

Could tax incentives end nursing crisis?



Trying to get Irish nursing graduates to remain in the country to work is one of the prime challenges facing the health service. Perhaps there are some lessons we can learn from elsewhere which could be put to good use here without leading to a pay-linked 'free for all' not only in health but across the public service.

Our neighbours in The Netherlands have tax incentives to retain local labour while also attracting non-indigenous labour. Income tax is reduced for a set period for people with listed key skills to come into the country. The Dutch have a 30 per cent of salary income tax exemption for a certain part of salary for the initial years worked across several key occupations. This has been suggested in an Irish context in terms of bringing people back from Australia be it from the building trades, in IT or the health service sectors to name a few.

Tax free salaries in Middle East countries of Dubai are simply impossible to replicate here at home but incentivising nurses to stay could well make Ireland more attractive. Meanwhile a reduction in the tax burden could also help in allowing non-Irish nurses working here to secure accommodation. Another problem that the State has had for many years involves people leaving with their skills to get good salaries abroad, professionals potentially lost to our own economy for good. This has become customary with doctors, nurses and engineers and one wonders is it possible to create further work placements, possibly paid, as part of the course, something which would have to be fulfilled prior to full qualification so that the State gets a guaranteed return on such an educational investment. Other countries operate a loan payback programme so that the State and taxpayer gets some money back from those who leave and opt not to return.

These are complex issues which have been regularly spoken of without anything of consequence being achieved, often due to political reasons. On the tax incentive idea, existing workers that remained behind and worked here since graduation would feel a just grievance on the face of it, but facts also have to be faced if we are to avoid labour shortages down the line. We must think beyond what only temporary solutions can achieve. Businesses get tax incentives from time to time so why not do it for skilled people and therefore avoid upsetting what's already been agreed in terms of pay? . As we go to press, it's hoped that mediation in the nurses dispute could result in some peace but it is clear that long term options must be examined.

In the United States, the Trump Administration is losing key workers to neighbours Canada in the IT sector as they offer better incentives and less visa issues. Silicon Valley is also losing out. There are creative solutions out there. The cost of living in Dublin is another key problem - in London there is a 'London salary' - so weighting in Dublin is required given the higher rent and cost of living in the Dublin area. Waterford costs are much lower in comparison for IT and pharma workers so they have a better standard of living here. Of course, there are many complexities involved with all of the above but we must start planning with the long term in mind.