fair lady.' Senator McKiernan is aware of it. It means that if there is a prize out there you want and you hang back and do not go and get it, it will slip from your grasp.

CHAIR—Thank you, Mayor Nugent. I believe you know Mr Ripoll, do you not?

Mayor Nugent—Yes, I do know Bernie Ripoll.

CHAIR—Bernie will start the questioning tonight.

Mr RIPOLL—Firstly, I thank Mayor Nugent and also Ms Deborah Lei, who is the Honorary Ambassador of the City of Ipswich, for their substantial submission to the committee tonight. You have made a range of very good points in relation to some of the problems with the state specific migration mechanism but in particular you have made a big point about the ‘designated area’ definition. We have just heard a submission from the department in terms of that definition, and I am hoping that you might give us your view of why Ipswich should be a designated area.

Mayor Nugent—Ipswich should be a designated area because, as I have said, it is a regional area and it is the oldest regional city in Queensland. Ipswich does need external investment in it. Our population base is too low to attract local investors, but the opportunities are very great. Add to that the fact that, to my personal knowledge, there are people with substantial resources and the wherewithal politically and in every other way to do it, in countries like China and South Korea, and they would very much like the opportunity to establish businesses and live here. That is the thing: we do not want people who are going to invest money out here by buying a block of land and sitting on it for 20 or 30 years. The kinds of people we are looking at—and they are there—are people who will come out here and start new businesses and, after they have proved that the businesses are successful, they should have the opportunity to become settlers in this country—they and their families. I am certainly not asking for just letting investment flow in, because we have heard far too much of that in the past. We are looking for business migrants who, after they have successfully established a business, will live here.

Mr RIPOLL—We have made it a point at all our public hearings to actually ask people whether they thought it fair that the city of Melbourne is designated as a regional area when other parts of Australia are not, and we have been pursuing that again tonight. What are your views in terms of why Ipswich particularly? What is different or special about Ipswich that should change its designation?

Mayor Nugent—I have to admit that I was flabbergasted when, not so many months ago, Ms Lei brought to my attention the fact that the cities of Adelaide, Melbourne and Hobart—particularly Adelaide and Melbourne—were designated areas and that not only the city of Ipswich but a lot of small areas in south-east Queensland were not designated areas. I cannot see the logic of it. I have never been able to see the logic of it. I do not want to take anything away from what the city of Melbourne has got, but the city of Ipswich needs to be recognised as an area where, if you get the right type of migrant, they can be encouraged to come, stay there and build up their businesses there.

Mr RIPOLL—With the actual mechanisms themselves, what things have you identified as being a problem with the process? I see here that you have mentioned the points test for business migrants as being too rigorous. Could you explain that.

Mayor Nugent—If you are in the situation as it stands now and you are in the city of Melbourne, you have got to get 90 points. If you are in the other areas, like Ipswich, you have got to get 120. I contend that even 90 points is far too much. What has to happen is, is that if a person, male or female, can come out here and bring their resources and assets with them and prove, after a period of two or 2½ years—whatever it is—that they have successfully established a business and are employing people, half the things in the criteria should not matter. After all, if you brought \$US1 million here, as an example, and you established a very

successful business that was employing people, does it really matter if you are not proficient in two or three languages? Does it really matter how old you are? It does not matter how old you are because, if you are successful, you are not going to be a drain on the public purse. To attract the people who have these types of resources, the main criterion should be the ability to establish a viable business.

Mr RIPOLL—Mayor, what support might Ipswich City Council provide to people coming to the region? I think there is certainly some concern about people coming here under these mechanisms and then being left to fend for themselves for a number of years and perhaps not meeting the criteria that is required of them. Could you indicate the level of support that your council might be able to provide?

