



**American
Australian
Association**
Established 1948

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Australian Diaspora - Final Submission to the Australian Senate Inquiry

The Association has prepared this final summary of its findings and conclusions with regard to the terms of reference of the Australian Senate Inquiry after concluding its interviews of senior level '*Australian Americans*' in the United States. These included the following individuals:

- Andrew N. Liveris, President & Chief Operating Officer – The Dow Chemical Company
- James P. Gorman – Executive Vice President & President of Global Private Client – Merrill Lynch & Co., Inc.
- Ahmed Fahour – Former Chief Executive – Citigroup Alternative Investments (now the CEO of National Australia Bank's Australian operations)
- John E. Bailye - Chairman & Chief Executive Officer of Dendrite International Inc.

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It is the Association's observation, following our interviews, that Australians remain staunchly Australian even after adopting a new home country's citizenship and residency. Australians we interviewed, remain patriotically Australian and proud of their heritage. Some, however, feel that they have been disadvantaged by having to surrender their Australian citizenship before dual citizenship was permitted. One area where there is unanimity of view is that expatriate Australians should be able to easily regain their Australian citizenship without having to commit to an intention to return to Australia. Many other countries provide that option.

We have found that issues such as the tax treatment of property, estates and pension entitlements etc., influence each person differently in terms of their desire to return to Australia as will their personal family situations. Voting for overseas Australians in Australian elections is, perhaps, a simplistic option to facilitate ongoing involvement of senior Australians in corporate America; interest in participating in such a direct form of politics dissipates the longer they are away from Australia. Far more important is the ongoing ability to access the immense expertise held by senior level Australians resident in the U.S. They have the potential to provide a wealth of talent and advice to Governments and the Australian private sector, particularly in the area of globalization of the Australian economy. Many such senior corporate Australian American executives have found their way to the United States either through education, personal travel or through a series of postings in other countries with multinational companies. They have acquired a truly global perspective on business in an increasingly global economy. This

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often distinguishes them from many American corporate executives who have grown up with their companies and spent most, if not all, their careers in the United States.

Importantly, these Australian American contacts have an immediate affinity for Australia. It is evident that accomplished Australian Americans who are leaders in corporate America have a long held allegiance to Australia and a desire to “give back” to the Australian community in greater or lesser degrees. The challenge for them and for the Australian community is to find the best way to access and use this overseas talent on an ongoing basis. Creative Ambassadors to the US, such as the current Ambassador, Michael Thawley have had the interest and the ability to tap into American and Australian individuals in corporate America and Australia, drawing together a vast and influential coalition to advance the American Australian Free Trade Agreement, with great success. This issue gave the Government a natural mission to engage expatriate Australian and American corporate executives and demonstrated very clearly their willingness to be actively engaged in the process.

The American Australian Association worked closely with the Australian Embassy to facilitate this contact with senior level corporate Americans and the Australian/American business community. The American Australian Association provides for the transient diplomatic community, ongoing sustained links between corporate and Government sectors which can be effectively used to enhance and build a bilateral relationship which

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will survive changes in Government officials, in diplomatic posts, changes in Governments and their bilateral political allegiances. For example, the Association will be sponsoring informational trips to Australia for U.S. Congressmen later this year and early next year. These trips provide extraordinary long term benefits in development of Australian and American relationships.

The Association has acted as the preeminent primary American and Australian corporate and political interface since 1948 at the most senior level. It has provided a much needed and necessary central forum for American and Australian relations on a broad spectrum of issues at both informal and formal levels, as well as at the governmental and non-governmental levels. Our Australian and American Advisory Boards will also provide strategic outlook, policy direction and discourse aimed at furthering the bilateral relationship and also enhance the effective and relevant work of the Association's activities and programs in the United States and Australia.

At the core of our blue ribbon company membership lie corporations that employ over six million people between Australia and the United States; we represent the leaders of the American and Australian interchange on trade and investment. The Association regularly conducts private meetings between senior executives on issues that affect American and Australian business; as well as providing an independent forum for Government ministers and senior corporate executives to meet and interact.

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The Association's Annual Benefit Dinner, Spring Lecture Series, private breakfast meetings and dinners with senior corporate executives and Government ministers have provided unparalleled access for all interested parties. As former Consul-General to New York, the Hon. Michael Baume noted in the *Australian Financial Review* in 2002, "...such organizations as the American Australian Association,... whose membership is like a Who's Who of the corporate and finance communities,... has been a very useful mechanism for getting Australia's message across..."¹

It is the Association's strong belief, and also the beliefs of those corporate executives we interviewed that the Australian Diaspora, (a phenomena experienced by many countries having a large off shore based population throughout the world), is of a great benefit to Australia. Whether these 'Australians' be offshore or onshore; their 'brain circulation' is intrinsic to the very fabric of Australia and its socio-economic demography. How the Government of Australia is to harness and connect with those individuals for the good of Australia is a difficult and potentially intrusive task. However, the Association has long recognized the importance for Australia to connect with its offshore citizens in a meaningful two way relationship.

¹ Baume, M., (June 17, 2002) *Australian Financial Review* "Howard's 'Hill' work will be invaluable"

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This is particularly critical for Australia given its aging population and what appears to be a rising trend of emigration among young and relatively highly skilled Australians. Yet Australia is still the beneficiary of a net gain in terms of migration, especially among skilled labor. Against this backdrop the Australian Government must be aware of the increasing competition within the global labor market²; Australia must become competitive in this global labor market and its international reach and demands.

Over the past fifteen years the Association has observed the emergence of several expatriate organizations and networks under the broad umbrella of Australian American relations. The Association itself acquired a broad social expatriate network in the 1990s when the Australia Society of New York merged with the American Australian Association.

The American Australian Association is itself moving to develop a strong national presence in North America through the establishment of branch offices in Boston, Massachusetts and Los Angeles, California. The Association plans to merge with local groups in Boston and Los Angeles and will provide resources, corporate contacts and expertise in order to develop a strong bicoastal membership to facilitate corporate and Government engagement.

² Hugo, G., Rudd, D., and Harris (2003) *Australia's Diaspora: its Size Nature and Policy Implications*.

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The Association continues to be concerned by the emergence of expatriate bodies which compete for corporate funding, develop duplicate memberships and generally confuse the landscape within which these organizations operate. Hence, the Association's determination to develop a strong national presence to clarify and draw together all the links between the business communities and governments.

The Association believes that the Australian Government should take the lead in encouraging these organizations to merge to strengthen and solidify their roles. We would draw your attention to British American Business Inc. (BABI) which evolved out of several British American Chambers of Commerce throughout the US and now is a strong national coordinated body with offices in New York, Washington DC and London.

In Conclusion

It is the Association's recommendation that:

- (i) the Government should review in detail the tax structures of Australia and the United States and over time create a tax environment that does not discriminate against the global movement of expatriates and their return to Australia;
- (ii) the Government should embrace expatriate Australians as a resource to be valued and accessed through the maintenance of networks that provide ongoing links between corporate and Government sectors;

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- (iii) the Government should encourage rationalization of organized business networks of expatriate Australians to improve the Australian franchise abroad. In doing this, the Government clearly should recognize the preeminence of the American Australian Association to provide ongoing connections between expatriates within corporate America and the Government ; and
- (iv) the Government should enable Australian citizenship to be regained without requiring an intention to return to Australia for a given period of time.

The Association would welcome the opportunity to meet with members of the Senate Committee of Enquiry during the Association's Congressional visit in early November.

Respectfully submitted,



(Mr.) Malcolm Binks
Chairman



(Ms.) Frances M. Cassidy
President

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