



Inquiry on Western Australia's bilateral trade relationship with the Republic of Indonesia

Austrade Submission

The Australian Trade and Investment Commission (Austrade) welcomes the opportunity to make a submission to this inquiry by the Economics and Industry Standing Committee of the Western Australian Legislative Committee in view of the importance of economic, trade and investment relationship with Indonesia.

Our response is focused on those elements of the inquiry Terms of Reference in which we have an interest, covering:

- The role of the State Government in the **'Team Australia'** approach to the national trade and investment agenda.
- How the State Government could optimise outcomes for Western Australia by adopting a **Brand WA** approach to Indonesian trade and investment.
- Collaboration on the facilitation of **Indonesian investment** into the state; and
- A long-term WA **engagement strategy** for Indonesia

While not directly referenced in the terms of reference, the response also covers the role of states and territories in supporting the recovery of the **visitor economy**.

Team Australia

Austrade collaborates with State and Territory Governments as part of a 'Team Australia' approach to trade and investment promotion. We work closely with the Western Australian (WA) Government both in Australia and in offshore markets, including Indonesia.

Austrade works closely with the WA Government and DFAT to engage with a range of stakeholders key to the Indonesia relationship, including the Australia-Indonesia Business Council (State and National Branches), the Indonesia Institute, the Perth US Asia Centre, the Chamber of Commerce and Industry, WA (CCIWA), the Consulate-General of the Republic of Indonesia, the Indonesian diaspora and peak industry bodies. We welcome the WA Government's willingness to harness the collective knowledge, reach and skills of this group to support further collaboration.

Austrade, through our WA State Liaison Officer, also meets regularly with the WA Department of Jobs, Tourism, Science and Innovation's (JTSI) and Department of Primary Industries and Regional Development (DPIRD) to share initiatives and insights and to leverage resources across our agencies. For example, Austrade is working with JTSI in the lead up to 'Indonesia Connect', a major trade and investment event scheduled to be held on Friday 21 October in Perth and contributed suggestions for participation by Australian businesses in that event.

Offshore engagement to date has largely been driven through visits and events, for example the WA Deputy Premier's recent visit to Indonesia. Austrade's Trade Commissioner in Surabaya, together with the DFAT Consul-General, has a regular monthly call with WA Government representatives to discuss coordination of activities connected to WA's sister state relationship with East Java. In addition, the Austrade Agribusiness and Food team has a bi-monthly meeting to discuss collaboration between Austrade, the WA Trade and Investment Office in

Indonesia and the WA Department of Primary Industries and Regional Development, which is funded to deliver in-market activities, including supermarket promotions and business delegations.

Austrade welcomes increased collaboration as 'Team Australia' in offshore markets which can help to address occasional confusion among contacts in the Indonesian market as to how the work of Austrade differs from the work of the states (WA, Victoria, New South Wales and Queensland, all of which are represented in Jakarta). For example, Indonesian importers have at times expressed confusion about differing branding and requirements for the promotion of fresh produce from different states in Australia, for example in relation to in-market agribusiness and food promotions.

Austrade looks forward to continuing to discuss ways to improve our work with the Government of WA in order to maximise the 'Team Australia' approach and optimise and grow trade and investment opportunities with Indonesia.

Brand WA and Australia's Nation Brand

Australia's Nation Brand was developed in response to calls from business and industry for a strong and consistent nation brand to represent Australia, as detailed in the 2017 Foreign Policy White Paper. It is an industry led initiative by Australia's Nation Brand Advisory Council, which included prominent Australian business leaders such as Fortescue Metals and Future Industries Chair Andrew Forrest AO, Atlassian co-CEO Mike Cannon-Brookes, Qantas CEO Alan Joyce, and Vogue, GQ and Publisher Prestige Editor-in-Chief Edwina McCann.

The Nation Brand is designed as an umbrella brand for Australian states, businesses, industries and government agencies to seek new opportunities internationally and strengthen existing ones and is the result of extensive research and consultation. It was developed and tested to act as a co-brand alongside other brands but is not intended to replace them. It helps us present as one unified 'Team Australia' for international activities and engagement. Market testing undertaken found that the Australia's Nation Brand logo was an instantly recognisable symbol of Australia.

The brand strategy and assets are flexible, and research shows that the Nation Brand resonates across multiple industries and channels. International and domestic market testing was completed with over 22,000 people over four years to guide the brand development. Both qualitative and quantitative market testing was undertaken in Australia with Australian businesses and Aboriginal and Torres Strait Islander Communities. Qualitative and quantitative market testing was undertaken in seven international markets (China, India, Indonesia, Japan, the Republic of Korea, the United Kingdom and the United States), and semiotics testing was undertaken to understand any cultural risks associated with the design.