Mayor Nugent—Our council can only supply the support that we are allowed to supply under the Queensland Local Government Act. But at the last council meeting we passed a series of measures to encourage the development of a wine making industry in the Ipswich region. It took the form of reduced fees for rezoning or for council services. We do have the beginnings of a wine industry, but it was specifically aimed at attracting investors who would now be prepared to come here and do their own thing. There is that kind of thing. Of course, at the state government level, there is other help. I do not want to speak for the state government; I think they are quite capable of doing that for themselves. Particularly if it is a new industry that does not exist anywhere in the region—and there are possibilities of brand new industries that do not exist here at the moment—we would do everything within the law we could to encourage them.

Mr RIPOLL—Ms Lei, could I ask you about the types of businesses, investment and people that you think would be attracted to Ipswich or that are currently waiting for a change in the definition or perhaps a relaxation of the criteria?

Ms Lei—When Mayor John Nugent and I went to China, we heard of many businessmen who were interested in investing in Australia. Upon our return, we went to the immigration department to discuss this matter straightaway. As well as that, we also asked for some help from the federal member for Oxley. After a while, we finally submitted the application to the federal government for quick assessment and approval of our request so that we could follow up our potential investor in China.

Mr RIPOLL—Do these people who are interested in coming over as business migrants have an understanding of what the criteria are, what the requirements are and what their obligations would be when they come to Australia under that mechanism?

Ms Lei—They say, ‘We hear that Australian immigration law is very difficult.’ They know it is very difficult for them to apply as a business migrant. That is the first impression they have. So far, we can only mention—for example, for the regional scheme—how much money they have to be prepared to invest here. That is why we come here—to really get some assistance from the federal members.

CHAIR—It is a very nice map that you have given us, Mayor, but I can find no indication of a scale. I am not familiar with the area. How far are you from Brisbane CBD?

Mayor Nugent—Assuming that you are not trying to do it during peak hour traffic, I can drive from the car park in the Ipswich CBD, where the council office is, to the car park outside the Brisbane City Hall in 40 minutes, provided I am the only one on the road.

CHAIR— So you are out of Brisbane and you are included in the Brisbane-Gold Coast region. You are not a designated—

Mayor Nugent—Yes, unfortunately, that tends to happen.

CHAIR—In that case, I might turn to Mrs May. Did you have some questions, Mrs May? I know the Gold Coast is your region and you would be more familiar with this area.

Mrs MAY—Yes, it is. In fact, I have met Mayor Nugent at a local government conference, I think.

Mayor Nugent—I usually do not forget nice looking people.

Mrs MAY—We have talked about business migration. What about identifying skilled migration, like a shortage of skills in your area? Are you interested in skill migration to the area?

Mayor Nugent—Yes, we would be interested in skill migration to the area, but you need to have the industries and the businesses to employ them. Certain skills are short in the area. What we are really saying is that we need the extra population to build up the consumer base, but we also need a bigger range of businesses than what we have got. Business migration, to a certain degree, fits both bills. It gives you new businesses and gives you a greater range of businesses, but it also gives you a greater range of population. You need the skills, but you need the jobs to go with them, too.

Mrs MAY—At the moment, what is unemployment like in your area?

Mayor Nugent—It depends where you are. In the central city area it is relatively low, about five per cent. In some of the outer areas like Goodna, the latest figures come out at 10.35 per cent.

Mrs MAY—How big is the Ipswich area?

Mayor Nugent—It is approximately 1,300 square kilometres. As you would understand from that size, it has a very large rural component.

Mrs MAY—You have talked about a wine industry that you would like to identify and bring into Ipswich.

Mayor Nugent—I used that as an example.

Mrs MAY—Are we talking light industry, restaurants? What sort of industry are you looking at?

