

Executive Summary

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This report aims to update recent trends in emigration from Australia, present findings of a survey of a sub-group of Australians residing overseas, and to discuss a number of policy implications relating to emigration from Australia. Since publication of the first report, the concepts of *transnationalism and diaspora* have developed a global significance. This prompted a rethinking among researchers of the role and impacts of international migration, and especially emigration, which is a crucial element in both transnationalism and diaspora.

The increased mobility of Australians raises some fundamental questions about who should be counted as being among Australia's population. The census counts those persons temporarily overseas, but what of Australian citizens living on a long-term or permanent basis in other countries? In 2001, the Department of Foreign Affairs and Trade estimated their number to be around 860 000, along with an additional 265 000 'visiting citizens' or persons overseas on a shorter term basis. This is a significant number of Australians, and a quite selective group in terms of age, education, income and skill.

In a globalising world it may be that we should be seeking alternative conceptualisations of what constitutes the national population. Should the census seek to include Australians who are living and working overseas on a permanent or long-term basis? Should we be attempting to count the population who identify themselves as Australians, regardless of their global location on the night of the census? Can the sociology of a nation be assessed without considering its diaspora? The evidence that the diaspora is expanding is compelling – the numbers of persons reported by their households to be temporarily overseas on the night of the census has increased substantially with each census. At each federal and state election during the last decade, there have been substantial increases in the number of Australians voting overseas. During the 1990s the proportion of Australian graduates who were overseas at the time of the annual Graduate Destination Survey has increased significantly.

Almost half the Australian diaspora resides in European Union (EU) nations and nearly half of these are resident in the United Kingdom. The second largest group of Australian citizens overseas resides in Greece, and the third largest Australian expatriate community is based in the United States. Smaller expatriate communities are located in New Zealand and Hong Kong. Hong Kong is the largest of a number of expatriate communities in Asia, based in Indonesia, Japan, Singapore and Malaysia.

A key distinction in permanent emigration from Australia is between former settlers leaving Australia to return to their home country or moving to a third country, and Australia-born persons. In the 1990s, there was an upsurge in the permanent and long-term emigration of the Australia-born. During that decade, permanent departures increased by 146 per cent and long-term

departures by 41 per cent. However, this underestimates the outflow to the extent that some Australians are effectively working and living overseas but return to Australia at least once a year and still regard Australia as a permanent place of residence but are regarded by DIMIA statistics as 'short-term' departures.

The UK accounts for a third of Australians leaving on a permanent and long-term basis. The numbers have more than doubled in the last decade. Other important destinations are the US and New Zealand. Although the number of Australians moving to Continental Europe is only around a quarter the size of those moving to the UK, it is increasing.

In recent years, numbers of Australians emigrating to Asia have increased by more than 50 per cent. Moreover, it is not just the fast-developing, labour-short economies of Japan, South Korea, Taiwan, Hong Kong and Singapore that have been attracting expatriates. Other Asian countries, such as Indonesia and Malaysia, are attracting skills needed for their fast-developing economies which are presently characterised by mismatches between the training and education systems and the skilled labour demands of rapidly restructuring economies.

There is a preponderance of young adults in their 20s, typically comprised of young singles and couples. Returning migrants are generally in their 30s or within retirement age. Age selectivity of emigration varies with destination – the UK is dominated by the 20–34 age group, those choosing residence in the US are older, and emigrants moving to Asia are even older. Emigration from Australia is unquestionably selective of the more highly educated, more skilled sections of the population. Over two-thirds of all Australia-born permanent departures and Australian resident long-term departures are managers, administrators, professionals and para-professionals.

Surveying the Australian expatriate community is extremely difficult because there is no comprehensive listing available of the group. This study, in facing this problem, examined a number of possibilities involving incomplete sampling frames and adopted a dual strategy of surveying recent graduates from Australian universities and contacting a number relevant organisations and expatriate groups who were prepared to publicise the survey on their websites or in their newsletters.

Some two-thirds of respondents were living in the US (34.6 per cent) or in the UK and Ireland (31.9 per cent). Almost two-thirds of respondents had left Australia between 1990 and 2002. The survey group demonstrated exceptionally high labour force participation, with 89.2 per cent of respondents working. Nearly 90 per cent of employed respondents were in professional occupations in all destinations and a high percentage had postgraduate degrees. Home ownership was higher for respondents in the US and Canada and lowest for those in Asia. Incomes above A\$200 000 per year were over-represented in the US and Canada (29.6 per cent), as well as in Asia (24.4 per cent). Thirty per cent of males earned in excess of A\$200 000 annually, compared with only 10 per cent of females. By contrast, over one-third of females earned less than A\$50,000 compared with 13 per cent of males.

