

**REPORT OF OVERSEAS TRAVEL UNDERTAKEN BY
MEMBERS OF PARLIAMENT FUNDED BY THE
PARLIAMENTARY TRAVEL ALLOWANCE**

FOR THE THREE MONTHS ENDED 31 DECEMBER 2014

This report contains a summary of all overseas travel undertaken by Members of Parliament on official business funded by the Parliamentary Travel Allowance.

**REPORTS OF OVERSEAS TRAVEL UNDERTAKEN BY MEMBERS OF
PARLIAMENT FOR THREE MONTHS ENDED 31 DECEMBER 2014
FUNDED BY THE PARLIAMENTARY TRAVEL ALLOWANCE**

MEMBERS OF PARLIAMENT

HON S ELLERY MLC	27-Sep-14	10-Oct-14	CANADA	DELEGATION SEEKING INFORMATION ON PUBLIC EDUCATION IN TORONTO.	-	\$15,768
HON B GRYLLES MLA	5-Oct-14	12-Oct-14	CHINA	INVITED TO ATTEND THE OPENING CEREMONY OF ONE OF SHANGHAI ZHONGFU'S PROJECTS. VARIOUS MEETINGS TO DISCUSS THE PROGRESS, DEVELOPMENT AND FURTHER INVESTMENTS BY KAI FARMING IN THE EAST KIMBERLEY.	-	\$6,256
P MILES MLA	17-Oct-14	22-Oct-14	THAILAND	MEET WITH THE AUSTRALIAN-THAI CHAMBER OF COMMERCE (AUSTCHAM THAILAND) BOARD OF DIRECTORS. ATTEND AUSTCHAM ANNUAL BALL AS SPECIAL GUEST.	-	\$5,419
B JOHNSTON MLA	27-Oct-14	28-Oct-14	LONDON	ATTEND THE SHALE GAS ENVIRONMENTAL SUMMIT.	-	\$6,461
R SAFFIOTI MLA	26-Oct-14	30-Oct-14	INDIA	VISITED DELHI AND MUMBAI TO STRENGTHEN POLITICAL AND ECONOMIC TIES BETWEEN WESTERN AUSTRALIA AND INDIA.	-	\$4,692
B WYATT MLA	26-Oct-14	31-Oct-14	INDIA	VISITED DELHI AND MUMBAI TO ASSESS OPPORTUNITIES BETWEEN WESTERN AUSTRALIA AND INDIA AND GAIN A BETTER UNDERSTANDING OF INDIA UNDER THE NEW PRIME MINISTERSHIP.	-	\$5,142
HON S ELLERY MLC	26-Oct-14	1-Nov-14	INDIA	VISITED DELHI AND MUMBAI TO FAMILIARISE AND GAIN A BETTER UNDERSTANDING OF THE ECONOMIC, SOCIAL AND CULTURAL STATUS OF INDIA.	-	\$4,822
HON N HALLETT MLC	2-Nov-14	7-Nov-14	INDONESIA	DELEGATION TO JAKARTA TO INVESTIGATE THE CRUCIAL ROLE OF RETAINING THE JAKARTA TRADE OFFICE. MEETINGS WITH SENIOR BUSINESS AND TRADE PARTNERS.	-	\$4,377

HON P EDMAN MLC	31-Oct-14	7-Nov-14	INDONESIA	DELEGATION TO JAKARTA TO INVESTIGATE THE FUNCTION AND BENEFITS OF RETAINING THE WESTERN AUSTRALIAN TRADE OFFICE. MEETINGS EXAMINING OPPORTUNITIES FOR WESTERN AUSTRALIA IN TRADE AND INVESTMENT RELATIONSHIPS WITH INDONESIA.	-	\$5,146
HON B ELLIS MLC	4-Nov-14	7-Nov-14	INDONESIA	DELEGATION TO JAKARTA TO INVESTIGATE THE FUNCTION AND BENEFITS OF RETAINING THE WESTERN AUSTRALIAN TRADE OFFICE. MEETINGS WITH SENIOR BUSINESS AND TRADE PARTNERS.	-	\$3,542
TOTAL FOR PARLIAMENT TRAVEL ALLOWANCE SYSTEM					VISITS: 10	\$61,625

Report on use of Parliamentary Travel Allowance.

Toronto, Canada 27 September 2014 – 10 October 2014.

The cost of the trip was \$15,768.

The purpose of the travel was to seek information on public education in Toronto, Canada. The provincial government of Ontario has made funding of public education a significant priority in the last decade and has made literacy and numeracy a particular focus to lift academic achievement across the Province. I joined a delegation from the WA and Queensland Primary Principals Associations and attended several sessions with them through the Ontario Principals Association and I also organised my own meetings with other stakeholders.

The benefit of the travel was significant. I met with academics, school principals, teachers and teacher representatives, parent groups, local school board representatives, provincial education Ministry representatives, the national education advocacy organisation, the Catholic local school board representatives. I also visited two inner city primary schools.

The single consistent message from each of the stakeholders; the Ministry, academics, the teachers unions, the District Boards, the professional organisations and the largest parents group was that the reason that the Ontario investment in literacy and numeracy has been so successful is the ongoing commitment to a real partnership between them all. Despite "hot points " of disagreement, particularly in negotiations over industrial matters and the slowdown in funding increases more recently; each and every stakeholder, unprompted by me said the reason academic results continue to improve is real partnership to make the focus on literacy and numeracy work.

The other message was that after a period of enormous industrial unrest and parental and community concern about how public schools were being treated by the previous conservative government, when the current government came to power 10 years ago it invested heavily in teacher inductions and improving the professional learning of teachers and principals.

The most interesting statistics which are in stark contrast to WA is that 95% of students attend public schools and 80% of students within the largest jurisdiction (the Toronto District Schools Board) go on to university or other forms of tertiary education. They also have a highly unionised education workforce.

The Ontario Principals Council (OPC) was established after the previous conservative government passed a law preventing school principals from being members of a union. OPC operates as a professional organisation and develops and delivers professional development (PD) for Principals, much of it on very large contracts from the Ministry of Education. It is not an industrial organisation and is increasing its role in public advocacy for the profession. There is a mandatory qualification to apply for a school Principal position a candidate must have a Master's degree or two technical specialist areas teaching qualification plus have successfully completed the Principals Qualification Program of 300 hours training plus practicum (in their own time). Aspiring to be a principal requires a significant academic and financial commitment. OPC is in direct competition with the university sector in delivery of these areas of PD and met with some push back at the start of this role but is highly credible with the profession. OPC views leadership as in the top 4 levers for reform in a primary school with improving classroom teaching & learning, improving school effectiveness and research & evaluation and in the top 6 levers for reform in a secondary setting; engaging & relevant programming; effective instruction; focused interventions for students at risk of not graduating; legislation & policy development and research, monitoring & evaluation.

Ontario Teachers Federation is an umbrella peak body for 4 teachers unions with 126 000 members who are teachers and support staff across the 4 member organisations. 95% of students in Ontario are in public schools and those in the Catholic system receive the same level of funding (constitutionally required) as public schools from the province.

The Canadian Education Association is a research and clearinghouse for research into best practice in education and is viewed as the "honest broker" in education. They feed much of their research into the OECD and have recently done work on the OECD report into market driven policy for change in schools which found competition actually discourages good schools from sharing what is working well for them.

There is a very top heavy bureaucracy overseeing schools in Canada. There are public local schools district boards (who also cover the Canadian version of TAFE) and Catholic school boards who are very large and oversee schools within their geographic boundaries. Over the top of that is the provincial Ministry of Education. I met with Toronto District School Board, the largest school board in Canada covering 595 schools with more than 245 000 students. More than 50% of their parents are living on less than \$50 000 (CD) per year and they have very high numbers of students either born overseas or born to parents for whom English is their second language. There are about 150 of their schools in the inner city area covered by their Inner City project providing additional supports for families in poverty. I also met with the Toronto Catholic District School Board, which covers about a third of the size of the Toronto District Board. Trustees of the Boards are publicly elected officials which makes local education very politicised. The scope of the function of the Boards mirrors the scope of the function of the Ministry though the scale of their respective functions is different. It did strike me as a lot of overlap but there is no doubt that local school communities and leadership feel supported and intervention and assistance is readily available. There is none of the sense of "we are on our own" that I increasingly hear from WA public schools.