Mayor Nugent—There is a whole range of industries. We talked about the wine industry because we do have an embryo wine industry there. The problem was they had to take their grapes somewhere else to crush them, but now we have got a crushing plant there. With a bit of help I am quite confident we will have a very strong wine industry in 10 to 15 years. We are looking for industry across the board. We do have heavy industry there already but we do not have enough of it. We do have the possibility of an aerospace industry just starting up at the Amberley air force base. We do need a range of other industries, like light metals. I believe Ipswich is in the right place. It is at the crossroads of the Cunningham Highway to the south, the Warrego Highway to the west, the Brisbane Valley Highway to the north and the Queensland rail line to the west. They all meet and converge in Ipswich City. It is in the right spot. It just needs some fairly substantial investment to kick the whole thing off. The sky would really be the limit. You can talk about transportation hubs, but they are the things that will be there in the future.

Mrs MAY—How are you promoting Ipswich City? You have been to China, talking to people about coming here. Is there anywhere else you as a city are promoting as a place for migrants to come?

Mayor Nugent—Different councillors have. The Deputy Mayor has travelled to places such as Taiwan. I myself have never been to Taiwan. We do have some investment from the Malaysian area, but that is concentrated in one major subdivision called Springfield. Generally we have been promoting it in Sydney and Melbourne and we are getting some, but we are not going to get, in a short enough time frame, the weight of investment that we need to kick the whole process off in the short term.

Mrs MAY—How do you see the migrations regulations as far as the processing goes? Is that taking too long? Ms Lei, you might like to comment on that. If someone from China was applying to come, do you see the processes taking too long or too difficult for people to meet the criteria? We have gone through the points. Are there any other obstacles you see through the migration legislation?

Ms Lei—As far as Chinese migrants are concerned, it is very difficult for them initially to get a visa. People from other countries like Hong Kong and Taiwan do not have this problem of initially getting a visa to come to Australia. China is still not an open market for the business migrant.

Mayor Nugent—There is an Australian citizen who came from Hong Kong about 20 years ago living in Australia. He has been inviting business people out from areas such as Shanghai and Beijing to look at projects he wants to develop in the area. Even with a letter of invitation from me as mayor of the city saying, 'Yes, this man is genuine; he is a genuine businessman. I know him,' the Australian embassy people over there are refusing the visas. There does seem to be a problem in getting visas for dinky-di business people from China who want to come out to look at investment potential here. I know that from personal experience.

Mrs MAY—What sort of visa are they applying for?

CHAIR—Do you know? Is it a temporary tourist visa?

Ms Lei—Even a tourist visa is very difficult for them to get, not to mention a business visa. It is very difficult. We can say that 97 per cent of them have been rejected.

CHAIR—Would you know if they have been asked to produce credentials like proof of solvency in China, Taiwan, Korea or wherever they are to show that they have a bank account and are not likely to disappear to different country and leave their money behind.

Ms Lei—For Taiwan and Hong Kong they do not have this problem, but for our embassy in China I do not quite understand the criteria for approving the visa for them. As far as I know, some of them actually meet the criteria, but they just get rejected without any reason.

CHAIR—Has that been appealed? When your business people who come in there have been refused visa, have you appealed it? Have they appealed it with your help?

Ms Lei—So far, no.

CHAIR—So they have just accepted the refusal?

Ms Lei—Yes. We have all heard most Chinese people say that Australia is very difficult to apply for a visa. They just change to Canada or New Zealand. Many people are very interested in being a business migrant; they have the financial resources. I do not know why we make it very difficult, especially for Chinese, to get a visa.

CHAIR—When you get to know of these cases, do you ever go to your federal member, for instance Mr Ripoll, to bring cases to their attention?

Ms Lei—We have we have been going through this since March. The vice-governor of the Shaanxi province in China led a delegation to Australian in March this year. I invited them to come to Ipswich; they are very interested in Ipswich. In June this year, Mayor John and I went to Shaanxi. We set up a friendly relationship with them. We went to Xianyang and Beijing and we heard a lot of people who were interested in coming to Australia. Upon our return, we went to the immigration department in Queensland and discussed this matter with them. We have been a long way. We were told that we should get some help from the member because it is beyond their authority. After that, we finally submitted a letter to federal members. As far as the area is concerned, Ipswich is a large city; however, it is still a very desolate area with a very small population—only 135,000 people. So it makes it very difficult for local people to invest. They think that the population is too low and the consuming power is just not enough—insufficient—making it very important for us to attract business migrants to come and live in Ipswich. We have actually been through a very long process, and very many potential investors have already expressed interest in coming to Ipswich.

