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JOINT STANDING COMMITTEE ON MIGRATION

**Reference: Skilled migration inquiry**

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## JOINT COMMITTEE ON MIGRATION

Monday, 13 October 2003

**Members:** Ms Gambaro (*Chair*), Mr Rippoll (*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 Kirk and Tchen and Mr Laurie Ferguson, Mrs Irwin, Ms Gambaro 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

**WITNESSES**

**BYRNE, Mr Ciaran, First Secretary, Embassy of Ireland .....153**

**KELLY, His Excellency Mr Declan, Ambassador, Embassy of Ireland.....153**

**Committee met at 11.03 a.m.****BYRNE, Mr Ciaran, First Secretary, Embassy of Ireland****KELLY, His Excellency Mr Declan, Ambassador, Embassy of Ireland**

**CHAIR**—I now open this public hearing of the Joint Standing Committee on Migration inquiry into skilled migration. I formally welcome His Excellency Mr Declan Kelly, the Ambassador of Ireland, and Mr Ciaran Byrne, the first secretary. Before I start formal proceedings, I would also like to take this opportunity of congratulating you on your victorious win in the rugby against Romania, 45-17—and I am sure that your Irish constituency here in Australia would feel that way as well.

**Ambassador Kelly**—Thank you very much.

**CHAIR**—As you know, the former minister for immigration, Mr Ruddock, asked the committee to review Australia's skilled migration program. The committee has received many submissions and has heard from 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 affects us all, and the committee felt that it would benefit from gaining an understanding of how other countries approach skilled migration. We are very grateful that you are here today to brief us. The committee prefers that evidence be taken in public but you may wish to give confidential evidence to the committee. Should you request that, the committee will consider your request.

**Ambassador Kelly**—Before I go into my presentation, I would like to thank you for your very kind words about our victory on Saturday. I was up there in Gosford. Indeed, I was wearing my overcoat because I thought I was sitting in Lansdowne Road, it was so cold. We are drawn in the same group as Australia and I hope we all stay friendly until the great event on 1 November in the great state of Victoria, when we play Australia.

Ladies and gentlemen, first of all, let me say that I am delighted to be here today in response to the invitation from your chair, Teresa Gambaro MP. It is indeed a testimony to the pace of economic development in Ireland in recent years that an Irish ambassador has been asked to brief your committee on developments in the country's immigration policy. As you will be well aware for most of the history of my country the traffic was all in the other direction.

Since I arrived in Australia in July of last year—and I have travelled around nearly all of the country—I have been struck by the fact that Australia and Ireland face many of the same problems of skill shortages in areas such as ICT and health care. In the course of my presentation I will set out for the committee the measures we are taking to try and address these problems. Before doing so, I thought I would give you a brief overview of the multinational composition of the Irish population today and how our immigration system works.

I know we have lies, damned lies and statistics, but these are figures from the census of 2002 and I thought because of the way our population has changed so dramatically in the last decade I would just quickly go through them—and I will just use round figures. From the EU member countries, the figures are: the UK 100,000, Belgium 789, Finland 876, France 6,000, Germany

7,000, Italy 3,000, the Netherlands 3,000, Spain 4,000, Sweden 1,000, Romania 4,000, Russia 2,000, Poland 2,000, Lithuania 2,000, Latvia 1,000, Ukraine 1,000, Czech Republic 1,000 and others about 6,000—they are from places such as former Soviet countries like Moldova et cetera.

From Africa we have about 8,000 people from Nigeria, about 4,000 people from South Africa, and the balance is made up of people from other countries throughout Africa. From Asia there are 5,000 people from China, 3,900 from the Philippines, 2,900 from Pakistan, 2,500 from India, and about 1,600 from Malaysia. There are also about 11,000 people from the United States, 1,900 from Canada, 1,000 from Brazil and, last but by no means least, 3,706 from Australia and 1,637 from New Zealand. As you can see, the composition of the Irish population has changed dramatically over the last 10 years.

In relation to the legislation, the principal legislation governing the entry and residence of non-nationals into the state is called the Aliens Act 1935, and there is also the Aliens Order 1946 as amended. I realise they are not the terms used nowadays but they are the fundamental acts, together with the regulations implementing the EU Rights of Residence Directives. In addition, the Immigration Act 1999 sets out the principles and procedures which govern the removal of non-nationals from the state.

This legislative framework provides that all non-EEA nationals—and the EEA is made up of the 15 European Union member states, along with Iceland, Norway and Liechtenstein—require the permission of the Minister for Justice, Equality and Law Reform to reside in the state. Certain non-EEA nationals require a visa prior to entering the state, and it is the function of the Department of Foreign Affairs to process visa applications through its network of embassies and other consular posts abroad. In view of the responsibility of the Minister for Justice, Equality and Law Reform for immigration matters generally, the overall policy parameters in relation to visa matters are, however, set by the minister. Embassies have been granted delegated sanction to decide on certain categories of applications but others are referred to the Department of Justice, Equality and Law Reform for decision.

All non-EEA nationals, whether visa required or not, are subject to immigration controls upon arrival in the state. These controls are applied on an occasional basis on persons arriving from within the common travel area between Ireland and the UK, and systematically on persons arriving from outside the common travel area. Generally speaking, a person can be granted up to 90 days permission to remain as a visitor upon arrival, provided they can satisfy an immigration officer that they have sufficient funds to support themselves, that they have a valid visa if one is required, and that they will not breach Irish immigration or other laws. Non-EEA nationals seeking permission to enter Ireland in order to take up employment will generally require a work permit.

