

Submission to the Economics and Industry Standing Committee of the Legislative Assembly of Western Australia

Inquiry into Western Australia's Bilateral Trade relationship with the Republic of Indonesia

Key message:

The Western Australian Government could work much harder to help the businesses and industry sectors learn how the government can better assist in establishing and sustaining international business-to-business (B2B) that will result in increased trade.

There appears to be a fundamental conundrum within the multiplicity of efforts promoted as designed to build trade between Australia and Indonesia.

On the one hand we all know that most business relationships, government relationships, and respectful international community engagements take years, sometimes many years, to build. On the other hand, much activity that is apparently designed to assist international B2B and trade development is very short-term, often involving short-term participation by government agency staff and industry organizations.

Developing trade based on collective and diverse B2B, especially between nations like Australia and Indonesia which have significant cultural differences, requires longer-term building of relationships, understanding and trust.

This conundrum is plain to see for many committed, open-minded Australian and Indonesians who have seen much activity and quite a lot of expenditure over the past decade by various Australian governments, without much B2B trade to show for it.

In many ways, building a strong trade-based international relationship such as that between Western Australia and Indonesia in *my* opinion is akin to building a house,

- The development environment ('land area') is available: The business environment must be established by governments via policies and regulation – The Australian and Indonesian Governments have done well through IA-CEPA though more can be done in support of WTO policies etc.
- The on-shore business ('construction') environment is workable: The operating environment for businesses is good within Australia, though too costly and there is inadequate recognition of cross-sector issues (eg visa setting impacts on education, investment and trade); this is not the biggest limitation to Western Australian trade to Indonesia.
- The offshore business environment is problematic: The operating environment within Indonesia is not, rightly or wrongly, trusted by Australian businesses. Unless both governments work together to both improve the business environment, and better equip Australian businesses to enter and operate successfully in Indonesia, no amount of ministerial, departmental promotion and 'facilitation' will make a material difference.

- The initial planning priorities ('architectural styles') are available: There are initial sectoral priorities, but the governments have no strong policy settings or regulation to back up their sectoral trade policies.
- Government and industry bureaucracies need to stop turning up without a 'shovel': B2B development is hard, grinding, persistent work that must be done by each business before any partnerships can be signed up and B2B trade occur. Government and industry services must be directed by what businesses need not carry out a range of 'facilitation' activities that most often are not focused in a way that assists businesses generally they must bring a shovel or provide a backhoe so that businesses can 'dig the foundations' and 'pour the concrete' that is the base for building anything tangible and sustainable.
- The proliferation of 'roundtable', 'seminars', 'workshops', etc that cover the same old promotional ground without getting experts together with businesses to 'lay the foundations' need to be jettisoned in favour of small group and one-on-one expert sessions.
- 'Brick-by-brick' B2B partnerships will be developed and these will accumulate to create significant, diverse and resilient trade, resulting in sound B2B partnerships that government and industry organizations can build upon and promote.

Practical steps:

1. The Western Australian Government must better understand what business opportunities business sees, and what business sees as the impediments and risks to doing business
 - a. Surveys of potential Western Australia-Indonesia businesses would provide valuable information to government, industry organizations and individual businesses
 - b. Targeted interviews would enable deep-dives into well-equipped, more highly prospective, and less well-equipped businesses
2. Small, focused roundtables of Western Australia Indonesia sectoral businesses with experts from governments and industry could crystallize both collective opportunities and share needs
3. Industry sectoral groups, such as Indonesian Diaspora Business Council (IDBC) team living in Western Australia with support from government agencies and industry organizations, could bring forward to Ministers their shared aspirations, what is needed from governments, and a draft implementation plan. The IDBC information provided at **Attachment A**.
4. Ministers would allocate available funds and in-kind agency support appropriately to areas of greatest prospect and need
5. Ministers would charge joint Western Australia-Indonesia B2B committees with reporting back to Ministers on progress and issues that needed to be addressed
6. This may seem cumbersome and lengthy, but it will not be if Ministers genuinely invite businesses to become involved. Success will be much greater than that

currently achieved with the same resources. While it may be argued by some as what already occurs, it is doubtful any business would make or back up such claim.

