



Department of
**Local Government, Sport
and Cultural Industries**

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Ms Jessica Shaw, MLA
Chair, Economics and Industry Standing Committee
of the Parliament of Western Australia
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Dear Ms Shaw,

**INQUIRY INTO WESTERN AUSTRALIA'S ECONOMIC RELATIONSHIP WITH THE
REPUBLIC OF INDIA**

Thank you for the opportunity to provide a submission to the Inquiry into Western Australia's economic relationship with India.

The Department of Local Government, Sport and Cultural Industries (DLGSC) is pleased to provide comments on this matter and welcomes the potential for future work fostering economic activity between Western Australia and the Republic of India.

DLGSC comprises the service areas of Culture and the Arts, Sport and Recreation, Racing, Gaming and Liquor, Local Government, the Office of Multicultural Interests (OMI) and Aboriginal History. The Western Australian creative and cultural sector has a long history of successful international collaborations, cultural exchanges and engagement with Asian countries and India. Activities include long term artists' exchange programs, co-productions of film and television series, sourcing manufacturers and suppliers, developing new collaborative works, delivering workshops and masterclasses and participating in skills training programmes.

DLGSC has also engaged with India in the area of sports and collaborative activities and events. Attachment 1 provides our response to the terms of reference of this inquiry.

I am interested in further conversations with the Economic and Industry Standing Committee and for DLGSC to continue contributing towards Western Australia's economic relationship with the Republic of India.

Yours sincerely

Duncan Ord OAM
Director General
3 March 2020

Attachment 1

Economic developments in India over the last decade and their implications for the bilateral trading relationship

Western Australia (WA) is well placed to leverage opportunities created by the developing Asian region, particularly in sectors such as arts and culture, agriculture, education, tourism, sport and recreation.

Research shows that the rapid rise in Asia experienced recently is expected to continue in the future years. Led by China and India, Asia is expected to account for 40% of global GDP by 2030. For WA, the significant opportunity from this growth comes with the growing middle class, with Asia expected to represent 66% of the global middle-class population by 2030, and 59% of middle-class consumption, up from 28% and 23% respectively in 2009. This will create a large and growing market for our goods and services.

Current status of India's trading relationship with Western Australia

According to Austrade, Indian industry has a strong track record of engaging with international players to access the latest innovations in technology, research and development, and training to improve their top line and compete globally. Israel, the United States of America, and Europe are already reaping the benefits of engaging with Indian organisations to access Indian and global market opportunities.¹

In 2018 The Australian Government commissioned an India Economic Strategy to engage with India up to 2035 and to cement India as a priority economic partner. Delivered by Mr Peter N Varghese AO, the report presents a three-pillar strategy, a macro framework with economics, geopolitics, and people at its core. The report identifies six areas where the Australian Government should play an active role: (1) applying high level attention to the bilateral relationship including regular prime ministerial and ministerial visits; (2) raising awareness of the opportunities in the Indian market; (3) helping Australian firms understand the complexities of the Indian marketplace and India's business culture; (4) investing the resources to ensure we have an adequate diplomatic and trade footprint in India; (5) leading a policy dialogue with India that looks at our respective experiences in policy reforms and regulatory controls; and (6) enhancing the understanding of Australia in India at a community level.²

The Sister State Relationship between the State Government of Western Australia and the State Government of Andhra Pradesh

All levels of Government have an important role to play to facilitate new opportunities and to create an environment that encourages investment and leads to productivity and economic growth.

DLGSC will be working closely with the Department of Jobs, Tourism, Science and Innovation (JTSI) to support any proposed initiatives that will promote the Sister State Relationship. DLGSC is a member of the JTSI Round table on trade and investment which provides strategic and working input into trade and invest activities.

¹ Austrade, <https://www.austrade.gov.au>, accessed 17 February 2020.

² Department of Foreign Affairs and Trade, <https://dfat.gov.au/geo/india/ies/overview.html>, accessed 17 February 2020.

The role of the Indian diaspora business and entrepreneur community;

The Indian community is growing rapidly in WA and there is potential to foster the entrepreneurial and innovative spirit. At the Census 2016, there were 68,799 residents in WA who reported an Indian ancestry and 49,384 reported India as their country of birth, making it the third highest overseas birthplace of WA residents after England and New Zealand.³ Recent data shows that most visitors (20,400 people) from India are coming to WA to visit friends and relatives.⁴

With existing strong ties to India, WA is in a sound position to drive meaningful projects and initiatives to further entice migrants from India to live and work in WA and use their knowledge of both countries to strengthen bi-lateral business relationships.

