Our diaspora’s got talent
Australia’s advantage in Asia

33%
Our expatriate community in Asia makes up 20 per cent of our total expatriate community and is projected to reach 33 per cent by 2030.

4 of 5
Largest economies in the world will be in Asia by 2030.

3.2bn
Asia’s growing middle class will reach 3.2 billion people by 2030.

By 2030
Australia’s diasporic community in Asia will include more than 450,000 people.
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Introduction

By now there is no real doubt that Asia is already an economic powerhouse and that its strong growth and emerging middle class will play a big role in economic development in the region.

Equally, it is also clear this is not cyclical, but rather a changed paradigm: by 2030 four of the world’s five largest economies measured in purchasing parity terms will be in Asia (namely China, Japan, India and Indonesia).

Japan and China already make up a significant share of Australia’s inward foreign direct investment (FDI) and the proportion of FDI sourced from Asia is expected to only increase from here.

With the onset of the Asian opportunity we find ourselves poorly positioned to exploit the Asian opportunity. Not only, as we found in our previous publication in this area, *Passing Us By*, has Australia not invested sufficient economic resources in Asia, but our cultural understanding of Asia is lacking. In short, in many cases, we simply don’t know how to do business in Asia.

PwC’s view is that Australia does have the talent to succeed in Asia, but we are not doing enough to foster, prepare and deploy this talent in the region.

Chart 1. 2015 Direct investment in Australia

<table>
<thead>
<tr>
<th>Country</th>
<th>A$bn</th>
<th>% Share 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>173.5</td>
<td>23.6%</td>
</tr>
<tr>
<td>Japan</td>
<td>85.9</td>
<td>11.7%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>76.0</td>
<td>10.3%</td>
</tr>
<tr>
<td>Netherlands</td>
<td>44.4</td>
<td>6.0%</td>
</tr>
<tr>
<td>China</td>
<td>35.1</td>
<td>4.8%</td>
</tr>
<tr>
<td>Singapore</td>
<td>28.8</td>
<td>3.9%</td>
</tr>
<tr>
<td>ASEAN 10</td>
<td>41.5</td>
<td>5.6%</td>
</tr>
<tr>
<td><strong>Total all Countries</strong></td>
<td><strong>735.5</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
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Source: Data was based on ABS 5352.0 - International Investment Position, Australia: Supplementary Statistics, 2015, and Australian Trade and Investment Commission data.
Australia’s diaspora advantage

We also have a great resource in the high numbers of Australians who, in many cases, have the cultural and language skills, business acumen and contacts, to operate effectively in Asia.

The Diversity Council estimates that 17 per cent of people living and working in Australia claim Asian origin. That’s about 4 million people.

Nevertheless, they are under-represented in the boardrooms and executive ranks of Australia’s major companies with just under 2 per cent of senior executives of ASX 200 companies and just over 4 per cent of directors hailing from Asia.

Further to this, we have a great resource in the growing network of people born in Asia who have lived and worked in Australia and returned to their home countries.

This report includes a series of 13 recommendations on what can be done to nurture, develop and tap this talent pool, as well as profiles of some of the success stories of the Australian expatriate community and what they are doing in Asia.

From Lenovo boss Roderick Lappin running a Chinese company across Asia, to Young & Rubicam advertising executive Matt Godfrey jetting across South East Asia, to e-commerce entrepreneur Simon Henry growing his business in China, the publication explores the careers and achievements of Australians abroad.

These are people from whom we have a lot to learn and a lot to gain.
Across the world – Asia and beyond –
Australian talent has made its mark at the
corporate level managing big global brands
and territories for companies such as Nike,
American Express, Citibank and a host
of other multinationals.

A forgotten army
in Asia

The situation in the region, where
Australians from all cultural
backgrounds are doing big things, is
more positive.

Every day in Asian capitals, and in
more far flung places, Australian
managers, engineers, scientists and
workers from any field you would care
to mention are doing great things:
running businesses, developing
products and services, innovating
and making the world a better and
wealthier place.

But it seems like these hundreds of
thousands of Australians working
abroad amount to a forgotten army
– overlooked by policy makers in
Australia and passed over by corporate
Australia when they choose to return.

The most recent Senate inquiry
into this issue came to the same
conclusion: “Expatriate Australians
represent an underutilised resource:
not only are they an asset in terms of
promoting Australia and its social,
economic and cultural interests; they
are also ambassadors for our nation,
which is otherwise disadvantaged
by our geographic remoteness and
small population.”

As Lowy Institute CEO Michael
Fullilove put it in a 2004 study of
expatriate Australians called Diaspora:
“The Australian diaspora represents
a market, a constituency, a sales force
and an ambassadorial corps. In recent
years, Australians have become more
alive to the reality of our diaspora.

We should now build on these early
steps and work to engage the diaspora
in our national life and create a global
community of Australians.”

PwC believes that Australia’s growing
expatriate population in Asia – this
forgotten army of expatriates – will
play a pivotal role in helping the
country grasp the Asia opportunity.
Asia still passing us by

Our country has the talent to succeed in Asia, but the reality is they simply don’t work for Australian companies.

Despite having a large expatriate community living in Asia along with a growing Asia alumni, those who were once expatriates in Asia and have returned home, only a small percentage of Australian firms have a presence in Asia and the percentage of companies considering expanding into fast growing Asian markets are low.

As Australian business leader and former Cathay Pacific CEO Sir Rod Eddington, now the non-executive chairman of JP Morgan and Lion (the Australian subsidiary of Japanese beverage maker Kirin Holdings), puts it, “many Australian companies have little, if any, real touch points with Asia. Many of our companies are basically domestic companies.”

Christine Holgate, the CEO of Blackmores warns competing nations are moving ahead of us.

“Europe and the US gets it...as do many other countries. I think the reason Australian business isn’t doing more in Asia is because they are afraid of the risk profile, or they are managed to quarterly reporting deadlines. The other problem is we don’t fully understand the region.”

Fortunately, at an individual or personal level, things are far more positive. Multinational firms with a presence in Australia report a growing willingness among Australian employees to work abroad in Asia.

“Some Australian businesses sell to Asia. Very few produce and manufacture in Asia. My experience has been there are some companies that understand Asia pretty well, but these are exceptions to the rule rather than the rule.”

