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Reference: Skilled migration inquiry

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JOINT COMMITTEE ON MIGRATION

Monday, 18 August 2003

Members: Ms Gambaro (*Chair*), Mr Ripoll (*Deputy Chair*), Senators Bartlett, Eggleston, Kirk and Tchen and Mr Laurie Ferguson, Mrs Gash, Mrs Irwin and Mr Randall

Senators and members in attendance: Senators Eggleston, Kirk and Tchen and Mr Laurie Ferguson, Ms Gambaro, Mrs Gash, Mrs Irwin and Mr Ripoll

Terms of reference for the inquiry:

To inquire into and report on:

Australia's migration and temporary entry program for skilled labour with particular reference to:

- International competition for skilled labour
- The degree to which quality permanent skilled migrants are being attracted to Australia and settling well
- Whether there are lessons to be learnt by Australia from the entry and program management policies of competing nations, including Canada, New Zealand, USA, Ireland, UK, Germany and Japan
- The degree to which Australia's migration and temporary entry programs are competitive
- Whether there are policy and/or procedural mechanisms that might be developed to improve competitiveness
- Settlement patterns for new arrivals including the role played by State and local authorities

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Committee met at 9.02 a.m.

BLAKE, Mr Stanley, Consul, British High Commission

GOODLAD, Sir Alastair Robertson, High Commissioner, British High Commission

MACKENZIE, Mrs Nina Ruth, Third Secretary Political, British High Commission

CHAIR—I now open this public hearing on the review of skilled migration by the Joint Standing Committee on Migration. I welcome Sir Alastair Goodlad, the British High Commissioner, and other representatives from the High Commission—Mr Stanley Blake and Mrs Nina MacKenzie. You will probably notice a photographer behind us, who is from the parliamentary officers liaison and projects office. This person will be taking some photographs of today's proceedings. I hope that you do not find that too distressing. It will probably go into a world-class publication called the *House at work* or something like that.

As you know, the minister for immigration, Mr Ruddock, has asked the committee to review Australia's skilled migration programs. The committee has received many submissions and has heard from across all sectors of the community at its public hearings. Naturally, the focus has been on Australia's existing programs and their operation. However, the growing international competition for particular skills is affecting us all. The committee felt it would be of great benefit to gain an understanding of how other countries approach skilled migration. We are very grateful that you have agreed to brief us here today. The committee prefers that evidence be taken in public. However, if you wish at any point to provide confidential evidence to the committee, you may request that the hearings be heard in camera and the committee will consider your particular request.

Sir Alastair Goodlad—I thank the committee for allowing us to provide the United Kingdom's perspective on the issue of skilled migration, which is the subject of the committee's deliberations.

CHAIR—Could you provide a short statement for the committee. We will then proceed to questions, if we may.

Sir Alastair Goodlad—The United Kingdom is a nation with centuries of experience in migration matters, mirrored in many ways by those of Australia. It is not surprising that our two nations have developed similar policy responses. Before addressing the specifics of our policy on skilled migration, perhaps I could very briefly put that policy in a historical context.

Migration to the United Kingdom is not a recent phenomenon. In countries such as Australia, where there are people of English, Scottish, Welsh, Irish descent and many, many other nations, I suspect our status as a destination for migrants may come as something of a surprise. It is certainly true that from Australia to Zimbabwe and in virtually all nations between, citizens of the UK have settled and prospered. Many Britons still leave to take up life overseas today. I see from the statistics that we have recently overtaken New Zealand as the biggest source of migration into Australia again, with 12,000 British citizens joining the more than 1.2 million of their fellow citizens and dual citizens already living here in Australia.

Many of these arrivals were skilled migrants, bringing to Australia a range of talents and experiences to help enrich Australian society. We too have been enriched by migration. The islands of Great Britain and Ireland have been settled by the Romans, the Angles, the Saxons, the Jutes, the Normans and many others since. During the 19th and 20th centuries, Britain has welcomed Jews fleeing persecution in Russia and Poland, Irish settlers escaping poverty, Indian and Chinese following trade routes, pre-war refugees from the Nazi oppression and post-war reconstruction immigration from the Caribbean.

From the 1950s onwards, there have been significant numbers from new Commonwealth nations, including India, Pakistan and Bangladesh, and refugees from conflicts in South-East Asia, Africa and, more recently, eastern Europe and the Balkans. They have enriched the United Kingdom enormously. The film *Bend it like Beckham* is centred on the East African Asian community who came to the UK in the 1970s. Today more than 3.7 million people, or 6.5 per cent of the total UK population, are classified as belonging to an ethnic minority, half of whom were born in the United Kingdom.

After a period in the 1990s when migration was a net drain on the UK population, data from our Office of National Statistics shows that the UK has experienced net positive inward migration since 1994. An estimated 172,000 more people migrated to the UK in 2001 than migrated away. That is an increase on the 163,000 figure recorded in each of the previous two years. The turnaround has been driven by a doubling in the number of people migrating to the UK. That figure rose from about a quarter of a million in 1992 to just under half a million in 2001, while the number of out-migrants fluctuated over the decade between 240,000 and 320,000.

I will now turn to the specific issue of skilled migration. The UK recognises the importance in this globalised world of the transfer of skills between nations. That is why the Chancellor of the Exchequer, Gordon Brown, announced an expansion of our skilled migration program in this year's budget. As Gordon Brown said, expanding the skills which the UK needs requires not only new investment in training but a modern approach to the economic and social benefits of legal immigration, which has been so important to the past success of the United States economy and, indeed, to the United Kingdom economy. The budget papers include a strong statement in support of skilled migration from which I will quote a very brief passage:

Productivity growth underpins strong economic performance and sustained increases in living standards. The Government's long-term goal is that Britain will achieve a faster rate of productivity growth than its main competitors. In the modern global economy, faster productivity growth demands new flexibility in product, capital and labour markets, with government, firms and individuals able to respond quickly and adapt rapidly to change.

Were the United Kingdom to join EMU, flexibility would be even more important to ensure that economic shocks could be managed and economic strength maintained. Building on reforms to the competition regime and the support for businesses already introduced, Budget 2003 sets out the further steps the Government is taking to strengthen the drivers of productivity growth, including further improvements to the Highly Skilled Migrants Programme and other migration schemes to make the UK migration system a more effective source of highly skilled labour for the UK economy.

Improving skills is central to raising UK productivity growth. Skilled labour is an important driver of economic performance and helps to deliver a more flexible and adaptable labour market, enabling firms to update working practices

and products at the rate demanded by global markets and making the economy more flexible and productive in the long term.

In addition to the expansion of the highly skilled migrant program, including measures for younger applicants and partners mentioned above, the budget papers also announced steps to encourage foreign nationals graduating in mathematics, science and engineering in the UK to seek a career in the UK. The budget also included an expansion in the work permit scheme for industries, such as construction, which face skill shortages.

I must stress that the changes to the various schemes announced in the budget are scheduled to take effect from this month, but the detail has not been publicly announced. We will provide relevant material to the committee as soon as it is publicly available.

I would now like to directly address a number of specific issues about our policy on skilled migration. Firstly, how does the UK classify a skilled migrant? The short answer is that under the work permit system there is no specific definition of what the UK considers to be a skilled migrant. To qualify for a work permit, the applicant is expected to provide evidence of a minimum level of skills or experience. This is either a United Kingdom equivalent degree level qualification or a higher national diploma level qualification which is relevant to the post on offer or a higher national diploma level qualification which is not relevant to the post on offer plus one year of relevant work experience or three years experience of using specialist skills acquired through doing the type of job for which the permit is sought. This should be at the National or Scottish Vocational Qualification level 3 or above.

For some professions where the employee needs to be registered with the appropriate UK professional organisation, registration itself can be accepted as proof that the individual meets the criteria. Work Permits (UK), the government body, is not an employment or a recruitment agency and is therefore unable to provide information about job and training opportunities or to assist people to locate or secure employment in the UK. There are also separate work permit arrangements for employers based in the Isle of Man and the Channel Islands. It is up to the employers to apply for a work permit for a foreign worker. Individuals cannot apply for a work permit on their own behalf. Employers can apply up to three months in advance of when they want the overseas worker to start in the UK.

The work permit arrangements enable employers based in the UK to recruit or train people who are not nationals of the European economic area country. Overseas companies cannot apply for work permits. However, if they have a UK presence then that organisation can make the application. Recruitment agencies, employment agencies or other similar businesses cannot apply for work permits.

There are six separate sets of work permit arrangements. Firstly, business and commercial: the business and commercial arrangements allow employers in the UK to recruit people from outside the European economic area who are going to be filling a vacancy that may otherwise be filled by a resident worker. Secondly, training and work experience: the training and work experience arrangements enable people from outside the EEA to undertake work based training for a professional or specialist qualification or a period of work experience. Thirdly, sportspeople and entertainers: the sports people and entertainers arrangements allow employers in the UK to employ established sportspeople, entertainers, cultural artists and some technical and support

people from outside the EEA. Fourthly, internships: the internship arrangements allow students from outside the EEA studying first or higher degree courses overseas to undertake an internship with an employer in the UK. Fifthly, the General Agreement on Trade in Services: the general agreement arrangements allow employees of companies that are based outside the European Union to work in the UK on a service contract awarded to their employer by a UK based organisation. This is a special arrangement within the normal work permit rules made under the General Agreement on Trade in Services.

In addition to the work permit system, in 2002 the UK introduced the highly skilled migrant program. The program has been judged successful in enabling highly skilled individuals to enter the UK to seek and take up work. Around 1,300 people entered through this route in the first year of operation, demonstrating their eligibility through educational qualifications, work experience, achievements in their field and past income. Applications renewing highly skilled migrant program status to date have been approved on the basis of very strong labour market performances.

Basically, the program allows individuals to seek entry to work in the UK without having a prior offer of employment. It aims to provide an individual route for highly skilled persons who have the skills and experience required by the UK to compete in the global economy. A points based system of qualification is used to assess applications, and points can be scored in five areas: firstly, educational qualifications; secondly, work experience; thirdly, past earnings; fourthly, achievement in the chosen field; and, fifthly, HSMP priority applications for general practitioners in medicine. Applicants must be able to provide evidence that they score 75 points or more in the categories and demonstrate that he or she will be able to continue their career in the UK.

Let me say a word about each of those categories: firstly, educational qualifications. This category provides for a maximum of 30 points towards the 75 for those holding a PhD, 25 for those with a masters degree such as an MBA and 15 for those with a graduate degree such as Bachelor of Arts or Bachelor of Science. Qualifications have to be to the recognised British standards of bachelors, masters or PhD to be awarded the respective points for each level of qualification. Vocational and professional qualifications can also score points in this area if satisfactory evidence can be produced to show that the qualification is equivalent an applicable level British qualification. This will be validated where necessary by reference to the National Academic Recognition Information Centre database.

Secondly, work experience: the points available in this category have been increased for applications posted from 28 January 2003 to reflect the desirability of previous graduate level experience and the objective nature of this category. An applicant will score 25 points for at least five years work experience in a graduate level job or three years, as opposed to five, if he or she has a PhD. He or she will score 35 points for that level of work experience in a graduate level job if it includes at least two years senior or specialist work experience. He or she will score 50 points if they have at least 10 years graduate level work experience, including at least five years senior or specialist work experience.

Graduate level work experience would normally be a role within a company or institution that would require a minimum educational standard of a first degree level qualification. He or she does not necessarily have to hold a degree but the post held would normally require one. Senior

level work experience would normally be a role at board level in a small company. In a larger business, it could amount to a department head or a leader of a project management team. Those working in academia may have run a department or headed a research team. The Home Office will usually consider those who run their own businesses that employ a number of staff as demonstrating senior level work experience. A specialist position is normally one that may not have any particular managerial role but requires a very high level of technical or artistic expertise.

Thirdly, past earnings: this category requires that the applicant demonstrate a minimum earned income in the country of residence to score points. In order to reflect differences in income levels across the world, the level required to qualify varies depending where the applicant lives. The country where the applicant lives or where the income is earned is considered, not the nationality of the person. For example, a Chinese national residing and working in the United States of America would be required to demonstrate a minimum annual income level over the past 12 months of £40,000 in order to score 25 points whilst a Canadian national working in South Africa would be required to demonstrate a minimum annual income level over the past 12 months of £12,500 to score 25 points.

It is important to note that not all income is considered. Unearned income such as dividends from investments—unless it is in a company in which the applicant is active in the management—property rental income and interest on savings or funds received from an inheritance are not used when calculating the applicant's income. An example of the income levels required has just been distributed.

Fourthly, achievement in the chosen field: in order to score in this category, the applicant needs to produce a body of evidence showing how his or her work has been acknowledged by peers and contributed significantly to the development of that field. This could be through an acknowledged breakthrough in the field of expertise with a piece of original published research, a recognised artistic achievement, a lifetime achievement award from an industry body or an invention which is likely to or has proved commercially successful. Two score-levels can be obtained. Those with an exceptional achievement in their chosen field will be at the top of their profession, will be recognised beyond their field of expertise and will have obtained international recognition. Very few people will meet these criteria. Those who can show significant achievement may not be known outside their field of expertise or not yet be recognised on an international basis but have developed a body of work that is acknowledged by their peers as contributing significantly to the development of the area of work.

