COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

SENATE

LEGAL AND CONSTITUTIONAL REFERENCES COMMITTEE

Reference: Australian expatriates

WEDNESDAY, 28 JULY 2004

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SENATE

LEGAL AND CONSTITUTIONAL REFERENCES COMMITTEE

Wednesday, 28 July 2004

Members: Senator Bolkus *(Chair)*, Senator Payne *(Deputy Chair)*, Senators Buckland, Greig, Kirk and Scullion

Participating members: Senators Abetz, Barnett, Bartlett, Mark Bishop, Brandis, Brown, Carr, Chapman, Crossin, Eggleston, Chris Evans, Faulkner, Ferguson, Ferris, Harradine, Harris, Humphries, Knowles, Lees, Lightfoot, Ludwig, Mackay, Mason, McGauran, Murphy, Nettle, Sherry, Stephens, Stott Despoja, Tchen, Tierney and Watson

Senators in attendance: Senators Bolkus, Kirk and Scullion

Terms of reference for the inquiry:

To inquire into and report on:

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 counties 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.

WITNESSES

Committee met at 9.06 a.m.

HUGO, Professor Graeme John, Federation Fellow, Professor of Geography and Director, National Centre for Social Application of Geographic Information Systems, University of Adelaide

CHAIR—I declare open today's hearing. This is the second hearing of the Senate Legal and Constitutional References Committee inquiry into Australian expatriates. The inquiry was referred to the committee by the Senate on 16 October 2003. It has been conducted in accordance with the terms of reference determined by the Senate. The committee has received over 670 submissions for this inquiry. The terms of reference have been broadly distributed and are available on the web. They include the extent of the diaspora and what measures Australia can take to better use its expatriates to promote our economic, social and cultural interests.

Witnesses are reminded of the notes that they have received related to parliamentary privilege and the protection of official witnesses. Witnesses are also reminded that the giving of false or misleading evidence to the committee may constitute a contempt of the Senate. The committee prefers to hear all evidence in public but under the Senate's resolutions witnesses do have the right to request to be heard in private session. Welcome, Professor Hugo. Would you like to start by making a short statement, after which we will get into questions?

Prof. Hugo—Thank you very much for the chance to appear before you. I would like to make a couple of comments and then say a few things about each of the six terms of reference. I believe that Australia has undergone a paradigm shift with respect to international migration over the last decade. I think that that has not really been appreciated by the research community, by policymakers to some extent and also by the public generally. We are now in a new phase, I think, of transnationalism, with global labour markets, increasing competition for skills, greater mobility and, very importantly, multiple identities among people. As a result, I think that in many countries now it is very important to think of a country's population in different ways, not so much in terms of the population living within its boundaries but in terms of the total population of Australian citizens counted. I think we need to look at the community of the nation, and this involves looking at the diaspora. This is being appreciated much more globally. The Europeans, through the European community, are looking at this in much more detail.

The World Bank now sees use of the diaspora as being one of the ways in which less developed countries will be able to benefit from more developed countries. The exchange of money between more developed and less developed countries is probably about $US100 billion a year as a result of remittances. So the whole issue of diaspora is becoming much more significant. However, we know very little about it. Although we have very good data information about migration into countries, the movement out of countries is very difficult to study because the people are not there at the time of the census.

In Australia we are probably better off than any other country in the world in looking at our diaspora, partly because we are one of the very few countries that has an outgoing passenger card. The data which was used in our reports draws very heavily upon that. I believe that there is a great deal of opportunity in the future to use that information in more innovative and intensive ways to get more of a handle on what the diaspora is like and what its scale is.

I will just mention a couple of things about each of the six terms of reference—firstly, regarding the extent. The figure of about one million Australians overseas is bandied around, but it could well be a couple of hundred thousand either way. It is very difficult to determine what an Australian overseas actually is because it varies from people who are away for relatively short periods to people who are away for good. To some extent, the data which is used here does need to be modified, and does need to be interpreted very carefully. DIMIA has just done some analysis of people who put on their card that they are leaving Australia permanently. It is found that within three years about 20 per cent of those people have come back. So we have to be careful about the way we interpret that data.

We must stress that it is significant. Australia's diaspora is significant in terms of its relationship to the total population, and in relation to its population, it is bigger than the United States diaspora. It is highly selective. There is absolutely no doubt that it is selective of highly educated, high-income groups. Regarding its causes, there is no doubt that the globalisation and internationalisation of labour markets has meant that young Australians now often operate in global labour markets. So, instead of looking for a job in the capital city of their state or in Sydney, they now look for a job in London or New York in many cases. Those processes are absolutely crucial.

There is an important rite of passage component in the causes of the movement. There are strong links with past immigration in that many second generation Australians, who make up about 20 per cent of the population, have family ties in other parts of the world which encourage the migration. There are demographic drivers as well. The other thing, which is not mentioned so much, is that people going away these days can keep a much stronger linkage with the home country. Going overseas is no longer as big a cut from the homeland as it previously was. In all the qualitative interviews I did with Australians overseas I was struck by how up they were with things in Australia, through the Internet and through reading newspapers at the same time as people in Australia read them. They knew the football scores. They knew what was happening in politics. So they could engage very readily with the home community. They could get back within 24 hours if there is a crisis, and so on. So that undoubtedly has been a factor as well.

I will not go through the cost-benefits to a great extent, but I am happy to expand on them because we have done further work since we did the report. It is important to point out that there are both negative and positive dimensions to the movement overseas of Australians. Too often the debate is polarised on one or the other end of that continuum. It is a complex factor. I guess my strong feeling in terms of policy is: why don't we, as Australia, benefit not just from immigration—where we have undoubtedly experienced enormous benefit—but also, insofar as we can, from our expatriates overseas? I believe strongly that we need to not just simply accept the outflow of talented, highly paid, skilled people but also look to ways in which some can return and others can be engaged with as the diaspora.

In terms of the concerns held by Australians overseas, we did a lot of in-depth, qualitative interviews with Australians in various circumstances overseas and one the interesting features of the last few years has been the development of networks of expatriates. They obviously are very selective. They represent generally people with a particular interest in business or something like that, or they represent people who are particularly keen to engage with Australia. There is no doubt that IT has assisted the proliferation of these networks. I was really struck when talking to people in various contexts by how strong the Australian identity is among the expatriate

community. It is possible to lose sight of the identity features and the fact that these are Australians. Even people who have committed to not coming back—people who have married someone from another country and whose children are citizens of another country—very often feel strongly Australian. To me, there is a very important dimension in this of us being clearer about what the Australian community actually is.

There is some concern about citizenship, and we have gone a long way with the new dual citizenship laws to meet those concerns. Voting is another issue that is of some concern. There is a feeling among many expatriates that they are not appreciated in Australia. I would think it is probably something you have got in the submissions because it is something that comes up quite a bit. There is something in this—our failure to appreciate high levels of achievement in our expatriate community.

We have been doing a lot more work on policies in other countries since we completed the submitted report. One of the real issues here is that it is a very new area. There are not any tried and true recipes. There is some experience among European countries, the Philippines and so on. There is absolutely no doubt that the amazing economic boom in China has been fuelled to a very large extent by investment made by the Chinese diaspora of some 35 million people. So there are some lessons out there but, to me, it really is a bit of an open slate. There is a lot of scope for lateral thinking in terms of development of appropriate policies. The other thing is that I am not sure that it is just at a national level that policies are appropriate. It seems to me that, at the state provincial or regional level, there may be some scope for policies in this area as well.

One of the terms of reference was the ways to use the diaspora. I must admit I do not particularly like that term because I think it undersells how we should engage with the diaspora. There is this issue of identity, which I mentioned earlier. With the modern forms of IT and so on there are a number of ways we can bring the diaspora much more into the national mainstream. The engagement of the diaspora should be something more than economic and should have a strong cultural dimension.

Having said that, I think that a lot of things can be done. One of the ways in which I believe my area in the universities can do much more is in connecting our university staff and researchers, innovators, with Australians in universities and research institutions overseas. It seems to me that there are enormous opportunities in developing networks in particular areas with Australians researching overseas. To me, that is one way of fast-tracking innovation into Australia. It is one way of really making sure that in key areas we are up with global best practice in research. It seems to me that, through organisations like the ARC, there could fairly readily be a low cost way of engaging Australian researchers, innovators, academics overseas with the Australian research community. Similarly with business, through Austrade, there will be a number of opportunities to build up those types of linkages.

In conclusion, I am very happy to expand on any of this or on any other aspect of the research that we have done on the diaspora. I believe that there is a real opportunity for Australia to lead the world in this area. We have the beginnings, the basis, of probably the best set of information on people leaving the country of any nation in the world. Most nations collect only good information on who comes into their country; they do not collect anything on those who leave. I would think that we do have the opportunity to learn a lot more about the diaspora through better analysis of our DIMIA data—and, again, I think it is important to stress that it is the best in the

world. We can make better use of overseas censuses that were done around 2000 to look at the Australian communities counted in those censuses. I think there are some real opportunities to do some representative surveying in some of the key destinations. I do not believe it has to be representative of the total diaspora all over the world. I think we should concentrate on a couple of key destinations, because it is very clear that a handful of countries account for the vast majority of Australians overseas.

It would be useful to do some in-depth qualitative work to make sure we get over the highly selective nature of the types of information which we get from the networks, which are self-selecting, and from surveys like ours. One part of the survey was quite representative of a certain group—that is, recent university graduates; we are quite representative of that group in our survey—but the other self-selection data has to be interpreted very carefully.

So, in the first place, I make a plea for a greater amount of research in this area. I do not think it has to be massively expensive. We just need to use the data sets we already have in a much better way. I believe we should move towards some sort of policy development in this area, because on the one hand there are some very significant advantages which we can get for Australia, economically, socially and politically, but I also feel that in the globalising world the whole concept of what is a citizen or what is an Australian is something we have to engage with and discuss and not be confined to thinking of Australians as being those who live within the national boundaries.

CHAIR—Thank you very much. I will start off on that last point. I suppose what we are talking about is an age of mobility. In a global environment people are moving in all directions. I think—and I would like your response to this—that what you are talking about is a change in the nature of Australians leaving Australia. No longer have we got the two extremes of a short-term holiday or a long-term departure. We have the intermediate stream where people are coming in and out of the country and we recognise that some 10 years ago people were coming into Australia with multiple re-entry visas and APEC cards and so on. Do we need to look at any migration regulation, rules or products that might be appropriate to accommodate this greater mobility? If people do go overseas, they develop contacts, links and relationships.

Prof. Hugo—To some extent DIMIA have been in advance of the research community and the community generally in widening the types of visa categories we have in Australia with the whole range of temporary residence visas which now exist, but I think the emphasis has been on people coming to, rather than leaving, Australia. We do have to recognise that there are going to be Australians who are going to spend significant parts of their work career outside of the country because of the globalisation of labour markets and so on. I do not think we have to necessarily see that as being a bad thing. It does tend to be demonised among some groups and particularly in universities there is a lot of discussion of the brain drain: the loss of highly skilled people and so on. We do not know too much about that. It may well be that it is the brightest and the best who are actually going and that maybe we do need things more things like Federation fellowships and so on to keep people here.

I do not see any problem at the moment in terms of what we have available with visa categories and so on, particularly since we have moved to dual citizenship. I think we have to regard that as being part of a globalising world, that people can have connections to more than one nation, just as we have with the whole policy of multiculturalism with people coming to

Australia. We should offer the same sort of attitude towards Australians going overseas. There may be some need for looking at this in relation to the family members of Australians who are overseas. That might be one area that does need some special consideration.

CHAIR—In that context there is the question of the census including Australians living overseas. We know the US are moving down the road of including their expatriates in their census. What sorts of problems do you anticipate that the US or Australia would have in taking that approach?

Prof. Hugo—It is certainly a big ask, and I have had a lot of discussions with the Australian Bureau of Statistics because they are horrified by the whole idea of having to include people who are overseas. I think it is true to say, because I do keep contact with the US Census Bureau over this, that the United States have not made a lot of progress. They are looking at using taxation records and they are looking at using embassies and a whole range of things but they have not really got a grip yet on how they will go about doing it. It will be a very big ask. I have probably retreated a little bit from the opinion that I expressed in the original report. I think that it may be more advisable to undertake a survey of some kind of the expatriate community which would have to be done with a lot of cooperation from DFAT using some innovative sampling techniques. It does seem to me that that would probably be a better way to find out about the expatriate community than an attempt to include it in the five-yearly census. The ABS would be very pleased to hear me say that, because it is something that they have engaged and discussed since it was in that original report but they certainly do not see—at present anyway—any reasonable way in which it could be included within the five-yearly census.