CHAIR—To clarify where we were before, when you went to DIMA and told them the problems in getting your business investors out, they suggested that you go through your federal members?

Ms Lei—Yes. They said it was beyond their authority.

CHAIR—Have you been through the federal members yet?

Mayor Nugent—Yes, I have. When this was first really brought to my attention, I went to see the two federal members for the Ipswich area, Bernie Ripoll here and Cameron Thompson. I went to see them both, as Bernie knows. I gave them copies of the original letter I wrote to you. Cameron Thompson and Bernie were both surprised that that was the way it was. They obviously did not know either. I cannot stress too much: we are not just looking for migrants or investments; we are looking for people who will have an interest in the area in which they are investing. We are looking for people who will bring resources here, spend their money here and, after they have proved that they have been able to successfully establish a business—whatever it might be—they will have the right to live here.

CHAIR—Going back to the people you met in Taiwan and Korea and wherever else, did they indicate what sort of businesses they would be interested in setting up, or were they going to come and look for opportunities?

Mayor Nugent—Can I give you one example of a business which I think we stand a very good chance of getting. It is brand new. There is a factory in Nanjing that produces royal jelly. You are aware of what royal jelly is?

CHAIR—Yes, I know what royal jelly is.

Mayor Nugent—According to them, they produce 80 tonnes a year and, after paying all the government charges, taxes and everything else—they employ 500 in the organisation—they make the equivalent net profit of about \$A300 million. It is very dear. We checked out the price of royal jelly, the product they make, in one of the duty-free shops at Seoul airport, and it is extremely expensive. They have expressed an interest in coming to Australia. I first met the general manager of this factory in Ipswich. They had gone to Sydney with the idea of trying to set up some sort of venture with a Sydney firm, but the firm did not get back to them for whatever reason, and somehow or other they landed in Ipswich city and I happened to meet the lady. When I went to Nanjing in China, I got in touch with her and she showed me the factory and showed us everything about it. If an enterprise like that comes—it is a brand new industry; there is nothing like it I think anywhere in Australia—it would be a huge export winner. Now that is one example that I am personally—

Mrs IRWIN—But they have not applied yet—I am sorry for interrupting. I know that you are saying that that sounds great, but you are saying that you have had some people apply to come on business visas to Ipswich, and they have been rejected. What type of business were they going to set up?

Ms Lei—So far we have been talking to many investors. They have not actually applied for the visa for Australia, but they have the financial resources and they are very successful businessmen in China. They want to know what the requirements are for them to come here. So that is why we have been held up. We need to know we can tell them the requirements. So far, the only hope for Ipswich will be to become one of the regionals. We all know the points are too high, so it makes it impossible to attract them to come. If we put Ipswich into one of the regionals, it might look reasonable to attract them to come.

Mrs IRWIN—I think the mayor said in his submission to make it a designated area.

Ms Lei—Yes, that is right.

Mrs IRWIN—Have you approached anybody about making Ipswich a designated area? Have you written to anybody?

Mayor Nugent—I wrote to you.

Mrs IRWIN—I know you started here, but is that all?

Mayor Nugent—I wrote to you and I wrote to the two local federal members. It is not that long ago since I wrote to you and you were the first cab off the rank. It was your committee I was recommended when I made inquiries about how to go about this. It was your committee I was recommended to write to. So that is what I did.

Ms Lei—Before we came to you, we have been talking to the business migration officer in Queensland. We talked to him first and have talked to him many times because he was very difficult to—

Mr RIPOLL—Is that with the state government?