Fifthly, HSMP priority applications for general practitioners: this area provides a mechanism for the UK government to encourage people with a particular skill or profession to move to work in the UK. The decision to provide an avenue for general practitioners in this area has been agreed with the Department of Health. In addition to scoring at least 75 points in the above areas, an applicant will also need to demonstrate, firstly, an ability to continue to work in that chosen field in the UK; secondly, that they have enough savings and/or potential income to be able to support themselves and family—they will not be allowed any use of UK public funds, for example income support, whilst in the UK with permission to stay under the program; thirdly, that they are willing and able to make the UK their main home. They will be asked to provide a written undertaking to that effect. They will be expected to make the UK their country of habitual residence. Secondments abroad that are an integral part of a job based in the UK are

permitted by HSMP. However, they will be considered as time outside of the UK for settlement eligibility purposes. To qualify for settlement in the UK, a person must have spent a continuous period of four years in the UK except for short holidays or business trips. Any secondment requiring the applicant to be outside the UK for a continuous period of over three months will make their previous stay in the UK ineligible as a continuous period in the UK.

Some questions. Firstly, how does the UK identify skill shortages for migration purposes? Work Permits (UK) publish a list of occupations where there is a recognised shortage within the resident labour market. Employers who wish to recruit workers to fill these posts follow a streamlined process whereby they do not need to provide evidence of having advertised the post nationally as part of the application process. Work Permits (UK) regularly meet with industry representatives to discuss labour market issues and to review the inclusion of the various entries on the shortage occupation list. For example, following discussions with representatives in the information technology sector, all occupations in that sector were removed from the recognised shortage list on 1 September 2002. Employers wishing to recruit non-EEA nationals to an IT post from that date have to demonstrate they have advertised the post nationally and have failed to attract a UK national who meets the objective requirements set out in the job advertisement.

Other occupations currently on the shortage occupational list are actuaries, Civil Aviation Authority licensed aircraft engineers, teachers for all posts in England covering compulsory schooling, and veterinary surgeons. These industry representatives operate through sector panels. The aim of these panels is to promote a sharing and exchange of information and intelligence about the labour market for relevant industry sectors in the UK. This is with a view to assisting Work Permits (UK) to operate its policy on the recruitment of nationals from outside the European economic area in a flexible and responsive way.

Work permits are only issued for work undertaken on a pay-as-you-earn basis. The research conducted by Work Permits (UK) and the sector panels relates solely to employment undertaken on this basis and should not be viewed as indicating trends or situations affecting employment undertaken in a different capacity. Sector panel meetings are held regularly with representatives from industry bodies, key employers and other government departments. A key feature of each meeting is to discuss labour market issues affecting the relevant industry, such as training, recruitment, skills and pay. Panels have been set up for the following industry sectors: information technology, communications and electronics; health; engineering; hotel and catering; teachers; and, finally, finance.

Another question: what programs does the UK have that are designed to attract and retain health professionals? The Department of Health is committed to increasing the number of health care professionals working in the National Health Service as part of its commitment towards the expansion and modernisation of the NHS. Ethical international recruitment has made a significant contribution towards ensuring that the number of vacancies is filled. The department has compiled a list of developing countries from which recruitment cannot be done and issued a code of practice for NHS employers involved in the international recruitment. It ensures that any international recruitment is done only with the consent of those countries. For example, it has agreements with the governments of the Philippines, Spain and India. In August 2001, the Department of Health launched a global recruitment campaign, advertising in the national press in North America, Europe and Australia for consultants and general practitioners

CHAIR—Can I say at this point that I am very conscious of the time. I know that many of the committee members would like to question you. I understand that you have some more material you wish to cover. It may come up in the questions we are to ask of you. Before we get started, I want to introduce, on my right, Julia Irwin from New South Wales and Laurie Ferguson from New South Wales. Joanna Gash is also from New South Wales. Senator Linda Kirk, from South Australia, arrived when you were providing your statement. Alan Eggleston was here. He comes from Western Australia. So we are well covered, from South Australia to Western Australia, Victoria and New South Wales. Thank you very much for that very comprehensive briefing. I am sure that we will be able to talk to you further about the program.

I want to ask you about the highly skilled migrant program that you spoke about, particularly the innovators scheme, where you are encouraging businesspeople and entrepreneurs to move to Britain. We have similar schemes here with business owners and senior executives and investment linked programs. One of the requirements concerns a business owner or an investment linked scheme. For example, with an investment linked scheme, the person or the business has to have three years experience. They must have invested \$A750,000 in securities. Business owners are required to invest money in a business enterprise. I understand that you do not have a similar scheme. You have an income requirement. Could you expand on the innovators program.

Sir Alastair Goodlad—The innovators scheme is aimed at entrepreneurs with new and creative ideas who want to set up a business in the UK which will create at least two full-time jobs in the UK. The scheme is designed to attract and select entrepreneurs whose business proposals will lead to exceptional economic benefits to the UK. It is open to people who have plans to set up businesses, especially in the areas of science and technology, including e-commerce. The investors scheme is open to individuals who have at least £1 million at their disposal and intend to invest at least £750,000 in the UK and intend to make the UK their main home.

CHAIR—Where there are specific shortages, we have programs here to encourage businesspeople and migration to less populated areas. I notice Scotland is having some serious immigration problems. It has been in decline for a considerable amount of time. You mentioned earlier that the Isle of Man had some schemes. Are there any other regions or parts of the island where active programs are being used to encourage people to move to those regions where you are perhaps having skill shortages?

Sir Alastair Goodlad—You are right in saying that Scotland is making a particular effort to recruit people. The Scottish executive has a web site and other publicity material encouraging migrants to locate in Scotland once they have obtained entry to the UK. The Scottish executive has set up an implementation team to develop their ideas in more detail over the forthcoming months. Scotland has its own national careers, information, advice and guidance service. Careers Scotland can offer help with career choices to all those living in Scotland or looking to move there. However, that is independent of the Home Office, whose aim is to regulate entry and settlement in the UK as a whole. As a Scot, I do not wish to display any bias towards Scotland. I should emphasise that, once people are within the UK, there is nothing to stop them moving around once they are there.

Mr Blake—I think also that Wales has a fairly robust campaign as far as inward investment and development is concerned. Although it is not mentioned here—

Sir Alastair Goodlad—I am delighted to hear it.

CHAIR—Are Wales and Scotland the most proactive in this area?

Mr Blake—Very much so. I think so.

CHAIR—Would you say that Scotland is a bit like our Tasmania? It has had significant moves to the mainland for a considerable period of time, and they have been very interested in attracting more skilled migrants to those areas. I know there are a number of questions that the committee would like to ask.

Mr RIPOLL—One of the biggest problems we face in Australia is trying to get skilled migrants to our regions. Once you get them there, the real difficulty is keeping them there. What does the UK do in terms of that?

Sir Alastair Goodlad—As far as I am aware—Stanley will correct me if I am wrong—we do not do anything once they are there. If they want to move, they can move. I do not think you can force people to stay somewhere in the UK.

Mr Blake—We might offer better incentives for them to move to the region.

Sir Alastair Goodlad—Sure. But, once they are there, you cannot compel them to stay.

Mr Blake—There is no migration control to say you stay there.

Mr RIPOLL—There is none here either. That is why I am querying it. It is a case of trying to encourage and promote and trying to give incentives to people to stay in particular regions. It is certainly common for us.

Sir Alastair Goodlad—My family came from the Shetland Islands. Some of them came to Australia and some came to New Zealand. Some came to England. That is true of people moving around the UK.

Mr Blake—It is a very similar situation in the UK. You have people gravitating to Sydney and Melbourne and wanting to be there. The great gravitation in the UK is to the south-east of England. The island will one day tip up and fall into the English Channel because of the weight of people that actually move down there. They find the south-east of England more attractive. There are bigger and better wages. I think that is possibly still true.

Sir Alastair Goodlad—There are more Scots in Australia than there are in Scotland, I dare say!

Mrs IRWIN—Your Excellency, that was an excellent briefing. Thank you very much. I want to follow on from the deputy chair. It is correct that we have got problems here in Australia, especially in rural and regional areas. A number of people we have spoken to are saying that we

have to put the infrastructure in those places for these people, such as their temples or their churches, because there are various ethnic communities that want to go there and work but they do not have their schools or community groups in place. Are you doing something like that in the UK, including affordable housing?

Sir Alastair Goodlad—Affordable housing, I hope, has been strongly taken care of for a very long time. There is council housing available in all parts of the United Kingdom for people that need council housing. Places of worship, so far as I am aware—and Stanley will correct me if I am wrong—have not attracted government subsidies hitherto. Is that right?

Mr Blake—That is right.

Sir Alastair Goodlad—Places of worship do not. That is not to say they do not spring up all over the place; they do.

Mr Blake—I think the ethnic groups are so widely spread in the UK. You have centres of ethnic groups in the north-west, for instance, in the cotton towns and that sort of thing. Those places of worship are already there. They have been established by them and allowed to be established by those ethnic groups that settle in different parts of the UK. In Leicester in the Midlands, you have Muslim communities and South-East Asian communities and all that sort of thing.

Sir Alastair Goodlad—Very much so. There are many mosques in private houses as well as buildings dedicated to them. But they have not attracted government subsidy.

Mr Blake—No. They have just developed.

Mrs IRWIN—How are your other overseas posts trying to get skilled migrants to the UK? Is it word of mouth or do they have open days at embassies?

Mr Blake—We have extensive web sites. All of this sort of information is published on our web sites, which now more and more people have access to. There are information leaflets and that sort of thing. I am not aware of any specific advertising program for the highly skilled migrant program, but it has actually gone around and people are aware of it. There has been a new development in the highly skilled migrant program which means that our posts overseas do not necessarily have detailed information to hand. Applicants for the highly skilled migrant program cannot now apply to a foreign mission overseas. They apply direct to the Home Office, because the Home Office have always had the role of approving highly skilled migrant program applicants. It is only when that applicant has been approved and then approaches the respective foreign mission for a visa that we know they have actually taken part in the program. So our information is actually a bit scanty now because of the fact that it is the Home Office that initially receives all these applications and we do not any more.

I do not even have up-to-date statistics on how many Australians will have applied for this program in the last six months to a year. They do not necessarily need to come to us unless they actually are approved. It has always been a mandatory referral. It is the same with investors and innovators. They were never the sort of candidates that we could approve in posts overseas. They are too big. It was for the businesspeople in the Home Office to decide whether as an investor

you had the right portfolio or the right background and the right financial backing et cetera. So it has always been a mandatory requirement.

Sir Alastair Goodlad—In terms of the scale of the thing, the highly skilled migrant program was launched on 28 January last year, 2002. In the first year, 1,300 applications were received. Figures for applications since the beginning of this year are not yet available but their volume has increased. But that is the scale of it—1,300 plus

Mrs IRWIN—What is the main country that migrants are coming from to the UK?

Sir Alastair Goodlad—I would need notice of that question, I think. Can we let you know? I do not know.

Mr Blake—Probably the United States.

Senator TCHEN—High Commissioner, could we perhaps have your excellent briefing notes, which you have not managed to actually finish.

Sir Alastair Goodlad—We will leave them with the committee.

Senator TCHEN—Thank you very much. It seems to me, from the way you describe it, that one of the great operational differences between the skilled migration system you describe in the UK and the one we use in Australia is that the criteria you apply appear to be fairly simple and then, subsequently, you make executive decisions on individual cases. In Australia we have fairly rigid criteria. Once you pass the barrier, you qualify. I suppose the quantity of the streams makes a difference as well. Is that fair?

Sir Alastair Goodlad—I think that is a fair summary, yes.

Senator TCHEN—In Australia, one of the rationale for our continuing migration program is a concern about our ageing population. Migration is seen as one way of making up the difference. It is not the complete answer but is a part answer. What about in the UK? Do you have the same concern?

Sir Alastair Goodlad—I do not think that the ageing population phenomenon which we share with Australia is the driving force behind this program. It is to supplement what we see as gaps in the labour force skills. Nonetheless, it will make a contribution, albeit a pretty small one, towards redressing the difficulty.

Senator EGGLESTON—High Commissioner, with your highly skilled program, you are going to bring in people with particular professional skills, one presumes. That is the criterion for their entry. If that is the case, do you propose to follow them up, say, in five and 10 years to see whether they are still working in that area which they were admitted to work in? In Australia, with our skilled migration program, we apply rigid criteria in terms of need, but once people are here we do not follow them up at all to ensure that they are in the same category.

Sir Alastair Goodlad—I am advised that in the last month before the end of the period for which the applicant is admitted, which is to a maximum of five years, the applicant will be able

to apply for further permission to stay in the category within which they were admitted. If the extension is granted, the individual will be given permission to stay for a further three-year period.

Senator EGGLESTON—In other words, in effect there is a requirement to remain in the category?

Sir Alastair Goodlad—Yes.

Senator EGGLESTON—And, if they remain in the category, they can get an extension to their residency permit?

Sir Alastair Goodlad—Yes.

Senator EGGLESTON—Whereas, in Australia, once they are in they are in and we do not follow up at all. That is very interesting.

Sir Alastair Goodlad—There is a difference there.

