



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

JOINT COMMITTEE ON MIGRATION

Reference: Review of state-specific migration mechanisms

FRIDAY, 19 MAY 2000

DARWIN

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JOINT COMMITTEE ON MIGRATION

Friday, 19 May 2000

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

Senators and members in attendance: Senators McKiernan and Mr Adams, Mrs Gallus and Mrs May

Terms of reference for the inquiry:

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

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

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Committee met at 9.01 a.m.

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

The committee has received 42 submissions from state and territory governments, migration agents and people with interests in these issues. The committee normally authorises submissions for publication and they are placed on the committee's web site. If you would like further details about the review, feel free to ask any of the committee staff—Steve, Gillian and Emma—here at the hearing. The committee will take evidence from witnesses as listed on the program. However, if any member of the audience wishes to comment on any aspect of the issues raised, please let Gillian Gould know and we will make time available to you, we hope, depending on how we go.

[9.03 a.m.]

ALLEN, Mr Peter, Acting Chief Executive Officer, Department of Industries and Business, Northern Territory Government

NORTON, Mr Jeffrey, Acting Migration Officer, Department of Industries and Business, Northern Territory Government

PRICE, Mrs Janicean, Director, Office of Ethnic Affairs, Department of the Chief Minister, Northern Territory Government

SWEET, Mrs Pompea, Acting Migration Officer, Department of Industries and Business, Northern Territory Government

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

Mr Allen—No.

CHAIR—The committee prefers that evidence be taken in public but we do have the ability to go in camera if so needed. Before we start to ask any questions on the submission you have already given to us, are there any short opening statements you wish to make?

Mr Allen—Firstly, welcome to Darwin. By way of personal explanation, I point out that although I am normally a Deputy Secretary of the Department of Industries and Business, I am normally at a considerable distance from the matters before this committee. Indeed, if this was a parliamentary committee on racing, gaming, liquor or Internet gambling, I would feel not only very much at home but even perhaps believe I could assist you greatly.

Senator McKIERNAN—What is the betting on that?

Mr Allen—Such is not the case today and I am very relieved to have officers of the department who have already introduced themselves, Mr Jeff Norton and Mrs Pompea Sweet are experienced in the delivery of the Regional Sponsored Migration Scheme, business skills migration, and in particular the regional established business in Australia category, and the use of the skill matching database. In addition to the delivery of these programs there are ongoing policy formation issues across the broader spectrum of state-specific migration on which they are able to take your questions.

I would also like to acknowledge the presence of the director of the Northern Territory's Office of Ethnic Affairs, Ms Janicean Price, who is a member of the working party on state-specific migration and the Northern Territory government representative on the Standing Committee for Immigration and Multicultural Affairs.

It is the aim of the Northern Territory government in its capacity as a facilitator of the various state-specific migration programs to encourage skilled and business migration to Australia, in particular people with the skills, knowledge, and ideally the finance, to assist in the development of the Northern Territory. While the Northern Territory has a relatively small population of approximately 200,000 persons, we see ourselves, as small jurisdictions often do, as being dynamic and energetic and adaptive and, indeed, according to the Australian Bureau of Statistics, we have an annual growth rate of 1.4 per cent, which is consistently ahead of the national average.

The Northern Territory government has a policy and vision for the growth and development of the Territory. This has been encapsulated in the government's *Foundations for our future*. It is a strategic document—and I apologise, I am not sure whether the documents have come to you, but they may well do as later supplementation information—and it outlines our objectives in creating local jobs in industry, developing as a regional hub, diversifying our economy and strengthening our regional areas. The potential of the Adelaide-Alice Springs-Darwin railway is well known to us all. The focal point of foundation 1 from those strategic documents is to preserve and build on the lifestyle of all Territorians. This supports a uniquely multicultural community. This will be achieved through the promotion of our lifestyle and of the Northern Territory as a place in which to live and invest.

The Northern Territory has demonstrated its commitment to state-specific migration mechanisms through its participation in Commonwealth migration programs, working parties, advisory panels and councils, and in the furthering of equitable and workable migration programs. The Northern Territory government had an instrumental involvement in the development stages of the Regional Sponsored Migration program and now endeavours to implement and support certain changes within a range of migration mechanisms that identify regional uniqueness. The ultimate success of these mechanisms in the Northern Territory is dependent—indeed, very much dependent—on the flexibility of the criteria for the programs and the ability to differentiate between small and large regional centres. Even as a newcomer to this matter, as I have admitted, it is both perplexing and concerning to learn that Melbourne and Geelong—cities I know well—are regional centres for migration purposes and that they are regarded in many, if not all, ways as being the same as Alice Springs and indeed Darwin and other regional or remote townships. This is an area which we believe needs addressing, and that was recognised by the Business Advisory Panel's report entitled *Business entry into a global economy: maximising the benefits*. This issue and other regional migration issues were raised at the April 2000 ministerial council meeting in Wellington.

On behalf of the Northern Territory government, I thank the honourable members of the committee for holding this public hearing in Darwin and providing this opportunity for our submission to be aired and considered in this forum. We look forward to your questions.

CHAIR—Thank you. Your submission is divided into points and you touched on one when you mentioned Melbourne and Geelong. I take it that it is the Territory's position that you think Melbourne and Geelong do not belong in the scheme?

Mr Allen—I am sure, from my experience in Grants Commission hearings, that Melbourne and Geelong have very sound reasons for their view, but certainly we do not agree with them.

Others might provide more precise answers but, even in broad conceptual terms, it is very difficult to grasp and is indeed perplexing.

CHAIR—I understand. You have asked for a definition or clarification of ‘regional’. If you had to define regional, how would you define it?

Mr Allen—Again, I rely on my experience in Grants Commission hearings, but I am not uncomfortable with some reasonable statistical analysis—for example, a certain distance from a population centre of a certain number. It is a matter of obtaining that balance. In other elements of government, one could define remote as being something more than 50 kilometres from a population centre of five million people. That would obviously not satisfy—at least not from our perspective. But that sort of setting of goalposts at least allows them to be clearly understood, and it is then a matter of choosing numbers which are satisfactory to all.

We would see that there would be many cities in Australia, not just our own Darwin, which are of this population base and which then have other smaller regional centres, with Darwin as the service centre. It is really a matter of getting the maths right in terms of defining a basis for regionality. After that, there may well be other matters, such as the economic basis of that particular community, its make-up and its contribution, and some of those factors may well be social. In my experience in the public sector I have always been concerned about money going to what I would call deficit funding. In my working life I would prefer to reward the active.

CHAIR—How do you feel about Adelaide being included? You specifically referred to Melbourne and Geelong but how about Adelaide?

Mr Allen—It is a bit of a case of divided loyalty there—I have a house in Adelaide and I visit Adelaide regularly. There are significant differences between there and Melbourne and I actually do not have a problem with Adelaide. Adelaide is not, as I see it, a city that has corporate headquarters—it is often a branch, and not necessarily a significant branch. Many of its functions parallel those of, say, Darwin in serving business.

CHAIR—So your objection to Geelong would be that it is so close to Melbourne?

Mr Allen—Yes, it is a hub city of Melbourne. I visited both those cities within the last six months and it took less than an hour to drive between the two of them, legally.

CHAIR—One other thing I am particularly interested in is that you are asking for the requirement for advertising to be reduced under the RSMS. There has been a waiver of LMT if it is under the MODL, which is the general one, but you have said it is not good enough for the Territory because you have specific problems in the Territory which would not be there under the whole of Australia. Would you like to expand on that? I am referring to the second page of your submission.

Mr Norton—What the submission referred to in that instance was for occupations outside the waiver of the MODL that are specialist. We had an instance recently where a piano tuner, who had not undertaken any direct advertising through newspapers or employment agencies, was trying to get a qualified piano tuner through his organisation and the associated

organisations around Australia. In that instance, he wanted to know if they were able to waive the need for advertising when he could demonstrate the need for that position was real. That is the circumstance that we referred to in that instance.

CHAIR—Using the piano tuner as a good example, if you do not advertise—and I am not saying a huge campaign, but maybe one ad in a national newspaper—how do you know that there isn't somebody sitting in Sydney who is a great piano tuner but does not know that this job is available and so he or she misses out on a job when you bring in someone to fill that job? How do you avoid that if you do not have to advertise?

Mr Norton—We would be looking for it on a special circumstances or a needs basis, as in this case, where regular contact with the piano tuners guild around Australia had been made, and referrals had been made to certain persons that may be interested. It is not an occupation that is widespread. They found it very difficult and had actually been trying for two years to fill the vacancy.

CHAIR—So you are saying in this case there was a network which was sufficient.

Mr Norton—A network that had been used outside of advertising.

CHAIR—You did not need to advertise because use of the network was adequate?

Mr Norton—Yes, and we considered that as a special circumstance, rather than a general rule, that should be applied.

CHAIR—On the RSMS, you felt that you might get into a legal liability, that if you advertised that there were positions available in the Northern Territory and somebody arrived and there was not such a job, that you would be liable. I think you also indicated that you had some legal advice on this.

Mr Norton—That particular item refers to the State and Territory Nominated Independent Scheme, as opposed to the RSMS.

CHAIR—Yes, sorry, you are quite right, it was STNI. You had quite a lot of success with the RSMS and it was just that you felt that this would lead you into some legal liability. Again, it is on your first page. It is the third paragraph under 'Skilled migration'. You say:

Legal advice was sought on the Territory's position ...

Mr Norton—I am aware of the comment. I would have to get back to the committee.

CHAIR—The committee would be very interested in that legal advice that you received, so if you were able to send that to us, we would appreciate it.

Mr Norton—In writing.

Mr Allen—I must admit in reading the same material that has come to the committee, it tended to leap off the page at me. Certainly, we would be very keen to provide a detailed response to your question.

CHAIR—Thank you, Mr Allen.

Mrs IRWIN—I do not know if Mr Allen or Mr Norton is able to answer this. In your submission you say that the Northern Territory government recommends that the Commonwealth government:

Allow the Northern Territory flexibility and discretion under the RSMS criteria of 'skilled position'.

But in filling positions which have not been deemed skilled under the RSMS you say:

Where a genuine position exists and the employer has not been able to source from the local and national labour market.

What skills are you talking about here?

Mr Norton—It would be a special circumstance. An instance that happened most recently was where a business in Darwin was after an Indian cook. He was a qualified Indian chef, and he had a chef qualified in Indian cookery, but he required an Indian cook. Under the guidelines of RSMS, that is not classified as a skilled position because it was not a certificate position. The suitable applicant that he had found had been working on a temporary working visa for some time and wished to obtain permanent residency. In that instance, he wanted the ability to be able to waive the requirement for a chef in lieu of a cook that had experience in that area. He had advertised and the cook had met all the other criteria. So again it was a special circumstance for something that stands out from the normal.

Mr ADAMS—Was the individual already here? Is that what you said?

Mr Norton—I believe the individual was on a temporary working visa and undertaking studies.

Mrs IRWIN—You say he was undertaking studies. I also notice in your submission regarding students that you say that the Northern Territory government promotes provision of onshore applications for students wishing to apply for an independent skills visa upon the completion of a diploma or higher level education in Australia. Has the department been approached by students here in Australia for various positions that might have been advertised in the papers and they would like to be looking at permanency once their student visa had expired?

Mr Norton—I am not aware of that circumstance. I would have to find out about that and refer to other reference material. However, the Northern Territory government in its submission supported the onshore approval, as opposed to promoting it, in that students that have undertaken their studies in Australia and then wish to remain in Australia are certainly well along the way to meeting some of the criteria that is required in the point score system. They are familiar with the cultural diversity of Australia, the lifestyle, they have the language skills, and

their Australian education then readies them to take on employment in Australia. The need to then go offshore to get a permanent residency visa approved could be considered a hindrance.