Ms Lei—The state Labor government. We initially contacted the state government and we were referred to talk to this person. We have talked to him many times and convinced him. Later we invited him to come to Ipswich. They all know the Ipswich situation pretty well. He actually agreed with us, but he said he has no authority at all. He suggested to us to go to the federal member. It has been a long process and we already have very interesting investors, and we just do not want to miss out on this chance.

Mayor Nugent—I must say that we do have other things to do in between, so we are not able to put 24 hours out of 25 into this.

CHAIR—I understand.

Mr BAIRD—How many people have you got actually attracted to date under this program—

Mayor Nugent—I could not put a figure on it. But as I said—

Mr BAIRD—who have actually come into Ipswich?

Mayor Nugent—Who have come into Ipswich?

Mr BAIRD—Yes: who have arrived and settled as a result of the program?

Mayor Nugent—There have not been any that I am aware of.

CHAIR—Because it does not come under the regional migration.

Mayor Nugent—It is just too hard.

Ms Lei—And the other thing is we have the party secretary of Shaanxi Province actually who visited Queensland, and especially Ipswich, on 17 November. This is a very high position, and they also have the business group. So we really hope we can see some approval from you and then we can talk to them; otherwise we have been hopeful for a very long time.

CHAIR—I know that the Deputy Chair has not had a chance to ask any questions yet, but I have one final question. Do you have any written correspondence with state DIMA that you have talked to, or has everything been verbal? Have you had anything written?

Mayor Nugent—I do have some written stuff. I have not got anything with me. Most of it has been verbal.

CHAIR—Okay. It is just that it would be useful to this committee if you had a record of correspondence that you could actually send to us. It would help us see what sort of things that you had been trying to do and what responses you had got, and that would give us a case study of an area trying to get this sort of business investment in and not getting very far with it.

Ms Lei—Actually I have some records: before I talk to the immigration officer every time, I actually write out all the things we are going to say and we actually hand it to him.

CHAIR—It would be great if you could give us that. I would like to turn now to the Deputy Chair, who has not asked any questions yet.

Senator McKIERNAN—I am surprised at your story about the Royal Jelly. It would seem to me that a story like that would not need a scheme such as we are talking about here with the regional sponsored schemes. If you give me the name of the individual, I will make immediate contact with our state minister for industry development, who in turn will probably make contact with the federal minister for industry and get things moving then. It would seem to me that a business that turns over \$300 million a year is most certainly going to meet the criteria of \$2½ million assets contained in this.

Mayor Nugent—Yes. I am not worried about this particular industry making the criteria. I reckon this is not just a gold studded but a diamond studded industry, if they are really interested in coming. They said they had already been to Sydney and the firm they had negotiated with did not both getting back to them, and we caught them on the hop. I do not want to sound disrespectful here, but I do not want the \$300 million industry to go to Perth; I would like it to come to Ipswich.

Senator McKIERNAN—Yes; but I would like it to go to Perth, and that was the point I was making.

CHAIR—Don't give it to him; he wants it over there!

Mayor Nugent—I know. The arrangement I have with this particular business organisation is that they want a submission from Ipswich to them on the profile of the Ipswich area and what they would be required to do, and we are in the process of providing that to them now.

Senator McKIERNAN—The point I was trying to make is that to get a company of that magnitude into Australia you would not be looking at regional sponsored migration schemes.

Mayor Nugent—No, but I am using them as an example.

Senator McKIERNAN—I do have some questions on the regional sponsored migration schemes, though. I do assume that these are attachments to your submission headed No. 846, on state or territory sponsored regional establishment—

Mayor Nugent—Yes. That is the state government thing: I have a copy of them here.

Senator McKIERNAN—These were attached to your submission. I would like to address a couple of questions in regard to them. The criteria listed on both of those schemes are basically the same, but with slight marginal differences. Which criterion gives you the biggest problem, from your position of a regional centre wanting to attract migrants in?