Mr Blake—That is as far as the overseeing of the scheme goes. If the individual wants to stay, it is up to them to remain in that category and reapply for a further three-year extension. I suppose that is the way we regulate it.

Senator EGGLESTON—I think it is a very strong regulation.

Mr Blake—Not too heavy, not too oppressive.

Senator EGGLESTON—It is not too oppressive, but it is enticing them to remain as teachers or engineers or chemists or whatever. It is subject to review if they want to stay in your country?

Sir Alastair Goodlad—That is correct, yes.

CHAIR—I notice that GPs or medical practitioners get priority processing in your country. We have a similar shortage of medical practitioners here. Is this an evolutionary thing where you have gone through different stages with medical shortages? At the moment we have shortages in Australia in the medical area, particularly in outer regions and rural areas. Do you experience the same sort of shortages at this time?

Sir Alastair Goodlad—Yes. That is what has driven the policy.

CHAIR—Is it a structural reason or is it the result of something else perhaps?

Sir Alastair Goodlad—No. I think it is just a result of not having enough doctors.

CHAIR—Population increases, immigration?

Sir Alastair Goodlad—The population has increased a bit.

Mr Blake—People living longer and moving around.

Sir Alastair Goodlad—People living longer.

CHAIR—It seems to be a worldwide phenomenon that there is going to be a shortage of medical practitioners in most countries. Quite often, GPs here do travel to the UK and Canada and work there as well. I think someone asked you earlier about figures. Do we have any figures of the number of medical practitioners that are coming into your country on this program? Is it something you can provide to us?

Sir Alastair Goodlad—We can try and get them. I do not have them here. We will try to find them.

Mr Blake—Just Australian or any?

Sir Alastair Goodlad—Both.

Senator EGGLESTON—The UK admits a lot of doctors in training.

Sir Alastair Goodlad—Indeed it does—always has.

CHAIR—At this point I would like to thank you very much for your evidence. Thank you very much, Sir Alastair, for your detailed statement. I know that you will furnish us with copies of it.

Mr LAURIE FERGUSON—I have some questions. They are in a similar direction as Senator Eggleston's. What are the rules and what has been the experience of the UK with regard to people attempting visa change or to refugee claims once admitted under these various categories? Is there a perceived problem yet? What is the ability of people to shift a claim for residence once in the country?

Mr Blake—To shift from employment to residence?

Mr LAURIE FERGUSON—Yes. Attempting something in the area of asylum seeking or basically disappearing from the system—that type of issue.

Sir Alastair Goodlad—I can take this, I think. If permission has been granted in an employment or self-employment category for four years and the individual wishes to remain in the UK on a permanent basis, they can apply at the end of the four-year period for permanent residence. This is otherwise known as indefinite leave or settlement. They will need to have been continuously resident in the UK, apart from short holidays, for a four-year period and continue to meet the requirements for stay in their category during that period to be successful.

Mr LAURIE FERGUSON—But people cannot attempt to remain permanently in the four years under other categories?

Sir Alastair Goodlad—No. Under the same category.

Mr LAURIE FERGUSON—Britain does not allow asylum claims?

Sir Alastair Goodlad—There is nothing to stop them applying for asylum. Is there?

Mr Blake—No, not at all. The asylum claim will be heard, as it is in Australia, and judged. It will be either accepted or refused. But there are cases where you can actually switch. Generally, if you are coming into the UK for a specific purpose and if you wanted to switch from that category, you had to leave and get yourself a new visa. The working holiday makers scheme, which has now just been improved and has been extended, for the first time allows working holiday makers to switch at the end of their two years to a work permit visa, which has never happened before. It would therefore allow that person to be in the UK two years with a working holiday permit and five years with a work permit. That is seven years. That switching is now allowed. So there has been a loosening of that sort of system. But, generally speaking, if you come in in one category, you are expected to stay in that category and leave in that category and come back in in another category. You could not come in as a visitor and say, ‘I want to be a professional footballer,’ and stay on a work permit, for instance, and that sort of thing.

CHAIR—On that light note—we won’t talk about the rugby—thank you very much once again, Sir Alastair. I would like to thank you too, Mr Blake and Mrs Mackenzie. Thank you for your attendance. If there are any matters on which we might require additional information, the secretary will write to you. You will be sent a copy of the transcript of your evidence, to which you can make editorial corrections. Once again, thank you very, very much for your extensive briefing to the committee.

[9.52 a.m.]

ASAKAWA, Mr Akihiro, Researcher/Advisor, Embassy of Japan

KODERA, Mr Jiro, Minister and Deputy Chief of Mission, Embassy of Japan

CHAIR—Good morning and welcome to representatives of the Embassy of Japan, representing the Ambassador, His Excellency Mr Atsushi Hatakenaka. As you know, the Minister for Immigration and Multicultural and Indigenous Affairs, Mr Ruddock, has asked the committee to review Australia's skilled migration programs. The committee has received many submissions and has heard from cross-sections of the community at its public hearings. Naturally, the focus has been on Australia's existing programs and their operation. However, the growing international competition for particular skills affects all of us, and the committee felt it would be beneficial to gain an understanding of how other countries approach skilled migration. We are very grateful that you have agreed to brief us here today.

The committee prefers that evidence be taken in public but if you wish at any time to give us confidential evidence you may request that the hearings be held in camera and the committee will consider your particular request. Do you wish to make a short statement before the members of the committee have an opportunity to proceed to questions?

Mr Kodera—Yes.

CHAIR—Please proceed.

Mr Kodera—Thank you very much indeed for inviting us to speak about the immigration policy in Japan. We are very much honoured. First, I think we have to tell you the truth: we are diplomats and we are not experts, and do not want to pretend to be experts, on this particular issue. After we received your letter we did a survey and we communicated with Tokyo, so we are prepared to make a statement, but I should say that we are not experts. We do not want to disappoint you, but we will try our best.

CHAIR—Thank you, Mr Kodera. I am sure that if we need any information and you are not able to supply an answer you will endeavour to assist the committee. Thank you.

Mr Kodera—We will do that. If you have any questions, do not hesitate to put them to us. If we cannot answer the questions, we will certainly report back to Tokyo and get back to you as soon as possible with the relevant answers. That is the first point I have to tell you. The second thing I have to tell you is that, unlike Australia, we do not have any national policy to accept migrants into the Japanese society to promote the national interest. Therefore we do not have a systematised program to settle skilled migrants. Of course, if they want to stay, we have certain programs, but we are not encouraging foreigners to come to Japan to settle forever as migrants. We do not have that particular policy in Japan, so I am afraid that the policy I am going to speak about may not be an example for the Australian immigration policy. However, I would like to give you information on the current situation of our immigration policy regarding skilled foreigners. I hope this will be of good use to your inquiry.

We have received from the secretariat some questions that you may have and I will give explanations in that order. First of all, I would like to explain our basic idea towards skilled foreigners. I would like to inform you of what we consider a skilled migrant. As I mentioned, in the true sense of the word we do not have any term 'skilled migrant'. But the second edition of the Basic Plan for Immigration Control released in March 2000 by the Ministry of Justice identifies the need for skilled foreigners in the Japanese work force. It says:

There is acceptance of foreigners in response to new domestic and international societal needs.

So it can be said that we have a positive approach to skilled foreigners. With regard to the identification of shortages for skilled migration purposes, the abovementioned basic plan says:

Human resources evaluated as specialised and technical shall be positively accepted as before and the right and wrong of acceptance shall be studied after societal needs shall be made sure.

Therefore it can be said that we do not have any specific guidelines or criteria to identify the skills shortage at this moment. It is still under consideration in view of the societal needs. We do understand the societal needs but we do not have any criteria apart from the overall words 'societal needs'. Regarding the relative importance of temporary and permanent skilled migration, as the above quotation from the basic plan mentions, the importance of skilled foreigners is to be 'positively accepted' but we do not necessarily set this importance over other categories of foreigners. Please look at the handout that we gave to you. Table 1 shows the number of skilled workers and that it is increasing. To see the relative importance of skilled workers as compared with foreigners stationed in Japan, please look at the table below.

Secondly, I would like to move to the current situation of skilled workers staying in Japan. We have a residential status system. That is a sort of visa system which categorises foreigners into some categories. There are 14 residential statuses that can be categorised as skilled or specialised foreigners. For example, there are categories of professor, artist, religious, journalist, investor, business manager, medical services, researcher, specialist in humanities, international services and so on. Foreigners under these categories can have temporary residence for up to three years in Japan. Renewal of residence is permitted as long as they qualify for certain provisions of each category. So the validity of the visa is usually for three years, but if they wish and if they meet certain qualifications they can extend their stay in Japan.

The number of skilled foreigners staying in Japan is increasing, as you have already seen in the table. For example, there were about 107,000 skilled foreigners at the end of the year 1997 and that had increased by 64 per cent to about 168,000 at the end of the year 2001. I think this shows our willingness to accept skilled foreigners. But this increase was not brought about by any sort of systematic, conscious effort on the part of the Japanese government. It is because of the societal needs.

Thirdly, with regard to the role of the prefectures—we have 47 prefectures in Japan—in skilled migration, we do not have any specific program to encourage foreigners to settle in particular regions. Therefore, the prefectures or local governments do not have a meaningful role in immigration policy in this regard. However, the number of foreigners who live outside the metropolitan areas which are the traditional areas of foreigner concentration—such as Tokyo, Osaka, Yokohama or Nagoya—is slightly increasing. For example, foreigners who live out of

metropolitan areas constituted about 32 per cent at the year 1997, but that has risen to 34 per cent at the year 2001. This increase was not brought about by any specific national policy to encourage foreigners to stay in particular regions.

Fourthly, with regard to programs designed to encourage skilled Japanese to return, we do not target skilled Japanese staying overseas to return. However, we have concessions for former citizens to have temporary residence, and residential status for the spouse or child of Japanese nationals. Also, former Japanese citizens can acquire Japanese citizenship for three-year residence in Japan. Normally, residential qualification for Japanese citizenship is five years.

Lastly, I would like to talk about what happens if skilled foreigners want to apply for permanent residence or citizenship. With regard to permanent residence, there are criteria mentioned in our Immigration and Refugee Recognition Act. I refer to the second page of the handout. Article 22 says:

... the Minister for Justice may grant permission only when he deems that the alien conforms to the following items and that his permanent residence will be accordance with the interests of Japan.

The abovementioned conditions are:

- (1) The alien's behaviour and conduct must be good,
- (2) The alien must have sufficient assets or ability to make an independent living.

Even though the act does not mention residential qualification, in fact, in practice there is. The director of the immigration bureau in the ministry in Japan testified in the parliament in the year 2001 that residential qualification for permanent residence is normally 10 years, and three years for spouses of Japanese citizens or permanent residents. So it is 10 years and three years respectively.

The act does not mention specifically a concession to skilled foreigners but they would be able to benefit in an application for permanent residence under subarticle (2) of article 22 of the act. There were about 184,000 permanent residents, granted under article 22, at the end of the year 2001. This number is increasing rapidly. There were about 82,000 permanent residents in Japan at the end of the year 1997. So there was a 125 per cent increase over four years.

I will explain that, on the acquisition of Japanese citizenship, we restrict voting rights in national and local government elections to Japanese citizens. So that is the difference between Japanese citizens and permanent residents in Japan. Employment in the public services is also restricted to citizens, except for special limited occasions. If somebody wants to be a Japanese citizen, we have the naturalisation procedure. The Nationality Act sets the criteria for naturalisation under article 5, as you can see in our handout. In the interests of time I will not read out the five criteria because you can read them there. From the above provision, it seems that skilled foreigners are able to benefit in terms of the acquisition of citizenship. However, there is no specific concession for skilled foreigners for naturalisation.

The number of grants of Japanese citizenship is also increasing. In the 1980s there were around 6,000 to 8,000 grants of citizenship, but in the 1990s there were around 10,000 to 16,000

grants. For example, there were 16,120 grants in the year 1999. Of these naturalised citizens, Koreans constituted two-thirds of the total number and Chinese constituted around 30 per cent. The remaining number is very small but is from various nationalities. In addition, most of the Koreans naturalised were second or third generation migrants who came to Japan when Korea was under Japanese rule.

That concludes my brief. I hope that the information provided will give a better understanding of Japan's immigration policy. Thank you very much.

CHAIR—Thank you very much. I am sorry members of the committee are moving back and forth—there are a number of other committee meetings on today, so please excuse the movement. In an article we were provided with recently by the secretariat, health care workers are much needed in the Japanese economy, particularly Filipino health care workers. You have an ageing population, as we have. The health care and service industries are certainly areas that will face huge demands as our population ages. In particular, Japan and the Philippines are exploring a free trade agreement in these areas. Are you able to provide the committee with any further information as to the proceedings in this area?

Mr Koderá—You are right in saying that we have a big demand in health care services, especially for nurses or workers in hospitals. We certainly will have a shortage of that manpower in those areas. We all know that. We are considering what we can do in the future to cope with that problem. One solution is to accept foreigners who are willing to do this kind of job. But, as far as I understand it, no decision on the part of the Japanese government has been taken to accept foreign workers to do the job.

Quite recently, when the President of the Philippines came to Japan to have a summit meeting with Prime Minister Koizumi, President Arroyo proposed to the Japanese side that the Philippines were willing to provide or send those workers to do the job in Japan. The offer was taken for consideration. As I mentioned, no decision has been taken on the part of the Japanese government.

