

The economic downturn is creating much uncertainty for the thousands of Australians who are employed, or have been posted, overseas. By Steve Packer

CALLING AUSTRALIA HOME

Emma Clark is receiving some of the best CVs she has ever seen. "They are from very senior Australian candidates who have been made redundant, mainly in the UK and Middle East," says the senior international consultant at Reed Specialist Recruitment, in Sydney. "These people have come from scenarios where they've been able to ask for almost whatever they want in terms of sign-on bonuses and the like, and suddenly they are unemployed for the first time."

The global economic downturn is driving expatriate Australians back home, although not as many as might be expected. Or not yet.

According to the most up to date Immigration Department figures, the long-term resident returns for Australians in skilled occupations (ASCO groups 1-4) totalled 19,307 in the last three months of 2008, a 7.4 per cent increase on the same, pre-downturn period the previous year. About two-fifths came from the UK, which was by far the largest group.

"Many Aussie expats are in wait-and-see mode, but it's likely there will be a huge influx coming back," says Rebecca Wells, director of Clear Horizon Coaching in Sydney, which specialises in assisting expatriates and repatriates to adapt and stabilise, and supporting companies to facilitate the process. "We haven't seen a marked change in numbers coming back, but given the deepening economic crisis, I expect more Aussies in the

finance sector, in New York and London in particular, will be coming home over time."

At international recruiter Robert Walters, Australian managing director James Nicholson says his firm experienced a 20 to 25 per cent surge in white-collar professionals returning in the last four months of 2008, but the trend diminished at the start of this year, particularly in Sydney and Melbourne. "It could be because there's a realisation that the grass is no longer greener in Australia," he says.

Financial professionals have very transferrable skills and tend to move around the globe, picking up jobs fairly easily, says Nicholson. "But that has slowed all over the world. London ground to a halt 12 months before Australia. People began being let go and they started coming back. There was a belief that Australia would be decoupled from the downturn through the strength of China, but

KEY POINTS:

The global economic downturn is driving expatriate Australians back home, although not as many as might be expected.

Repatriates face very specific challenges when they return after long postings.

there's a realisation that this is not the case."

While many highly qualified expats have lost their jobs, it's a misunderstanding to think thousands of excellent job candidates are roaming the streets, he says. "Recruiters and employers are finding that there are people who fit the mould of a job type and they can hire them relatively quickly. They can beat down people on salary and there's far less of the demanding 'What's in it for me?' and 'How much are you going to pay me?' mentality because most aren't getting multiple offers any more."

Nicholson notes the nuances of variation between different states and industries, and Clark says the recruiting of repatriates in certain markets in Australia, such as engineering, IT and health care, is relatively strong because the chronic skill shortages in these fields still apply.

The immigration figures also indicate that Australian companies and corporate offices haven't been calling back expatriates from overseas in large numbers.

At PricewaterhouseCoopers, director of human capital Sharon Bell says the economic downturn hasn't changed its programs. "We run a global mobility program, so many arrangements are reciprocal with other PwC offices," she says. "At any one time, we have 550 to 600 people on secondment either into or out of Australia. It would not be in our interest to alter this. Our other offices would do likewise

“There was a belief that Australia would be decoupled from the downturn through the strength and power of China, but now there's a realisation that this is not the case

James Nicholson,
AUSTRALIAN
MANAGING DIRECTOR
ROBERT WALTERS

and it wouldn't benefit either party.”

Downturn or no downturn, it is important that international companies retain expatriate staff after they return home. As HR professionals are aware, this can be hard to do. Repatriates tend to be restless after the novelty and excitement of working and living in another country. They may find that the

skills and experience they gained or could use overseas aren't so applicable back home, or don't translate into the promotion or extra responsibility they expected. Or they may feel they have achieved everything they could with their current employer, including the chance to travel, and it's simply time to move on.

"About a quarter of repatriates resign within 12 months of returning and another quarter in the second year," says Wells. "Repatriates face very specific challenges on re-entry and it's common for them to feel low or underwhelmed on return. Many believe that the home company 'hasn't moved on' and may use the contacts they made while overseas to seek new opportunities."