The Ministry of Education established a Student Achievement Division with responsibility for implementing the education improvement strategy. The strategy involved significant investment in professional learning for teachers and lifting leadership skills of principals and providing targeted interventions to lift literacy and numeracy. Most importantly was the setting of specific targets within timelines; firstly in respect of primary school literacy and numeracy and secondly in respect of secondary school graduation rates. The primary (elementary school in their system) education targets were initially (in 2003) to get their Year 6 students to improve up to 75% in their standardised testing (from 55%) and to lift secondary graduation rates from 50% to 60% up to 85%. The most recent results show the primary figure was up to 71% and the secondary achievement was at 83%. Focusing on real targets was identified by all stakeholders as a key accountability measure and a way of ensuring focus and resources is maintained.

The benefit of this trip was that there are some important similarities between our two systems of government and school structures and public expectations of our education system and it was very useful to learn of the measures they have put in place to continually improve their academic outcomes over what is now a 10 year period of considerable investment and partnership.

List of meetings:

Ontario Principals Association

Ontario Teachers Federation

Ron Canel, CEO of Canadian Education Association

Toronto District School Board

Elementary Teachers Federation

Ontario Institute for Studies in Education, University of Toronto

People for Education (parents group)

New Democratic Party – opposition Education spokesperson.

Mary Jane Gallagher – Ass Deputy Student Achievement Division, Ministry of Education

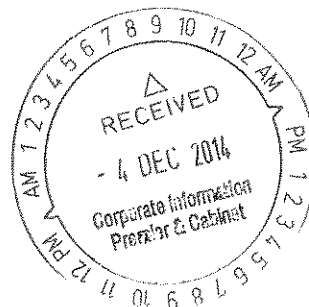
Toronto Catholic District School Board.

2 inner city elementary schools.

Hon Brendon Grylls MLA

Member for Pilbara

Peter Conran
Director General
Department of Premier & Cabinet
Locked Bag 3001
WEST PERTH WA 6871



Parliamentary Travel Allowance Report

Dear Peter,

I am writing to give you the background to my recent visit to Shanghai. My wife Susan and I were invited to visit Shanghai by the President of Shanghai Zhongfu (Group) Co Ltd and Kimberley Agricultural Investments, Mr Pui Ngai Wu, to attend the opening ceremony of one of Shanghai Zhonfu's projects.

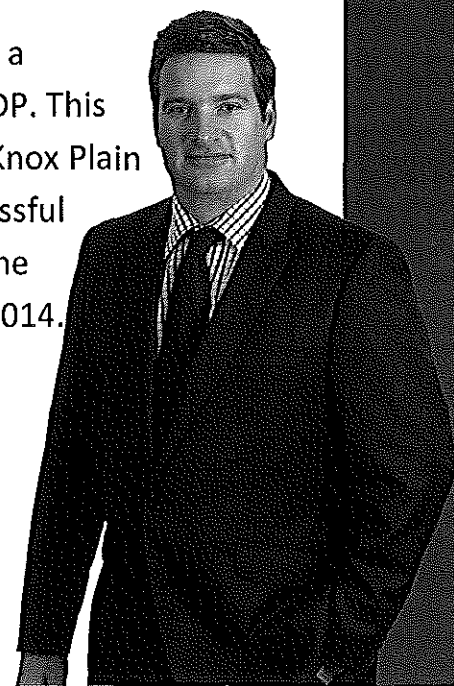
It was also an important opportunity to discuss progress on KAI farming development projects in the East Kimberley region as well as to continue to build the relationship between Shanghai Zhongfu and Western Australia.

At our various meetings, we discussed many issues that included KAI's progress on land clearing of the Goomig Plains, indigenous employment, as well as the status of negotiations between KAI and MG Corporation on the Aboriginal Development Package linked to the Knox Plains project. The meetings also involved discussions on further investments by KAI in the East Kimberley, the Northern Territory, tourism development and small business migration opportunities.

After my return to Australia, I visited Kununurra to facilitate a meeting between KAI and MG Corporation to finalise the ADP. This agreement was a key milestone in the development of the Knox Plain as part of Ord Stage Two, and this meeting reached a successful conclusion and the ADP agreement was formally signed in the presence of the Premier, Hon Colin Barnett on 27 October 2014.

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Hon Brendon Grylls MLA

Member for Pilbara

I believe that this visit to Shanghai has been extremely successful, the relationship between Shanghai Zhongfu , KAI and the State was strengthened and substantial progress on the KAI development in the East Kimberley was achieved.

The total cost of this travel amounted to \$6256.37 which consisted of two premium economy fares of \$2911.57 each and Visa processing fees amounting to \$433.23.

I would encourage more Members of State Parliament to visit China to continue building the bilateral relationship with the State's largest trading partner.

Yours sincerely,



Brendon Grylls MLA
Member for Pilbara

1st December 2014

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PARLIAMENTARY TRAVEL REPORT FORM

Members are to provide a report to the Director General, Department of the Premier and Cabinet on the cost, purpose and benefits of all overseas trips within two months of the completion of the trip. The Department of the Premier and Cabinet collates and coordinates the tabling of the reports in Parliament on a quarterly basis.

The report below should be clear, concise and focus on the benefits of your trip to your constituents and/or parliamentary processes, the Western Australian community and/or the State of Western Australia. Please do not attach PowerPoint presentations, research reports or reports otherwise available to the Parliament.

NAME OF MEMBER:	Paul Miles MLA
DESTINATION/S:	Bangkok, Thailand
DATE OF TRAVEL:	17/10/2014-22/10/2014
PURPOSE OF TRIP:	<p>The intention of this trip was to meet with The Australian – Thai Chamber of Commerce (AustChamThailand) Board of Directors and attend the 2014 AustCham Annual Ball as the Chamber's special guest in order to further build and develop international partnerships.</p>
BENEFITS DERIVED FROM THE TRIP FOR THE STATE OF WESTERN AUSTRALIA:	<p>AustCham is one of the most active and diverse foreign chambers in Thailand which focuses particularly on Australian businesses in Thailand and Thai businesses with an interest in Australia. They are also a focal point for the Australian expatriate community in Thailand and are an important bridge into the Thai community.</p> <p>The opportunity to visit and meet with the chamber's Board of Directors has provided me with invaluable information, knowledge and awareness of achievements made within this industry that can be implemented within Western Australia.</p> <p>Additionally with my electorate of Wanneroo being capable of exporting both fruit and vegetables and also through my role as Parliamentary Secretary to the Minister for Commerce this trip had a significant relationship benefit for both the export and small business sectors within Wanneroo and Western Australia.</p> <p>In-particularly discussions focussed on the current issues surrounding the Agricultural and Aquaculture Trade between Thailand and Australia and how this relationship can be sustained and improved.</p>



Bill Johnston MLA

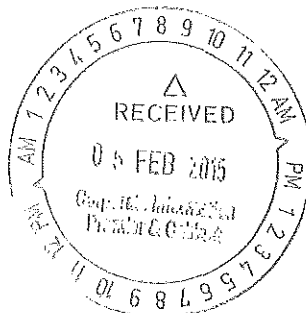
Member for **Cannington**

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Mr Peter Conron
Director General
Department of Premier and Cabinet
Dumas House
2 Havelock Street
WEST PERTH WA 6005



Dear Mr *Conron*

**Re: Parliamentary Travel Allowance
27th & 28th October 2014**

I am writing to you further to my letter of 6 August 2014 where I requested reimbursement for travel to the "Shale Gas Environmental Summit" in London, England, on 27 and 28 October 2014.

I attended the Conference on the dates outlined. I was impressed by the quality of the speakers, outlined in the attachment to my request for reimbursement.

