



Submission to the Senate Inquiry on Australian Expatriates

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1 Introduction

This submission to the Senate Inquiry on Australian Expatriates is being made by the Australian Chamber of Commerce, Singapore (**AustCham, Singapore**).

Globalization and the opportunities presented by it are being seized upon by Australians in the workplace. Successive Australian governments have pushed Australia to export, yet have ignored one of our greatest exports. Labour must be seen as an export in the same way as commodities or services.

The submission will cover each of the following terms of reference, with particular focus on the needs and concerns of overseas Australians as seen through AustCham Singapore:

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

This submission has been drafted by a sub committee of AustCham Singapore, after survey of members. It has been approved for submission at a general meeting of the AustCham, Singapore committee, who has authorized the President, Mr. Phillip Forrest, to sign this submission on behalf of AustCham.

2 About AustCham, Singapore

AustCham, Singapore is the peak business body representing the interests of Australian business in Singapore.

The genesis of the Singapore Australian Business Council (SABC) was in 1977/1978 when a group of Australians with business interests in Singapore met on a regular basis in the Australian High Commission. In 1981, Singapore Australian Business Council (SABC) was formally registered, with the High Commissioner as one of the Patrons.

On 15 June 2001, SABC changed its names to "Australian Chamber of Commerce, Singapore" (AustCham, Singapore) in order to better reflect the role played by the organization in the Singapore business community.

The objectives of AustCham, Singapore are to provide a forum on an organized and continuing basis for Australian business people - irrespective of the origins of the organization for which they work, Singaporeans and other nationals who are senior executives of Australian companies where they can exchange and discuss ideas and common interests regarding economic, industrial and commercial objectives.

AustCham, Singapore works extensively with the Australian High Commission, Singapore and Austrade, Singapore. The High Commissioner is one of the Patrons of AustCham Singapore and the Senior Trade Commissioner is traditionally one of the Vice Presidents of AustCham Singapore in an ex-officio position. AustCham, Singapore's secretariat is located within the Australian High Commission in Singapore. Relations between AustCham, Singapore, the Australian High Commission, Singapore and Austrade, Singapore are excellent. We are extremely grateful for this excellent support.

Membership of AustCham is approximately 500 (fluctuating during the year as members arrive in and leave Singapore).

3 Survey

In order to ensure that our members' views were reflected in the AustCham, Singapore submission, AustCham undertook an extensive survey of members involving 80 questions across a variety of areas.

3.1 Survey Methodology

The survey was developed through a discussion group of Committee members of the Australian Chamber of Commerce but also with consultation with other members of the Australian community in Singapore. Through this approach we were able to gather together broad categories of areas of concern/interest to the Australian community in Singapore either affecting them while living in Singapore or potential effects on returning to Australia. As a result of this process the following areas were identified for development into more detailed questions:

- Citizenship
 - Reasons for moving outside Australia and return to Australia
 - Voting rights
 - Health insurance cover
 - Superannuation
 - Investing in Australia
 - The Australian government
 - Security
 - Australian business/social groups
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The survey also sought information on the demographics of the response group with a view to better understand the drivers for the issues raised e.g. families may have different concerns from single persons and older persons may have different concerns from those who are younger.

The survey was sent out to members of AustCham Singapore and the Australian New Zealand Association (ANZA). Responses were directed to the Executive Director of AustCham Singapore and the individual responses have remained confidential within AustCham.

3.2 Analysis of Responses

The analysis of responses was performed in a qualitative manner rather than using any quantitative techniques. The analysis of issues that follows arises from consideration of the matters raised in the various responses received. More emphasis is given to matters that were raised as concerns/issues by greater number of respondents but there may also be matters included in the response that, while raised by a limited number of people, were nevertheless determined by the Working Group to be valid matters that ought to be brought to the attention of the Inquiry.

4 Australian Diaspora in Singapore

In this section, we examine 2 of the enquiries terms of reference, in the Singapore context.

4.1 The extent of the Australian Diaspora;

There are an estimated 12,000 Australians living in Singapore. The main reason for their presence is business and employment. All Australians working in Singapore must be skilled and in most instances are employed in senior/middle management, although there has been a trend for increased graduate type employment. A high proportion is employed in the services sector.

Singapore is seen by many companies as the regional centre for South East Asia and as a result the opportunities for employment are high. Singapore is also seen as a safe and reasonably comfortable place to be based, particularly for families. Education standards are good, although the cost of education is high, as most Australian parents will send their children to one of the international schools. Responding to demand, 10 years ago, the Australian International School Singapore was established and now has approximately 1,200 students.

Whilst 10 years ago, the number of AustCham members who were Australian citizens working for Australian owned companies or themselves made up the majority of members, this is not the case today. Members' employers fall into 4 broad categories:

- (a) Australian owned company;
 - (b) Self employed;
 - (c) Multinational employer; and
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- (d) Regional employer – This can be both private and Government (including Government owned companies) employment. Of interest is the recent trend of employment of senior personnel into the Singapore government department ranks, particularly in areas where Australia is seen to be ahead of Singapore.