CHAIR—Thank you for that. Japan does not seem to have a targeted skill program, but you did mention that there were 14 residential statuses, such as professor, artist et cetera. Can you provide the committee with details as to how they are assessed? Is it a points test, for example? What do you use in providing approval for those residential statuses such as for a professor or investor? Is it more an informal arrangement?

Mr Asakawa—We certainly do not have a points system like Australia, but we do set some criteria. The basic criteria is set. It is by regulation by the Minister for Justice. It is not as strict. There is a certain standard, but it is assessed on a case-by-case basis. So there is not such strict criteria for that, unlike in Australia.

Mr Koderá—Can I make two points. The 14-category system was established quite recently. It was established because we thought that, according to the societal needs, it is better for us to accept more skilled foreign workers. That is the reason we established that system. Secondly, this system is basically a sort of visa regime. When you come to Japan for work you need to have a visa. Before we established that system it was just a workers visa and sometimes that took quite a long time, so we decided to establish the 14 visa categories.

CHAIR—So it streamlined it and made the visa application process much easier?

Mr Kodera—Yes.

CHAIR—It was more a procedural thing that established the categories and it has made it easier for people compared to what the visa application process was before?

Mr Kodera—Yes.

CHAIR—Thank you very much.

Mr RIPOLL—Has Japan done a particular skills audit into the future to see where skill shortages might be and how it will fill them, or is it just focusing on the health care workers at the moment? I understand that you have a lot of foreign education workers, such as English language workers. How do you assess needs for the future in those categories?

Mr Kodera—Again, as I mentioned in the statement, we do not have any national program or national forecast on accepting foreign skilled workers. It is up to the individual education organisation or individual private companies to decide what kind of skilled workers or skilled professionals they need. Yes, we have a general idea, even on the part of the Japanese government, that in the future we will need more professionals or more skilled workers from abroad. But that is only in general terms.

As I mentioned, we do not have any particular concrete program on the part of the Japanese government. But individual companies or individual organisations may have a particular program to accept, for example, 10 professors. If that is the case, they try to fit these 10 professors into one of the 14 categories of the visa which we mentioned and they apply for visas for the 10 professors or skilled workers.

Mr RIPOLL—So there is no limit within the program?

Mr Kodera—No. The Japanese government looks at the application form to see whether it complies with the 14 categories or not. If it certainly complies, then the government would issue the visa, usually for three years.

Mrs GASH—I am very pleased to hear you comment on this because I have got somebody very close trying to get permanent residency in Japan, and it is not easy. She is 23 years of age and all her life has always wanted to teach in Japan. That is what she is doing. But can I just ask you: how many applications have you refused? Do you have any idea of how many you actually refuse? We have the stats here of how many you have actually accepted.

Mr Kodera—I do not know. I do not have that information at this time.

Mrs GASH—Is it possible to get that?

Mr Kodera—We will try our best. We do not know whether we can get that sort of information or not.

CHAIR—Over what period would you want that?

Mrs GASH—The last three years would be good.

CHAIR—If you are able to provide the committee with that, that would be good.

Mr Kodera—We will check.

Mrs GASH—The reason I ask that is that I hear your comment very clearly about businesses wanting certain people, and she is certainly under that program. She has been there four and a half years, and each time the visa has been renewed. Now there appears there might be some difficulty because the business still wants her but every time they have to renew the visa she has to come back to Australia and then go back and apply again. That costs a lot of money. I just wanted to know how that situation can actually be refined and made a bit easier. She is just about to come back next week and then she will go back to Japan again whilst the government decides on that visa application. It is a difficult process, and I understand that. You say you are looking for skilled workers. This is somebody who has been there—I am just quoting this as an example—for four and a half years, and it is still not easy to come under those criteria. I am just wondering what you are doing under those circumstances.

Mr Kodera—No comment.

Mr Asakawa—I understand that our temporary residence is limited up to three years. The particular person you refer to would have to reapply every time. I also understand that getting permanent residence is quite difficult.

Mrs GASH—Very difficult.

Mr Asakawa—I would like to point out something basic about the Japanese migration system. It treats all foreigners as temporary and, in some exceptional cases, they can apply for permanent residency. So the basic idea is having a strict limitation to permanent residence. In that sense, I personally agree with your opinion. At the same time, as the minister mentioned, we do not have a national policy to accept migrants into Japanese society as permanent migrants at this stage, so we have restrictions to permanent residence. But I think we have to take into consideration your opinion about streamlining the permanent residence system.

I would like to make another point. Permanent residence is through the Bureau of Immigration. That is one bureau in the Ministry of Justice and it has responsibility for permanent residence or temporary residence. But for citizenship applications the Bureau of Civil Affairs has responsibility. In fact, there is no coordination between the two bureaus.

Mrs GASH—We have the same problems here at times, don't worry!

Mr Asakawa—For permanent residence, as the minister said, the residential qualification is 10 years. For naturalisation, the residential qualification is for five years.

Mrs GASH—In your report, item (2) in article 22 says, ‘The alien must have sufficient assets or ability to make an independent living.’ So you do not require both, you can have one or the other—is that correct?

Mr Asakawa—Yes, but this is not specific—we do not have a specific target as to how much money you have or such kind of thing. This is a general criterion. I think this is assessed on a case-by-case basis. I have to point out that the access to permanent residence is rather easy for those who have a connection with Japanese citizens. For example, spouses of Japanese citizens can have permanent residence or three-year residence. But those who do not have a connection with Japanese citizens have to wait 10 years. I think there is some kind of difference there between those people. In answering that question, subarticle (2) is not so specific. It is case by case. It is something of a discretion by the Minister for Justice. So it varies from time to time.

CHAIR—I want to follow on Mrs Gash’s question about the renewals. Is there a limit to the number of times that a person can renew the three-year visa?

Mr Asakawa—No limits.

CHAIR—There are no limits. So they have to keep going back?

Mrs GASH—That is right. This is about her fifth time.

CHAIR—So this could go on indefinitely?

Mr Asakawa—As long as he or she qualifies with the provisions for that visa category.

CHAIR—In Australia, we have a finite program of migration which varies from 100,000 to about 110,000. You have no such program for permanent migration, you were saying earlier. Is that correct?

Mr Asakawa—Yes. We do not have a permanent migration system.

CHAIR—You do not have a target or annual figure?

Mr Asakawa—No annual quota.

Mr Kodera—We do not have a quota.

CHAIR—It is just very fluid or loose?

Mr Kodera—We react to the need or the demand from the private companies or from other organisations. If the application is quite high, then the visas granted may be more.

CHAIR—In some countries that have come before us there is a great emphasis on employers nominating, and people must have a job or must have skills that are not able to be filled in the particular country. Do you have a similar program? You mentioned professors before—is there a job that they must go to? Is there an emphasis on employers? Can anyone just apply for a visa as a professor in a university? I guess what I am asking is: must they have a job to go to?

Mr Asakawa—It is on an offer basis.

CHAIR—An offer situation.

Mr Asakawa—If a professor wants to go to a Japanese university, he or she has to—

CHAIR—A professor might be the wrong example. A business person.

Mr Kodera—A contractor from the Japanese university or the colleges.

CHAIR—So there has to be a position there?

Mr Kodera—Yes.

Senator EGGLESTON—You do admit people with specialist qualifications for specific purposes. What happens if a person is admitted for a specific purpose and works in a different job? You admit somebody as a nurse and she becomes a travel agent.

Mr Kodera—That is illegal.

Senator EGGLESTON—Is the visa then terminated?

Mr Kodera—It should be terminated. In practice, it is sometimes quite difficult to do that. They are illegal workers or illegally stayer or something like that. We have a Japanese term for those who came by a visa and are staying and doing a different thing. That is illegal. It is very difficult to find them out and it is very difficult to get rid of them.

Senator EGGLESTON—I notice you have a section here on the Immigration and Refugee Recognition Act, article 22. Is Japan a signatory to the 1950s UN convention on refugees?

Mr Kodera—Yes.

Senator EGGLESTON—But you do not have a refugee quota? You do not take a lot of refugees, I take it?

Mr Kodera—I do not know for sure. When there was a peak of Vietnamese boat people, I do not know whether we had a quota or not.

Senator EGGLESTON—They certainly went to Hong Kong.

Mr Kodera—We had accepted several too. But at this moment we do not have any refugee quota.

Senator EGGLESTON—You refer to your Nationality Act article 5—the provisions for naturalisation—and the fifth point is: ‘that he or she has no nationality, or the acquisition of Japanese nationality will result in the loss of foreign nationality’. That implies you do not have dual nationality.

Mr Koderá—No, we do not normally accept dual nationality.

Mrs GASH—When you are getting those statistics for us, could you also define how many Australians apply? Is that possible?

Mr Koderá—Yes.

CHAIR—For permanent residency?

Mrs GASH—Yes.

CHAIR—Mr Koderá and Mr Asakawa, thank you both very much for attending the hearings here today. We have been very pleased to see you here. Thank you for your briefing to us. If there are matters on which we need additional information, the secretary will write to you. The committee looks forward to receiving the additional information. Again, thank you very much for making yourself available. We appreciate it.

Mr Koderá—Thank you very much.

Mr Asakawa—Thank you very much.

[10.32 a.m.]

ADE, Miss Caroline, Legal Intern, Embassy of the Federal Republic of Germany

KLAPPER, Dr Wolfgang, Counsellor, Economic and Legal Sections, Embassy of the Federal Republic of Germany

CYRIAX, Mrs Anja, Consular Attache, Embassy of the Federal Republic of Germany

CHAIR—I welcome representatives from the Embassy of the Federal Republic of Germany. As you know, the Minister for Immigration and Multicultural and Indigenous Affairs, Mr Ruddock, has asked the committee to review Australia's skilled migration programs. The committee has received many submissions and has heard from across sectors of the community at public hearings. Naturally, the focus has been on Australia's existing programs and their operation. However, the growing international competition for particular skills affects all of us. The committee felt it would benefit from gaining an understanding of how other countries approach skilled migration. We are very grateful that you have agreed to brief us here today. The committee prefers that evidence be taken in public. However, if you wish to give confidential evidence to the committee, you may request that the hearings be held in camera and the committee will consider your particular request.

Dr Klapper—I thank you for this kind invitation to the committee and for its readiness to learn some details about how Germany seeks to attract skilled labour.

CHAIR—Dr Klapper, do you wish to make a short statement before members of the committee proceed to questions?

Dr Klapper—Yes.

CHAIR—Thank you. Please proceed.

Dr Klapper—Germany has a population of 82 million people, and 40.5 million people are registered as employed. Among them are 3.6 million foreigners, which is the equivalent of nearly nine per cent of the total work force. As you know, the economic situation is not very prosperous. This is why in recent years we have seen a decline in the number of foreign people employed in our country. Among those 3.6 million foreigners who are employed in Germany, one-third are EU citizens. Another big contingent of people, about 25 per cent, are from Turkey and 10 per cent from the former Yugoslavia.

My first remark, as I have indicated, is in regard to the common market of the European Union because I think that is a very important aspect. You know that there are 15 member states with a population of 378 million. If we see in a few years time an enlargement with 10 more countries, the total population of the EU will rise to 450 million. An important stipulation is actually in the treaty of the European Union, article 48. It is very short so I can read it. It has to do with the free movement of persons. It says:

3. It shall entail the right, subject to limitations justified on grounds of public policy, public security or public health:

- a. to accept offers of employment actually made;
- b. to move freely within the territory of Member States for this purpose;
- c. to stay in a Member State for the purpose of employment in accordance with the provisions governing the employment of nationals of that State laid down by law, regulation or administrative action;
- d. to remain in the territory of a Member State after having been employed in that State, subject to conditions which shall be embodied in implementing regulations to be drawn up by the Commission.

This means there is the free movement of people within the European Union. There is no visa requirement or border controls. Any EU citizen can take up any job in any country and stay there. The only requirement is that this person needs a residence permit, which will be granted for five years minimum anywhere and even can be extended beyond.

What does it mean? It means there is no need for the government to interfere in this self-regulating market. It is up to the companies to make the best job offers and job descriptions possible to attract from all over the European Union skilled labour. If you consider it is a 378 million person market, it is quite huge to attract a skilled work force from all around.

My second remark is in regard to our green card regulation. In spite of the common market, the German government thinks it necessary to attract skilled labour from abroad. That is best reflected by our green card regulation, which came into force in July 2000. The government realised that there was an acute shortage of IT specialists. Who are eligible? Highly qualified specialists in the IT area from non-EU countries. They must have graduated from university in an IT relevant area or have a minimum income of €51,000 a year. That is quite an interesting aspect for the committee. The applicant must have been granted or ensured a work permit before he can apply. That means he must have been in touch with his future employer. It basically means that there is no problem in Germany as to where to locate this person because he has already been in touch with his future employer and joined the company, wherever it is. It is a five-year program. That means the visa is limited to five years. There is a restriction of up to 10,000 to 20,000 IT specialists. I have to be more correct. There was a revision recently. There is now no limitation in number.

CHAIR—There is no limitation, but there was a limit of 10,000 to 20,000?