As I mentioned in my introduction, Ireland has traditionally been a country of net emigration but in the early 1990s a phase of rapid economic growth meant that Ireland became for the first time a country of net immigration. While some of these immigrants were Irish who had previously emigrated and were attracted back by more favourable economic circumstances, recent immigrants to Ireland have been largely non-Irish, with a large proportion of these from outside the European Economic Area. Nationals from within the EEA and Switzerland have full access to the Irish labour market without the need for an employment permit.

The majority of the non-EEA nationals entering Ireland in the past number of years have been economic migrants attracted by a booming labour market and job opportunities across all skill levels. Until June 2000, economic migrants were only admitted to Ireland by means of a work permit scheme. Under the scheme, a permit is given to the employer to employ a person for one year in a particular post. If a work permit employee wishes to change jobs, the prospective employer must apply for the work permit for them.

The admission of migrants is largely market led—I know that is one of the issues you were interested in—as the onus is placed upon employers to show that a particular individual is required and no EEA person is available and willing to do the job. Therefore there are no quotas or ceilings in place regarding the number of economic migrants who may enter the state in any given year. All economic migration schemes are structured on the premise that the non-EEA nationals in question are intending temporary workers. Apart from whatever expectation the workers themselves may have about permanent settlement, Ireland admits economic migrants on the basis of a clearly defined vacancy existing in the labour market.

However, the experience of other countries shows that almost regardless of the policy or practice put in place, for some elements of the foreign work force temporary employment tends to result in continuous employment, eventually becoming permanent. In Ireland a non-EEA national may make an application for naturalisation after five years of continuous legal residence in the state to the Department of Justice, Equality and Law Reform. These figures will illustrate how quickly this process has accelerated in the last five years in Ireland: in 1999, 6,200 permits were issued in respect of non-EEA nationals; this rose to over 18,000 in the year 2000, 36,000 in 2001, and reached over 40,000 in 2002. This represents an increase of almost 640 per cent in four years alone.

While non-EEA migrants taking up employment in Ireland are being employed across all skill levels, it seems that the majority of those being employed through the work permit system are mainly unskilled. I know you are interested, as well, in the definition of ‘skilled’ and ‘unskilled’. There is no hard and fast definition within our act of what constitutes skilled or unskilled for the purposes of the employment of non-EEA personnel in Ireland. However, it is clear by looking at the work permit data that the large majority of work permit personnel in Ireland are employed in the broad services sector—catering, medical and nursing, agriculture and fisheries, education and industry—all of which have seen unprecedented growth over the last number of years.

Another way of measuring the skill of the posts being filled by non-EEA personnel is by examining the wages being offered to such people. Although this is not an exact science, it does provide a good indication of the likely levels of skills and qualifications of the employees in question. Seventy per cent of all work permit personnel earn less than euro 370 per week. To put this in context, Ireland’s national minimum wage is euro 6.35 per hour, or euro 248 per week, based on an average working week of 39 hours. I think the euro at the moment is about 1.6 to the Australian dollar, so that will give you an idea of what the figures are there. That is the work permit scheme which was the only way, up to 2000, that you could enter for employment.

I would now like to speak about the Working Visa and Work Authorisation Scheme, which I think will be of interest to the committee. It became apparent in the late 1990s that certain skills remained in short supply in Ireland, despite rapid investment in education, and their shortage was hindering foreign investment, company expansion and market development. It was also

clear that the work permit scheme needed to be supplemented in order to address these shortages. As a response to this situation the government decided, in June 2000, to introduce a working visa/work authorisations scheme as a means of responding to the skills shortages in certain sectors of the labour market. The scheme is limited to selected skilled occupations. The sectors covered by the scheme are flexible and can be modified according to the needs of the labour market. The three sectors that were originally included in the working visa/work authorisations scheme were information and computing technology—ICT professionals and technicians—and construction professionals and nurses.

These categories were chosen on the basis that there was a well-documented shortage of available labour to fill positions in these sectors. The scheme is also market led and all applications must be accompanied by a valid job offer from an Irish employer for the occupational sector in question. In the IT sector, in the case of IT professionals and technicians, like most of the rest of the world, Ireland experienced an IT boom in the late 1990s and into the start of this century. Irish companies had an increasing need for IT staff at all levels, with demand far surpassing supply.

In response to the worldwide slowdown in the ICT market, especially after September 11, the need for ICT personnel is kept under constant review. While there may no longer be a critical shortage of IT personnel at the lower skill levels, we have found it is clear that certain ICT skill sets remain in short supply. The scheme may be confined to such clearly identified skill sets going forward. If the tentative signs of recovery in the world economy continue and the pace of employment picks up in the ICT sector—and this is the important element of this scheme—the scheme has the flexibility to respond to the needs of the market.

In the construction area, construction professionals were included in the scheme as a means of ensuring adequate personnel with the requisite skills and qualifications would be available to carry out work on crucial projects under the National Development Plan. What has happened in Ireland is that the pace of our economic development has been so rapid in the last decade that we now basically have a big infrastructure deficit which we are trying to catch up on.

The government published the National Development Plan which will involve expenditure of over \$A100 billion of public, private and EU funds between 2000 and 2006. It will involve massive investment in health services, social housing, education, roads, public transport, rural development, industry, water and waste services. Obviously we would not have the capacity within our own education or within our own professions to deal with such a massive plan and that is why they brought construction into the work authorisation scheme. The occupations included in the category of construction professionals are architects, including architectural technicians and technologists, construction engineers, quantity surveyors, building surveyors and town planners.

In the health sector—and I know this is an issue that is very much to the fore in Ireland and in Australia as well—we obviously have found in recent years that we have suffered from severe shortages in various areas. The first category is nursing. The nursing board figures indicate that as of 20 June this year the total number of overseas nurses registered in Ireland is just 8,000. I thought I would give you a breakdown of this because it may be interesting for you. The main nationalities represented are the Philippines 3,400, the UK 2,215, Australia 493, United States 304, India 293 and South Africa 213.



