

Strategies for Australian expatriates to advance Australia's interests.

Submission to the Senate Inquiry into Australian Expatriates

April, 2004



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Acknowledgements

We would like to take this opportunity to applaud the leadership of the Southern Cross Group on behalf of all Australian expatriates. They have been pioneers and we acknowledge their efforts particularly in relation to issues of citizenship, Australian of the Year and expatriate voting rights. We support the recommendations that the Southern Cross Group are making to the Inquiry on behalf of all expatriates.

The Southern Cross Group is particularly important for expatriates as they provide services to all Australians abroad, whereas organisations like our own focus on a particular segment of the Australian diaspora. All Australians deserve a voice and support overseas.

We also congratulate the authors of *The Australian Diaspora: Its Size, Nature & Policy Implication* Hugo, Rudd and Harris (2003) and the Committee for Economic Development of Australia for the publication of this landmark report on this issue which will have such a bearing on Australia's future. This report canvases the territory and demands future research work which is needed to provide the detail required to make good policy. This submission draws heavily on the Hugo data and we look forward to collaborating with them and other on future research efforts regarding the diaspora.

We would also like to acknowledge the Australian Consul General in New York, the Hon. Ken Allen for his role as both a thought leader and promoter of the 'diaspora' as a brain resource. Ken put this belief into practice through his support and enthusiasm for the creation of Young Australian Professionals in America (now Advance).

We thank our Patrons, Lachlan Murdoch, Anthony Pratt and Peter Lowy, for their financial support and the Hon. John Howard, Prime Minister of Australia, for accepting the invitation to be a Patron of the organization.

We would also like to thank the Advance members for their enthusiasm in contributing to this submission, both at the various forums held around America and in the questionnaires that were completed. The amazing enthusiasm of our members and volunteers highlights the value of the Australian diaspora as a real resource for Australia.

Finally, we thank the Australian Senate for initiating this inquiry and for the opportunity to make this submission. We look forward to the chance for Advance representatives to make a presentation to you in person in Canberra and with some of our members by video conference from the United States.

Terms of Reference

“Inquiry into Australian Expatriates”

This document was written in response to the inquiry into Australians living overseas announced on 16 October 2003 in the Australian Senate. The Senate Legal and Constitutional References Committee was asked to report by 1 September 2004. The full terms of reference for the inquiry are:

- (a) the extent of the Australian diaspora;
- (b) the variety of factors driving more Australians to live overseas;
- (c) the costs, benefits and opportunities presented by the phenomenon;
- (d) the needs and concerns of overseas Australians;
- (e) the measures taken by other comparable countries to respond to the needs of their expatriates; and
- (f) ways in which Australia could better use its expatriates to promote our economic, social and cultural interests.

0. Executive Summary

1. Introduction

This submission's principal aim is to identify and explain effective strategies for expatriates to advance Australia's interests while they are abroad and to ensure that barriers are minimised for those that want to return, especially innovators. The growing competition among developed nations for talented professionals, means Australia needs a clear human capital policy which embraces both engagement of Australians abroad and the removal of discretionary barriers to attract home-grown talent to return.

“Expatriates have helped boost the value of business and professionals services exports to \$1.5 billion in 1999. (Value 2002: \$2.2 billion). They are our foot in the door to the world's most dynamic markets, a conduit for ideas and trends...Expatriates are also our ambassadors-at-large...They are, in fact, an under-used national resource.”

Editorial, The Australian, December 2002.

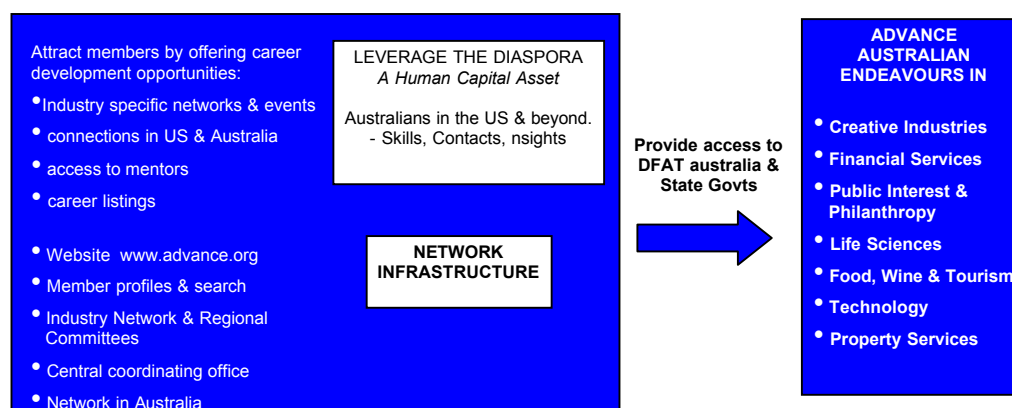
2. Advance – Australian Professionals in America

Advance - Australian Professionals in America¹ is a US based organisation formed in May 2002 by a group of Australian Professionals in collaboration with Australia's Consul General in New York, the Hon. Ken Allen, to galvanise younger Australian professionals to work together to advance their own careers and the economic, cultural and scientific interests of Australia. Having now grown to nearly 3000 members across the US, with leadership teams in seven US cities, we can offer our experience in building such a network to the Senate Inquiry into Australian Expatriates. To this end we provide an overview of our formation, current and planned activities including, summarized and in greater detail in the body of the report.:

3. Current Advance Activities

Overview of how we work

The following diagram outlines how we go about the task of advancing Australia's interests by galvanizing the talented Australian diaspora in the US.



¹ formerly Young Australian Professionals in America (YAPA).

Online Membership Directory – Enables email access to nearly 3000 Australians. Member directory offers a search facility so people can make contact based on common professional interests.

Industry Specific Networks – Each of these groups runs their own event calendar, homepage and networking activities (*number of people in each Network below*)

1. Creative Industries – 957
 2. Financial Services - 926
 3. Hospitality & Tourism - 532
 4. Life Sciences - 461
 5. Property Services – 344
 6. Public Interest & Philanthropy – 692
 7. Technology – 753
- (Members can join more than one network)

Advance Academic & Research Network – This is a priority group for Australia to maintain connections with so we are using our existing network to build a specific network and mailing list of all US based Australian researchers and academics.

Advance Entrepreneur & Investor Network – This group connects US based Australian entrepreneurs and those coming into the market with our large network of finance professionals, financiers and importantly, successful US based Australian entrepreneurs.

Regional Networks in the US: Advance has leadership teams and events on the ground taking place in New York, Philadelphia, Boston, Chicago, San Francisco, Los Angeles and Washington DC

Australians in America Hall of Fame – Provides profiles of internationally renowned and eminent Australians in America in many fields.



The screenshot shows the 'advance' logo with the tagline 'australian professionals in america'. Below the logo is the website URL 'Webpage www.advance.org'. The main content area is titled 'AUSTRALIANS IN AMERICA HALL OF FAME'. It includes a sub-header 'For inspiration and for their great Australian stories YAPA presents the Australians in America Hall of Fame. A tribute to our tall poppies. There are two types of Hall of Fame members' and two bullet points: 'World Renowned' and 'YAPA Mentors: Eminent Australians'. Below this is a section titled 'World Renowned Australians in America' with the text 'These Australians in America are well known for their enduring accomplishments the world over.' and a row of six portraits with names: Peter Carey, Mel Gibson, Nicole Kidman, Rupert Murdoch, Greig Norman, and James Wolfensohn. On the left side of the screenshot is a navigation menu with links: YAPA, EVENTS, CAREERS, MEMBER DIRECTORY, NETWORKS, HALL OF FAME, NEWS & ISSUES, REFER A FRIEND, UPDATE MY PROFILE, MY YAPA, and LOG OUT. At the bottom left is the AUSTRALIAN TRADE COMMISSION logo.

Advance Mentoring Program – Bringing together eminent and emerging Australians in small groups providing Australians in the US to access they wouldn't otherwise have to these Senior and experienced people.

Advance Careers Listings – Web based listing of career opportunities in Australia, the US and across the globe.

State of Origin Networks – Networks of Australians from each Australian State who support inbound business, government and cultural activities from their State.

Advance National Leadership Summit (June each year) – Annual gathering of the national leadership team (Steering Committees of all the Network as well as the National Board in the US (currently 100 people).

Real life examples of projects or initiatives from the last 12 months activities that demonstrate *expatriates in action* coordinated by Advance.

8. **Recruitment assistance to Australian companies** – To date this has mainly happened informally, where we circulate job opportunities to the Advance membership. Going forward this process will be formalised as the Careers Listing service.
9. **Promotion of Australian Businesses in the US** – Our community building activities always draw on Australian suppliers and we have been able to effectively promote several Australian owned restaurants, caterers and other suppliers in the US.
10. **Career Opportunities** – Many Advance members have benefited from the networks existence when they have been looking to change jobs. We have a number of examples of people making contact with other in the network and eventually achieving employment.



5. Planned Advance Activities

In the US

Buy Australian Purchasers Program (proposed partnership with Austrade) – Creating a database of purchasers on registration with Advance and then matching them with Australian exporters. This project is scalable. Timing: August 2004.

University Development Internship – Advance is working to create the opportunity for promising Australians in University Development (fundraising and alumni relations) to experience US University development best practice through a 6 week internship programme at 6 major American endowment Universities. We expect the first intern to come to the US in November 2004.

Business Ambassadors Program – Formalise existing activities into a 'Business Ambassadors Programme'. This will be similar to the approach taken in Wales and will recognise the role that expatriates/Advance members can play in opening up opportunities for Australian business.

Service Directory of Australian Businesses and Entertainers – Building on our informal success in promoting Australian businesses in the US to our network we intend to produce a Directory of Services to be distributed to all members (an Australians in the US 'Yellow Pages'). Timing: November 2004.

In Australia

Register of Australian Companies who recruit expatriates – This will be an opportunity for Australian companies to register with Advance as a company keen to employ expatriates. Advance will facilitate access to candidate profiles for these companies as well as promoting them on our website. Timing: August 2004.

Australians Returning Network – Monthly networking drinks in Australia for Australians who have been abroad to maintain their networks. Timing: February 2004

Expansion of our Footprint in the US – Establish nodes of the Network in Atlanta, Miami and Houston. Timing: September 2004.

Rest of World

Expansion of our Footprint Globally – We have been approached by and now have discussions underway with Australian professionals in Toronto, London and Hong Kong. We see this model of engaging Australians on an industry specific basis valid for roll-out to these 3 key talent centres and possibly beyond. Timing: July 2004.

6. Summary of other features

- Our main work is building a community of Australians in the US with the emphasis on those who have never before been involved with Australian interests in the US.
- Advance works closely with a number of other international and US based expatriate organizations including: American Australian Association based in New York; Anzatech based in San Francisco; Southern Cross Group based in Brussels and Canberra.
- We are headed by an honorary President and Board and a Chairman Emeritus and one full-time employee (Chief Executive Officer) and a part-time web contractor. All other members of the Advance team are volunteers. There are now 100 people across the US who are members of Advance leadership teams of Regional networks, Industry Specific Networks or Australian State of Origin networks.
- We were fortunate that the Australian Consulate General allowed us to use one office space in their offices for our launch phase for 12 months. We have now moved to separate offices on the same floor under more commercial arrangements.

7. Focus of this submission

- This submission focuses on the role of expatriates in the US. Estimates put the number of Australians in the US at between 120,000-200,000, the third largest group of Australians abroad. The US is a critical market for Australia. It supplies one third of Australia's foreign investment, more than any other economy² and accounts for 11 percent of total Australian exports³.
- The US is an excellent environment for Australian expatriates to play a major role in being conduits for trade from, and investment flows to, Australia. This is an historic moment for developing economic opportunities for Australia in the US. The Free Trade Agreement between Australia and the US will result in a myriad of expanded contracts, new businesses, professionals openings and services delivered.