Sir Rod Eddington
Australia’s expatriate community in Asia

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We predict: that by 2030 there will be more than 450,000 Australians living and working abroad in Asia

Sizing up our expatriate community in Asia

PwC has undertaken modelling to help to form a clearer picture of Australia’s diasporic community in Asia – made up of our expatriate community in Asia. We predict that by 2030 there will be 450,000 Australians living and working abroad in Asia, representing one-third of our total expatriate community, up from approximately one-fifth of the total today.

Given the paucity of available statistics, we believe these projections are conservative. For example, our modelling is based on the rate of Australians going overseas to live and work in Asia remaining steady over the next 15 years. With our growing student population in Asia, coupled with increases to Australia’s cultural association, business ties, and networked relationships with Asia – it’s fair to say this rate will increase.

Education and trade boost diaspora advantage

Our student population in Asia is growing too. New Universities Australia figures show that more than 16 per cent of undergraduates now go overseas for at least part of their degree, up from just 4.7 per cent in 2007. In the six years to 2014, the number of students who had spent time overseas more than doubled to almost 32,000.

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In the six years to 2014, the number of students who had spent time overseas more than doubled to almost 32,000.

Our projections are modelled on an aggregation of data primarily from ABS population projections, census data, department of immigration and citizenship data (now department of immigration and border protection), and the Southern Cross Group estimates of Australian Citizens living overseas, 2001.
Some senior leaders in Australia have never worked outside of Australia and that colours their view right now, which is: ‘We don’t need this, it’s risky and different and we have done well enough in Australia’.

Derek Kidley, PwC

Asian countries are also climbing in the rankings as desired destinations for students to study abroad, in part driven by Foreign Minister Julie Bishop’s New Colombo Plan. New Department of Foreign Affairs and Trade (DFAT) figures on the Plan, which uses grants and scholarships to allow students to study in Asia, show the growing popularity of Indonesia as a study destination. All up, 2024 Plan participants have studied in Indonesia, China with 1434 scholars, Japan has attracted 1027 scholars, India 910 and Singapore 720.

The New Colombo Plan has sent 10,000 Australians to Asia in its first three years. This will only accelerate the eventual growth of this pool of Australians living abroad. Many of those who study abroad will return to work in foreign countries to seize on the growth opportunity afforded by the emerging nations to our north, where a growing middle-class is expected to number more than 3 billion people by 2030.

Recent bilateral free trade agreements – binding the Australian economy ever closer to those of China, Japan, Singapore, Indonesia, India and South Korea amongst others – together with the proposed multilateral Trans Pacific Partnership and Regional Comprehensive Economic Partnership agreements, will also increase the movement of people between Australia and these countries.

We believe that if this reluctance to invest and put boots on the ground in Asia among Australian corporations is to be overcome, it is the forgotten army of expatriates in Asia who will play a pivotal role. These globally connected professionals who understand life in Australia and the way business is done in their corner of Asia and in some cases across the region are a significant asset to our country that has been underutilised to date.

“As our people come back and become leaders in the community and in businesses, Australian companies will begin to see that it is important to have Asia as part of that strategic context,” PwC’s ASEANZ Consulting Leader in Singapore, Derek Kidley says.

“But as more and more younger staff have had the experience of working offshore and come back to Australia, they will be more likely to embrace Asia as a potential part of the market that they could operate in.”
Paucity of statistics leaves a knowledge gap

Given the paucity of statistics about Australian expats living in Asia, we believe our estimates are conservative.

DFAT Figures from 2001 in the Lowy Institute Diaspora study show just 17 per cent of the Australian diaspora were living in Asia, well behind the 24 per cent in the UK and Ireland, the 26 per cent in continental Europe and just ahead of the 15 per cent in the US.

It is reasonable to suppose the economic woes in Europe, and at one point the United States, and the ongoing growth of Asia, are likely to have caused this number to grow.

This will be a revolving population that needs to be better understood, with some staying for the long haul and others returning home for lifestyle reasons in the middle of their careers and perhaps moving back later in their careers.

As one of our profiled expatriates, Young & Rubicam Asia president Matt Godfrey, puts it: “Australian talent has had more success in Asia over the last decade than Australian brands have. Australian talent tends to come to Asia with vision, optimism and lateral thinking, and all those things help.

“I think if Australian brands approached Asia with the same vision and attitude as Australian talent, we’d perhaps have much more corporate success than individual success.”

Chart 3. Remuneration of Management

Source: IMD World Competitiveness Online 1995-2015; Austrade/Competitive Remuneration Rates for Professionals. Remuneration is total base salary plus bonuses and long term incentives.
Work needed to define and utilise our diaspora

Before we can draw on this talent pool, we first need to understand these people better. Few meaningful statistics are kept on the size and distribution and characteristics of this expat population.

This may also dispel spurious notions about brain drains and a dumbing down of Australia instead showing a truth that is more fluid – talented Australians both leaving and coming back and talented foreigners coming here to work and returning.

There is considerable work to be done in advancing both the learning of Asian languages in Australia, and importantly, the teaching of Asian business, politics, history, etc, at a secondary and tertiary level.

Companies can also leverage Australia’s multicultural workplaces to assist domestic employees preparing for overseas stints, and our friends who have returned home to Asia and want to work for an Australian company operating in their home country.

And much greater use can be made of the network of Asian alumni from Australia’s top schools and universities, many of whom are positively disposed towards Australia and keen to do business with Australian companies, but are surprised to find so few corporate leaders and companies from Australia are active in Asia.

We also believe that companies could make far better use of this pool of highly educated and globally savvy workers. Most are open to returning home at some point, but our experts agree that Australian companies don’t always recognise the skills and attributes expats have acquired overseas.

Time is of the essence and Australia has precious few moments left to stake out a place in the Asian Century. Our competitors – be they from the US, the UK or from within the rising nations of the region itself – are moving forward quickly and we must be careful the window doesn’t close on us.

Our diaspora in Asia is highly educated and resourceful and has the potential to be the springboard with which corporate Australia can shrug off its timidity and begin to expand into Asia.

Growth of this group will have profound implications for governments, the education sector, companies and for those in the group itself, or other people thinking of joining the ranks of Australians abroad.

“Australian talent has had more success in Asia over the last decade than Australian brands have. Australian talent tends to come to Asia with vision and optimism and lateral thinking and all those things help.