I have to say I am not an expert in this area, and I was surprised to see the high number of Australian nurses in Ireland. I thought it was that you guys had all our nurses up in Bondi Beach, because as ambassador, every time I go up to Sydney I meet nothing but young Irish nurses visiting the consulate. But obviously there are nurses in Ireland from Australia. As of 31 March this year the vacancy rate was about 2.6 per cent of the total nursing work force.

In terms of how we handle nurses when they come into the country, orientation courses and assessments, including language competency, are undertaken by overseas nurses as a requirement for registration by the Irish Nursing Board. These courses are in fact funded by our own Department of Health and Children. As the above table shows, the main source for recruitment of overseas nurses for Ireland at the moment is the Philippines. The recruitment is undertaken by individual employers. We have regular contact between Irish officials and diplomats from the Philippines Embassy in London. The Philippines do not have a resident embassy in Dublin; they cover Ireland from their embassy in London.

The Eastern Regional Health Authority, which is the biggest regional health authority in Ireland, which encompasses Dublin, is undertaking a recruitment campaign at the moment in Spain. Nursing education in Ireland—I thought I would mention this because of the structural changes—has moved from a three-year hospital based diploma to a four-year degree in the higher education sector. Because of this transition there will be no graduating class in 2005 and the resulting shortage of nurses will necessitate a further overseas recruitment campaign by the Irish health service.

In June of last year, after extensive consultation with the Department of Health and Children, a further list of medical and social care professionals was added to the working visa/work authorisation scheme. This is an indication and an illustration of the flexibility of this scheme as it moves forward. This was due to the fact that, again, there was a shortage of EEA personnel available to fill vacancies arising in these sectors and this was having a severe impact on the delivery of health care in Ireland, particularly public health care.

The medical and social care occupations were added to the scheme last year and included medical practitioners, dentists and the following specified professionals in the public health and social care sectors, including voluntary bodies: diagnostic or therapeutic radiographer, dietician, occupational therapist, orthoptist, audiologist, social worker, medical scientist, physiotherapist, medical physicist, psychologist, speech and language therapist, biochemist, hospital pharmacist, ECG technician, neuropsychological measurement technician and cardiac catheterisation technician. For all of the above occupations, the job offer presented with the application must be from a public health employer.

The Medical Recruitment and Retention Group composed of health service stakeholders and chaired by the Health Services Employers Agency was established by the Minister for Health and Children in November 2000. At the request of the minister, members of the MRRG undertook a very successful recruitment drive for anaesthetic registrars in India and Pakistan, as a result of which 55 anaesthetic registrars were employed on three-year contracts. The Royal College of Anaesthetists participated in the initiative and subsequently acknowledged its success from a service and training perspective.

The group began to take baseline information on medical vacancies from hospitals and health boards to determine the extent of the medical work force vacancies that existed at that time. A weekly census of medical vacancies in the public health service was introduced which has proved successful in providing accurate, up-to-date information on vacancy level and supporting a range of initiatives in the recruitment area. The vacancy level among non-consultant hospital doctors has been stabilised between one and two per cent as of the latest census figure. It stands at about 26 of the 3,950 total of non-consultant hospital doctors, which is a vacancy rate of 0.66 per cent.

A survey of attitude to and perceptions of NCHD recruitment and retention practices was undertaken early in 2003. Clinicians were consulted on what they view as the priorities that should influence NCHD recruitment and retention. Partnerships have been developed to promote exchange programs with centres of excellence. The public sector example of this is the A and E International exchange program between the Mater hospital—which is a big hospital in Dublin—University College Hospital Galway and the Australian medical community.

A public/private partnership with a company called Locumotion Ltd has been established under which Locumotion are contracted to provide Australian, New Zealand and South African junior doctors and consultants to fill short-term needs on a number of health boards and voluntary hospitals in Ireland. This works both ways: up to 75 junior hospital doctors travel to Australia each year from Ireland for periods of six to 12 months to gain experience in the Australian system. Other recruitment initiatives within the EU have taken place with FAS, which is the Irish training agency, and Locumotion. It is the intention to develop rotation and exchange programs internationally with hospitals and centres of excellence.

I know that the committee is interested in looking at ways forward, so I would now like to address what we see as the benefits of the Working Visa and Work Authorisation Scheme. The Working Visa and Work Authorisation Scheme is seen as being a faster and less bureaucratic way of bringing the requisite personnel to Ireland to fill vacancies in high-skilled human capital intensive employment. It has a number of advantages over the traditional work permit system which are considered to be of benefit to both employers and employees. These are designed as a means of attracting and retaining desirable non-EEA personnel in the skill shortage areas.

The working visa/work authorisation is granted to the non-EEA national in question, rather than to the employer. The recipient is then entitled to move jobs within the sector for which the visa authorisation was granted. If a work permit employee wishes to change jobs, the prospective new employer must apply for the work permit for them. The working visa/work authorisation is granted for two years, as opposed to one for the work permit. It is renewable for a further two years, providing the person continues to fulfil the conditions of the scheme. A non-EEA national may make an application for naturalisation after five years of continuous legal residence. This means, in effect, that a second renewal of the Working Visa and Work Authorisation Scheme amounts to gaining naturalisation should a non-national wish to avail themselves of this option. I think that is a very important and attractive element of this scheme.

For visa required nationals, their dependent family may apply to join them after three months, as opposed to 12 months on a work permit. There is currently quite a large backlog of work permit applications and the turnaround time is approximately 10 weeks. On the other hand, working visa/work authorisation applicants simply present themselves at the relevant Irish

mission overseas and, if all is in order, the visa authorisation usually issues within a time frame of between a number of days and two to three weeks. The working visa/work authorisation costs euro 50, whereas the work permit cost is euro 500. As employees should not pay for their own permit, this is mainly of benefit to employers.