Dr Klapper—Between 10,000 to 20,000. The program has been extended until the end of 2004. What is the outcome in reality? We are seeing 3,300 IT specialists who currently work under this program in Germany. There is 25 per cent from India. You can say that more or less all the rest of them are from eastern European countries.

My third remark is in regard to migration policy. Because Germany geographically is right in the middle of the European continent, we have been subject to huge migration influxes all the time. We have an intake of 100,000 asylum seekers a year. That certainly is one reason why the government has come forward with a new migration law, but there are more reasons. Another reason would be to simplify the existing law.

What happened was that the Migration Act was declared unconstitutional by our Federal Constitutional Court on 18 December 2002 because the Constitutional Court, the highest court in Germany, found that there was no proper majority vote in the upper house when there was voting. After that, the act reverted to a bill. The bill was reintroduced into our House of Representatives, the Bundestag, where it was approved with a majority of the coalition government. It then was rejected by the Senate, where the opposition holds the majority. Right now it is in a standing mediating committee. I understand there are over 100 applications for changes to the bill.

It is a very interesting piece of legislation because for the first time it is an attempt to regulate migration. I would like to point to article 18 under which anybody from non-European countries will receive a residence permit if he applies for a job for which there are no other applicants—in other words, for a job which is left vacant and cannot be filled either in Germany or with EU members. That could be an entirely new regulation which we have not had before.

Article 19 is interesting. It provides for the definition of a skilled migrant and under that article highly qualified people will receive a residence permit but they must prove that they have already found a job. The other stipulation is that integration will be guaranteed. Article 20 allows people who pass a selection test successfully to enter Germany and to get a residence permit. That article is different to the other two prior articles in the sense that no specific job must be identified or proven. It is just necessary to pass the test. To pass the test there are criteria very similar to your Australian system.

Article 21 deals with business skills. I read in this committee's paper that it is a point you are also having a closer look at. The stipulation is that we allow residence permits to successful businesspeople but they must prove that they will invest at least €1 million in Germany and create at least 10 jobs. Article 22 deals with students who are allowed to pursue their studies in Germany and stay there. We do not know what will happen with this draft bill. It is being discussed again in the mediating committee, as I stated. It has not entered into force.

My final remark is about what our regulation will be in the absence of this immigration law. First of all, it is quite straightforward. Germany is one of 15 Schengen visa states. We issue about 2.4 million Schengen visas a year according to the standard requirements, which are the same for the 15 participating member states. Secondly—and this might be an interesting aspect for the committee—there are a number of bilateral agreements with other countries, mostly from the east, in highly specialised areas. Under one agreement with Croatia and Slovenia, it is possible for nursing staff for the sick and aged to come to Germany. It is only a minor program and at the moment only 358 people make use of it. Another bilateral arrangement is with a couple of eastern European states. I will not list them here. I can do so if you wish. I would translate it as a working contract program. I will explain it. It means that if a German company has a contract with another company in one of these eastern European countries, it is possible for a worker from the eastern European country to come to Germany and stay there for a while. But it will be mostly unqualified people, simple workers. The time they can stay in Germany is very limited.

I will give you one example. Let's say a German company has one construction contract to set up a building and subcontracts to a company from let's say Slovenia. For this other company in Slovenia, it would be possible to send over workers to physically build that building for a limited

period of time. Under the program, currently 56,000 people, mostly unqualified, stay in Germany. These bilateral agreements are supplemented by a number of government programs. One which came to my notice creates the possibility for let's say household assistance to come to Germany. There are 1,100 people, mostly from Poland, Slovenia, Hungary and Slovakia who make use of it.

To conclude, it is possible for seasonal workers to come to Germany. About 300,000 come in mostly from Poland to help in agriculture when people bring in the harvest. But it is very limited and these people would be unqualified. That will be my statement. I will now be ready to answer the committee's questions.

CHAIR—Thank you very much, Dr Klapper. You finished up talking about low-skilled workers. It is an area that the committee has examined as well: the issue of whether there is a place for low-skilled workers. You talked about household workers being allowed and said that there are 1,100. What sort of short-term limits are on those people? How does that program work? Are they allowed on a short-term basis for one year, two years, three years? Are there special criteria? For example, is it for a family who has an aged or a very sick person, or could it be me, for example, wanting to have additional domestic assistance in the home? Are there special requirements for that particular category?

Dr Klapper—There is only a very short paragraph from which I can draw my—

CHAIR—Would you be able to give the committee some information on that if you do not have the material available?

Dr Klapper—Yes. I have prepared a full set of information.

CHAIR—You are very welcome to send that to us.

Dr Klapper—It is all explicitly spelt out there in much more detail. They come from Poland, Slovakia, Slovenia, the Czech Republic and Hungary. There is an election proceeding. The number is 1,102 in household supports. It is not specified in more detail. Here it says it is to help households with family members in care.

CHAIR—Family members in care. So it would be an aged or invalid situation?

Dr Klapper—Exactly.

CHAIR—So it is not in a generalist category.

Dr Klapper—No.

CHAIR—In terms of the green card and IT workers, a number of countries who provided submissions to us also have a huge need, particularly in the IT area. It seems that a huge number of green cards were issued. Did you have acute shortages in certain industries relating to IT? Why did you find yourself having such an acute shortage?

Dr Klapper—That would be an example where government identified an acute shortage in the IT area. The green card regulation only addresses the IT area. It does not address other areas for skilled labour. Why only that specific area was identified and not other areas I cannot say. Unfortunately I cannot answer how this particular area was identified by government. What happens all the time is that all major industries in Germany are represented in associations. For example, in Australia, you have the Minerals Council which is in constant contact with government departments. I think that might have been how the need in this area came to the knowledge of government. The year 2000 was a time when there was a boom in the IT business. It was very hard not only with global competition but with competition within the European Union.

CHAIR—I was going to ask a question about competition for skills in the EU. Do you find it is a more competitive situation because of the union of countries and the movement of people between countries? Does it make it harder to attract skilled migrants? Is there a more fluid movement between the countries that facilitate and assist Germany?

Dr Klapper—Both.

CHAIR—What are the disadvantages of being part of the EU in this process?

Dr Klapper—I think it is more competitive than if there had not been a common market. But it is also a chance for experts to find a job not only in their countries of origin but in any other of the 15 member states. For the specialists, it increases the job prospects. The competition for the companies, I think, has become harder. Only the best companies, no matter where they are based, will have success in attracting the specialists by spelling out the best conditions—the highest salaries and the best fringe benefits. That could mean that smaller companies are disadvantaged by bigger multinational companies who can offer a better deal.

CHAIR—Earlier you talked about a number of articles and you referred to article 19 and article 21. Is this yet to become legislation or is it existing legislation that you are talking about?

Dr Klapper—I am grateful that you raise this question. It is all a draft.

CHAIR—We have similar problems here.

Dr Klapper—This immigration bill was a priority initiative of the coalition government. They worked very hard to compromise with our federal states. This bill was approved in parliament but then it was referred to our Senate, the Bundesrat, and it got a majority vote and our federal president signed it. But by that time there was already a huge legal dispute whether the voting in the upper house had been correct. In the upper house the federal states are represented with a small number of delegates—four, five or six, depending on the size. Normally in the upper house one state only can vote with all its delegation voting yes or no. There cannot be a split. In the case of the state of Brandenburg, there was a split. Some delegates were against; some were in favour. The vote of Brandenburg was taken by the president of the upper house as weight in favour of the bill. With the vote of Brandenburg, the bill was approved. But our Constitutional Court later found out that it was an error. The split vote of Brandenburg could not be counted as a vote in favour. Without the vote of Brandenburg, there was no majority vote.

CHAIR—So the bill had been rejected twice?

Dr Klapper—In the House of Representatives it was approved. There was no majority vote in the Senate. Therefore, it did not enter into force. But the government has reintroduced it to the House of Representatives and again for the second time without changes it was approved. That time, it was rejected by the Bundesrat. It is now in the standing mediating committee.

CHAIR—On my understanding of what you were saying earlier, this legislation would have structured the skilled migration program into categories where at the moment you do not have any defined categories.

Dr Klapper—Exactly.

CHAIR—You have green cards for areas where you have skill shortages and then the rest is working permits. Is that how it works?

Dr Klapper—Yes. The rest would be bilateral agreements, which I have mentioned, which basically refer to unskilled labour and some government programs with guest workers. I think I mentioned nurses.

CHAIR—And domestics.

Dr Klapper—Apart from that, it is the normal visa requirement. Anybody can apply and get a Schengen visa. But you must fulfil the standard criteria and the standard requirements.

Senator TCHEN—Dr Klapper, I do not know whether my question is going to place you in difficulty. It seems to me that at the moment Germany has an ad hoc, fairly flexible system which grew up over the years because of demand. It now has to deal with this issue of skilled migration or the need to fulfil the demand for skilled workers. It seems to me that again the German government has come up with this new law, which is intended to consolidate what happened in the past and deal with the future. The new system structurally looks very similar to the system Australia has been operating. I am not sure whether, firstly, in preparing your law you took into account the Australian experience as some sort of reference point. I must say to you that we are looking at whether the Australian system needs to be changed. From the description you have given us and the briefing we received from our department, there is a fairly high degree of similarity, particularly on the use of a points based system, which is a bit of a problem for us, particularly when constituents come to us and complain about it. From your knowledge, did the German government look into the Australian system? If so, what was your conclusion about it?

Dr Klapper—You are very well informed. The Australian system was seen as a model for the new German immigration law, as was the Canadian one. I think in the end we took a bit more from the Canadian system as it stands than from the Australian. Nevertheless, Australia is known as a classic immigration country and has been so for many decades. That has led to a very successful multicultural society. I must say that, unfortunately, I am not an expert and I am not fully into the details and it is difficult for me to tell you exactly which part is more or less the Australian system. It has played a significant role, I can assure you—there is no question about it. You are also right in saying that the new system also intends to bring about some

improvements. The current system needs to be simplified. That is another reason why our government perceives a need to come along with this migration law.

Under the existing law, I think there are two points which might be interesting for Australia. You were asking whether there is anything which might be of interest for you. Under the new system and the green card regulation, visas will be issued only if the applicant can prove that he already has found a job. So the question of where to move them within the country to get them to remote areas does not apply any more because they will be sent to their future employer. I find that interesting. The second aspect would be the bilateral agreements, which also can be very useful.

Senator TCHEN—I want to follow up on that issue. Dr Klapper, perhaps you can assist us. If you can find any account of what the German government considered and concluded about the Australian system, it might be very helpful to get that information for our consideration. It will give us, I suppose, insight on how people see our system. While we consider how to improve ours, we can learn from that as well. Perhaps you can follow that up for us.

Dr Klapper—Yes. It will be a pleasure.

Senator TCHEN—Thank you. You said that approximately nine per cent of your work force are what you would describe as foreign workers. Does that include EU nationals who are not German nationals?

Dr Klapper—Yes. I can specify it more, if you like..

Senator TCHEN—That is all right; I was just wondering. With Germany's immigration policy, because of the ability to move freely between the 15 EU countries, and also the enlarged EU, when you talk about migration it seems to me that a very large proportion of the people who do not have German nationality would be a large amount of the movement that you are seeking to control, wouldn't it? When you talk about migration, you would not be able to influence the movement of people who have EU citizenship.

Dr Klapper—That is right.

Senator TCHEN—So, basically, these laws would apply mainly to people who are not of EU nationalities?

Dr Klapper—Yes; only to non-EU members.

Senator TCHEN—It will be interesting to see how you operate. Earlier we heard from the British government, and that issue did not come up.

CHAIR—The EU movement.

Senator TCHEN—I assume that the movement of non-British EU citizens into the United Kingdom is far less a proportion than into Germany.

Dr Klapper—Probably.

Senator TCHEN—I expect there would be a linguistic barrier and some cultural differences as well. I suppose England is at one end whereas Germany is right in the middle.

Dr Klapper—Traditionally, there is a close link between Ireland and the UK. Many people from Ireland traditionally go to London and other major cities to take up a job. There is a gap with the rest of the continent. Germany having eight or nine neighbouring countries, is right in the middle of the continent. That means it is affected to a higher degree by migration streams than the UK, which geographically is a little bit apart. That is also my assessment.

Senator TCHEN—Again, I understand from the briefing from our department that the new bill has a target of 50,000 permanent migrants in the first year into Germany. Again, this would be 50,000 from outside the EU. Is that correct?

CHAIR—Does permanent migration include non-EU? Does that 50,000 also include EU members as well?

Dr Klapper—Which 50,000?

Senator TCHEN—According to the briefing we received from our department—

CHAIR—The immigration bill you were talking about.

Senator TCHEN—It will provide for 50,000 permanent places in the first year for migrants. I assume from what you said earlier that this 50,000 would be people from outside the EU.

Mrs Cyriax—The migration law probably only applies for people outside the EU.

Dr Klapper—Because within the European Union it is a common market anyway. There is free movement and no controls at all.

Mrs Cyriax—We would not consider that migration.

Senator TCHEN—Actually, that is quite substantial, considering. I have quite a few questions. I would like to ask about how Germany deals with its skilled migration stream. Considering that we are in the process of change, I am not sure whether it is relevant.

CHAIR—We have territory programs in Australia where we try to encourage migrants to move to particular regions that are not populated. You have not come to that stage yet. You are still at the primary stage of defining skill categories. Is that right?