² An Australia-USA Free Trade Agreement: Issues & Implications, APEC Study Centre Monash University, Executive Summary xii

³ ibid xiii

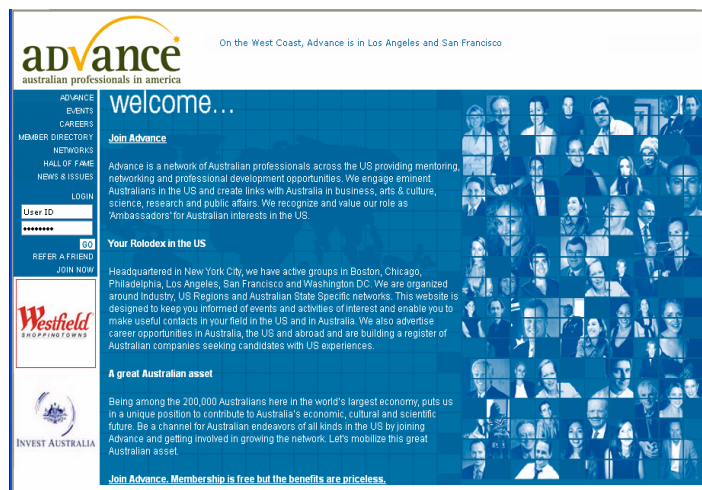
- This submission does not comment on behalf of all Australians in America but rather the subset Hugo defines as “Skilled professionals”. Advance’s nearly 3000 members in the US are “Skilled Professionals”: artists, entrepreneurs, entertainers, scientists, researchers, consultants, IT professionals, engineers, health care professionals, lawyers, and financial services professionals including bankers, accountants, brokers and traders. Nearly all have University qualifications from Australia.
- This group has particular relevance to Australian diaspora policy⁴ as the group best able to fulfil the role of ‘ambassadors’ and ‘beachheads’ for Australian cultural, commercial and scientific endeavours in the US.

8. The Hugo report

There is growing academic focus on the issue of the Australian diaspora. The CEDA Report – *Australia’s Diaspora: It’s Size, Nature and Policy Implications*, December 2003 (Hugo, Rudd and Harris) presented a strong argument that the large number of Australians living and working abroad is an economic and cultural asset and that thought should be given to policies to make the most of the opportunity it presents.

9. The “rolling diaspora”

The flow of people, capital and ideas across the globe has never been more dynamic. Over the span of their working lives, Australians will increasingly seek to participate in the global market-place whether from a base in Australia, or by moving overseas or both. The Australian ‘diaspora’ represents approximately 5% of all Australians, and nearly 10% of the potential Australian workforce. This is not a static group, it represents a flow of people departing and returning. Over 50% of those abroad will return, others will remain away indefinitely and another group will move in and out of Australian residence through-out their working lives. In addition, of the 95% of Australians currently living in Australia, a large number have spent over 12 months working overseas and a further group will do so at some point in the future. To more accurately describe the diaspora and to reflect this fluid reality, we have coined the term “*the rolling diaspora*”.



⁴ ibid

10. Conquering the tyranny of distance

Australians abroad are able to maintain continued contact with Australia through improved communications technology and the lower cost of air travel, enabling the Australian diaspora to become an increasingly important means of conquering the tyranny of distance and isolation that Australia faces in being a world trader and global participant. Australian enterprise and government international endeavours can be amplified using the professional contacts, expertise and enthusiasm for Australia of the Australian diaspora.

11. Bringing the World Back Home

While it is clear from the research that Australia is not experiencing a numerical 'brain drain' given the flow of talented migrants into the country⁵ in qualitative terms, an exceptional group of Australians is abroad at any one time. This 'diaspora' as a great asset, but we also take the view of the Hugo report: that "In a world where national prosperity is increasingly shaped by innovation and the timely and appropriate application of innovation, human resources are crucially important to the national economy. There is an increasing amount of international competition for the best qualified people in the new economy. All OECD nations and many countries outside them have specific policies to attract international talent in areas such as information technology, management, engineering, research and so on. Hence Australia is competing with an increasingly large number of countries for a limited pool of talent. Australia simply cannot afford to ignore its homegrown talent in the international pool of skilled labour."⁶

12. The Extent of the Australian Diaspora in the US

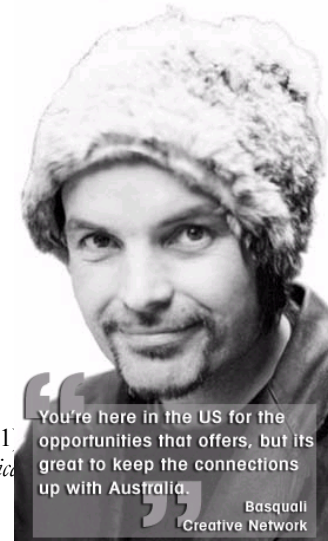
Key Statistics

There are:

- Between 106,410 (DFAT) and 200,000 (Advance estimates based on US immigration data) Australians in the US.
- Approximately 60% of these are skilled professionals 25-50 years old.
- Outmovement to the US has been growing and in 2001 represented 12% of all Australian long term departures. This proportion is expected to grow.
- Of 'skilled professionals' in the US, 50% are between the ages of 30-49 and a further 42% are between the ages of 20-29 (Hugo Report).
- Approximately 40,000 long term Australian visitors travel to the US each year (US Immigration data)
- Australians working in the US are on average older than those working in the UK reflecting different visa requirements in the US and the absence of a 'Working Holiday' style visa programme here.

⁵ Hugo 1994; Smith 1996; Lewis and Stromback 1996; Birrell et al. 2001

⁶ CEDA Report – *Australia's Diaspora: It's Size, Nature and Policy Implications* 2003 (Hugo, Rudd and Harris) p 57



13. Factors driving more Australians to live overseas

Consistent with the Hugo research, the majority Advance members have come to the US for the following reasons:

- Superior employment opportunities
- Professional development
- Pursuit of higher incomes
- Career progression
- Pursuit of career in known centre for excellence in their field (creative, scientific)
- Experience global lifestyle
- Marriage/partner
- Study/Scholarship
- Escape the ‘Tall Poppy Syndrome’ in Australia

Financial considerations

The desirability of the US *vis a vis* Australia is driven by:

1. Higher attainable incomes in the US - Hugo’s research indicated that 29.6% of Australian respondents in the US & Canada earn over \$A200,000 per year
2. The exchange rate – the US was extremely attractive when the US dollar bought two Australian dollars. At between 70-80 cents the effect is much less dramatic now.
3. Relative tax rates
4. Relative purchasing power.

14. Costs, Benefits & Opportunities presented by the phenomenon

This material is presented through-out our report, for convenience, we provide a summary here.



	Description	Example
Costs	Loss of innovators, drivers and creatives to the Australian economy.	<ul style="list-style-type: none"> - There are 20 Australian born and educated Professors at Harvard and MIT alone. This picture is mirrored around the US at elite institutions. - Artists, musicians and performers leave Australia in large numbers (we have over 1000 in our creative Network alone)
	Loss of quality human capital, particularly managers.	<ul style="list-style-type: none"> - Two-thirds of Australian born permanent and long-term departures are managers, professionals and para-professionals. - 69% of Australians in the US that responded to the Hugo survey were on income of \$200,000AUD or above
Benefits	Free resource of roving Australian Ambassadors	<ul style="list-style-type: none"> - Australians abroad are generally well educated, well traveled. Through the internet they remain connected and informed about Australia and are strong advocates of Australia as a tourist, educational and business destination.

	Source of business leads and connections	- Everyday Australians based in the US field calls from friends and associates about guidance on entering this market. Now formal groups like advance, stimulate this process by putting infrastructure in-place to broaden the reach of such enquiries.
	Ready source of well placed investment introductions for Australian enterprises	- Introductions of businesses seeking introductions to sources of capital in the US are regularly made by US based Australians.
	Academic & Research collaboration with Australian Universities	- Key researchers and innovators based in the US are able to create more collaboration opportunities with Australian Universities and Research Institutes.
	Technology & knowledge transfer on return	- Australians who have worked in cutting edge environments who return to Australia in science, business, academia and the arts bring their experience and knowledge with them into their enterprises in Australia.
	Networks and contacts on return	- Similarly, the network they established while away, becomes available to their Australian employer or enterprise.
Opportunities	Expanding the reach of the types of benefits listed above through networks and infrastructure	<i>We provide a list below by industry group. These are indicative only to highlight the types of opportunities. This list should not be considered exhaustive.</i>
“How could you advance Australia's interests while you are away?”	Academic Research “By Encouraging collaborative research efforts, encouraging exchange students... I have already facilitated a number of my USA students in having some exchange experience in Australia. I believe that Australia will benefit from a system that brings at least a part of the Australian diaspora 'home' for periods of time, if it cannot attract them home altogether.” Nadine Levick, Health Professional and Advance Member	- Increase the number of Fellowships, Residencies, Grants funded sabbaticals and other initiatives which encourage well positioned Australians abroad to return to Australia for a time (eg NSW Residency Sydney University) - Encourage Australian based scientists and researchers to seek out Australians abroad as collaborators and conduits. There are Australians in all major international organizations. I have hosted numerous professional visitors from Australia learning about activities in the field in the US. Keith Rust, Statistician Advance Member
	Creative Industries “I promote Australia (as do many overseas-living Australian colleagues) by the sheer fact that I am doing well - although Australia (in my field at least) seems to have little interest in this fact. I also promote	- Concentration of Australian artists in particular cities means they can act collectively (as we have done with the Trans: Emerging - Artists Exhibition for 13 Australian Artists) - Increase formal and informal cultural exchanges.

	Australia by performing Australian music when I can.” Asmira Woodward-Page, Concert Violinist and Advance Member	
	Entrepreneur – Investor “I would like to see the Australian government coordinate the business and educational communities along the same lines as the Israeli Business Exchange in the US to more effectively prepare Australian companies for US and European business. Guy Daley, Software Company CEO and Advance Member	- High profile Australians retiring from global business should be tracked and relevant invitations for their involvement in Australian Boards and national business development should be extended from the highest levels.
	Hospitality & Tourism “No cost, only a ...potential benefit (of me being away).... If I succeed, a big offshoot will be the tourism growth the sport generates”. Denis Ryan, USFootyKids National Coordinator “I buy Australian products (art, organic Aussie meat at the supermarket, for ex.) and encourage others to do so. I brag about Australia and now several of my friends have traveled there and some are even living, studying and working there.” Asmira Woodward-Page, Concert Violinist and Advance Member	- “Invite a US Friend” to promotional events about Australian Hospitality & Tourism. Australians are passionate about Australia’s natural beauty and are constantly promoting Australia’s assets. - Concentration of Australians here means that there is a large population to help educate the US public about Australian food wine and tourism. Eg we can help our US friends and colleagues move “up the value chain” of the Australian wine story. (Americans still think of Australian wine as good value, rather than “best in the world”).)
	Life Sciences “In the HealthCare/Bio arena there is tremendous requirement for commercial, regulatory and research experience and this is the area I would like to support Australia and transfer knowledge”. Elissa Burke, Director Bayer Healthcare and Advance member	- Expatriates as a source of investment leads for bio enterprises - Business development support including introductions to potential clients and joint venture partners and general market overview guidance.
	Property Services “Until it was covered in the New York Times recently, no-one knew that Australia was the	- Leads and contacts into US firms and contacts. - Promoting the achievements of Australian architects and showcase projects in Australia (like Federation Square we hosted

	3rd largest owner of commercial property in the US. It will be Australians here in the US who will now get this message out there.” Property Fund Manager and Advance Member	a reception in New York for the main architect of this project) - Deal flow.
	Public Interest & Philanthropy “Just from one round of phonecalls to fellow Australians I was able to get a full day of meetings with potential donors for our project in Australia”. Medical research fundraiser and Advance member	- Introduction of Australian charities and institutions to Philanthropic Foundations in the US. - Knowledge of processes, protocols and strategies for success is sourcing US philanthropic money
	Technology “Create a conduit that assists Australian businesses in more rapidly and more effectively establishing themselves in the US and Europe and taking advantage of those much larger, liquid and demanding market economies”. Guy Daley, Software Company CEO and Advance Member	- Expatriates as a source of investment leads for technology enterprises - Business development support including introductions to potential clients and joint venture partners and general market overview guidance.