Since the scheme was put in place in June 2000, and until March of this year, a total of 8,233 working visas and work authorisations have been issued. Although this figure is much lower than the number of work permits issued, it nonetheless represents a sizeable amount of skilled workers who have entered the Irish labour market and eased some of the staff shortages in critical areas such as health and construction. It is worth noting that the numbers of working visas and work authorisations issued showed quite a decrease between 2001 and 2002 from 3,794 to 2,610. The most noticeable drop was in the ICT category, which practically halved. Given the global downturn in the IT market referred to above, this was largely to be expected.

I will just briefly mention the Intra-Company Transfer Scheme. As the committee will probably be aware, Ireland is home to about 1,000 foreign companies, over 500 of which are from the United States. We discovered that there was a need to design a scheme which would allow for the temporary secondment of personnel from an overseas company to its operation in Ireland. For example, Intel have a plant outside of Dublin that employs 4½ thousand people and we found they would need, say, to send over an expert from their plant in California—it might be for three or six months—and we were doing this on an ad hoc basis, which was not very satisfactory, so we worked out this idea of an intracompany transfer as soon as we were satisfied of the bona fides of the request. This basically accelerates it for companies which already exist in Ireland.

I would like to briefly mention EU accession and how it will impact on our labour markets. As you may be aware, 10 new countries will join the European Union on 1 May next year. It will be the privilege and honour of Ireland to have the presidency of the European Union when this historic event takes place, which we are very pleased about. The 10 countries are the Czech Republic, Hungary, Poland, Slovakia, Slovenia, Estonia, Latvia, Lithuania, Malta and Cyprus.

The sensitivities and uncertainties surrounding mobility of workers after accession led the EU to propose a transitional measure whereby each member state applies their own national measures for up to seven years following accession. These national measures vary from state to state and range from a continuing need for an employment permit for such nationals to granting them full access to the labour market of the country in question. Ireland, along with a number of EU member states, has chosen to grant the nationals of the newly accredited member states full access to the labour market after accession.

This means that, with effect from the date of EU enlargement, employers will no longer require work permits to employ nationals of these states. Accordingly, a very significant source of potential labour will become available to Irish employers outside the work permit system, which should be of considerable benefit to employers who have not been able to find appropriate staff within the existing or wider EEA labour markets. In 2002 approximately 35 per cent of all work permit personnel were from these accession states, and this trend looks to continue this year. Ladies and gentlemen, that concludes my presentation and I thank the committee for their attention.

**CHAIR**—Thank you very much, Your Excellency. It seems as though you have a very flexible program in place, being market driven predominantly. We have a problem in Australia in predicting skill shortages and we do it through various mechanisms, particularly with departments of employment predictive mechanisms, and we have a National Skills Centre. Do you have similar problems in predicting where the shortages are going to be? How have you tried to overcome that?

**Ambassador Kelly**—I do not think we do. We are a very small country of four million people, so we do not have anything like the geographic spread that you have. Within that, a very large proportion of the industrialisation and development has taken place around the Dublin region, Cork, Limerick and the big centres.

We have had in place for many years a very sophisticated state training system called FAS, which is a Gaelic word for growth. Within that system we are able to identify, if you like, where the shortages are going to be. In our case it is pretty obvious: for example, most of the economic progress in Ireland in the last 10 or 20 years has been in the high-tech ICT area; it has been in chemicals and pharmaceuticals. So it is very easy for the employers to have instant access to FAS to the Department of Labour in Dublin. You can very quickly know where the shortages are emerging.

We have very close relationships. For example, Intel have a massive plant outside Dublin. They work very closely with the equivalent of your TAFE system to produce the kinds of graduates they need to work in the Intel plant. It is very easy to know. They can tell us, for example, ‘We will need so many hundred people to work over the next few years.’ If we do not have that in our system, we will know exactly where the pressures are going to come from.

We have, as I say, the existing training authority FAS, we have a very easy interplay between the multinational companies and the state agencies, so it is not difficult for us to identify where the pressure points are going to be. Other areas become self-evident—for example, the health system. We all know what it is like when there are shortages of doctors and nurses and the like. That becomes apparent very quickly. That in itself is not a difficult issue to predict in our system.

**CHAIR**—I would like to congratulate you on the advancements you have made, particularly in the IT industry. I am sure you have restructured the industry and attracted a large number of overseas companies as well. You do not seem to be having any problems with the EU and the additional countries coming through. Do you see them putting additional pressure on the work force within Ireland, or do you see this as pretty much a gradual process, like you have in place at the moment?

**Ambassador Kelly**—We took the decision, which was somewhat controversial in Ireland at the time. You have to bear in mind that I was private secretary, or chief of staff, to the Irish Prime Minister 20 years ago and I will never forget the day the Prime Minister was elected. He came back from the chamber a very happy man, but I had bad news for him. I had the Secretary of the Department of Finance sitting in his anteroom. I remember I opened the door as the secretary went in and said, ‘Congratulations, Prime Minister. Here’s the bad news.’ At that stage we had unemployment of about six per cent to eight per cent, we had inflation of about 19 per cent—I know that because I was paying a mortgage as a young married man at the time.