However, I was surprised at the low numbers of registered delegates. On the other hand, this did increase the opportunity for interaction with the speakers.

Overall, I believe attending the "Summit" increased my knowledge and understanding regarding environment issues of shale gas extraction; and this will assist me in my Parliamentary responsibilities.

As I did not charge any of the travel arrangements outlined in my request for reimbursement my payments have been fully acquitted.

Yours sincerely

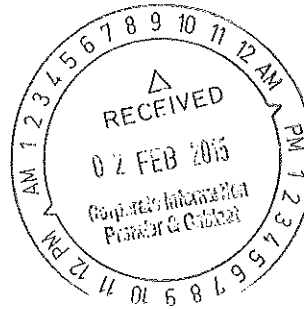
**Bill Johnston MLA
Member for Cannington**

3rd February 2015



Our Ref: 2015005

Mr Peter Conron
Director General
Department of Premier and Cabinet
Dumas House
2 Havelock Street
WEST PERTH WA 6005



Dear Mr Conron

From Sunday the 26th of October to Thursday the 30th of October, myself and my colleagues Hon Sue Ellery MLC and Ben Wyatt MLA visited Delhi and Mumbai in India. I flew back on the Thursday evening while my colleagues stayed an additional day.

The purpose of the trip was to better strengthen political and economic ties between Western Australia and India. It was also to assess any opportunities for Western Australia to grow particular industries.

The itinerary were organised by the Government's trade office representative Mr Peter Forby, while DFAT also provided assistance in arranging some of the meetings.

Importance of India

India continues to grow in its importance to Australia and in particular Western Australia. In recent years we have seen a significant increase in the number of people living in Western Australia of Indian decent. In many cases, migrants from India have moved to Perth from the eastern states for better job and economic opportunities.

Together with Indian migration to Western Australia, India continues to be a strong trade partner. In 2013 India was Western Australia's 10th most significant trading partner. The total export value to India from Western Australia was \$2.5 billion. Nevertheless, while our relationship is strong, it requires greater attention and focus from this State Government.

Former Premiers Gallop and Carpenter both visited India, and made the country a priority market for Western Australia. The current Government however has not paid sufficient attention to India as its predecessors did.

In addition, while Western Australia's attention has been elsewhere, other States have been very pro-active in the Indian market.

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Premiers and senior ministers from other Australian States have visited on high rotation in recent years. Without an increased presence and interest, Western Australia will be left behind.

Two of the key opportunities identified include:

- In the education sector. The new Modi Government has made skilling India a major focus. While India has such a large population, there has been some significant skills shortages in key trades. Western Australia now has a major opportunity to be part of this new focus. This opportunity needs to be backed up with a dedicated effort from the Western Australian Government and training sector.
- Tourism. As the number of Indian migrants increase there is significant opportunity to increase family related tourism in Western Australia

Below is just a brief description of some of the meetings we had in Delhi and Mumbai.

Delhi

In Delhi we had a range of meetings. We met with Mr Jual Oram, Hon Minister of Tribal Affairs: At this meeting we were advised that the tribal population of India was approximately 10 per cent of the total population, around 10million people. The challenges faced by the tribal population are very similar to those being experienced by Aboriginal Australians including access to education and healthcare.

We also had a range of meetings with business representatives from a range of industries. All were keen to see Western Australia take a more pro-active approach to India.

We met with the UN Women Office for India. The Director gave us an overview of many of their programs, and of particular interest were some of their strategies being implemented to address the serious sexual assault and rapes of women. Despite the progress of such groups, women's safety on public transport continues to be a major problem.

Mumbai

In Mumbai we met with the Lavasa Corporation, who were planning and developing new major city using modern urban planning techniques. It's an ambitious development aiming at achieving a healthy work, live and play balance.

We visited the very prestigious Mumbai University and learnt about collaborations they have with the WA University sector. Again we saw many opportunities to further improve this mutually beneficial relationship.

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Rita Saffioti MLA
State Member for West Swan



WA
Labor

We were also fortunate to meet with the Chief Secretary of the Maharashtra Government, who despite his very busy schedule (the swearing in of the new Government in the next day) was able to provide us with a greater insight into some of the challenges and objectives of the Government.

I would like to express my gratitude to the Western Australian trade office, and DFAT for assisting in organising the visit.

Rita Saffioti MLA
MEMBER FOR WEST SWAN
15 January 2014

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Mr Peter Conron
Director General
Department of Premier and Cabinet
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WEST PERTH WA 6005

15 December 2014

Dear Mr Conron



Travel to India – 26 October 2014 to 31 October 2014

In October this year I travelled to India with my Parliamentary colleagues, the Hon Sue Ellery and Rita Saffioti. Broadly, the purpose of the trip was to:

1. to better assess the opportunities that may be available for Western Australia in respect of its relationship with India over the coming decades; and
2. to gain a better understanding of India under the new Prime Ministership of Narendra Modi.

Background to trip

There has been much discussion of late in respect of Western Australia and the narrowness of its relationship with our major trading partners. I note that the Premier, Colin Barnett, recently commented about the 'immature' nature of the relationship that Australia has with China in particular. After six years in power in Western Australia, it is startling to realise that the Premier has only just awoken to the narrowness of our relationship with China and the fact that this is replicated in our broader economic narrative and opportunities. Our strength in commodities is also a weakness in circumstances where the commodity cycle inevitably turns against us. These comments by the Premier were made even more problematic for the future of Western Australia in light of the Barnett Government's recent decision to close our State's trade office in Jakarta. Totally inexplicable.

What is also clear is that the relationship between Western Australia and India is, to be frank, underdone. A quick look at our State's trade figures would suggest that the 'Indian potential' is still to be taken up by our State. In 2009 our total export value to India was \$7.6billion. By 2013 this had declined substantially to \$2.5billion. During this time India, by ranking as our State's trading partner, had declined from 3rd position to 10th position. In light of the significant Indian community that resides in Western Australia, the absence of a clear engagement strategy with India, and the broader Indian Ocean, is a strategic failure of the WA Government and is an issue that must be addressed as a matter of high priority.

As a result of the clear absence of proper engagement or strategic development within the Barnett Government in respect of our relationship with India, our delegation arranged meetings and events in the centres of New Delhi and Mumbai. Much of the itinerary was arranged by Mr Peter Forby, the Regional Director of the WA Government's Trade and Investment office in India. What is clear is that Mr Forby is an outstanding asset for Western Australia. Mr Forby has an impressive network in both New Delhi and Mumbai, significant credibility due to his long term connection with India, and is well regarded by the Australian diplomatic corps.

In this report I only intend to outline particular highlights of the trip but I attach a copy of the complete itinerary for those who may be interested.

New Delhi: 26 October to 29 October 2014

As can be seen in the itinerary, our time in New Delhi was spent largely with representatives of the Indian Government. This included a particularly useful meeting with Mr Jai Osram, the Hon Minister of Tribal Affairs. Mr Osram is, in effect, the equivalent of our own Minister for Aboriginal Affairs. Although, with the tribal population at about 10 per cent of the Indian population and, thus, numbering some 110 million people, the Indian tribal population is significantly larger than our State's Aboriginal population. However, the aspirations that the Indian Government has for its tribal population, and the challenges faced by the tribal population, is similar to that of our own Aboriginal people.

We also meet, while in New Delhi, with the UN Women Office for India, Bhutan, Maldives & Sri Lanka and had a very useful briefing from the Deputy High Commissioner of the Australian High Commission, Mr Bernard Philip and other staff including Tanya Spisbah, the First Secretary (Economic) and Hamish MacDonald, the Treasury representative.

Our delegation also met with representatives of the Vocational Training sector and with representatives of OGM Technical Institute. It is clear that the area of vocational training is an area that offers much opportunity for Western Australia if we can develop an appropriate and focussed strategy in this space.

I also had the opportunity to address a meeting of the Australia New Zealand India Business Association at the Australian High Commission. This was very useful in connecting with Western Australian businesses in India and Indian people doing business in both Western Australia and Australia.

