

# **ECONOMICS AND INDUSTRY STANDING COMMITTEE**

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



**TRANSCRIPT OF EVIDENCE  
TAKEN AT PERTH  
WEDNESDAY, 9 SEPTEMBER 2020**

**SESSION THREE**

## **Members**

**Ms J.J. Shaw (Chair)  
Dr D.J. Honey  
Mr Y. Mubarakai  
Mr S.J. Price  
Mr D.T. Redman**

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**Hearing commenced at 10.50 am****Dr OM DUBEY****Director, Arnova Pty Ltd, examined:****Mr HARSH GROVER****Business Owner, Grover Projects Pty Ltd, examined:****Mr JAY VORA****Director, Aviva Energy Solutions, examined:****Mr MELVYN RUBEN GILBERT****Associate Director, Fortuna Advisory Group, examined:****Mr RAVEESH KARANIL JOHN****Community Spokesperson, Elisha Tours, examined:**

**The CHAIR:** Good morning, everyone. I am so sorry; we do have an incredible amount of evidence to get through this morning and we are running against a very hard time limit to get across the road for the proceedings of Parliament at midday.

On behalf of the committee, I would like to thank you for providing a public deposition to the committee's inquiry into Western Australia's economic relationship with the Republic of India. My name is Jessica Shaw and I am Chair of the Economics and Industry Standing Committee. I would like to introduce the other members of the committee. To my right is the Deputy Chair, Terry Redman, member for Warren–Blackwood, and Yaz Mubarakai, member for Jandakot. To my left is Stephen Price, member for Forrestfield, and David Honey, member for Cottesloe. It is important that you understand that any deliberate misleading of this committee may be regarded as a contempt of Parliament. Your evidence is protected by parliamentary privilege. However, this privilege does not apply to anything you might say outside of today's proceedings.

When it is your turn to talk, please sit at the table and state your name and the capacity in which you appear. You can then make your statement. You each have five minutes. To hear from as many people as possible this morning, I will have to enforce a strict time limit. I will give you a warning at four minutes and then indicate when your five minutes has concluded. I do apologise for the brevity. We can blame COVID! I invite you, Mr Dubey, to make your statement. Thank you.

**Dr DUBEY:** Thank you very much for giving me this opportunity. My name is Om Dubey. I am the director of a small company called Arnova Pty Ltd based in Cockburn Central. I am here to present the opportunities for WA businesses in the Indian smart technology sector and the challenges involved in entering into the Indian market and to propose the options for our state government to strengthen our ties between the state and India.

Just to give you a brief about this smart technology—it is a buzzword at the moment. It is an overarching term including a variety of technologies. It includes IoT hardware—like sensors, meters, gateways and cameras—which allows data acquisition from the source and controls and automates the whole process. In a nutshell, the aim is to improve the whole process. On the software side, it covers wireless communication protocols, such as wi-fi, Bluetooth, ZigBee and many more—big data, artificial intelligence and cloud monitoring. Again, it can have advanced analytics, blockchain,

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artificial intelligence and many more. The Indian smart technologies sector is skyrocketing and has actually acknowledged some of the world-class WA smart technologies that have been developed here locally.

India is growing rapidly in spite of many challenges and there is a growing cross-sectoral demand for smart technologies. From energy to agriculture, homes to cities, you name it, the application is there. It is basically beyond our own imagination, which presents a huge market opportunity to global technology providers. India's industrial IoT market is estimated to be worth over \$17 billion by end of this year in the next few months. India's Smart Cities Mission is in its infancy stage with a huge potential to expand. The initial investment in the mission is \$20 billion for 100 cities and will be extended to 4 000 smart cities. We are talking about each city having a population much more than Perth.

An investment of \$A13 billion is planned to revive utilities by installing smart meters and \$A67 billion is expected to be invested in smart grid infrastructure alone. Even the smart mining market will be over \$A14 billion by the end of this year. Similar opportunities also exist in class sectors like agriculture, retail, hospitality, manufacturing, and transport et cetera.