The transformation in our economy has been extraordinary. As I say, 10 years ago I would not be sitting here because we had no experience of immigration or work permits or work authorisation issues. It happened so quickly that we took the decision that we would not put any restrictions on the new member states joining. The way it worked, we discovered—for the last five or six years anyway—was that we were already bringing into the system people from Poland, Lithuania, Latvia and the Czech Republic. For example, on a practical basis, outside Dublin all the market gardening, all the area for the city, is now done in the fields by people who are from Lithuania, Latvia or Estonia. It is quite extraordinary. Ten years ago they would have been all Irish. Suddenly, all these Irish kids are working for Intel and, as the old song says, ‘How are you going to keep them down on the farm now that they’ve seen LA?’ Nobody wants to work on the farms any more. We have already had that; there has been a lead-in. I mentioned at the end of my presentation that 35 per cent of all non-EEA work permits up to this point were coming from the accession states. It seemed logical to us to simply not put up any barriers in relation to people coming from those states.

**CHAIR**—Thank you very much.

**Mr RIPOLL**—Your Excellency, thank you for coming to give the committee your presentation. It is very thorough, so it makes it hard to ask you specific questions. I am interested in how you manage the scheme overall; how you keep abuse out of the system and how it works. Have there been any instances of employers or people abusing the system in any way or is that just not an issue at all?

**Ambassador Kelly**—I should say that, working in the foreign ministry, I do not work in the department that operates the scheme on a daily basis. I mention there, towards the end, that we had an intracompany transfer scheme which was designed to facilitate the Intels and IBMs of this world. We did have to modify that scheme because we found some people had modified it themselves and were setting up shadow companies to transfer people et cetera. There is an element of abuse in the system. We certainly found that. I do not have any precise information about the extent of that.

I should say that, in the total immigration area, the work permit scheme is fairly straightforward because you have to have an offer of employment, so it can be fairly easily tracked; the work authorisation scheme is the same. In common with most other countries, in the area of asylum seeking et cetera, we come into immigration difficulties, but these schemes are fairly well structured and, in my experience, I am not conscious of any widespread abuse of the schemes. I can certainly say that to you.

**Mr RIPOLL**—Following on from that, in terms of conditions for visas and limits you place on those, it appears from the information you have presented that basically if you can get that offer of employment to come in, you get two years with a further possible two years and, in essence, once you have that you really have almost an automatic road to becoming a citizen.

**Ambassador Kelly**—Yes.

**Mr RIPOLL**—Which would appear to be, I suppose, very attractive to people who want to move to Ireland, who can then say, ‘I’ll make this my new home’—or at least become citizens. Have you found that system works? Has it been a good system?

**Ambassador Kelly**—With the work permit scheme, the permits were only issued for one year and were renewable after a year; therefore you had to get four renews to qualify for the naturalisation. We felt that the attractive extra bit of it—and I think this is really the meat of what you were trying to find out: how do you get the doctors and the ICT people—was to issue that permit for two years. Therefore if you renewed it twice, then you are into six years and, as you say, you are almost certain to qualify for naturalisation. We see that as an attractive way in. You have to bear in mind here that we did not have any ‘£10 Pom’ scheme, if you like, to come to Ireland. There was no structure. We did not have any legislation.

I mentioned to the chair before we started that if you decided you wanted to immigrate to Ireland, what did you do? Basically we took it on an ad hoc basis, case by case. As I say, we need to understand that the traffic was all the other way and we are only now really coming to grips with it all. There is, I know, a committee at work in Dublin to put in place the kind of system you have. We have been talking to your people on another track about a point system but, at the moment, the quickest and fastest way if you want to immigrate to Ireland is to go down the work permit route or the work authorisation scheme. This is really at the vanguard of that. The other stream is, if you like, people who are coming in under the banner of refugees and asylum seekers.

**Mr RIPOLL**—That is interesting because in a sense what Ireland is doing is promoting, at the end, to make it as easy as possible. You are saying, ‘If you’ve got the skills we want you so badly that we’ll make it extremely easy and the icing on top of the cake, if you like, is that you get that full citizenship at the end.’ Australia still has a system which is more rigorous and much more difficult to qualify. You do not get automatic qualifications to become a citizen. Our system, as I see it, is still much more prohibitive than the system you have described.

How have the employment levels been received by the general population, or those people who are native Irish, if you like? Is it viewed as people taking jobs away from them, or really a case of having such skill shortages people understand that you need to go down this path?

**Ambassador Kelly**—I would honestly say ‘so far so good’, and the reason is that unemployment is still just under five per cent, even though I did read an article in the paper by a journalist who I figured must have just got off his tricycle. He was saying that things were in an economic downturn and unemployment was set to balloon out to five per cent. I would have been very happy 15 years ago if that had ballooned out to five per cent, for obvious reasons. At the moment basically there are enough jobs to go around. I am not saying that there has not been some resistance but it has been very low key. For example, in the trade union movement there are no problems: the skill shortages are there and everybody knows that.

We have slowed down since 9/11 but we had growth rates then which were up around seven or eight, nine per cent for nearly 10 years, and we knew we could not keep that up. This year we think we will do two per cent and we think the Germans are going to do one-half of one per cent. We feel pretty good about that. In fact there are green shoots, shall we say, appropriately enough, showing in the Irish economy, in the sense that unemployment dropped by 15,000 in September. I know there have been good figures here in Australia. The United States looks like it is tentative, and Asia as well; maybe it is happening. We think that if that is the case—and we are all certainly waiting for the Germans to come back to life in Europe—it has certainly helped the

transition towards becoming a country of net migration. I know the point you are making. It certainly has assisted us.

**Mrs IRWIN**—I am very interested about this five years: you have to be in Ireland for five years before you get permanent residency. What are the statistics on that? How many people are taking that up? If you do not know, you could take it on notice.

**Ambassador Kelly**—I will take it on notice and come back to you. I do not have precise figures. You have to bear in mind that we are only talking about seven years of people coming in, so they will only be beginning to come on stream in very small numbers now. That is how new the whole scheme is. But I will find that out for you and come back to the committee.