15. Needs and Concerns of Australians in the US

The following needs and concerns identified in our consultation process are highlighted here:

- Desire for a perceptions shift in the value attributed to the diaspora and to foreign work experience
- Personal costs of being away from Australia
- More avenues to participate in Australia’s future and assist individual Australians and businesses make it in the US
- Citizenship, Voting and representation issues
- Ease of return issues (employment)
 - Lack of understanding of skill set and experiences by Australian recruiters and human resources executives
 - Lack of network and links in Australia
- Ease of return issues (financial)
 - Tax on superannuation earned abroad
 - Simplify bi-lateral tax issues and provide more information on bilateral social security/superannuation entitlements and transferability.
- Difficulties surrounding getting and keeping working rights in the US and for partners/spouses

16. Measures taken by comparable countries to support expatriates

The range of measures which have been implemented by other countries includes:

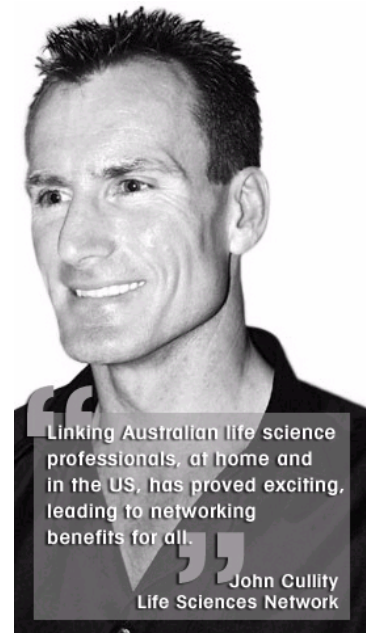
- expatriate data-bases linking mentors & business partners
- encouraging companies to advertise jobs to the expatriate community
- programmes to recruit expatriate researchers back to home country
- Summits/leadership forums in-country with business & government leaders
- formally stimulating research collaborations between Universities & expatriate researchers
- targets of Foreign Direct Investment
- Trade development/Investment Promotion agencies having active collaborations with professionally relevant expatriate groups

It should be noted that in the past two months, Advance has been approached by representatives of both the Canadian Government and the Singaporean Government for advice and insight into how to galvanise expatriate professionals to build a network like Advance. Both of these groups identified what Advance is doing is world best practice.

17. Ways in which Australia could better use its expatriates to promote our economic, social and cultural interests

Introduction - Expatriates: A great Australian Asset

Advance takes the view that in a global economy, professional citizens on the ground in another market are a great asset. However, in order to be effective, these expats need to be networked to work together, organized and armed with accurate, up-to date information about Australia and its products, services, legal and financial realities. For this reason, not all expatriates are ideal candidates as 'Ambassadors' for Australia. To make an impact, expatriates work best when they are practitioners in the specific industry of interest in the target market. In addition, it is the industry specificity that is a driver of the level of participation by expats in these programmes. It is our experience that the more pertinent the activities are to their professional endeavours, the more rewarding and productive the interaction.



We would like to highlight here the Table presented in section 13 above, particularly 'Opportunities'. These ideas can be implemented and to the extent they already have been, their reach can be extended just by providing the resources and tools for Australians to build communities abroad of like minded, motivated Australians.

We also provide a summary of *ways in which Australia could better use its expatriate population to promote our economic, social and cultural interests* with a series of recommendations. See section 18. below.

Growth and Momentum

Australia needs to set its agenda and act swiftly in this policy area if it is to keep pace with other countries. To facilitate a speedy execution in this area, we present the Advance model and its expansion to the Senate Inquiry as a potential means of Australia making better use of our expatriates to promote our economic, cultural and social interests.

We are a young organization, and in less than two years have built a compelling programme of activities to engage Australian expatriates in the US in advancing Australia's interests. Our activity profile is extremely strong in New York (more than

60% of our activities are in New York where we have had over 5000 attendees at Advance events since inception). The activity profile of the other regions is growing strongly now and expected to reach maturity over the next 6-12 months in each case.

We estimate that we are about 1/3 of our expected final size in the US (currently approximately 3000 members). We anticipate an ultimate membership size in the US of 10,000 members.

Global Footprint

In addition, we see this model as having broader than US application and have already been approached by professionals in Toronto, London and Hong Kong, to expand to these markets. Globally, we see the potential size of the organization as 50,000 registered members over the next 5 years. This process could happen more quickly with an injection of support from the Federal Government. For our US activities we are already involving State Governments as funding partners. The Federal Government, through DFAT and its representatives in the Australian Consulate-General, New York, have been extremely generous in non-monetary ways – providing us with office space, and very significant energy and support. However, to date, this organization has flourished with almost no financial support from the Federal Government. Should engagement with the Australian Diaspora in key centres around the world been seen as a priority, with an appropriate injection of funds, Advance is able to significantly speed up our international roll-out.



18. Advance's Ten Recommendations to the Senate Inquiry

Advance makes the following recommendations to the Senate Inquiry into the Australian Expatriates.

Advance makes the following recommendations to the Senate Inquiry into the Australian Expatriates.

1. Demographic research

We recommend additional demographic research be undertaken to complete the profile of the size, nature and extent of the Australian diaspora.

The flow of talent into and out of Australia is significant. Greater knowledge of the profile of the talent flow out of Australia, likelihood of return for particular groups and factors driving the phenomenon is important. The initial research undertaken by Professor Hugo and his colleagues has revealed trends which require further, more comprehensive research to get the full picture.

We recommend that Australian expatriates be included in future Censuses of the Australian population.

The US is set to include their expatriate population in their 2010 Census. Australia should make the investment to do the same.

2. Economic research

We recommend economic research be undertaken to establish the current and potential economic contribution of the diaspora including:

- *Potential to leverage Foreign Direct Investment*
- *Contribution as 'tourists' and contribution as informal promoters of Australia as a tourist destination*
- *Property investment*
- *Trade and business leads*
- *Extent to which the diaspora have an impact on other Australian economic indicators*

3. Develop a Comprehensive Emigration Policy

We recommend Australia develop a comprehensive emigration policy. This policy needs to consider the following issues:

- *Means to ensure that Australia remains an attractive destination for the world's professionals, scientists, artists and entrepreneurs and home grown talent in particular;*
- *Means to ensure that Australians abroad are assisted in keeping in touch with Australia, its interests, development and endeavours;*
- *Obstacles to the return of home grown talent are removed;*
- *Active strategies are employed to engage Australians abroad in Australian commercial, artistic and scientific development of Australia*

Other nations are responding to the challenges presented by 'talent flight' and the 'global war for talent'. However, no country at present has a comprehensive emigration policy. There is an opportunity for Australia to be a leader in this area.

Advance would welcome participation and consultation in the various stages and elements of this policy development process.

4. Political and high level representation of the Diaspora

Based on a review of the activities of other nations in this area, and feedback from our US membership, we recommend the following initiatives:

We recommend the identification of a Ministry under which expatriate affairs will reside, resource and empower this unit.

With 1 million Australians abroad and the economic power and potential of this group considered, it would be appropriate for Expatriate Affairs to be part of a Ministerial Portfolio. We see advantages to this being part of the Foreign Affairs Portfolio or the Department of Science and Technology. It would be sensible for any Steering Committee for such a unit to include representation from Austrade, Invest Australia, the Australian Tourism Commission, the Australian Wine Bureau, Department of Education Employment and Training and the Department for Industry Science and Technology.

This unit would be responsible for overseeing the implementation of Recommendations 5-10 below.

We recommend an Annual Expatriate Business Leaders Summit be established, attended by the Prime Minister of Australia, Senior Ministers and Australian Business Leaders.

Australia should engage more fully with its expatriate business leaders. The international CEO's and Presidents of the following companies are Australians: McDonald's, Coca Cola, Merrill Lynch, Newscorp, Merck & Co, WebMethods, to name a few. This group and their peers should be convened in Australia or internationally annually or bi-

annually. (For a fuller listing of Senior Australian executives in high profile US Corporations see www.advance.org Australians in America Hall of Fame.

We recommend that the outstanding issues of political representation for expatriates be addressed.

While we were unable to agree within the organization on what form additional voting rights for expatriate Australians take, at a minimum, efforts should be made to make it easier for Australians abroad to vote during the term they are eligible.

5. Commence communication with Australians as they leave Australia

We recommend that Australians leaving the country (temporarily or permanently) be given a resources card on departure inviting them to keep in touch. This could have a message to all Australians that no matter how long they leave for, we want them to stay in contact with Australia. The card could promote the website address for the Portal and key expatriate groups in various key destinations.

We recommend the creation of an Expatriates Portal which would centralize all Federal Government services as they relate to expatriates as well as promote all the diaspora resources at their disposal including expatriate groups like Advance, the Southern Cross Group, Chambers of Commerce. This portal could also issue a monthly newsletter.

We would be pleased to collaborate on such an initiative.

6. Realign Department of Foreign Affairs Policy and Practices to ensure that all Posts make better use of Expatriates in achieving post objectives.

We recommend that at the highest levels, policy for overseas posts be broadened to ensure robust engagement by DFAT staff with their local expatriate community for better reach into the market/country they are servicing.

DFAT contends with the perception amongst the diaspora that Consulates are only there to help them when things go wrong: they lose their passport, in trouble with the law or a major disaster like September 11 happens. Whilst there are excellent examples of Consular use of the expatriate community to leverage, this is not consistent across the Department and its many posts. Overall the perception is that a lot more could be done to ensure application of best practice at all international posts, but the large ones in particular.

We recommend that best practice examples of engagement with the diaspora be widely publicized.

We believe that the example of what the Consular and Mission Posts in New York have been able to achieve through the in-kind and moral support of Advance should be used as a best practice example.

7. Facilitating the return of Australians from abroad

We recommend that appropriate resources ought be applied to a project to similar to that undertaken by the Singaporean Government (www.contact.org.sg) to facilitate the return of talented Australians and the promotion of Australia as a destination for global talent.

We recommend that a campaign be undertaken targeted at major employers, recruiters and human resources executives, promoting the value of global experience and encouraging them to reach out to the diaspora in their recruitment exercises.

We recommend that the feasibility of simplification and removal of disincentives be assessed in the following areas:

- Tax on superannuation earned abroad

- *Simplify bi-lateral tax issues and provide more information on bilateral social security/ superannuation entitlements and transferability.*

8. Financial support for Diaspora organizations

Review

We recommend that a thorough review of existing diaspora organizations and existing government resources available to Australians overseas should be undertaken so there is no reinvention of the wheel but building upon models and experience already in place.

Set performance measures and invest

We believe it is in Australia's economic, social and cultural interest to, once a firm Emigration Policy and priorities have been established, partner with diaspora organizations to achieve government policy objectives. It may be appropriate to tender to existing organizations to deliver services in partnership with Government agencies abroad. Advance would be interested to discuss such an approach.

We recommend that investment/partnership based on an organization's capacity to do the following:

- *Effectively build a community, engage and represent the target audience by providing compelling and inclusive programmes and minimizing barriers to participation.*
- *Make a concrete economic contribution to Australia by engaging the diaspora in:*
 - *Empowering expatriate Australians to be Ambassadors for Australian business, scientific and cultural interests abroad*
 - *Trade development*
 - *Stimulating Foreign Direct Investment*
 - *Mentoring of Australian professionals and entrepreneurs abroad*
 - *Attracting global and Australian born talent to Australia*
 - *Raise Australia's profile abroad particularly in science, culture and the arts*
 - *Participate in debate on Australia's future*
- *Capacity to collaborate with and support existing government economic development programmes (eg Trade – Austrade, FDI – Invest Australia) and raising the perception of Australia as a vibrant dynamic nation (DFAT).*
- *Capacity to be relevant to and therefore keep in touch with large numbers of Australians abroad*
- *Financial viability so not entirely reliant upon Government*
- *Management strength, structure and succession planning*
- *Vitality and growth potential*

There is also a case for investment in a Citizens Advice Bureau type organization for the Diaspora. A group like the Southern Cross Group have to date acted in this capacity for members of the diaspora, providing advice on the daily challenges of life away from home. We see value in the Government partnering with a group like the Southern Cross Group to provide these sorts of services.

Monitor

It is critical that Government investments of this nature be tied to key deliverables and that performance against these standards is maintained and monitored.

9. Changing Perceptions in Australia about the diaspora

We recommend that the accountable Government agency for the Diaspora, see recommendation 4. above have as one of its objectives, changing perceptions of Australians abroad in public discourse as a national asset not a brain drain.