IoT is one of the most important aspects of smart technologies and India is expected to occupy 20 per cent of the global market share in the next five years. The overall market of IoT in the next five years is expected to be more than \$1 trillion, and that is a very conservative figure. The major challenges for WA businesses entering the Indian smart infrastructure sector includes participation in the tenders for projects. These tenders typically demand substantial local experience. They require bank guarantees and local establishment for the bidding of organisations. It is recommended that the government of Western Australia should develop a bilateral partnership so that Western Australian smart technology companies can export their products to India easily. The government of Western Australia can provide grants, incentives and soft loans for local companies so they can enter into the Australian smart technology markets. The WA government should build a partnership with the Invest India and Make in India schemes of the Indian government; provide grants to set up the local pilot projects to prove the technology and also to demonstrate the various applications, which we can do easily.

The state can support establishing Western Australian–Indian research and innovation hubs and centres and create linkages with Indian businesses, universities, research organisations and the government. WA research institutions and technology hubs should be supported for attracting Indian investment into this state, innovation development, strengthening R&D and commercialising the products that we already have. The state may also support local WA businesses by providing preferential opportunities for local businesses against businesses over east or from other international countries to build their capacity and prepare them for export. The state may also provide subsidy and rebate to Australian companies dealing with smart technology in setting up partnerships in India and thus promoting our products.

The state can strengthen engagement avenues by inviting elected members, bureaucrats and other decision-makers from India and demonstrate the technological innovations, applications and opportunities we have here. The policies supporting collaboration and partnerships with Indian and Western Australian companies in this smart technology would increase alliances and allow the businesses in both countries to expand their markets and economic prosperity.

**The CHAIR:** We do need to draw your comments to a conclusion if you would not mind; thank you.

**Dr DUBEY:** Yes. Making trade deals with the Indian government to consider Australian companies under a preferential trade arrangement for the Smart Cities Mission projects will have great

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economic impact and promote Australian smart technology in the Indian market. A few demonstration pilot projects will lead to huge market opportunities for future projects.

**The CHAIR:** I am so sorry; it is just that we really do need to move on. We are very happy to take supplementary submissions and if you want to give us your notes, we can incorporate that into the *Hansard*. Thank you so much. I do apologise.

Mr Grover, welcome.

**Mr GROVER:** Thank you for inviting me. I believe that you would have already seen my submission initially.

**The CHAIR:** Thank you, yes.

**Mr GROVER:** You would notice that I speak in more general and holistic terms because I think that is where this inquiry needs to then identify based on all the information you have got. I have a few dot points over here that I would like to talk to in the same way. I do realise, and everybody does, that the world is a very different place today compared to when I made my initial submission. The virtual summit between the two Prime Ministers—the Australian and Indian Prime Ministers—in June really elevated our relationship to a comprehensive strategic partnership, which then opens up a whole lot more opportunities. I will talk to a couple of those key opportunities in a minute. Of course, the geopolitical situation, especially in our region and with our relationship with China is going through a very interesting phase. So all these, and India's very aggressive marketing of its own country as a destination for Make in India and inviting companies, and people are doing that already—both Japan and the USA are investing in India to start to take that supply chain logistics out of China and share that a bit with India. They have a lot of strategic programs that India has put in place that we can leverage off.

[11.00 am]

Interestingly, our sister state, Andhra Pradesh, has again, three years in a row, been touted in India as the easiest state to do business with. This is something they started five or six years ago to look at which state is easiest to do business with. Andhra Pradesh for three years in a row is up there, so there is no way that we cannot do something there. Of course, when I mentioned that people are investing in India, despite a shrinking economy, they have managed to attract \$US20 billion-worth of investment into India in the April–July quarter. That is a significant amount of investment. For us to say that it is difficult to get to India, yes, it is. But what are we doing? I think that is where we need to be thinking of. The opportunities right now, it is like the iron is hot so let us strike there.

I will just pick up three key bits that came out of the comprehensive strategic partnership. There were two MOUs that I have identified. One is the MOU on cooperation in the field of mining and processing of critical and strategic minerals. We have already been doing that with lithium and all that, but then lithium is not the only strategic mineral. There are so many others—cobalt, graphite. There are a lot there. This MOU talks about both countries jointly deciding to cooperate on new technologies for the exploration and extraction of other minerals. One thing that we do need to look at is how can we not only attract Indian investment, but a bit of reciprocity would be really helpful. We need to encourage our mining companies to do more in India. The experience that Rio Tinto had way back with iron ore; the experience that there are companies right now for running mining services in India. There are those opportunities that we need to do a bit more with. The experiences that we have had before, that is good enough. That is one thing.