**Mrs IRWIN**—In Ireland they are taxpayers. What benefits does your government give to them with, say, health? We find that a lot of people who are coming to Australia might want to take up nursing or to be doctors in rural and remote areas. They might have a young family. The family grows up and after a few years they have the opportunity of going off to university and they find that because they have not been able to network our university scheme, with HECS and so on, they turn around and go back to their homeland.

**Ambassador Kelly**—Once you are accepted and you have full access to the public health system, you can join supplementary systems like you have here—we call it voluntary health insurance add-on in Ireland. You would be no different to any other Irish citizen. Your children would have access to schools—once you are accepted into the scheme.

**Mrs IRWIN**—I am curious about the nursing. You stated, I think, in your opening statement that as at 31 March of this year there were 946 vacancies still there for nursing. You also went on to state that once they actually come to Ireland, I understand, they can do a course. Can you run us through one of those courses? Would you recruit these people offshore?

**Ambassador Kelly**—Yes.

**Mrs IRWIN**—I note that they have those qualifications but then do some sort of a training course onshore. Can you fill us in on that?

**Ambassador Kelly**—There again I can just give you very a brief bit of information because I am not an expert in that area. There are two crucial things: that they have the language skills, and if they do not, the Department of Health will pay for them to go on courses. That will be paid for by Ireland. Then obviously they have to satisfy the nursing board in Ireland that they have the necessary professional qualifications. I presume that is like anywhere else. It is relatively easy to establish how they do that, but if there is anything extra that would be of particular interest to the committee, I will get that information and pass it on to you.

**Mrs IRWIN**—That would be great. I am also very curious about the recruitment campaign being undertaken in Spain. How is that working? Is it through an embassy?

**Ambassador Kelly**—No. Basically all of these campaigns are being carried out by the health boards themselves as professional operations. They go and meet with the nursing authorities in Spain. The embassy will give them assistance but the state is not involved in the day-to-day

operation. They do their own recruitment. They would go to an employment agency and set up interviews in hotels—that type of thing.

**Mrs IRWIN**—Do you also have the infrastructure in place in Ireland? I have looked at some figures you have given us from Asia, China, the Philippines, Pakistan and India. What we have found out in this inquiry and talking to a number of people within the wider community is that they would like to go to the rural and regional areas of Australia. However, because of their religion, there might not be their temples or a mosque, and there may not be affordable housing. What are you doing for that in Ireland? Have they put something in place?

**Ambassador Kelly**—There again, it is the geographical size thing. We do not have the outback in Ireland, as such. We are only 300 miles north-south and 150 miles east-west; therefore we do not have those problems and the kinds of acute difficulties that you have. But, there again, we do find that even with four million people, everybody wants to gravitate around Dublin. Certainly one of the things we have tried to do is to encourage dispersal. We try to get people to go outside of Dublin.

In terms of infrastructure and so on, there are mosques now in Ireland. I am not sure whether there is a Hindu temple or not. I have been away for a long time, but gradually all of those things are taking shape and taking root and we are very conscious that we need to make this provision. Again it is a very steep learning curve for us. We just had a case, while I was at home in Ireland during the summer, of an illegal medical procedure being carried out. An infant was brought into a hospital in the south-east of Ireland and died because somebody had tried to perform an illegal circumcision on this infant, who was from Africa. We had no experience really in-house of that. We are now talking to some people who have expertise in that area. We are on a very steep learning curve with all of these things, but it is happening.

**Mrs IRWIN**—You are getting them out of Dublin by saying to them, ‘There is a job there for you. We have the infrastructure in place, and within five years, if you are in continuous employment, you’re looking at permanency.’

**Ambassador Kelly**—That is it in a nutshell, particularly in the agricultural areas where we are bringing people from the former Soviet Union, from Latvia and Lithuania. There are definite opportunities in the agricultural area outside of Dublin. Not all of the high tech and new investment is happening in Dublin. There is a lot happening in Cork and Limerick, but there are the other cities as well. But, like you, it is difficult to get people to go to small towns, there is no doubt about that. The accommodation is better there in the sense that accommodation is less expensive outside of Dublin, because one of the things that has happened is—and again when I read the Australian papers I feel like I am reading the Irish papers—we have had a massive increase in house prices in the Dublin area; nearly 400 per cent in the last six years.

**Mrs IRWIN**—What is the age group of these people who are coming to Ireland? Are the majority of them under the age of 35?

**Ambassador Kelly**—A lot of them are certainly under 35. Again, I can get you precise figures on that but they are in the 18 to 40 age group; especially for the work permits in, say, farm labouring and all of that, they are all definitely in their 20s and 30s.



**Mrs IRWIN**—It would be interesting to find out the statistics. I am hearing from some other countries who are attracting the younger migrant that they move out into their rural and regional areas; they get married; they have children. Their children go to school and they become part of that community and it was one way to keep them in those sections.

**Ambassador Kelly**—I will come back to you on that.

**Mrs IRWIN**—That would be wonderful. Thank you.

**Mr LAURIE FERGUSON**—In regard to the expression ‘encourage people’, what does encouragement mean—anything at all? There are no strictures or no controls?

**Ambassador Kelly**—There are no strictures as such. The carrot is in relation to how badly they want to emigrate permanently. If they take up the job, as I say, within the work permit scheme, after five years they can apply under the work authorisation. After two renewals they are there. There is no extra financial incentive. It is market driven so the government does not control it. On the other hand, as I say, we will encourage people to go: housing prices in particular are much cheaper outside of the Dublin area. That is a big disincentive for moving to Dublin, probably.