Bell says PwC tries to tailor opportunities for its repatriates, depending on what they have been doing overseas. "There are cases when we lose some people because we can't do that, [but] the size of our firm works in our favour. We have the flexibility to offer a broad choice of clients or opportunities. They often come back and go onto a different career path with us."

Clear Horizon Coaching runs lunchtime-length

classes for HR professionals on repatriate engagement and retention. One of the things it teaches is that expatriates need to be kept in touch with the workplace they left behind. "Workplace strategies change and people move on," says Wells. "Repatriates can struggle if they find they don't come back to the same social network they had when they left."

Companies need a system of communication to keep expatriates in the loop and maintain continuity, she says. "Some assignees stay closer to the management side of things while they're abroad rather than the HR department. But you need all parties in regular contact so progress is monitored and the assignee's career path is mapped out well before they repatriate."

PwC has a specific 'keep in touch' program. "As part of annual reviews, what we call the home partner or home coach is involved in getting information on the person who's overseas," says Bell. "Six months before the planned repatriation date, we start to have meetings with the individual, particularly around the kind of work they've been doing overseas and the experience gained." ●

ARE YOU EQUIPPED TO DEAL WITH THE COUNSELLING OF EXPATRIATE EMPLOYEES?

EVOLVING IMMIGRATION AND IR LAWS ARE A MINEFIELD!

At InterStaff we are the specialists in work visas for international employees and all contractual obligations that a company faces at the time of termination or retrenchment of its international workforce.

SPEAK TO THE INTERSTAFF TEAM BEFORE MAKING DECISIONS ABOUT YOUR 457 VISA HOLDERS.

Request a FREE Information Checklist. Freecall: 1800 449 858

InterStaff is an integrated Australian owned and operated business combining immigration services, recruitment and contract management in a package tailored to the needs of Australian industry and prospective migrants.

For the business looking to widen its focus in these difficult economic times, InterStaff is the one-stop, professional solution.

The rules are clear!

Allow InterStaff, through its Contract Management Services, to employ your potential recruit reducing the red tape and liability your company undergoes.

To learn more about this opportunity call InterStaff on 08 9221 3388 or email enquiries@interstaff.com today!

www.interstaff.com



MARN: 9250840



IMMIGRATION
VISAS



RECRUITMENT



COMPLEX &
LEGAL



CONTRACT
MANAGEMENT

Updated 457s count down

The number of sponsors' applications for temporary skilled migrant visas has plunged since the beginning of the economic downturn, and a recent government policy update is likely to exacerbate the trend.

Applications for the subclass-457 visas steadily declined in the last three months of last year and fell 31 per cent in January, says the Immigration Department. It issued 4070 of the demand-driven visas in March (in response to applications from late last year), down 16 per cent on the previous month.

In the policy update, effective from 24 February, the government clarified the conditions 457 visa applicants must meet in terms of the 'benefit to Australia' requirements. It said case officers would "carefully consider the prevailing economic conditions ... a key factor being the relevant Australian employment rate".

The requirements have four components: creating and maintaining employment for



Australians; expanding Australian trade in goods or services; improving Australian business links with international markets; and competitiveness in the relevant sector of the economy.

"The new policy directive is basically saying that, in the context of a volatile economic downturn, these things should be looked at more closely – not just when an employer applies to be approved as a sponsor [valid for

two years], but each time a visa application is lodged," says Harriet Mantell, migration consultant at Melbourne law firm Hall & Wilcox. "Each time there will be a test that there will be a benefit to Australia according to one of those four criteria.

"You can look at it two ways. If you read it literally, it could mean a tougher assessment for everybody. Or it could essentially be about those areas where there have been problems in the past.

"What does seem evident is that all employers will need to specifically address the criteria in a way they didn't before, with some form of explanation. At this stage it's not clear what sort of evidence the Immigration Department will require or what will satisfy them.

"What they have made clear is that companies that have been downsizing their workforce will be looked at very closely."

Mantell says that in her experience,

most employers "do the right thing" and they are not going to consider bringing in someone from overseas, with all the costs and increasingly onerous responsibilities of sponsorship, if they can find a local to do the job. She notes that the pool of local talent is now much greater than it was 12 or even six months ago. "And from the point of view of protecting their own brand or reputation, companies would be keenly aware that they need to be able to justify to their own workforce bringing in someone from overseas and show that they are not going to do it lightly. They're doing it because of genuine skill needs, and some of those needs will continue. For example, the chronic shortage of health professionals in most states is not going to go away."