I think if Australian brands came with the same vision and attitude as Australian talent we’d have much more corporate success than perhaps individual success.”

Matt Godfrey, Young & Rubicam
As a nation we must consider what we can do to boost the skills — technical, linguistic and cultural — of those opting to work in Asia. We must consider how to capitalise on the new skills, contacts and opportunities these individuals formulate there, and help those returning to reintegrate into the Australian corporate landscape in a way that takes full advantage of their newfound capabilities and knowledge.

The notion of the need to change comes amid the drumbeat of necessity. In our Future of Work report, we predict all jobs will be global within a generation, meaning Australian workers must acquire new skills from abroad to flourish.

We have grouped these recommendations under headings for **government**, the **education sector**, the **corporate sector** and our **people**.

Equally, Australian companies will need to be better skilled and integrated with Asia or they won’t succeed, or will be consumed by better-equipped rivals.

In this report, we have devised recommendations on what should be done to quantify, foster and engage with our foreign expats to help produce a more Asia-ready Australia.

The recommendations contained in this report would be best implemented in the framework of a bi-partisan national plan that sets out a vision for our place in Asia. There is an urgent need to recognise and assist Australia’s talents in Asia and set a plan to derive value for the country, the corporate sector and our education and cultural institutions from their experiences and activities.
Introducing our expert panel:

Matt Godfrey
President – Asia
Young & Rubicam

Melanie Brock
Director of Business Development
Crown Resorts

Christine Holgate
CEO
Blackmores

Simon Henry
Co-Founder
Juwai.com

Sir Rod Eddington
Non-Executive Chairman
JP Morgan & Lion
Australian Business Leader
Former Cathay Pacific CEO

Penny Burtt
Head of Government Relations
U.S. Multinational Asia Pacific
Former Diplomat
Advisor to Asialink Business

Michelle Garnaut
Restauranteur
M Restaurant Group

Roderick Lappin
Senior Vice President,
Data Centre Group
Lenovo

Doug Chester
Former Senior Diplomat
Corporate Director

Paul Hart
Executive Director, Head of Commercial –
Greater China
Knight Frank

Grant Dooley
Head of Asia
Hastings Funds Management

Kurt Mullane
Executive Director
Asian Education Foundation
A snapshot of our 13 recommendations

1. Leverging Asia experiences
2. Asia skills from the top down
3. Opportunities without hyperbole
4. Prepare staff for their Asia move
5. Our alumni advantage in Asia
6. Defining the diaspora
7. Speaking up for our expats
8. Learn the language
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10. Putting technology to work
11. Go early
12. Responsibility for learning
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Final word
Actions for the corporate sector

Most Australian companies understand that there is a significant economic transformation occurring in Asia. Many are unsure about what this really means for their businesses. And as we highlighted in our 2014 report, Passing Us By, most struggle with the question of how to play in Asia. In this report, we have attempted to shed light on an area where progress is being made by Australians.

The success of individuals in Asia must eventually translate to the success of companies in the region too, even if this success is currently eluding corporate Australia.

So by focussing on people, what must corporate Australia do to facilitate the deployment of staff abroad, embrace those who return and incorporate their knowledge into the company?

And will this really produce companies that are more outwardly focused?

As a starting point, the corporate sector must begin to demand Asia literacy as a core skill and create the environment for government to respond to these demands, as well articulating the case for greater involvement in Asia.

The first thing to consider from a corporate perspective is that there is no shortage of staff in Australia willing to push their own personal boundaries and work overseas if assigned.

PwC’s Derek Kidley says “the encouraging thing is there are no shortage of young professionals willing to embark on a career in Asia.”

“They see it as a very dynamic environment. Australia is a more mature market with more than 23 million people. South East Asia has got 600 million people and a GDP that is growing 2 or 3 times faster than Australia,” he says

“So I am increasingly inundated with CVs and requests from Australia, but also from our global network in UK, Europe, USA saying I would love to see if I can work in South East Asia.”

“The level of interest is growing very very strongly and there are more people putting their hand up to come up from Australia than there are immediate opportunities.”

Kidley said recent surveys of staff by PwC reinforced this anecdotal perception.

“The interest has grown and the reason it’s grown is very simple. The tone at the top from our leadership in the Australian firm is that Asia is a critical component of our future.”

But from Kidley’s point of view, what’s lacking is not enthusiasm, but cultural knowledge about the commercial environment in South East Asia and how business is done.

Most of the people that have moved from Australia to South East Asia find it harder than they imagined, so the firm is trying to make the shift less sudden.

“What we are trying to drive now is that even when you are in Australia you get to work with people from the region on particular engagements or jobs. It is not an immediate physical move, but you’re working on jobs together,” he says.
“They could be in Australia, they could be in South East Asia, but you’re working together so that you immediately start to build up some understanding of the fact that there are different challenges, that your colleagues do work differently and think differently about some of these issues. When you do move a little later it’s not as cold.”

We believe Australia, with more than 17 per cent of its population having Asian heritage (and this number is far higher in the major capital cities), can utilise this multiculturalism to its own advantage. Put simply, Australians with no Asian heritage can rapidly accumulate a degree of familiarity with a variety of Asian cultures from China to India, Indonesia, Japan and Korea through workplaces and university campuses and even in daily life.

As Paul Hart, Executive Director of Knight Frank Greater China, Head of Commercial puts it: “The advent of Asian immigration has changed the face of Australia for the better. Our children may not be exposed knowingly to an Asian education, but they are certainly being exposed to an Asian culture. It is that exposure that gets you going every day in every city in Australia, because as a country we are culturally diverse. This will help people consider offshore options.”

Blackmores CEO Christine Holgate takes this a step further arguing this multiculturalism is actually a competitive advantage.

“If we just wake up, we have a wonderful advantage over Europe and we have a growing Asian population inside Australia,” she says.

A recent report from the Australian Council of Learned Academies (Australia’s Diaspora Advantage: Realising the potential for building transnational business networks with Asia) pushed this point even further saying Australian Asian diasporas, filled with educated, talented, globally connected and ambitious people, can significantly improve Australia’s Asian capability and help us to respond better to emerging opportunities in Asia. ACOLA called this our “Diaspora Advantage”.

But the report points to the woeful under representation of members of the Asian diaspora in public office, industry councils, peak bodies, educational institutions and corporate Australia, where only 4 per cent of ASX 200 companies have directors of Asian descent.