With a growing middle class in India, there is great potential to attract more visitors as well as tertiary students to WA which will lead to new avenues for established and start-up businesses. DLGSC's vision to create a vibrant, inclusive and connected WA community embraces the crucial role of enabling WA to build on these current economic ties.

Local Government are often one of the first touch points for new migrants into their community and has the conferred responsibility to provide formal citizenship to members of the community who meet the necessary requirements to achieve that status. Local governments are increasingly engaged in programs to capitalise on the benefits of cultural diversity and are well-placed to support current and future engagement with India and its peoples through both visitation and migration.

The benefits of migration to regional areas have been outlined by the Regional Australia Institute (RAI). In its report 'The Missing Workers', the RAI reinforces that overseas born residents can help offset declining populations in regional areas and should be the priority to fill labour gaps.

While the migration system is the responsibility of the Commonwealth Government, the State has an important role to play in providing input to the process in terms of the skills needs of the State and advocating for the system to cater to the unique needs of the WA economy.

One option may be to work with the Commonwealth Government to progress Designated Area Migration Agreements (DAMA) for regional areas of Western Australia where it is appropriate. A DAMA is a two-tiered agreement between the Commonwealth and a state/territory or regional body.

There also should be flexibility for the region to respond to local economic and labour market needs and conditions devising solutions for Australian businesses where there are skills gaps or shortages that cannot be met by the local labour market and streamlined access to a broader range of overseas workers than available through the standard skilled visa programs.

The Western Australian Local Government Association (WALGA) has initiated a project to develop a Framework to guide the economic development activities of Western Australian local governments. Part of the scope of work is to identify new drivers of growth to fill the gap created by business investment and identifying legislative impediments to economic development in the regions.

As part of this work, data has been collected across WA regions which highlight opportunities to strengthen trade opportunities and population growth. A summary of the research, the Economic

³ DLGSC Office of Multicultural Interests, Search Diversity WA, <https://geografia.com.au/dlgsc/#/>, accessed 17 February 2020.

⁴ Tourism Research Australia, International and National Visitor Surveys, Year Ending September 2019, <https://www.tourism.wa.gov.au>, accessed 17 February 2020.

Development Framework materials and policy priorities, can be found on the WALGA website at www.walga.asn.au/EconomicDevelopment

As part of the Local Government Act reform, a Green paper will be released which will provide further opportunities for the community and local governments to have input into the legislation that will shape the local government sector and its business. This presents an opportunity to discuss the role of local government in fostering a supportive business environment for the Indian diaspora business and entrepreneur community.

Cultural identity

The maintenance of language and culture supports the development of a person's sense of identity and belonging, crucial to a person's wellbeing. It also enables the maintenance of links to country of birth and heritage that strengthens Australia's international people to people relationships.

The Department engages with the Asian diaspora populations through the Office of Multicultural Interests' (OMIs) programs and activities. The Community Language Program (CLP) funds community language schools that teach a few Asian languages spoken in the Indian sub-continent such as Bangladeshi, Hindi, Nepali, Punjabi, Tamil and Sinhala.

Engagement also occurs through funding for festivals and events through OMI's Community Grants Program, including the Perth Basant Festival, Swan Festival of Lights, Diwali Mela, Buddha's Birthday and Multicultural Festival.

Asian Engagement through Sport

The Western Australian sporting sector has benefitted from a long history of engagement with India, particularly in the sports of cricket and hockey. As the home of the National Hockey Program, the Western Australian Cricket Association, Optus Stadium and a strong sporting sector, sport provides a vehicle through which WA is showcased as a destination for travel, world class facilities, elite sporting events and personal sporting development.

In 2020 WA will play host to India's international Men's and Women's cricket teams competing in the T20 World Cricket Cup. Perth will also host the 33rd Australian Sikh Games in 2020. The games are the premier sporting and cultural event for the Australian Sikh community. It is anticipated that the 2020 games will attract more than 45,000 local, national and international spectators and over 2000 athletes.

The Department provides Asian engagement through Sport funding to enable Western Australian State Sporting Association (SSAs) strategically aligned to Asia to further their engagement and complement the State's Asian Engagement Strategy. The strengthening of sporting alliances between local sporting associations and their international spectators and over 2000 athletes.

The Department provides Asian engagement through Sport funding to enable Western Australian State Sporting Associations (SSAs) strategically aligned to Asia to further their engagement and compliment the State's Asian Engagement Strategy. The strengthening of sporting alliances between local sporting associations and their international counterparts will seek to:

- promote WA's sporting expertise and high-quality infrastructure;
- attract students to a tertiary system, aligned SSAs and achievement through sport;
- provide enhanced sporting competition/development pathways for athletes, coaches and officials.