Mumbai: 29 October to 31 October 2014

On 29 October 2014 our delegation left New Delhi for Mumbai. Upon arrival in Mumbai our delegation toured the Dharavi Slum. This was an extraordinary experience that highlighted the enormous challenges faced by both the Indian Government and the Government of Maharashtra in respect of providing accommodation to a rapidly increasing population.

The evening of 29 October was a dinner with Australian business representatives that included representatives from Rio Tinto Diamonds and Tourism Australia.

Our time in Mumbai was very much focussed around the commercial relationships that currently exist between India and Australia and discussed at length opportunities for improvement. Our delegation had a presentation from the Lavasa Corporation and a meeting with the senior academics of Mumbai University where the Prime Minister recently announced the new Colombo plan.

We had the privilege to meet with the Chief Secretary of the Maharashtra Government, Mr Navar. As the new Government was still to be sworn in, Mr Navar was also acting as the Chief Minister. This was a very useful meeting that highlighted the great opportunities that are not being pursued by the Western Australian Government.

We were also fortunate enough to meet with, and dine with, the Australian Consul-General to India, Mr Mark Pierce. In hosting our delegation for dinner Mr Pierce also hosted Patrick Kearins, the Trade Commissioner, Austrade and Bridget Kearins, also from Austrade.

While in Mumbai we also met with representatives from the NGO ATMA (established by an Australian), visited the Shrenuj & Co Limited Diamond factory and met with the Bombay Chamber of Commerce and Industry.

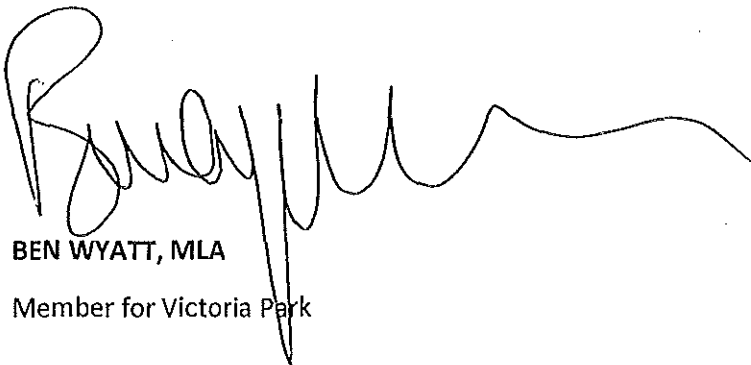
I flew out of Mumbai on the evening of 31 October.

My trip to India was incredibly useful in not only gaining a better understanding of the still to be optimised potential in the relationship between India and Western Australia, but also allowed me to develop a range of policy proposals to ensure that Western Australia can gain a stronger leadership role in the broader Indian Ocean region. As such, I wrote an 'opinion' piece that was published in the West Australian newspaper.

As always, I am enormously grateful to the Western Australian taxpayer for providing the opportunities for me to travel in the course of my role as the Member for Victoria Park and Shadow Treasurer and Shadow Minister for Aboriginal Affairs.

Should you have any questions please do not hesitate to contact me.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Ben Wyatt', with a long, wavy horizontal line extending to the right.

BEN WYATT, MLA

Member for Victoria Park

Report on use of Parliamentary Travel Allowance.

India – 26 October 2014 to 1 November 2014.

The cost of the was \$4822.52 .

Purpose

The purpose of the travel was to familiarise myself with one of WA's significant trade partners and to better understand the economy, social and cultural status of India given my electorate of South Metropolitan region is home to the highest proportion of Indian-born or children of Indian-born constituents in a very active ex-pat community. In addition, my Shadow Portfolio is education including tertiary education, and WA's universities have high numbers of students either directly from India as overseas students or as Australian citizens of Indian background. I wanted to better understand how WA's economic and educational relationship with India can be improved.

Benefits

The benefits of the travel were significant and greatly assisted by the stewardship of the Department of State Development, Regional Director, India Mr Peter Forby who arranged our visits (I travelled with my parliamentary colleagues the Member for West Swan and the Member for Victoria Park). We travelled to New Delhi and Mumbai.

We met with a range of commercial and education and non government organisations in both Delhi and Mumbai, I have highlighted just some of them below and attached the full itinerary. On a commercial level as well as smaller meetings with specific industry stakeholders we were also met with representative groups, in Delhi with the Australian New Zealand India Business Association and in Mumbai with the 155 year old Bombay Chamber of Commerce.

In respect to government relationships we met with the national Minister for tribal Affairs (equivalent to our Minister for Indigenous Affairs); the Minister for Arts and Culture and the Chief Secretary of the state Maharashtra government, Mr Navar. The day we met with him was the day before the swearing in on the new state government so he was also effectively the whole state government for that day.

There are real opportunities in the skills development and training area as new Indian Prime Minister Modi has committed to train 500million Indians by 2022. 50% of the Indian population is under 25. India, we were advised, has an under-utilised workforce but it is not a skilled workforce. We were advised of at least one existing Memorandum of Understanding between Central Institute of Technology here in WA and a Delhi based training organisation CBSE Dav College, but were also advised of some frustration that the MOU has not progressed beyond the original signing ceremony. We also met with OGM Technical Institute who are providing employer paid training opportunities in India to Australian AQF standards for highly skilled workers for both the Australian and international labour market. They take Australian courses and deliver them in India and also do job placement in India and are working closely with Leighton to train and place skilled Indian workers in Leighton's Indian projects. I think there is real opportunity for WA based labour market companies to do similar

work as this and certainly greater opportunities for our TAFEs to work more closely with Indian employers on providing high quality skills training.

There are also opportunities for skills exchange (and financial opportunities for Western Australian based Non Government Organisations) to assist the myriad of NGOs operating in India. We met with ATMA who at a cost provide emerging NGOs in the education sector and those looking to be more effective with strategic planning advice, governance advice and skills training. In WA; there are already some NGOs (eg in the disability sector) providing some of the "back of house" services to smaller organisations and governance advice and I think there are opportunities worth exploring for this expertise in India.

Mumbai University, which is 155 years old and considered one of India's most prestigious universities has a working relationship with Edith Cowan University based on co-supervision of research projects which is managed using electronic communication. MU also provides distance education to around 70 000 students and is looking to explore ways they are a university can take part in PM Modi's training and skills development plans.

Lavassa Corporation is engaged in building India's "smart city", the first planned city in India in the Mumbai Pune economic and IT corridor and has a 20 year plan to build a city for about 250 000 based on the principal that residents should be able to live, work, study and recreate within walking distance to avoid reliance on vehicles.

The Australian High Commission was very helpful in providing briefings on the current state of play between our two nations in the economy, treasury, education, agriculture and food and cultural affairs portfolios.

Please note in the attached itinerary, some of the meetings were re-scheduled to different times and venues and one; the meeting with the TATA organisation; had to be cancelled.



PARLIAMENTARY TRAVEL REPORT FORM

Members are to provide a report to the Director General, Department of the Premier and Cabinet on the cost, purpose and benefits of all overseas trips within two months of the completion of the trip. The Department of the Premier and Cabinet collates and coordinates the tabling of the reports in Parliament on a quarterly basis.

The report below should be clear, concise and focus on the benefits of your trip to your constituents and/or parliamentary processes, the Western Australian community and/or the State of Western Australia. Please do not attach PowerPoint presentations, research reports or reports otherwise available to the Parliament.

NAME OF MEMBER:	Hon Nigel Hallett MLC
DESTINATION/S:	Indonesia & Jakarta / Java + Bandar Lampung / Sumatra
DATE OF TRAVEL:	Sunday 2 nd - Friday 7 th November 2014
PURPOSE OF TRIP:	The members delegation travelled to Jakarta to investigate the crucial role of retaining the Jakarta Trade Office & the importance for WA to maintain a strong trade presence in Jakarta to ensure that WA remains competitive with other Australian producers.
BENEFITS DERIVED FROM THE TRIP FOR THE STATE OF WESTERN AUSTRALIA: (A brief report of no more than 2 pages may be attached if required)	See Attached.