Senator TCHEN—Actually, I do have a question on that issue. Thank you for reminding me. The impression I got from listening to Dr Klapper is that at the moment you do have control over people coming to Germany for particular jobs to make sure that they remain in that job. At the moment you do have controls like this. You said with the new law you will not be able to control the movement. I assume that what you mean is that currently you are able to control or direct where skilled migrants go to. Is that correct?

Mrs Cyriax—May I answer.

Senator TCHEN—Yes, please.

Mrs Cyriax—We do have control over the regular visa system. We do attract or we try to canalise people and highly skilled people to the area where we would need them. Under the visa law right now, you have to provide a job first. That means we try to provide a very attractive area for special skilled people in a special area. Since you do need a job or a contact first, you can canalise it under that law right now and permit people to immigrate and to get work permits and residence permits.

Senator TCHEN—What is the qualification for someone coming to Germany to work initially who after a period decides to remain? Do you permit changes in status?

CHAIR—Can I just add to that. If there is a green card person on an IT program, once the five years has expired, can that person then say, ‘I wish to become a permanent citizen’?

Dr Klapper—The five years cannot be extended. It is not possible to extend.

Mrs Cyriax—The green card is not made for people to make a status change. Under the regular program, if you come in with a visa and apply for that, you have to get first an approval that no EU person has the qualification which is needed by that particular job right now. Only then you would receive a work permit and a visa. If that situation stays over the years, of course the person can stay. If that person qualifies further on in years, you can apply for extensions.

CHAIR—You just apply for extensions?

Mrs Cyriax—Yes.

CHAIR—But you cannot apply for a permanent—

Mrs Cyriax—You can apply. After a certain amount of years, you can apply.

CHAIR—How many years would that be?

Mrs Cyriax—I would have to double check

CHAIR—Could you let the committee know that?

Mrs Cyriax—Yes. I think it is at least five or six years.

CHAIR—If you come in on a work permit or visa, you can ask for renewals. If you come in on the green card system, what happens at the end of the five years?

Mrs Cyriax—You prolong it for as long as the program runs.

CHAIR—You keep renewing. The employer might say, ‘This IT area requires you to stay,’ so the person can keep extending the five years?

Mrs Cyriax—No. But it is always under revision, because that attracts people as long as we cannot fulfil the need with our own sources. That is on pretty much standard revision.

CHAIR—Is a person given priority treatment if they have come in under the green card program and they wish to become a permanent resident? You were saying to me that you just keep renewing, but if after a period of two renewals the person wishes to become a permanent resident what happens then?

Mrs Cyriax—I do not have the details. I am sure it is in there.

CHAIR—Thank you very much. Are the bilateral agreements, particularly in the areas you mentioned such as nursing and domestic jobs, for a finite period? What happens after then, for example? You mentioned the agricultural workers. There are 300,000 of them. Do they come out for a certain period? How do you ensure they leave the country? How do you monitor that?

Dr Klapper—Their visa would be limited to a few weeks or a few months at the longest.

CHAIR—It is very short term.

Dr Klapper—It is very short term. These are mostly unqualified people from the east, mostly Poland, to help when the harvest is brought in or to pick berries from vineyards. How do we make sure that they will leave? If they stay longer, then they are allowed to stay. They will stay illegally, and that would be a criminal offence. That could have consequences for a second application in the future. There are no specific controls. The employer also knows that they have only a limited time. He would keep an eye on their stay.

CHAIR—The onus is on the employer. We have that here, particularly with working holiday maker programs for fruit picking, but we still have people who non-comply. I wondered whether that was a large problem in Germany. Do you have a large problem of non-compliance in returning back home?

Dr Klapper—What do you mean by non-compliance?

CHAIR—For example, in the fruit-picking industry, do you have a lot of illegal people who will stay and not comply with the two-month limit?

Dr Klapper—I do not think there is a particular problem. Have you any information on that?

Mrs Cyriax—Actually, it is a problem because we do not have border controls any more. The only way of monitoring is to be in a police control or speeding control or in authority contact. That is the only way. When you check the visa, you would realise that the visa has run out. So there is a problem, but it is not as high as people think. A lot of people are really interested in just adding a bit of money to their income by fruit picking and seasonal work and then going home. Maybe they stay another few weeks to visit friends or family, which is very often in that area, and then go home. So there is not really that black market of working in Germany that people expected when they, for example, started the program with Poland, our neighbours. It is a problem, yes, because you cannot monitor it, but it has not had such a big impact on our economic system like everybody expected.

CHAIR—I would like to take this opportunity to thank you, Dr Klapper, Mrs Cyriax and Miss Ade. Thank you very much for coming along. If there are any matters on which we might need some additional information, the secretary will write to you. You will be sent a copy of the transcript of the evidence of today's proceedings, to which you can make any editorial corrections. We look forward to reading the additional information that you will get back to the committee on. Once again, thank you for making yourself available. I know that you have very busy schedules. The committee has certainly appreciated your time today. I apologise that there were not more of us in numbers, but we did start the hearings with a very full table. I hope that we can meet with you at some future point.

Dr Klapper—Can I leave some material with you?

CHAIR—Yes. Thank you very much for that.

[11.24 a.m.]

GAUTHIER-COLES, Ms Johanne, Immigration Program Assistant, Canadian High Commission

MASSEY, Ms J. Marlene, Counsellor, Immigration, Canadian High Commission

CHAIR—I would like to officially welcome representatives from the Canadian High Commission. As you know, the Minister for Immigration and Multicultural and Indigenous Affairs, Mr Ruddock, has asked the committee to review Australia's skilled migration programs. The committee has received many submissions and has heard from across sections of the community in its public meetings. Naturally, the focus has been on Australia's existing program and its operation. However, the growing international competition for particular skills affects us all. The committee therefore felt it would benefit from gaining an understanding of how other countries approach skilled migration. We are very grateful that you have agreed to brief us today. The committee prefers that evidence be taken in public, but if you wish to give confidential evidence to the committee you may request that your evidence be heard in camera and the committee will consider your particular request. Would you like to make a short statement before the members of the committee proceed to questions?

Ms Massey—Actually, I have quite a bit of material to run through. I was given a fairly lengthy list of questions to address.

CHAIR—What we might ask you to do is first to provide a short brief overview statement and then we will proceed to questions.

Ms Massey—Okay. How long would you like the overview statement?

CHAIR—Would 10 minutes be sufficient?

Ms Massey—Probably.

CHAIR—All right, 10 to 15, but be brief.

Ms Massey—First of all, I would like to thank you for giving me this opportunity to meet with you. As you know, Canada, like Australia, has a very active immigration program and is a major immigrant-receiving country. It is very valuable for us to be able to exchange ideas and experiences in this way. As I mentioned, I have quite a lot of material. I have provided some handouts. I will be happy to answer any questions after I have given you an overview of what our skilled migration program is about.

I would like to start by saying that Canada does have a new immigration act, which was enacted on 28 June last year. It is called the Immigration and Refugee Protection Act—IRPA, as it is known to all of us more or less affectionately. It derives from earlier legislation, a 1952 act and a 1976 act, but, first of all, it is an attempt to reflect changing social values in Canada and, secondly, it is an attempt to better meet some of the economic challenges that are facing Canada

in an era of globalisation and changing demographics. IRPA affects all aspects of immigration to Canada, but it is particularly relevant to this meeting because it takes a very different approach to skilled immigration than has been the case in the past.

I would like to talk very briefly about what the skilled worker program is under the new act, the thinking behind it, how we define a skilled worker and what the selection grid now consists of in Canada. I would also like to talk a very short bit about the role of the provinces and some of the regional issues that we have. I have been asked to talk about the numbers. In Canadian immigration parlance, we talk about levels and the mix. And I want to talk a bit about temporary workers and temporary work permits.

I will start with explaining more or less where the thinking is on skilled immigration. Under the previous act, skilled workers basically had to meet a fairly complex selection grid to qualify for immigration. They also had to have a job that was on an occupational demand list. This was a list that was occupations that were seen to be medium demand in Canada. When the old act, which was written in 1976, was enacted, this was a system that worked well. You had this list, you selected immigrants and you knew with reasonable confidence that there would be some sort of demand for their skills in two or three years when they actually arrived in Canada. Unfortunately, by the end of the 1990s, it became pretty clear that the system did not work for us any more. The labour market in the age of globalisation and high technology—and Canada has a very high-tech economy—was simply changing too quickly for government to be able to plug individuals or groups of individuals into the labour market. People would be processed for immigration for jobs that no longer existed in a 21st century economy.

The other problem with the system was that the selection system was not transparent enough. It was not consistent. It was considered too subjective. Too much relied on individual visa officers' decisions. The most serious problem with the previous act was that in the 1990s independent immigrants simply were not establishing economically as well as they had in previous generations. They were really struggling to get to a subsistence level of establishment. So there was a very lengthy and comprehensive consultation process similar I would assume to what you are going through now. It took over four years. The result was the Immigration and Refugee Protection Act.

Instead of selecting applicants against what we perceive to be skill shortages, we have taken what we call a human capital approach, which is aimed at selecting workers who have a broad range of very flexible and interchangeable skills. They have the basic qualities—education, language, general generic skills—to fit into a range of things in the Canadian labour market and to be able to adapt as that labour market changes, which it is doing. In other words, we are no longer picking people because you have a skill that is needed in Vancouver; we are picking people because we think you have the personal qualities to establish in a very flexible labour market. Essentially, we are looking for people who have the ability to learn and acquire new skills. That changes the way we select and think about skilled immigration.

What is a skilled worker in our definition? I have given you a handout. It looks like this. This is the matrix from the national occupational classification. The national occupational classification is a dictionary of all known jobs or potential jobs in Canada. As you will see, at the vertical level this splits jobs into nine sectors: business and finance, for example, natural and applied sciences, health occupations. The horizontal level splits jobs into levels of skill. O level

is senior management. This is your very senior managers in government, business and science. A level is your professionals—your doctors, your lawyers, your accountants and people of that ilk. B level is your technical level—paralegals, medical technicians, draftsmen and engineering technicians. It is also your skilled trades—your machinists, your mechanics, your tool and die makers. C level is your semi-skilled level—your general clerks, your machine operators, your factory workers. D level is your elementary workers—labourers. To be a skilled worker under our grid, you must have experience at the O level, the A level or the B level. If you are below that level on that matrix, you are not a skilled worker and you cannot apply for immigration in our program.

The other aspect is that you must have a total of one year of full-time working experience at O, A or B level in the previous 10 years. This does not have to be in one occupation. It can be in a combination of occupations. It does not have to be full-time work. It can be part-time work as long as it combines to be one year. The thinking here is you may have people that have been in the labour market, left the labour market to have children or to go back to school. They should be able to apply as long as they do have some skill levels. You may have students that have been working part time while going to university. If it amounts to a year, you are eligible. Whether they qualify is a slightly different question, but they are eligible to apply. But, if you are not in one of these upper levels, you cannot apply for skilled immigration. However, as I mentioned, we are not looking at specifics here of what your occupation is. It can be any occupation within that matrix at the top half of that chart.

The selection grid, assuming you are a skilled worker, as I mentioned, is not tied to specific occupations. It is much simpler than the old selection grid. Again, I think you will find a handout that goes through the selection grid. Essentially, we are looking at the six qualities that we have found matter when it comes to establishing in Canada. Level of education is an obvious one. The more educated you are, the better your chances of establishing. If you look at the detail of the grid, what is quite interesting is that you get more points on our grid now if you have a technical school diploma than if you have a Bachelor of Arts degree, simply because you are more likely to be able to be employable with a specialist technical diploma.

Ability in English or French, Canada's official languages, is obviously critical to establishment. Under the new grid, it is given much more weight than it was relative to other factors in the past. We have had real problems in Canada with immigrants who do not have the language ability to get real meaningful employment at the higher levels. Part of this derives from the fact that the source countries of immigration have changed and we no longer have significant immigration from the United States or from Great Britain or from countries where English or French is a mother tongue. Our immigration tends to be from new countries like China and so forth. Language has proved to be very critical. It is one of the reasons we think people are not establishing as well as they used to.

Experience is obviously a factor. Age is as well, although the age category is quite generous. You do not lose any points provided you are under 49. Although it is counterintuitive, we have found that older immigrants do in fact establish quite well. It is a bit of a surprise to me. There is arranged employment. Adaptability is the interesting one. Under two previous immigration acts, both of which I have used myself, we always assessed independent immigrants according to personal suitability. We interviewed them and made an assessment of whether they had what it took to establish in Canada—the adaptability, the motivation, the personal qualities. Adaptability

no longer consists of that visa officer's input into the assessment. Adaptability is strictly an objective evaluation. If you have two years of legal working experience in Canada, if you have two years of studying in Canada, if you have relatives in Canada, if you have a job lined up or if your spouse has a fairly high level of education, you will get points for adaptability. It no longer hinges on your personal qualities, which changes very substantially the way we actually process immigrants because there is no longer the requirement for the interview in the same way there used to be.