**Mr LAURIE FERGUSON**—On the question of market testing in regard to jobs and vacancies, particularly in the building sector, which is the main instance we have here, where essentially families construct job applications that fit only certain people in their family overseas; you get job descriptions which, through advertising, basically wipe out 99.9 per cent of the work force in Australia—let’s say a person experienced in the fishing industry, speaks Portuguese and has six fingers, kind of thing. Do you have that kind of difficulty at all? Is there any experience of that?

**Ambassador Kelly**—I do not have any precise information like that. I know exactly what you are saying, but we did try to set out specific skill categories, which I mentioned in my presentation, in very specific areas. At the moment in Dublin we are constructing a huge tunnel, there is a light rail system going in and there is a massive motorway ring-road around the city. We knew we did not have our own construction engineers, technicians, surveyors, so we specified a whole list of people we needed.

The key to the scheme, as well, is flexibility, so as soon as we begin to see those projects drying up, we will tighten up that list again. The same in the ICT area: as things slowed down after 2000, after 9/11, we tightened up the list but still found there was need for people at the high end of the market. What is happening in the IT area is that some of the projects we would have had, say, 15 years ago have now moved on to places like India and the Far East. What we are increasingly left with, and trying to make sure we hold on to, is the high end of the market, where they are manufacturing—for example, Intel are doing the next phase chip in their plant outside Dublin. They have just finished the Pentium round and are now on the next chip. Flexibility is the key to this. It is easier for Ireland than it is for Australia, because of your massive geographic spread and the states. Ours is a federal system and the government in Dublin controls everything, so it is much easier for us to do these things than it is for you.

**Mr LAURIE FERGUSON**—In relation to the group of people who are the one-year visas, theoretically they might find some difficulty in staying around for five years. Let's say some of them do. You say they can apply after five years. Let's say someone is a Baltic States agricultural labourer who is needed because of shortages. What is the requirement for migration at that point, after five years, if they are still around?

**Ambassador Kelly**—The Baltic States will automatically be okay from 1 May because they are now members of the European Union. They are in anyway and there is no problem. If I understand you correctly, once you are in for five years and you have not come to the notice of the law or committed a crime or anything like that, almost certainly you are going to get your naturalisation. You basically just have to serve the apprenticeship and be a good citizen for five years. You are not going to be turfed out.

The rules at the moment are that after five years you are entitled to apply for naturalisation to the Minister for Justice. I do not know whether you were here when I was saying that the speed of this in Ireland has happened so quickly that we do not have a framework and parameters with points and all that attached to it. We are looking at probably having to do that. The system at the moment is that after five years you are entitled to apply.

**Mr LAURIE FERGUSON**—Thank you.

**Senator TCHEN**—Ambassador, firstly, thank you for your presentation. I find it extremely interesting, because from your discussion it seems you have managed to bypass some of the problems we are facing in Australia. Our system has developed over the years and it tends to carry baggage, whereas you have bypassed some of those problems. Going back to this one-year work permit system that was and still is in place, you said the admission of migrants was largely market led. Do you mean the government does not specify what kind of employment should be offered; it is just up to the employer to come along and say, 'I want to employ this person because this person is necessary for my business'?

**Ambassador Kelly**—Absolutely.

**Senator TCHEN**—Is there any criteria the employer has to satisfy the government of? In Australia—I think Mr Ferguson referred to this—you have to show advertising to demonstrate you cannot get anyone locally and that, in fact, there is a skill shortage in that sector.

**Ambassador Kelly**—You do have to. I did mention that in my presentation. You have to satisfy that nobody from within the EEA is available to do the job. I think you have to put an advertisement in one newspaper or something. Is that right, Ciaran?

**Mr Byrne**—Yes, that is for the work permit.

**Senator TCHEN**—Yes, I am talking about the work permit.

**Mr Byrne**—But for the work authorisation—

**Senator TCHEN**—No, I am talking about the work permit.

**Ambassador Kelly**—The reason we say ‘market led and ‘it’s easy’ is that—and I understand where you are coming from—it became obvious we had these shortages in Ireland. We did not have the trade union movement saying, ‘Here, hang on a second, there are Irish people available to work on the farms around Dublin and the market garden areas,’ because farmers were saying, ‘We don’t have people to work in the fields at the moment.’ This was also happening in the high-tech areas, so I imagine that the amount of bureaucracy required in terms of advertising was fairly minimal.

**Senator TCHEN**—Are there any government requirements in terms of employment conditions? In Australia from time to time we have heard stories about people being imported to work on very low pay and so on, whereas a legitimate worker could expect to be paid at the current market rate. Is there any restriction on that?

**Ambassador Kelly**—That is a very good question. There has been some abuse by certain employers. It has not been widespread, but there have been cases documented. The government have come down very tough on that. There was exploitation. People are entitled to be paid the minimum wage and they are certainly not entitled to be exploited. We had a celebrated case in one particular plant in the west of Ireland where a number of Brazilian workers were being underpaid. There was a massive public outcry at the time about it. The government—and certainly the whole Department of Labour—keep an extra eye on this kind of thing, again because we are all new to this game. We certainly are not perfect and we have had people trying to exploit it. They are entitled to minimum wage conditions, the same as any Irish citizen.

**Senator TCHEN**—The work permits are applied for by the employer. Is it designated to the employer or employee? I know in the visa it is designated to the employee.

**Ambassador Kelly**—The work permit is where we found it did not have the flexibility to satisfy the needs and why we brought in the work authorisation—because it went to the employer for a particular employee, but if that employee wished to change jobs and go to another job, an employer had to apply for that job for this person—in other words, there is not a lot of flexibility in relation to that element of the scheme, that is for sure.