Austrade and state and territory governments are jointly invested in strengthening the recognition of our nation brand in key investment markets, and positioning Australia as an attractive investment destination using the Nation Brand. Austrade will help coordinate internationally focused promotions and communications in priority markets and collaborate with the states on marketing activities around key priority sectors.

Austrade considers that state brands could gain significant efficiencies by leveraging the assets, insights and research undertaken for Australia's Nation Brand and we encourage WA entities to leverage the Nation Brand assets. A WA Brand could work successfully alongside Australia's Nation Brand to take a co-ordinated, state-based approach to international marketing.

Should the WA Government decide to proceed with developing a WA Brand, Austrade would encourage careful messaging around branding of Australian products and services to avoid Australian businesses' concerns around having a fragmented approach to international marketing. Careful management and differentiation will be required to ensure that the WA Brand is not seen as clashing with the Nation Brand in the Indonesian market (or others), and Austrade would want to avoid seeing a WA Brand detract from the impact of the Nation Brand among international consumers.

Austrade would be happy to facilitate further discussion on this with the team responsible for the Nation Brand in Austrade and the Austrade team in Jakarta to manage any perceived conflict between state and federal branding.

The facilitation of Indonesian investment

Austrade's FDI attraction operating model is based on an organisational structure which facilitates a clear understanding between Austrade and state and territory counterparts on our respective roles and responsibilities.

That said, strong partnerships between Austrade and State and Territory Governments are key to the operating model's success. This partnership is focused on working collaboratively to attract productive and sustainable foreign direct investment to Australia, and based on clear communication, transparency and a focus on agreed priorities.

This working relationship supports the 'Team Australia' approach and leverages joint efforts to minimise duplication. The five focus sectors in which we collaborate with the States and Territories are as follows:

- Agribusiness and food
- Major infrastructure
- Tourism infrastructure
- Resources and energy
- Advanced manufacturing, services and technology

Austrade's investment attraction initiatives are mostly undertaken by our international network offshore. The states take a leadership role onshore, leveraging their deep relationships with and knowledge of business in their jurisdiction. Given that WA has a strong representation of businesses in agriculture, resources, and renewables, as well as a broader objective for increased diversification for the state, it is and will continue to be a focus for Indonesian investors.

Austrade also works with the states and territories bilaterally on market initiatives agreed outside the priority industries. WA has also identified financial services (funds management, resources related) as an additional industry sector focus.

Further information can be accessed via the Austrade website at: [\[Austrade Corporate Plan - Austrade\]](#)

A long-term WA engagement strategy with Indonesia

Austrade welcomes the growing number of initiatives from the WA Government to strengthen bilateral trade including Indonesia Connect (see page 1).

WA acted quickly following opening of borders to deliver a well-received WA Buyers Mission to the southern regions of WA. Feedback indicated that key Indonesian importers appreciated this type of buyer mission activity, which was easy for them to participate in given the short flight time between WA and Indonesia. We recommend leveraging similar opportunities in the future.

The Visitor Economy

While not directly referenced in the terms of reference, the states have a critical role in supporting the recovery of Australia's visitor economy. Tourism is a vital part of economic recovery for both our countries and an area where we have strong mutual interest. Australia is interested in growing a stronger relationship with Indonesia in the visitor economy, consistent with our broader mutual ambitions to grow our trade and investment relationship.

Currently, Australia and Indonesia primarily cooperate on tourism issues through their membership of G20 and APEC Tourism Working Groups.



Building markets and attracting international visitors is vital for a prosperous visitor economy in the years ahead and could be a further area of focus for the WA Government as it develops a long-term engagement strategy with Indonesia.

To further support the recovery of Australia's visitor economy, the Australian Government is implementing the national long-term strategy, THRIVE 2030, to rebuild and grow the sector. With an industry-led, Government enabled approach, THRIVE 2030 sets an ambitious, yet achievable, target to return visitor expenditure to \$166 billion by 2024, and to grow it to \$230 billion by 2030.

Diversification is a key pillar of the THRIVE 2030 strategy, and a key priority for the government more broadly, recognising the importance of a balanced portfolio of markets to increase industry resilience and to ensure the visitor economy continues to grow, offers new products and attractions for visitors.

The THRIVE 2030 strategy acknowledges the need to grow visitation from Indonesia to help achieve diversification goals. This is based on historical performance, growth potential, latent demand, and regional dispersal opportunities. The potential of the Indonesian market and the steps required to grow visitation will be examined more closely through the implementation of Action Item 6.5 of the THRIVE 2030 Strategy.

Austrade is leading the development of an International Diversification Strategy for the Visitor Economy in cooperation with Tourism Australia and the States and Territories, with a discussion paper and industry consultations planned for late 2022.