Key themes:

- *“Australians abroad are a national asset, not a brain drain”*
- *“Australia is where Australians are”*

- *Living and working overseas is not tantamount to abandoning Australia. Given the realities of globalization, working overseas offers different opportunities to contribute to Australia's future.*
- *Celebrate the achievements of fellow Australians who reside abroad and encourage Australian business, government and non-government organizations to engage with the diaspora in achieving their objectives. Encourage Australian business, government and non-government organizations to include expatriates in their recruitment strategies.*

Advance would like to participate, with other groups and agencies, in working on this overarching shift in perceptions.

10. Promote Australia as a prime destination for talented professionals from all over the world.

We recommend that a campaign be undertaken to promote Australia as a great destination for talented and aspirant professionals with an emphasis on the following groups and areas:

- *Science and medical research*
- *Technology & innovation*
- *Financial services*
- *Entrepreneurs*
- *Culture and the Arts*

We recommend that there be an increase in the number of funded residences, scholarships, fellowships and cultural exchanges promoted to expatriate Australians and other international candidates to attract them to Australia.

1. About ADVANCE & our submission

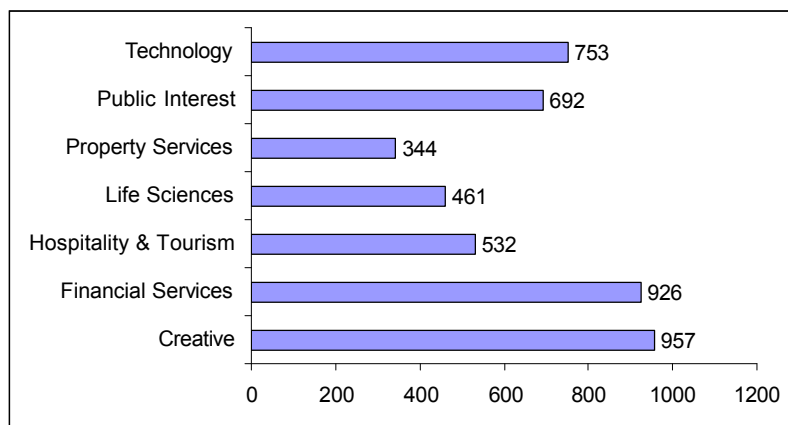
1.1 What is 'Advance'?

Advance - Australian Professionals in America⁷ is a US based organisation formed in May 2002 by a group of Australian Professionals in collaboration with Australia's Consul General in New York, the Hon. Ken Allen, to galvanise younger Australian professionals to work together to advance their own careers and the economic, cultural and scientific interests of Australia. Having now grown to nearly 3000 members across the US, with leadership teams in 7 US cities that we can offer our experience in building this network to the Senate Inquiry into Australian Expatriates. To this end we provide an overview of our formation, current and planned activities.

The Founders of the organisation saw the opportunity presented by the number and caliber of Australians living and working in the US to be of use to Australia despite their distance. They were also attracted to the chance to engage with the growing number of visible Australians particularly in leadership of Fortune 500 companies like Coca Cola, IBM, Merrill Lynch, McDonald's and Merck.

To ensure professional relevance, the activities of the organization focus on content-driven networking, mentoring and professional development opportunities run by 7 industry specific networks.

Membership Numbers of Advance Industry Specific Networks



In addition, we have recently commenced two more targeted, cross industry groups – the Entrepreneur and Investor Network which currently has 139 members, and the Academic & Research Network which has 115 people. Our member numbers continue to grow at approximately 100 new members per month. Since our inception we have hosted over 120 events with an average attendance of 40 people.



⁷ formerly Young Australian Professionals in America (YAPA).

Many of our events center on our mentors sharing their experiences of life in the US. We now have over 100 senior and eminent Australians as mentors in Advance. (Full list provided at Appendix A.) We profile a number of these high profile examples of Australians having reached the pinnacle of business, cultural and commercial life in our *Australians in America Hall of Fame* which is a feature of our website.

Founding Patrons

The Founding Patrons of Advance (then YAPA) were Peter Lowy, CEO Westfield Americas Trust, Lachlan Murdoch, Deputy Chief Operating Officer of News Corporation and Anthony Pratt, Chief Executive Officer of Pratt Industries USA and the Prime Minister of Australia, the Hon. John Howard MP.

A National Network of Networks

Advance now has leadership teams in place in New York, Philadelphia, Boston, Chicago, San Francisco, Los Angeles and Washington DC. To maintain professional relevance across all fields, our activities are also driven by Industry Specific Networks each with a separate leadership team.

Building US-based, Australian investment & research communities

As our network of Australians has begun reaching critical mass here in the US, we now see the opportunity to form cross industry networks for two groups: Entrepreneurs and Investors, and Academics and Researchers, and to connect these groups to relevant Australian enterprises and organisations.

Entrepreneur-Investor Network

Increasing investment capital is one of Australia's most important priorities. The US is the world's largest source of investment capital and there are many Australians in Advance who are in a position to advise, connect and in some cases invest in Australian enterprises. Our membership base already includes entrepreneurs in areas as diverse as life sciences, IT, the arts and services.

We saw the potential to connect these US based Australians, their companies and others in Australian companies with our large network of finance professionals, financiers and importantly, established US based Australian entrepreneurs. The national leadership team for this group is in place, the website has been launched and in April we will formally launch the Entrepreneur/Investor Network (co-located in New York, San Francisco and Boston). We will also promote the network extensively in Australia.



Academic Research Network

Another particular area that we are well positioned to contribute to is the networking of academics and researchers of Australian origin across the US. There are already several hundred Researchers and Academics on the Advance data-base. There are so many in the US, for example, there are 20 Professors of Australian origin at Harvard and MIT. By creating a national-wide network amongst this group, it will be easier for Australian Research Institutes, Universities academics and researchers to communicate with them and with other Australians in the US. This will be useful for the promotion of research grants, fellowships and opportunities in Australia both formal and informal.

Advance State of Origin Networks

Australians retain a strong affection for their home State in Australia or “State of Origin”. Advance has to date established the Advance Queensland Network which was launched in New York by Premier Peter Beattie in June 2003 and will shortly announce the Advance NSW Network. Victoria has made a commitment to launch the Advance Victoria Network and dialogue is underway with Western Australia and South Australia, with others States in prospect. Network homepages for these groups have been formed. These networks are a means for State based agencies and companies to have direct access to their “diaspora”. It also means that there is a support network on the ground with an interest in supporting development initiatives run by the States. Queensland has already seen significant benefits from this network with visiting Australian scientists and artists finding a ready made network of contacts, expertise and openings when they have arrived in the US to further their projects.



Message from the Premier of Queensland. Hon Peter Beattie MP

“My Government has been proud to support the establishment of the Advance Queensland Network, Advance network is an invaluable resource for Queensland because you have an inside knowledge of the Queensland and the US market.

The areas you work in from biotechnology, ICT, finance and creative industries are all areas we are targeting under our Smart State strategy. We would like all of you to be a part of this State's bright future whether through being supporters of companies in pursuit of business, investment and cultural opportunities in the United States or by bringing your experience and contacts back home to the State.”



Message from the Premier NSW Hon. John Carr MP

“When I visit the US or meet senior American business leaders, I always hear glowing reports of the contributions Australian citizens are making to the United States labour market. The skills base and the enthusiasm of Australian workers abroad are especially singled out. These workers not only project a favorable image of Australia abroad. They are potential bridge-builders between our two societies and economies. Nothing could be more necessary in this globalised world.

Nothing could be more relevant at a time when goodwill and understanding between nations is at a premium. I strongly believe Australian professionals living in America will benefit enormously from the networking and alumni events, professional development, educational and mentoring opportunities, and corporate and government links offered by Advance.”

Partnership with Australian Government Agencies

ADVANCE has formed partnerships with key Australian agencies, Austrade and Invest Australia and has been generously supported in many practical ways by these agencies and the Department of Foreign Affairs and Trade through the Embassy in Washington and in particular the Australian Consulate General in New York. The Hon. Ken Allen collaborated with the original team to found Advance (then YAPA) and has been a key advocate and recruiter of mentors for and support of the organisation. Other Consul Generals in the US have also lent their support to the development of Advance in their region.

These partnerships with Australian Government agencies are essential to ensure:

- Our activities are directed at the most effective areas for the national interest;
- That we amplify rather than duplicate existing strategies and endeavours;

- We provide our ‘ambassadors’ with current and accurate information about Australia, its economy and social, cultural and innovation profile.

Relationships with other Expatriate organizations

Advance works closely with a number of other international and US based expatriate organizations including:

- American Australian Association based in New York
- Anzatech based in San Francisco
- Southern Cross Group based in Brussels and Canberra
- ANZACC Chambers of commerce
- Social, cultural and sporting groups and establishments.

“The Australian business community should tap into this knowledge. I return to Australia every 18 months and would be happy to share my experiences and more importantly take some new experiences back to the US. Send some young professionals over here on an exchange”.

Miklos David Gaal, IT Consultant

Management

Advance is headed by an honorary President and Board and a Chairman Emeritus and one full-time employee (Chief Executive Officer) and a part-time web contractor. All other members of the Advance team are volunteers. There are now 125 people across the US who are members of Advance leadership teams of Regional networks, Industry Specific Networks or Australian State of Origin networks.

Experience working with expatriates

Our experience is that Australians in the US, when given the structure, support and appropriate resources, are able to be highly effective ‘Ambassadors’ for Australian interests in the US. We have been heartened by how motivated and willing Australians in the US are to work as volunteers, for Australia’s interests. It is our experience that Australians abroad are extremely keen to contribute to Australia’s business, cultural and scientific future. We believe we have forged an effective model for the US and North American context and are interested to explore the model’s potential application further afield. It would be a missed opportunity if our experience, innovation, technology and programmes were not used to inform the development of future expatriate initiatives. Furthermore, it is a sensitivity among expatriates, that existing organizations and government work together effectively and avoid duplication.



Art Exhibitions/Showcase opportunities

One of the ways Advance is working with emerging Australian artists in the US is to curate and coordinate a show of recent works by Australian artists resident in the US. The first of this series, in New York is being held from March 25-April 24 in Brooklyn. This exhibition features 13 Australian Artists resident in New York and includes contemporary painting, fine art photography, sculpture and video installations. All work was for sale and over 2000 people came through the gallery.

Collective promotions

In terms of collective promotion of Australian products and services, there are already a number of events in the US which we promote to our Networks. A recent example was the Australian Harvest Festival which is run by the Australian Wine Bureau and Austrade. Along with the other expat organizations in the US and the Chambers of Commerce, we promoted this event to the Australian community.

Arrival receptions for visiting Researchers/Businesses people/Politicians

These are run by industry, regional or Australian State of Origin Networks and in our more mature Regional Networks (Eg New York) are happening a couple of times a month. Receptions range in size from 10 to 100 people and are run as breakfasts, lunches or cocktail receptions. They are always field of interest or State of Origin specific events to enable stronger networks to form. One of the benefits of these targeted events is that the audience nearly always have concrete help to offer the Guest of Honour, contacts, market insight, potential leads. The experience by the Guest of Honour, from reports to us, is one of being welcomed in the US by a team of people on the ground interested in their particular field and ready to help in anyway they can.

The other benefit of these events is keeping expats up to date and informed of developments in their fields in Australia and also providing some contacts for their professional reentry to Australia, should they be among the 50% of expats to return.

See sample listing of events at Appendix. E.

Mentoring

Over 100 senior and experienced Australians have confirmed their availability to mentor young Australian professionals in their field and a further 219 mid-level professionals have also made themselves available to the mentoring programme. Mentoring is active in YAPA in two ways: through intimate group events 6-10 young Australians gathering with an eminent Australian for breakfast or drinks and secondly, one on one mentoring through matching performed through registration on the YAPA data-base. This will be rolled-out in Advance over the next 6 months. Many intimate mentoring gatherings have occurred with eminent Australians such as Doug Elix, Global Chief of IBM Services; Oliver Yates, Head of Macquarie Bank, North America; Peter Lowy, Chief Executive of Westfield Trust US and Bruce Stillman, CEO, Cold Spring Harbor Laboratories.

A defining feature of nearly all of the Mentors presentations have been discussion of how their Australian character traits and attitudes stand them in great stead as lead Executives in the US.