Funding through the program supports:

- reciprocal training camps for athletes;

- reciprocal opportunities for coaches and officials;
- collaboration on staging of international sporting events;
- hosting of international athletes/teams at local events.

DLGSC also continues to actively engage:

- in cross-government quarterly meetings with Venues West and Tourism WA to discuss opportunities for Western Australia events that engage our Asian neighbours.
- With the Federal Department of Health (Office for Sport) and Department of Foreign Affairs (WA) to support Western Australia opportunities within the national sports diplomacy strategy.
- With JTSI, particularly with the Western Australian Commissioners based in Asia.

Strategies to attract inbound investment to Western Australia

The Western Australian creative and cultural sector has a long history of successful international collaborations, cultural exchanges and engagement with Asian countries. Activities include long term artists exchange programs, co-productions of film and television series, sourcing manufacturers and suppliers, developing new collaborative works, delivering workshops and masterclasses and participating in skills training programs (please also note further below).

The Department's commercial development program provides financial assistance to individual artists, fashion designers, musicians and creatives to attend trade fairs, meet with retailers and source manufacturers within Asia.

Festivals, symposiums and forums provide opportunities for the Western Australian public to engage with artists and creatives from the Asian region. An example of this is a co-commissioned artistic work which is a co-production between WA's Ochre Dance and Daksha Sheth Dance from India.

For the creative and cultural sector, building strong cross-cultural relationships is supported by establishing Memorandums of Understanding, treaties and strong ties to the Australian Government's Department of Foreign Affairs and Trade cultural councils and grants programs. For example, the Australian Cultural Diplomacy Grants Programme supports the delivery of high - quality public diplomacy initiatives which promote our economic, artistic and cultural assets to an international audience.

These types of initiatives and the Department's own funding for commercial development, help to strengthen WA's reputation as an innovative and creative State.

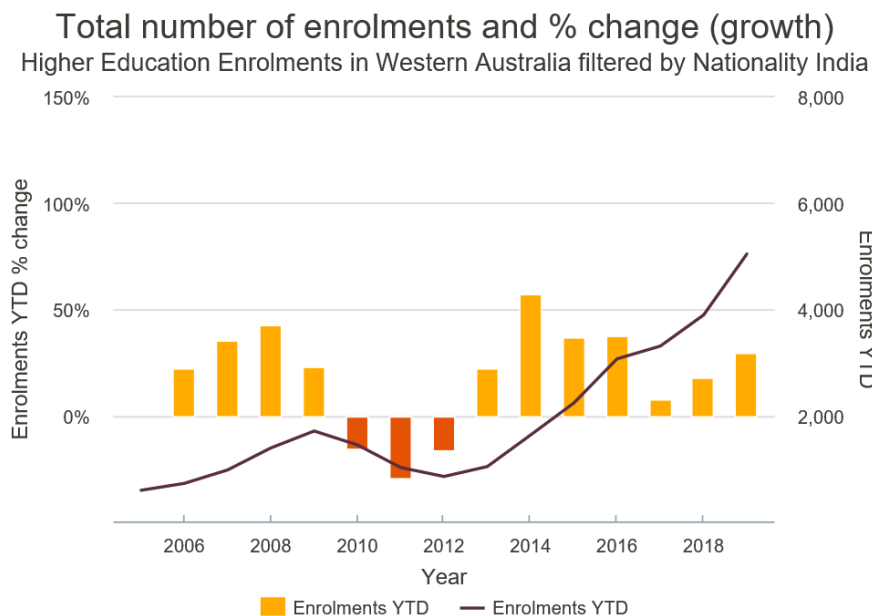
Cultural Infrastructure and Creative Industries

WA has a large existing audience with a high attendance and participation in arts and culture activities. For example, Perth Fringe Festival is now one of the largest festivals of its kind in the world, attracting 850,000 people in 2019 to free and ticketed events. The State's cultural infrastructure and creative industries help the public engage with sporting, cultural and recreational places. They attract tourists to Perth and to the regions and increase visitor spending in the State. WA is seeking to align its development of screen and immersive technology with the promotion of WA and its unique points of difference, developing immersive experiences in areas such as entertainment, performance and visitor experience. The Consul General of India, Perth has recently identified that the Indian Council for Cultural relations is exploring opportunities for the participation of Indian cultural troupes in prominent cultural festivals in Western Australia in 2020/21.

Developing existing and new export markets in India in target sectors, including: International education

A growing youth population and middle class coupled with domestic capacity constraints are driving Indian students to seek overseas undergraduate studies.