**The CHAIR:** One minute.

**Mr GROVER:** The next one is the MOU on cooperation in vocational education and training. The TAFE sector is absolutely critical that we do something with. There is an opportunity for TAFE WA

and private providers to design and deliver tailor-made vocational and skill training courses in India. TAFE New South Wales is on a panel in India, but not TAFE WA. They do not think about all the application of skills and all of that, so that is critical.

And the last one, which is not an MOU but is about energy, which is my area, is that India and Australia reiterated their commitment to enhance cooperation under the annual Australia–India Energy Dialogue. We need to take a bit more active participation in that energy dialogue because in Western Australia with our information and knowledge about DER and on microgrids—that kind of thing—and we have got companies like Power Ledger and Village Energy doing work over there.

**The CHAIR:** Thank you, Mr Grover. That is a topic very close to my heart. Mr Vora.

**Mr VORA:** Thank you for inviting me here. My name is Jay Vora. I am the director of a company called Aviva Energy Solutions. We have a presence in Canning Vale and Newdegate, which is a small town 400 kilometres east. Today I will just give my opinion on how we can establish this relationship between India and WA, mainly towards the agriculture industry because that is where we deal more. In my opinion, it could not be a better time than this when we can actually strengthen this tie between WA and India. India was WA's eleventh largest merchandise export market in 2019. We exported \$1.7 billion-worth of goods to India. The exported items were mainly petroleum, alumina and gold. India is WA's fifteenth largest source of merchandising imports, so there is a bit of room there to expand this relationship.

Talking about WA, we have over 7 000 farmers. I personally feel that Australian farmers are very passionate about what they do. They try to explore new technologies to make their job easier and increase their productivity. Especially, they have to be very cost effective as well to compete in the international market. The challenges they face in their day-to-day operation is water scarcity, equipment access, like good water pumps, and desalination plants. Over the past few years, drought has evidently been a big problem in WA and other parts of Australia. A cattle station we were just dealing with has been struggling with water for the last few years. They have ample water under the ground, but they could not access the technology because it is way too expensive to bring the value back. We actually considered them, we designed a plant for them and we have executed a system for them where they could get the money back within two years' time—the money they are spending over carting water right now. That actually makes their life much easier. They can expand their production. They can expand their operation as well.

The other technology, which is very new at this time, is the air to water generator. We realise that there are heaps of mine sites here and they have to cart water from the closest water source. It costs them lots and lots of money. There is a technology available in India where you can create water out of air, just out of humidity. Weather-wise, WA is very ideal for that. We have just got the distributorship for that product. To develop these kinds of technologies, we definitely need local government's help there. Australia has a huge agriculture market, whereas India can provide high-quality solutions for animal feed, aquaculture, water pumps, desalination plants, fertilisers and agricultural engineering products.

There is also one more aspect that came up out of our discussion with a farmer—the feasibility of processing a small part of the produce. They export around 80 per cent of their annual produce. Out of that, if they can process only 10 per cent of their produce locally here and supply and sell on an online market—they sell their canola seeds for \$600 per tonne; whereas if they process that same seed and they turn it into oil, they can sell it for \$3 a litre. They can sell the canola cake at a very high price as well. India engineers some of the best quality automatic processing plants now and they can be used here.

**The CHAIR:** One minute.

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**Mr VORA:** There has been a lot of talk about being self-sufficient in manufacturing in Australia, after the recent pandemic especially. The main constraint to manufacturing in Australia is our green policy, environment policy, high-level cost, and we cannot compete against cheap imported goods. In order to reduce Australia's imports, we can initiate buying semi-finished high-quality goods from India where the factor of pollution is looked after. We can just do the assembly lines in Australia where we can increase our employment and decrease the value of imports from overseas. Above all, it will enrich our economy with higher employment and reduced imports.

In order to make stronger economic relations between WA and India, green trade status needs to be opened up, and economic delegations, cultural delegations, need to be employed, with mutually accepted product standards and special economic zones to develop assembly and manufacturing lines. Basically, there is very big room to expand these ties.