1.2 Our submission

Introduction and scope

Aims

This submission's principal aim is to identify and explain effective strategies for expatriates to advance Australia's interests while they are abroad and to ensure that barriers are minimised for those that want to return, especially innovators. The growing competition among developed nations for talented professionals, means Australia needs a clear human capital policy which embraces both engagement of Australians abroad and the removal of discretionary barriers to attract home-grown talent to return.

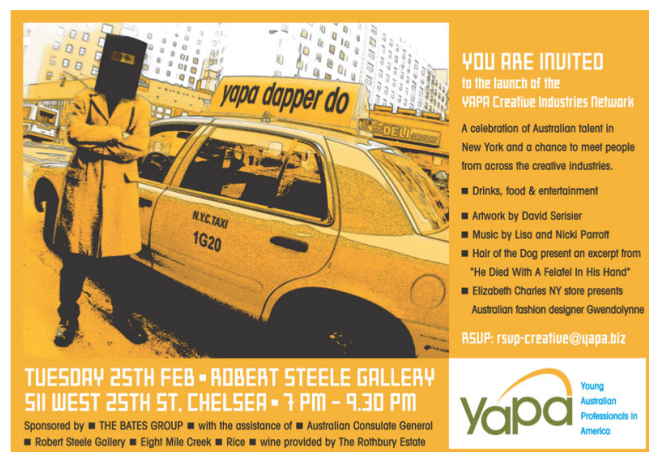
"Expatriates have helped boost the value of business and professionals services exports to \$1.5 billion in 1999. (Value 2002:\$1.9 billion). They are our foot in the door to the world's most dynamic markets, a conduit for ideas and trends...Expatriates are also our ambassadors-at-large...They are, in fact, an under-used national resource."

Editorial, The Australian, December 2002.

Australians in the US

This submission focuses on the role of expatriates in the US. Estimates put the number of Australians in the US at between 120,000-200,000, the third largest group of Australians abroad. The US is a critical market for Australia. It supplies one third of Australia's foreign investment, more than any other economy⁸ and accounts for 11 percent of total Australian exports⁹.

Given the number, range of industries penetrated and management seniority of Australians in the US, this is an excellent environment for us to play a major role in being conduits for trade from, and investment flows to, Australia. This is an historic moment for developing economic opportunities for Australia in the US. The content of a Free Trade Agreement between Australia and the US has been agreed and it is now making its way through the Australian Parliament and Congress. On the ground this will result in a myriad of expanded contracts, new businesses, professionals openings and services delivered.



Skilled Professionals

This submission does not comment on behalf of all Australian in America but rather the subset Hugo defines as "Skilled professionals". Advance's nearly 3000 members in the US are "Skilled Professionals": artists, entrepreneurs, entertainers, scientists, researchers, consultants, IT professionals, engineers, health care professionals, lawyers, and financial services professionals including bankers, accountants, brokers and traders. Nearly all have University qualifications from Australia. As Hugo asserts, this group has particular relevance to Australian diaspora policy¹⁰ as the group best able to fulfil the role of 'ambassadors' and 'beachheads' for Australian cultural, commercial and scientific endeavours in the US.

⁸ An Australia-USA Free Trade Agreement: Issues & Implications, APEC Study Centre Monash University, Executive Summary xii

⁹ ibid xiii

¹⁰ ibid

Hugo report

There is growing academic focus on the issue of the Australian diaspora. The CEDA Report – *Australia's Diaspora: It's Size, Nature and Policy Implications*, December 2003 (Hugo, Rudd and Harris) presented a strong argument that the large number of Australians living and working abroad is an economic and cultural asset and that thought should be given to policies to make the most of the opportunity it presents. The report also suggested that amongst highly skilled professional Australians abroad, many, in fact most, intend to eventually return to Australia.

The “rolling diaspora”

The flow of people, capital and ideas across the globe has never been more dynamic. Over the span of their working lives, Australians will increasingly seek to participate in the global market-place whether from a base in Australia, or by moving overseas or both. The Australian ‘diaspora’ represents approximately 5% of all Australians, and nearly 10% of the potential Australian workforce. This is not a static group, it represents a flow of people departing and returning. Over 50% of those abroad will return, others who will remain away indefinitely and another group will move in and out of Australian residence through-out their working lives. In addition, of the 95% of Australians currently living in Australia, a large number have spent over 12 months working overseas and a further group will do so at some point in the future. To more accurately describe the diaspora and to reflect this fluid reality, we have coined the term “*the rolling diaspora*”.

Australians are also identified internationally as frequent travelers. We have amongst the highest rates of passport ownership in the world and love of travel is a great element in the national character. This trait has much to offer the nation's future. In an increasingly global market for all products and services, knowledge and familiarity with world markets through travel and work experience overseas become a source of comparative advantage *vis a vis* other developed nations. One of the reasons why there are so many Australians in C-level management of Fortune 500 Companies is their international exposure, in mid-career.

Conquering the tyranny of distance

Australians abroad are able to maintain continued contact with Australia through improved communications technology and lower cost air travel, enabling the Australian diaspora to become an increasingly important means of conquering the tyranny of distance and isolation that Australia faces in being a world trader and global participant. Australian enterprise and government international endeavours can be amplified using the professional contacts, expertise and enthusiasm for Australia of the Australian diaspora.

Australian ‘ambassadors’

Hugo found that “nearly 80% of respondents believed their overseas residency had benefits for Australia, by ‘creating goodwill towards Australia’ through ‘skills transferable back to Australia’ and over 50% of respondents thought that contacts they had made would be useful for other Australians, while others saw benefits arising from linkages between Australia and the countries in which they were currently living” (Hugo 2003: 12).

The Advance members who contributed to our submission, and the many hundreds we have engaged with over the past 18 months see themselves as ‘ambassadors’ for Australia, with many describing the very practical ways in which they advance Australia's interests in the US.



Bringing the World Back Home

While it is clear from the research that Australia is not experiencing a numerical 'brain drain' given the flow of talented migrants into the country¹¹ in qualitative terms, an exceptional group of Australians is abroad at any one time. While we view this 'diaspora' as a great asset, we also agree with the view in the Hugo report: "In a world where national prosperity is increasingly shaped by innovation and the timely and appropriate application of innovation, human resources are crucially important to the national economy. There is an increasing amount of international competition for the best qualified people in the new economy. All OECD nations and many countries outside them have specific policies to attract international talent in areas such as information technology, management, engineering, research and so on. Hence Australia is competing with an increasingly large number of countries for a limited pool of talent. Australia simply cannot afford to ignore its homegrown talent in the international pool of skilled labour."¹²

1.3 Methodology for producing submissions

As a national network of professionals we sought to gain input from as many sources within the organisation as possible. In preparing this submission we did the following things:

- 1 Held regional forums to which members of the Australian diaspora (principally Advance members) were invited:
 - in New York City, February 27th
 - Boston, February 30th
 - Chicago, February 10 (in conjunction with the Southern Cross Group)
 - Los Angeles, February 13
 - San Francisco, February 10
 - Washington DC a questionnaire was issued and responses are attached.
- 2 Prepared case studies of members
- 3 Formed a research & drafting group



The Advance Creative Network has done worked to promote Australian artists in New York (including Anne Bezor above, as well as curating our own exhibition of Emerging Australian Artists.

¹¹ Hugo 1994; Smith 1996; Lewis and Stromback 1996; Birrell et al. 2001)

¹² CEDA Report – *Australia's Diaspora: It's Size, Nature and Policy Implications*, December 2003 (Hugo, Rudd and Harris) p 57

2. A profile of the Australian diaspora in the US

2.1 Introduction

This section of our submission provides a profile of the “skilled professional” group of the Australian diaspora in the US. We do this in two ways, one is to provide quantitative data drawn from the following main sources:

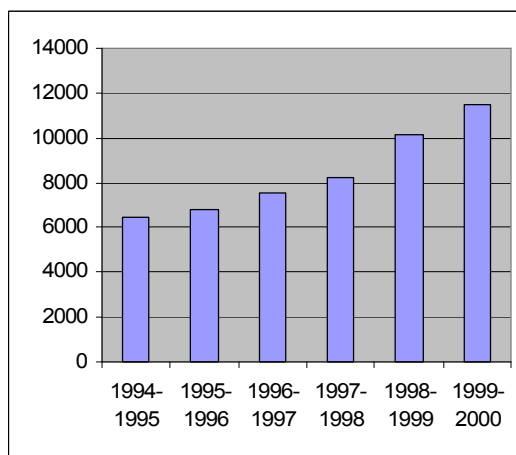
- Advance membership data
- CEDA Report – *Australia's Diaspora: It's Size, Nature and Policy Implications*, December 2003 (Hugo, Rudd and Harris)
- US Department of Immigration data
- Questionnaire responses to the qualitative questionnaire we undertook as part of four preparation for this submission.

It should be noted that the data we found from the US Department of Immigration is data that we have not seen published anywhere in any Australian coverage of this issue including the ‘Hugo report’.

The second part of this profile is qualitative and recounts individual stories and circumstances to give a more personalised portrait of this diverse group.

2.2 Australians in the US

The Australian expatriate community in the United States is the third largest group of Australian expatriates. We understand that there are between 106,410¹³ and 200,000¹⁴ Australians in the US. From our estimates, approximately 60% are skilled professionals 25-50 years, our principal target group. In looking for opportunities for career progression in the past, young Australians would have moved to Australia's largest cities, or internationally to London, increasingly many Australian's now look to the United States as the largest economy in the world as a destination for maximum career and income progression. The US has been increasing in importance over the last decade¹⁵ as evidenced by the growth in permanent and long-term outmovement of the Australian born at right.



Permanent and Long-term outmovement of Australian born to the US.

The Australian expatriate community in the United States is the third largest group of Australian expatriates.

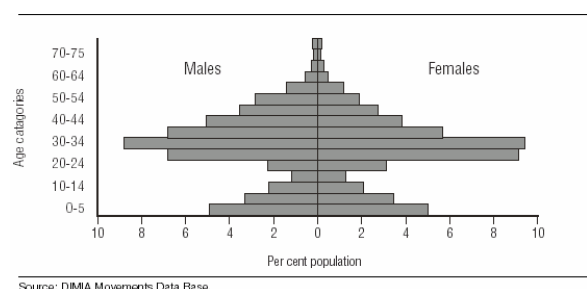
Source: CEDA - *Australia's Diaspora: Its Size, Nature and Policy Implications* December 2003, Hugo et al from DFAT. DIMMA Statistics

¹³ Estimates from Department of Foreign Affairs and Trade, end 2001, based on Consular visits.

¹⁴ Estimate based on extrapolation of estimates for individual locations judged against US Department of Immigration data

¹⁵ CEDA Report – *Australia's Diaspora: It's Size, Nature and Policy Implications*, December 2003 (Hugo, Rudd and Harris) p 22

According to Hugo, the total estimated Permanent and long-term out-movement of the Australian-born who went to the US in 2001-2 was 10,766, accounting for 12.8% of all Permanent and long-term out-movement of Australian-born people.



Source: CEDA - *Australia's Diaspora: Its Size, Nature and Policy Implications* December 2003, Hugo et al from DFAT. DIMMA Statistics

US Immigration data

According to the US Immigration data, there were 514,268 visits to the US in Fiscal 2002. This does not represent 514,268 individuals as some people make more than one visit during 2002. Analysis of this data (shown at left) demonstrates that approximately 40,000 were long term departures (some categories include short-term and long-term visitors). On the basis of this estimate, 8% of visitors to the US are permanent or long-term residents of the US, therefore members of the diaspora. In our Diaspora forums, the accuracy of the Australian Department of Immigration data was challenged in that many people had left indicating a 'temporary departure' yet they have never returned to Australia permanently. In addition, on preliminary observation, the US data would appear to indicate higher departures than the Australian data.

There is a need for more detailed study and comparison of the US and Australian data.