CHAIR—I wonder whether that dichotomy purveys the whole area. You mentioned that we are in a position to lead the world and you referred to research. But when you look at what is happening around the world, especially in some of the prime source areas of migration, you see in a practical sense they seem to be leading us, whether it is China—and their diaspora and the financial networks—Greece, Italy or France, we are actually lagging in the practical sense, aren't we?

Prof. Hugo—Certainly in a policy sense we are. There is no question about that. Even a country like the Philippines, which of course is a quintessential emigration country, now have quite effective mechanisms set up to engage Filipinos overseas, to bring them back for particular events, to encourage the contribution to national efforts where they have skills. The Italians for a very long time, I think, have been very effective in the cultural maintenance of the Italian communities overseas. You are right; in a policy sense, we are certainly lagging. Recently, the International Organisation for Migration published a volume—I think it came out three weeks ago—of return migration policies within each of the European countries. It is quite instructive to look at in terms of the whole range of policies which almost entirely are targeted at specific groups: people with particular skills which are seen to be in demand in the economy. They are almost talent search type programs rather than return migration types of programs. Certainly European countries are engaging in this process in a very substantial way.

I think Australia can take a leading role. We are very much a peripheral country in the global economy, although some people might not like to think so, but we experience a significant out migration of highly skilled people. Despite the large movement in of skilled people, I think that to a greater extent there is a significant talent pool of Australians who are overseas than is the

case in most European countries. Most European diasporas date back longer because they go back to the big migrations of the fifties and the sixties. But our diaspora comprises predominantly young, highly skilled people—people who, I think, could be very significant contributors to the Australian economy. Our contribution can be much more, almost in the same way that the World Bank is now thinking about using the diaspora as an engine for development within peripheral countries.

CHAIR—It reminds me that maybe what we are talking about here is a different situation. We talk about Europe—it is very much one market and mobility is very easy—and we talk about researchers, but we have the 'soccer player syndrome' where, to maximise their skill and return, they have to go a long way away and it is a lot harder for them to break back into the local domestic scene or keep a foot in both scenes.

Prof. Hugo—It is. One of the things that kept coming up continually was not just financial rewards—although that was a significant factor particularly in the case of soccer players—but, in talking to a lot of the academics, actually the resources that they could access by being in Europe or in the United States. So it is not just a money issue. That is why I think the whole idea of an engagement rather than necessarily a return of the diaspora is one that I think would have a lot of possibilities.

One of the things that we found in the surveys, particularly of the academics, because there were a large number of academics in the sample, was that just over half of them indicated they had a desire to come back. Obviously in many of those cases that is not going to happen, because they develop linkages overseas and so on, but what it showed to me is that there is at least the possibility of them coming back, that there is a real interest in coming back to Australia even if temporarily. That, to me, is the thing that could be utilised. I do not think the hallmarks of the program should just be bringing back people on a permanent basis. I think that engagement issue could be an equally important dimension of it.

Senator SCULLION—In your response to Senator Bolkus you indicated that both the Filipinos and the Italians respectively had had some programs. In the first instance you said that in the Philippines they encouraged contribution, and in the Italian example you said that they provided some external cultural maintenance, I suppose, of those communities. Could you perhaps give me some examples about how that would work in an Australian environment. Australian expatriates from Darwin in the Northern Territory have come from very diverse backgrounds. I know there is a collective culture as Australians, but people maintain much of their own identity from their original cultures as well. How do you see that—as a challenge or as a opportunity? How do you try to find moving those examples you gave to the Australian cultural context?

Prof. Hugo—Talking about an Australian culture is a pretty amorphous type of thing. The in-depth interviews we did with large numbers of Australians overseas showed me that people really do relate to Australia in a whole range of ways. It is a bit hard to think of the sorts of things, because there is not a separate language as there is, say, with the Italians. There are no distinctive art forms like dance and so on as there are with certain communities. It is probably much more a matter of having things which allow people to belong to the mainstream national community—certainly some of the things that the networks are saying about recognition of Australians overseas. It may be even some token type things like an overseas Australian of the

year, some things like that which actually recognise that they are part of the Australian community. I think we have gone a fair way with the citizenship and the new electoral considerations to engage the community in that sense. It seems to me it is something that would need a lot more consideration, but it did come through to a much greater extent than I thought it would. A large number of the people I spoke to in the United States, for example, had married Americans, their children were American, but they were still fundamentally very Australian. Perhaps there could be greater involvement of Australians overseas in events. For example, when there is a prime ministerial visit or whatever to that particular area perhaps there could be some event around it that allows that identity to be maintained.

Senator SCULLION—The equivalent of a Greek galante but in Los Angeles with Australians?

Prof. Hugo—Yes. These are things that have to be thought through, but it does seem to me that looking at ways in which that community can be engaged does warrant consideration. I must say it is outside my area, but I think it is worth while.

CHAIR—We did have an Aussie barbecue in New York a few weeks ago!

Senator SCULLION—Professor Hugo, you touched on networks. A number of the submissions have indicated that if you have left to gain employment and you have a whole suite of skills and you spend 20 years overseas, when you return, of course, that very important network of opportunities that you have developed over the years may not be available to you. There have been suggestions that we could assist with those sorts of things and that there are a number of other areas in which we could assist repatriates. You have indicated that you may have some experience of these programs overseas. What has been the response of those people in the mainstream, if you like, who say, 'Why are you looking after expatriates better than me? Why aren't you looking after me so I don't leave and become an expatriate and then a repatriate?' What has been the experience overseas in regard to those issues?

Prof. Hugo—These days the whole issue of maintenance of networks is totally different with respect to the Internet and with IT. It really is now possible and we already see it with some people coming back from the United States who are now living in Australia but fundamentally working in the United States because they work through using IT and they can maintain their networks in that way. There are ways in which particular people—I am not talking about the mass of people—could be really significant in the Australian economy or in society. These are people with particular skills who can come back and maintain those networks in a very effective way. But I would never see any expatriate policy or program as being a big-ticket budget item. We are talking about relatively small programs. I do not think we should ever be put in the situation where people who are left in Australia feel that there is favouritism given to Australians overseas.

On the other hand, we have to recognise that many people after 10, 15 or 20 years working overseas have very valuable contacts, networks and experiences that they can bring back and really add value to economic, social and political activities in Australia. For example, I would never see there to be any merit in a policy of paying people some sort of a standard sum of money to come back to Australia. That to me would be just not worth even thinking about. On the other hand, there may be ways of matching particular needs in the Australian economy with

particular Australians overseas and then creating an environment which makes it favourable for them to come back. That is why I suggested earlier that it might not be at a national level that this can be most effective. There are a lot of problems in recruiting people with particular skills to come to my own state of South Australia. One of the ways of trying to encourage the state government to look at this is to look at the diaspora of South Australians who are overseas with particular skills and to look at ways in which they can be matched with opportunities back in South Australia.

Senator SCULLION—You have just touched on my final question. It seems that there is almost a diaspora of responsibility about this issue. Clearly, the submissions indicate that there is a great deal of value about coordinating returning expatriates and coordinating with those expatriate communities overseas. It would appear to me—I may well be incorrect; and I perhaps should not be, being a member of the government—that it is dealt with by different groups whether it is Foreign Affairs or DIMIA. There does not seem to be a focused unit that says, 'We are responsible for ensuring that we maximise benefits in the national interest.' Do you think that there should be one, and if so what area do you think it should lie in?

Prof. Hugo—I guess I had not thought about it from a government perspective. In terms of policy, it seems to me that the two units of government that are most concerned are DIMIA and DFAT, although, to some extent, groups like DEST and the electoral office are engaged. You are right—there is a whole group. Probably the way in which to tackle it would be with some sort of unit that is across a number of government departments rather than a particular government department. That is certainly the way in which it is done in other countries—for example, in the Philippines and so on, a small unit is set up which goes across government agencies. I think it really has to be thought through in a much stronger way than we have been able to so far with the very limited work that has been done. On the other hand, I think it is something that is worth taking to that next step.

CHAIR—In which department would you place that unit—Foreign Affairs?

Prof. Hugo—I would have thought it would be Foreign Affairs if there was one of those groups that I would identify. I have been looking a bit at some of the activities of Austrade, for example, and I think I would like to see a lot of the activities for engaging the diaspora going through activities like Austrade. I also see an important role for groups like the Australian Research Council, for example. I think groups like the ARC and NHMRC would definitely benefit from having programs which engage Australians who are based overseas. We have had a start in this area with the Federation fellowship program. I sat on the committee to select them a couple of months ago and we had a very large number of young Australians applying for that program. It did strike me then that there are really tremendous opportunities to have programs which encourage visiting and interaction in work on individual projects and putting together groups of Australians working overseas with those working in Australia in selected areas.

Senator KIRK—Thank you very much for your submission. I notice that, in your report, you say that in 2001-02 Australia experienced a brain gain as opposed to the brain drain that we so often hear about. I have to say that that surprised me. I wondered if perhaps you could elaborate on that and inform the committee of whether that is going to be an ongoing trend or whether it was just a bit of a glitch in the figures.

Prof. Hugo—As I said before, it seems to me that the public discourse in this area has been simplified. Some people decry a brain drain and a loss of talent and others point to the immigration program and say, 'Every year we have more PhDs moving into the country than going out and we have more professionals moving into the country than moving out.' That is true. We have a net brain gain if it is just in terms of qualifications and the top three ASCO categories that are recognised by the Bureau of Statistics. Quantitatively, we do have a net gain from migration; there is no question of it.

On the other hand, we do not know too much about the people who go. If those people are the brightest and the best—if they are that really top group of achievers; if they are the people who, if they stayed here, could really make the difference in making the social and economic breakthroughs which improve the country—then one person does not equal one person, really, in terms of what the impact is. I guess what I am saying and what I say in the report is that I would really like a more nuanced understanding of who is leaving. For example, FASTS, the lobby group for science in Australia, indicates that there is a real loss of the top mathematicians from Australia—the absolute top mathematicians have gone. Is that true? If so, what does that mean in terms of pushing ahead in particular areas of science?

I would really like to see an investigation into not just the numbers that are leaving and what job they have but some key areas, like innovation, like science, like business, saying: are these really the brightest and the best that are going and, if so, is that really a problem? Is that an issue? The debate which occurs at the moment is you have the science community decrying a brain drain and you have DIMIA, the Minister for Immigration and Multicultural and Indigenous Affairs and so on saying, 'It is not a brain drain; it is a brain gain.' To me, neither of them is right. We have to try to come to an understanding of how we are being impacted by this new migration. Are there ways we can manage that migration to get benefit not just from attracting people from overseas but also through the retention and regaining of Australians with particular skills that we think are valuable? I guess the short answer to the question is that it is a brain gain but I think we need to understand it a bit better.

Senator KIRK—I understand that. Who would you suggest would conduct the research project that you have just outlined? From the way that you described it, I wonder whether that is something that DIMIA should be monitoring. You mentioned how the outgoing passenger cards in Australia are considerably more detailed than what they have in other countries, yet they are not very detailed at all, really, along the lines that you are describing in terms of whether or not there is not a box to tick saying, 'Are you a top mathematician?' as you leave the country. So how on earth do you monitor that?

Prof. Hugo—Looking at a number of areas of science, FASTS held a conference in Queensland about three months ago, which I spoke at. It was interesting hearing the advocacy from the different science groups about the real loss of people they felt were some of the most talented people from particular areas. To me, the way to go about establishing who has lost and who has gained would be to take a sample of universities around Australia and research institutions and look at who has left and who has gone into those institutions. It is not a big study to do. We have to start to quantify it—to establish whether the suggestion that we are losing the best people in particular groups is fact—and not just rely on statements that are made without the numbers behind them. It would not be a massive piece of research. I think it would be better done as a sample study of research institutions.