MEMBER'S SUMMARY:

Indonesia is WA's seventh largest trading partner, with an annual two-way trade valued at \$3.9b. It is also our largest wheat market and a lucrative Live Export industry with companies such as Elders running a feedlot of approximately 7,000 head of cattle.

With a growing middle class and a population of 250 million, we have re-established the importance and future potential of trading with our international neighbours.

Along with numerous meetings with the aforementioned persons, I had the privilege of visiting the Elders feedlot, where Richard Slaney showed me round the facilities to get a better understanding of the Indonesian component of the Live Export industry.

It is a five to six-day voyage for the cattle, from Darwin to Lampung. Richard Slaney is a very good ambassador for Australia and our cattle industry as a whole. Elders runs a feedlot of approx. 7 000 head of cattle. The trucks are only capable of transporting 10 to 12 head of cattle at a time, as there are no road trains, so it is a continual procession of small trucks from the ship to the feedlot. They go into quarantine area where they are tagged, drenched, needled and left to settle down. Everything is undercover. The cattle are then sorted into different weight grades and sent into long feed pens, where there are fed twice a day. There are 42 stockmen for the 7 000 head of cattle. I went up and down every line and was impressed with what I saw. At the end of the lot there is a small pen for any animals that are shy feeders or sick. There might have been a dozen, out of 7 000, but they were still healthy beasts. They are continually monitored because, as they say, 'there is no money in a poor beast'. The stockmen go to a great deal of detail. The abattoirs are on site, so the beasts are monitored from arrival to the point of slaughter. The previous federal government made the disastrous decision to suspend live exports, and although the Indonesians have forgiven, they have not forgotten.

Western Australia is very well placed to supply the Live Export market as Indonesia will not be self-sufficient for many years. The five-six day voyage to Lampung is manageable, when compared to the vast distances cattle are required to travel in a truck when supplying the domestic southern market. Compared with Brazil, one of our major competitors, we have a 50c freight advantage that will hold us in good stead, but we still have to be very mindful of that.

Other potential opportunities for the Jakarta Trade Office to investigate in 2015 are related to education, medical services, and numerous food import opportunities. I believe that we are on the cusp of an Asian food boom and Western Australia must ensure it plays its role in helping to meet the demand for Asia's looming food supply crisis.

We had the privilege of meeting with senior business and trade partners of Indonesia, including representatives from Elders and the Indonesian Chamber of Commerce and Industry. We also met with representatives from the Victorian Trade Office who, rather than shutting down their trade offices, have been taking advantage of trade areas that Western Australia should be involved in.

As a direct result of the feedback provided by this fact finding trip, the Premier has announced that the WA Government will increase its representation in Indonesia (rather than close the office, as previously planned). In 2015 it plans to adopt a new office model which will include a regional, tourism and agricultural officers.

Jakarta Trade Office Report

ITINERARY

Tuesday 4th November

- **Australia Indonesia Business Council Briefing**
Phil Turtle (chairman)
- **Day trip to Elders Feedlot**
Richard Slaney (President Direct Elders Indonesia)
- **Indonesia-Australia Comprehensive Economic Partnership IA-CEPA (Free Trade Agreement)**
Noke Kiroyan (Director PT Bis Industries/Former President IABC/ Vice Chairman KADIN) Chris Barnes (Director ICON International/ Former National President AIBC)
- **Bill Sullivan – Foreign Advocate Christian Teo Purwono & Partners**

Wednesday 5th November

- **Embassy Briefing**
Kym Hewett (Minister Commercial & Senior Trade Commissioner) Jakarta Australian Trade Commissioner, Jakarta Australian Trade Commission (Austrade) Representation from DFAT Department of Agriculture, Treasury & Austrade
- **WA Trade Office Briefing**
Kellie-Jane Pritchard (Regional Director)
- **Ian Lynass (MD & CEO Bis Industries)**

Thursday 6th November

- **Dr John Ackerman (Regional Manager – Indonesia Meat & Livestock Australia)**
- **Joseph Abraham (CEO Indonesia ANZ)**
- **Suryo Sulisto (Chairman KADIN)**
- **Kris Sulisto (President IABC and Board Members)**
- **Victorian Trade Office – Representatives**
- **Briefing on Mining Opportunites**

SUMMARY OF BENEFITS

The specific benefits derived from the trip include:

- The Premier's decision to retain the Jakarta Trade Office.
- The Premier's decision to broaden the Trade Office's services by including; regional direction, tourism and agricultural officers.
- An improved service to West Australians wishing to do business with our Indonesian neighbours.
- An improved understanding of how a number of industries, linked to Western Australia, conduct their businesses overseas (including the highly debated Live Export Industry).

PARLIAMENTARY TRAVEL REPORT

Hon Phil Edman MLC

31st October – 7th November 2014

JAKARTA

Purpose and benefits

Cost:

The following costs were incurred over the 5 nights and 6 days of the Jakarta Delegation:

Airfares	1627
Accommodation	2000
Meals	1110
Incidentals	270
Airport Parking	139.38
<u>TOTAL</u>	<u>5146.38</u>

Purpose:

The purpose of the travel to Jakarta was to investigate the function and benefits of the Western Australian Trade Office that had been proposed for closure or a merge under Austrade. It was also for the wider purpose of examining the opportunities for Western Australia in trade and investment relationships with Indonesia.

The delegation was hosted by the Australian Indonesian Business Council and had meetings with varied and numerous leaders of important Indonesian businesses and representative bodies including PT Bis Industries, ICON International, Christian Teo Purwono and Partners, staff of Elders Indonesia, Austrade, Meat and Livestock Australia, ANZ Indonesia, and the Indonesian Chamber of Commerce and Industry (KADIN).

We also spent time with the current Indonesian Trade Commissioner in order to understand what objectives had been achieved for Western Australia and what direct had been provided from the Western Australian Government to this end.

These meetings served to further understand the dynamics of trade and investment in Indonesia; opportunities that are currently available and those that are emerging.

Benefits:

Indonesia's economy has been growing at a rate in excess of six per cent a year for almost 10 years and by 2050 is expected to become the fourth largest economy in the world. It has a population of 250 million and is rapidly growing. As our Prime Minister noted this year at the election of the new Indonesian President, Joko Widodo, Indonesia "has the world's largest Muslim population, it is the world's third largest democracy and, along with India, it's the emerging democratic superpower of Asia".

During the delegation it was made clear that Indonesia is home to a growing and vibrant populace that presents with it all the expanding opportunities, particularly in terms of agribusiness, education and tourism that rapid development brings.

Through visiting the Western Australian Trade Office it was found that the current commissioner has received little correspondence and no objective setting from the WA Government. The Office is not currently being utilised to its fully potential.

However, the message was unanimous in every meeting attended; independent representation is crucial for WA to benefit from current and expanding opportunities in Indonesia. These include in the education sector, as many Indonesia students are studying in New South Wales and Victoria when we have world class universities right on their doorstep.

Our States are increasing their presence in Indonesia and actively capitalising on these opportunities that benefit both the Indonesian and Australian people. It is important that Western Australia continue to utilise and expand on the relationships and on-the-ground experience that has been developed over the 22 years that our Trade Office has been operating.

Once such initiative to be captured is Significant Investment Visa's, where citizenship is granted to business prospects who will invest five million dollars into a given State or Territory over four years. Jakarta is a highly developed hub and there are many people willing to invest into Western Australia if given the avenues and opportunity to coordinate this. Significant Investment Visa's, as they are sponsored by the State or Territory Government, can also carry conditions for investment to be directed to the most needed areas, providing further economic benefits across a wider spectrum.

It was also noted amongst those we met with that perceptions are an important factor in relations with the Indonesia people and our high-level delegation was the first to be sent from Western Australia in a very long term.