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Prepared by the Regional Director of Indonesian Diaspora Business Council
Saraswati (Astrid) Vasile, MBA

As a leader of the Indonesian Diaspora Business Council, Indonesian born and a long term resident of Western Australia and an experienced business woman. I believe in giving back to the Western Australia community that I have called home for 24 years.

The IDBC board members skills and expertise will enable us to effectively deal with Western Australia businesses to business that are looking to trade with Indonesia for a first time and vice-versa for Western Australia policies and services. Their fluent Indonesian language skills and knowledge of the culture will be an asset to open doors.

Attachment "A"



Indonesian Diaspora Business Council

in support of Western Australia trade relationship with Indonesia

Indonesian Diaspora Industry sectoral group

The Indonesian Diaspora in Western Australia serves as an important component of the Western Australia - Indonesia bilateral relationship by fostering a positive perception and stronger ties in both countries. The President of Indonesia, the Hon Joko Widodo, has identified the Indonesian diaspora as a key contributor to Indonesia's developmental and economic goals, particularly in the area of human resources development.

There is an Indonesian Diaspora Business Council (IDBC) in Western Australia and in Indonesia. It is a voluntary and non-profit organization, supported by a panel professionals, multi-faceted expertise, commercial ingenuity and an authentically entrepreneurial spirit with a strong range of skills and knowledge that foster the continuing growth of Indonesia's economic prospects by connecting Indonesian businesses with potential counterparts worldwide and the country where diaspora resides (in this case, Western Australia) in both private and public sector.

What does the Indonesian Diaspora Business Council (IDBC) Do?

The IDBC Western Australian branch aims to strengthen business and industry possibilities, encourage and facilitates collaboration between Western Australia and Indonesian institutions / organisations and support collaboration with industries.

Our [diverse team](#) is accomplished and passionate in technology and Innovation, International education and training industry expertise, business support and strategists bringing ideas to life, they bridge connection.

In 2020 IDBC developed a business trade platform named [IDBC-TradeLink](#) to promote connections between Indonesian companies, entrepreneurs and professionals with other businesses which would benefit from the provisions in IA-CEPA.

IDBC-Tradelink is a virtual trade promotion and collaboration platform which showcases business products and services. It accommodates online businesses information as well as investment opportunities supported by various stakeholder.

In achieving its missions, IDBC serves as an interlocutor of diaspora to the policy makers, private sectors, and Indonesian with the aim of promoting and connecting Indonesian diaspora talent. IDBC's key areas of interest that are relevant to IA-CEPA include education, arts and cultural exchange, technology exchange, business and investment, tourism, culinary arts, energy, and maritime affairs.

The IDBC has connections with important stakeholders in relevant ministries in Indonesia, including the Coordinating Ministry for Political, Legal, and Security Affairs, Coordinating Ministry for Economic Affairs, Coordinating Ministry for Human Development and Culture and others.

The IDBC's range of influence extends to media, think tanks, academics and research institutions, education, business community, industry, local and state government, and non-government organisations.

Recommendations

The IDBC seeks to:

- match Western Australia's strengths in technology, process and people in Indonesia's areas of developmental focus.
- promote the achievements of IA-CEPA; and The Economics and Industry Standing Committee concept of WA trade with Indonesia and improve the possibilities, highlight the bonds of friendship and the mutual benefits of closer Indonesia - Australia relationship. Therefore, the IDBC is a key stakeholder in understanding the trade and investment opportunities between Western Australia and Indonesia as it can match businesses with relevant stakeholders in government ministries, industries, and nexus talents. IDBC can open doors for businesses and professional opportunities in Indonesia and for Western Australia
- optimize the role of the IDBC team in Western Australia to work closely and provide support to encourage and facilitate collaboration with the Economics and Industry Standing Committee of the Western Australia government and promote the Brand WA approach to Indonesian trade and investment through IDBC-Tradelink
- become involved with TVET (Technical and Vocational Education and Training) development in Indonesia-Western Australia and the IDBC network is currently looking at potential partnerships with Western Australia entities including TVET to collaborate and be involved in implementing the Indonesian President's plan for improving the quality of training in Indonesia to produce a very skilled workforce that matches the need of each developing regions.

This submission is to be considered as a formal request for collaboration as detailed above.