Globalisation of labour markets is now an important element in the increasing international flow of workers. Accordingly, most emigrants leave Australia for 'better



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employment opportunities’ and career aspirations believed to exist in overseas destinations, particularly in the US, Canada and Asia. Virtually all emigrants aged 20–24 years considered Australia ‘home’. However, as age increased, the percentage steadily declined with only 53 per cent of respondents aged 65 years or more regarding Australia as ‘home’.

Nearly 80 per cent of respondents believed their overseas residency had benefits for Australia, by ‘*creating goodwill towards Australia*’ and through ‘*skills transferable back to Australia*’. Over 50 per cent of respondents thought that contacts they had made would be useful for other Australians, while others saw benefits arising from linkages between Australia and the countries in which they were currently living.

A key question in considering a diaspora is the extent to which expatriates remain in a foreign country. Fifty per cent of the 2072 respondents intended to return with a third of the remainder being undecided. The age of expatriates is a major determinant of intentions to return – as age increases, the number intending to return to Australia decreases. Expatriates in the US and Canada are less inclined to return, and those living in Asia are generally more likely to return. High proportions of expatriates living in the UK and Ireland are positive about returning. A barrier to returning is created when expatriates partner with a non-Australian after emigrating. Respondents with spouses born overseas were not as likely to return to Australia as those with Australia-born spouses.

While work-related factors dominate among the reasons for emigration, lifestyle and family become overwhelming reasons for returning to Australia. It is clear, though, that the longer the period overseas and the older the emigrant, the more likely it is that they will not return to Australia. Further, those who do intend to return plan to do so in the longer term rather than in the short term.

Respondents intending not to return, or who were undecided, were asked about what would attract them back to Australia to live. Most indicated a better job or higher salary than that which they currently had overseas. This response was typical of expatriates resident in the US and Canada. The importance of jobs and salary as incentives to return decreased markedly with age. Finally, Australian expatriates with no firm plans to return to Australia were also not likely to consider emigration to another country.

Australia’s substantial net gain of skilled people through international migration might suggest that the increasing emigration of young, highly skilled Australians is not a matter of concern and need not be subjected to any policy intervention. However, in a highly competitive labour market why shouldn’t Australia seek to encourage the best immigrants, including expatriates, and seek to retain its homegrown talent? Australia’s highly skilled diaspora could play several important roles in promoting development in Australia, through enhancing information flows, lowering reputation barriers and encouraging trade links.

Significant attention has been given to emigration of Australia-born persons and its brain drain impacts. However, *Australia is not experiencing a net brain drain*, although the differences between incoming and outgoing flows in levels and types of expertise and training need to be distinguished. On balance, we are experiencing an overall net brain gain and a substantial 'brain circulation'.

Human resources are crucially important to the national economy and Australia needs to acknowledge the increasing amount of international competition for the best qualified people in the new economy, and that our labour market is competing with an increasing number of countries for a limited pool of talent. In this competitive context, Australia cannot afford to ignore its homegrown talent in the international pool of skilled labour.

Australia can gain much from young Australians experiencing work in other countries, provided that *many of them return to Australia eventually*. It is in Australia's interests to develop policies that encourage brain circulation rather than brain drain among Australia's young people. Policy areas relevant to this group include establishing and maintaining contact with the diaspora, encouraging expatriates to return, and designing initiatives to keep talented Australians in Australia.

Expatriates identify strongly with Australia, and this gives rise to a number of issues, including the extent to which they should be considered part of the nation and included in national activities, and the extent to which Australia should move to take advantage of the diaspora to advance national economic, social and cultural interests.

Australia needs to keep in touch with its diaspora, and the possibility of registers of expatriates being developed are a real and economic proposition. Registers of expatriates could provide the diaspora with information about opportunities in Australia; they could be used to invite Australians to periodic events to inform about developments in Australia, and they could facilitate the development of an expatriate newsletter. Such a register could contribute to expatriate protection and knowledge of their whereabouts in the context of any emergency situation, and facilitate reciprocal social security arrangements between Australia and other countries.

Perhaps we need a revised concept of what should be considered as the Australian population. Is the diaspora included? The US expects to include expatriate Americans in its 2010 population census. Should Australia be considering this approach and recognising that in the contemporary world any comprehensive consideration of a nation's people must include its diaspora?

Policies encouraging return migration

An enduring feature of all diaspora is return migration to the homeland. Significant dividends accrue if expatriates return, especially when they are highly skilled in areas of demand in the labour market, have extended their knowledge and experience while



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Policies and programs which identify constraints to return migration and develop initiatives to ameliorate them are also needed.

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overseas and return with a network of overseas contacts which can benefit their work at home. However, Australia needs to know the level of actual return to know the benefit of returning expatriates to the nation. This is, therefore, an important research policy priority. Matching the departure cards of Australia-born permanent departures with arrival cards would make this possible but it would need to be carried out over a lengthy period. Policies and programs which identify constraints to return migration and develop initiatives to ameliorate them are also needed.

There is a need to investigate in some detail the 'transaction costs' of a return to Australia, including how superannuation and accumulated wealth generated overseas would be treated for taxation purposes in Australia.