Number and type of visas issued to Australians (2002)

Visa	Occupation	Number
H1A	(Registered nurses)	18
H1B	(Workers with specialty occupation)	7,761
H1C	(Nursing, nursing relief Act)	2
H2A	(Agricultural)	33
H2B	(Non-agricultural)	1,087
H3	(Industrial trainees)	46
J1	(Exchange visitors)	7,990
L1	(Intra-company transfers)	9,323
O1	(Workers with extraordinary ability or achievement)	1,212
O2	(Workers accompanying O1 workers)	86
P1	(Internationally recognised athletes or entertainers)	826
P2	(Artists/entertainers reciprocal exchange programs)	10
P3	(Artist or entertainers in culturally unique programs)	34
Q1	(Workers in cultural exchange programs)	6
R1	(Workers in religion occupation)	447
TOTAL		28,881

Field	Number
IT	411
Education	277
Administrative specialists	224
Architecture and engineering	211
Managers and officials	202
Life sciences	87
Medicine and health	84
Miscellaneous professionals	80
Law and jurisprudence	57
Maths and physical sciences	56
Social sciences	43
Fashion models	34
Art	31
Writing	19
Entertainment and recreation	13
Unknown	13
Museum, library and archival	2
Religion and theology	2
TOTAL	1846
Number of Visas issued by field.	

Visitors to the US, Fiscal Year 2002	Number
Temporary pleasure	365,682
Temporary business	95,274
Temporary workers and trainees	11,568
Intra-company transfers	9,323
Exchange visitors	7,990
Government officials	6,081
Spouses and children of intra-company transfers	4,168
Students	3,918
Spouses and children of temp workers and trainees	2,515
Transit aliens	2,158
Treaty traders and investors	1,706
International representatives	1,550
Media representatives	678
Spouses and children of exchange visitors	648
Unknown	477
Fiancées and Fiancés of US citizens	361
Spouses and children of students	110
Spouses and children of US citizens	26
Spouse of legal permanent US resident	19
NATO officials	13
Children of legal permanent US resident	3
TOTAL	514,268

From above:

Estimate of Long term visitors	Number
Temporary workers and trainees	11,568
Intra-company transfers	9,323
Exchange visitors	7,990
Spouses and children of intra-company transfers	4,168
Students	3,918
Spouses and children of temp workers and trainees	2,515
Media representatives	678
Spouses and children of exchange visitors	648
Spouses and children of students	110
Spouse of legal permanent US resident	19
Children of legal permanent US resident	3
TOTAL	40,940

Source: US Immigration Statistics 2002

Occupation

Using as a sample the Advance membership of nearly 3000 members, we can provide an indication of the occupation of Australian Professionals in the US. When they register as members we ask them their Company Sector. At Appendix C we also attach the Positions held by all advance members

In addition, we invite them to join an Industry Specific Network reflecting their interests. The breakdown below shows these preferences. Individual members can join more than one Network.

Age Profile

The US Immigration requirements and the absence of working holiday requirements drives the profile of Australians in the US. If there was a working holiday programme the average age of Australians in the US would look more like the profile in the UK and thousands more Australians would be here.

The majority of those who have participated in our submission are here for senior career progression with many participants either transferring to the US with their employer or striking out on their own at mid-career and above.

Permanent and long-term departures of Australia-born to the US.

	Males	Females	Total	%
20-29	7,669	8,701	16,370	42%
30-39	7,129	6,428	13,557	35%
40-49	3,233	2,825	6,058	15%
50-59	1,327	1,109	2,436	6%
60+	383	393	776	2%
			39,197	100%

Source: DFAT 2000

Hugo found that the balance of males and females in emigration shows that among permanent departures of the Australian-born, males (12,176) outnumbered females (11,970) in 2001-2 but among Australian resident long-term departures females (30,392) slightly outnumber males (29,767). However, the figures for the US reverse this trend with women being more numerous in permanent departures and males more numerous in long-term departures (Hugo 2003:34).

Skilled Professionals & Managers

The key issue for Australian emigration policy is the caliber of skills of this group. Are these skills readily replaceable in the Australian context by incoming skilled immigrants?

One of the most prominent issues that Hugo found relating to emigration from Australia is the fact that it is “undoubtedly selective of the more highly educated, more skilled parts of the population” (Hugo 2003:35). That is, the bulk of emigrants out of Australia are from high skill occupation areas with over two thirds of all Australia-born permanent departures and Australian resident long-term departures being managers, administrators, professionals and para-professionals. This data reinforces our own observation and experience that the Australian diaspora in the US is a selective group in terms of age, education, income and skill.

‘Short-term’ or ‘permanent’

While the vast majority of Australians in the US come for a period of time, we found that many of our members had experienced a ‘creeping’ change of where they called ‘home’ with many returning often to Australia for holidays, but not acknowledging that they were going to be in the US long-term until about the 10 year point. This is consistent with the Hugo data which finds this phenomenon among expatriates particularly strong in Asia and the US.



2.3 Why are they here in the US

The labour market and its opportunities are increasingly global. When looking for career advancement, many Australian professionals will compare job opportunities between cities. More intra-company transfers are now international, while more Australians than ever before work for companies and organizations which have a head office outside Australia and/or have branches outside Australia.

“In the globalizing world of the last decade the boundaries of labour markets have extended further, so that many look to global cities such as London and New York as the centre of gravity of their labour market”

The Hugo Report, 2003.

Consistent with the Hugo research, the majority Advance members have come to the US for the following reasons:

- Superior employment opportunities
- Professional development
- Pursuit of higher incomes
- Career progression
- Pursuit of career in known centre for excellence in their field (creative, scientific)
- Experience global lifestyle
- Marriage/partner
- Study/Scholarship
- Escape the “Tall Poppy” syndrome in Australia

Financial considerations

The desirability of the US *vis a vis* Australia is driven by:

- Higher attainable incomes in the US - Hugo’s research indicated that 29.6% of Australian respondents in the US & Canada earn over \$A200,000 per year;
- The exchange rate – the US was extremely attractive when the US dollar bought two Australian dollars. At between 70-80 cents the effect is much less dramatic now;
- Relative tax rates; and
- Relative purchasing power.

Australia is not competitive in the financial rewards that it can offer talented Australian professionals. Even with a strong Australian dollar, income expectations among senior and mid-career professionals here are almost universally higher than their equivalents in Australia. Recent political debate in Australia to cap salary entitlements of Executives of Public Companies, should they become policy, will only make Australia less attractive as a destination for talented professionals.

Clearly the US is financially an attractive destination however, the comparisons on purchasing power are very difficult to make because of different levels of government participation in key service provision such as health care and education. Australian Policy makers should also keep in mind that for many expatriates, the financial factors are ultimately put aside for the less measurable lifestyle benefits of returning to Australia and its quality of life: climate, proximity to family and natural environment. Our research here indicates that it is on these strengths that this is Australia’s ace to play in attracting both home-grown and international talent back to Australia.



In addition, Australians in the US are, from their own experience, very aware of the quality of Primary and Secondary schooling in Australia (although they fear quality maybe declining). This plays an important factor in family units returning to Australia. It is a constant expat refrain “ I want my children to be educated in Australia”. Another policy ace to consider.

“I would prefer my children to attend Australian high school – we will likely return for those years.”

Guy Daley, Advance Member

3. Needs and Concerns of Australians in the US

3.1 Introduction

The following needs and concerns identified in our consultation process are highlighted here:

- Desire for a perceptions shift in the value attributed to the diaspora and to foreign work experience
- Personal costs of being away from Australia
- More avenues to participate in Australia's future and assist individual Australians and businesses make it in the US
- Citizenship, voting and representation issues
- Ease of return issues (employment)
 - Lack of understanding of skill set and experiences by Australian recruiters and human resources executives
 - Lack of network and links in Australia
- Ease of return issues (financial)
 - Tax on superannuation earned abroad
 - Simplify bi-lateral tax issues and provide more information on bilateral social security/superannuation entitlements and transferability.
- Working rights in the US

3.2 Recognition of their connections to Australia

Most expatriates would like the strength of their connection to Australia to be appreciated. Despite compelling reasons for leaving most Australians we canvassed in the US indicated that they intended to go back to Australia, to live on a permanent basis, at some point in the future. In addition, everyone wanted to remain connected to Australia, whether or not they planned to return, and all wanted to play a role in Australia's future. Whilst the Advance membership may be a self selecting group, this desire was universal amongst our members. Another unanimous view was the importance of maintaining Australian citizenship, a sense of Australian identity as well as ties to home.

“I may never live full time in Australia again, but I am still Australian and I want to maintain a link to the country. I feel for the first time that Australia is starting to recognize that the alumni are allies and ambassadors, and welcome the opportunity to become more involved”

Shayne McQuade, Entrepreneur and Advance Member

3.3 Personal costs of being away from home

A range of personal and professional costs were identified, all of which result from extended absence from Australia. These include:

- Separation from family and friends.
- Missing years of local experience and connections – Loss of ‘social capital’ that arises as a result of being away from Australia for an extended period.
- Unloved; forgotten – Perception of those living and working overseas that they are ‘out of sight’ and ‘out of mind’.
- Unappreciated; resentment – Perception that by leaving for an extended period, working expats have either ‘abandoned the ship’ or that they are somehow no longer like ‘us’ (in terms of losing their links and loyalties to those at home).
- “Tall poppies” – By taking advantage of a working stint overseas, and thereby increasing personal and professional profile, perception that expats somehow marginalize themselves from the broader Australian-based community.
- Deciding when to return home presents a dilemma

- People do not want to know – Belief that, despite valuable insight and experiences acquired overseas, the Australian-based community are either not interested, or do not ascribe it the requisite value.

3.4 Citizenship, Representation, Voting, Citizenship & Australian Government Services

Expatriates want to know that their voice will be heard. Aware of their numbers and the percentage of the Australian population they represent, the call for increased methods of participation in the life of Australia was made by many and in various forms.

- All those who participated in this research valued their Australian citizenship. There was also a strong desire to ensure the mechanisms are in place to pass this citizenship right on to their children. Similarly, the group noted that easing the rules for allowing foreign spouses / partners to gain residency would be a major advance in attracting Australian expats back home.
- Voting process for expats is not well understood. It should be both better promoted.
- Currently there is no Government Department or Ministry which makes public its responsibility for the interests of expatriate Australians.
- There is no comprehensive portal which provides resources, via one portal (and not through a range of government departments), with respect to issues and materials of interest to expats, particularly those wishing to return home (e.g., re-entry requirements for spouses / partners; job opportunities; transferability of pension entitlements; taxation issues etc.)

3.5 Ease of Return

There was a large amount of discussion from those wanting to return to Australia and included the following:

- Ease of return issues (employment)
 - Lack of understanding of skill set and experiences by Australian recruiters and human resources executives
 - Lack of network and links in Australia
- Ease of return issues (financial)
 - Tax on superannuation earned abroad
 - Simplify bi-lateral tax issues and provide more information on bilateral social security/superannuation entitlements and transferability.

There was a strong feeling that no-one in Australia was really looking into the issue of return and failure to do so represents a lost opportunity to get more Australians to return home after their international stint.

3.6 Working rights in the US

H1B Visa Quotas being reduced

The 'war on terror' has had unexpected consequences for Australians working in or planning to work in the US. The quota of H1B visas (one of the principal routes for Australians to gain working rights in the US) has been reduced from 195,000 to 65,000. The quota was reached in February and no new H1Bs will be released until October. In addition, for those renewing their H1Bs, while they are not included in the quota, the processing time for renewal is now up to 12 months. If a visa elapses in this time, then the candidate can continue to work and can leave the country but cannot reenter.

Working rights for spouses in the US

The rule that denies the spouses (or defacto's) of people with H1B visas automatic working rights presents major problems for many couples. Many US businesses are reluctant to sponsor foreign workers (cost and expense). The result is a pool of underemployed yet talented Australians. There was great disappointment that the recently signed Australian US Free Trade Agreement did not contain concrete improvements to the human capital mobility between Australia and the US.

Advance's access to many of these partners of Australians employed on H1Bs is part of our formula. It is a joint win as we gain access to high quality resources and they are able to experience the social and occupational benefits of work (if not the pay).

4. Costs, Benefits and opportunities presented by the phenomenon

4.1 Introduction

Other parts of our submission provide detail on costs, benefits and opportunities of so many Australians living and working abroad. For convenience, we provide a summary here.