CHAIR—Where would that get you? How reliable would the results be? You say, 'Go to the institutions and work out who is there and who is not there.' We are finding that the private sector seems to be driving a lot of the pull factors. It is not necessarily people out of research institutions who are the critical people we are talking about.

Prof. Hugo—I would agree totally. I give a lot of talks to groups of CEOs, and it is very interesting when I talk about these issues with them that they have a real awareness of the difficulties in being able to recruit and retain the best people. I think the approach of sampling a number of key activities in business as well as in research and establishing what the pattern of movement in and out has been of skilled individuals over the last five years is not impossible if you look at the human resource records. I have done it in my own university. I have looked at where the PhD students have gone, where staff coming in have come from, where staff going out have gone to—the records are there. It is just a matter of drawing them together and analysing them. It is not difficult these days, given the nature of human resource systems that are maintained. They are not maintained for the purpose of doing that research—they are maintained for administrative reasons—but they can be analysed.

Senator KIRK—Just on that, you have talked to us about getting expats back into the country, if only for a short period of time. No doubt you are aware that various states have initiated some efforts along these lines—New South Wales and Queensland, I think. I wondered if you could comment, firstly, on the success or otherwise of those programs and, secondly, on whether or not you think there is any role for the Commonwealth government. You have mentioned the federation fellowships but from what I understand they are for a longer term return of five years. Perhaps you can give us some more detail on that and your opinion.

Prof. Hugo—The states, at least in the first instance, should be thinking quite small in terms of what they want to do in their activities. They have to be really focused on a particular position. I will take one example from my own state. They are having great trouble recruiting a head of gynaecology and obstetrics at one hospital in Adelaide. It is very difficult to recruit people with those really specific skills. I believe that the state government can put together a package and approach 10 former South Australians who have those particular skills.

The survey work that we have done shows that people are not averse to coming back. This does not mean they are going to come back but there is an attitude that is open to that possibility. Migration theory tells us that that might not necessarily result in migration. But if they are confronted with a real opportunity which looks attractive at this particular stage of their career then they might take it up. To me, they have to be targeted to particular areas and to key positions—positions which are felt to be very significant in the economy. That is the way that I would actually see them working.

The other thing about the research which I think is really interesting is that when people go they tend to be in their 20s or maybe early 30s. They tend to go as singles or they go as couples. In many ways, it is a waste of time to even think about bringing back people in those age groups. They are in the early stages of career development. They are really appreciating living in London or in New York or wherever. But people tend to think about coming home when they get into the family formation age group—when they get into the late 30s—when they are looking at establishing a house, when they are looking at their kids growing up with grandparents close by

and things like that. It seems to me that targeting that particular group is best because they are the group that is more likely to want to come back.

This came through very strongly in the research that we did and also in some of the pilot work that we have been doing in South Australia. We contacted some of the people overseas about a particular job. In some cases, they would come back and say, 'It is not quite the right time at the moment but in two years it might be.' There seems to be a key time when people are in the market to actually return to Australia.

Senator KIRK—You did not really comment there on the state initiatives of Victoria and New South Wales.

Prof. Hugo—I do not know a lot about the Victorian initiative. In fact, I am talking this afternoon with the state government in South Australia about the development of a pilot program of this type there. I fear that these programs are going to be judged on the numbers of people involved and really their impact should not be judged on a numerical basis. They should be judged on the sorts of economic and social impact that those people have. The programs should be really restricted to key positions in the economy or in the society—where bringing back someone is going to put an exceptional person who is going to make a big difference in that particular job. I have not been involved in the Victorian program so I do not know how successful that is.

Senator KIRK—From what you are saying, your scheme envisages asking people to return for a long period of time, perhaps permanently?

Prof. Hugo—I would also suggest that there is scope for the development of shorter term programs of cooperation and activity which bring people back for short periods. I would suggest that that particularly is an area where the Commonwealth might be involved, where it would be possible for businesses to put up suggestions for cooperative arrangements for bringing people in, certainly in terms of research innovation areas. That is not just universities; that is across a whole area where people can put up proposals which involve cooperative activity with Australians overseas that may bring them back to be involved in carrying out a piece of research or master classes—actually teaching people the latest techniques in particular areas—those types of things. At least in the research innovation area—that, I guess, would be through something like DEST—I think it would be possible to do that.

CHAIR—I have one or two final questions. You mention in your submission:

In recent years, numbers of Australians emigrating to Asia have increased by more that 50 per cent.

Is there anything that you suggest we should draw out of that?

Prof. Hugo—Yes. Part of the movement to Asia is a return migration of former migrants and also the children of former migrants where opportunities have opened up in Asia that they have gone back to. Whereas in the past the bulk of people transferring in their employment or seeking upward mobility in their employment involved places like London, New York and Los Angeles, one of the things which came up in the survey work was that Tokyo, Singapore, Hong Kong, Kuala Lumpur and Bangkok now loom fairly large in that type of mobility. So it seems to me a

lot of the new type of migration associated with employment is now moving into Asia as well as the traditional European and American destinations.

CHAIR—From my perspective, I do not know why we need research to come up with that conclusion. It seems to be a self-obvious fact that that is where the economic interests are diversifying and going into; that is where the links are being built. I wonder whether we could spend the next three or four years on research when in essence we should take the lead from the rest of the world and put in place some practical measures.

Prof. Hugo—I would not have thought that the research gaps are a three- or four-year program.

CHAIR—But you talk about a substantial survey—substantial research.

Prof. Hugo—I believe those things could be done very, very quickly. I honestly do not think that we have a representative picture at the moment of the full Australian diaspora. That is the thing which I think is the strongest priority there. As I said, the work that we have done is on a very selective group.

CHAIR—But also a group that was interested in maintaining the link through you.

Prof. Hugo—Absolutely.

CHAIR—It may not be a balanced reflection of Australians who are—

Prof. Hugo—But they are the people who are likely to engage in any programs—that is certainly right.

CHAIR—My last question is with regard to the fact that you recommend the extension of DFAT's online registration service.

Prof. Hugo—When I wrote that well over a year ago, at that stage it was close to the time of the Bali bombing and there were a whole range of security things associated with that. I think that if more people knew about that, it could be much more widespread. When we asked expatriates about that system, a lot of them did not know about it. To some extent, that should be more widely advertised so that people can get on it.

I would resile from any suggestion about having any big database about Australians overseas. I think that it is much better done in a very specific sort of way, so if a particular state were to say, 'We really need civil engineers,' then they could build up a database of expatriates with civil engineering qualifications. I could make a number of suggestions about the way in which that could be done. To me, that is the better way to do it rather than having some sort of generic, large-scale database which would put people off going on it for confidentiality reasons, because of possible misuse of their names and so on. I guess I have retreated a bit in that area but, on the other hand, I think with the registration system that DFAT have, there is some real scope for making this much more widely known—perhaps through engaging Australians in a number of ways, rather than just putting it on the web site, which is where it is at the moment. I think there are a number of ways in which it could be advertised better.

CHAIR—Professor, thanks very much for your submission, your work and your time and presence here this morning.

[10.09 a.m.]

ALLINSON, Mr John Clive, (Private capacity)

CONSTABLE, Ms Elise Mai, (Private capacity)

BALOGH, Ms Cynthia Helen, Deputy Chair, Melbourne International Social Group

FARRELLY, Miss Adrienne Lee, Founder and Coordinator, Melbourne International Social Group

SURTEES, Mr Anthony, Chairman, Entrenet

CHAIR—Welcome. I invite you to make a short presentation as to the major points you would like us to consider this morning. If we have time we will move to questions.

Mr Allinson—I am here as part of submission 644, but more in a personal capacity. I departed Australia on Australia Day, 1995. I was based in Singapore for eight years, and I returned to Australia in February 2003. I have mainly worked for US and Singapore corporations, start-ups, SMEs and multinational corporations. I started my own consulting business in Singapore in 1997. I relocated for a temporary employment placement in Mountain View, California. My future focus, which is part of this submission, is to assist Australian technology companies in taking technology and services overseas. That is focused on product development, manufacturing and technical product marketing.

There are some things that I would like to present from my experience in living and working overseas, particularly in Singapore. I think a lot can be done as far as presenting the issue of living and working overseas and then repatriating. As part of Singapore's national day celebrations, I saw a lot of work done in live and pre-taped content of nationals living and working in other countries. That was part of their national day celebrations, and it was very widely received not only by the Singaporeans at home but also by the expat community. I think it was a very good idea.

Channel 5 also used to do TV programs during the year, highlighting the work of their nationals in other countries. That was very much part of their marketing of, and PR for, the opportunity of working and living overseas and also part of them making sure that their nationals came back, that they recognised the opportunities that could be there for them on return. That was supported by the Ministry of the Community Development and Sports. It was to facilitate the process of their nationals leaving and to make sure that they were aware of how to come back and the format in which to do that.

Many people use the term 'expat', but a lot of younger people who are leaving are going not on expatriate terms but as free agents, which was my situation. They are somewhat out of the loop. There is really not a lot of support there. They are on local terms with the company that they may be working for. They do not have a lot of expatriate support that sometimes comes with that. I think that needs to be represented.

In relation to relocation, I think many returnees cover significant costs out of their own pocket. That is not to say that anyone can really do anything about that, but when you are readjusting to coming back here it is a serious issue as far as taxation is concerned. In my situation, I had to react within two weeks to come back to Australia and make some pretty serious decisions. That was really to satisfy the visa regulations in Singapore. Often that is not understood. Just the logistics of going through that process can be quite complicated and you do not have a lot of time to deal with that, and likewise getting up to speed with the conditions that you are going to be in.

That brings me to my other point that relocation is not always a well-managed process. It is very difficult to find quite succinct information about what your responsibilities are upon relocation and what you need to do. Governments at federal and state levels could assist in that.

There is a need to market what the opportunities are back here in Australia and what needs certain industries have. There is a lot of talk about it, but I think there could be a much better hook-in with industry groups and professional societies to make sure that people are re-engaged with the professions and industries that they are involved or interested in. They are the main points I wanted to make, above and beyond submission 644.

Ms Constable—Briefly, my background is that I have spent the better part of the last 13 years out of the country, and the last five of those were spent in Silicon Valley, California, working with a large multinational corporation. I then made a film about the expatriate experience in America. I think what I have to offer today is a comment on how other countries are managing their expatriates. I know there is a lot of research on this topic. Part of the work that I did for my film forms a body of research.

Briefly, some of the ideas that were put forward by Australians and other networks during the time that I produced my film could be summarised in the following way. I think we are agreed that Australia has a need to capture the knowledge of expatriates—not so much just the knowledge but also the contacts and the ideas and commercial opportunities that they offer. The current situation as we know it, as John was saying, is that Australians tend to stay away. We are free agents when we come back; if we come back, we do not get together—there is not a community to get together. I know many people who have a lot to offer, who simply disappear into the network of Australia because there is really nowhere to go and nowhere to offer what we might have to offer. There are no vehicles to hook into industry, for example.

The expatriate need, also touching on John's points, could be summarised as recognition for what they have to offer and dollar support or incentives to develop entrepreneurial projects here. That support could be in the form of some kind of incentive to return, bringing finances back into the country, and making it easier to come and go—that type of thing—or in the form of a network here where they can put forward and debate ideas, educate younger people who are thinking of going abroad and that type of thing. That is a definite need that expatriates have.

The other needs are, firstly, a sense of community. I think that is not to be underestimated. We are human beings and, at the core, we like to hang out with people who have a common experience. To be honest, that came out very strongly in my 120 interviews with entrepreneurs from six countries: community is a big factor that inspires them to get together, stay together and work together on new ideas that become business opportunities for the country in which they

reside. What would this network look like? It has to be self-governed because these people are free-spirited and entrepreneurial. There would be opportunities for pitch dollars for industry and government, it would offer community; it would be a place where education could happen; it would profile expatriates. And I come back to that again and again because, unfortunately or fortunately—depending on which side of the Pacific you sit—it is something that expatriates seem to expect from anywhere around the world: recognition for what they have given, what they know and what they would like to offer back to industry.