Also of interest is the extent to which the nature of employment opportunities has changed. Historically, Australian expatriates employed in Singapore were seen to be more senior personnel on traditional expatriate packages (including housing, schooling, clubs and home leave). This has changed significantly over the last 10 years, such that many expatriates are on localized arrangements, often receiving only a base salary package.

4.2 The variety of factors driving more Australians to live overseas;

The overriding factor driving Australians to live in Singapore is work opportunity, which can be divided into various categories:

- (a) Broader or deeper opportunity for employment – this includes opportunity to advance employment with existing employer in Australia;
- (b) Opportunity to gain experience in their work area or to gain an experience of living outside Australia; and
- (c) Better financial reward (although this was cited by only a small number of members as the primary reason for moving offshore for the long term).

The working community is evenly split between those who see the offshore experience as being short term in nature and those who commit for the longer term. Notwithstanding this, the vast majority of members view Australia as home and the members were unanimous in responding that they continue to feel Australian. As a result, all maintain strong links to Australia, through family, investments in Australia and through business links, particularly AustCham.

No member responded that they had left Australia because they did not like living there and most expressed a longing for the Australian lifestyle.

5 Needs and concerns of overseas Australians

Australians moving overseas sense they cease to be of direct interest to the Australian Government on leaving Australia's shores. This is emphasized by exclusion from the Australian census, leaving the impression that offshore residents are no longer Australians. Yet this talented group, operating in the global economy, could not be more committed or vocal in support of Australia.

It is of the utmost concern to our members that the Australian government improves its understanding of the expatriate Australian and recognizes the efforts undertaken to promote Australia.

It is of grave concern that Australian legislation discriminates against expatriate Australians.

Whilst there were numerous issues raised by our members, we have chosen to raise in detail the 3 of most concern – Representation and Voting, Citizenship and Health Care and Insurance.

The 3 issues reflect the general feeling that, in representing the interests of all Australians, the Australia Government must increase its interest in overseas Australians who have taken the challenge to globalize

5.1 Representation and Voting

The different but related issues of voting rights and political representation for overseas Australians are topics of concern to AustCham members.

- (a) First, there is a view that the right of overseas Australians to vote is unfairly restricted. Concern relates primarily to restrictions on enrolling to vote from outside Australia. Particularly that if you do not register with the Australian Electoral Commission within 2 years of leaving Australia, you cannot ever enroll as a non-resident Australian. It is appreciated that you can register as an Overseas Elector with the AEC before you leave Australia, however any restriction on Australians enrolling to vote is regarded as unfair.

It should also be noted that the Australian Taxation Office regards whether a person remains enrolled to vote, as one of the tests of residency for taxation purposes. Australians should not have to make a choice to disenfranchise themselves, in order to prove non residency for tax purposes.

The view strongly expressed by our members was that voting is a fundamental right of all Australians regardless of resident status. This was especially so for those Australians who still own property and pay tax in Australia but are now unable to vote.

- (b) Second, it was felt that the sheer size and the many common concerns of overseas Australians warranted some form of political representation. Whilst it is appreciated that the idea of a (or a number) of overseas electorates with a resultant MP in the parliament may raise some legislative issues, the call for representation in some form was clear.

The restrictions on voting rights for overseas Australians and the scattered political influence of those that can vote means that the concerns, participation and rights of overseas Australian are being at best given little attention and at worst completely ignored. A census of overseas Australians is a necessary start to tackling the issues of political representation.

Whilst the idea of direct representation is the preferred position, the concept of a specific ministry (or department under DFAT) for overseas Australians was suggested as a first step.

5.2 Citizenship

Section 10B of the Australian Citizenship Act 1948 (the Act) requires that where a parent acquired Australian citizenship by descent themselves, then they must have spent an aggregate period of at least 2 years in Australia in order to register their child(ren) by descent. We understand this is interpreted as 2 years continuous residency and that temporary residency or holidays may not be accumulated to meet the requirement. There is no provision in the Act to waive this requirement.

Whilst there may be discretion in the Minister to grant citizenship, this rule effectively deprives a young Australian by descent, who has been born and remained with his or her parents overseas from passing Australian citizenship on to his or her child. Such child may end up being stateless as, for example, Singapore does not recognize a person as being a citizen by virtue of being born in Singapore. This situation could arise despite the Australian by descent having spent holidays every year in Australia and possibly extended periods falling short of the 2 years.

Whilst the argument may be run that such a person has no Australian ‘experience’, we would dispute this, given the Australian support in the Singapore community (Australian International School, Australian scout group, Australia New Zealand Association running little athletics, soccer and cricket, Australian Rules Football Club, AustCham etc). In any event, why should an “Australia” experience matter?

It is time that the law is changed to ensure that Australian citizens do not lose the right to pass on Australian citizenship merely by virtue of not living in Australia.

5.3 Health care and Insurance

Many members were concerned with the current regulations relating to health insurance and the effect of prolonged overseas postings on the ability to obtain such insurance or keep that insurance.

The Government scheme to encourage people to take up insurance inadvertently affects those who are based overseas and cannot maintain an Australian based policy, because they are unavailable.