	Description	Example
Costs	Loss of innovators, drivers and creatives to the Australian economy.	<ul style="list-style-type: none"> - There are 20 Australian born and educated Professors at Harvard and MIT alone. This picture is mirrored around the US at elite institutions. - Artists, musicians and performers leave Australia in large numbers (we have over 1000 in our creative Network alone)
	Loss of quality human capital, particularly managers.	<ul style="list-style-type: none"> - Two-thirds of Australian born permanent and long-term departures are managers, professionals and para-professionals. - 69% of Australians in the US that responded to the Hugo survey were on income of \$200,000AUD or above
Benefits	Free resource of roving Australian Ambassadors	<ul style="list-style-type: none"> - Australians abroad are generally well educated, well traveled. Through the internet they remain connected and informed about Australia and are strong advocates of Australia as a tourist, educational and business destination.
	Source of business leads and connections	<ul style="list-style-type: none"> - Everyday Australians based in the US field calls from friends and associates about guidance on entering this market. Now formal groups like advance, stimulate this process by putting infrastructure in-place to broaden the reach of such enquiries.
	Ready source of well placed investment introductions for Australian enterprises	<ul style="list-style-type: none"> - Introductions of businesses seeking introductions to sources of capital in the US are regularly made by US based Australians.
	Academic & Research collaboration with Australian Universities	<ul style="list-style-type: none"> - Key researchers and innovators based in the US are able to create more collaboration opportunities with Australian Universities and Research Institutes.
	Technology & knowledge transfer on return	<ul style="list-style-type: none"> - Australians who have worked in cutting edge environments who return to Australia in science, business, academia and the arts bring their experience and knowledge with them into their enterprises in Australia.
	Networks and contacts on return	<ul style="list-style-type: none"> - Similarly, the network they established while away, becomes available to their Australian employer or enterprise.

Opportunities	Expanding the reach of the types of benefits listed above through networks and infrastructure	<i>We provide a list below by industry group. These are indicative only to highlight the types of opportunities. This list should not be considered exhaustive.</i>
“How could you advance Australia’s interests while you are away?”	Academic Research “By Encouraging collaborative research efforts, encouraging exchange students... I have already facilitated a number of my USA students in having some exchange experience in Australia. I believe that Australia will benefit from a system that brings at least a part of the Australian diaspora 'home' for periods of time, if it cannot attract them home altogether.” Nadine Levick, Health Professional and Advance Member	- Increase the number of Fellowships, Residencies, Grants funded sabbaticals and other initiatives which encourage well positioned Australians abroad to return to Australia for a time (eg NSW Residency Sydney University) - Encourage Australian based scientists and researchers to seek out Australians abroad as collaborators and conduits. There are Australians in all major international organizations. I have hosted numerous professional visitors from Australia learning about activities in the filed in the US. Keith Rust, Statistician Advance Member
	Creative Industries “I promote Australia (as do many overseas-living Australian colleagues) by the sheer fact that I am doing well - although Australia (in my field at least) seems to have little interest in this fact. I also promote Australia by performing Australian music when I can.” Asmira Woodward-Page, Concert Violinist and Advance Member	- Concentration of Australian artists in particular cities means they can act collectively (as we have done with the Trans: Emerging - Artists Exhibition for 13 Australian Artists) - Increase formal and informal cultural exchanges.
	Entrepreneur – Investor “I would like to see the Australian government coordinate the business and educational communities along the same lines as the Israeli Business Exchange in the US to more effectively prepare Australian companies for US and European business. Guy Daley, Software Company CEO and Advance Member	- High profile Australians retiring from global business should be tracked and relevant invitations for their involvement in Australian Boards and national business development should be extended from the highest levels.
	Hospitality & Tourism “No cost, only a ...potential benefit (of me being away).... If I succeed, a big offshoot will be the tourism growth the sport generates”.	- “Invite a US Friend” to promotional events about Australian Hospitality & Tourism. Australians are passionate about Australia’s natural beauty and are constantly promoting Australia’s assets. - Concentration of Australians here means

	<p>Denis Ryan, USFootyKids National Coordinator</p> <p>“I buy Australian products (art, organic Aussie meat at the supermarket, for ex.) and encourage others to do so. I brag about Australia and now several of my friends have traveled there and some are even living, studying and working there.”</p> <p>Asmira Woodward-Page, Concert Violinist and Advance Member</p>	<p>that there is a large population to help educate the US public about Australian food wine and tourism. Eg we can help our US friends and colleagues move “up the value chain” of the Australian wine story. (Americans still think of Australian wine as good value, rather than “best in the world”).</p>
	<p>Life Sciences</p> <p>“In the HealthCare/Bio arena there is tremendous requirement for commercial, regulatory and research experience and this is the area I would like to support Australia and transfer knowledge”.</p> <p>Elissa Burke, Director Bayer Healthcare and Advance member</p>	<ul style="list-style-type: none"> - Expatriates as a source of investment leads for bio enterprises - Business development support including introductions to potential clients and joint venture partners and general market overview guidance.
	<p>Property Services</p> <p>“Until it was covered in the New York Times recently, no-one knew that Australia was the 3rd largest owner of commercial property in the US. It will be Australians here in the US who will now get this message out there.”</p> <p>Property Fund Manager and Advance Member</p>	<ul style="list-style-type: none"> - Leads and contacts into US firms and contacts. - Promoting the achievements of Australian architects and showcase projects in Australia (like Federation Square we hosted a reception in New York for the main architect of this project) - Deal flow.
	<p>Public Interest & Philanthropy</p> <p>“Just from one round of phonecalls to fellow Australians I was able to get a full day of meetings with potential donors for our project in Australia”.</p> <p>Medical research fundraiser and Advance member</p>	<ul style="list-style-type: none"> - Introduction of Australian charities and institutions to Philanthropic Foundations in the US. - Knowledge of processes, protocols and strategies for success is sourcing US philanthropic money
	<p>Technology</p> <p>“Create a conduit that assists Australian businesses in more rapidly and more effectively establishing themselves in the US and Europe and taking advantage of those much larger, liquid and demanding market economies”.</p> <p>Guy Daley, Software Company CEO and Advance Member</p>	<ul style="list-style-type: none"> - Expatriates as a source of investment leads for technology enterprises - Business development support including introductions to potential clients and joint venture partners and general market overview guidance.

5. Measures taken by other comparable countries to respond to the needs of their expatriates

5.1 Introduction

Many other nations, have responded to the challenges and opportunities of having large international diaspora. There is considerable information now available on the strategies employed and their success. In particular we refer the Senate Inquiry to the comprehensive coverage of this topic in the 'Hugo report', the work being done by the Irish Diaspora Research Unit, and the Report to the High Level Committee on the Indian Diaspora: 'Other Diasporas: A Global Perspective'.

In addition, it is now policy of a number of developed nations to have active strategies to attract the world's best talent from their diaspora and beyond.

In this section, we provide a brief summary of the various types of initiatives employed relevant to the Australian context. We have paid more attention to those which have an economic outcome than those which enhance representation.

Before proceeding, we note that in recent months Advance has been approached by both the Singaporean and Canadian Governments as part of their research into strategies to work effectively with the diaspora. In the view of both the Singaporean representatives and Canadian that we have spoken to, they have identified our work as world best practice.

"Competition for skills and intellectual resources is increasing, especially in OECD nations.... Those who emigrate are not only highly skilled and highly educated, but include many of the key researchers and innovators who are most likely to place Australia in a competitive position within the global economy. This is cause for concern and requires policies to accommodate the tendency"

The Hugo Report, 2003

5.2 Overview of measures

The range of measures which have been implemented by other countries includes:

- expatriate data-bases linking mentors & business partners
- encouraging companies to advertise jobs to the expatriate community
- programmes to recruit expatriate researchers back to home country
- Summits/leadership forums in-country with business & government leaders
- formally stimulating research collaborations between Universities & expatriate researchers
- targets of Foreign Direct Investment
- Trade development/Investment Promotion agencies having active collaborations with professionally relevant expatriate groups

Summary of types of initiatives

Initiative type/ description	Countries using this strategy	Commentary/Relevance to Australian context
Including the Diaspora in Home Country Affairs		
Dual Citizenship	Many countries	Australia has dual citizenship legislation in-place ¹⁶ .
Expatriate Voting Rights	Italy, Croatia, US & many other countries for various durations.	Australia should continue to simplify access to voting rights for expatriate Australians.
Parliamentary representation	Italy, Croatia	Costs and benefits of such an initiative in the Australian context warrant investigation.
Inclusion in the Census	US (2010)	Great value in having a detailed profile of all Australians including the Australian diaspora.
High Level Diaspora Conferences with senior officials & business leaders	Italy, Taiwan, India, Greece, South Africa.	This is an important strategy in mobilizing the potential effectiveness of the Australian diaspora.
Funding Diaspora Organisations	Italy, Taiwan, Phillipines, Ireland, Singapore and several others	Some countries make substantial investments enabling the diaspora to deliver comprehensive language, cultural, networking and social welfare programmes abroad.
Attracting talent back home	Taiwan, Ireland, Singapore, New Zealand	Singapore is a good example with serious resources now applied to 'Contact' a network to facilitate attraction of global talent to Singapore.
Stimulating Foreign Direct Investment from the Diaspora	India, Ireland, Taiwan and others	The Indian Government has set a target of \$5bn of FDI from the diaspora.
Offering Special Bank accounts	India	These are protected accounts which bypass the usual processes for making investments in India.
Using Diaspora as 'Ambassadors Abroad'	Wales, Canada and other countries.	The Welsh programme advertises for candidates of Welsh origin appoints honorary Business Ambassadors in particular markets.
Stimulating Research Collaboration/Attracting diaspora scientists researchers back	Australia	This area seems to be one in which Australia is already taking the lead with the NSW Residency Scholarships hosted by Sydney University.

5.3 Role played by the Diaspora

Globally, there has been an emerging awareness and appreciation 'that a highly skilled diaspora may play several important roles in promoting development at home' (Lucas

¹⁶ There are still a couple of groups where citizenship has not been successfully re-instated and these should be addressed. The Southern Cross Group has promoted these important cases.

2001:I). As a result, several countries have taken measures to facilitate links with their diaspora. The promotion of development in the mother nation has been achieved through a variety of mechanisms including remittances and providing a source of foreign investment, especially investments which generate employment. Moreover, they can 'act as middlemen, enhancing information flows, lowering reputation barriers and enforcing contractual arrangements, resulting in an expansion of capital inflows from foreigners, as well as from the diaspora and of trade links too' (Lucas 2001:I).

5.4 Financial incentives

Some countries offer expatriates the opportunity to bank in origin country institutions with preferential interest and tax rates, encouraging them to invest in enterprises in the home country, using them as beachheads to gain access to foreign markets for origin country exports, using them as contacts for origin country business activities, helping them encourage their employers to invest in the home country, as well as assisting more generally in developing economic, political and cultural linkages with destination countries.

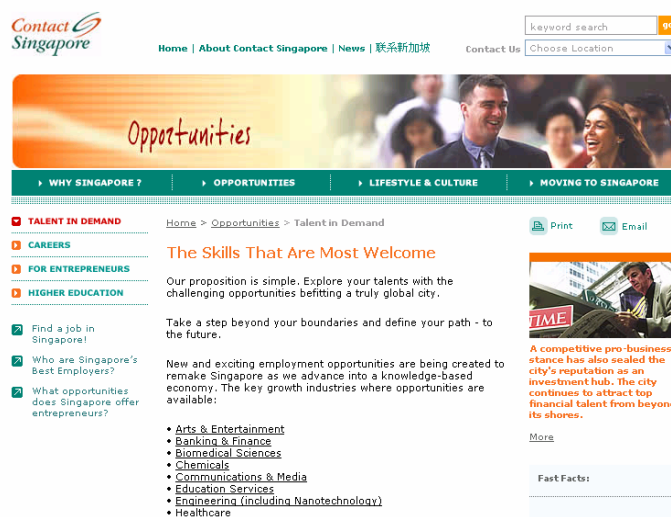
5.4 Return of talent

'Talent Flight' has become a high-level concern for many OECD economies business and political leadership. Several nations, especially the fast-growing economies of Asia, have developed policies to facilitate, encourage and enhance the return of skilled expatriates. The Singapore Government has a new arm called "Contact" which is "a global network that offers professional advisory services and networking channels to global talent, overseas Singaporeans and students interested in exciting career and educational opportunities in Singapore."

Contact Singapore also links Singapore-based employers with the global pool of talent, and facilitates recruitment and engagement of the best performers." Contact has nine international staffed offices located in Australia, China, Europe, India, North America and Singapore.