I would like to finish with some examples which I think are essential for us to look at in order to get quickly to where we want to be. The obvious one is the Indian example—the Indus Entrepreneurs network. It is one of the most powerful networks, I think, in the world when it comes to business. It is made up of many multimillionaires and billionaires who started off as regular people who went to America with great educational backgrounds. What binds that community together are the very things that I mentioned. They have a number of networks in different cities around the world, and in those networks they can offer education. They have a system for mentoring; they have a system for putting forward entrepreneurial ideas; they have a system for those ideas to become real business opportunities. Through that platform they also have a system for profiling their entrepreneurs.

To emphasise my point even further I would like to mention something that was said to me by one of the most powerful people that I have met in Silicon Valley. He invented the microchip, he is a multibillionaire and he sat on the US Senate committee for technology. He said to me: 'My intention is to go back to India and make India known not for making and assembling technology but for coming up with the ideas for future technology and businesses, and in doing so shift the economic power away from the US to India.' That is very much what is happening. If you look at the research from the universities of Berkeley and San Jose that studies the movement of expatriates around the world and the dollars that follow those people as a result of where they reside and the business opportunities they create, this is exactly what is happening. Thank you.

Ms Farrelly—I would like to comment in my capacity as founder of the Melbourne International Social Group, which I started last year. I spent the last 10 years in both Japan and China and, unfortunately, due to SARS, I had to close my real estate business in Shanghai and come back here a year ago. During the time I was overseas I found the Australian expatriate community to be very well connected. We would often meet socially once a week in Shanghai. All foreign nationals would meet on a regular basis as well. We found a lot of commonalities, being expatriates. When I came back to Melbourne I found that there was no international group for either repatriated Australians or expatriates. I found that one of the most important things to have was a social group/business networking group.

Since I started the group, it has grown to comprise about 300 members. The vast majority of people are repatriated Australians. They have lived in a total of 30 different countries. We have people from all industries. A common problem with coming back is that Australian industries just do not recognise or value their international experience. It is just not being utilised, both in multinational corporations and in smaller industries.

We would like to see the government researching the value to the Australian economy of repatriated Australians—and that includes expatriates, because we see ourselves as being part of

one million. Whether we are in Australia at this particular time or not is something that we do not find to be relevant. We are all part of one global community. We would like the government to do some research into the values and the benefits to the Australian economy of repatriates and expatriates overseas and to do the same kind of promotion within Australian industries that is done with skilled migrants. For example, there is a web site—I am not quite sure who is the server or provider of it—that demonstrates to Australian industries the benefits of employing skilled migrants. We would like to see the same kind of format, the same kind of research—hopefully, research has been done into it—and the same kind of promotion done within Australian industries on the benefits of Australian expatriates. In my submission I have pointed out a number of issues that we have when we come back and also some recommendations that we would like the Australian government to consider. Thank you very much.

CHAIR—Ms Balogh?

Ms Balogh—I am here to support the Melbourne International Social Group as one of the committee members. I spent 18 years abroad and I have been back in Australia for two years now. In my time in London and Europe I spent a lot of time dealing with senior executives who had international experience. What I really noted there that was of interest relative to my experience coming back to Australia was that the experience that international executives had gained was highly valued by organisations and governments overseas. So if you came across somebody who had had experience in another country, that effectively increased the cachet or the currency of that individual.

I assumed, in coming back to Melbourne, to my home town, that you would find exactly the same sort of situation. I suppose I found it quite surprising that in fact that is not the case, that in fact, irrespective of what experience you do have, that really is not recognised and really is not valued generally by the Australian employer. So I suppose on a personal level I am here to support what Adrienne said. I really feel that there needs to be a joint industry and government initiative where we are looking to raise the value and recognise the value of international experience and how that will benefit Australian industry, the Australian economy and the Australian community. When we are all looking towards globalising industry, towards globalising ourselves, in fact, as individuals, it can only be of benefit to Australia to value those experiences that we have gained overseas. Thank you very much.

Mr Surtees—Thank you for the opportunity to speak today. I would like to speak for a couple of minutes on essentially what my experience was, having first gone to the United States to go to Stanford business school in 1992. I have spent much of the last 10 years predominantly in the US and to a lesser extent in Asia. I spent the first couple of years at Stanford very much being imbued with the opportunities and the structures that support entrepreneurship. An entrepreneurial environment is one which supports the general concept of enterprise creation, as distinct from start-ups, which most people tend to naturally associate with the Silicon Valley story.

I travelled backwards and forwards between the US and Australia over a number of years. I started some businesses in Australia, successfully built them and then sold them. I returned to the US to establish a group at Yahoo head office as the founding vice-president for commerce. What I found echoes many of the findings or discoveries of others who are making submissions today about their international experience. Entrepreneurial capabilities were very highly valued

internationally. While I was overseas I only fleetingly thought about what I might do when I returned to Australia. I assumed that some infrastructure might exist somewhere to allow me to plug into something—be it engaging the capital markets or otherwise engaging other structures that may allow me to leverage the contact base and the skills that I had developed over a number of years. I was wrong; I assumed incorrectly.

People have referred to a brain drain. I think there is more of a brain churn. Speaking personally, I was terrified at the prospect of coming back to Australia because there was nothing here. In numerous visits and discussions with various different people, I generally walked away from that engagement or dialogue feeling as if there was not much of any relevance to an Australian context and no willingness to really engage in that which I and many of my friends and associates might represent. To that extent, it prevents many of the people whom I work with—the smart, well-connected and efficient Australians working in a number of different businesses right around the world—from coming back to Australia other than to holiday and to retire.

In particular, I think that Australia is short of professionally skilled entrepreneurs who understand how to engage the international marketplace. It is a global market for talent and it is a global market for capital. We need to have people who have these enterprise creation skills that have a proven track record of success internationally. We need to be able to harvest and build on those skills and capabilities and provide people with a return channel back to Australia so that while they are sitting overseas making decisions about what they might do there is some pathway for them. Entrepreneurs, if they are anything, are good risk managers. Coming back to Australia with no plan is not a good risk. As a consequence, I think that what Australia is badly in need of is the capacity to identify, build and do something with the talent, the capabilities, the contact base and the currency of that knowledge in the context of a certain time frame. We need to build structures that provide for not only enterprise creation but also leadership.

I needed assistance coming back to Australia and I did not get any. I can name five or six Australians who have been through the same experience. Each one of them has met with the same level of disinterest. No-one sought me out—other than those particular opportunities I established myself. There are no networks. Following on from what Elise Constable has said, entrepreneurs need to fit into networks. They need to be able to find people with a common culture, a common attitude and a common set of objectives. All the US business alumni are very effective at providing that to a certain extent. Again, in a global market for talent and for capital, Australia is losing out.

CHAIR—We are talking about some pretty fundamental problems here. In a sense, are we talking about the cultural dynamics of an inward looking country and inward looking sectors? There may be a touch of the tall poppy syndrome in a sense. Are we talking about another issue which has been raised with us—that in Australia we do not recognise intellectual capacity as much as maybe we recognise sporting capacity? How do you actually confront some of those cultural dynamics? We are talking about some fundamental stuff here.

Mr Allinson—I actually think that if you look at why people want to come to Australia, everybody is pretty clear about that. It does not matter if they are Australian or not, they are immigrating here for certain reasons—there is opportunity. The issue I find quite startling is that Australians are very well respected overseas. We get credibility and we get respect. I think there

is a lack of information about what successful Australians are doing. It does not matter whether they are successful in business or in social enterprise; there are a number of places where we do very well. That is where I think you have to have the capability to be able to get that, and we do get that.

I think Australia is also seen as a very good base for a number of different things, but we are seemingly very disconnected from what is going on around Asia and in other places in the world. At an individual level, I think we are very good at getting in and getting connected. But the storyline needs to be lifted and it needs to become much more apparent to people in Australia so we can understand ourselves, understand what is out there and understand what opportunity is there. Coming back, there is just not a lot of information flow.

Miss Farrelly—I think we need to go to next level as far as training people globally goes. I find with training Australian businesspeople on Asia we are still doing things like looking at business cards. I think we need to go a few more steps in educating Australian businesspeople who are dealing globally. I think that is quite important.

CHAIR—To what extent can a government program do that? We are talking, as you said before, about the community you are representing being free agents. In many ways those entrepreneurs trying to get into markets overseas are going to have to find their own way, aren't they? How does the government train them if we do not know where they are coming from or going to?

Miss Farrelly—A lot of people do go through Austrade, for example, and there are a lot of government sponsored events for trade and international business. I certainly do not think that we are all free agents at all. Certainly with regard to my members there are 300 repats and a lot of them have worked for multinationals overseas. Another issue is that, when they repatriate back to Australia with a multinational, the multinationals do not run repatriation courses. So it is not just an entrepreneurial, free agent sort of issue; it is really a business issue across the board.

CHAIR—I suppose what troubles me is that, whilst we are talking about this particular nonrecognition of the global links of our expats, there are thousands of stories of migrants who have come to Australia actually connecting with their source countries and enhancing trade opportunities. There is a bit of a conflict there. Ms Constable is smiling. What are your thoughts on that?

Ms Constable—I am smiling because it is so ironic. I think the reason for that in a simplistic way comes back to your point about culture. Our culture is by nature typically not one that gets together comfortably to network in the way that perhaps an Indian community or another culture might. On your earlier point, we cannot change our nature or our cultural essence, but what we can do—and I harp on this only because it is my personal experience—is create and support a network and community space which is a blend, if you like, of industry, government and returning repatriates and expatriates who continue to live abroad. We could put in place a mechanism for the transfer of knowledge, which is really education, and a mechanism for profiling, which is really about finding opportunities for business groups here and repats and expats to create new initiatives which could be used in companies or in policy areas. For example, they could debate with you when you need to make decisions relating to new laws that affect expatriates or develop international trade. You could really use the community on a day-

to-day basis where relevant. You could publicly show that and publicly talk about how you are using it. The Indian community has followed this pathway—it has engaged some high-profile individuals from their expatriate community and invited them back to India from other countries to publicly debate certain issues that relate to commerce. That is one tangible example.

Ms Balogh—I have noticed an interesting anomaly in Australia regarding the promotion of scientists or people involved with research and development. They seem to be lauded in the press—those sorts of situations and cases tend to be publicised quite a lot. We as a community tend to recognise the benefit of pulling back that intellectual capital being developed overseas and bringing it back to Australia. Interestingly, that does not seem to transpose to other professions and other individuals who are not involved in scientific endeavour. I think if we could really just promote that intellectual capital outside of the scientific field, even to 50 per cent of the level that we are promoting it within the scientific field, we would do a great service to Australia as a community and, of course, to those individuals as well.

CHAIR—Where do you start with such a program to promote that capacity? Do you start with organisations like the BCA and chambers of commerce?

Ms Balogh—I would like to see it as a combination of something like the BCA and federal and state government initiatives so that, effectively, government and industry are working together to promote the benefits of that. Interestingly, with multinational organisations that are themselves bringing Australians back to Australia there are obviously cultural issues and integration issues, but, generally speaking, within an organisation that individual is valued. But they do not seem to be valued outside of that company. That is really what we need to do.

CHAIR—I will throw this up and see who wants to answer first. There would be an attitude in the community that says: 'People are free agents. They go for all sorts of reasons, primarily to maximise their skills base and their income. They are free to go and they are free to come back. Why should we assist them in coming back, particularly as we are talking about a global market with mobility of skills, talents and investment? Other people are taking it up; Australian repats are not taking it up.' What is your response to that?

Mr Surtees—The reason that it is necessary to do it is because you are wasting human capital. You are actually disincentivising Australians who otherwise might come back.

CHAIR—But why do you need an incentive to come back? Will that incentive work? You are talking about tax assistance to come back, but—

Mr Surtees—I am not talking about that.

CHAIR—That is one thing that has been put on the agenda. Australians will be just as likely to say: 'These guys have gone off and made their own opportunities. Why should we pay for them to come back or subsidise their return?'

Mr Surtees—We are not talking about that. We are talking about creating a mechanism, an information exchange and a set of infrastructures which allow people to identify where the opportunities are so that they can then proactively take that up—a mechanism that acknowledges what they have done and engages the intellectual capital, skills, content base or whatever that

they already have and gives them an opportunity to productively use them. Political parties could not survive in Australia if they were not organised. You would have hundreds of members sitting in parliament, each autonomously making their own mind up. Progression of any kind and of any real value arises only through organisation. You do not wait for leaders to come along; you have to actively seek out people with leadership potential and expose them to experiences designed to make use of their potential and develop them. We are losing because we have not organised ourselves. Talent and skill might come back to Australia for family and lifestyle reasons, but it is simply impractical for many of these people to take up those otherwise attractive options. It is not a question of paying them; it is a question of providing the right levels of support and organisation.