On the day the policy update was posted, Immigration Minister Chris Evans said permanent migration to Australia would be cut in the May federal budget in response to the economic situation, but the government would still be sensitive to regions and

industries experiencing labour shortfalls. A few days earlier, the ABC reported Deputy Prime Minister Julia Gillard as saying: "We know even in today's economic circumstances there are still some parts of our nation where people are crying out for

"... most employers pay their 457 visa holders considerably more than the required minimum salary level ..."

skilled labour, and we have the migration system to assist with that."

In response to criticism that the visa scheme undermines rates of pay for Australian workers, the policy update also signals a shift

from minimum salary levels to employers having to pay visa holders the average rate for each occupational grouping.

Some employers who pay their local workers below the average rate have voiced objection. They say this means visa-holding employees will now have to earn more than locals doing the same job, causing friction in the workplace and making sponsorship too costly.

"The government is in effect introducing the market salaries that were recommended in [Industrial Relations Commissioner] Barbara Deegan's report on the visa scheme last year," says Mantell. "The reality is that most employers pay their 457 visa holders considerably more than the required minimum salary level, but in some industries it has been seen as a way to minimise salary costs."

The market rate equivalent salary assessment will not be applied where the position to be filled from overseas relates to a managerial or professional occupation where the total remuneration package is in excess of \$100,000. ●

AUSTRALIAN IMMIGRATION AND TAX LAW UPDATE

HOW WILL YOU BE AFFECTED BY THE DOWNTURN?



Date: Thursday,
21 May 2009
5.30 pm for
6 pm to 7.30 pm

Venue: Level 18
Australia Square
264 George Street
Sydney

REGISTER TODAY
LIMITED SEATS AVAILABLE!

Speakers

Katie Malyon
Senior Immigration Lawyer
MARN 9580358

Peter Bembrick
Tax Partner, HLB Mann Judd

Registration

Please email to:
seminars@malyonlaw.com
by Friday, 15 May 2009

Testimonials

"Katie and her team are responsive, easily accessible and cost effective. They consistently provide a professional and personalised service. It is a pleasure to work with people who have such a thorough understanding of immigration law and procedures ensuring the best outcome for our employees. Katie and her team make the process easy. Thank you."

Angela Cusack, Business Consultant, Aspen Medical
(No. 1 – BRW Fast 100 in 2007)

"EnergyAustralia is actively involved in the inpatriation and expatriation of key engineers and economists. However, incorrect tax payments could jeopardise our important international exchange programs and potentially damage our reputation. EnergyAustralia relies on the expert advice and hands-on approach of the HLB Mann Judd team, to keep us abreast of all taxation-related issues. The team at HLB Mann Judd go the extra mile to proactively ensure that EnergyAustralia and its employees are not exposed to international tax anomalies."

LLinos Healy, HR Administration Manager, Energy Australia

Jointly run by: **KATIE MALYON**
& Associates, Lawyers

HLB Mann Judd
Accountants | Business and Financial Advisers



**Working
Visa Health
Insurance**

As a HR Manager with responsibility for employees, it's a smart move to ensure your sponsored workers are covered by private health insurance.

Do you know if you sponsor employees to work in Australia, your business is responsible for some of the health care costs of both the employees and their immediate families?

That's why it is a smart move for your business to ensure sponsored employees join Medibank Private.

Medibank Private Working Visa Health Insurance is designed specifically for sponsored international workers. It offers comprehensive private health insurance across three key areas of health needs: hospital cover, medical cover and extras cover, and includes a medically necessary repatriation component*.

Find out how Medibank Private can protect your company and sponsored workers.

Corporate enquiries: 1300 30 73 74

Individual enquires: 132 331

Or visit medibank.com.au/visitors

medibank
P R I V A T E

Waiting periods apply, including 12 months for Pre-existing Ailments.
* Payment of repatriation is at the discretion of Medibank Private
Conditions apply. Medibank Private Limited ABN 47 080 890 259.