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The Australian

8 December 2000

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Failing our own on foreign fields

Tracy Sutherland DATELINE BRUSSELS

AUSTRALIA is ill-equipped to promote global business and penalises Australians living and working overseas long term.

This is the assessment of The Southern Cross Group, which represents 500 European-based Australians and New Zealanders, who are lobbying for the removal of legal and practical barriers which impede mobility in an international business community.

Founded in Brussels in January 1999, the group has responded to concerns that despite federal Government rhetoric urging Australian business to think global, key issues are hindering Australians working overseas in professions, multinational companies and organisations,

"Australia is not well equipped to promote global business. It promotes trade, it promotes services, but there's very little infrastructure to promote global human capital," says John Russell, SCG co-founder and managing director of Shandwick International in Belgium.

"You are penalised if you do work overseas."

Top of SCG's list under discussion with the federal Government is the long - running issue of dual nationality.

Under Australian law, people who acquire their first citizenship (their non-Australian citizenship) due to birth in a foreign country or by descent, can legally hold more than one nationality. About 5 million Australians fall into this category.

But those who start with Australian citizenship and subsequently acquire a foreign citizenship, must by law relinquish their Australian status.

Allowing dual nationality is a significant advantage to Australian nationals (particularly those not covered by expatriate packages) working and living overseas for extended periods, in clearing administrative hurdles, managing tax requirements, social security and healthcare.

In a report released last February, the Australian Citizenship Council recommended that dual nationality be allowed. The federal Government is now

considering the matter.

A former director of European affairs for the American Chamber of Commerce, Russell notes that dual nationality is permitted for Americans; the US government has set up a "legal infrastructure" to support commerce, he says. "Not only is it a matter of companies being energetic promoting exports or promoting services overseas, (Americans) also have an infrastructure where it is easier for people to live and work overseas," Russell says.

"The objective is to become more internationally orientated. The Prime Minister has made a series of speeches about Australia needing to embrace globalisation and get out there. We're calling on the Government to put in place the public policies to put that rhetoric into solid action."

Another issue hindering Australians working in Europe specifically, is the European Union's nonmutual recognition of social security, pension and health-care benefits for third country nationals.

All workers who are EU nationals and their dependants, are guaranteed equality of treatment and entitlement to social security benefits, irrespective of their place of employment and residence across the union.

In theory, a resident Belgian who has an accident while travelling for business or pleasure in Greece is covered for medical treatment, while a German national, who works in France and wants to retire in Spain, will be covered by the French social security system.

Despite a 1996 ruling by the European Court of Justice that a ban on discrimination on the basis of nationality also applies to social security rights, non-EU nationals still do not enjoy the same rights. About 13 million non-EU citizens now working in Europe are affected.

Moves by the European Commission to remedy the situation have been blocked by member states, including the UK. The issue of removing national vetoes on this issue is being negotiated at the landmark EU summit in Nice, which is under way today.

While Australia has no real say in internal EU deliberations, it can act on bilateral social security agreements.

It has 12 such agreements with countries including Austria, the UK (which is about to be terminated) Canada and The Netherlands. 'There are no agreements with Belgium, Finland, Germany, Greece, Luxembourg and Sweden.

Australian business people who have been legally resident and working in countries without bilateral agreements and who have contributed to their foreign social security systems, cannot draw the foreign pension on their retirement unless they remain resident abroad.

Australian officials at the Brussels mission are pursuing a bilateral agreement with the Belgian Government and are aware of the concerns of the Australian community, seeking to internationalise their business and professional experience.

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