CHAIR—But we are also talking about two geographical aspects of the issue. As Ms Constable says, one is the Indian network that works away from India but for India and, in some respects, with India.

Miss Farrelly—Exactly.

CHAIR—What we are talking about here is the resource of expats abroad, but also the resource they bring back to Australia. Do we look at both aspects as needing promotion? Do we look at the people coming home as needing recognition?

Miss Farrelly—This is where we wish to change the mind-set of the whole population of Australia. Nationally, we have a population of 20 million, or something like that—19 million live on our shores and one million live overseas—but we are globally connected; this is the mind-set. There are other things that make it difficult for Australia and, certainly, Australia's isolation is a factor. But still this is a mind-set; it is not an 'us and them'. It is not that because you exist in Australia you are patriotic. We are highly patriotic overseas—extremely patriotic. We will rant and rave about our country, and this needs to be recognised as well. We also come back for our country. I have been sitting here unemployed for one year because I love my country and I want to stay here and I want to utilise my skills gained overseas for the benefit of my nation. All of my friends in Shanghai are going: 'Why don't you come back? Shanghai is booming. You had a successful real estate agency.' I am saying, 'No. I want to be here, because I want to help Australia understand China and stay here for the benefit of my own country rather than exist overseas.'

Ms Balogh—I will just give you a quick statistic. As Adrienne said, we have around 300 members in the Melbourne International Social Group. Around 70 per cent of those are unemployed. These are all professional people who have many years of experience, both in Australia and overseas. There are many of them who have been struggling to find jobs for well over a year. I can tell you from my professional experience overseas, if they were to go to any European country or the United States they would get a job straight away. So there is something wrong—whether it is with our culture or our structures—such that we have this wasted human and intellectual capital, who are desperate to find jobs and desperate to contribute to Australia but who are finding that they are simply not valued. Their experience as individuals is not valued.

Miss Farrelly—Another problem there is that we return back overseas and, because the Australian expat community is very well connected, bad blood will go back and they will say:

'Don't go back to Australia. You are not valued and you are not wanted.' This is already happening at the moment. We really need to stop this kind of negative message getting out to expatriates. We find it a real issue.

Senator KIRK—Thank you all for your comments so far. I have found them very interesting and somewhat disturbing, I have to say—especially that last figure of 70 per cent of your group being unemployed. I find that most surprising and worrying. I come back to the question that Senator Bolkus asked, and that is: what role is there for government? I am still trying to get my head around the organisational structure that Mr Surtees mentioned. Somebody else mentioned a joint initiative, perhaps with the Business Council of Australia. Could someone give me a clearer picture as to how this organisational structure would work, how it would communicate with people who have returned to Australia and with people who are overseas and thinking of returning? Are we just talking about some kind of website facility, or are we thinking about a bigger organisation with a more substantial infrastructure? Perhaps somebody could flesh that out for me a bit more.

Mr Surtees—I think there are two parts to this. Firstly, there are the objectives of the organisation and how it might be constructed. Secondly, there is what those functions might well be. Clearly, one of the functions is that of communication from this entity to those who are making decisions about employing people or who are otherwise making decisions about funding people who are seeking to undertake the next stage of their career development back in Australia. There seems to be a collective wisdom that says, 'Once you leave Australia, don't come back.' Once someone has left Australia, they have effectively deserted the country and their skills and contact base are of no real value.

This is at a time when Australia is actively involved in an export drive, employing people and funding organisations which look to develop markets with people who are unskilled and inexperienced, with no contact base and no infrastructure, with millions and, I dare say in some respects, up to billions being spent by state and federal governments collectively seeking to open markets up with the various organisations that have already been funded. There is an estimated $4 billion a year, not counting the additional $1.7 billion that has been put aside for commercialisation of new ventures, all of which ultimately, if successful, will look to be exploited offshore. So who is going to do it? So there is an attitude that is, I think, fairly endemic within Australian business and government that says, 'We don't need that expertise, we can do it on our own and we'll figure it out as we go along.' That seems quite a short-sighted attitude when you have many people here willing to jump in.

The structure of the organisation will ultimately have to be one that identifies those talents, identifies and codifies the capacities and the opportunities that people are willing to engage with, can identify where these people reside and how well qualified they may be to act in a certain capacity, and then has that database and information base available to those government and private enterprises that may wish to engage them. That is a fairly straightforward proposition and not an expensive one.

Senator KIRK—Do you have any ideas about where this unit could be located within government? Do you see it in the Department of Foreign Affairs and Trade, the Department of Employment and Workplace Relations or Treasury?

Ms Constable—Are you saying that it is part of government or in partnership with?

Mr Surtees—I think government needs to provide an environment for this organisation to arise, but government should not necessarily run it.

Ms Constable—When I came back I worked on the Victorian Entrepreneurs Network and after that with the program that took up the Victorian Entrepreneurs Network—the Australian Institute for Commercialisation. My job there was to look at how to scale this kind of network based on what I knew about other networks around the world and from a marketing point of view, which is my professional expertise. We looked at a couple of models, so—building on what Tony said—it would look like a joint initiative between government and industry and these entrepreneurial repatriates and expatriates. It would have a charter. It would involve a board that was made up of people who would be, in my mind, all those representatives predominantly from expat and repat communities.

The way that it would connect itself with existing repatriates and expatriates is basically by networking the network. We have a list of all the networks around the world that we can tap into just like that and say, 'Here's the channel, now come and join us.' We can basically funnel all these people back into Australia. The opportunity is there and there are a series of networks in existence in Australia right now competing to try to become this ultimate network, if you like. The reason, in my mind, that they have not succeeded is because they have not been big enough and they have been privately organised and underfunded or, in the case of the Victorian Entrepreneurs Network, they were completely government owned and, in my mind, stymied. They got to a certain point and they could not grow any further because of various political reasons inside the department that owned them or because the people who were running them did not understand what had to happen or because it just simply was not appropriate for the minister of the day, which I understand.

The structure is deceptively simple, and what we need to do is deceptively simple. If we can set up that infrastructure, get education happening—the flow of ideas through courses and seminars—bring industry in and start doing a series of talks in industry with repatriates and expatriates, and wrap around a communications campaign—I personally have designed one for this particular network which has not exactly been rolled out yet—we have made a great start. Maybe it is hard because it is quite simple.

Senator KIRK—Is it expensive?

Ms Constable—No, not in my mind. We are talking about creating community. The expense would come perhaps in establishing the administration of it, putting together the brand of it and ensuring that the communications campaign is right, but there is a lot of existing work to draw on. The other question to ask would be: now we have this body, where do we get the funds from to perhaps fund seed ideas and run education campaigns? But after that, I would expect that the funding would come from a combination of places. What is the dollar figure? I do not know whether anyone has gone that far.

Senator SCULLION—I have a number of general questions. Thank you for your submissions; they are very interesting. I am concerned because I simply do not get it. I myself have been in small business, and it is all about product and market. I do not need to tell you guys

about that. You seem to be very smart Australians and have obviously got overseas experience. I can understand when government get it wrong. I have been in this part of government for only a short time, but I understand very much how bureaucracies can sort of stuff it up. But I am not all that enamoured with the idea that all corporations in Australia will get it wrong. I just do not run with that.

I understand from your submissions and from what you have put today that you are pretty disenfranchised with the way you have returned. You have all these new skills. Those skills are specifically about how to market better products in the international experience, and they are just not valued in Australia. Part of my concern is that, when you now tell me that we need to funnel all these other disenfranchised people into a marketplace where we do not value their product, that does not seem to me, from a business sense, to be particularly smart. What I do not get is why corporate Australia have also rejected these opportunities. Corporate Australia are also involved in part in the international corporate community. They just happen to be in Australia. What is lacking in the marketplace? Why don't they recognise these skills that you have brought back?

Mr Surtees—Can I jump in? There is an implication there that the people who have sat before you this morning have respectively sat on the sidelines and effectively done not all that much. Speaking personally, I am a private equity investor. We have invested in three companies in Australia. I have recently stepped back from running one business on a full-time basis. We actively seek out and look for businesses that have international capabilities. We have done that on our own. We have not raised money from any third parties. We seek those opportunities out. It is the collective experience of these people that there is this level of disenchantment or disenfranchisement going on.

Senator SCULLION—There are 300 people who are quite skilled who cannot get jobs. That is the reality, isn't it? It is no inference.

Mr Surtees—That is right. The underlying issue is: what prevents them from getting jobs? The first thing that one has to look at is the recruitment process. Are they being recruited by companies? Are they being recruited by personnel agencies and, if so, on what criteria? Do recruitment agencies regard international experience as effectively a gap in a resume which is otherwise hitherto unexplained? Is that experience not valued and, if it is not valued, why is it not valued? This pertains to attitudes. Attitudes fundamentally come from exposure to information and what represents high ideals. New Zealand, for argument's sake, has been a very export driven culture for many years. It understands the value and engagement of international markets—probably disproportionate to that of Australia. Israel, Ireland, the United States and Japan are the same. There are many examples of government and private industry working together.

In Australia attitudes towards the environment, for argument's sake, 20 years ago were not the same as they are now. There is a need for communication to be effectively undertaken by some entity that has the capacity to establish a different idea: that is, that we exist within a world commercial community. The skills captured by individuals, who effectively carry those skills back into the country, represent the capability of companies to engage future market opportunities.

Fundamentally, Australia—and I speak as a past state president of the Australian Marketing Institute—is lousy at marketing. Commercially, Australia does not look at the marketing function the way Americans do, for example. The track record for the capacity to engage markets internationally is poor. One of the reasons why has to be a lack of understanding of the dynamics and operations of those markets. That knowledge is locked up in people whose skills and experience, for some reason, are not valued by people in a position to recruit them. This must be rooted in some commonly held view that their skills are not relevant and helpful. A government can play a part in changing that.

Mr Allinson—There is a scenario I would like to look at which was right in my face concerning Australian companies wanting to do stuff in Singapore. I thought a lot of the government agencies were really there for administration and to connect with the Singaporean organisations that companies may trade with. One thing that was not addressed was: who do you know in that market that can help you do the due diligence on the opportunity? It would be beneficial to have a body like Austrade saying, 'Who do you know from your own country that is there?' I know the Japanese are great at it; almost every other Asian country I am familiar with know two or three people to ask, 'Should I work with this guy or not?' The Americans do it very well as well. When they go in at a corporate level, they really sweat that level of detail. It comes back to Tony's point about understanding the market. That is one thing we can offer in coming back. We can help to go through some of that.

Senator SCULLION—I think I have a clear understanding of some of the challenges. In these submissions, you have pointed to a number of countries that are obviously at different stages of that development to ensure that people value those particular skills amplified today. Which of those countries do you think we would look to as a model that Australia can use to make those changes? As they are at different levels, it is your sort of advice we would need on that.

Ms Balogh—France has had an organisation like this for a number of years and is doing a very good job. Israel is another. I am not familiar with the Indian one, but I have anecdotally heard about the Indian situation. I am sure that, in terms of the most recent experience—I think it is only about five years old—it is probably a good one to look to.

CHAIR—What is so attractive about the French situation?

Ms Balogh—The French have been looking at this issue for many years now, partly because of their colonial past. Obviously, they have people living in a number of different countries around the world who they realised have a wealth of experience that they could utilise locally. It partly has to do with the francophone type culture as well. The last time I looked at it they had an organisation of around seven people. I am not sure which department it was, but I think it was the equivalent of the foreign affairs department. As we have talked about around the table this morning, their role pretty much is one of trying to bring industry and government together to promote the return of those individuals, pretty much as we have been doing with the scientific community. It is also about ensuring from a cultural level that they integrate well and that obviously opportunities are explored from both an entrepreneurial perspective and an employment perspective.

Ms Constable—And I would say that India, China and Taiwan have 35 years of experience.