Many Australian overseas will be members of personal or company funded private health schemes that provide cover in the country they reside in. It is our understanding that on return to Australia no credit will be given for the cover held while overseas and returning citizens will be treated as if they had not held private cover and so be required to pay a higher insurance premium.

There is also the problem of “existing illnesses”, where, to take up a policy upon return to Australia may see the exclusion of illnesses which have developed whilst overseas.

Had the individual been able to maintain an Australian based health policy that covered them in Australia and their overseas location, these risks would not have arisen.

6 Making better use of expatriates to promote Australia's economic, social and cultural interests.

To make better use of its expatriates, Australia needs to recognize that these are not people who have abandoned their country, rather that they are potential ambassadors, who can, at a micro level, influence international public opinion about Australia. . This ability to influence international public opinion comes from not an individual, but from a body of people demonstrating positive Australian values over a period of time.

Australia must recognize that the expatriate phenomenon is only going to grow and therefore it should be embraced. In order to make better use of the expatriate community and to ensure that it is integrated into mainstream Australia, the Government should:

- (a) Introduce seminars and literature to help Australian's going overseas, including explaining the Australian government assistance available in different countries and policy towards those countries, so as to make the overseas posting a more rewarding one for the individual and, ultimately, Australia.
- (b) Include overseas Australians in the census, to better understand the changing nature of the expatriate communities.
- (c) Amend the citizenship laws to ensure that Australian citizens do not lose the right to pass on Australian citizenship merely by virtue of not living in Australia (as discussed in Section 5.1 above).
- (d) Encourage overseas Australians to maintain their economic links to Australia. This has a dual advantage. It will increase investment flows into Australia (If, on average, each overseas Australian would have \$10,000 to invest in Australia each year, this represents \$8.6 billion worth of additional investment) as well as ensure that overseas Australians maintain economic ties to Australia. Suggestions here include:
 - (1) Waiving interest withholding tax on deposits with Australian financial institutions;
 - (2) Allowing the full tax thresholds to apply for Australian taxable income;
 - (3) Allowing offshore Australians to treat 1 residence as being tax exempt for capital gains tax purposes (as if it were the primary place of residence) provided it is held for a reasonable period, say 2 years. It would lose this status if the person became Australian resident and did not use the property as his/her principle place of residence.

The tax loss for Australia would be minimal, and would be offset by the value of the greater investment made by overseas Australians.

- (e) Allow overseas Australians to obtain and maintain Australian based health insurance.
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- (f) Participate more actively in Australian communities abroad, particularly in disseminating information about Government policy but also to gather feedback from Australians abroad. The Australian High Commission personnel in Singapore do meet regularly with the Australian community and the relationship and flow of information is very strong. However, as identified earlier, this is individual driven – there are Australian diplomatic posts where the staff are not so inclusive. For Australia to get the most out of the relationship there needs to be a consistent approach both at the on ground and Australia levels.
 - (g) Provide additional funds to Austrade to allow it to participate more actively in regionalizing the Australian business groups in different regions (thus providing a more coordinated regional promotion of Australia’s economic interest). This would assist in extending the reach of Austrade, whilst also providing a platform for regional cooperation and dissemination of information.
 - (h) Forge an ‘Australia Inc’ approach to doing business internationally by encouraging Australian business to use the expertise of Australian businessmen on the ground in countries throughout the world. This starts with Government policy. The even handed approach to aid implementation does not encourage Australian companies to cooperate in bidding for such projects.
 - (i) Utilize Australian business links (and on ground expatriates) to enhance relationships with other countries, particularly where the diplomatic representation is small.
 - (j) Leverage off the expatriate base to identify migrant talent which will enhance Australian capabilities.
 - (k) Encourage stronger links to Australians working for non Australian companies. This is a great area of opportunity for expanding Australia’s trade potential. Many of these Australians will look to Australia for materials and expertise. They can also assist new Australian exporters and investors by bringing a different perspective to trade and investment.
 - (l) Revamp the voting laws to provide for direct representation for overseas Australians.
 - (m) Encourage the movement of Australians by removing indirect barriers to exit and re-entry. These include the issues identified in Section 5 above, together with a variety of other issues, particularly around legislation at both Federal and State levels, which acts as a discouragement to someone moving overseas, or staying overseas for a significant period of time. This is particularly so of taxation laws in the treatment of the family home and NSW stamp duty laws. By removing indirect barriers to exit and re-entry, more Australians will be prepared to internationalize and the flow of information between expatriate and local Australian will increase. This benefits Australia by broadening the population’s outlook. It will also facilitate greater skills transfer, bringing international ideas back to Australia.
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7 Conclusion

The Australian Chamber of Commerce welcomes the Senate Inquiry and the opportunity to make this submission.

Expatriate Australians are in many respects more passionately Australian, because in undertaking the expatriate experience there is a realization that there is no place like home – Australia.

We hope that the inquiry will facilitate Australia embracing globalization and shattering old world views that Australians are only to be found in Australia.

8 Contact

Should the Senate Inquiry wish to contact AustCham for clarification of any issue, please contact:

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Signed for and on behalf of
Australian Chamber of Commerce, Singapore
Phillip Forrest
President