Mrs IRWIN—What is the Territory desperate for in terms of skilled migration? Is it doctors, teachers, nurses?

Mr Norton—The Northern Territory skills shortage is similar to that of the national skills shortages. It includes IT specialists and medical specialists such as nurses and radiographers. I am not sure of the complete list of the national shortages, but I know it is very similar. Really, we rely on the business community to let us know that their needs are in delivering these programs to business.

Senator McKIERNAN—Mr Allen, on the definition of regions, can we bring it back to more of a microcosm for the Territory itself to get a better handle on things, so we are not comparing apples with pears, like Darwin to Sydney? In the Territory, there are three major population centres, as I see it: Darwin, the Alice and Katherine. Am I correct on that?

Mr Allen—Yes.

Senator McKIERNAN—Under a scheme such as we have before us, do you think all of those regions and the other outlying regions—for example, Groote Eylandt, which would be a small centre of population on its own—should be treated equally within the scheme when it comes to the placement of people whose skills are in shortage?

Mr Allen—Without an in-depth knowledge of the scheme, I find that difficult to answer in one sense, but, having lived for a period of three or four years in each of those towns, I am aware of the differences in those communities. There are some communities to which one might be reluctant to send people new to this country, and others where their skills would be of immediate need. Katherine has a very high need for technical people in support of those industries that support the significant defence component there. There is a need no doubt everywhere for IT people, not just in Darwin but in Katherine and Alice Springs. Smaller centres such as Borroloola, which is particularly small, and places like Elliott, where we are talking about populations of only hundreds, tend to be small outback communities. From my own knowledge of those communities, they want doctors and so on, just like everybody else, and teachers, but I do not see that they have a demand on a regular basis for more highly technically skilled people.

Groote Eylandt and Nhulunbuy, both mining communities, of course have the need for skilled labour of all types and for their own recruiting processes. Nevertheless, the guidelines need to be available to ensure that companies such as Comalco and BHP are able to obtain skilled people to those areas. While I have perhaps not seen Borroloola as the highlight of somebody's existence, the nearby McArthur mine, a significant export contributor to the Australian economy, has, just by its very nature, a high level of need for skills.

Senator McKIERNAN—Thank you for your answer. My question was more specific: should each of the communities be treated equally or should there be a weight given to those smaller or more remote or more distance centres? You could find, for example, competition to

employ a teacher. Should Borroloola—a place I have never been to—be treated in the same way as Darwin, which is a major dynamic capital city?

Mr Allen—I believe it should be weighted, certainly for something like a teacher or a doctor—where there are ongoing needs regardless of the nature of the community, it should be weighted towards those smaller communities. Indeed, the Northern Territory government, through its own employment policies, its own awards, salaries, allowances and incentive schemes, does that now for people it is able to recruit from within Australia.

Senator McKIERNAN—In relation to the discussions between the Territory government and the Commonwealth government on these schemes and what is involved in them, are you able to say anything about the level of those consultations? Are you happy with the level of the consultations? Then I am going to ask about what views you put within those consultations about the weighting given to particular regions within the Territory itself.

Mr Allen—I certainly could not comment on that per se.

Mr Norton—Unfortunately, I have not been in the position long enough to judge the consultations.

Mrs Sweet—I have been in the position a short time. I would have to say that, on the whole, we are happy with consultations. We have members who sit on the Commonwealth, states and territories working party on skilled migration and have made verbal representations in relation to certain items. We recently prepared papers to the standing committee on immigration and multicultural affairs on a couple of issues, one being the REBA—Regional Established Business in Australia—program and another the classification of regional designated areas with particular respect to Melbourne having been included in that.

Senator McKIERNAN—I hear the views about Melbourne, but I can also see the disparity that occurs directly within the Territory, between Darwin and the rest of the Territory. What I am trying to do is to get you to focus on your own domestic situation before attacking that global thing. We have got the same problem in my state of Western Australia, where we have a very large, centralised population in Perth and the rest spread over the vast distances of one-third of Australia. Do you know if the matter of regional distribution within the Territory has been raised at those consultations?

Mrs Sweet—I do not believe so.

Mrs Price—There have been a number of discussions on what the words regional, remote and rural mean, and I think that is across all levels of government and through all portfolios. The difficulty is that the Territory's population is very small and a lot of the business head offices are either in Darwin or Alice Springs, with small working areas in the very small population areas. So the Territory government has looked at the whole of the Territory as a regional area, with the major hub areas being our major centres, which are Katherine, Tennant Creek, Alice Springs, Darwin and Nhulunbuy. You will find that most firms, if they have businesses in the smaller, very remote communities, will use as their headquarters the closest major hub.

Within the Territory we have skill shortages, and that can be both at the professional level and at the trade level. One of our difficulties here is retaining people within the Territory, because we have a very high turnover of population. People often come here when they are very young—and we do have a mobile population—stay here for a number of years, gain experience and move interstate. Part of our heritage, when we were under Commonwealth control before self-government, was that people came to the Territory for two years to gain promotion and were then transferred interstate. With self-government, people have made the Territory more their home. The Defence Force is another example where people come here for a period of tour and then go back again. There is a large turnover of population. Individuals are setting up businesses within the Territory to make the Territory their home.

Self-government has helped the Territory to have a stable population, but we still have a large turnover, which makes it difficult for us then to retain skilled people, because people come here to gain experience and skills and then go back to the major metropolitan areas. One of our differences from other major capital cities is that we are continually looking to attract skilled people.

CHAIR—These are the skills—

Mrs Price—Even at the trade levels. You can have shortages with bricklayers, plumbers, electricians and motor mechanics, especially in places like Borroloola, which we have mentioned, because of their small population, isolation and the amount of services that are available to them. You do not have a Casuarina shopping complex to visit, so the people who take their families with them and go to work in those communities find themselves quite isolated. That is where some of the difficulties can be in attracting people. We also get lots of people who are aged 45 and above coming up to the Territory to start new businesses and to work, simply because sometimes they have reached their goals within the major metropolitan area and are looking for new challenges. Under the skilled migration criteria, we have difficulty in getting anyone who is over 45 to migrate to the country.

That can be a hindrance for regional areas, whether it is in the Territory, north-west Western Australia or Northern Queensland. That is one of the difficulties. It is a bit ludicrous to apply major criteria such as English language skills and age across Australia, which is very vast. You cannot uniquely apply that without looking at the individual differences within the actual region in which they are going to be employed. There are differences between recruiting someone to come to Toowoomba and recruiting someone to come to Alice Springs or Tennant Creek.

CHAIR—You are suggesting a system not just between regional Australia and the major population centres, but an incremental scheme whereby places like Borroloola would perhaps get greater consideration than Darwin; Darwin would get greater consideration than Adelaide; and Adelaide would get greater consideration than Melbourne. Although you are not saying that, that seems to be where your points are going.

Mrs Price—What I am asking for is flexibility within the system. I do not have any problem with supporting the government's regional skilled migration program, but I think there are sometimes differences which will occur when we are looking at employing either under RSMS or under REBA, when it comes to the establishment of businesses. We need to look at the

regional focus. That may not be lowering the level but it is a matter of understanding the complexity of that small region. Flexibility is what I am really asking for.

Mr ADAMS—You could have more points if somebody came to that region as a way in for that person. A person would get more points if they went to that particular location. Is it that sort of thing?

Mrs Price—Yes, in a sense. My concern is that points initially started out as going to these isolated regional areas. As states reviewed their population growth, they decided that they should be classified as designated areas as well because they have got a declining population, with a population drift either to New South Wales or to Queensland. Points may not be the thing. It may be a matter of looking at the particular area, weighing up the current criteria and then stating, ‘Okay, this is going to a regional growth area. It is within the federal government’s and the state government’s criterion of populating regional growth areas.’ They may fit the criteria of having the skill and having English language but they may be over the age. There needs to be flexibility regarding age. With respect to the REBA side of things, the business may have built a large financial turnover but they may not meet the criterion regarding the number of full-time employees. In terms of the state or territory, the fact that they may turn over \$2 million annually and employ 10 people for six months of the year but for the other six months they may fall back on using family members should not prohibit them from being classed as a worthwhile business within that state or territory.

Mr ADAMS—It could possibly be based on turnover instead of on the amount of people that they employ.

Mrs Price—Under business skilled migration, yes, I think it could be. As to whether you use STNI or RSMS, I think it a matter of the skills that they bring to the region. I have difficulty in accepting age as a criterion. Some people who are in that 45, 50 or 60 age bracket are willing to work in those remote areas. They can put a lot back into the community and into the business that they are going to be employed in.

CHAIR—You said that you are against points, but your recommendation (c) refers to introducing a points scheme for settlement in the Northern Territory. It seems that what you are saying contradicts what the submission says.

Mrs Price—My concern—and I come from a settlement area with a business—is that if points involve an allocated system and there is a certificate issued to migrate here, then I would support it, but I do not think points are the only thing that you have got to look at. Points allow you to get to the pass rate, but in looking at those points you must have flexibility. You should not say that just because you happen to be aged over 45 you get below the points. I do not think you should be hindered because of that. That is where I am coming from.

Mr ADAMS—You also make the point that the need to employ two or three people to reach the criteria can cause a difficulty because sometimes people only employ a certain amount of people for a certain amount of time in the year. Also, I have had experience where somebody had enormous turnover but actually did not employ people because he used an information technology type business. He brought a lot of people to that particular area and hired enormous

amounts of transport and other things and his turnover was enormous. He employed enormous amounts of people but there was no recognition of that and so he was unable to qualify as a business immigrant. So there certainly needs to be more flexibility. Your evidence there is very important.

Mrs Price—I agree with you, because as we go more into e-commerce this is going to be the nature of things. Therefore, to be stuck on the number of employees and not give a particular weight to the financial turnover would be detrimental to developing an economy for Australia and those regional centres.

Mrs MAY—You also touch on the language ability as requiring flexibility. If there is a demonstrated business that is working and has the turnover but someone does not meet the language criteria, you would like to see some more flexibility there.

Mrs Price—There needs to be flexibility because we deal with a lot of countries where English is not the major language. I know that our federal government is looking at skilled migration, people who are able to be job ready in the work force, but there are particular jobs where language is not the major criteria. If you are a chef and you are going into a top Chinese restaurant or an Indian restaurant, you do not need the language to be able to perform your duties. Sometimes there needs to be flexibility within that capacity. That does not then prohibit the person from learning the language but we have to be flexible and look at what they are being employed for.

CHAIR—Just on your Chinese chef, surely he or she does need English to understand the health regulations of the country he is working in.

Mrs Price—I do not disagree with you there. I think there then becomes an onus on the employer to ensure that that person does understand it. We translate a lot of information these days in order for people to understand our rules and regulations. There would be nothing stopping that employer, in ensuring the health regulations are met, from translating that information.

Senator McKIERNAN—The chef would be in charge of the kitchen. Not only would he be in charge of the health regulations—maybe not in law, but on the job—but also in charge of other staff who would be doing ancillary cooking and ancillary food preparation and taking the orders which, generally speaking, would be given in English. Isn't there a requirement there for English?

Mrs Price—You would find that where they do bring in people with particular skills but who do not have English language they actually do have someone who becomes the front person who does the translation, who is the ordering person, and who tells the rest of the staff what to do. Their major task is doing the cooking. You will find that they normally have someone who has done all the translation for that particular person with the cooking expertise. You sometimes find they are all Chinese in a kitchen, but it is rare. I am not saying that people should not learn English. I just think that sometimes we need to look at what people are being employed for.