CHAIR—At this stage, could I say thanks very much. We have run a bit over time, but this discussion could probably go on for a whole day—and we would find it useful even at the end of that. From my perspective, you have raised some pretty fundamental cultural issues that I think have some merit. The lack of recognition of one's capacity in the world that sometimes pervades parts of our community, not just the business community, is something that is probably a handicap for our future. If there is anything you feel we should focus on after this discussion this morning by way of specific initiatives, please feel free to contact us. Thank you.

Ms Farrelly—Thank you very much for taking the time to listen to us.

[11.01 a.m.]

BURTON, Ms Faye, Executive Director, Office of Science and Technology, Department of Innovation, Industry and Regional Development

MOUNTJOURIS, Ms Barbara, Acting Director, Victorian Office of Multicultural Affairs, Department for Victorian Communities

WERRY, Mr John, Acting Manager, Victorian Expat Network, Office of Science and Technology, Department of Innovation, Industry and Regional Development

CHAIR—I welcome the representatives of the Victorian government. You have lodged submission No. 672 of the committee. Do you need to alter or amend that in any way, or would you like to start with an opening statement; and, if so, by whom?

Ms Burton—We will start with an opening statement. We do not wish to amend the submission that we have put in, but we understand that you are looking for further details on the program and in particular VEN, the Victorian Expat Network, and I am prepared to give a small overview of that if that is the way you would like to go.

CHAIR—Sure.

Ms Burton—VEN, which is the Victorian Expat Network, was established as part of the Victorian government's innovation policy with the main aim of attracting skilled science and technology professionals to the state and retaining them. It was created as an international network linked with Victorian interests, so it did not necessarily have to be Victorians. The target was innovation and knowledge workers. Our overall aim is to connect Victoria with our offshore expatriates and to build goodwill and meaningful connections with them.

Specifically, VEN aims to facilitate international collaborations, build business opportunities and encourage knowledge exchange. It is also to be a mechanism to link VIPs with influential expats in overseas dealings, to provide members with news and information about the latest initiatives in Victoria and Australia, to promote Victoria to our international interests and to reduce barriers to repatriation. It has principally worked through a web site that has been free to members and includes linking profiles and registration forms. There is a database established on that, with details of members. There are monthly electronic newsletters connecting expats to the latest information in Victoria. There are international networking events, particularly linked with our business offices around the US, Europe and Asia.

It is principally focused on Australians and Victorian expats residing overseas, but it has also been extended to include recently returned expats living in Victoria and to professional associations and other industry bodies who would like to link with the expat community. We currently have close to 300 members, of which 50 per cent are in the USA. Our future direction was only established just over 12 months or so ago, so there is still quite a lot to do to develop it as an expat facility with an active membership. Future things we are looking at are possibly ambassadors that might take on interests in particular professional sectors, like biotech and ICT,

to promote those sorts of activities internationally. We also could look at expanding the coverage to investment and education sectors. We are working with other jurisdictions to develop and roll out more of a national approach. I will pass to Barbara to talk more about the national side.

Ms Mountjouris—I think it is recognised that the majority of Australians working overseas on a long-term or permanent basis are skilled professionals and that they have the capacity to benefit Australia through the contacts they make overseas and the skills they transfer. There has been some recognition of the contributions made by the expatriate community and, in particular, the recent changes to the Australian Citizenship Act have assisted Australians living overseas on a long-term basis. However, it is the view of the Victorian government that further steps are needed to ensure that Australia makes best use of its expatriate resources. The Victorian government submits that a national policy is needed to complement state programs such as VEN and Victoria's Skilled Migration Strategy. This policy would inform the expansion of services and programs to ensure global coverage and that all expatriates are included.

The Victorian government proposes that the Commonwealth government appoint a minister with specific responsibility for expatriates who would be supported through the Department of Foreign Affairs and Trade. This proposal would provide recognition of the role that the expatriate community can play as ambassadors for Australia, enable the development of a coordinated policy and strategies for maximising the value of the expatriate community to Australia's economic, social and cultural interests, and augment the efforts of state governments and the private sector and encourage resource-sharing and coordination of efforts between the Commonwealth and the states.

The Victorian government also proposes that the Commonwealth government develop linkages with the Australian expatriate community by: coordinating web sites dedicated to expatriates, including the web sites of projects such as VEN and VESKI and the initiatives of other state governments, as well as sites containing relevant Commonwealth government information for expatriates; informing expatriates of important Australian initiatives and events, such as the Commonwealth Games, major tourism campaigns and migration initiatives; inviting contributions from expatriates to assist in promoting Australia's economic, social and cultural interests, including participation in activities such as ministerial visits, business consultations and cultural events; providing opportunities for interested expatriates to communicate with each other to develop common professional interests; and facilitating research into expatriate communities and their needs and of the benefits to Australia of returned expatriates.

CHAIR—Thank you. You have heard the previous five or six witnesses, and it would appear from their experiences and what they have told us that it is not working. The obvious question to put to you is: when you say that the corporate sector recognises that these people have got skills and links, their experience as told to us is that they do not recognise that. Where does the truth lie?

Ms Burton—There are quite a number of groups that have started up with expatriate networks, and I think it is early days. There has been a number of what I suppose you could almost call pilot projects, and some talk is starting between jurisdictions to see how that could be developed in a more coherent way.

CHAIR—They are talking about something a bit more fundamental. They are talking about a cultural lack of recognition and a lack of appreciation of the importance of some of the links, contacts and networks that these people bring back home with them. Is that what you are finding in your experience with the corporate sector in Victoria, for instance?

Mr Werry—In our particular space, which is very much innovation workers—scientists, technologists and engineers—we are finding that a lot of the people who leave Australia lose contact with the professional networks and the corporate culture in Australia. One of the big aims of the VEN project is to maintain those linkages through a virtual space, so that when people go overseas for two or 10 years they are still in touch with what is happening and are still communicating with their professional associations and keeping in touch. We strongly believe that by maintaining that contact it is far easier for them to come back and find those jobs than to come back as a highly skilled person who does not have those professional and personal contacts.

CHAIR—I suppose it is self-evident for anyone going overseas for three or four years that they are going to lose the networks that they have within Australia. They are saying that they go off and acquire different skills and assets which are useful. To what extent do you think those assets are recognised by Victoria's corporate community with whom you have contact?

Ms Burton—I do not think that we have a comment on that.

Senator SCULLION—By encouraging expatriates who are gathering skills overseas and who return to Victoria, are you confident that is in Victoria's interests? Is that what you are putting to us?

Ms Burton—Yes.

Senator SCULLION—In your 2000 expatriate survey, did that include how many expatriates have returned? Did that survey also deal with repatriates as well? You might like to take that on notice.

Mr Werry—Can we take that on notice.

Senator SCULLION—I was wondering what you based that material on. In support of the chair's questions, we have just had some evidence that out of 300 people who belong to an expatriate society—*Hansard* may correct me on this—some 80 per cent are still seeking employment. We have accepted the overseas experience, but we need to translate that here. We have not had any evidence that that is happening. Does the Victorian government place any particular value on expatriates? For example, when they are advertising a job do they say, 'International experience would be preferred but not essential'? Does the Victorian government have any particular policy to do those things?

Ms Mountjouris—You are talking about people coming back into Victoria. I think our focus is on people who are overseas already. We are talking about developing the networks that exist overseas through people working overseas who are from Victoria.

Senator SCULLION—By developing that network, what outcome are you looking for that would be in Victoria's interests?

Ms Mountjouris—We think that there are opportunities to use the resources of people overseas to promote investment and trade opportunities, and to use those people as ambassadors for Australia to promote tourism and so on. That would be better developed through some coordinated strategies between the states and the Commonwealth.

Senator SCULLION—If there was a new minister for expatriates or a new department—I know you have suggested that there should be a minister of some form—that would create a national focus. Whilst there would be some interaction, it would be the responsibility of the Commonwealth to provide policy and direction in those areas. Given the perceived absence of that national focus, Victoria is doing its own thing. Could you give me some ideas about how that would work in a structural sense? You have said there needs to be an entirely new minister, but let us just say we could only arrange a parliamentary secretary. Where would he or she belong?

Ms Mountjouris—We see that position belonging within the Department of Foreign Affairs and Trade. I will go back to the earlier part of your question. If I heard you right, you were talking about what benefits that would deliver.

Senator SCULLION—Yes.

Ms Mountjouris—We see that there are a lot of strategies occurring across the states in an uncoordinated way, where there are different web sites and initiatives for working with expatriates. We think there is opportunity for synergies to be developed out of the coordination of Commonwealth policies with state policies. We are not suggesting a replacement of policies. We are suggesting that the Commonwealth, by developing a national policy on how Australia deals with its expatriate community, could provide support to and leverage with the states on the policies that the states have so that both the states and the Commonwealth go forward together to the expatriate community in the same way.

Senator SCULLION—The states, I suppose, would have a vested interest because of particular products or tourist opportunities that they want to promote. The international generalist sphere would be the responsibility of the Commonwealth. It would be of that sort of nature.

Ms Mountjouris—That is right. It would demonstrate to the expatriate community the value that the domestic governments see in the community overseas.

Senator SCULLION—I am still concerned that expatriates who have returned to Australia and are seeking work do not seem to be particularly successful. Whilst you have indicated you are not directly dealing with this issue, perhaps you could respond with a general comment. We talk about a cultural barrier. You have worked in this area. I will quote from a couple of submissions. One individual has said:

As a result of my international experience I consider myself firstly an international citizen and secondly an Australian.

That is from someone who has just given evidence. Another individual who has not given evidence has said:

... all the experience overseas has changed the way you see things.

Do you think that assists them in gaining employment and giving their experiences to Australia? They are pretty fundamental statements about how they now feel about themselves, and it is something that happened overseas before they returned. Do you think that has had an impact on their employability or their capacity to add value to our national interest?

Ms Mountjouris—Having a good network when they were overseas that kept them linked in, kept their networks current, kept them understanding where the priorities of the Victorian economy were and linked them with people, like we are doing with the VEN database, would have given them a better introduction back to Victoria or Australia. That is where we see the importance of having VEN kind of mechanisms in place—so that they can be actively working with our people while they are there.

Senator SCULLION—Do you think connectivity mechanisms like ExpatriateConnect.com have been successful? Have you some way of measuring that in regard to tools we may use at a state or national level?

Mr Werry—My understanding is that ExpatriateConnect has only been operating for about four weeks, so it is a little early—

Senator SCULLION—Do you have examples of a communication tool of a similar nature that has been used by expatriates as part of this network?

Mr Werry—Some of the problem with this area is that so much of the evidence is sketchy and anecdotal. Relying on one anecdotal example, one of our colleagues used to work in Brussels and recently came back to Australia to work in our department. He spent a year engineering his return. By using some of our government departments and working through the Victorian Expatriate Network, he established or reconnected himself into the Victorian professional community in health care and micro and nanotechnologies. He returned and seems to have very few problems, and he thoroughly recommends that as a way of approaching it—spending some time while you are over there reconnecting yourself so that it is a smooth transition.

CHAIR—In your submission you referred to the examination of the financial barriers inhibiting repatriation. What sorts of issues were you anticipating in that reference?

Ms Mountjouris—We were referring to issues that have been raised in other submissions, concerning bringing back superannuation and tax issues.

CHAIR—Have any specific ones been brought to your attention, other than through the other submissions?

Ms Mountjouris—No.

CHAIR—You also support a national policy.

Ms Mountjouris—Yes.

CHAIR—Is there anything you would like to suggest to us that would be a component of such a policy?

Ms Mountjouris—I can give you some information on how we think such a national policy would be implemented. We think that, through coordinating the initiatives of the states such as the state based web sites, there is opportunity for expatriates overseas to have one window into Australia that links all the web sites. We think that the Commonwealth government could provide details of developments that are of particular relevance to expatriates—for example, the recent announcement by Minister Hardgrave of the forthcoming changes to the Australian Citizenship Act—so that those kinds of things are promoted and that expatriates understand initiatives that will make it easier for them to resume their citizenship and will enable their children born overseas to return to Australia. We think the Commonwealth government could inform expatriates of important Australian initiatives and events, such as the Commonwealth Games, major tourism campaigns and migration initiatives. I think I covered those points earlier in the submission.

DFAT could also instruct its overseas missions to develop links with the local expatriate community to foster expatriate organisations and ensure that opportunities were found to include expatriates in official activities. DFAT could commission research into expatriate communities and their needs and on the benefits to Australia of returned expatriates.