New Zealand, has created a New Zealand Talent Initiative aimed at attracting talented immigrants and retaining their talent-rich community" (Hugo 2003:14). They have also created the KEA Expatriate Network. KEA "is a unique way of building contacts and relationships between New Zealanders around the world. KEA is an inclusive network that currently spans 48 countries, with members from a wide range of industry, academic and public sector backgrounds. The global connections made through KEA allow sharing of information, ideas, opportunities, and contacts. This 'network of networks' aims to provide New Zealand businesses connections with fellow New Zealanders who have knowledge, specific skills and contacts in offshore markets. KEA acts as a facilitator and moderator for the network, and manages the profiled database of individual and corporate members. "

KEA is a non-profit organisation, headquartered in New Zealand with chapters around the globe.



5.5 Conclusion

All of these initiatives deserve further attention and exploration in the Australian context as part of the development of a comprehensive Expatriate Policy with subsequent programme outcomes.

6. Ways in which Australia could better use its expatriates to promote our economic, social and cultural interests

6.1 Introduction – Expatriates, A Great Australian Asset

Advance takes the view that in a global economy, professional citizens on the ground in another market are a great asset. However, in order to be effective, these expats need to be networked to work together, organized and armed with accurate, up-to date information about Australia and its products, services, legal and financial realities. For this reason, not all expatriates are ideal candidates as ‘Ambassadors’ for Australia. To make an impact, expatriates work best when they are practitioners in the specific industry of interest in the target market. In addition, it is the industry specificity that is a driver of the level of participation by expats in these programmes. It is our experience that the more pertinent the activities are to their professional endeavours, the more rewarding and productive the interaction.

We would like to highlight here the Table presented in the Executive Summary and in Section 4 above, particularly ‘Opportunities’. These ideas can be implemented and to the extent they already have been, their reach can be extended just by providing the resources and tools for Australians to build communities abroad of like minded, motivated Australians.

We also provide a summary of *ways in which Australia could better use its expatriate population to promote our economic, social and cultural interests* with a series of recommendations. See Recommendations. below.

6.2 Growth and Momentum

Australia needs to set its agenda and act swiftly in this policy area if it is to keep pace with other countries. To facilitate a speedy execution in this area, we present the Advance model and its expansion to the Senate Inquiry as a potential means of Australia making better use of our expatriates to promote our economic, cultural and social interests.

We are a young organization, and in less than two years have built a compelling programme of activities to engage Australian expatriates in the US in advancing Australia’s interests. Our activity profile is extremely strong in New York (more than 60% of our activities are in New York where we have had over 5000 attendees at Advance events since inception). The activity profile of the other regions is growing strongly now and expected to reach maturity over the next 6-12 months in each case.

We estimate that we are about 1/3 of our expected final size in the US (currently approximately 3000 members). We anticipate an ultimate membership size in the US of 10,000 members.

6.3 Global Footprint

In addition, we see this model as having broader than US application and have already been approached by professionals in Toronto, London and Hong Kong, to expand to these markets. Globally, we see the potential size of the organization as 50,000 registered members over the next 5 years. This process could happen more quickly with an injection of support from the Federal Government. For our US activities we are already involving State Governments as funding partners. The Federal Government, through DFAT and its representatives in the Australian Consulate-General, New York, have been extremely generous in non-monetary ways – providing us with office space,

and very significant energy and support. However, to date, this organization has flourished with almost no financial support from the Federal Government. Should engagement with the Australian Diaspora in key centres around the world been seen as a priority, with an appropriate injection of funds, Advance is able to significantly speed up our international roll-out.

6.4 Advance's Ten Recommendations to the Senate Inquiry

Advance makes the following recommendations to the Senate Inquiry into the Australian Expatriates.

1. Demographic research

We recommend additional demographic research be undertaken to complete the profile of the size, nature and extent of the Australian diaspora.

The flow of talent into and out of Australia is significant. Greater knowledge of the profile of the talent flow out of Australia, likelihood of return for particular groups and factors driving the phenomenon is important. The initial research undertaken by Professor Hugo and his colleagues has revealed trends which require further, more comprehensive research to get the full picture.

We recommend that Australian expatriates be included in future Censuses of the Australian population.

The US is set to include their expatriate population in their 2010 Census. Australia should make the investment to do the same.

2. Economic research

We recommend economic research be undertaken to establish the current and potential economic contribution of the diaspora including:

- *Potential to leverage Foreign Direct Investment*
- *Contribution as 'tourists' and contribution as informal promoters of Australia as a tourist destination*
- *Property investment*
- *Trade and business leads*
- *Extent to which the diaspora have an impact on other Australian economic indicators*

3. Develop a Comprehensive Emigration Policy

We recommend Australia develop a comprehensive emigration policy. This policy needs to consider the following issues:

- *Means to ensure that Australia remains an attractive destination for the world's professionals, scientists, artists and entrepreneurs and home grown talent in particular;*
- *Means to ensure that Australians abroad are assisted in keeping in touch with Australia, its interests, development and endeavours;*
- *Obstacles to the return of home grown talent are removed;*
- *Active strategies are employed to engage Australians abroad in Australian commercial, artistic and scientific development of Australia*

Other nations are responding to the challenges presented by 'talent flight' and the 'global war for talent'. However, no country at present has a comprehensive emigration policy. There is an opportunity for Australia to be a leader in this area.

Advance would welcome participation and consultation in the various stages and elements of this policy development process.

4. Political and high level representation of the Diaspora

Based on a review of the activities of other nations in this area, and feedback from our US membership, we recommend the following initiatives:

We recommend the identification of a Ministry under which expatriate affairs will reside, resource and empower this unit.

With 1 million Australians abroad and the economic power and potential of this group considered, it would be appropriate for Expatriate Affairs to be part of a Ministerial Portfolio. We see advantages to this being part of the Foreign Affairs Portfolio or the Department of Science and Technology. It would be sensible for any Steering Committee for such a unit to include representation from Austrade, Invest Australia, the Australian Tourism Commission, the Australian Wine Bureau, Department of Education Employment and Training and the Department for Industry Science and Technology.

This unit would be responsible for overseeing the implementation of Recommendations 5-10 below.

We recommend an Annual Expatriate Business Leaders Summit be established, attended by the Prime Minister of Australia, Senior Ministers and Australian Business Leaders.

Australia should engage more fully with its expatriate business leaders. The international CEO's and Presidents of the following companies are Australians: McDonald's, Coca Cola, Merrill Lynch, Newscorp, Merck & Co, WebMethods, to name a few. This group and their peers should be convened in Australia or internationally annually or bi-annually. (For a fuller listing of Senior Australian executives in high profile US Corporations see www.advance.org Australians in America Hall of Fame.

We recommend that the outstanding issues of political representation for expatriates be addressed.

While we were unable to agree within the organization on what form additional voting rights for expatriate Australians take, at a minimum, efforts should be made to make it easier for Australians abroad to vote during the term they are eligible.

6. Commence communication with Australians as they leave Australia

We recommend that Australians leaving the country (temporarily or permanently) be given a resources card on departure inviting them to keep in touch. This could have a message to all Australians that no matter how long they leave for, we want them to stay in contact with Australia. The card could promote the website address for the Portal and key expatriate groups in various key destinations.

We recommend the creation of an Expatriates Portal which would centralize all Federal Government services as they relate to expatriates as well as promote all the diaspora resources at their disposal including expatriate groups like Advance, the Southern Cross Group, Chambers of Commerce. This portal could also issue a monthly newsletter.

We would be pleased to collaborate on such an initiative.

6. Realign Department of Foreign Affairs Policy and Practices to ensure that all Posts make better use of Expatriates in achieving post objectives.

We recommend that at the highest levels, policy for overseas posts be broadened to ensure robust engagement by DFAT staff with their local expatriate community for better reach into the market/country they are servicing.

DFAT contends with the perception amongst the diaspora that Consulates are only there to help them when things go wrong: they lose their passport, in trouble with the law or a major disaster like September 11 happens. Whilst there are excellent examples of Consular use of the expatriate community to leverage, this is not consistent across the Department and its many posts. Overall the perception is that a lot more could be done to ensure application of best practice at all international posts, but the large ones in particular.

We recommend that best practice examples of engagement with the diaspora be widely publicized.

We believe that the example of what the Consular and Mission Posts in New York have been able to achieve through the in-kind and moral support of Advance should be used as a best practice example.

7. Facilitating the return of Australians from abroad

We recommend that appropriate resources ought be applied to a project to similar to that undertaken by the Singaporean Government (www.contact.org.sg) to facilitate the return of talented Australians and the promotion of Australia as a destination for global talent.

We recommend that a campaign be undertaken targeted at major employers, recruiters and human resources executives, promoting the value of global experience and encouraging them to reach out to the diaspora in their recruitment exercises.

We recommend that the feasibility of simplification and removal of disincentives be assessed in the following areas:

- *Tax on superannuation earned abroad*
- *Simplify bi-lateral tax issues and provide more information on bilateral social security/ superannuation entitlements and transferability.*

8. Financial support for Diaspora organizations

Review

We recommend that a thorough review of existing diaspora organizations and existing government resources available to Australians overseas should be undertaken so there is no reinvention of the wheel but building upon models and experience already in place.

Set performance measures and invest

We believe it is in Australia's economic, social and cultural interest to, once a firm Emigration Policy and priorities have been established, partner with diaspora organizations to achieve government policy objectives. It may be appropriate to tender to existing organizations to deliver services in partnership with Government agencies abroad. Advance would be interested to discuss such an approach.

We recommend that investment/partnership based on an organization's capacity to do the following:

- *Effectively build a community, engage and represent the target audience by providing compelling and inclusive programmes and minimizing barriers to participation.*
- *Make a concrete economic contribution to Australia by engaging the diaspora in:*
 - *Empowering expatriate Australians to be Ambassadors for Australian business, scientific and cultural interests abroad*
 - *Trade development*
 - *Stimulating Foreign Direct Investment*
 - *Mentoring of Australian professionals and entrepreneurs abroad*
 - *Attracting global and Australian born talent to Australia*
 - *Raise Australia's profile abroad particularly in science, culture and the arts*
 - *Participate in debate on Australia's future*

- *Capacity to collaborate with and support existing government economic development programmes (eg Trade – Austrade, FDI – Invest Australia) and raising the perception of Australia as a vibrant dynamic nation (DEAT).*
- *Capacity to be relevant to and therefore keep in touch with large numbers of Australians abroad*
- *Financial viability so not entirely reliant upon Government*
- *Management strength, structure and succession planning*
- *Vitality and growth potential*

There is also a case for investment in a Citizens Advice Bureau type organization for the Diaspora. A group like the Southern Cross Group have to date acted in this capacity for members of the diaspora, providing advice on the daily challenges of life away from home. We see value in the Government partnering with a group like the Southern Cross Group to provide these sorts of services.

Monitor

It is critical that Government investments of this nature be tied to key deliverables and that performance against these standards is maintained and monitored.

9. Changing Perceptions in Australia about the diaspora

We recommend that the accountable Government agency for the Diaspora, see recommendation 4. above have as one of its objectives, changing perceptions of Australians abroad in public discourse as a national asset not a brain drain.

Key themes:

- *“Australians abroad are a national asset, not a brain drain”*
- *“Australia is where Australians are”*
- *Living and working overseas is not tantamount to abandoning Australia. Given the realities of globalization, working overseas offers different opportunities to contribute to Australia’s future.*
- *Celebrate the achievements of fellow Australians who reside abroad and encourage Australian business, government and non-government organizations to engage with the diaspora in achieving their objectives. Encourage Australian business, government and non-government organizations to include expatriates in their recruitment strategies.*

Advance would like to participate, with other groups and agencies, in working on this overarching shift in perceptions.

10. Promote Australia as a prime destination for talented professionals from all over the world.

We recommend that a campaign be undertaken to promote Australia as a great destination for talented and aspirant professionals with an emphasis on the following groups and areas:

- *Science and medical research*
- *Technology & innovation*
- *Financial services*
- *Entrepreneurs*
- *Culture and the Arts*

We recommend that there be an increase in the number of funded residences, scholarships, fellowships and cultural exchanges promoted to expatriate Australians and other international candidates to attract them to Australia.