Mr Allen—It seems to be a great shame to put aside skilled people who can assist any part of this country, whether it is Darwin or anywhere else in the Northern Territory or elsewhere, purely because they fall one side of the line on their English language skill. It is the skills that they bring to the country in a—

Senator McKIERNAN—Where would you draw the line on that, Mr Allen? That is the nub of the question. I do not know whether you would get too many people arguing that doctors and surgeons should not have English before being allowed to practice their profession. There are many other professions like that. It would be an absolute requirement in this English speaking country to have English as a language. It may not be all occupations, but where do you draw the line?

Mr Allen—At the risk of overspecialising in some of this, I have a statistician in my area who is a gaming analyst who is a young Burmese person, and now an Australian citizen. She has skills that I would be very keen to keep in Darwin, or in my department. While her English is well above the survival level, it is certainly not at the conversational level.

CHAIR—You are taking a particular instance where somebody does have English skills, because she must understand what you ask her to do. Unless you speak Burmese, Mr Allen, I would have thought your department would be in total chaos. So she must understand what you are asking her to do.

Can I then take it to the rights of the immigrants themselves. If we bring people here without the requirement to speak English, surely we are doing them a disservice. Although we might like to call ourselves a multicultural country, we are not a multilingual country. All our signs are in English: our traffic signs are in English; everything you do here is in English. I certainly know from the people in my own electorate who do not have English that it is a nightmare to live in this country without the language. So wouldn't we be leading those immigrants astray if we did not require that they had English to come here?

Mr Allen—I do not think anyone would doubt that a level is needed. I would be seeking a balance, and that balance is in favour of skills. To further answer your question, if you have valued employees who you have obtained after a diligent and prolonged search, the last thing you would want them to fail on is their English. Any employer ought conscientiously provide whatever support is necessary as a matter of commonsense in the conduct of their business.

Mrs MAY—I would like to go on to skilled migration and the State/Territory Nominated Independent scheme. In your submission you talk about an administrative workload being involved and that that is preventing your participating in that scheme. Could you expand on where you think that overload is coming from?

Mr Norton—It is not alone as a preventative issue. The main issue preventing that program being utilised at this stage is that it is still under review, and the Northern Territory government is to make a decision on that in the future. That particular comment in our submission is a point that is part of a whole group of points. To undertake the program, additional research will be required and skills audits have to be undertaken. As we have one person at the moment who undertakes that role in a department, it may perhaps require additional staffing, whether

permanent or just for the skills audit and research initially. So, as I say, it is an issue, amongst others.

Mrs MAY—Would you like to expand on the others, on where it is falling down, how it can be improved or where you think it can be changed to help you?

Mr Norton—I have not had involvement in the research at this stage, having only recently come into the position. It is certainly something that I will be undertaking in my time in the position. Unfortunately, I could not qualify my comments at this stage.

Mrs MAY—Once you have had time, would you be able to give us a submission in time for us to look at it?

Mr Norton—Yes, we would be able to.

Mrs MAY—Thank you.

Senator McKIERNAN—I would like to take up another issue. When you get sponsored migrants coming into the country under the skills scheme, there is the matter of holding them for a period of time. What are your views on that? It is mentioned in your submission. Indeed, Mrs Price, when you spoke earlier you talked about the drain from the Territory. Should we be putting conditions on the visa requiring people to remain in a rural or remote region when we give them what is the very great privilege of migrating and settling in this country? Should we put those provisions on the visa?

Mrs Price—We have found that people who are tied to employment, who have jobs here, tend to settle very well and then will sponsor family members. We then get the core of community groups being established. That is one of the reasons we have been heavily focused on RSMS because it does tie them to employment; it means that one of the major criteria, finding a job, has been overcome and their settlement is a lot easier. In answer to your other question about people leaving, the Territory has had a high turnover and I think that will continue for some time. The way we look at it, if you are here five or 10 years that is contributing. We are not compelling someone to stay here until they die. It is the time they are here and what they contribute that is very important to us.

Mrs MAY—Are they moving on for social reasons, cultural reasons, family reasons? Have you been able to identify why?

Mrs Price—Some of them leave for family reasons, some of them for culture—it is a mixture—simply because Darwin is an isolated area. This does not just apply to migrants. It applies even to Australian citizens who come to the Territory and find the isolation from the rest of Australia and from family members difficult to adjust to and who like the protection that large metropolitan cities provide.

Mr ADAMS—In terms of the history of people coming here and the development of the Territory, has that been through wages? Mr Allen mentioned the way you structure awards and money incentives. Has that been used over the years by companies and governments to help

entice people? I know there have been ways of people coming, say, through the Commonwealth Public Service and through the military.

Mr Allen—In earlier work I was deputy CEO of the department of education, on the corporate services side of that department, with the challenge of staffing schools in remote communities.

Mr ADAMS—I am from Tasmania and we have quite a few islands around us that we have to staff—King Island, Flinders Island, Bruny Island.

Mr Allen—I noticed the recent Commonwealth budget initiatives in terms of the health programs that I heard the federal Treasurer announce to keep doctors in isolated areas. I trod that path myself over many years. There were packages that we offered, for example, to teachers by way of up-front money; provision of a vehicle—not as a personal vehicle but a government vehicle with reasonable private use; points for study, so they had accelerated rights to take extended study leave; a sabbatical; an accelerated right, which has been done in New South Wales for probably 50 or 100 years, to accumulate points for a city promotion. All of these things are in place and have been in place in various forms for years, certainly in the provision of teachers. I understand it is applied to doctors and to other people, even powerhouse operators and whatever is required in remote or Aboriginal communities, but certainly in education we had it in a very structured form and it worked more or less well for a period of time.

I did find we had to keep refreshing those initiatives and keep finetuning and adjusting them. There were enormous cost benefits to keeping a teacher in a community for two years rather than one. The start-up costs had a great deal to play in that. We also tended to find that once people stayed for two years in that community they tended to stay within the Territory for longer. Indeed, I came on that basis myself in 1974 from Victoria.

Mr ADAMS—That is a very important point. Senator McKiernan asked you about people staying for five years—having a five-year program so that you had to stay within a region for five years—I am not saying an isolated region but an area of the Northern Territory or Tasmania. The Premier of New South Wales is saying that New South Wales does not want—and I think it is a pretty wide thing across the political spectrum—more immigration to Sydney. We have got regional areas which are crying out for population growth; Tasmania has got a 0.2 per cent loss of population. We need to attract people with the skills we need, or with the business level, to bring money in for investment as well. Should we be saying: ‘If you stay for five years you would then get citizenship’? Isn’t that an incentive? Isn’t it okay for us as a country to do that? I would value your opinion.

CHAIR—I think you are leading the witness.

Mr ADAMS—I am trying.

Mr Allen—It is a significant incentive. I think there are other factors, though. I refer to my former role in education, and having people go to isolated communities, as I did in 1974. I went there with a family. They are now the age of many people in this room, and are now Territorians

with their own families. So one established all of the social networks of families and friends and that is what keeps, in our experience, within education and health, people in more isolated communities. Some of the packages I have signed off on took my own breath away, yet I felt it was the non-dollar factors—a caring department, caring supervision, which is always a factor—regarding internal migration to the Territory, as well as opportunity for a career and progress, rather than just raw dollars. To get back to your question—I know that you are keen that I do—opportunity of citizenship would be quite an incentive.

Mr ADAMS—If there was an opportunity to bring family and have a broader family type migration program based around that, maybe that would be an incentive as well.

Mr Allen—Again, at the risk of quoting my own experience—with no experience, I very openly confess, in this particular expertise—I grew up in Melbourne; I was born during the war and grew up in inner Melbourne during the early waves of Italian and Greek migration. It was just terrible for them—single males, no family, no support, work on the railway. I am letting my own value set sneak out there, but it came to my mind even then. I do not think we are a country that is about to go into indentured labour.

CHAIR—Seeing we are ranging fairly far and wide, you mentioned that one of the problems you have got here is being away from the main metropolitan centres. You have mentioned the types of packages you give to attract people here. Do any of those packages include extensive return travel to metropolitan areas—for instance, three times a year do you include return travel to other metropolitan areas?

Mr Allen—I am very grateful to you for raising that question. Again, I am relying on what was the practice in the department of education at the time I left there in October 1996. Back in my own time in communities such as Oenpelli, there was a freight allowance with Woolworths, Coles or whoever. It included trips into main centres, and still does. Although I am referring to the education department at that time, it is now a whole of government situation. Airfares out of isolated communities, from my best recollection, were at least three times in every two years. That is a fare from a community outside Groote Eylandt, for example, to Darwin. That would include families, and that is particularly important where there is no road travel or the use of a government vehicle—reasonable private use, as I mentioned earlier. So there is both a food allowance there and also the capacity to get into Darwin or Alice Springs.

CHAIR—For Darwin, you say you get the young people up here and then they move out. Do you consider giving, for instance, three flights a year back to Sydney or Melbourne to people who come to Darwin?

Mr Allen—That is not done as a matter of government policy. That existed very much when the Public Service here was Commonwealth—as an entitlement you got an airfare back after 12 months. I was pleased to get it at the time. There was another one in the next 12 months and then two-yearly airfares after that. There would be employers in Darwin who would still offer those. There would be older members of the Public Service, although certainly not at a contractual level, who still receive those benefits, but those benefits have been phased out within public sector awards and have been replaced by additional cash under EBA. There would be private employers who offer those as a matter of necessity.

CHAIR—It does seem to get over part of your problem, which seems to be the isolation of coming up here and it is such a long way back to the other major metropolitan areas.

Mr Allen—There are things like the airlines offering discounts, when their aircraft are empty, to bring one's parents and grandparents to Darwin.

CHAIR—I did not realise that.

Mr Allen—I am relying on some historical knowledge there.

Mrs MAY—One of the recommendations was for the Commonwealth to fund a familiarisation program. Going one step further, do you think that familiarisation program would help to retain people, or even have people move to the Territory? Why do you feel the Commonwealth should fund a program like that and not the Territory? How do you think it would help?

Mr Allen—At the risk of embarrassing my colleagues, I must admit when I saw 'Commonwealth funded' it tended to leap off the page at me. I think we need to review that and give it either greater direction or detail in a follow-up to this.

Mr ADAMS—I take it that your TAFE arrangements here, your ongoing training for employers' needs, are pretty adequate?

Mr Allen—The Northern Territory University has some 14,000 students. Oddly enough, only 2,500, perhaps 3,000, are in the tertiary area—the rest are in the TAFE area. That offers quite high quality TAFE training to the level of a bachelor degree and other degrees and postgraduate qualifications. A TAFE college in Alice Springs offers degree courses itself and on behalf of Northern Territory University and other universities. These are not all traditional tertiary type university qualifications. Many are also at the advanced trade certificate and diploma levels. There is a network of open education. The Northern Territory University, Batchelor College and the Centralian College have branches in each of the population centres, such as Katherine, Nhulunbuy and Tennant Creek.

From what I saw in an earlier life in education—and still do—they are very well subscribed. Indeed, the government has recently revisited the administrative and leadership arrangements of the Northern Territory Employment and Training Authority and appointed a rather more senior person to that position to give emphasis to the growth of that education outside the school and university sectors.

Mr ADAMS—I have just one more question. Do you think the immigration for Darwin or for the Northern Territory may come from the north, that there would be business opportunities for people migrating from the north from Asia?

Mr Allen—The Northern Territory government speaks of that with great pride. I hear ministers talk about it all the time and I believe that we as citizens have some pride in the government's links on a regional basis with many countries in Asia. We have even had quite

productive relationships between regions at a time when the national governments were doing what national governments do.