In Western Australia, India was the number one top source market for enrolments in 2019 for all education sectors and a close second (behind China) with 5044 enrolments in higher education. In addition, India is amongst the top ten fastest growing markets in WA's higher education sector.



Indian students are increasingly interested in niche courses beyond business, IT and engineering to widen career options and Australia has competitive offerings across a diversified portfolio. Top fields of education for Indian students also included health and society and culture in 2019 in Western Australia. Negative messages and perceptions have an extended life in the India media cycle and the Australian image has at times suffered as a consequence of negative events and coverage. However, soon to be launched Brand WA as well as initiatives presented and implemented in the coming years through the Asian Engagement Strategy will help shape Western Australia's image to our neighbouring countries and support cultural exchange and understanding.

The McGowan Government has already identified the importance of India as part of its strategy to boost tourism and international education growth as well as the role that the creative and cultural sector holds in both, diversifying Western Australia's economy and providing the services and programs to create an inclusive, connected and vibrant place where people want to live, work and study.

Creative Industries development, collaborations, and export potential

The Western Australian creative and cultural sector has a long history of successful international collaborations, and engagement with Asian countries.

Development of new collaborative proposals which will include the potential development of an Indian artist exchange program – a follow on from Create X, an arts exchange program which has

recently been launched and will open for applications in March 2020 for projects to be undertaken after July 1, 2020. This collaboration and exchange go towards the building of greater Asia capability, cultural awareness and stronger relationships between WA and our immediate neighbours, which is highlighted as a key cultural outcome in the State Government's Asian Engagement Strategy. In its first iteration Create X is targeting artists, creative industry professionals and arts organisations to undertake collaborations and cultural exchange opportunities with South East Asia. It is hoped that once the pilot has been successfully completed this program will be expanded to other Asian countries which could include India.

Music exchange programs which will be pursuing potential partnerships with the Indian music industry in the co-creation of content and product distribution.

Perth Theatre Trust (PTT) has nurtured a three-year relationship with Confluence - the Festival of India in Australia. In its third year, this now embraces Saraswati Mahavidhyalaya (SMV), who are collaborating in the Confluence Festival, with whom it had previously worked as a separate entity. Confluence has been across all our Perth venues, including the Perth Concert Hall. SMV has performed at the State Theatre Centre - the 2017 presentation of *I am Ravana*.

The creative sector is of critical importance in the economic diversification of WA and India is an important partner in the co-development of products especially in relation to virtual reality (VR) and information communications technology (ICT).

DLGSC launched the first of a series of three VR film festivals, held in July 2019. Titled XR: WA, the festival presented public and industry events that explored virtual and augmented reality, artificial intelligence, computer animations and other forms of screen-based and immersive media. This election commitment will continue on an annual basis (\$300,000 over three years) and there is potential to attract more Indian talent to showcase their work and experience WA content and industry at the same time. The 2020 event is being staged in early July.

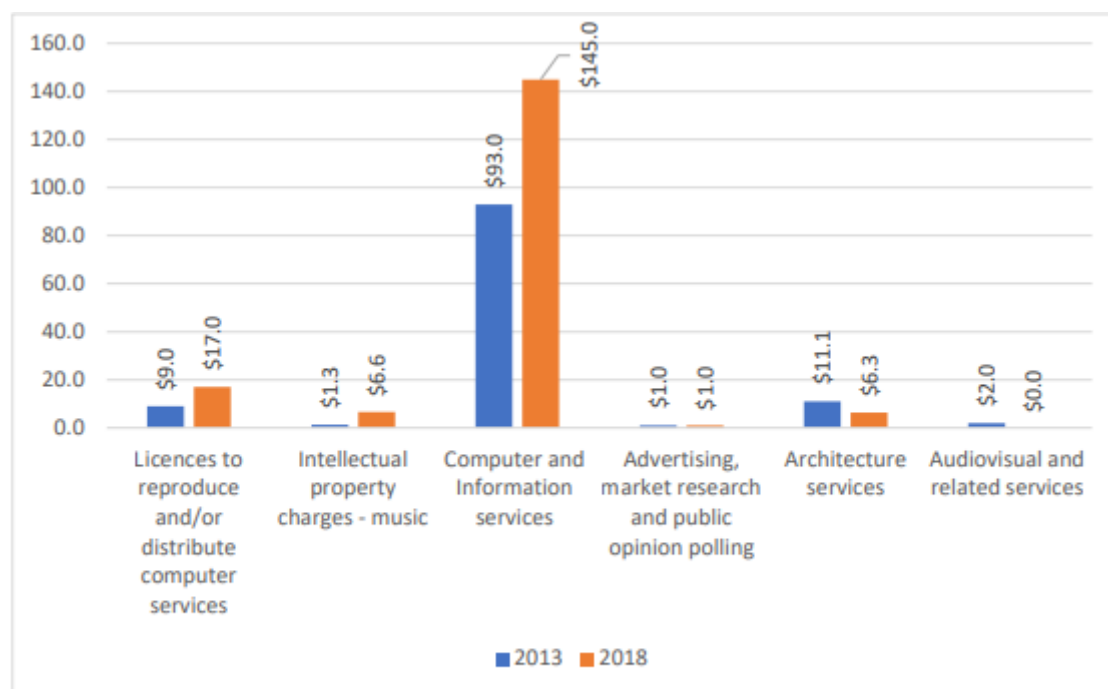
WA accounted for 3.2% of Australia's creative services exports in 2018. This is the fourth largest share of Australia's creative services on a State/Territory basis. The largest share of creative services exports is held by NSW (67.8%), followed by Victoria (14.9%) and Queensland (9.4%). Creative industries services exports from WA are about 2.6% of the State's total services exports, an increase from 1.9% in 2013. This is slightly higher than the Australian average of 2.1%. Over the past five years, Australian services exports have grown an average of 9.3% p.a., and 1.7% in WA. Creative services exports have grown even faster: by an average of 10.7% p.a. across Australia, and 8.4% p.a. in WA.