The pass mark at present is 75 points on this grid. One of the interesting things about IRPA is that it was written as framework legislation. It is a very short immigration act. It contains some basic principles of immigration and no detail. The detail is in the regulations. The previous act was extremely difficult to change. At a time when economic situations change very quickly and security situations change very quickly, you do not need an immigration act that you cannot easily modify. Now you have immigration regulations, which the minister can alter very readily, to deal very quickly with changing situations. The pass mark is in the regulations. It is currently 75. If this proves to be too high or too low, it can be changed very easily without having to go back to full parliament.

The only other point I would make about the selection of skilled workers is that it is now a part of the act that they must have the financial means to establish in Canada. Again, that is defined very objectively. It is based on what Statistics Canada said is the average income for a family of the size of the applicant in a city of 500,000 people or more. It is a number that is published every year. An applicant can look at the selection grid and know exactly how many points he makes and what he has to achieve in order to qualify for immigration.

CHAIR—Is there a figure on that?

Ms Massey—I do not have it with me. As an example, a family of four would have to have just under \$Can14,000 to immigrate. I was asked about processing times. I did provide a fairly detailed chart on processing times.

CHAIR—Thank you very much for that information.

Ms Massey—We look at what processing times are for 80 per cent of applicants in all situations. We find that 20 per cent of applications are so complex or so unusual that just averaging out processing times does not make statistical sense to us. So 80 per cent of skilled workers at present are processed within 29 months. I want to emphasise that that is a historical processing time. It refers to applicants who applied under the previous legislation. What the impact of the new act will be on processing times we do not know. It should be faster simply because there is less requirement for people to be brought in for interview. But it is very easy days yet to say what processing times are going to be. We are still coping with a three-year backlog from the old act.

CHAIR—So the average is 29 months?

Ms Massey—At the moment.

CHAIR—That is on the old act?

Ms Massey—Yes. That is people who got their visas last year had on average been in process 29 months. It varies a bit by region. It depends on where we have the resources and what the backlogs are in that particular region. It also depends quite a lot on infrastructure. It is much harder to process a skilled worker application in Africa, where infrastructure is poor, than it is in western Europe. Once an immigrant has qualified and met the selection system and done a medical examination and once we have cleared them for security and criminality, they get an immigrant visa. They arrive in Canada and they are processed at the airport. They become permanent residents, which gives them virtually all of the rights of a Canadian citizen except the right to vote in federal elections. A permanent resident may apply for Canadian citizenship when he or she has three years permanent residence in Canada in the preceding four years, when he can establish that he has an ability to communicate in English or French and when he can pass an examination to show that he knows something about Canada and understands the rights and responsibilities of citizenship. It is a fairly simple process.

I will talk briefly about the role of the provinces and some of the regional issues that affect immigration in Canada. The first thing is the context. Immigration in Canada is a joint federal-provincial responsibility. It has been since the days of the British North America Act. The federal government makes the final decision, but the provinces have a good deal of residual power or authority when it comes to immigration. That manifests itself in two very different ways within the immigration context. The federal government has a provincial nominee program. We have signed agreements with many of the provinces giving the provinces the right to nominate a certain number of persons a year for selection as independent skilled worker applicants. As I mentioned, the federal government does not select applicants for specific skills or to meet skill shortages, but the provinces may do so and in fact do do so. They may find they have a shortage of nurses or radiological technicians or sewing machine operators. They will nominate individuals in these specific occupations that they are interested in. These applications are fast-tracked. We are supposed to process them within 12 months. They are not subject to the normal selection grid. This allows the provinces to finetune some of the immigration to their provinces.

At least one of the provinces is using it not just to fill skill shortages but to try to keep the populations of smaller towns and rural areas up. With Canada's population, the birth rate is very low. Rural populations are declining. One of the ways that this is being dealt with is to recruit immigrants who will go to these smaller centres, particularly if they are going to a centre that is of the same ethnic background. I mention this because in one of my previous postings I spent three years in the Ukraine. A great many Ukrainians are on farms in small towns in the prairie provinces, such as Manitoba, Saskatchewan and Alberta. Manitoba in particular was targeting Ukrainians to come and work on the farms or to work in the small towns as mechanics and so forth as a method of rejuvenating the rural population. Indeed, last year, about 2,000 provincial nominees arrived in Canada and 1,500 of them went to Manitoba, which is very active in this field.

The other element of federal-provincial immigration is that the province of Quebec, which has had a separate agreement with the federal government since the 1970s on immigration, has its own immigration law, it has its own immigration service and it has immigration officers overseas who select immigrants under the skilled worker program to go to Quebec. Their grid is quite different from our grid. They are targeting a slightly different group of people. They obviously want people who are francophone or francophonisable. They are looking at a different range of occupations.

CHAIR—Sorry, what did you just say?

Ms Massey—Francophonisable. They can be made francophone.

Ms Gauthier-Coles—They become French speakers.

Ms Massey—They can become French speakers. So a Spanish speaker would be considered francophonisable.

Senator TCHEN—That is interesting. My brothers are all French speakers.

Ms Massey—So you could emigrate to Quebec.

Senator TCHEN—No, I was just wondering how they decide.

Ms Massey—As federal government visa officers, we work very closely with Quebec Immigration. They will issue a certificate of selection for somebody that they are interested in. We will then process them under the federal criteria for medical, security, criminality and so forth, and then the person will go to Quebec. That is a very different model from those we have with any of the other provinces. Obviously, there are regionalisation issues. I think Australia has some of them. Probably they are more exaggerated in Canada. Approximately 77 per cent of all immigrants to Canada go to Montreal, Vancouver or Toronto. That places fairly significant strains on those three cities for infrastructure and social services, particularly given that many, many immigrants are not native English or French language speakers. There has been for some years consensus, and certainly now, among both the federal and provincial governments that we have to find some way of distributing immigration a bit more evenly amongst bigger and smaller centres and amongst the provinces. Toronto or Ontario, British Columbia and Quebec simply are getting the lion's share of immigration right now. Places like Manitoba, Saskatchewan and Alberta are not getting the immigrants that they perceive they need to keep their economies rolling along.

What form of strategy we are going to pursue is very much under discussion. We are really not very sure. They are looking at individual small initiatives, regional initiatives. Canada Immigration is considering a model which would allow us to bring in temporary workers on three-year work permits on condition that they work in these small centres. If they do, after three years, they get permanent residence status. The assumption would be that, having lived for three years in Brandon in Manitoba, you would stay there because you would be established.

The other area where we have a problem is that mobility between the provinces is complicated by the fact that accreditation, trade certification and professional licensing is a provincial responsibility. The federal government has no role in that. It can create problems where you have a very fast changing economy and you want people to move around. This problem of fast accreditation, particularly if you have foreign credentials to start with, is a really significant problem and is one of the reasons why there have been problems with recent immigrants having difficulty establishing. They cannot be as flexible as a Canadian worker because they simply cannot get their qualifications as easily accepted. Again, the federal government is committed to working very closely with the provinces in developing some kind of more integrated and transparent approach to credential recognition.

The Canadian parliament does set the levels for immigration. We used to have annual levels. That is not very workable in the real world and we are now trying to do a multiyear planning system where we plan several years ahead. In 2002 Canada received 229,000 immigrants, which is a staggering proportion when you consider the size of the Canadian population. It makes us probably the biggest immigrant-receiving country per capita. Of that 229,000—I think there are details in the handouts—about 10 per cent are members of the refugee and humanitarian classes, 30 per cent are family class and about 60 per cent fall within the economic class. The lion's share, 53 per cent, would be skilled workers and their families. A much smaller proportion would be business applicants, live-in care givers and a few other special programs.

This year we expect the numbers will be somewhat similar, perhaps a little lower. We are targeting about 225,000 immigrants. The refugee component would move up from 10 to 13 per cent. Family class would shrink a little from 30 to 26 per cent. We want to make sure that we still get 60 per cent of the immigrants as economic migrants. The long-term goal of the present government is to get immigration up to one per cent of the Canadian population annually, which is well over 300,000 immigrants a year. I do not think that is feasible at the moment until we solve some of these regionalisation issues that I mentioned. Speaking as a technician of visas, it is not possible because we do not have enough people overseas. We do not have the processing capacity to process 300,000 applicants right now, not without driving me to a nervous breakdown. Anyway, they are the levels.

We also have a very active temporary worker program. Most people that come to Canada on temporary work permits are coming to a specific job where there is a shortage which has been recognised by Human Resources Development Canada. However, there is a significant number of temporary workers who are on generic work permits of some type or another. The most obvious example is working holiday makers. There are quite a large number of Australians in Canada on open work permits. Foreign students have permission to work, as do their spouses, at any occupation. Under the new act, we are increasingly moving towards things like broader sectoral agreements on work permits. We recognise that it just is not practical to check out every single job offered to a foreign worker to make sure there is no Canadian in Canada that can do that job. We know that we have a shortage, for example, of high-end software designers. So, if you are a software designer and you have a job, you get a work permit. We do not check anything out; we just make sure you are qualified and let you go.

There is a sectoral agreement in Toronto for construction workers. Toronto is booming and we have a shortage of construction workers. Construction workers are able to get in on a work permit to work under this program. We have also tried to simplify the progression from being a temporary worker to perhaps becoming a permanent resident. It is a much simpler process than it used to be, although I am not too au courant with the details of that. I do know that it is faster and easier and less stressful than it used to be.

Basically, that is a quick overview of our skilled worker program. I think the key thing is that we have moved away from trying to use immigration to micromanage the economy. We are looking at broad human capital issues rather than specifically market needs, which makes some of the questions you raised with me a little irrelevant.

CHAIR—Thank you very much, Ms Massey, for that very extensive and informative briefing. It was interesting when you were speaking about the national accreditation standards in the

provinces with their accreditation of certain skills categories. We have the same sorts of problems. You said your government is looking at ways of reducing that dissonance. Can you expand on that a bit more? What seem to be the main sticking points? Is it just that you have a number of state provincial authorities? We are in a similar situation in Australia. It is quite interesting to hear that you have the same difficulties. We are very similar in that regard.

Ms Massey—I will give you an example—engineers. Each province has its own engineering association. If somebody wishes to become accredited, they have to pick a particular province. It does not accredit them to work in the next province over. If they want to move, they have a problem. Similarly, with mechanics and skilled trades: they have to rewrite examinations unless they get to a certain level and can get an interprovincial certificate. It becomes very complex and very difficult for people with qualifications from places that are maybe not normal source countries. For example, you know what a University of Sydney engineering degree is worth and what it is equivalent to. Smaller provinces do not have the capacity to evaluate what an engineering degree from the University of Tirana is worth. It becomes very slow and cumbersome for persons with qualifications to get recognised.

Another problem is that I think Canadian experience is almost a prerequisite for licensing in many of the professions. You do not get Canadian experience until you are licensed. We are looking at trying to make that a simpler process. These are fairly new initiatives. This is something that the federal government had simply not looked at in any way before the new immigration act. But we have realised that this problem of accreditation, of people arriving in Canada thinking that they are going to work as engineers or accountants or in one of the licensed professions or in a trade and then finding that they cannot do so because of these various steps they have to leap through, is another element of the problem of economic establishment. We are underutilising a lot of human capital because we are not utilising the education these people have. It is in nobody's interest to have engineers working as taxi drivers.

CHAIR—Again, we have similar problems. Is there more that could be done in an offshore capacity in defining the skills recognition of these people? Where are we hitting the snags here? Is it because, when the person is accepted to come out in a particular category—their skills are recognised overseas—and they reach the country of origin, they find that within the province they are not recognised. What do you feel your government can do to ensure that that is minimised?

Ms Massey—One of the things that has to happen and is beginning to happen is that the provinces have to sit down with each other and work out a common understanding of what is an acceptable—

CHAIR—Come up with a national certification scheme for engineers or builders?

Ms Massey—Something like that. Frankly, the Internet is a wonderful tool. Our applicants use it more than we expect. Canadian Immigration places the onus on the applicant to inform himself about our immigration criteria, to inform himself about licensing. We do not do it for them. We do not have the capacity to do that. I think this information has to be made available. The applicant has to have easy access to that licensing process while he or she is still in his or her home country. But first you have to have the process worked out. Then you put it on the Internet and let people go to it with self-assessing. Because Canada is no longer focusing on specific

occupations, it is not part of the immigration process—it never was really—to determine whether somebody was a licensable mechanic. We would determine whether somebody had experience as a mechanic, but we never insisted on licensing before we would approve them. We are moving even further away from that with the new act. But at the same time I think it is incumbent on us to make sure that applicants have the opportunity to assess themselves and to get their licensing sorted out before they arrive in Canada so that they do not have these fairly distressing situations where they arrive with a family and kids to support and they cannot get work in their field.

CHAIR—Can I also ask you about your provincial programs. Your processing times are very speedy—half the time of a normal application. How do you ensure that people who nominate to go out to the regions and are accepted actually stay there and do not go to, say, Montreal, Vancouver or Toronto? Are there some measures that your government is working on to ensure that they do actually stay in the provinces for a fixed period of time?

Ms Massey—The whole issue of immigrant mobility is a very sensitive one. Obviously, once a person has arrived in Canada, you cannot constrain their ability to move. They have the right to move to wherever they want to look for work. What the provincial governments—certainly Manitoba, which is the one I am most familiar with at the working end—have tended to do is nominate people who have either family members or good friends or jobs in the province on the assumption that that will be enough of a pull factor to keep them there for a foreseeable period of time. When we first started the provincial nominee program two or three years ago, the idea was that we would monitor whether those people were staying or whether Manitoba was just proving to be an easy gateway for people to move to Toronto. I am not very au courant with what those monitoring results are. My understanding in a general sense is that indeed they are staying, by and large, because they have jobs there, because there is work there and because it is cheaper to live there than it is in Toronto. But it is an area that has to be monitored to make sure that it does not turn into simply an easy conduit for immigrants to get to Toronto.