CHAIR—Thank you, Ms Sweet, Mr Norton, Mr Allen and Ms Price. If there are any matters here on which you need additional information, please contact the secretariat. If we need more information, we will write to you, but you are actually going to provide us with some more information as a result of questions during the hearing. You will be sent a transcript of the evidence. If there are any corrections where Hansard has misinterpreted what you have said, of course you may correct that. Thank you very much for appearing before us today.

Mr Allen—Thank you very much for the opportunity and the hearing that you have given us. Many of us are new to this particular role. I did mention Foundations for the Future. Chair and members, if I could simply pass these Northern Territory government strategic documents to the staff to make them available to the committee.

CHAIR—Thank you. The committee will accept them as an exhibit.

Mr Allen—Thank you very much indeed.

[10.33 a.m.]

DI LEMBO, Mrs Lidia, Manager, Business Centre, Residence, Citizenship and Client Services, Department of Immigration and Multicultural Affairs

KNOBEL, Mr Peter, Deputy Director, Northern Territory, Department of Immigration and Multicultural Affairs

TUCKER, Mr Tony Ralph, Northern Territory Director, Department of Immigration and Multicultural Affairs

CHAIR—I now welcome witnesses from the DIMA Business Centre. Although the committee does not require witnesses to give evidence under oath, you should understand that these are legal proceedings of parliament and warrant the same respect as the proceedings of parliament themselves. Giving false and misleading evidence is a serious matter and may be regarded as a contempt of parliament.

Are there corrections or amendments you would like to make to a very brief submission that you made? No, that stands. Obviously, we could take evidence in camera, but I cannot imagine that you would want to us that. Before we go into questions on your submission, do you wish to make an opening statement?

Mrs Di Lembo—I have just got a couple of things that I would like to state, in brief, in addition to the comments that have been made there. In relation to the first point, in the Northern Territory there is certainly a high percentage of employers using the temporary residence option rather than permanent. This includes sponsorships from core business and non-business type visas. The temporary residence program seems to be more suitable to a lot of businesses in the Territory: it gives employers the opportunity to have a trial run first, I guess, to see whether the person they wish to nominate possibly for permanent residence is suitable and whether they intend to stay on in the Territory for a longer period of time.

Sometimes employers choose temporary residence simply for convenience as processing is much shorter than someone applying for permanent residence and they can always have the option later to swap over to the permanent residence option. In a lot of cases employers wish to have someone very quickly and temporary residence is four to six weeks processing in comparison to, say, six to nine months perhaps in other cases, especially if people are applying offshore.

Under the Regional Sponsored Migration Scheme, one of the issues that employers sometimes raise with us is that employees on the two-year contract, even though it is to the advantage of the employee that they have job security for a two-year period with one employer once they migrate to Australia, sometimes use the RSMS to gain permanent migration and then leave their employment shortly after. We have had a couple of instances where this has happened in the last six months, where someone has been sponsored under RSMS. In one instance, the person who was sponsored left after only one week, and in another instance the

person was there for a few months. They had worked with the employer on a temporary residency basis, then they sponsored them under RSMS, and shortly after the person went to another company.

CHAIR—What happened to the first one who left after a week?

Mrs Di Lembo—That was actually a child-care worker sponsored by a centre in Nhulunbuy. We heard from the employer that after the person got their permanent visa they decided to leave their employment. We do not know why. But, in the majority of cases, RSMS has been successful.

The other issue which employers sometimes raise with us is that they suggest that Immigration should change its policy under RSMS and make it more difficult for the employee to leave their sponsor before the two-year period has ended. A suggestion has been that perhaps some sort of penalty could be introduced, perhaps cancelling their permanent residency visa if they do not stay for the two-year period.

Mr ADAMS—They have not suggested chains or anything like that, have they?

Mrs Di Lembo—Not yet!

CHAIR—That comes next!

Mrs Di Lembo—In the Northern Territory we now have a four-year labour agreement, valid until 2004. This is with Territory Health Services. It allows for the recruitment of up to 30 places in the first year, and the occupations include nurses, stenographers, radiographers and dentists. Five of these 30 can be sponsored for permanent appointment. To date, there have been two permanent appointments and 15 temporary nominations approved, mainly for nurses, and one dentist.

I have a few more points under RSMS. I guess we have not seen as much interest in the scheme as we expected so far this year, but it is certainly healthier than previous years. To date, there have been 31 nominations lodged under RSMS, and this has resulted in 22 visas granted and three withdrawals. In many instances the nomination process has been completed and everything has been approved. The nominees have applied and are still being processed. In some cases the nominee has not applied yet if they are overseas. We have approved the nomination, but we are still waiting on the people that have been nominated to actually apply. We do not have any feedback on that. It is beyond our control to keep a tab on that.

Concerning the RSMS itself, as a result of the recent joint information sessions that we held with the Department of Industries and Business in March of this year, there has certainly been an awareness created in Darwin, Katherine and Alice Springs. We have had a few applications lodged as a result of those sessions, but I believe that the community at large is not fully conversant with what options are available to them insofar as migration goes. Temporary residence seems to be, as I said earlier, a bit more known, but the options for permanent migration do not seem to be as widely known to employees out there. Therefore, I guess we

need to do a bit more, together with the Department of Industries and Business, to promote the schemes in the future.

Mrs MAY—Are there plans to do that, an ongoing process of information sessions?

Mrs Di Lembo—Now that most of the groundwork has been done with the sessions that we did in March, we do plan to hold future sessions.

Mrs MAY—On a regular basis in different areas?

Mrs Di Lembo—We have not set a timetable yet so I cannot say yes, we are going to have one every month, but the plan is there to continue with these because, as I said, I do not think a lot of employers know what options they have available. It is not always easy to get people to come to information sessions. Even with the ones that we did in March, there were a lot of information sessions being geared towards the new tax system that employees and businesses had to try and understand and learn about. So, immigration was not really seen as a priority, I guess.

CHAIR—Can I go back to what you identified as one of your problems, which is the employer bringing out somebody for two years and then they only stay for a brief time, which you referred to first. I was just trying to clarify this with the secretary: I am aware of this problem and the government did try to do something about it a couple of years ago. They were going to introduce legislation, or a regulation, to require people to stay with that employer if they were going to stay for two years. I had a couple of instances in my own electorate where that occurred, but I understand from the secretary that there were some problems in actually implementing it. It turned out not to be legal, I think.

Secretary—My understanding was that there was a difficulty with enforcing that sort of contract.

CHAIR—Obviously that is a problem, especially when the employer goes to a lot of expense to bring out people for one week. They must have been absolutely livid. Do you have any other indications or ideas as to how this can be dealt with? Unfortunately, we cannot put them in chains, as Mr Adams suggested.

Mr ADAMS—That is not true. I am sure you misinterpreted what I said.

Mrs Di Lembo—Some employers have suggested that they are going through all this effort to get a person here and possibly offer them a fairly good package to work for them. They do have this two-year contract, but there is nothing to say that that contract cannot be broken. If something is introduced so that the person would be disadvantaged from an immigration point of view if they broke that contract, then it would be a disincentive for people to leave, at least for that two-year period. Whether the department is in a position to do that, I do not know.

CHAIR—You indicated that taking away the permanent residency becomes a difficulty. Would it be better that these people did not come out originally on a permanent residency but on a temporary residency?

Mrs Di Lembo—It could be. That is why I said earlier that a lot of employers tend to want to sponsor someone on a temporary basis first, for six months or a year. They can certainly sponsor someone for up to four years under temporary residence. If they find that the person is suitable, and they have brought their family out here and have settled, then they will take the step to sponsor them for permanent residence. That, in a way, is already happening with a lot of employers. But in the cases where they are going down the path of RSMS straight away, some of them—not the majority—are getting their fingers burnt.

Mr Tucker—This was not an idea of the Department of Immigration and Multicultural Affairs—that sanctions be introduced against people who leave early. Suggestions were made to us by particular employers who have used that system. The department has traditionally favoured the use of incentives rather than sanctions to ensure that people would stay in employment. To that end, we are working with the Northern Territory government to make employment in the Northern Territory as attractive as we can.

CHAIR—Is it employment in the Northern Territory? It does not sound like it was just a problem for the Northern Territory. It sounded like it was somebody who stayed a week, which is hardly what you would say was giving an employer a good opportunity, and the other one went and worked for another employer. I presume that was in the Territory as well.

Mrs Di Lembo—Yes. In both of these cases that I have highlighted they were both working as temporary residents for the employer first.

CHAIR—So they had been here, so they had actually tried out—

Mrs Di Lembo—They were working under the temporary residency scheme first and then the employer decided to sponsor under RSMS.

Mr ADAMS—There may have been reasons why those people moved on. Maybe the employer did not quite do the right thing by them. Are there any mediation opportunities? Is the department supplying mediation between people?

Mrs Di Lembo—No.

Mr ADAMS—The department does not want to act as an arbitrator in these cases, does it?

Mrs Di Lembo—I do not believe so.

CHAIR—My concern is that if these sorts of stories get around, it starts to affect the whole attitude to the program. I believe the application form costs the employer \$2,000.

Mrs Di Lembo—It does not cost anything for RSMS, for the employer to put in a nomination.

CHAIR—To bring the people out?

Mrs Di Lembo—It is \$1,095 if the person is offshore—that is the visa application fee—and \$1,595 if they apply onshore. Under RSMS there is actually no fee to the employer, but they certainly have to submit a submission with the application, if there are licensing requirements for that particular trade, or whatever it might be.

CHAIR—If they are bringing somebody from offshore, do they pay for the airfare?

Mrs Di Lembo—That is something we do not get involved in. It is something that they work out with the person they nominate. If they want to pay for the airfare, they do that.

CHAIR—It is up to the employer whether they pay that original \$1,000 for the applicant.

Mrs Di Lembo—In some cases they do that.

CHAIR—Yes, and also the airfare. That is where the employer gets their expenses. Do you know who pays? Is that documented?

Mrs Di Lembo—No, it is not documented. There is a mixture, just from what we hear from our clients—they pay the airfare, they pay for the visa application. In other cases, especially if the person is overseas, the visa applicant pays for the fee but the employer might offer things like initial accommodation or something like that.

Mr Tucker—Traditionally, employers and employees will make their own arrangements and the incentives that are offered to any employee will vary with each particular kind of employment. Some are very generous and some are considerably less generous. From our anecdotal evidence, there does not appear to be any standard as to whether even the base fee is paid. Sometimes the employee is expected to pay the entire amount, including their transportation to Australia. Sometimes a whole raft of benefits are payable, including accommodation and other allowances.

CHAIR—Do you have any experience that anybody actually uses this to come here with no intention of staying with that employer?

Mr Tucker—If we were aware that they had no intention of staying with the employer, that would be a significant factor in considering the application.

CHAIR—But you have not had any evidence that somebody has left the employer and rushed straight off to Melbourne to join their family?

Mrs Di Lembo—No. The majority of nominations under RSMS have been successful. The two examples I highlighted were only a small percentage, but I believe the majority of cases have been successful. Again, once the person is here and is sponsored, unless the employer contacts the department to say, 'The person I sponsored has left,' we would not know. We do not keep a tab on those things. It is more the case where someone has left employment that we get to hear about it because the employer then wants Immigration to do something about it. Of course, there is nothing—

CHAIR—You cannot do anything.

Mrs Di Lembo—No, it is not our position to do that.

Senator McKIERNAN—In your third summary point you say there have been 40-plus. Are those the numbers over the last two years?