**Senator TCHEN**—This exists in our work visa system as well. Some of the work visas have many categories and some of the categories are more mobile. One problem particularly relates to illegal or unlawful behaviour by the employers. In Australia we sometimes come across the problem of conflict of law governing the legal way of dealing with this. For example, someone coming into Australia with a visa which is an employer sponsored visa specifies a particular employer and certain working conditions. If the employer fails that test, the problem is the visa becomes void and the employee becomes an illegal resident. Any legal action is to be taken against the employer, but as far as the immigration department is concerned, the illegal unauthorised resident should be deported and depart from Australia as soon as possible. However, the legal system requires the person as prima facie evidence, if you like, and that makes prosecution much harder. Do you find a similar problem in Ireland and, if so, how do you overcome it?

**Ambassador Kelly**—I know exactly what you are saying. Again, because of the newness of the system, I do not have any figures in the presentation, but I will inquire for you in relation to that. In a general way, I know we have benefited from the fact that we were late into the game

and we have been able to see the difficulties other countries have had and we have nothing like the scale of the issues you have had to deal with. I know we have had to rework the system. I have no doubt about it, even though I do not have precise information here. I am sure there has been that kind of abuse in the system, but we have a very active Department of Labour and we have a very active system of inspections of Irish companies. In this particular case, the Brazilians over in the west of Ireland have put a lot of public attention on it, or government attention, so we are very conscious of the fact that the employee under the work permit scheme has to be afforded a fair degree of legal protection.

**Senator TCHEN**—Some of these problems will be far less likely under your work visa arrangements.

**Ambassador Kelly**—Very much so.

**Senator TCHEN**—We have heard evidence from a number of other embassies and countries. I think you noted in your presentation that in most countries when you talk about migration, you talk about people coming in for temporary stays, whereas in Australia and Canada we are probably unique in that we talk about migration as a permanent state—people are coming in here and staying permanently, or in a temporary state, who might become migrants later.

**Ambassador Kelly**—Yes.

**Senator TCHEN**—We make that distinction, whereas in most countries, like yours, you do not. Do you see that there may be some benefits, in fact, of extending the idea that you have of this renewable work visa, with a longer naturalisation qualifying period: apprenticeships served by intending migrants who come into the country as unqualified migrants, instead of doing what you have done here, basically serve apprenticeships to demonstrate that they are good citizens?

**Ambassador Kelly**—As I say, we have had to react to a certain set of circumstances. We were not used to people wanting to come and live in Ireland.

**Senator TCHEN**—I am surprised people do not, actually.

**Ambassador Kelly**—Well, it is a little secret. We do not want to let it out. In many ways, I think this is the way we have dealt with the situation. I mentioned very early in my presentation that, even though people come as temporary migrants, nobody says to them, ‘You’re not going to be able to stay here.’ We explain to them very carefully that after five years they can apply, so I suppose you could look at it and say that we are in a sort of apprenticeship idea, but it has helped the transition and it has helped to condition Irish people to get used to the idea of migration into the country, because side by side with all of this—and I know it is not a matter for the committee here this morning and I do not have the precise figures—we have thousands of applications from asylum seekers and we are only in the process now of trying to deal with that.

We did not have the systems in place and we definitely found some very difficult issues, especially in Dublin. What we tried to do there was disperse people throughout the country because we did not want it to become a Dublin-centric problem, but this literally happened overnight. As I said, 10 years ago, the Department of Immigration in Ireland consisted of about 60 people. One of the nicest jobs you could have in Ireland was to be—maybe this one should

not be on the record but, if you like—working in Dublin Airport as an immigration officer. You could work on your golf handicap; very few people were coming in. Today we have about 1,000 people, and this has been put together at breakneck speed.

Also a very serious constitutional case has been decided in the government's favour in relation to the right of parents of children born in Ireland to stay in Ireland. It was a very complex case. The government found that the parents have no automatic right to stay in Ireland. That is a very tricky issue at the moment and emotions are high on both sides in relation to it. We had to deal with that issue and then we had to deal with our labour market issues and, as I say, we are writing the legislation every week, but now there is an attempt to try and define and come up with a policy. We are actually looking at your system on another track—and, indeed, we have been looking at Canada's—to see whether we will formulate some kind of a points system or whatever, or modify the system we have at the moment.

**Senator TCHEN**—Thank you, Ambassador.

**Mrs IRWIN**—Just out of curiosity, talking about asylum seekers, are they onshore or offshore?

**Ambassador Kelly**—All onshore.

**Mrs IRWIN**—Would you be looking at the skills of those particular asylum seekers to see if they had the skills there for jobs?

**Ambassador Kelly**—That is a separate issue and we have to decide on whether they are UN refugees and all of that, or whether they are genuine asylum seekers, so we are dealing with all of those issues. Everybody is on the island of Ireland and generally dispersed throughout the country.

**Mrs IRWIN**—Do you have dual citizenship with a number of countries?

**Ambassador Kelly**—Yes, and we do not have any problem. We have it with Australia and the United States. We felt we always had to do that because the government took the view that people had to leave Ireland for economic reasons for most of our history, so we could not deny people the right to return and the right to their citizenship. I know that a lot of Australians are very happy that your own law changed with our dual citizenship. I have met many Australians over the last 12 months who proudly tell me that they have their Irish passport as well.

**Mrs IRWIN**—The previous member for Fowler had to give up his Irish citizenship to become a member of parliament, but I think now he has left he has taken that up again.

**CHAIR**—Ambassador Kelly and Mr Byrne, thank you very much for your attendance. If there are any other matters that we require additional information on, the secretary will write to you, and you will be sent copies of the transcript of your evidence, to which you can make editorial corrections. Thank you very much for making yourselves available.

Resolved (on motion by **Mrs Irwin**, seconded by **Mr Ripoll**):

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

**Committee adjourned at 12.11 p.m.**