It was also discovered on a very practical note that not only would Western Australian interests be lost in the competing demands of Austrade but accessing Austrade services is very difficult due to the high security requirements of the Australian Embassy where it is located.

This delegation provided the data to support the conclusion that removing independent Western Australian representation from Indonesia by either closing the Trade Office or amalgamating under Austrade.

**Hon Brian Ellis MLC
Visit to WA's Jakarta Trade Office
4-7 November 2014**



Hon Brian Ellis MLC
Visit to WA's Jakarta Trade Office
4-7 November 2014

Why did we travel to Jakarta?

Western Australia is the only state or territory to have maintained a continuous presence in Indonesia over the past two decades. In fact, WA was a trailblazer when we opened the first state or territory trade office in Indonesia in Surabaya in 1992.

Twenty one years later, in August 2013, the *Indonesia Australia Report* website reported that:

WA is expected to expand its Jakarta office with more staff seconded from state instrumentalities.

However, only twelve months after that the WA media began carrying stories that the Regional Director's contract had not been renewed and the stand-alone WA trade office in Jakarta was going to be closed. The Department of State Development confirmed that they were considering reducing the WA mission to a single staffer who would be accommodated within the national *Austrade* office. There was no ministerial announcement to this effect, and no briefing for WA Members of Parliament. It appeared that the Department had made an internal decision, and there was concern amongst some people that this may have been motivated by cost-cutting measures. The Australia Indonesia Business Council, whose chair is Phil Turtle, was appalled.

Added to that, a former WA Trade Commissioner to Indonesia also found the proposal utterly bewildering, and told me that WA was the only state to maintain a presence in Indonesia when the Asian financial crisis struck in the late 1990's. The other states were consequently seen by Indonesia as 'only being there for the good times' and 'lost face' – while WA engendered respect and gained additional credibility. Why would we want to risk damaging this hard-won reputation?

Moreover, the current proposal comes at a time when Australia's live cattle industry is recovering from a bruising loss of trade with Indonesia following an unprecedented shut-down by the former federal Labor government pending the introduction of the ECAS system. Delicate relations had just been restored after this fiasco when there was a change of government in Indonesia, and the new President was establishing a new set of ministers. Surely this is a time to maintain an active WA presence with experienced staff who can lend expertise and proven history to developing business relationships with a new government?

The WA announcement also comes at a time when other states are seriously beefing up their presence in Indonesia after making similar cost-cutting decisions to shut down their offices in the past.

In the 1990's Queensland had trade offices in both Jakarta and Semarang. However, in 2009 the cash-strapped Queensland Labor government closed its Jakarta office - reportedly it's most profitable - and engaged *Austrade's* Jakarta office to maintain a special interest desk for the state. Realising this had been a mistake, the incoming Liberal Queensland government announced in July 2013 that it would re-open its Trade and Investment Queensland office in Indonesia. They are currently recruiting a Trade and Investment Commissioner who will operate out of the ANZ tower in Jakarta.

Victoria underwent a similar re-think.

In 2002 the then Labor government closed the Victoria Government Business Office in Jakarta which had operated since 1994. In 2013 the new Liberal government of Victoria announced that their Indonesia office would be re-opened, and their Commissioner now operates from the upmarket World Trade Centre in Jakarta.

Victoria has invested lucratively in their new, highly proactive Indonesian trade presence, with a dynamic Trade Commissioner and a local staff of eight. They recognise that Indonesians prefer face-to-face contact rather than what they perceive to be the impersonal business of emails.

Why would WA close our stand-alone Jakarta trade office and downsize our presence when other States are proactively re-establishing their profile?

And why would WA close our Indonesian Trade Office when we only opened our Singapore Trade Office less than eighteen months earlier, in May 2012?

Most importantly, why would WA close our trade office when Indonesia is projected to have a fantastic growth-rate by 2030?

Hon Nigel Hallett MLC, Hon Phil Edman MLC and I decided to join the Australia Indonesia Business Council's Phil Turtle in Jakarta to take a closer look at how Indonesia operates. Whilst I went with an open mind, I also went in the hope of persuading the Premier to ask DSD to reconsider their options if the visit showed this would be beneficial.

What makes Indonesia attractive as a trading partner?

According to the World Bank website, Indonesia continues to post significant economic growth and has managed to fulfil many of its fiscal targets.

This is largely due to a stable financial system, favourable macroeconomic policies, low inflation and a credit rating that was raised to 'Investment Grade' in 2012.

According to the Economic Intelligence Unit (EIU), economic growth forecasts for Indonesia through to 2017 are expected to come in around 6.5 per cent per year.

A recent report published by the McKinsey Global Institute states that Indonesia has the potential to dramatically steam ahead in the world economy in the next decade and a half. It anticipates that by 2030 Indonesia will grow from:

- being the 16th largest economy in the world to the 7th largest
- having 45 million members of the consuming/middle class to having 135 million members of the consuming/middle class
- having 53 per cent of its population living in cities, producing 74 per cent of the nation's GDP to having 71 per cent of the population in cities producing 86 per cent of the nation's GDP
- having 55 million skilled workers to needing 113 million skilled workers
- being a US\$500 billion potential market for consumer services, agriculture and fisheries, resources and education to a \$1.8 trillion potential market for those industries

Australia has signed a free trade agreement with Indonesia through AANZFTA and, in addition, both governments are currently negotiating a Comprehensive Economic Partnership Agreement (IA-CEPA).

Who did we meet?

Hon Nigel Hallett arrived ahead of me in Jakarta on 4 November and made a day trip, hosted by Richard Slaney (President Director, General Manager PT Elders Indonesia), to the **Elders feedlot** near Bandar Lampung in Sumatra. He will report on this independently.

Hon Phil Edman, who also arrived ahead of me on 4 November, joined Phil Turtle to meet with **Noke Kiroyan**, the President Director & Chief Consultant for PT Komunikasi Kinerja and Commissioner Director **PT Bis Industries**. After serving in the top management of many companies, Noke has a consultancy firm helping clients deal with reputational, social and communications issues. Amongst other responsibilities, he currently serves as Vice Chairman of the Indonesian Chamber of Commerce & Industry (KADIN Indonesia), is Chairman of the International Chamber of Commerce (ICC) Indonesia, Vice Chairman of the Partnership for Governance Reform in Indonesia and Member of the Council of Experts of the Indonesian Public Relations Association, and Advisor to the Australia-Indonesia Partnership for Economic Governance.