Mrs Di Lembo—That was until the last financial year. This year so far I believe there have been 22 visas granted but 31 nominations lodged.

Senator McKIERNAN—Nine rejected or nine still being processed?

Mrs Di Lembo—Thirty-one nominations lodged, 22 visas have been granted. In the other cases the visa applicant is yet to apply for their visa or they may have applied for their visa but they are still being processed. They could be overseas, still waiting on the overseas post to grant the visa. They could be undergoing medical examinations or penal clearances. It could vary.

Mr Knobel—Or they could be onshore.

Mrs Di Lembo—They could be onshore and we are still waiting on—

Mr Knobel—Working with the employer on a temporary residence capacity or awaiting permanent residence. There are a number of scenarios there.

Senator McKIERNAN—Do I take it from what you have said that there have been no rejections?

Mrs Di Lembo—From memory, no.

Senator McKIERNAN—That would signify there is no abuse of the system—or attempted abuse rather than abuse.

Mrs Di Lembo—As far as I know, we have not refused any. We certainly assist DIB when they have an employer approach them. The employer sometimes approaches us and if we believe that RSMS is the best option for them, we then refer them to the Department of Industry and Business. They then deal with them to get all the relevant information they need to make their assessment and recommendation to us. We work together fairly closely on those. In fact, the person who does most of the cases has gone over to the Department of Industry and Business and has gone through some of the cases to make sure they are all okay. There is a lot of preparation involved before the case actually comes to Immigration and most of the work has been done. Unless there are any major concerns, we approve it.

Senator McKIERNAN—What are the occupations for which approval has been given? Have you got records of what type of professions and skills have been brought in?

Mrs Di Lembo—Yes. Most of the professions nominated range from semi-skilled trade to professional. They range from nurses, chefs, managers, teachers, child-care workers and engineers. In fact, just recently, Nabalco has sponsored three different people as engineers and in the information technology area.

Senator McKIERNAN—Was labour market testing waived on the child care, for example?

Mrs Di Lembo—No, because they did labour market test.

Senator McKIERNAN—They did labour market test?

Mrs Di Lembo—Yes. Most of them do.

Senator McKIERNAN—Do they do it on their own before the application is lodged?

Mrs Di Lembo—Not in all cases, but in the majority of cases they have done most of the advertising with no success and then they go down the path of sponsorship.

Senator McKIERNAN—One of the criticisms in the Northern Territory government is that RSMS applications can take up to six months to process. That was a concern of theirs. They did not directly address that, as you probably read in their submission, if you have read their submission. What is an average time for processing an RSMS application?

Mrs Di Lembo—It varies. The actual nomination does not take very long. It can take a month, perhaps two months. Unless there are requirements like licensing, where we are not sure about the qualifications the person has, whether they are equivalent to an Australian standard, if there are no hiccups like that, the process is pretty straightforward. It is the actual visa application that takes a long time because people have to do medicals and they have to get a penal clearance from the country in which they lived overseas. If they have got family as well, if the person is here on their own and their family is still overseas, the family will have to also have medical examinations and penal clearances. That is where a lot of the processing delays occur. The actual nomination itself does not take very long at all.

Senator McKIERNAN—Have you got a figure on the average length of time from application to the grant of visa? It is probably easier in the case of an individual who is actually in the Territory at the time. I would assume in those circumstances it would be the Northern Territory office that would do the visa clearance?

Mrs Di Lembo—If the person is in Australia, yes.

Senator McKIERNAN—What is the length of time in processing?

Mr Tucker—We can get that information for the Northern Territory for you, if you wish.

Senator McKIERNAN—It would be useful if you could. It gives us more of a handle on the scheme. It certainly would give me more of a handle. You describe in the second point certain seasonal industries, and you include mining in that. I was not aware that mining was seen to be

a seasonal industry in the Northern Territory or, indeed, in Australia. Can you clarify what you are saying there?

Mrs Di Lembo—It was actually a colleague who made that comment. It might be in relation to—and I am just guessing here because I did not write that—the management positions in the mining industry. I am not sure.

Senator McKIERNAN—You are digging a hole even deeper now! That is suggesting you only have a manager for six months of the year.

Mr Knobel—I think it may relate to climatic conditions with wet seasons. Perhaps some open-cut mining may be delayed because of inclement weather.

Senator McKIERNAN—Maybe, but you get inclement weather no matter where you go, not only in the Northern Territory. I have actually heard of storms occurring in Tasmania, which is quite a distance from here, and they have mining down there. Are there any mining operations in the Territory which are seasonal? I am aware of some fairly large open-cut mines which operate 24 hours a day. Can you get any clarification on that and on the construction as well? Construction can indeed be affected by seasonal conditions, but large construction projects do not just operate for six months, go into hibernation for six months and then recommence.

Mr Tucker—This is probably a transcription error between the submission that we sent to Canberra and the one that was eventually transmitted to you. We will clarify it. I think there may have been a misunderstanding. We will clarify that to make it perfectly clear.

Senator McKIERNAN—Thank you very much.

CHAIR—You had actually cleared your submissions through Canberra?

Mr Tucker—Yes.

Mr ADAMS—I want to ask about the temporary visa. Somebody gets a temporary visa to work in the Northern Territory and then they will apply, so that temporary visa is a temporary working visa. Would that be granted for chefs and nurses?

Mrs Di Lembo—Yes, for a range of professions, including mechanics, and doctors as well, through Territory Health Services, in Darwin, Katherine and Alice Springs mainly.

Mr ADAMS—In the experience you have had with business migration, have you come across any of those business migrants running into difficulties with, say, paying full fees to universities, for their children, while they are in their temporary mode and gaining their points as a business migrant?

Mrs Di Lembo—Some have raised the issue of fees because they have to pay for their children as overseas students, but I have only come across a couple of cases where the employee has contacted us and raised it as an issue. It does not seem to be—

Mr ADAMS—A major issue with business migrants?

Mrs Di Lembo—No.

Mr ADAMS—They must all be wealthy and have lots of money. I asked the previous witnesses about having an incentive for people to stay. Would you like to comment on that, on having a longer term of maybe five years, so that somebody locates to a region for five years before they receive their Australian citizenship?

Mr Tucker—The Department of Immigration and Multicultural Affairs would not wish to comment on the policy that the government has set in that area.

Mrs MAY—As part of DIMA but situated in the Northern Territory, what sort of things do you see in the mechanisms of the Regional Sponsored Migration program that could be adjusted to assist the Territory more? I do not want you to step out into dangerous policy areas, but have you noticed anything that you believe would assist the Territory in this area?

Mr Tucker—It would be fair to say that the systems that we put in place are perhaps not used as widely as there is the capacity to do so. Others can comment on the take-up rates and the number of initiatives that the department has made available in the Territory. The state/territory nominated independent category is not used very widely and the RSMS has the potential to be used more than it is at the moment. We have basically put in place the capacity for some of those things to be used and, while I am not being critical of anybody in saying this, there is perhaps the opportunity for government and employers in the Northern Territory to use those more.

CHAIR—The state government needs to perhaps promote it more and use it more. Is it up to the state government to promote it or is it up to us as a Commonwealth government to promote it?

Mr Tucker—We have taken the view here that the usage of all the systems that are available in the Northern Territory requires a coordinated effort. We cooperate very closely with the Northern Territory government in making sure that we get information out and we make it available as widely as we can. From our side, we are quite happy to do more of that, if that is what is required. I do not believe it is a solely Commonwealth responsibility, if that is the question you are asking. I think it is something that has to be done as a joint venture, so to speak.

CHAIR—With regard to businesses, is it that they really are not aware that this is there for them—the ones that are not using it—or are they reluctant to use it? What do you think is the answer there?

Mrs Di Lembo—Probably a bit of both. There are some employers who do know about the schemes and, as I said earlier, they prefer to just have someone on a temporary basis. At least there is that hold with the temporary resident, because once they are sponsored by an employer they cannot change employer unless they request permission from the secretary of the department—if they want to go and work for somebody else they have to come to us first and

seek permission. Some employees prefer to do it that way and not have someone sponsored permanently under RSMS, or any other scheme, for that matter, because they fear that the person, once they get their visa, is just going to go. There is also the situation of employers not being aware that there are these options available to them. Unless they think of approaching Immigration or they get an invitation to a seminar or see something in the paper, they are just not going to know that they can recruit someone in the particular profession from overseas. I think it is a bit of both.

Mrs IRWIN—It sounds like a good education program, to educate business: ‘We’ve got this scheme here, are you interested? That is what it can do for your business.’

Mr Tucker—There is an issue of timing, of course, in that people do not start considering these schemes until they have the need to recruit. Unless you coincide your education campaign with that need, they may not see the relevancy of it and may not recall it at a future time.

CHAIR—I can see that being a problem.

Mr ADAMS—Do you think the temporary visas act as a good hold for the employer to keep control of the employee?

Mrs Di Lembo—It appears that way because they just cannot up and leave. I am not saying it does not happen. If the person leaves the employer who sponsored them and they do not approach Immigration, we can go down the path of cancelling their visa. So there is that penalty, if you want to call it that.

Mr ADAMS—What if the person with the temporary visa says, ‘He’s making me work 14 hours a week. I’m a slave. He’s cut my wages by \$50 a week’? What does the department do then?

Mr Knobel—The employer, when they complete the sponsorship, signs an undertaking. There are a number of obligations that they say they will follow, including things like proper remuneration at the appropriate rates, conditions of employment, et cetera. So there are grounds for us then to look at revoking the sponsorship, cancelling the visa or both.

Mr ADAMS—So you are the arbitrator? The department acts as the arbitrator. Is that correct?

Mr Knobel—We get drawn into being an arbiter. I do not think the intention is that we are.

Mr ADAMS—But you are the arbiter in that regard, whether you wish—

Mrs IRWIN—You have to be, because you say yes or no—if that visa is invalid.

Mrs Di Lembo—If we find out that the person sponsored is not being paid adequately, then the employer is not meeting their obligation and we would have to go down the path of perhaps revoking the sponsorship. We would then suggest to the person on the temporary residency visa

that if they find some other employer who wants to sponsor them, we will consider it. Otherwise they will have to leave the country.

Mr ADAMS—So there is a lot of pressure on the person to continue in the employment because at the end is their permanent residency, hopefully.

Mrs Di Lembo—Not in all cases but there is a possibility of permanent appointment if the—

Mr ADAMS—I am looking for fairness and equity in the system regarding the person coming in with a temporary visa and working for an employer. Who has got the upper hand? Is it an equal partnership? That is what I am seeking information on.

Mr Tucker—I think it is important to point out that the majority of these situations that we are aware of work quite well. We are talking about exceptional cases in this group.

Mr ADAMS—I am aware of that, Mr Tucker, because the evidence that we have received is that most of them work quite fine and people negotiate those things quite well. There is always the exceptional one, and that is why I am asking: is there an arbitrator and is it the department that acts as the arbitrator or do we have other mediators? If we have not reached that stage of sophistication yet, maybe we should move down that track.

Mr Tucker—In those few cases where problems do occur, yes, you could describe us as an arbitrator. We will make a decision on the facts that are presented to us.

Mrs IRWIN—Could you give us some examples where someone has had their temporary visa taken away?

Mrs Di Lembo—Not that I can think of. I think there was only one case where someone was not getting paid the correct wage and they wanted to leave the employer. They actually had a better offer from somebody else and they wanted to go down that path. We dealt with the employer in that case and they did not support what the employee was telling us. They basically said they were paying them fairly. Because we were not sure who was telling the truth, I think in that case we then considered another sponsorship from another employer who was willing to recruit that person because he actually showed us group certificates and things. I do not think in that case that we went down the path of revoking the sponsorship because it was close to the period when it was ending, anyway. But there are very few cases that we have come across where there is an abuse situation. It could be happening but we do not know of it. Unless the employee or the employer come to us with some feedback, we just would not know.