Blackmores’ Christine Holgate calls for better recognition of overseas qualifications “Otherwise for the people who are moving to Asia we simply aren’t making the most of their skills.”

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1 The document was authored by a working group (chaired by Dr Tim Soutphommasane - Race Discrimination Commissioner) consisting of the Australian Human Rights Commission, PwC, Westpac, Telstra and Sydney University Business School.
Many of the expats surveyed by PwC, some of whom have divided their careers between Australia and Asia, report that their Asian experiences have been discounted back in Australia and are of secondary interest to Australian employers, who focus on their comparative lack of local connections with industry and government.

Penny Burtt, Head of Government Relations Asia Pacific for a U.S. MNC, Advisor to Asialink Business and former Australian diplomat puts it: “There are some senior Australians who have spent a lot of time in the region who have found it quite challenging to find employers keen to use those skills and capabilities when they have returned to work in Australia.

“It would be good if there were more of an understanding on what people can bring to Australia after 15 or 20 years in the region in terms of knowledge and expertise, and why that experience matters”.

“Young people are often very worried that if they do spend that time and it is outside the Australian headquarters – especially in Asia rather than London or New York – it is not going to be recognised or rewarded in terms of their future career prospects. We should be making Asian experience and Asia literacy competencies attributes that are actually rewarded rather than asking people who have worked in the region for their Australian experience and credentials.”

Hastings Funds Management’s head of Asia Grant Dooley agrees saying “If you talk to a lot of people who have spent significant time in Asia, they will say it’s very hard to get placed back in Australia because people just don’t appreciate those skills. We have this whole pool of very well credentialed, smart people in Asia who can’t get placed back in Australia.”

Sir Rod Eddington says at the mid levels it may be true that companies don’t value overseas experience, but he says increasingly for board and senior management positions it will become vital.

“If you look at our big companies, the resource companies, the banks, etcetera, the people that run these companies all have overseas experience. I would argue, if you are 25 to 30 today and you hope to have a successful executive career, it is absolutely essential that you’ve worked in Asia at some stage. It’s not a ‘nice to have’ I would argue.”

1. Leveraging Asia experiences

The Australian corporate sector needs to better value the skills and experiences of expats returning to Australia from assignments abroad particularly among mid-career/seniority employees.
What is certain is the need to educate boards about how to manage risks in pursuing the opportunities in Asia and what Asia-experienced people can bring to an organisation.

“Asian-based expertise and values at that board level is important. There’s so much going on that you are missing out by being only domestically focused,” says Japan-based Director of Business Development for Crown Resorts, Melanie Brock.

“The difference is vision. The Australian brands, when they do have a vision for the world, they tend to have a vision for America or Europe, and that’s where they want to conquer. Very few of them have a vision for Asia.”

— Matt Godfrey, Young & Rubicam

But the main barrier to better acceptance of pursuing an Asian strategy may be what Sir Rod Eddington calls the ‘tyranny of the urgent.’

“Australian companies tend to be about quarterly reporting. The day to day stuff. There is not enough time spent looking over the horizon,” he says.

“It’s about today and tomorrow. It’s not about next week or next month or next year and I think that’s a real challenge,” he says.

Simon Henry, who founded China based real estate portal Juwai.com with fellow Australian Andrew Taylor, concurs: “There is a lack of understanding of the actual business opportunities and a deep seated fear of the unknown. Australian companies are largely penalised for any foray into Asia as there is a investment return culture in Australia for instant or near instant returns, whereas Asia requires a longer return cycle.”

We need to help the investment community and media to learn about China as often they have never been there.”

— Christine Holgate, Blackmores

2. Asia skills from the top down

Australia’s internationally focused community needs to better educate boards and senior management on the Asian opportunity to better arm them against domestic demands for short-term results.
3. Opportunities without hyperbole

While the benefits of Asian expansion are obvious to many, discussion of the opportunities needs to be tempered with acknowledgement of the risks and a long term perspective on investments is vital.

The one point that our expat panel almost all made was that success in Asia is measured over the long term and it is not always realistic to expect big returns over five years with a 10-year timeframe more realistic.

Our expert panel agree this has been poorly understood in the past by Australian companies and executives.

“There are some companies that have made a go of the Asian engagement and have been successful but they have been at it a very long time and they’ve been realistic on the one hand and they have understood the challenges and the opportunity, says Sir Rod Eddington.

“A lot of Australians rush into Asia with rose-tinted glasses on, China is a classic example with firms mesmerized by a billion plus consumers without understanding either the market or the competition or the challenges of doing business.

“Companies have rushed in a fit of wild enthusiasm and left a decade later having taken some substantial losses on the way out. The good companies take a more incremental approach and seek to understand the place before they make any substantive bets.”

Sir Rod, who has worked in Japan and Chairs the board of Lion, the Australian arm of Japanese brewing giant Kirin, says Japan and Australia are true opposites in this strategic focus.

“One of the problems that the Japanese have is that managing for the long-term sometimes they don’t have a narrative around the short-term that’s compelling. Australian companies can be the reverse.”

Blackmores, which has experienced explosive growth in China in recent years, is an example of the patience and drive needed.

Having first entered Asian markets in the 1980s, it took a restructuring of the Asia business, and a shot of confidence from CEO Christine Holgate, to really surf the wave of the rising middle class to finally succeed in this vast market.
The companies that are already in the practice of sending staff abroad are those far further along the transition towards Asian engagement than their peers.

These companies already recognise the necessity of expansion into Asia to secure future growth and are actively involved in executing that strategy.

The majority of the pack, as identified in *Passing Us By*, is further behind. As well as not being active in terms of sending staff abroad (or in some cases not having offshore operations to the send them to), these firms are also failing to tap into the large talent pool of returning expats.

But as we have argued, the increasingly large and active Asian diasporas in Australia and the more and more ‘Asianised’ nature of our capital cities provide fertile ground for Australians to broaden their horizons and learn about Asian cultures before heading abroad.

Firms that have multicultural workforces should use this to their advantage and multi-national companies with an Australian operation can use short-term project work or deployments to expose local employees to Asian cultures and business practices in a controlled way before deploying overseas for longer durations.

Equally, firms should draw more heavily on the experiences of returned expats to encourage and educate the next generation of workers to go abroad.