Mayor Nugent—Bear in mind that we are not just talking about attracting migrants; we are talking about attracting business migrants with substantial resources who will establish a viable business. The two criteria which I think should go by the board under those circumstances once they have established a viable business are age and language skills. It should not matter how old they are, and it should not matter to a great degree what their language skills. After all, in either case, if they have got a successful business here, they are not going to be a burden on the state.

Senator McKIERNAN—I take your point and it is there for the record. Among the business attributes contained in 846 is having employed at least three people beforehand.

Ms Lei—Yes.

Senator McKIERNAN—Or in the case of the REBA, it is either three or four full-time individuals. Are you happy with that type of criterion?

Mayor Nugent—We would not have any trouble with that. It is not going to be a very viable business if you cannot employ two or three.

Senator McKIERNAN—The maximum on the assets is \$2½ million.

Mayor Nugent—Yes, the problem I see with the assets is that it does not seem to make that much difference to your bottom score if you bring in \$500,000 or \$50 million. I am not saying anybody is going to bring in \$50 million, but the more you bring in to invest, the more points you should be able to score. The way it seems to cut off at such low figures is a bit unreal.

CHAIR—So you would suggest that, if they had \$5 million, they could score about 20 or 25 points?

Mayor Nugent—Yes, much higher. That is right.

Senator McKIERNAN—These criteria have been developed over the years by a variety of means, including a major review which was conducted under the stewardship of Minister Ruddock. I cannot think of the name of the person who conducted it. Part of the reason for arriving at criteria such as these was that earlier schemes were abused. Individuals came into Australia who did not necessarily comply with all the regulations and served themselves rather than serving this country. Part of the reason you have got criteria such as these is to stop, or at least limit, the amount of abuse that went on.

Mayor Nugent—I am the first to admit that no matter what you do in life, somebody is going to abuse it. The one criterion you need, talking about business migration, is ability and success in establishing a viable business. Any accountant who has to fill in their taxation form will know whether a business is viable or not. They have to be employing people, and that means they have got to be paying wages. Those should be the criteria for whether they are able to stay here as citizens of this country or whether they cannot. It is the ability to establish a viable business that goes on in the future.

Senator McKIERNAN—We had the honour, when we took evidence in Hobart, of meeting the first person—

Ms Lei—Japanese. He was the only person—

Senator McKIERNAN—who came into Australia on the REBA scheme. They were actually Chinese. What you have said, Ms Lei, disturbs me. I will not seek to develop it here tonight but, if you have got anything further in the way of hard statistics that might be of assistance to the committee in our deliberations, could you provide it to us at a later time.

Mayor Nugent—We are in your hands tonight because I could not find my way out of here without your help if my life depended on it.

Senator McKIERNAN—The problem is, I am going to go that way, and the rest of them are going that way.

CHAIR—Mayor Nugent, we will make sure that you and Ms Lei leave this place in one piece. Unless there are any more questions, I will conclude the meeting now. We would love to hear from you: any statistics and that correspondence with DIMA would be of assistance.

Ms Lei—We all talk verbally, but I did the preparation before. I write down what I am going to say, and John has a copy as well.

CHAIR—That is great. That would be really good and helpful. Perhaps we can keep up contact on this to follow up what is happening so we have used your time wisely.

Mayor Nugent—We would appreciate being kept informed. I tried to make it plain that we think it is very important, and it is very important that it is not something that drags on unnecessarily.

CHAIR—We will certainly give you a copy of our report when it is tabled in the parliament. Thank you very much for your attendance here today. If there are any matters on which we

might need additional information, the secretary, Steve, will write to you. You will be sent a copy of the evidence, the transcript which is being prepared by Hansard tonight. If there are any editorial corrections that you need to make to that, you can do that and return it to Hansard. Thank you very much. Is it the wish of the committee that the documents tabled by the Ipswich City Council be accepted as an exhibit and received as evidence to the enquiry? There being no objection, it is so ordered.

Committee adjourned at 10.25 a.m.