Mr Knobel—The department has established a monitoring system for these particular temporary business visas, the 457 visas. The monitoring system was in place but was in its infancy and perhaps was not working very well. The department had a review through the Australian National Audit Office, which raised some criticisms about that monitoring process. That has been improved considerably in the last few months in response to the Audit Office. Part of that monitoring process is that we do some random monitoring of sponsors. We have a form that has been prepared, a very brief form, that we hope employers find easy to complete. A random number of cases are chosen, say about five to 10 per cent. A form will be sent out some

time during the sponsorship period asking how things are going. 'Tell us how much you are paying; are there any problems?' So that process is in place to try to pick up any instances of abuse.

Mr ADAMS—Does that survey form go to the temporary visa person as well?

Mr Knobel—No, only to the employer. We are trusting the employer to be honest. We remind the employer that they have signed the sponsorship form and that they have agreed to follow through with the sponsorship obligations. We do remind them about the obligations they agreed to at the start.

CHAIR—Taking Mr Adams' point, is there any reason that you do not send that to the worker?

Mrs Di Lembo—Such a system is not in place at the moment. The department is interested in making sure that the employer is meeting the obligations—

CHAIR—In fact, you are taking his or her word for it?

Mrs Di Lembo—I guess so.

CHAIR—Does this come from Canberra or is this an independent process of yours? Would you have a look at that, of actually approaching the visa holder?

Mr Knobel—That would not be as part of a random monitoring, it may well be following up on adverse third party information, perhaps on some form of abuse happening.

Mrs IRWIN—The impression I am getting here is that employers prefer the temporary visa.

Mrs Di Lembo—In the Territory, that seems to be the case.

Mrs IRWIN—It seems employers in the Northern Territory are going for temporary visas.

CHAIR—I just have one question and it relates to your child-care example where you said somebody got a position in child care. You said that had been advertised fully.

Mrs Di Lembo—Yes, as far as I know. I did not deal with the case but as far as I know, the person was actually working as a temporary—

CHAIR—I did not want to take that specific one, I just wanted to see that as a principle. How far does that principle go? For instance, if somebody wanted a housekeeper and did everything to find a housekeeper by advertising right around Australia and said, 'We cannot get a housekeeper,' is that excluded, or does that fall under that?

Mr Knobel—That would be extremely unlikely to get up under any of our visa categories, temporary or permanent.

CHAIR—How do you draw the line? Do you say, ‘Okay, we will accept that as an application because they have done everything and there are no jobs and in this one we have done everything and we cannot get a position’? Is it just on domestic labour that you say that would not be acceptable, or is there some sort of line where you say, ‘Sorry’? I am just trying to find out where you put your line.

Mr Knobel—It is a bit of a grey area when you get into that semi-skilled and unskilled area. There are guidelines provided by our central office in dealing with this whole area. For temporary residence we have two areas, key activities and non-key activities.

CHAIR—I think you have answered by telling me it is a grey area and you make the decisions on saying yes or no, it is a bit of a gut feeling.

Mrs Di Lembo—There is not going to be any sort of guideline that gives us all the answers to all the scenarios that we come across. There have been cases where the position nominated is not a highly skilled position but the employer has demonstrated that he or she has advertised extensively to recruit. One case that I can think of is at Erldunda, which is between Alice Springs and Yulara. It is a station-guest house type scenario. They find it extremely difficult to recruit people to work there as housekeepers, cooks and what have you. They employ a lot of working holiday makers. They have come to us sometimes wanting to extend the three-month period by another couple of weeks or whatever before someone else can work for them. If they have demonstrated that they have not been able to get anybody, then we tend to be more flexible in those cases, where we would not be so flexible if the business was in Darwin. We have to be flexible to a certain extent. It just depends on the situation that they present to us.

Mr Knobel—In our processing, the fundamental policy is benefit to Australia. That permeates through this temporary and permanent arrangement.

Senator McKIERNAN—On that child-care worker case, who was the certifying body on that? You indicated that you did not do the labour market testing or check it for yourself. Who was the certifying body?

Mrs Di Lembo—The Department of Industries and Business is the only certifying body in the territory. They went through the nomination process with the employer. We then approved the nomination and the visa because the person was already working in Australia before they applied for permanent residence.

Senator McKIERNAN—The person was a temporary resident in Australia?

Mrs Di Lembo—Yes.

Senator McKIERNAN—So the person would not have been able to undertake the required courses within Australia to get certification as a child-care worker in this country.

Mrs Di Lembo—I do not know all the details.

Senator McKIERNAN—It is not the role of committees like this to explore each and every visa approval, but I am not so sure there are many other countries in the world that have a child-care certification system that is anywhere similar to what Australia has, and whether we would be able to recruit experienced, skilled or qualified overseas workers in that particular area. What is bothering me is that this might be a less qualified person who was able to get this particular occupation at the time.

Mr ADAMS—It is very much like an electrician.

Senator McKIERNAN—No, an electrician requires an apprenticeship and a graduation process.

Mr ADAMS—There is certification.

Senator McKIERNAN—There is also licensing with electricians in some cases, but it is not necessarily the same way. There is some licensing for the senior child-care workers—

Mrs Di Lembo—Yes, there are different levels.

Senator McKIERNAN—Yes, there is a three-year qualification course.

Mr ADAMS—Maybe you could let us have some information on that.

Mrs Di Lembo—Yes, I could certainly look into it.

CHAIR—It is obviously the principle here that we are looking at. Concerning the working holiday maker, you said that they had worked for three months and then the station had applied to have that working holiday maker work longer than three months, and you gave permission for the working holiday-maker to stay on. How much longer did you give permission to stay on?

Mrs Di Lembo—One month.

CHAIR—Did you make that decision here or did that go through Canberra?

Mrs Di Lembo—No, here. There is provision in some cases for us to extend the period beyond the three months in certain circumstances, and that was one. In fact, they have requested us to do that, in the year that I have been there, twice.

Mrs MAY—What if they were at the end of their 12-month working holiday visa and the 12-month visa was ready to expire? Would you still have the capacity to extend then?

Mrs Di Lembo—No.

Mrs MAY—So it would still fall within that 12-month period.

Mrs Di Lembo—Yes.

Mrs MAY—They would not be in their last three months.

Senator McKIERNAN—Yes, but no. You can extend the visa for a holiday purpose, but you cannot extend it for working purposes.

Mrs Di Lembo—So if they are a working holiday-maker and the 12-month period was at an end and they wanted another month, we would not give it to them because—

Mrs MAY—Even if an employer came to you requesting, like you are talking about this station—

Mrs Di Lembo—There is no provision for us to do that under the working holiday maker scheme. They could apply as a visitor and then stay as a visitor, or we would suggest to the employer to sponsor them under temporary residence.

CHAIR—Thank you very much for appearing before us today. If there are any matters which we need additional information on, we will get back to you, but I think there are things that you are already going to send to us. You will be sent a copy of the transcript, so that you can check that it accurately reflects what you have said.

Proceedings suspended from 10.54 a.m. to 11.03 a.m.

LANGWORTHY, Mr Alan Philip , Managing Director and Owner, Powercorp Pty Ltd, and Joint Managing Director and Part Owner, Enecon Power Corporation

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

Mr Langworthy—No.

CHAIR—I presume you do not want to go in camera at all.

Mr Langworthy—No.

CHAIR—Do you want to make an opening statement?

Mr Langworthy—Yes. I appreciate that the inquiry may have some difficulties in grey areas—I was listening earlier—with respect to child-care people and the like. I think the Powercorp story is probably the essence of what the scheme is all about. I have been involved in the scheme for some time. We have brought senior engineers from Germany to Australia under the scheme. I firmly believe that the current situation of Powercorp, a company which is turning over \$60 million and based in the Northern Territory, and which is in a very strong commercial position in a very difficult technical area, is, to a large degree, a result of this scheme. In fact, I regard it as a cornerstone of the company's success. It is a large statement but I am prepared to support that.

I understand your difficulties in some areas, but in the area which I deal with and having regard to the way in which I have treated the scheme, I think it is the very essence of what was believed to be behind the original formulation of the scheme. Where a young company with a good idea, with potential for growth, with potential to train Australian engineers and to bring Australia's industry level up, is struggling to find the expertise, either because it does not exist or because it is difficult to attract to a particular location in a regional centre, this scheme makes it possible, and other schemes will not. I would be absolutely upset if this scheme were to hit the rocks in any way. I think Powercorp has now made it. I think we are very well on the way, but there are many other companies in our position that would be disadvantaged if it were to be wound back in this particular area. By all means consider trimming the edges and the misuse of the scheme; I support the committee in that. But certainly I would like to endorse the essence of the scheme as being a roaring success.

If I can very quickly summarise my experience with the scheme, we are now 12 years old. The company was started on an idea that I had, which was the automation and introduction of computer control systems into medium and large power stations in Australia—a difficult area 11 or 12 years ago because of the poor nature of computers and software that did not exist. We

began to exercise my idea by having the equipment manufactured in Germany and importing that. It was a good idea from the point of view of the application in Australia, but a bad idea because we are employing a lot of German engineers to build the equipment in Germany and seeing an import rather than an export.

Halfway through that, we got to a point where we were strong enough, where we recognised the limitations of German manufacturing in terms of flexibility in the marketplace, and we broke free of that by making a decision to go into our own intellectual property and to reinvent the product under our own banner. To do that involves very difficult software programming and engineering. To do that I needed specialist engineers. To do that I advertised around Australia to try to get those engineers and failed miserably, basically because they are in the IT area and the related IT area, the electrical engineering IT area. They are fairly specialist, anyway, in terms of having some knowledge of power generation. They also were reluctant, where I could find them, to come to Darwin. Moving people from Sydney, Melbourne and Canberra up to Darwin is extremely difficult. In particular, with high-level people who look to their career, any amount of money will not attract them because they are looking at their career direction. They could see a move from Sydney or Melbourne—I think incorrectly—up to Darwin as being a negative move in their career; very sadly so.

As a result of that, I exercised the RSM Scheme to attract selected people from overseas, aimed at those people who could spearhead some of my divisions and train Australian people. That has been enormously successful. I think we have now brought in four. In two weeks time I will bring in my next one, a specialist software engineer with particular expertise. But we now employ 20 people, and I think five of those are students from the Northern Territory University and two of them were graduates from the university. So there are seven in total from the Northern Territory University.

The Northern Territory University can produce bright young engineers. It has done so. In fact, one of my best engineers is a female engineer from the Northern Territory University. She needed, and the other students need, training by specialists in the advanced levels of engineering. That is able to be done by joining them together with these imported German fellows. I think the balance that I have reached in the company, in terms of ethnic balance, sex balance, skills balance, is absolutely ideal. It is a very multicultural company, spearheaded by selecting those people from Germany. The RSM Scheme has made that possible.

The outcome of that is a recognition back in Germany by the company, Enecon, which has a turnover of \$1 billion, of the specialist expertise developed within my company. The German flavour in the company has added to it as well, to the point where they have committed their worldwide market attached to their wind turbines for our technology. What I am saying is that the German company has ceased development of the work that we do and decided to support us worldwide and say that wherever their product is sold, requiring a control system, it will import the control system from Darwin, Australia, which is, from an export point of view, a major coup. We have reversed the role in 10 years. As I say, a cornerstone of that development has been the RSM Scheme to bring these people in.