**The CHAIR:** We will have to ask you to draw your comments to a close; I am so sorry. Thank you very much. We would be happy to take your notes as a supplementary submission.

Mr Gilbert. Good morning.

**Mr GILBERT:** Good morning. Honourable Chair and respected members of the committee, I thank you on behalf of Fortuna Advisory Group for this opportunity. As a winner of the Australian Accounting Awards, we provide multiple services like business advisory, legal, financial planning and mortgage broking. We are connected with India in many ways. Apart from being the birthplace of Dinesh Aggarwal, MD, and myself as associate director, India houses our backend office and provides administrative support. So I sit here today and speak from experiences of having worked in India, as an Indian, and with India as a proud Australian.

India's economy grew quite rapidly in the first decade of the twenty-first century. The trend unfortunately slowed down. In the first two years of Mr Modi's statesmanship, it performed quite steadily. It got disrupted due to effects of demonetisation in 2016 and the GST introduction in 2017.

[11.10 am]

The current COVID situation has proven to be further and, I would not be wrong in saying, extremely detrimental to the Indian economy. Despite these uncertainties, the country is poised for growth because of a very large domestic market and also a significantly large workforce.

To say the least on engaging with India under the present circumstances, I think our time is now. WA's time is now to attract investments from India more than ever and to do business on our terms more than theirs, because, although humble, WA's is one of the only economies in the world still rising while India's certainly is not.

At this time, I will speak micro-level information. International education could be a fantastic export avenue. Indian parents would rather see their children settled in life than save for retirement. A pathway to permanent residencies through some sort of state sponsorship would be nothing short of ideal for such parents; however, owing to the weakening rupee, VET colleges would be more attractive than universities. I believe it is time for us to flood the Indian social media with related advertisements and online study options that count for the same credit as if they were studying onshore.

With the current health concerns, obviously, tourism is not a feasible option at this time, but for when it picks up, I have got a couple of comments to make here. With visa-free transit facilities offered by layover countries like Singapore and Malaysia, I have little belief that Indians choosing leisure travel to Australia would want to fly directly to WA unless, of course, there are other reasons to do so. I would particularly like to raise the idea of promoting the sale of gold. Gold is considerably cheaper to buy from the Perth Mint than anywhere in India; however, this fact is little known

amongst Indians, with a majority of people still counting on Dubai as the most attractive destination for the same purpose.

I have got a couple of comments on minerals and energy, which I will send subsequently, but there is one point I would like to make about the reforms that the Modi government has brought in, which witnessed an increase in foreign investments. Now, with the current situation, this will expectedly go down in the months to come. Remittances from Indians living overseas in countries like ours, on the other hand, have significantly increased because of the weakening rupee, and they will continue to rise. As the saying goes, “You can take the boy out of India, but you cannot take India out of the boy.” Inviting such Indian Australians who are self-driven to invest in India purely because of the historic performance and affection for the motherland to short-term fund Australian ventures could be a feasible way of raising capital in the short to medium term, even when there is scepticism among Australians of non-Indian origin to do so.

With reference to advanced manufacturing, I would like to articulately mention exploring the development of specialised equipment at low cost, such as ventilators for the industry. With coronavirus-like situations, this will emerge as a big idea in the near future.

Finally, agricultural business has also, I believe, got great potential. While India has got a significant market in the country itself, India’s protectionist sentiments may make it difficult for WA investors and suppliers to have hassle-free experiences. This needs intervention at the government level to reduce that. On the other hand, we also believe WA is a lucrative destination to invite Indian investments in the agri-sector, because there will be a lot of high-end customers and consumers in India who would not mind paying premium prices for organic food, milk and cattle products. With that, I rest my submission.

**The CHAIR:** Thank you. You are the first one to finish without a buzzer, and you have literally zero, zero, one seconds. Very well done! Thank you.

Mr John, welcome.

**Mr JOHN:** I will try to save you one minute. I will read a little bit faster.

Good morning, everyone. I would like to take this opportunity to thank the committee for accepting my submission and inviting me for the public deposition. Special thanks to Yaz Mubarakai, MLA, for inviting me for the submission. Thank you.