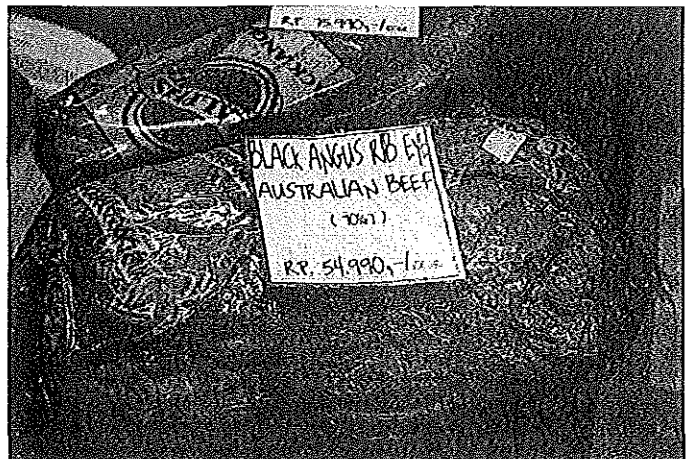
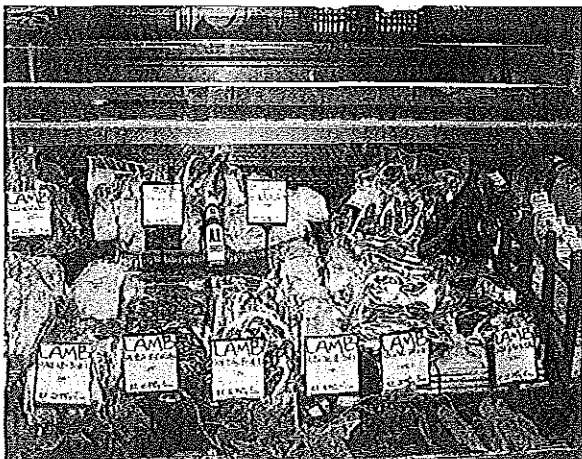
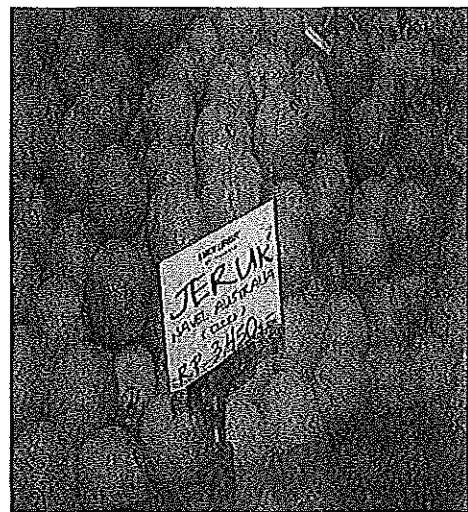
They also met with **Chris Barnes**, Managing Director **PT ICON International Communications Indonesia** which is a leading independent corporate communications company and is the exclusive affiliate in Jakarta of Katchum, one of the world's largest public relations companies. ICON provides strategic communications advice to global clients in Indonesia in industries such as banking, accounting, FMCG, education and logistics. Amongst other interests, Chris is a former National President of the Australia Indonesia Business Council and a former Director of the International Chamber of Commerce in Australia. Chris is an adviser on the Indonesia/Australia Comprehensive Economic Partnership Agreement.

This was followed by a meeting with **Bill Sullivan**, a Licensed Foreign Advocate in Indonesia for global law firm **Christian Teo Purwono & Partners**. He is regarded as one of Indonesia's leading experts on the local mining law and regulatory regime. His Indonesian experience stretches back to the early 1990's when he provided legal expertise in corporate and securities areas.

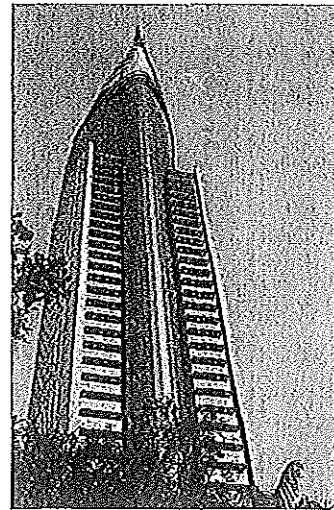
Phil Edman MLC will report independently on those meetings. I arrived that evening to join the WA delegation in an offsite meeting with Richard Slaney from **PT Elders Indonesia**.

This was followed on 5 November by a briefing at **Austrade** with **Kym Hewett** (Minister Commercial & Senior Trade Commissioner, Jakarta) along with representatives from DFAT and Treasury. Kym manages 20 staff in Jakarta, which is one of Austrade's largest posts. He joined Austrade in 1986 and has spent most of his career in Asia. I was surprised to learn that, after an initial interview, Austrade charges \$275 per hour for ongoing consultations – the WA Trade Office charges nothing.

Later that day the outgoing WA Regional Director, Kellie-Jane Pritchard, conducted us on a **tour of a 'Ranch Market' supermarket** where we were able see first-hand the marketing and promotion of Australian produce such as fruit and meat. It was educational, and affirming, to see the emphasis placed on the Australian label.



This was followed by a briefing with the Regional Director at the WA Trade office.



Amongst other responsibilities, the WA Trade office assists WA government and business with identification and growth of export opportunities and provides in-country assistance, market intelligence and analysis and market partners.

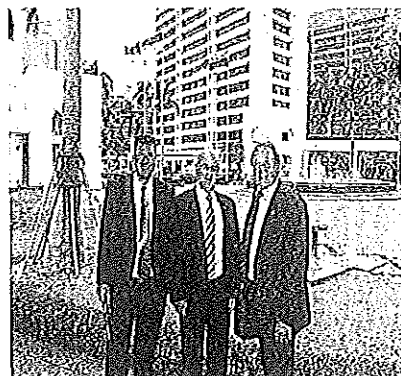
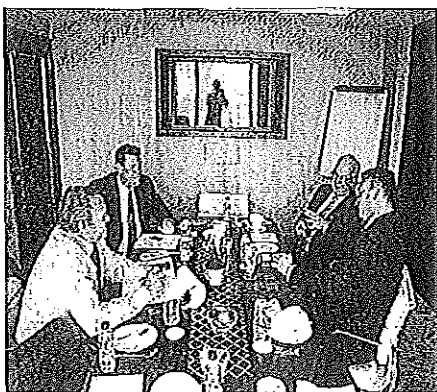
It also builds networks and relationships with market partners to facilitate business and trade opportunities, develops networks and forges partnerships to deliver business plan objectives.

In addition, the office works with the government of Indonesia to identify areas where WA can assist with capacity building, study tours and training to enhance relationships and knowledge.

It seemed to our delegation that this was a very comprehensive set of tasks if they were to be managed in future by one person, especially if that person was also responsible for providing individual advice to clients.

To close the day, the delegation also had discussions with **Ian Lynass** (CEO of **Bis Industries**).

ON 6 November the day started with a breakfast meeting with **Dr John Ackerman** (Regional Manager Indonesia for **Meat and Livestock Australia**) followed by a visit to the upmarket office of **Victoria's trade office** for discussions with their Commissioner, **Brett Stevens**.



The **ANZ bank**, which foresees enormous growth and opportunity in Indonesia, has recently established a high profile presence, and we met with their CEO **Joseph Abraham**.

Discussions from these meetings are summarised below.

What did we learn from our discussions?

Co-operative Bulk Handling: In preparation for the mission to Jakarta I spoke with CBH representatives Tom Puddy (Marketing & Trading) and David Fienberg (Lupins). CBH used the WA trade office when setting up Interflour, mainly for contacts and introductions, and has found the office very useful, particularly since deregulation.

They indicated that the WA trade office was a fantastic help for contacting relevant departments during negotiations over a VAT for the development of a Lupin market in Indonesia. There is still more work to be done before this market gets up, but they couldn't have progressed this far without the assistance of the WA office. Tom and David stressed that it is important for WA companies to have a WA office to assist with face-to-face meetings. (They have also used the WA office in Dubai and found that valuable). However, they said the WA Trade Office could be more pro-active, and certainly operated better under Regional Director Martin Newbury.

They also emphasised that WA needs to be at the forefront in Indonesia and said that the problem with Austrade is that it is not as good with opportunistic markets and it charges for its services.

After the banning of the live cattle trade it has taken a lot of work to repair relationships again but CBH is keen to undertake more investment in Indonesia. They also need assistance with government-to-government negotiations. They believe that there is a need for a WA office to push WA's case.

Australian Embassy, Jakarta: We met with David Engel, the Deputy Ambassador for a briefing on the current political landscape. He advised that:

- The President's platform focus is on delivering infrastructure services such as transport.
- There is a robust democracy and likely to be more reform. However, the new government is still an unknown factor so it would be wise to wait for a settling in period before making any judgements.
- By next March there should be a better understanding of how the Indonesian government is going to perform, especially given the selection of ministers and the assessment of their capabilities. However, some ministers are already known and will be approachable. There are already 14 agencies represented in the Embassy, and this concentration has been noted by Indonesia.

Treasury: Trevor Thomas & Edwina Stevens kindly made themselves available for a briefing and advised that:

- Whilst the long term growth projections are strong, the current Indonesian economy has slowed from 6% GDP to 5% GDP – however this good by world standards.
- There are heavy subsidies on fuel & power.
- They expect the USA to raise interest rates next year which will have a negative effect on the Indonesian economy.
- Indonesia is collecting less in taxes each year.
- Indonesia will be working towards self-sufficiency, with a preference towards exports rather than imports.
- Indonesia will be looking at the level of foreign investment.
- Indonesia rates Australia 12th as a trading partner.