One question that Philip Ruddock asked me when he was visiting here was, 'What about the timing of this thing?' It takes three to six months to effect an RSM Scheme import, if you like,

for permanent residency. We are not interested in temporary residence; we are interested in permanent residence. I think it is ideal. I do not think it should be any shorter; I do not think it should be any longer. If you are seriously interested in targeting a senior person from an overseas position, who is already employed, obviously, it will take at least three to six months to effect that transfer. You cannot expect that it is going to happen in a few weeks. It will effectively take three to six months.

So the fact that that whole process takes three to six months is perfectly reasonable. If it were to take a year or longer, you would lose the people. They would not wait for a year to allow that whole process to go through, but they accept three to six months as a reasonable period. In fact, getting rid of their own job, packing up their goods and doing all the things they have to do is reasonable, and they accept the restrictions in language and all the other things that have got to go on—health checks and everything else. There is no problem at all with all of those checks and balances being in place. They expect them to be in place. I will finish by simply saying that I believe the rules and regulations that are in place, the timeframe that is in place and the focus of the scheme, properly applied, to my way of thinking, have been very successful—in my own experience, extremely successful.

CHAIR—Thank you, Mr Langworthy. Let me congratulate you on the success of your business. What struck me, as you were talking about these skilled people, is that they seem to be extremely highly skilled. I would have thought they could have come in through the normal, Australia-wide migration program.

Mr Langworthy—Yes, I believe they could. The benefit that the RSM Scheme has for them is speed, because they end up coming in faster, and I believe that the six to 12 months is a ‘go, no go’. In other words, if they are faced with a 12-month process for coming into Australia, these guys can go anywhere in the world that they want to go, and it is just too long and too much hassle. They would not put up with it. But three to six months is attractive. They would say, ‘Well, that’s okay, I’ll consider that seriously.’ The benefit to us of the RSM Scheme is, of course, that it is regional. That means it applies to a regional centre. Where the RSM Scheme will fail is if it is captured by the main centres. If it captured by Sydney and Melbourne, it will be swamped by Sydney and Melbourne and we will lose out. Because it is a regional scheme, we can say to these senior people, ‘Look, we can give you a three to six month entry into Australia, a good salary, a good job and all the other benefits of living in Darwin; however, you must come to Darwin. This scheme is not available for you to go to Sydney or Melbourne.’ That is a direction. You are directing these senior people into the regional centres. I believe the aim of the scheme was to, if you like, ‘force’ the people to go Darwin, not to Sydney.

Mrs MAY—Are you aware that Melbourne is on that regional list?

Mr Langworthy—I know, and that is why I make the point. I personally feel that that is the unstitching of the scheme. If that happens, if the scheme is captured by those major centres, I feel that it will be a loss because, in my view, you will find the scheme swamped by applications from there, so that when I put my hand up I will get a much more negative outcome. Also, the whole scheme will just bog down and it will take 12 months and it will become a nonentity. It was conceived as a regional scheme with strong encouragement for them to go to a regional centre. When they view it from Germany, from Europe, they do not really

know the difference between Darwin and Sydney, I suppose. As I was saying to Ms Gallus before, once we get them into Darwin they stay. We have not had one instance of them leaving Darwin, even though some of them go back years. I must say we did bring one person in under a normal migration scheme—that is going back eight or nine years ago—and he has ended up being my right-hand person. He came through normal migration, but it took him well over 12 months to do that.

Mrs MAY—So you are keeping your people once you have got them—they are not going to other centres?

Mr Langworthy—Absolutely. One person left after the contract. He is still working in Darwin, but he does not work for me. That was a disappointment for me. That was his own personality.

Mrs MAY—Are all your people based in Darwin?

Mr Langworthy—Yes.

Mrs MAY—You do not have centres anywhere else throughout the Territory?

Mr Langworthy—We work up into southern Japan and Malaysia and right throughout Australia, we are back into Europe and we are looking at Canada at the moment. We are an international company, but they are all based in Darwin—they go out for long periods to these regional areas to work.

Mrs MAY—Are you offering packages—salary, moving the families, a familiarisation program?

Mr Langworthy—Yes, we offer a package in the sense of a salary, a car and some assistance to move the family over, but it is a limited package, there is nothing fancy about the package. In fact, it is a dramatically reduced salary. We are talking about people who would be paid DM140,000 to DM150,000 a year in Germany and they are being paid \$70,000 here. They are pretty well halving their salary to come.

Mrs IRWIN—Why do you think they are halving their salary?

Mr Langworthy—My business is a little unusual in the sense that we are a green company and we are involved in the large wind turbines, that sort of thing—remote area power generation, automation of remote power generation—and there is very much an attraction to work in a company that is green.

Mrs MAY—Environmental?

Mr Langworthy—Yes. As you know, the Europeans are very strong in that, and you get a fairly good commitment out of that. Powercorp itself has an international reputation for our excellence in engineering and our success in what we have done. The word spreads. The people who are working here tell their mates and the people we are associated with what is going on

and, because we do so much work in Germany anyway, they see us over there operating, they observe what they see and they say, 'Hey, that's a company I would like to work with.' So that is reason No. 1.

No. 2 is that I do believe they want to get out of Europe, they want to get out of Germany and they want the freedom of working in Australia. They see Australia as offering a lot of attractions, so the opportunity of getting permanent residency here is a real carrot. I admit the guys who have been in my company a while are saying, 'Maybe our salaries could go up a little.' I am not saying that there is not some upward pressure on their salaries. I am offering them board positions at the moment and some equity in the company to try to keep these very good people with me. But, initially, they do take a salary cut to come.

CHAIR—Like Mrs Irwin, I find that quite remarkable.

Mrs IRWIN—What is the age group?

Mr Langworthy—It would be 28 to 38. Interestingly, the one person who has left my company and is now working by himself was older—he was about 41. We have a very flat structure in the company, a very dynamic structure, an even structure, so younger engineers have equal say with older engineers. It is a roundtable. It is not by committee—I sign the cheques— but it is very much an engaging company and I think that is what engages them. However, some of the older people—this is what I found with the man who was 41—find it difficult to handle that. He was more from the traditional German hierarchical structure, and that was one of the problems—he found difficulty with the younger engineers having an equal say to him. He wanted people working for him, so he moved out. That has taught me a lesson that maybe heading to the older generation Europeans is a problem because they find the structure of the company difficult, but those in the 28 to 38 bracket love that sort of atmosphere.

Mrs IRWIN—You seem so enthusiastic about this scheme. Are there any changes you would like to see with the scheme?

Mr Langworthy—For the essence of the scheme, as I understand it, the answer is no, I think it works very well. The department here is fair. They are not easy to work with, in the sense that they ask lots of questions and they are demanding. However, once the department here has undertaken its due diligence and then it goes to Canberra, it is very quick through Canberra. That I am impressed with. Once the department here signs off on it and says, 'Yes, this is a bona fide case,' Canberra actually moves it very quickly. It is literally 24 hours or so before the post is informed. Then there is a process that the applicant has to go through in Europe to go through the whole deal.

Mrs IRWIN—Police checks, health checks?

Mr Langworthy—All that sort of thing. What I am saying is that, so long as the net process is three to six months, the applicant is happy and we are happy. They are happy with all the checks over there. I have never heard any complaint about the police checks, the health checks and the other things like that. I can tell you a funny story about the English. A guy came and worked here for a while, went back and did his English test, because it was over the 12 months,

and his mark went down because he was speaking Australian, not English. It is actually British English that they test, not Australian English. That is a true story.

CHAIR—Really. Where was that?

Mr Langworthy—He was in Cologne; it was in the post in Cologne. The English tests are done at the British Embassy. He did his English test over there at the British Embassy, got very high marks, came to Australia and worked for me for 12 months—this is the one who did not do it through the RSMS scheme—and then went back to do his whole clearance and everything else, found that his 12 months were up and had to sit his English test again. He said, ‘Come on, I’ve been working in Australia for 12 months since my last English test.’ He sat it and his marks went down. It is quite a funny story, but it is true.

Mrs MAY—Mr Langworthy, how did you hear about the scheme? You obviously identified within your business that you could not find the personnel here, that there were no Australian personnel. How did you hear about it?

Mr Langworthy—The department promoted it. We are reasonably small in the Northern Territory. We have meetings and there are all sorts of cross-links between the department and business here that are very good. The department said, ‘There’s an RSM Scheme; would you consider looking at that in terms of finding the people that you are looking for?’ I was grizzling about not being able to find the people. That is how it came about. The first person, as I said, came through the normal migration program. It was at that point—

Mrs MAY—The points system—a skilled migrant?

Mr Langworthy—That is right. I do not know when the RSMS started. I cannot remember when it was put in place.

Senator McKIERNAN—In 1995.

Mr Langworthy—It would have been the year or so before that that the fellow came through that I just explained about. It was after that that the others came through it. With respect to comments about the scheme changes, I have said that at the other end there are no complaints; at my end there are no complaints, because the department handles it well, Canberra handles it well, in my view. It is a simple scheme to exercise, there is not a lot of paperwork that I have to produce. I have to produce, obviously, evidence that I have searched around Australia, and that is not hard. I have to put an application and a contract together. Because we are bona fide in what we do, it is very easy to do that. There is no scurrilous activity in there. It is just straight down the line, so it works very well.

What I would say is: as I view the scheme at the moment, don’t change it. What I would say, if I can make a recommendation to the committee, is: please protect the essence of the scheme and do not let it get captured by Melbourne-Sydney, or pervert it, and please protect it from abuse. I am not going to say anything about the child-care side of it, but it can get perverted by being misused, in terms of trying to do something which is outside the essence of the scheme. If you can help to protect the essence of the scheme from that sort of abuse and from capture by

other centres because they want to use the scheme because it is a fast track into Australia, I would be very happy. The essence of the scheme is enormously successful for a bona fide company needing these high skills.

Mrs MAY—Would your company, as it expands, be utilising this more? Will it be an ongoing scheme that you will be using?

Mr Langworthy—It is interesting that you say that because I do not think we would. The interesting thing is that we have got to a level now where the senior German engineers say, ‘Enough Germans. We want more Australians.’ So no, I do not. I do not think we do. I think we have leveraged ourselves up. We have gone from a one-man band, as it was 12 years ago, to an operating company, where the main areas of software development, the main areas of electrical engineering and project engineering in the wind area, are covered by the senior, carefully selected people. They are now training the downstream people. They are now training the good engineers in Australia. There may be a niche area where I would like to use the scheme because that particular expertise is not available. I guess an employee is arriving in two weeks time is an example of that—where we needed a real-time software programmer, which is very specialist, difficult software programming. For 18 months I tried to find somebody in Australia, because we were all convinced that there had to be somebody in Australia. We even flew somebody up from Melbourne and they turned around and went back again once they saw Darwin. I do not know why.

Mrs MAY—Are we not training people to that sort of level in our universities? Are you saying there is a gap there or that we are missing something?

Mr Langworthy—No. I believe the people are in Australia. We could go for hours in terms of universities. I am on ACER, which is a CRC and has 12 universities involved. So I am very much across the university problems. I believe within the university scheme we are able to train the people. I do not have any belief at all that there is not parity between the capability of Australian engineers and the capability of German engineers. I have seen some pretty bad German engineers, to be perfectly frank. So the parity is there. The problem is partly that we are drawing from a smaller base, and that smaller base has captured those engineers in high paying jobs down south. So a very smart programmer, for instance, gets captured in an IT business in Melbourne. You cannot pull him out, firstly, because we cannot really offer the sorts of packages that, say, a company in Melbourne might be able to offer and, secondly, we are pulling them out of their career stream to Darwin, in their view. They would see it as a negative.