A crucial question relates to how such potential returnees can be identified. Should Australia establish registers of skilled workers overseas and maintain contact with expatriates through its embassies?

Competition for skills and intellectual resources is increasing, especially in OECD nations. Australia's talented workforce will be offered more money than they can earn in Australia. Those who emigrate are not only highly skilled and highly educated, but include many of the key researchers and innovators who are most likely to place Australia in a competitive position within the global economy. This is cause for concern and requires policies to accommodate the tendency.

Few countries have a fully developed emigration policy, but the potential of diasporas to contribute to a country's development is increasingly being realised. Some Australian states have initiated preliminary attempts to attract back highly skilled Australian expatriates, and New Zealand has created a New Zealand Talent Initiative aimed at attracting talented immigrants and retaining their talent-rich community.

Policy recommendations

- 1 Australia should develop a national diaspora/expatriate policy, recognising that in a globalising world a nation's citizens and its human resources will not all be within its national borders. Australia has the opportunity to be a world leader in this area, as well as to gain significant comparative advantage.

The elements to be included in an Australian diaspora/expatriate policy can be finalised only after more detailed research and wider community consultation and discussion. However, the following would seem to be relevant from the present study:

- the development of mechanisms for the greater inclusion of the diaspora into the national culture and the encouragement of the expatriate community to identify with and be involved in Australia;
- increasing the strength of linkages between the diaspora and Australia, especially business and research linkages;
- increasing the involvement of the diaspora in the national economy;
- the facilitation and encouragement of return migration.

- 2 That DIMIA consider the possibility of including an explicit expatriate component to the national immigration program.
- 3 That consideration be given to the extension of DFAT's Online Registration Service, which currently covers only 10 per cent of expatriate Australians, to become a more comprehensive register. Registration should remain totally voluntary but the existence of the service needs to be more widely known among the expatriate community.
- 4 A dialogue needs to be set up regarding possible ways in which the diaspora can be represented in Australian governance.
- 5 Schemes to foster linkages between Australian-based business people and researchers and expatriate counterparts need to be expanded.
- 6 The Australian Bureau of Statistics should mount an investigation similar to that occurring in the US into the possibility of including the Australian diaspora in census counts so that the national Census of Population and Housing becomes a true stocktake of Australians and not just of those who happen to be within the national boundaries on census night.
- 7 There needs to be an examination of the taxation regime to ensure that there are not peripheral elements which may be inhibiting expatriates from returning to Australia.

Recommendations for further research

This study has shed light on emigration from Australia and on some of the characteristics, attitudes and intentions of the extensive Australian expatriate community. However, in order to develop policy, the many gaps in our knowledge and understanding of these important problems need to be recognised and steps taken to fill them through a number of research initiatives, including the following:

- 1 Mounting a substantial study of the Australian expatriate community which is fully representative and covers a comprehensive range of concerns. Such a study would be the foundation for the development of a national diaspora/expatriate policy. This would need substantial co-operation from a number of government agencies.
- 2 A full investigation of the financial dimensions of expatriates maintaining linkages with, and returning to, Australia.
- 3 An investigation of expatriate groups – their needs, their numbers, their memberships, their goals – all over the world.
- 4 Australia experiences an overall 'brain gain' associated with a high degree of 'brain exchange' or 'brain circulation'. However, we need a more sophisticated labour market analysis which addresses the question as to what extent immigrants are good replacements for Australian emigrants in key strategic areas.



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The stock of skilled Australians overseas could be a major national asset and it may be possible to develop policies that nurture and maximise this asset.

- 5 A study of return migration among Australian expatriates to occur at two levels – a sophisticated analysis using the Movements Database maintained by DIMIA which matches the departure cards of Australian permanent and long-term departures with arrival cards, and a detailed study of both returned expatriates and a cross-section of expatriates still abroad.
- 6 There would seem to be value in making a focused study of Ireland's experience with respect to expatriate return migration.
- 7 There would seem merit in making some detailed study of successful networks between expatriate Australians and Australian-based counterparts, such as in the Australian mining industry, with a view to duplicating the success in other areas.

Conclusion

In the contemporary world, national prosperity depends on innovation and human resources. Further, there is unprecedented competition among nations to enhance their skilled human resource base through immigration policies. In Australia's case, attraction of skilled expatriates currently overseas should not be overlooked. It is glib to hold that because Australia has a net brain gain the outflow of skilled young Australians can be ignored. Rather, we should seek to achieve the double bonus of attracting foreign skilled people while also retaining and regaining the best of our own talent. In considering such a policy, we should not attempt to block the flow of young talent overseas. Indeed, the stock of skilled Australians overseas could be a major national asset and it may be possible to develop policies that nurture and maximise this asset. The possibility of Australia developing an emigration policy which is integrated with immigration policy and wider economic, social and human resources policies needs to be given consideration.