DFAT: Dean Merrilees advised that:

- Indonesia is not close to self-sufficiency in agricultural commodities.
- There is a lack of take up of R&D.
- Problems with land tenure mean there is a restriction for any expansion of agriculture.
- They rely on imports of cattle from Australia.
- We need to look at our after-sales service.
- The new Agriculture Minister is unknown.
- The trade relationship in agriculture is 5-1 in Australia's favour.
- It has been noted we seem to be 'flying over' Indonesia to China (fly-over effect).

Austrade: Kym Hewett, the Senior Trade Commissioner commented that:

- There will need to be locally engaged staff.
- There is room for another office but he has not worked out how this will work.
- He has a view that the WA trade office has been effective.
- The advantage of having a WA trade officer in Austrade would be the in-house contact with 14 different agencies, but relationships matter and it will be seen as a negative if WA's office shuts.
- Austrade charges \$275 per hour for their services but the first 2-3 hour consultation is free.
- The Australian brand is strong in Indonesia.
- Education & Tourism are stronger in other states, and WA needs to do more work in these areas.
- Indonesia is like China and prefers face-to-face contact.
- Victoria has invested heavily into Indonesia.

WA Trade Office: Outgoing Regional Director Kellie-Jane Pritchard noted that:

- WA will need to upgrade office resources if more businesses are to be encouraged to use it.
- Ideally, the office needs a Commissioner, office manager, mining & gas person and an agriculture person.
- We may have to promote the office more in WA to make it more effective.
- There is a need for more senior Ministers to visit.
- They only moved to the new office in March this year
- The WA office has been in Indonesia for 23yrs, Victoria re-opened their office in January 2014, Queensland re-opened their office in March 2014 and NSW is not sure what they will do.
- There are huge opportunities in education, and Curtin School of Mines has been very active.
- Investment interest is only just starting, and the WA office operates on a set minimum investment level.
- The Regional Director's position has not been advertised this year.
- The Regional Director reports directly to DSD.
- A state representative has the advantage of reporting directly to State Government rather than possibly getting passed through the Austrade system.
- The Regional Director needs their own visa and to be recognised at a high level of Government.

Meat Livestock Australia: Dr John Ackerman advised that:

- There is a lot of focus on China but Indonesia should be included.
- Average household spending in Indonesia has lifted from 29% - 56%, and many households now have fridges and motorbikes.
- Ranch Market sells Australian products (see comments and photographs above on the supermarket tour with the Regional Director) but feels that they are not being serviced as well as they should be.
- MLA is now based in Sydney and the new CEO is closing regional offices in Australia.
- WA would not get the same representation from a junior officer in Austrade as we would from a senior person in our own office.
- Sometimes Indonesia can get a bit confused between Federal & State and may prefer to deal with Federal. This would depend on the quality of the person in the WA office.
- Indonesians prefer to meet face-to-face, not by emails, and sometimes it is hard to communicate.
- It has been a record year for boxed beef and the cattle trade, as there are no quotas now.
- It is an exciting time for Agriculture.

ANZ Bank: CEO Joseph Abraham told us:

- ANZ decided 6-7 years ago to connect with Asia and under their Super Regional Strategy they set up the largest retail branch outside of Australia in Indonesia.
- They now have \$3bl on their books.
- Indonesia's economy has been 2nd only to Australia in stability since the GFC.
- Japan rates Indonesia as No1 for investment.
- Singapore is used for tax and legal reasons when doing business.
- The ASEAN secretariat is based in Jakarta and believes Indonesia will be as important as India in 10yrs.
- We need to look at a long term investment.

Overall: the general message to us was that it is not a good idea to close the WA Trade Office and it is hard to see how putting an officer in Austrade will be as beneficial to WA as having our own office. By shutting the office we would risk damaging relationships with Indonesia and with a new Government in power we need to wait at least until next year to see how the new Government is going and which direction it will take.

After inspecting the new Victorian Trade Office it would seem that they believe it is an opportune time to heavily invest into an office in Indonesia. It does look like they are setting the example.

Why do we need to keep our trade office open?

Doing business in Indonesia is attractive, but doing business in Indonesia is also challenging. According to the World Bank's *Ease of Doing Business in Indonesia 2015* profile, Indonesia is ranked 114th out of 189 countries.

And there are other complications. Indonesia was ranked also 114th out of 177 countries on the "Corruption Perception" scale in the 2013 *Transparency International Corruption Report* – a challenge for the incoming President and a challenge for business. <http://www.ti-berlin.com>

The country's tax system is somewhat convoluted, but tax rates are still competitive on a global basis.

Whilst Indonesia performs well in the category of "protecting investors" (49th out of 185 countries) it ranks very low in the category of "starting a business" (the 2015 profile lists Indonesia as 155th out of 189 countries).

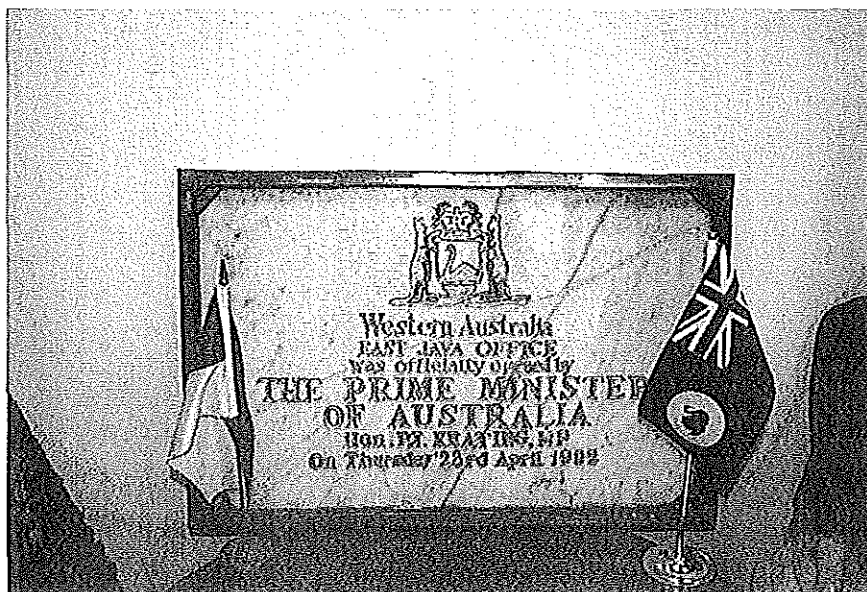
Victoria understands this and, apart from having high representation at its senior level (providing 'face') it also has eight local staff who can navigate through the nuances of the Indonesian system. So why are we reducing our presence to just one person?

What do we recommend?

Whilst a reduced full-time presence will provide a token continuity to WA's commitment to Indonesia, there is no guarantee that this will not affect our trading opportunities, especially given that other states are re-establishing their representation at a high level. In Asian countries the issue of 'face' is important and we need to be careful that we are not appearing to downgrade our representation and imply that Indonesia is not worthy of a Trade Commissioner level of representation.

Our delegation had frank discussions with several key Indonesian business industry representatives based in Jakarta, and in their view WA's trading status would be best served with a stand-alone trade office with a Trade Commissioner level of representation. Doing business in Indonesia is different to doing business in Australia – there are local planning and legal differences and different cultural practices.

We need to ensure the collective history of trade office dealings in Indonesia is preserved and the expertise in the nuances of cultural and political differences is maintained. We can't afford to downgrade 23 years of experience in an increasingly competitive market, especially at a time when Indonesia has a new government with new ministers.



There is some concern that locating the WA representative in Austrade will make our state less competitive at a time when other states are beefing up their presence because the main focus could be on an Australian trade presence rather than a WA trade presence.

The proposal to downsize and relocate the WA trade office presence in Indonesia was an internal decision by the Department of State Development, which comes under the Premier's portfolio, so we are hoping to persuade him to request the department to reconsider.

...end