The largest share of creative services exports in WA is Computer and information services, accounting for 82.4% of creative services exports in 2018 (compared to 76.9% nationally). This is followed by licences to reproduce and/or distribute computer services, at 9.7%. (compared to 7.5% nationally).

WA varies from the national pattern in having a higher proportion of creative services exports coming from Architectural services: 3.6% compared to the national average of 0.9%; and a lower proportion coming from Advertising, market research and public opinion polling: 0.6% compared to the national average of 7.0%. In terms of growth areas, the largest growth from 2013 to 2018 is in Intellectual property charges – music, growing by 38.1% p.a. This is more than double the national annual growth rate in this category of 14.0%. The only other State with a similar growth is Victoria, where Intellectual property charges – music grew by 32.2% p.a.

Other notable growth areas are Licences to reproduce and/or distribute computer services, at 13.6% p.a. (compared to a national rate of 9.5% pa), and Computer and Information services, at 9.3% p.a. (compared to the national rate of 15.8%).

WA creative services exports by type, \$mill



Sources: ABS International Trade: Supplementary Information, Calendar Year, 2018; ABS International Trade in Goods and Services, Australia, May 2019; BYP estimates.

While there is no data available on the specific export markets for creative services exports from WA, there is some data on this at the national level showing that India receives 1.7% of all exports in 'Telecommunications, computer and information services'

An outline of current initiatives with India and the arts sector such as Confluence and Words on Water, Perth Theatre Trust (PTT) partnerships with India are:

- development of new collaborative proposals which will include the potential development of an Indian artist exchange programme – a follow on from Create X
- A music exchange program which will be pursuing potential partnerships with the Indian music industry in the co-creation of content and product distribution.

Cultural Tourism

Cultural tourism provides further opportunities to respond to market demand for cultural and heritage tourism. In Australia, cultural tourism is a growing sub-sector of the tourism economy and market demand for cultural and heritage tourism in Australia has outpaced overall tourism growth. Cultural tourists typically stay longer and spend more than the average tourist.

The Department of Biodiversity, Conservation and Attractions (DBCA) has developed a Two-Year Plan for Nature-Based Tourism in WA with a central aim to promote ancient, contemporary and living Aboriginal culture and heritage across WA. DLGSC is currently finalising a Cultural Infrastructure Strategy, which can contribute to achieving the objectives of Tourism WA, DBCA's Action Plan, and WA's tourism ambitions moving forward, by encouraging the growth of a wide variety of cultural experiences from world-class museums to distinctive vibrant local neighbourhoods.

Maintaining and celebrating Aboriginal art, culture and heritage is an integral part of this sub-sector. By growing Aboriginal creative industry and cultural tourism businesses; fostering cultural

continuity, cultural security, cultural healing and contributing to the wellbeing of Aboriginal people; it is possible to build more vibrant and inclusive communities.

The Department is supporting sustainable regional communities through investment and identification of tourism opportunities to attract greater trade and inbound visitation. The role the arts and sports can play in attracting Indian investment into co-product/content development, attracting entrepreneurs and the skilled workforce. This can be achieved through a synchronicity of local government initiatives, regional economic development initiatives and liaison with the Commonwealth on migration.