Mrs MAY—And they see that as a backward step.

Mr Langworthy—Yes. They say, ‘Hang on, if I go to Darwin, where am I going to go to my conferences? How am I going to keep up to date with the latest trends?’ Whereas from Germany we are picking up the people who say, ‘I want to go to Australia. Darwin’s somewhere near Sydney.’ They do not realise that they cannot walk there. But once they get here and they realise what the company provides, I have got to provide the infrastructure to keep those careers going. I have got to provide access to conferences, access to Internet and all these sorts of things to keep them happy in their careers, which is not easy, but provided I do that and they fall in love with Darwin as a centre, then they will stay.

Mrs MAY—Do you interview overseas?

Mr Langworthy—Generally speaking, we know the people because we are working in Europe and they approach us and say, ‘What about a job?’ or ‘What do you need?’ We are knocking lots of them back. We get applications all the time from all over Australia and overseas by lower level people who are not the key people we are chasing. But every now and again you will get one that pops up and you think, ‘That’s an interesting person.’ Some of them come out on holidays and come and see us. It is a mixture.

CHAIR—I am extraordinarily curious about how you are attracting people. I presume when you say they would be getting DM140,000, that is because of the exchange rate?

Mr Langworthy—That is \$A140,000.

Mrs MAY—It is not deutschmarks. So they are getting \$A140,000 there and they come here and get \$A70,000. I know you have explained that you have got this great business and everything else, but I find that very hard to come to grips with because I suspect my experience, and probably that of the committee, is that that is generally not the case; that people will say, ‘Okay. It’s not an advantage in terms of salary but at least it’s equal.’ But to actually take almost half a salary—

Mr ADAMS—I think there is a trend in the world for people to look for satisfaction. I do not think people are going to totally work for lifting the share price of shareholders. I think people are looking to use their intellect in many other ways and this company seems to have an edge on that. I was very interested in what your natural advantage was, as a new, small company existing in Darwin. You must have a natural advantage in being here?

Mr Langworthy—Because we work in remote power generation—there are 70 remote power stations in the Northern Territory—we have a very close association with the Northern Territory government and the power and water authority, so there is a base load of power stations. We have 25 power stations in the Northern Territory that we run right now with our control systems. We have a very close association with Western Australia and that has led us into the Western Australian remote area power business. That is our base activity, if you like.

All our customers are utilities. We do not have any customers other than utilities. We only work for utilities, both internationally and in Australia. The fact that we work in Japan, for Okinawa Power, for instance, attracts Germans. They say, ‘If we can go and work for a company in Darwin, live in the sunshine, we can work in southern Japan building wind diesel systems up there, work in interesting technology, that’s not bad.’ I think you are right. I think that people of that calibre, on, say, \$70,000 and above, are saying, ‘Where’s my career going?’ Maybe that is why we are finding difficulty bringing them up from the south, because they are doing exactly the same. They are saying, ‘It doesn’t matter. I’m on \$80,000 in Melbourne and you offer me \$140,000. I’m still not going to come to Darwin because my career is more important to me.’ Maybe it is the reverse out of Germany.

CHAIR—That takes me to the question that I was about to ask before Mr Adams came in. I said I find this hard to explain. What I did not have the chance to keep on with, apart from the

halving of the salary, what that you also have the family consideration. If you are bringing these people here, both men and women, presumably quite a few of them have spouses and children. What is it then? That can often be the breaking point. Although the spouse says, 'I've taken a cut in salary because I'm getting great job satisfaction,' what about the spouse and the children? How does that affect them?

Mr Langworthy—It is very interesting because this man's spouse is the one who wanted to come and he was undecided. We had to take him to task very carefully to make sure that he really understood what the job was all about and he made his own decision about the job because his spouse wanted to come. It was actually the other way around. One couple came out. Both of them had travelled the world and both of them were very happy to come here. They wanted to live in a tropical climate. We have proudly got some little Darwin-German kids now; they are breeding. They are buying houses. One man came out, and his spouse had a lot of difficulty. She was young and had a lot of homesickness and difficulty. It was not easy. I had to try to get them back to Germany and allow that to happen. Now that has happened, she is a very successful environmental biologist here in Darwin in her own right and you can never lever her out of Darwin.

CHAIR—It is obviously a success story but one of your advantages is that everybody you have brought out has been German, by the sound of it.

Mr Langworthy—Yes.

CHAIR—Do they all come from Enecon?

Mr Langworthy—No, they came from other areas. One was working for some other company but I do not know. In fact, none of them have come from Enecon. They have come from SMA—

CHAIR—You know them there and they know your work so it is not sight unseen.

Mr Langworthy—No, that is true.

CHAIR—When we were talking before, you gave me the information that at the beginning you make it possible for them to return home by providing work for them in Germany. To get over that homesickness, you will send them back to Germany and say, 'I want you to do this over there for three weeks.'

Mr Langworthy—Yes. We try to soften the blow.

CHAIR—Yes. You do give extra help to people to settle here, which could be why you have that sort of success.

Mr Langworthy—I think it is fair to say we pay a lot of attention to the family. Darwin is a great place for kids, so the whole child thing is not an issue. Once they get here and settle here, they realise that the sporting facilities and things like that are fantastic for kids. The schools are

very good. You are right, it is through the spouse, because often that is a homesickness thing. We put a lot of care into that. We pay a lot of attention because it is very important.

Mrs MAY—So there is social interaction as well as working together? You have got a group of Germans here. They would have a lot in common.

Mr Langworthy—Yes. I must say that the company is now big enough—we are turning over something like \$60 million a year now and growing—to start a new generation of difficulties. For instance, the people who were brought out to head the divisions are now, if you like, established Darwinites. They are not Germans any more, they are Australians, and they would like a bigger slice of the pie. I am now having to form a board and start looking at issuing shares to them and giving them some equity in the company, which is the attraction against a higher salary. Mind you, they do the numbers pretty carefully. They do all of the parity between Germany and Australia very carefully. They are quite rigorous about that. Please understand that they are not scatterbrained when it comes to their salary structures. They know exactly what every dollar costs and what the tax differences and social benefits are. They know what they are doing. So obviously, when they get to a position as they are now, I have to look at the shareholding and encourage them to stay.

With the company going that way and growing to that point, maybe it is going to change and maybe the social interaction that you talk about that was the young company is going to be more difficult to maintain. So newer recruits from wherever are going to have to be dealt with differently from the original recruits who joined the young company that was growing. I do not know; it is my problem.

Mrs MAY—You are selling lifestyle, too. That would be part of that choice as much as the salary—the lifestyle as well.

Mr Langworthy—Yes, definitely. The Darwin lifestyle, the lifestyle within the company, the freedom to be directing their own future. We listen to their decisions and things like that. A lot of that does not happen in Europe. A lot of it is very hierarchical. They find themselves in companies where they have got bright ideas but they are just not listened to. There is office politics and things like that. To offer them freedom from office politics—we do not have any office politics to speak of—and to offer them that sort of activity is very attractive, and to make them feel worthwhile in their own right. I think that is what goes against their salary. That is exactly what Dick said, in terms of their career and lifestyle versus their salary. I just come back to the scheme. For goodness sake, please keep it going in its essence.

Mrs MAY—And keep Melbourne out.

Mr Langworthy—Don't swamp it. I am sure that there are other regional centres. There is Townsville, Cairns and other places.

CHAIR—Adelaide.

Mr Langworthy—There are other places that have bona fide justification and difficulties in attracting people there. That is what this scheme was set up for and that is why it is working well in some areas.

Mrs MAY—I think we will ask Mr Langworthy for a job in the Territory; it sounds very good.

Senator McKIERNAN—Could I thank you sincerely for coming along here today. I found it fascinating. In committees such as this we tend to get a particular flavour that comes through. You have provided something which is dramatically different from what we have heard before. It is very positive and I certainly welcome that. It will help us and exercise our minds in making recommendations to improve upon the scheme. I do not think the scheme is under any threat. Can I qualify something about the child-care worker. I hope you have not picked up an inference that there was a rort or something going wrong with the scheme because of that. It is one that sits out on its own. It may be perfectly reasonable. As I said at the time, it is not the role of committees such as this to go around and oversee each visa application. However, we have what may have been considered to be dodgy approvals from other places, but certainly not from here.

Mr Langworthy—You will always get that.

Senator McKIERNAN—I am not going to make any comments about the English language matter. I do not know whether I am qualified to do that! Nonetheless, I am very proud of my heritage and where I come from. How do you draw the line in keeping places like Melbourne out of it? We talked with the Northern Territory government earlier in the day. If it is going to be realistic, we must have a line which is understood and agreed upon. The states and territory governments have got to come into this. If we are going to make any impact, we have to come forward with some realistic recommendations on this. I tried to tease this out with the government in talking about the differences between Darwin, Katherine and Alice Springs, and then other smaller regional centres within the Territory. On the larger map of Australia, it becomes increasingly difficult to draw a line which will be fair to all and yet will be something that will be respected and not abused. Have you got any suggestions in that regard, Mr Langworthy?

Mr Langworthy—I think the view of Darwin, Townsville, Cairns, Broome and Alice Springs as being regional centres is pretty clear. We can all nod our heads and say that they are regional centres. When you get to Bathurst, is that a regional centre, when it is just up the road from Sydney? with due respect to Adelaide, is that a regional centre? With Adelaide, I tend to think it is. Why would you say Adelaide is a regional centre? It is a big city. It is difficult in Adelaide at the moment to promote industrial growth because there is a sense that Adelaide is somehow stalled—this is just my view; this is not a political view—and there is, in many respects, a reluctance on the part of people to go to Adelaide that is similar to going to Darwin. It could change. Adelaide could roar ahead and have some industrial developments where, suddenly, all the IT people want to be based in Adelaide. Adelaide would disappear off the map as a regional centre under this scheme if you take the criterion that you are trying to attract people to areas where they are not naturally attracted to.

High tech people are naturally attracted to Melbourne and Sydney because of the size of the operation. They are currently not attracted to Adelaide because of the nature of the operation. That could change. I think it is a case of trying to use the scheme to attract people—which I thought it was—to areas where they are not normally attracted to, as part of a larger picture of trying to develop growth in regional centres. That is the idea. There are plenty of ways that Sydney-Melbourne can capture these sorts of people, because they are growth centres and have other attractions. God help me; I do not know how you draw a line on the map and say, 'This is a regional area and that is not.' All I have made is a comment.

Senator McKIERNAN—Thanks for your assistance so far. In regard to your three-month, six-month time frame for processing, you have obviously not had the instance where you have required an earlier or a much speedier processing, particularly of the visa, which can occur under this scheme if there is willingness on all sides. You haven't come across that or needed that?

Mr Langworthy—No, I have not needed it. I guess our planning is such that we are planning a year in advance all the time, so we, in our own planning, have not hit the wall. We could. We may hit the wall, but we have not needed to.

CHAIR—Thank you. After your comments about Adelaide, I might see if there is any way we can get you to shift your operation to Adelaide, Mr Langworthy.

Mr Langworthy—I do have a paper here on the company which I do not believe was attached to the letter. Could I leave that with the committee to peruse.

CHAIR—We will accept it as an exhibit. I think we would all be very interested. Can I echo what has already been said to you, Mr Langworthy: we do appreciate you giving up your time to come and tell us what is a positive story, because there is no gain from it for you, to say this program has worked really well for you, and we do appreciate that. If we needed additional information from you, the secretariat will contact you. You will be sent a copy of the transcript of your evidence to check that it has all been transcribed correctly. So we thank you very much for appearing before us today.

Resolved (on motion by **Mrs May**):

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

Committee adjourned at 11.42 a.m.