As our expat panel acknowledges, Australia has considerable natural advantages and some of those profiled would consider returning in the future. Surveys of Australian expats show that 50 per cent express a desire to return to Australia eventually. For expats in Asia, that figure is closer to 60 per cent.

Often salaries or opportunities may be better abroad, but there remain many drawcards in terms of family, lifestyle, friends and even sporting pursuits that lure Australian talent back home, particularly when they begin to have families.

4. Prepare staff for their Asia move

Australian companies need to think creatively about preparing staff for a shift to the region and should exploit the multicultural nature of the workplace here, and the availability of short-term projects abroad, to give employees a better grounding in life and work in Asia.
5. Our alumni advantage in Asia

Companies, along with universities and schools in Australia, should foster better ties with their Asian alumni, many of whom have returned to their homelands with a fond view of Australia and a willingness to do business with Australians.

Many of Asia’s global corporate and governmental elite have been educated at Australian educational institutions – either universities in Australia, or schools in Australia or sometimes in Australian universities’ overseas campuses.

More focused efforts could be made to capitalise on these links with alumni of Australian education, many of whom are playing leading roles in key public and private institutions in Indonesia, Malaysia, China, Singapore and other Asian nations. In many cases, these former students are well disposed towards Australia and Australians and keen to do business with Australian companies.

Work should be done on creating a more high-profile brand identity for Australian-educated Asians and on ways to use social networking to create a more tight-knit intergenerational community among them.
Actions for government
Actions for government

There is an urgent need for a bipartisan commitment towards speaking up about Australia’s engagement with Asia and the opportunities it presents. There are a variety of ways in which the Australian government can be a better service provider and facilitator for its expatriate population. And it needs to compile far better information on this hidden army, who should be celebrated far more vigorously by political and business leaders for the contribution they make to Australia’s reputation abroad and to the national economy and skill and knowledge base when they return.

Ironically, more is known about the diasporas of various Asian nations in Australia (including the 1.2 million strong Chinese diaspora; and the 610,000 members of the Indian community) than we know about our own diaspora outside of Australia, particularly in Asia.

And further to that, both the Indian and Chinese governments, according to a recent ACOLA study (Australia’s Diaspora Advantage: realising the potential for building transnational business networks with Asia), are far more advanced than Australia in capitalising on the skills, attributes and contacts abroad of their diasporas to enhance their own domestic economic potential.

The first priority for the Australian government must be to gather better data.

For a start “permanently” has a clear finality to it, whereas many expats are in fact going for a defined stint abroad and instead described their departure as “temporary” on the form. This blurring of the lines makes it hard to capture good data on Australians going to work abroad.

Each year as many as 100,000 Australians depart the country “permanently” dutifully ticking the relevant box on the departure card that captures their circumstances. But that’s where things go astray from a data capture point of view.

It is worth noting there is no common definition of the amount of time one needs to be going abroad for to be considered an expat. Should it be 6 months, 12 months or more? An agreed definition from the Commonwealth’s perspective may be a useful first step that would aid researchers, government agencies and the states.

The Australian expat population in Asia is now estimated at between 150,000 and 250,000.
6. Defining the diaspora

The Australian government should compile far more accurate and comprehensive statistics on the size, location and demographic profiles of Australia’s expatriate population. This could be achieved by diplomatic posts establishing a pain-free way for expats to register their presence in that country online and marrying this data up with the traditional source of information gleaned from passenger movement cards.

That represents 20 per cent of the Australians living and working overseas at any one time.

The 2003 Hugo Report put the size of the Australian diaspora at 858,886 in 2001, or 4.3 per cent of the population. DFAT’s estimates have ranged between 760,000 and 906,000 between 1996 and 2004. These figures are collated from estimates from overseas missions, but no newer data is available.

Taking into account the growth in the Australian population since 2001 to 24 million, that provides for an expat population of just over one million. Given the increasing frequency of movement of skilled labour, the true total may be higher.

But we are in the realm of guesswork here and although there are groups such as Southern Cross and Advance, geared to represent the interests of expats, their activities are hampered by a lack of definitive data on the expat population.

What is known, though, is the relative advantage expats have in terms of skills, earnings and employability as identified in the surveys used to compile the Lowy report Diaspora:

“The diaspora is comprised of some of Australia’s most employable citizens. More than half are aged between 25 and 44 years, compared with only 30 per cent of the resident population Those moving overseas permanently are especially concentrated between the ages of 30 and 34 years (16 per cent), 25 and 29 years (13 per cent) and 34 and 39 years (12 per cent).

“The emigration survey also confirmed that Australia’s expatriates are highly valued on the international labour market, finding that 22 per cent of respondents earned more than $A200,000 per year.”

Veteran expat and founder of online real estate portal Juwai, Simon Henry, says expat wages may have plateaued after the GFC, but are still at least as good as what’s on offer in Australia.

“But the big reason Australians stay away, and why it is so hard to attract and retain international talent to Australia, is tax and cost of living,” he says.

Given the obvious potential for Australian expatriates and business people to enhance Australia’s standing abroad and achieve big things in business, academia and cultural pursuits, we believe the Australian government could obtain better data through both more intelligent use of passenger movement cards and establishing a way for expats to register painlessly with consulates in their country of choice. This would provide more granular information about where expats are basing themselves and how this changes over time. A system could be established similar to the Smart Traveller database used by short-term travellers to register in case of consular emergency.
Unlike politicians in countries with extensive diasporas abroad, such as Ireland and India, Australian leaders have not historically lauded the population of expat Australians, and where they have done so, praise has been more directed at cultural elites in western societies such as Hollywood actors or Australian authors and entertainers of a bygone era in the UK. Recognition and acknowledgement of Australians forging meaningful careers and solving real problems in Asia has been sorely lacking.

We set about in this report to shine a light on the fact that Australia does indeed have Asia capable talent by profiling 12 high-achieving Australians doing great things in Asia.

7. Speaking up for our expats

Australian political leaders should take opportunities to study and publicise the achievements of Australian expatriates that are working or have worked in Asia. Governments should also recognise and exploit the unique capacity of expatriate populations to act as informal ambassadors for Australia.
Actions for the education sector
8. Learn the language
More resources and political will should be put into the teaching of Asian languages. Consideration should be given to making a period of Asian language mandatory although we acknowledge the difficulty of setting targets across differing state systems and independent and state schools.