I am from the southern part of India, the state called Kerala. I moved to England in my mid-20s and moved to Western Australia six years ago with the hope of spending the rest of my life in this land of endless exploration.

Today, I am standing here as a community spokesperson, and I was a part of the family tourism business back home. Today, I would like to touch on tourism and international education. I am not here to improve our family business back home. My clear intention is, while the government is looking to improve economic relationships with India: better access for bilateral tourists, better future opportunities for international students, affordable healthcare for international students and to see decreasing help requests from international students to the community organisations.

International education: Indian students are always looking for better education. Now, Western Australia is a well-known destination for students from Kerala for their higher education. I am involved with many community organisations, and as the international student number increases, we are seeing increased numbers of students approaching community organisations for help in many areas. To attract more international students from India and to improve the students’ life so they can focus more on their studies, I would like you to consider the following matters: affordable health insurance for international students or consular Medicare assistance; educational institutions

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to provide at least the first three months' accommodation at an affordable cost; direct flights from popular destinations of India—students are facing difficulties finding jobs for study while they are on temporary residence visas—government input to encourage employers to employ while they are on temporary residence visas; strict measures to make sure that all student employees are getting paid about minimum wages; attractive fees; and flexibility in their study times, like allowing online study.

Urgent attention is required for the following matter. Currently, there are more than 318 students waiting to come to Perth from Kerala for their bridging course in one of the colleges in Perth. They are only required at three months' cost to become registered nurses. Being a nurse myself, I know due to the current situation and high surgical activities, we are short of nurses in many hospitals across WA. This particular college in Perth is ready to organise a chartered flight for these students and to follow all the quarantine protocols, but they require permission to operate a chartered flight. If they are able to reach Perth as soon as possible, within a short period of time, we will be able to add another 300 nurses to the health sector, which will be helpful in the current situation. I request your urgent attention for this matter, and I am happy to assist you on this matter.

**The CHAIR:** I suggest you perhaps direct that to the Minister for Health. That would be the best avenue to make that recommendation, but thank you.

Tourism: Kerala was bestowed with the “God’s own country” title by Walter Mendez in the 1980s. The pride of Kerala is its gorgeous and exotic beaches, breathtaking hill stations and haunting waterfalls, beautiful lagoons, meandering rivers and amazing natural sceneries. Australians love to travel, and Kerala is becoming one of the popular destinations. As for the 2018 statistics from the Kerala tourism department, 38 617 Australians visited Kerala in the year of 2018. Singapore and Malaysia are becoming popular destinations for Keralites due to various reasons. To improve the bilateral relationship and attract more tourists bilaterally, I will recommend the following for your consideration: direct flights from Perth to Kochi to make it easily accessible; attend trade fairs and symposiums like Kerala Travel Mart, the trade fair that takes place in Kochi every second year—due to the COVID-19 outbreak, this trade fair is postponed to next year; in 2018, Kerala Travel Mart was attended by 28 buyers from Australia, but as far as I am aware, no official representatives from Western Australia went—invite Kerala tourism department for the promotion and publicity; and discount entry tickets for international tourists.

Final note: India is one of the most ethnically diverse nations in the world. India has diversity in land, religion, language, clothes, food and climate. All this makes India a unique and diverse nation, so every state’s needs and desires are different. I would encourage you to make a subcommittee with the members from different states, and the subcommittee should meet at least every three months. I am confident this move will make a better understanding of different states and, long term, will benefit Western Australia’s economic relationship with India. I am happy to offer my support and willingness to work with the committee to improve the economic relationship with India.

Thank you.

**The CHAIR:** Thank you. There you go. Perfect.

Thank you everyone for your evidence to the committee. A transcript of the public depositions will be emailed to you for the correction of minor errors. Any corrections to the transcript must be returned within seven days of receipt. If the transcript is not returned within this period, it will be deemed to be correct. New material cannot be added via these corrections, and the sense of your evidence cannot be altered. If you wish to provide additional information or elaborate on particular points, please provide a supplementary submission for the committee’s consideration.

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Thank you and sorry to hurry you through again. We are working to a very tight timetable. Thank you.

**Hearing concluded at 11.20 am**

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