CHAIR—On behalf of the committee, I thank you for your submission and your evidence this morning. This is turning out to be an inquiry of all sorts of dimensions. Your ideas are useful.

[11.29 a.m.]

TRAINOR, Dr Greg, Executive Director and Company Secretary, Victorian Endowment for Science, Knowledge and Innovation

CHAIR—Welcome. You have lodged submission No. 563 with the committee. Do you wish to amend or alter that, or would you like to start with an opening statement?

Dr Trainor—I will start with an opening statement. Our submission was fairly broad, but it was certainly important from a VESKI and Victorian state government perspective to make the government and other interested parties aware that VESKI has been established. It was formally established in September-October last year, and we have put an infrastructure in place to put some programs in place and to try to attract some expatriates back to Victoria, which I will talk about very briefly in a minute. As far as the Senate inquiry is concerned, it was very important for us to be involved in it and to make people aware of what has been put in place and what we are looking to do in the future.

The Victorian state government has put in place a $10 million trust fund. VESKI benefits from the interest on that trust fund, which is around $450,000-plus a year. VESKI was established as a stand-alone company with a voluntary but very high-level board, certainly in Australian terms. It has started to put in place some specific programs to attract outstanding expatriates back to Victoria. The first program we launched, in April of this year, is called the VESKI Victorian Innovation Fellowship. We went out via our web site and through advertisements, particularly in science magazines overseas, to try to attract outstanding candidates back to Victoria for a long period of time. The offer we put out was for a fellowship worth up to $100,000 a year for up to five years. It can be anywhere from a smaller number and a smaller period up to about that $500,000 limit over five years. We mandate in the application process that the candidate has to have a host organisation to come back to. That is a university or company, or a combination of universities and companies. We started that process around November-December last year. We have managed to attract back the first fellowship.

I will spend a minute on that to highlight the program and the calibre of people we are getting back. In this first instance it was Professor Andrew Holmes, who is a senior professor at Cambridge University in the UK. He has been there for the last 30 years. He has built up a number of businesses out of Cambridge on polymer semiconductors and is a world-renowned expert in that field. Through ourselves, the University of Melbourne and the CSIRO, we have been able to attract him back with the assistance of a Federation Fellowship, the VESKI fellowship and some infrastructure from Melbourne University and the CSIRO. He returns in October to continue his research here for probably the next five years. The real benefit for us of this program initiative is that he is bringing about six people with him from the UK. Three of those are expatriate Australians and three are British citizens. So it has had a nice added bonus effect for us.

In terms of the future, we will advertise four VESKI fellowships, hopefully on an annual basis, funds permitting. The focus for us is science, technology and design. We are certainly intending to return expatriates back to Victoria. We also plan to have some other programs

associated with that. These would be lesser programs. They might be Victorian based and aimed at young people in their careers or they may be specifically aimed at partnerships with companies to try to attract back some expatriates. That is a very broad overview. I am happy to answer questions on what we have done and where we are heading.

CHAIR—I would like to ask a question on how you operate. You have the government funding. To what extent is there corporate sector engagement with your organisation on a funding level, on an ongoing engagement with a particular scholarship or on the level of prioritising the sorts of people you want to get in?

Dr Trainor—I will answer that in a couple of ways. Firstly, we have permanent infrastructure in place, so it is the role of the executive director with some assistance. We do have this very high-profile board, which is connected to the academic community, government and the business community. The board has people of the calibre of Professor Adrienne Clarke, Professor Peter Doherty, Professor Alan Trounson, Greg Sword, formerly of the ALP, Janine Kirk, John Denton, who is a pretty famous architect, and Brian Jamieson. So it is a great board to have in terms of the network connections and links with government, industry and academia.

From a program perspective, we have mandated that candidates that expect to win one of these fellowships and return to Victoria have to have a host organisation that will match our funds in cash or in kind. For example, we are putting up around $500,000 for the next five years for Andrew Holmes, and he had to clearly demonstrate that somebody like the University of Melbourne, the CSIRO or another company was putting up at least $500,000 in cash or in kind. So the program perspective for us is at least double what we initially put in place, and sometimes a bit more.

With the second series of programs, our intention is to go to some companies to see whether they would specifically like to sponsor a fellowship. Using as an example our current series of applications, we can probably accommodate one or two fellowships a year based on the finances we get from the endowment. But there are a number of really high quality candidates just outside the No. 1 and No. 2 candidates and we may be able to approach some companies and say that an expert in their field, whom they may not be aware of, is intending to return to Australia and there is an opportunity for them to sponsor a fellowship to get them back here. That is part of the programs that we will look at in the next 12 months.

CHAIR—You talk about the scholarships being for up to five years, but are you also looking at shorter term scholarships?

Dr Trainor—Absolutely. The second one, which we have not yet announced because we do not have the contracts in place, will be for four years. The third one that we are looking at is potentially for a more junior person who would be almost at the postdoctoral level. If that one goes through, our proposal would be that it be for two or three years. The reason behind that is that we would need to put up a smaller amount of money to attract that person back. They are at the very start of their career—even though they have been outstanding in the first phase of their career—and we do not believe it would take a hell of a lot of dollars and time to attract them back to Australia and get them started on the next phase of their career. Likewise, at that level, we can accommodate some supporting funds from one of the universities and from other companies as well. If it were anything less than two years we would probably query whether it is

valuable, but we think two to five years gets them well and truly established back in Australia and not as likely to leave.

CHAIR—The objective of your program is to get them back into Australia permanently. But yesterday in Sydney the committee heard about a program recently launched by the federal government, with the Cheung Kong corporation in Hong Kong, under which 25 researchers from Australia can go to Asia and 25 researchers from Asia can come to Australia for a three-month placement. Some of the evidence before us yesterday was that even those time periods, maybe over two or three years—three months at a time—could provide extremely useful research links. You are not going down that road, but do you see any merit in that?

Dr Trainor—We have not yet gone down that road. In our first six months we have, if you like, gone for the biggest bang for the buck in order to attract back some big names and thereby get a multiplier effect. The other programs that we are considering over the next couple of years—again, if funding permits—could very well be along those lines. We are very interested in the Thinkers in Residence program in South Australia, under which some very high quality people from other parts of the world work in South Australia for two or three months. That could be Australians or overseas people. We are certainly looking at other options as well.

CHAIR—In the responses you are getting so far, is there a particular age group responding more strongly than others?

Dr Trainor—Yes, there is. It is the early 30s to 40s age group. Andrew Holmes is not in that category—I think he is in his mid-50s—but almost without exception the latest round of applicants were aged from around 26 through to the early 40s. A number of these people are at the point in their career where they are just starting families or their families are young, and one of the key drivers for coming home is the education system and getting their families back here to be educated. They are a fantastic opportunity for us at that age. I think the way we have put the applications out and the way we have pointed them is also responding to the group that is looking to come back.

Senator SCULLION—How do you tell a successful expatriate from an expatriate who is otherwise? What do you target? How do you find those parameters?

Dr Trainor—I have a couple of responses. It is fair to say that a number of the people on our board in the first instance are very successful people from a business and an academic perspective. Some of them have also been incredibly successful expatriates. Peter Doherty is a stand-out example. When we put the application process out, we have asked people to demonstrate that they are outstanding in their field. When we evaluate whether they are outstanding in their field we look for things like patents, and for multiple citations in their fields—particularly from an academic perspective.

When we have got down to a point where certainly some people on our board or others whom we have called in to review the submissions have qualified this person as being outstanding because of the experience they have had, because of the positions they have held in academia or in business, because of the patents that they have lodged in their own names and the organisations they have worked with, then we have gone and done specific reference checks on the ones they recommended, to follow that up. We have also done reference checks outside of

who they have nominated through our network connections. So, almost without exceptions, the ones who have come through have had a really good pedigree behind them in terms of what they have done and their achievements. A number of our board members have already been aware of them; they have been made aware of them in some way.

Senator SCULLION—They are all overseas at the time the application is made?

Dr Trainor—Yes, and we stipulate that they have to be able to demonstrate that they have been living overseas for the past 12 months at least.

Senator SCULLION—I notice that there are obviously some financial incentives against the matched funding. Over a period of time that is self-evident. You have talked about trying to amplify some of the lifestyle issues. You have said that, notwithstanding that you cannot catch barramundi off the highway, Melbourne is the most liveable city in the world. Do you think that is an important aspect for expatriates—that you have to remind them of the sorts of lifestyles available in Australia and the other aspects of coming back to Australia? Is that important to amplify?

Dr Trainor—We really do. If you get a chance to look at our web site, you will see that we use the Melbourne image in the first instance to attract people to the ad, and we have certainly put a number of Melbourne and Victorian images on the web site.

CHAIR—You do not refer to the weather.

Dr Trainor—No—we used a summer photograph, of course! We have used a number of Melbourne images and language about the lifestyle and living here that people can relate to. But the most important point is that when you actually talk to them, they are very keen to come back to Australia because of the lifestyle. Our bias is certainly Victoria and Melbourne. So they relate to that. A lot of it is around the lifestyle, and bringing up their families here.

Senator SCULLION—Do you think these individuals will need any support—not only in an academic sense, but in a social sense—given some evidence we have had of how they change the way they feel when they are overseas, even to the extent that they see themselves as an international creature rather than as an Australian? What sort of support do you think they will need?

Dr Trainor—It is something we have not addressed in detail yet, but with the first couple of fellows we have been looking at the advantage we have is that we have a very senior network around them. So when we are talking about trying to attract somebody like an Andrew Holmes, it is not just me representing the VESKI board that is trying to attract him—the state government is, CSIRO has been, the University of Melbourne is. So he gets a lot of attention, if you like. We are certainly hoping that that carries through when he brings his team over here. But that attention even takes up things like media coverage. So when he was out here and we were announcing it, we certainly arranged a lot of media coverage—locally, but it ended up overseas as well—telling what a great story it is to get this type of person back. That is fine on the day, but I think it is really important that that continues once he lands here, and we get him involved in a whole series of conferences and presentations around his skills and experience, particularly as an expatriate and why he has come back.

For argument's sake, we plan to get very involved in the Alfred Deakin lecture series in Melbourne, both in the city and regionally. We would use people like Andrew Holmes and others to talk about their technology, in the first instance, but certainly to talk about their experience as an expatriate Australian and why they have come back and what has attracted them back here. So we think that gets them involved in the community as well.

Senator SCULLION—This is my last question and you can take it on notice. I am very interested to know why many expatriates feel that their international experience is not valued and recognised by either corporations or governments in Australia. It is a pretty broad question, so I am quite happy for you to perhaps get back to us on it.

Dr Trainor—Sure. My quick answer is: when you talk about people of the calibre of an Andrew Holmes and the people whom we are trying to attract back, there is lot of interest in getting the key player, if you like, in a team back and with the key player come a lot of others. Some of the experience that we have had through lesser players—if I could use that term—is that they do not feel as warmly welcome nor have they had as many opportunities put in front of them as some of these individuals have. You cannot be all things to all men, but we have certainly found, with the attention that you pay to a person who has achieved a lot overseas, it makes it easier to get them across the line, whereas I think some of the others probably feel a bit isolated.

Senator SCULLION—Thank you.

CHAIR—I wonder if you have any ideas about what we might be able to suggest by way of a complementary federal policy.

Dr Trainor—I very briefly heard what the previous group was talking about, and one of the things that appears to be evident is that there are quite a number of initiatives going on, at the state level and also at the federal level. If there is an opportunity to consolidate those whilst maintaining some autonomy for the states and different players, then I think that is a very good way to go. A number of us cross over each other when we are trying to get to an expat or trying to put a program in place. We have certainly had some involvement with the Southern Cross Group and ExpatriateConnect—which kicked off about a month ago and Peter Doherty launched that initiative on their behalf in London about three or four weeks ago. So we are very keen to work with those kinds of organisations, but if the federal government can get behind them as well and help with the consolidation effort, then it will be good for a country this size, which is relatively small compared with where these people are coming from.

CHAIR—I thank you for your submission and for your evidence this morning. As I was saying earlier, this is turning out to be quite a stimulating inquiry which is taking all sorts of directions that we may not have anticipated on day 1. The diverse range of people you are interested in is the same as those we have to consider in terms of an agenda. Thank you very much for your experience.