"It was acceptable at the time I moved to China to open a restaurant to not be able to speak Chinese, but now it is less acceptable and much more important. It is an advantage to speak Chinese now, whereas 20 years ago it didn’t really matter.”
Michelle Garnaut, M Restaurant Group

Actions for the education sector
The need for Asian language education and the pursuit of so-called Asian literacy in Australian companies and individuals were two of the key themes of the Gillard government’s Asian Century White Paper.

But progress since then has been modest, and in some areas completely absent, and large sections of the Australian education system have made little progress towards this aim.

The schooling system has failed to keep pace with Australia’s growing integration with Asia across the curriculum. Teaching of Asia’s history, politics and economies is not adequately embedded in the Australian curriculum.

And more advantage could be made by both the university sector and private enterprise in delivering content to both current and future Australian expatriates online. This trend will only continue to grow as we move closer as a country towards Asia.

The Grattan Institute put the number of Australian students studying an Asian language at just 6 per cent in 2011. Various other studies point to a trajectory of decline in the numbers over time even as our engagement with Asia becomes even more important.

About 40 per cent of students studied a foreign language in the 1960s, but recent studies have shown that number is now closer to 10 per cent, and this includes students who are native speakers in the language they are studying. This is in stark contrast to almost all the other OECD countries where students finish school with at least one foreign language.

Figures published in the Sydney Morning Herald newspaper recently showed the number of students taking Chinese at HSC level in NSW almost halved between 2005 and 2015, dropping from 1526 to 832. All but 153 of those students were native Chinese speakers.
Kurt Mullane, the Executive Director of the Asia Education Foundation, said Australia had “at best plateaued but more likely we are in a period of decline” when it came to participation by students in studying Asian language. He noted “languages have the lowest enrolments of any senior secondary years subject in Australia, with a scant 11 per cent of students at this level studying a language other than English. It’s a national failing that hasn’t shifted for 20 years”.

He said whilst there has been some growth in the number of students in Australia studying Chinese, there is evidence of schools adopting Chinese at the expense of existing language programs (Asian and non-Asian), resulting in a zero-sum game in terms of increasing student participation.

“And when you break down that increase in Chinese, the programs are heavily loaded with Chinese background speakers, particularly at year 11 and 12,” he says.

The poor performance spans both primary and secondary schooling and NSW has thousands of schools that don’t offer any language program, whereas Victoria leads the pack with 90 per cent of schools having an Asian language on offer.

Mullane said there were supply imbalances in the teaching workforce with acute shortages in regional areas, but the root cause of declining student participation was one of demand, with Australian society as a whole not sufficiently conscious of the benefit in learning a foreign language.

“There is a massive process of cultural change that needs to be embarked upon in Australia. We are an ‘English-first’ speaking country. Our appetite for valuing and supporting other languages to a level required to establish long term and sustainable language learning initiatives in schools is just not there,” he says.

Mullane believes we place a focus on diversity of choice of languages in schools, which is fine in principle, but in effect creates huge challenges regarding program provision and quality. “We might be better served with explicit prioritisation of certain languages and targeted resourcing of these languages; sometimes less can be more”, he says.

“We’ve got to learn more Indonesian as well as other South East Asian languages for those emerging markets where we are going to end up actually doing more trade.”

Roderick Lappin, Lenovo

“If, as a community, we aspire to have cohorts of kids come out of school proficient in a language and well placed to move into careers and workplaces where they make use of that language, we need to understand what support schools need to realise the aspiration and better support them to do so,” he says.
Melanie Brock, who also chairs the Australian New Zealand Chamber of Commerce in Japan, said whatever stance is adopted, support will be needed for teachers, particularly in state schools.

“They need resources, they need curriculum development. They need a focus at the highest level on Asian language learning,” she says.

Penny Burtt takes a similar view.

“While the government’s New Colombo plan is a great initiative to boost Asia literacy at the tertiary level and beyond, what is really needed is earlier intervention”.

“The later you leave it the harder it gets,” she says. “I have been very disappointed that the number of children learning Asian languages in Australia appears to be going down, not up.

“Schools as well as the community as a whole could focus on giving young people experience in traveling to and being in countries in our region.”

The rise of China is likely to spark increased interest in the study of Mandarin and offers an opportunity for Australia to make Chinese a key language priority in the way that Japan has been in the past without reducing opportunities to study Indonesian and other South East Asian languages, or indeed Japanese.

The other issue with the learning of Asian languages is that many of the students enrolled, particularly at a secondary level, are in fact from the same linguistic background as the language they are learning, as the 2011 Grattan Institute study found, and already have considerable fluency. In national terms, this is of course a positive indicator of a more linguistically capable nation, but for individual students who don’t hail from an Asian diaspora, it is a disincentive.

Hastings’ Grant Dooley, who is fluent in Mandarin, says this means Australian students tackling very unfamiliar languages with differing scripts are competing with ethnically Asian Australian children whose knowledge base is already far superior.

“We need to find a way that encourages non ethnically Asian children to study these languages. Not just Chinese but Japanese, Korean and Indonesian where they don’t perceive they are competing against other kids who have a leg up through having parents from those backgrounds,” he says.

Western Australian schools have in some instances separated their Chinese language classes into a stream for ethnically Chinese students with a grasp of the language and students who have never studied Chinese to remove this disincentive and other states, including NSW, are beginning to grapple with this issue.

“There’s no doubt that language skills are important. Hong Kong and Singapore less so because everything is done in English. Having an awareness of cultural things is very important, but in the future if you have a role in China speaking Chinese is a very important skill to have.”

Paul Hart, Knight Frank
While our expert panel differed on the relative importance of language skills to a successful career in Asia (those who spoke foreign languages tended to value it more highly, as did those who worked in Japan or China versus Singapore or Hong Kong), there was near unanimous acknowledgement that it was only part of the story, and Australians needed to radically improve their knowledge of Asia and its history, its politics and economic development.

PwC’s Derek Kidley says the Gillard government’s Asian Century White paper had a heavy emphasis on the importance of language, but it is often secondary to knowledge of a region’s culture in terms of importance.

“We tend to fall in the trap in Australia of thinking language is the most important thing to focus on,” he says.

“Clearly learning appropriate languages is a very positive thing and I’m not in any way suggesting that’s not, but actually it is not the most important thing. The most important thing is it awakens their interest in the culture of the country they might be working in.”