CHAIR—Before I hand over to Senator Tchen, you were talking earlier about construction workers in Toronto. How do you monitor and predict whether skill shortages are likely to occur? Do you have a research unit within the government? Do you have a predictive forecasting mechanism?

Ms Massey—Labour market issues are essentially the property of Human Resources Development Canada, which is the old employment department. They certainly have research units, as does Immigration Canada. In the case of Toronto, it was pretty obvious. The Toronto Construction Owners Association started pounding on desks and saying, ‘We don’t have enough people to run our heavy duty equipment. We can’t find carpenters. You’ve got to do something.’ But we can be a little more sophisticated than that in anticipating shortages. Again, it is not something the department of immigration wants to get involved in any more because we do not see that as particularly useful. You can bring in construction workers now, but with SARS and power cutbacks and things like that Toronto in two or three years may not be as attractive for construction workers. We do not want to get into a situation where we are now recruiting construction workers who arrive in Canada in two or three years time when there are no jobs left. We want that to be a much more—

CHAIR—And you are hoping your new system will perhaps address some of those things?

Ms Massey—Essentially, it is bringing people in on temporary work permits. If the shortages are still there in a couple of years, they can be processed for permanent residence.

Senator TCHEN—I am trying to identify some of the differences between the new Canadian system and the Australian system. By the way, we just heard from the German embassy representatives that they looked at the Canadian system and the Australian system and they adopted more of the Canadian features than the Australian ones.

CHAIR—A compliment to you.

Senator TCHEN—One of the major differences with the points system is that you do require some evidence of financial independence. In Australia, we do not require it at all. In Australia, any migrants, once they arrive in Australia, can access the social security system immediately. Is that the same in Canada?

Ms Massey—Yes. That is certainly the same situation because they do have the rights of a Canadian. This is to get around that. The current act and the previous act both contained—and it was in the act, not in the regulations—a prohibition. A person is inadmissible if they have a criminal record, if they are medically inadmissible or if they are likely to access welfare—essentially, if they cannot provide for themselves. We have in fact had a problem with people arriving in Canada. All of a sudden, the money they showed to the visa officer has disappeared and they are on welfare the day after they arrive. This is not an extensive problem, but it has been a problem from time to time and in certain areas and with certain groups.

Consequently, the new act is a little tougher about making it very clear that these funds must be available. It is not an insurmountable amount of money. We are not talking hundreds of thousands. We are talking fairly modest amounts—\$14,000 for a family of four is not an insurmountable sum of money. But it is an amount that should give these people sufficient funds to manage until they become employed and start pulling in an income. That is the thinking behind it, that the Canadian taxpayer should not have to subsidise this—in much the same way that if a person has a medical problem that is likely to cost the Canadian taxpayer more than a certain amount they become inadmissible. It is this type of thinking. We want immigration, we are very anxious to have independent immigration, but it has to be self-sustaining.

Senator TCHEN—The way that the points system is applied in Australia, as I understand it—I think it is right—is that Immigration apply the maximum points that are allocated in each category, so if you have a particular degree or a particular qualification you get 20 points regardless of where you got the degree from. Is it the same in the Canadian system? I understand your adaptability five points are flexible.

Ms Massey—The best example here is the education grid. You will note that you will get 20 points if you have a two-year university degree which involves a total of 14 years of education. This means that a bachelor's degree from Pakistan or India or the Philippines, where quite often you only have 14 years of total education, is recognised as being a bachelor's degree, whereas in Canada a bachelor's degree would involve a total of 16 years of education. If you have a degree that is less than 14 total years of education we do not consider it a bachelor's degree, no matter what the degree is called. So it is a combination of what the degree is called and how many years of total education are actually involved.

Senator TCHEN—What I am getting at is that, for example, if for a two-year university degree, with at least 14 years full-time equivalent study, you get 20 points, then that applicant will get the 20 points. If it is a higher degree, two or more universities, they will get 22 points and so on.

Ms Massey—That is right. They are the points. If they have that, that is what they get.

Senator TCHEN—They are not flexible, except for this adaptability, which is a maximum of 10 points. That is subjective.

Ms Massey—Adaptability is a maximum of 10 points. If you have worked for a year in Canada, you get five points. If you have a wife with a BA, you get four points. So there is nine points. It is all extremely objective. The other thing I might add is that for language capacity, generally speaking we rely on IELTS, which is the International English Language Testing System run by the British Council, for English. The University of British Columbia is also developing a test but it is not universally available right now. We rely on Test d'Evaluation de Francais, which is run by the Paris Chamber of Commerce, for French. Visa officers no longer make an assessment of whether somebody speaks English or French. So, again, it is quite objective. We expect applicants to have these tests before they apply.

Senator TCHEN—That is where the transparency comes in, I suppose. How do you test adaptability then?

Ms Massey—You do not. That is the whole point. There is no judgment involved in this anymore. Speaking as a visa officer, I was program manager in our embassy in Rome when this was implemented and I know the impact on the officers of suddenly realising that you look at the application, you have everything there to make a determination and you do not need to see the person. It is a very different way of dealing with immigration than we have in the past. It is a bit of a sea change; it takes a real change in mind-set to adjust to this. We still do interview people, but it is for different reasons now. It is not to determine adaptability. Adaptability is cut and dry.

Senator TCHEN—I would like to ask you about something that nothing to do with immigration itself—I am just curious. You said the new immigration act is a framework act which allows the government to change most of the criteria through regulations, which allows the government a fair bit of flexibility in responsiveness. Are the regulations subject to parliamentary scrutiny?

Ms Massey—Yes. But not—

Senator TCHEN—They are disallowable? That means that unless the parliament sees fit to—

Ms Massey—No. The minister can make changes to the regulations very quickly.

Senator TCHEN—And the parliament does not have a say in this?

Ms Massey—They have an influence, but ultimately it is the minister. If the minister feels that the points system is no longer reflective, it does not have to go before the whole house of parliament for debate. He will change the points system.

Senator TCHEN—In Australia, some regulations are disallowable in parliament. Therefore, once the minister has changed one of them it is presented to parliament—to the Senate particularly—to have a look at. If there is no objection, then it goes through; if there is an objection, the Senate can disallow it and in that case the regulation is revoked.

Ms Massey—It is my understanding that that is not the case with the regulations. That was the whole point of having framework legislation, so that you have a few very simple basic principles that you abide by and then you have a much more detailed working set of regulations which are more easily and more quickly changed and which can be altered to cope with 9-11s or whatever else may happen.

CHAIR—When you were speaking earlier, you said the O, A and B levels were eligible for the skilled migration program. Then we were talking about building shortages. If you needed to get someone in, for example, as a construction worker under skill level C would they come in under a temporary program?

Ms Massey—They would be coming in under a temporary worker program.

CHAIR—How long is a temporary worker program for, or is it flexible?

Ms Massey—Normally we would issue a work permit for one year, but they can be for two, three or four and they can be renewed. It is an interesting question because there is no way under the new act that a construction worker can qualify for immigration. Visa officers have considerable discretion in the selection of skilled workers but they have no discretion to put somebody who does not fit the definition into the skilled worker category—it is not possible. So the only way that this could be done would be by ministerial decision on an individual case.

CHAIR—So every time a construction company needs low-skilled workers what process would they go through?

Ms Massey—They can bring them in on work permits. That is not a problem. It is a temporary issue. A work permit holder can be any skill level at all. That is not the issue. The problem is whether these people could ever become immigrants. Short of marrying a Canadian citizen, it would be difficult.

CHAIR—So the chances of them becoming a permanent resident are very low.

Ms Massey—Most of the people that the construction industry is looking at tend to be in the higher end or will be skilled tradesmen. There will be some that are not, and they will be on work permits for some considerable length of time, I would think.

CHAIR—Senator Tchen was talking earlier about official languages. Under maximum points you have 24 for English and/or French. If you have proficiency in both does that guarantee that you will get the maximum score of 24 or does that mean you will get 24 if you are proficient in English or proficient in French?

Ms Massey—No. You get 16 if you are proficient in the first language and eight if you are proficient in the second, whichever that might be. So if you are a native French speaker, who is

obviously fluent in French, who also speaks fluent English he get 16 points for French and eight for English; if he speaks moderate English he gets 16 points for French and four for English.

CHAIR—I want to talk to you about identifiable skill shortages. I know from what you said earlier that from your immigration perspective you do not want to get into predictive skill shortages areas. Are there any identifiable areas at the moment? For example, in the health industry area, particularly in relation to medical practitioners, do you have the same sort of problems? We had the United Kingdom giving evidence earlier today talking about medical practitioners. Are there similar shortages in your country?

Ms Massey—There are. We do not have a shortage of doctors, for example. We have a shortage of doctors in small centres. That is the problem. There is no shortage of doctors in Vancouver or Toronto or Montreal. There is a shortage of doctors in perhaps Winnipeg and certainly in some of the smaller cities, such as Lethbridge, Alberta or some of the smaller cities in Canada. That is where the problem is. There is almost always a shortage of nurses, because nurses move in and out of the profession and it is very demanding. Again, in the smaller centres we have a problem there.

Certainly with diagnostic radiological technicians we have recruited in different places at different times to try and get these people in both the big cities and the small ones. Yes, we do have problems there. One of the provinces was in fact very interested in using the provincial nominee program to bring in nurses. One of the problems was licensing with the nurses they were recruiting. The other problem was that the health system is in a bit of strife in some of the provinces at the moment and funding is a bit tight. There have been issues as to whether you can bring in people. We need them, but are there the funds to cover them? The provinces are having to struggle with what their priorities are as well.

CHAIR—So you have a double problem there—the financial imperative and the regional aspect. We have just instigated some changes to ensure that nurses and radiographers and medical practitioners go out to regional areas and provide additional points for them to do so. Has that been a method of attracting people, providing them with more generous points?

Ms Massey—No. We do not have that now. In the past, a physician could not immigrate to Canada unless he had a specific job which had been approved. Those jobs were always and exclusively in very small centres. Black Tickle in Newfoundland comes to mind. The physician would go there and work on a contract for two or three years and then would get his Canadian licence and move to Toronto. So it became a kind of revolving door situation. It was not really solving the problem. I do not know what the answer is. I do not think the federal government or the provincial governments really know what the answer is to this, because it is always going to be more attractive to work in Vancouver or Toronto than in a much smaller centre where you do not have the income. Certainly the federal government, in looking at those three-year work permits, would be looking at those issues. We have done it that way in the past and we may do it again.

Senator TCHEN—Does Canada have a national health care system like Medicare that we have in Australia?

Ms Massey—We have Medicare. It is a provincial matter. It is partially financed by the federal government, but each province has a slightly different system. For example, Ontario has a system and Alberta has a completely different system. They provide many of the same benefits, but Ontario is a contributory system where you have to pay through your employer. In Alberta, it is free; it is funded by oil money, I think. So the provinces have different medical systems and different Medicare systems and they are financed differently.

Senator TCHEN—That is the funding of doctors, not the funding of hospitals.

Ms Massey—At the moment, all medical expenses fall under the provincial medical health insurance schemes. Doctors do not have a private list and a public list. It is not like Britain, where they have an NHS and then you have private hospitals and private doctors. That is not the Canadian model. At the moment, it is all public. So the doctor is allowed to charge based on what the province sets as the appropriate rate for a particular service. He bills the provincial medical system, not the patient. Again, I am no expert on medical and health issues, but that is something that is being looked at by the federal government and the provincial governments because the system we have now is struggling a bit.

Senator TCHEN—The reason I ask is that, when you are talking about the difficulty of getting doctors to small towns, that is exactly the same situation we face in Australia. The blame is located quite often with Medicare, the bulk payments and so on. I was wondering whether if Canada had a different system there was the same problem.

Ms Massey—I think it is the same problem. It is an issue of a country with several very large cities that are a magnet for the best in universities and medical centres and technology and hospitals. The big hospitals are in Toronto, Montreal and Vancouver. Specialists want to be where the action is. That is where they go. That creates problems in the more rural areas, which in any case are tending to shrink a bit with the population changes.

CHAIR—Thank you very much, Ms Massey and Ms Gauthier-Coles, for your attendance here today. I thank you for the time you have given the committee and the extensive briefing you have provided to us. If there are any matters on which we need additional information, the secretary will write to you and you will be sent a copy of the transcript here today of your evidence to which you can make editorial corrections. Is it the wish of the committee that material tabled by the British High Commission and the Japanese embassy and the Canadian High Commission be accepted as evidence to the inquiry and authorised for publication? There being no objection, it is so ordered. Is it the wish of the committee that the documents tabled by the German embassy be accepted as an exhibit and received as evidence to the inquiry? There being no objection, it is so ordered.

Resolved (on motion by **Senator Tchen**):

That this committee authorises publication of the proof transcript of the evidence given before it at public hearing this day.

Committee adjourned at 12.22 p.m.