[11.48 a.m.]

DELMENICO, Mr Ronald Rex, National President, Australian New Zealand-American Chambers of Commerce

CHAIR—Welcome. You have lodged a submission with the committee. Do you need to alter or amend it, or would you like to start off with an opening statement?

Mr Delmenico—I would prefer to start off with an opening statement. Thank you for giving me the opportunity to speak before you. I did not intend to do this, but I will give you a little bit of my personal background, just so you understand my perspective as well as the chamber's perspective. I come from Castlemaine, and I grew up in northern country towns of Victoria. I left home when I was 16 and have been self-supporting since then. I went overseas at 20, ended up in the Bahamas and acquired the Honda distributorship from Honda Japan. I sold that out, went to England and did law. I am a member of the English bar, I am a lawyer in Chicago, and I am a solicitor here.

I have been on boards of directors in Europe, southern Africa, South America and the Caribbean. So my experience is very much that of having a practical business and lawyer background. As I said, we have 15 chambers of commerce in major capital cities in the United States. I have been elected national president for the last four years. We have a small office in the Australian embassy. I am situated in Chicago. Our 15 chambers work closely with Washington DC as well as major US city governments to enhance business relations, tourism, trade and investment and to promote understanding between our two countries. We currently work with a variety of Australian governmental entities to help achieve their specific economic and cultural goals.

Our collective chambers of commerce, with their dedicated volunteer staff and broad-reaching membership, offer the Australian government a tremendous opportunity to forge stronger relationships with the estimated 100,000 expatriate Australian citizens living in the US as well as the thousands of former Australians who may have conceded their legal standing under the Australian Citizenship Act yet remain loyal to and invested in their home country. By opening new lines of communication with expatriates and continuing to make goodwill efforts to demonstrate Australia's loyalty to its citizens living overseas, the Australian government can help staunch the brain drain—despite the fact that many people say there is no net brain drain—and the loss of capital and diminished resources that result from Australians' natural dispersion, whether temporary or permanent, around the world.

The ANZACC chambers in the US have been in existence for approximately 15 years and have made great inroads into the expatriate community as well as the American business community. We think we are a natural choice for building a bridge between the Australian government and the thousands of educated, successful Australians living abroad. Our chambers are in an unparalleled position to understand the needs of Australians residing in the US and will be pleased to offer points of view on issues such as voting rights, restoring citizenship to those who have lost it under the 1948 act, investment incentives and opportunities and other ways to promote expatriates' return to and stronger ties with Australia. Our unique understanding of

resident American Australians allows us a depth of insight which will be integral to crafting programs and promoting legislation that will help Australians' continued allegiance.

We were active in the changes involved in getting rid of section 17 of the Australian Citizenship Act. I was aware when we worked on that that there was a second step that was required to retain the loyalty of people who could become dual passport holders. The second necessary step is to work to provide the same ability to participate in electoral process afforded them by the United States, in our case. Without such rights it is easy to see how an Australian might transfer loyalty over time to the country that affords them voting rights—the single greatest expression of citizenship participation. Positively addressing issues like that would help them retain a strong, constant tie between Australia and its expatriate community.

With access to so many Australian expatriates, our chambers can synchronise two-way communication between the Australian government and the expatriate community. We can disseminate information by way of our extensive mailing lists and we can also poll Australian expatriates on a variety of subjects to determine their standing on issues and potential solutions. By working as a conduit between the Australian government and the largest contingent of Australian citizens living abroad, we can help guide policy efforts towards those topics of greatest concern and those which will provide the greatest impact for the Australian government.

Unfortunately, as powerful as our position with Australian expatriates is today, our chambers are tremendously underutilised. To maximise our effectiveness we propose three steps be taken. First, we think there should be a junior minister or members at large in parliament to represent the special interests of expatriates in governmental affairs. This would be a clear signal to Australian expatriates that the government is taking their needs seriously, while assuring ongoing national attention to expatriate issues. Second, a centralised information repository should be made available to inform Australian expatriates and travellers of new decisions that may affect them. A web site managed by, I suggest, Department of Foreign Affairs and Trade could consolidate all necessary information to ensure that overseas Australians can find timely legal and practical data they need. Finally, I urge the Australian government to support the efforts of, in our case, the ANZACC chambers and other non-governmental organisations.

Right now we estimate that the chambers are operating at about 25 per cent of our potential capacity. With our existing infrastructure and reach, it will require minimal financial support to achieve a much broader, more effective reach. With our existing databases, members' web sites and well-attended annual national conferences, this is clearly the most efficient way to tap into the expatriate community. Our nation's chambers are often funded by private business, as is the case with Great Britain or Germany, but Australian business in the United States has not reached the critical mass that will allow it to fully support the chamber's efforts. As a result, funding must be at first provided by the Australian government.

Speaking on behalf of the Australian New Zealand American Chambers of Commerce, I would like to thank the Senate and the committee for bringing expatriate issues into focus and taking an active role in solving them for the good of Australia and its citizens living overseas. We will do everything in our power to help Australia benefit from the current diaspora and help expatriates contribute to their nation's continued success on the global stage.

CHAIR—Thank you. Senator Scullion, before you head off is there a question you would like to ask?

Senator SCULLION—Just a short one. Mr Delmenico, thank you very much for your submission. It deals with everything from voting to income tax and Medicare. It is very comprehensive. I just have one general question. We have heard submissions today that say effectively that America and New Zealand do it far better than us in terms of looking after expatriates, encouraging people to become repatriates and getting some of those values. It has also been put to us that in a general sense both corporate and government sectors in Australia do not value highly enough the values that the international experience brings to individuals. What are New Zealand and America doing right that we are not? Perhaps that is a question you can take on notice.

Mr Delmenico—I have been here most of the morning listening to other former expatriates talk. I hate to say this about the prior speakers, but I am not sure that the greatest value of the expatriates is not right where they are. Somebody with those overseas skills is almost more valuable in Shanghai, for example—as this young lady was in Shanghai—than she is in Melbourne. The issue to me is not bringing people home but making use of the people who are overseas—tapping into those networks that are there. I have practiced law in the United States for the last 25 years or more. I have access into corporations that sending governmental officials over there would never have. I can call people in many of the major corporations—I can just get them on the phone. That access is more valuable in Chicago and the United States than it would be if I were back here. So I think the important thing is really making use of the resources you have got overseas.

There is an issue there about how government departments interact with the overseas resources that they have, because to my mind the natural inclination of a government department is to work within that department. Going outside that department to make use of those resources is only done, in my experience, to a very limited extent. In the United States, if they want a luncheon hosted for a minister or something like that, then we fill the room for them. But that is just touching the surface of resources that these people represent. Do not misunderstand me, I have great respect for DFAT, Ambassador Thawley, Peter Baxter, the deputy chief of mission over there and Ian Wing at Austrade. They are wonderful people and very talented, but their focus is within their department and fulfilling their function.

Senator KIRK—Thank you for your submission. I notice that you advocate optional voting rights for expats beyond the current provisions. I wonder how you think that might be brought about, assuming there will not be constitutional change. Do you think it can be readily brought about by way of legislation? If so, how would you like to see those changes brought about?

Mr Delmenico—Because of the wide geographical dispersion of Australians, which is broader than all our consulates and embassies, voting cannot be made compulsory overseas. I have known Australians who have been away a long time who feel they are not qualified to vote, from an ethical point of view. We have to consider how we can tie Australians back into the community. I own property in Castlemaine that has been in the family for 150 years; I am paying rates there, and it seems to me that it would be appropriate for me to vote. I read the Australian newspapers every morning—it is not that I am not informed. I also think you have a very educated, worldly group of Australians overseas, and their input into the voting process would be

valuable. How could it be done? I think I suggested in the submission on voting that I made before that there is a mechanism for itinerant voters where they register in the community they have the closest relationship with, and I think that could be done fairly simply. I do think it is important that we have a spokesman back here—if we could have a minister or junior minister—and I do not think that belongs in DFAT. If anything, I think it would belong in Immigration because they get involved in settlement processes and cultural things and so on.

Senator KIRK—Would you envisage a time limit on the length of time a person was out of Australia in order for them to be able to vote under the system you envisage?

Mr Delmenico—Perhaps I have been in the United States too long and have been influenced by studying the United States constitution and watching it in operation. There is something that to me is inherently wrong in a government of the day being able to restrict who can and who cannot vote. I feel that, if you are an Australian citizen, with our citizenship comes a right and, if you are available, a responsibility to vote and participate. The greatest safeguard of democracy is the ability to throw a government out, and I do not think any government of the day should have the right to restrict that.

Senator KIRK—I tend to agree, but do you think there is any need for there to be proof of a continuing connection with Australia?

Mr Delmenico—Who is going to determine what 'continuing connection' is? I have been gone a long time but I am probably related to half of northern Victoria, so what is 'continuing connection' and who is going to determine that? That in itself creates risks. It is better to give a vote and let people exercise it or not if they see fit than to give somebody the power to say no.

CHAIR—On that subject, I think there is a view, as expressed in one submission, that people become more citizens of the world than citizens of a particular country. In those circumstances, should they then be entitled to vote regardless of loss of contact, both cultural and physical, with a particular country? Should there not be a cut-off period?

Mr Delmenico—Who is going to determine that cut-off period?

CHAIR—The parliament—that is pretty obvious.

Mr Delmenico—But the government of the day controls parliament. If you have a government that is elected, they should not be able to take away rights from people. I do not agree with that at all.

CHAIR—The trouble is that at the moment, Mr Delmenico, they do not have rights. They do not have rights after a certain period.

Mr Delmenico—They do; they just do not have the chance to exercise them. If I am travelling on an Australian passport, I have been deprived of my rights.

CHAIR—You have been deprived of rights under the current situation. Someone might say, 'Let's extend the right to vote'—

Mr Delmenico—No, that is giving me a right.

CHAIR—on the basis of some continuing physical connection as well as any cultural connection that someone might have.

Mr Delmenico—My position is that if I am a citizen of the country I should have the right, and the fact that the current law deprives me of that right I think is not valid. I think that is a very poor situation. It may be the current law; that does not mean I have to agree with it. I have to comply with it, but not agree with it.

CHAIR—It has been suggested to us that there should be government support given to non-government organisations abroad. What is your view of that? I suppose a starting point is your chambers of commerce. What sort of budget do you have in the States?

Mr Delmenico—Very small. Each chamber is basically self-supporting, and the national chamber depends upon us raising as much money as we can. The budget is very little. We get no government support.

CHAIR—So government support would not be critical to the ongoing operation of your chambers or other organisations?

Mr Delmenico—It would be critical in order for the Australian government to get the full benefits of the resources.

CHAIR—The question of web sites has come up. There are individually spawned web sites. Do you see a role for government in that area, in either a coordinating home page or something different?

Mr Delmenico—There are two different areas. If we are talking about an Australian government web site that caters to expatriates, I think the information is all there but it needs to be assembled in a way that provides easy access to expatriates. If somebody is going into an Internet cafe in Turkey or somewhere, they do not have the time to visit half-a-dozen different government web sites. So if the information were pulled together into a usable format I think that would be a big improvement.

CHAIR—I would reckon, Mr Delmenico, if you were sitting in an Internet cafe in southern Turkey, you probably would have the time to play around with many web sites.

Mr Delmenico—Perhaps not the money to spend the time!

CHAIR—Maybe not in New York! I have a final question. You raised the question of working permits for the spouses of transferred expats, and here I think you would be referring to capacity to work in the countries to which they go.

Mr Delmenico—Right.

CHAIR—What role does Australia have in those circumstances—for instance, to try and change a policy of the US administration?

Mr Delmenico—I am sorry?

CHAIR—What role, capacity or influence would a country like Australia have to bring about a change of domestic migration policy in the States?

Mr Delmenico—Australia in fact can influence things greatly in the United States. There is a very good atmosphere between the Australian government and the United States government at the moment. Perhaps it requires some degree of reciprocity.

CHAIR—You say 'perhaps'—have you actually had a close look at this to see whether it does require that degree of reciprocity?

Mr Delmenico—I will leave it to DFAT to do that.

CHAIR—Thank you very much. Thanks for your submission and thank you for being here this morning. Thanks to all of the witnesses for some very useful contributions.

Committee adjourned at 12.09 p.m.