Roderick Lappin, Lenovo

In many of the SE Asian countries people will speak reasonable English making it easier for Australians when we go overseas, so you don’t need an Asian language. It helps, obviously, if you have it enormously, but you don’t need it. You do need to understand Asia, so that probably speaks to education, not just around language in school.”

9. Asia in depth

Language is only part of the story and the Australian curriculum needs to include a far greater emphasis on Asian history, politics, culture and economic development.
We already have teachers in classrooms. We just need to provide them adequate training and resources so they can support students to build global competence and Asia capability.”

Kurt Mullane, Asian Education Foundation

This deficit of Asia knowledge begins in schooling. Kurt Mullane, the Asian Education Foundation Executive Director, says it is still possible for children to go through school and not encounter theoretical and practical learning experiences that help them deal with the Asian region or understand Australia’s inextricable links with Asia.

“Not all Australian school students are going to learn a language, and if they do they are not all going to study an Asian language. However every Australian child will study English, arts, science, maths, history, geography because they are subjects they have to participate in,” he says.

“It is actually totally achievable that all Australian children can learn about Australia’s place in the world and connection to Asia through those subject areas.”

Mullane says the emphasis on Asia and Australia’s engagement with Asia in the new Australian Curriculum signalled a big step in the right direction and is strongly supported by educators and the broader community. However a recent review of the curriculum resulted in the removal of some Asia related content and learning opportunities and a return to commentary questioning “why is Asia in the curriculum at the expense of Western Judeo-Christian traditions etc?”. As well as being inaccurate binary views like this don’t serve our students well; they deserve an education inclusive of a range of global perspectives that assist them to become globally competent. And being globally competent for Australians necessitates being Asia capable because that is part of the world we live and work in,” Mullane says.

“That was quite frustrating because education systems/jurisdictions, principals and teachers have done a lot of work to respond to an Australian curriculum with a focus on Asia and Australia’s engagement Asia. Mixed messages around the status of this focus threw all this good work up in the air and has resulted in a loss of momentum in schools.”

Mullane says that while the hurdles for boosting language education participation are considerable, the only barrier to increasing an emphasis on Australia’s engagement with Asia across the curriculum is the will to do so.

As a former senior diplomat and now corporate director Doug Chester says: “For too long our education system has drawn on Europe and North America. Most school kids can list half a dozen cities in the United States but they will struggle to name more than two or three in China, where there are ten or twelve cities in China that are bigger than our main cities in Australia and three or four are bigger than the Australian population itself.”

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My view about language is it is bigger than the words themselves. Google Translate does not translate culture.”

Christine Holgate, Blackmores

While reforming school curriculum and boosting the teaching of Asian languages is a multi-billion dollar, decade-plus enterprise, the increase in penetration of high-speed internet capable of delivering video content offers opportunities in the short term.

The basic tools of language learning – dictionaries, grammar texts, ways to learn characters – have never been closer to hand and are usually now just a few clicks away. Language learning portals offering teaching materials, exercises and sometimes practice sessions with tutors or fellow learners are now common. These e-learning ventures are usually for-profit private ventures, but public broadcasters such as the BBC also offer a wide range of language learning content online.

VOIP services such as Skype and Google Chat make the delivery of practice sessions and real interaction with native speakers cheap and easy.

This technology offers tremendous opportunities for language students to take control of their own destiny and commence their studies online and for schools to establish “sister” schools in other parts of Asia. It also throws up obvious opportunities for Australian educational institutions to offer their language learning content on demand to the community of expats as well as those considering a career or setting up a business in Asia.

This is also true of the history, politics and economics education where Asialink Business fills a valuable gap for Asia-aware business leaders in Australia, and also delivers online training modules on cultural intelligence as well as its Business Leaders program and other face-to-face training programs.

There may be further opportunities for both private and public providers and entrepreneurs as the population of expats in Asia grows.

Mullane says even in Australia the demand for bilingual skills in job ads had soared according to recent research from the Foundation for Young Australians.

“Whilst there is some ambiguity from business around the value of foreign language skills at least in this survey of 4,000 odd job adverts the call for bilingual skills in job ads had grown by 180 per cent, second only to digital literacy” he says.
Actions for individuals
Actions for individuals

The more Australia can do to foster talent that can succeed in Asia and on the world stage, the better off we will all be. But there is a limit to how much government, educational institutions and companies can contribute to the Asia literacy of young professionals, who must also take responsibility themselves.

Tapping the experiences and knowledge of our expat panel, we also have some key recommendations for individuals keen on pursuing a career in Asia to make the experience as satisfying, enduring and successful as possible.

To a person, our panel were ardent supporters of working abroad, with a bias towards pursuing a career in Asia.

“My view about Asia is go there,” Sir Rod Eddington says. “You don’t know whether it will work or if you will like it or not. You just get up and go. And that’s what I did.”

11. Go early

Utilise gap years, working holidays, university exchanges to get Asian experience before your full professional career begins in earnest.
Penny Burtt also believes working in Asia is a great foundation for any career.

“My advice is that international experience, and particularly experience in Asia, is important for long term career success. Young Australians should build in some time in the careers for living and working and studying abroad,” she says.

And it is important to recognise there are many ways of doing this.

Grasping the opportunity is easier the younger you are and there are many options to get yourself overseas before family considerations take precedence or you become embedded in Australian working life.

Going early, either through high school or university exchange, New Colombo Plan internships or even as a backpacker, often sets a solid foundation for language learning when the mind is more flexible and work and personal commitments are fewer.

“If I was to just finish high school to do a gap year and be jumping on a plane to do a 12-month language course in a university in China, to get out of my comfort zone and just experience what’s going on around you,” Juwai’s Simon Henry says.

“If anyone gets an opportunity to get posted up here I’d advise them to jump at in a heartbeat. Even if it’s not for the long term, the breadth and scope it brings to you as a well-rounded cross border professional will serve you well through your entire career.”

Matt Godfrey agrees. “If I were in my 20s I think I would do it all again, you really are thrown in the deep end. There is always the perception that advertising in London is just exceptional and that is true, but there are so many layers, so much bureaucracy.

“If you are young and come to Asia there is so much momentum and movement and change, which gives you more exposure to lots of different aspects at a younger age. You learn more and grow more in a shorter period of time just because you are thrown into the deep end.”

Crown’s Melanie Brock says younger Australians should be less risk-averse.

“Grab yourself an internship in a company overseas – or at a Chamber of Commerce – or save up to travel around Asia, and if you go back home that’s fine,” she says.

“There seems to be this mentality of: ‘What if it doesn’t work out?’ I would say, who cares – just go.”

Restaurateur Michelle Garnaut, who owns a string of successful restaurants in China and Hong Kong, says she has noticed an increase in cultural and linguistic skills in those Australians coming to China to work.

“There is a younger and more diverse generation now…they often speak good Chinese, and they are working in areas that weren’t open to opportunities many years ago…these areas have opened up as China has grown,” she says.

The last census shows a high percentage of the Australian population is ethnically Asian and so what you’re actually finding is Asian Australians could be the ones who are biting the bullet and coming back up to Asia.”

Simon Henry, Juwai.com
The importance of getting a better understanding of the history of the Asia Pacific and its international political and economic relations and the cultures within it are vital. It is not sufficient to be familiar with South East Asia as a bloc and consider this is enough. Rather expats need to develop knowledge of how companies and cultures within the bloc interact.

Penny Burtt says it is not just language but cultural understanding – and above all respect – that is vital.

“Australia often looks outwards without really deeply engaging. We view emerging Asia as being less sophisticated than Australia, when the reality is emerging Asia is just as sophisticated if not more in many ways,” she says.

“It is incredibly important to respect countries in the region and their people as your equals and to approach these markets not just as an opportunity, but with a commitment to their success as well as our own”.

“Understanding means understanding the history, the politics, the economy, the culture of a country – not just how to cross your legs the right way.

The Asialink Business’ Leaders program offers an opportunity for Australians to be actively engaged with Asia and to get a better understanding of each of its different cultures and histories.

Blackmores’ Christine Holgate agrees culture is vital, but says so is patience.

“It is not my number one characteristic, but you have to be patient and you have to show respect. You can’t show up in a market and think everyone is going to love you because you are Australian. You have to be authentic,” she says.

12. Responsibility for learning begins with you
Take responsibility to further your linguistic and cultural understanding of the region and the country you are targeting.

Culture in Asia is a very trust based culture and they take a medium to long-term view of the world. Part of where trust comes from is when they see your level of engagement, now you’re here and you’re spending time and it is the fifth time you’ve seen them not the first time you’ve seen them.”

Doug Chester
The final recommendation in the report is targeted at those fortunate enough to get the opportunity to pursue their career abroad in Asia.

In many Asian cities such as Hong Kong, Shanghai, Jakarta, Kuala Lumpur, Tokyo and Singapore, it is possible to live in an expat “bubble” and limit your involvements with the locals and culture of the country or city in which you are living.

These cities have no shortage of Western restaurants, expat bars and clubs, and international schools around which some expats choose to anchor their lifestyle, sometimes to the extent that it resembles what they had back in Australia, the only major difference being where they are physically located.

Some of our panel made passionate pleas for those traveling overseas to work to not make it this kind of experience.

Doug Chester, who has worked as a diplomat in Singapore and Brunei, says: “One of the mistakes many Australians make in places like Singapore, whether in their own company or working for bigger companies is they don’t break out of the expat community.

“They work with expatriates, entertain with expats, and play games with expats. They don’t go out into the broader community.

“There are on the other hand, many good examples in Singapore of successful people who have immersed themselves in the local community and they had much greater cultural awareness and a much broader awareness of how the place operated.

“And it was noticed by the powers that be. They got on well, they got contracts and the good jobs, whereas the others who went across there and just stayed in their little enclaves struggled.”

Roderick Lappin, Senior Vice President (Data Centre Group) Lenovo Group says we often have more in common with Asian nations than we assume.

“I think we don’t always acknowledge it but there is a lot of cultural affinity with Japan and Korea. I actually think we do very well in Japan as an Australian culture,” he says.

“The Australians I know operating in Japan and Korea have no problems socialising and sharing meals with their local colleagues.”

“And I think the same is true in India. India, to me, is just fantastic, plus there is no language barrier. So why aren’t Australians doing more in India right now? It’s the future of the world.”

13. Break out of the expat bubble

Use the opportunity to build deep relationships with the community in which you are living; avoid cultivating a purely expatriate experience and instead immerse yourself in local communities.
Over time, we are sure that it will remedy the dearth of attention being paid to the region among Australian companies and corporate leaders.

While Australian companies are being left behind in the region (and outmanoeuvred by their US, European and Asian rivals), the same cannot be said of individual Australians.

The strong growth of governmental and cultural engagement with Asia, and the increasing interest among young Australians in working in the region, leaves us confident in our prediction that more than a third of the nation’s expatriates will soon be working in the Asian region.

As we pointed out in this report, figures from Universities Australia show more and more young Australians heading abroad to study and the federal government’s New Colombo Plan has already helped more than 10,000 students to study abroad.

Final word

The wonderful things being achieved by our expatriate communities fills us with optimism that the big gaps in Australia’s engagement with Asia can be plugged.
The story in corporate Australia is similar, with graduates and younger employees keen to pursue careers that involve stints working in Asia.

Far from creating a “brain drain”, this circulation of human capital where Australians cycle through stints in Asia and talent from Asia spends time working in Australia, enriches us culturally and materially.

But the truth is, there is so much more we could be doing. We need to know more about this hidden army of expatriates and to help add to their numbers and assist them in achieving their goals in working abroad.

More work needs to be done in our schools to train a generation that has Asia literacy running through its veins: that means enhancing our language skills and cultural and historical knowledge of the region.

And we need not only a shot of courage from companies about expanding in Asia, but also a willingness to embrace those with skills and experience in the region who return to Australia.

Equally, more can be made of both the alumni network of Asians who have studied here. We can also tap further into the skills, knowledge and connections of the many vibrant Asian communities in Australia, including the huge diasporas of Chinese and Indian Australians.

With the Asian region to account for half the world’s GDP by 2025, and the Asian middle class population swelling to more than 3 billion by 2030, there is no doubt that this is the Asian Century.

There is an unprecedented opportunity for us to play a leading role in at both an individual and a corporate level, but it is up to us to take the strides necessary to achieve this. Harnessing the capabilities of Australia’s expatriate community in Asia would be a good start.
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